

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Philippines

NINETEENTH CONGRESS
Second Regular Session

¹House Bill No. **8783**



Introduced by **HON. NICANOR M. BRIONES**
Representative, AGAP Party List

EXPLANATORY NOTE

Amidst the threats of African Swine Fever and Avian Influenza, we remain hopeful in securing the future of the livestock and poultry industry in the country as the demand for livestock and poultry meat and meat products remain high. Along with this is the corresponding need to ensure the stability of the corn industry, particularly the local production of yellow corn which is mainly used for animal feed products.

The yellow corn industry continues to face various challenges despite the implementation of the Department of Agriculture's National Corn Program. According to the Philippine Yellow Corn Industry Roadmap 2021-2040, the country recorded fifty-seven percent (57%) sufficiency of yellow corn for feed use in 2020. Local production of yellow corn reached 6.01 million metric tons in 2020. Meanwhile, in 2022, local production was only 6.1 million mt. On the other hand, demand for yellow corn in 2022 reached 8.9 million mt according to stakeholders. Thus, there is a recorded deficit in yellow corn supply, compelling the government to resort to importation.

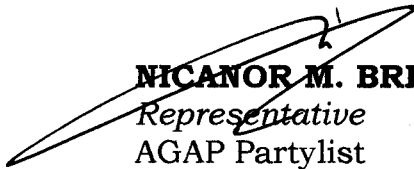
Based on the Roadmap, 74% of the yellow grains produced locally are used for feeds. While local production seems adequate, it is important to take note of post-harvest losses that significantly affect the quality and quantity of available feeds. It was reported that wet season crops have high pre-drying moisture content, but current small-scale mechanical dryers are not enough to meet demand, while solar drying was not deemed reliable in terms of quality.

This was substantiated by reports that existing drying facilities can only accommodate 7 mt for drying. Meanwhile, 1 hectare can produce 15 mt of corn. Hence, 1 hectare of corn harvest can take up to 3-4 days of drying. Given the total number of hectares for corn in the country at 2 million, existing drying facilities are clearly insufficient. This is apart from the lack of storage

facilities. The yellow corn industry is in dire need of support.

As a complement and supplement of the Livestock, Poultry, and Dairy Competitiveness Enhancement Fund, the Corn Competitiveness Enhancement Fund aims to ensure adequate supply of yellow corn to support food production and sustain food supply. This bill is filed, in consultation with stakeholders, to address the prevailing needs of the industry, particularly post-harvest facilities. As this bill puts primary focus on post-harvest facilities which the local farmers ask for, it is hoped that we can produce quality corn and lessen post-harvest losses. This bill hopes to augment and improve local capacity and production in order to ensure food self-sufficiency in the coming years.

With the foregoing premises considered, the approval of this bill is earnestly sought.



NICANOR M. BRIONES
Representative
AGAP Partylist

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AN ACT
TO DEVELOP AND PROMOTE THE YELLOW CORN INDUSTRY, TO
ENHANCE THE AVAILABILITY OF AFFORDABLE AND QUALITY FEEDS,
TO PROVIDE FOR A CORN COMPETITIVENESS ENHANCEMENT FUND,
AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in congress assembled:

SECTION 1. Short Title of Act. - This Act shall be known as the "Yellow Corn Industry Act of 2023".

SEC. 2. Declaration of Policy. – It is the declared policy of the State to promote the development and competitiveness of the yellow corn industry, particularly the small-hold farmers, in order to increase the supply of yellow corn, and to enhance the availability and affordability of feeds, as support to the livestock, poultry, and dairy industry. It is likewise the policy of the State to increase the income of farmers and farm workers, and to alleviate rural poverty through improved productivity and competitiveness, enhanced production efficiency, and protection of the yellow corn industry from pests and diseases through mechanization, extension and training support programs.

Towards this end, the State shall nurture an enabling environment and establish responsive government policies and support programs for the small-hold yellow corn farmers and give prime focus to the development of the yellow corn industry, in support of the livestock, poultry, and dairy industries, in the country.

The State recognizes the vital role of the private sector as partners in the various facets of the yellow corn industry, and the organization of yellow corn farmers to be more competitive, and shall provide incentives and needed support to encourage stronger partnership and consolidation.

