

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
2nd Regular Session

House Bill No. 9053



Introduced by Representative PAOLO Z. DUTERTE

EXPLANATORY NOTE

The Philippines is one of the most prone countries to natural and climate-change-induced disasters and calamities. It is also among the countries that are widely affected by the complexity of global oil dynamics wherein a number of consumers and sectors suffer the brunt of expensive fuel—making basic commodities, and all other products included, unaffordable.

In a country that is largely agricultural, forty-two percent (42%) of agricultural lands in the country's total land area, the Philippines has been tremendously affected by the inevitable natural calamities, worsening climate change, fluctuating economic forces and unforeseen global pandemic. Under such circumstances, prices of farm inputs continue to skyrocket and agricultural lands continue to be exposed to dilapidation, thereby increasing vulnerability among the country's farmers. The current increase in commodity prices including fertilizers, farming compounds and equipment and the loss of their agricultural produce and revenue due to various phenomena serve as a double whammy to the local farmers whose majority already fall below the poverty line.

Farmers serve as the backbone of our country because without them, our country will be shut into famish. This is for the fact that farmers feed not only their families through their produce but the entire nation as well. Unfortunately, the support and assistance they are receiving are not commensurate to their vital contribution to the country's food security. Until now, they remain as one of the poorest sectors in the society.

The 1987 Constitution highlights the State mandate to provide support to agriculture through appropriate technology and research, and adequate financial, production, marketing, and other support services. It is in this regard that this bill seeks to implement a Production Subsidy Program to target farmer and fisherfolk beneficiaries affected by the increasing cost of farm inputs due to rising fuel prices, economic disruptions due to the COVID-19 pandemic, and series of calamities. This shall facilitate their prompt recovery from the impacts of the phenomena which usually lead to uncompensated losses, financial burden, and unpaid debts.

In view of the foregoing, approval of this bill is earnestly sought.

A handwritten signature in black ink, appearing to be 'PAOLO Z. DUTERTE', written over the printed name.

HON. PAOLO Z. DUTERTE

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AN ACT

PROVIDING FOR A FIFTEEN THOUSAND PESOS (P15,000) PRODUCTION SUBSIDY FOR FARMERS AND FISHERFOLKS AFFECTED BY INCREASING COST OF FARM INPUTS, RISING FUEL PRICES, ECONOMIC DOWNTURN AND CALAMITIES AMID THE COVID 19 PANDEMIC

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

SECTION 1. *Short Title.* - This Act shall be known as the "P15K Production Subsidy for Farmers and Fisherfolk Act of 2023."

SECTION 2. *Declaration of Policy.* - It is hereby declared the policy of the State to free the people from poverty through policies that provide adequate social services, a rising standard of living, and an improved quality of life for all.

The State must ensure that Filipino farmers and fisherfolk are afforded with significant and necessary support to aid them in their food production and livelihood. Towards this end, the State shall provide an immediate, quick-release, and unconditional production subsidy to farmers and fisherfolk.

SECTION 3. *Definition of Terms.* - The following terms as used in this Act shall be referred to as the following:

- a. **Farmers** - Farmers refer to those who earn their income by working on the land. As used in this Act, it includes agricultural workers, fisherfolk, indigenous peoples, including rural women, and workers in cattle and livestock farms, aquaculture, and pasture lands.
- b. **Fisherfolk** - are those engaged in the production, growing, harvesting, processing, marketing, developing, conserving, and managing of aquatic resources and fisheries areas
- c. **Production Subsidy** - Necessary government support in the form of cash that will augment the capacity of farmers and fisherfolk to continue their farming and fishing activities.

- d. **Poor families** - are those whose monthly income stands at less than P23,660.
Low-income families - are those whose monthly income stands between P23,660 to P60,000.

SECTION 4. *Production Subsidy Program.* - A Production Subsidy Program shall be implemented to cover 9.7 million farmers and fisherfolk affected by increasing cost of farm inputs such as fertilizer, rising fuel prices, economic disruptions due to the COVID-19 pandemic and those who are affected by the series of calamities. Provided that a fixed one-time production subsidy of Fifteen Thousand Pesos (Php15,000.00) shall be provided to each of the beneficiary-family. Provided further, that the availment of the Production Subsidy Program should not affect the eligibility of a farmer and/or a fisherfolk to other social protection and livelihood support programs. Provided finally, that a definite and actual list of 9.7 million beneficiaries of the production subsidy program shall be finalized and submitted by the Department of Agriculture (DA) and the Philippine Statistics Authority (PSA), in coordination with local government units, to Congress two (2) weeks after the effectivity of this Act.

The sum of One Hundred Forty-five Billion and Five Hundred Million Pesos (Php 145,500,000,000.00) is hereby appropriated to the Department of Agriculture for the implementation of this Section.