SEC. 3. Definition of terms. – As used in this Act, the following terms and phrases shall mean as follows:

- a) Corn refers to yellow corn which is largely utilized for animal feed in the country;
- b) Department refers to the Department of Agriculture;
- c) Feeds refers to animal food for livestock, poultry, and dairy producing animals which includes, but not limited to yellow corn, forages, feed wheats. It also refers to the mixture of different products such as bran, sharps and other residues, other cereals, and leguminous plants such as beans, soybeans, peas, peanuts; residue of starch manufacture like manioc (cassava or sago), beet pulp, sugarcane pulp (bagasse, and brewing and distilling dregs and wastes; oil seeds (oil cakes) and other residues like ground nuts, cotton seeds, linseed, sunflower seeds, rape or colza seeds, coconut or copra, palm nuts or kernels and maize; vegetable materials and vegetable waste; and preparations used for animal feedings;
- d) Small-hold Farmer refers to a farmer owning or cultivating four (4) hectares or less of farmland;

SEC. 4. National Single Window. – The Department and the Bureau of Customs (BOC) shall harmonize its efforts towards the implementation of the National Single Window as a reliable institutional platform for inter-agency collaboration on efficient facilitation of trade.

SEC. 5. Lifting of Export Restrictions on Corn. – All laws, rules, regulations, guidelines, and other issuances imposing export restrictions on corn, except those related to the prevention and spread of plant, animal pests and diseases, are hereby repealed.

SEC. 6. Lifting of the Authority of the National Food Authority. – The authority of the National Food Authority (NFA) on corn under Presidential Decree No. 194 are hereby repealed.

The NFA shall liquidate and report the accomplishment of its existing corn marketing assistance program and its corn development fund, enhanced electronic trading system for corn. The remaining funds shall be transferred to the DA-National Corn Program for exclusive allocation to the development of the yellow corn.

SEC. 7. Powers of the President. – Consistent with the national interest and the objective of safeguarding the corn farmers and consumers, the President is hereby empowered to act with full delegated authority subject to the provisions of the Customs Modernization and Tariff Act (CMTA), in the following circumstances:

- a) The President may revise or adjust existing rates of customs duties on corn and feed import up to their respective bound rates committed by the Philippines under the WTO agreement on agriculture and under ASEAN Trade in Goods Agreement (ATIGA) including any necessary change in classification applicable to their importation, *Provided*, that the adjustment is time-bound and that the power herein delegated to the President shall only be exercised when Congress is not in session: *Provided, further*, that any order issued by the President adjusting the applied tariff rates shall take effect fifteen (15) days after publication.
- b) In the event of any imminent or forecasted shortage, or such other situation requiring government intervention, the President is empowered for a limited period and/or a specified volume to allow the importation of corn and feed products at a lower applied tariff rate to address the situation, *Provided*, that the power herein delegated to the President shall only be exercised when Congress is not in session: *Provided, further*, that such order shall take effect immediately.

Upon resumption of session, the power herein delegated to the President shall be immediately reviewed by Congress and may be withdrawn or terminated through a Joint Resolution.

SEC. 8. Creation of the Corn Competitiveness Enhancement Fund.

— There is hereby created a Corn Competitiveness Enhancement Fund, herein referred to as the “CCEF”.

The CCEF shall consist of an annual appropriation of two billion and eight-hundred million pesos (Php 2,800,000,000.00) sourced from tariff collection on imported corn, feed wheat, feeds and other products and ingredients for feeds in the next six (6) years following the approval of this Act.

It shall be automatically credited to a special account in the general fund of the national treasury which shall be in place within ninety (90) days upon the effectivity of this Act. *Provided*, that if the tariff collection from the corn and feed wheat importation exceeds two billion and eight hundred million pesos (Php 2,800,000,000.00) in any given year within the next six (6) years following the enactment of this Act, the excess tariff revenue shall be earmarked by Congress and added to the CCEF included in the GAA of the following year.

Provided, further, that the corn development fund, created under Presidential Memo No. 468, dated March 17, 1998, held in trust by the NFA, is hereby dissolved and the remaining balance is hereby transferred to the DA-National Corn Program.