SECTION 5. *Eligibility.* - To be eligible under this Act, a farmer and or fisherfolk must be classified as poor and low-income, and must include as member of any of the following:

- a. Beneficiaries of the Pantawid Pamilyang Pilipino Program (4Ps)
- b. Beneficiaries of the Unconditional Cash Transfer (UCT) program
- c. Farmers and fisherfolk who are not beneficiaries of 4Ps or CT but earned less due to the rising cost of farm inputs, rising fuel prices and effects of calamities.

SECTION 6. *Form and manner of payment.* - The one-time Production Subsidy shall be released to target beneficiaries either in cash or via electronic payment or any banking or non- banking service, whichever is more practical and acceptable to the beneficiary, in the most expeditious manner within the period covered by the program.

SECTION 7. *Waiver of fees.* - Any transaction or service fee arising from the payment of cash subsidy to target beneficiaries, whether through banking or non-banking modes of cash transfer, is hereby automatically waived. For this purpose, the Department of Agriculture shall enter into a memorandum of agreement (MOA) with banking institutions and financial service providers.

SECTION 8. *Sources of funding.* - For the implementation of Section 4 of this Act, the herein production subsidy shall be funded from the following:

- a. 2022 General Appropriations Act (GAA): Provided, That funds for the herein authorized programs, activities and projects (P/A/Ps) shall be sourced primarily from the unprogrammed funds and savings realized from modified, realigned, or reprogrammed allocations for operational expense of any government agency or instrumentality under the Executive Department, including, but not limited to, traveling expenses, supplies and materials, expenses, professional services, infrastructure projects, general services, advertising expenses, printing and publication expenses, and other maintenance and operating expenses in the 2022 GAA: Provided, That such discontinued P/A/Ps do not support the objectives of economic stimulus and recovery for having low labor intensity or low multiplier effects: Provided, further, That infrastructure, having the highest multiplier effect can only be discontinued when all other funds, including unobligated allotments and unreleased appropriations, have been exhausted.

Notwithstanding the provisions of this Act, the discontinued P/A/Ps may be revived at any time after the COVID-19 pandemic has ceased, and notwithstanding the provisions of Republic Act No. 11639 or the "General Appropriations Act of 2022", may be revived and proposed for funding within the next two (2) fiscal years.

- b. Savings pooled pursuant to Republic Act No. 11469, otherwise known as the "Bayanihan to Heal as One Act" and Republic Act No. 11494, otherwise known as "Bayanihan to Recover as One Act":
- c. Excess revenue collections in any one of the identified tax or non-tax revenue sources from its corresponding revenue collection target, as provided in the FY 2022 Budget of Expenditures and Sources of Financing (BESF):
- d. New revenue collections or those arising from new tax or non-tax sources which are not part of nor included in the original sources included in the FY 2022 BESF:
- e. Any unutilized or unreleased balance in special purpose funds (SPFs), including, but not limited to, funds appropriated towards the Barangay Development Program, shall be considered to have their purpose abandoned. All such unspent, unutilized, or unreleased money or funds sourced from SPFs shall be utilized and are hereby appropriated for such measures to address the COVID-19 situation and to accomplish the declared national policy herein;
- f. Cash, funds, and investments held by any GOCC or any National Government Agency: Notwithstanding any law to the contrary, the President is hereby authorized to allocate cash, funds, investments, including unutilized or unreleased subsidies and transfers, held by any GOCC or any National Government Agency in order to address the COVID-19 Pandemic; and

- g. Unused appropriation for debt servicing: Notwithstanding any law to the contrary, the President may direct the discontinuance of unutilized automatic appropriations for debt service and available appropriation for redemption of maturing government securities and use the savings generated therefrom to augment the allocation for any item necessary for the purposes identified in this Act.

All amounts so reprogrammed, reallocated, or realigned shall be deemed automatically appropriate for the said purposes: Provided, That for interest payments, the savings will be generated from the unused appropriations after actual payment of interest per month as reported by the Bureau of Treasury to the DBM: Provided further, That for principal repayment the savings will be generated from the funds freed up as a result of a debt exchange by the Bureau of Treasury.

For succeeding implementation of this Act, the amounts necessary to carry out the provisions of this Act shall be included in the annual General Appropriations Act (GAA) and shall be appropriated under the Department of Agriculture in accordance with the provisions of this Act.

SECTION 9. *Separability Clause.* - If, for any reason, any portion or provision of this Act shall be held unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in full force and effect.

SECTION 10. *Repealing Clause.* - Any law, presidential decree or issuance, executive order, letter of instruction, department order, administrative order, rule or regulation contrary to, or inconsistent with the provisions of this Act is hereby repealed, modified or amended accordingly.

SECTION 11. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,