Provided, furthermore, that the allocation and utilization of the CCEF

shall be subject to the guidelines below:

- a) The Secretary of the DA shall be accountable and responsible for the management and utilization of the said fund in coordination with other government agencies concerned;
- b) The amount allocated shall be released directly to the implementing agencies as provided for in this Act based on the objectives and plans of the Corn Industry Development Roadmap, created in Section 4 of this Act. *Provided*, that the unutilized portion of the CCEF allocated to the implementing agencies shall not revert to the general fund but shall continue to be used for the purpose for which it was set aside. Fund releases charged against the said funds shall not be subject to any ceiling by the DBM; and
- c) Any program undertaken in accordance with this Act shall only be deemed complementary and supplementary to and shall not be a replacement of any existing programs for farmers already implemented by the DA and other agencies concerned.

SEC. 9. Allocation and Disbursement of the Corn Competitiveness Enhancement Fund. – Subject to the usual accounting and auditing rules and regulations, the CCEF shall be allocated and disbursed, as follows:

- a) Eighty percent (80%) for mechanization of corn farms, to be implemented by PhilMech as grant in kind to eligible farmers' associations or organizations, registered corn cooperatives, and LGUs in the form of corn farm equipment such as tillers, tractors, rotary seeders, sprayers, harvesters, corn shellers, mechanical dryers, and the like, and the establishment and improvement of post-harvest centers (including corn-silage facilities), and warehouses and/or silos;
- b) Five percent (5%) for corn seed research and development, promotion, and provision of high yield corn varieties;
- c) Five percent (5%) for credit facility with minimal interest rates and documentary requirements and no collateral requirements, to corn farmers and cooperatives, to be managed equally by the Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP);
- d) Five percent (5%) as direct financial assistance to be released and implemented by the DA-National Corn Program for corn farmers greatly affected by pest or diseases, natural disasters, or any tariff adjustments and modification, and may be based on the changes in the farmgate price, *Provided*, that the duration of the financial assistance is limited during corn harvest season where the corn farmers are adversely affected;

- e) Three percent (3%) for support extension and training activities to increase corn productivity, and for scholarships and training course grants by the TESDA. The fund shall be distributed equally to ATI, TESDA, and PhilMech; and
- f) Two percent (2%) for organizing and clustering of smallhold corn farmers into formal groups, cooperatives or organizations, to be implemented by the Cooperatives Development Authority (CDA).

SEC. 10. Beneficiaries of the CCEF. – The beneficiaries of the CCEF shall be those small-hold corn farmers, farmworkers, and their dependents listed in the Registry System for Basic Sectors in Agriculture (RSBSA), and corn farmer cooperatives, associations, or organizations accredited by the Department.

Provided, further, preferential attention should be given to small-hold corn farmers who are members of cooperatives, associations or organizations.

Within one hundred eighty (180) days from the effectivity of this Act, the Department, in consultation with farmers' cooperatives and organizations, and LGUs, shall validate and update the master list of eligible beneficiaries to ensure that those listed are legitimate raisers, farmers, farmworkers, cooperatives, associations, and organizations.

SEC. 11. Review of the Corn Competitiveness Enhancement Fund. – The following mandatory review of the CCEF shall be performed:

- a) The Philippine Institute for Development Studies (PIDS) shall conduct impact evaluation of the CCEF programs to corn productivity on the second (2nd), third (3rd) and sixth (6th) year of the effectivity of this Act;
- b) The percentage allocation of the CCEF shall be reviewed on the third (3rd) year from the effectivity of this Act for possible revisions should intervention priorities change; and
- c) Before the end of the sixth (6th) year from the effectivity of this Act, a mandatory review shall be conducted by the Congressional Oversight Committee on Agricultural and Fisheries Modernization (COCAFAM) to determine whether the CCEF and its utilization as provided for under this Act shall be continued, amended, or terminated. The increase or decrease in farmers' incomes shall be a primary benchmark in determining the effectiveness of the interventions under the program and its possible extension;

In view of its oversight function, the COCAFMD, at any time, may conduct an assessment of the implementation of programs and utilization of CCEF as directed under this Act.

SEC. 12. *Implementing Rules and Regulations.* – Within forty-five (45) days from the effectivity of this Act, the DA-National Corn Program shall, in coordination with the BPI, PhilMech, ATI, TESDA, CDA, DBM, DTI, NEDA, DOF, DBP, LBP, PSA, and other government agencies concerned, formulate the rules and regulations for the proper implementation of this Act.

SEC. 13. *Separability Clause.* – If any provision of this Act shall be held unconstitutional or invalid, the remaining provisions which are not affected thereby shall continue to be in full force and effect.

SEC. 14. *Repealing Clause.* – All other laws, decrees, executive orders, rules, or regulations inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SEC. 15. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,