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HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

NINETEENTH CONGRESS
Second Regular Session

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HOUSE BILL NO. 10517

Introduced by
HON. ATTY. GERVILLE "JINKY BITRICS" R. LUISTRO

AN ACT TO DEVELOP, PROTECT, AND PROMOTE THE LIVESTOCK, POULTRY, AND DAIRY INDUSTRIES AND THEIR VALUE CHAIN, TO PROVIDE FOR A LIVESTOCK, POULTRY, AND DAIRY COMPETITIVENESS ENHANCEMENT FUND, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The Philippines annually imports livestock commodities worth between US$3-4 billion. Data from the Philippine Statistics Authority (PSA) reveals that from 2010-2015, the nation imported an annual average of 164,000 metric tons of pork, 55,000 metric tons of beef, 37,000 metric tons of carabeef, and 128,000 metric tons of dressed chicken. Imports constitute approximately 9% of pork, 22% of beef and carabeef, and 11% of poultry consumption. Additionally, over 95% of the country's milk and dairy product requirements are met through imports. Consequently, the Philippines is not self-sufficient in several agricultural commodities, notably in the livestock, poultry, and dairy sectors.

The Swine Situation Report from the PSA indicates that in 2021, the volume of imported pork reached 488,220 metric tons, marking a 171.7% increase from 179,699 metric tons in 2020. During the second quarter of 2021 alone, pork imports surged by 433.6%, rising from 31,272 metric tons in the same quarter of 2020 to 166,876 metric tons in 2021.

In terms of chicken meat, the total import volume in 2021 was 390,370 metric tons, reflecting a 16.2% rise from the 336,040 metric tons recorded in 2020, as per the Chicken Situation Report of PSA. The Bureau of Animal Industry (BAI) reported that chicken meat imports in 2020, comprising 45% of the total volume, grew by 18.32% to 402.7 million kg from 340.332 million kg in 2019. Mechanically deboned meat (MDM) of chicken accounted for about 68% of these imports, which is crucial for processed meat production. MDM imports increased by 10% to 273.814 million kg from 219.061 million kg in 2019.

Regarding beef, the PSA's Cattle Situation Report for 2021 recorded a total import volume of 438.59 thousand metric tons, representing a 110% increase from the previous year's figure of 208.83 thousand metric tons. The value of imported beef in 2021 was USD 951.80 million, which was 87.3% higher than the 2020 value of USD 508.22 million.

Notably, pork imports experienced a decline in 2020 due to the global pork supply constraints caused by the African Swine Fever (ASF) outbreaks in major pork-producing countries. This led to a decrease in pork's share of the Philippines' annual meat imports to 28.61% from the typical 40%. BAI data showed that pork imports in 2020 fell to a six-year low of 256.017 million kg from 335.786 million kg in 2019.

The National Dairy Authority reports that the Philippines imports 99% of its dairy products, particularly milk powder, because domestic production falls short of meeting the country's annual dairy demand of nearly 3.0 million metric tons (MMT) liquid milk equivalent (LME).

The livestock, poultry, and dairy sectors in the Philippines are in dire need of support. For many years, these sectors have received limited government attention and development assistance. Given the increasing concerns about food security, there is an urgent need to revitalize the poultry and dairy sectors.

This legislative measure aims to stimulate the growth of the livestock, poultry, and dairy industries, positioning them as key drivers of economic growth, essential components of agriculture, and significant providers of rural employment.

The proposed bill aligns with Section 12, Article XIII of the 1987 Philippine Constitution, which mandates the State to promote the preferential use of Filipino labor, domestic materials, and locally produced goods. Furthermore, the Agricultural and Fisheries Modernization Act of 1997 (Republic Act No. 8435) emphasizes the importance of enhancing agricultural productivity and ensuring food security. In the case of Tano v. Socrates (G.R. No. 110249, August 21, 1997), the Supreme Court recognized the essential role of local government units in supporting agriculture and fostering economic development. Moreover, the landmark case of Tañada vs. Angara (G.R. No. 118295, May 2, 1997) underscores the government's obligation to support agricultural development and food security, further emphasizing the necessity of this bill.

By providing targeted support and developmental assistance to the livestock, poultry, and dairy sectors, this bill seeks to fulfill constitutional mandates and legislative objectives, ultimately contributing to national food security and rural economic growth.

In view of the foregoing, approval of the Bill is earnestly sought.

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

TITLE I

PRELIMINARY PROVISIONS

Section 1. Title. - This Act shall be known as the "Livestock, Poultry, and Dairy Development and Competitiveness Act of 2023."

Section 2. Declaration of Policies. - It is hereby declared the policy of the State to promote the development and competitiveness of the livestock, poultry, and dairy industries, particularly the backyard livestock, poultry, and dairy raisers, in order to increase the supply of meat, eggs, milk, and other livestock, poultry, and dairy products, to improve the domestic supply of breeders, to enhance the availability and affordability of feeds and forage, to promote food safety and quality standards, and to attain greater security in food, livestock, poultry, and dairy commodities. It is likewise the policy of the State to increase the income of farmers and farm workers and to alleviate rural poverty through a) improved productivity and competitiveness, product diversification, and job

generation, b) enhanced production efficiency, and c) increased protection of the livestock, poultry, and dairy industries from pests and diseases.

Towards this end, the State shall nurture an enabling environment by 1) establishing more responsive government policies and support programs to develop the whole value chain of the livestock, poultry, and dairy industries in the country and 2) by raising the cost-effectiveness of regulations on animal disease prevention and control and enforcement of food safety and quality standards on their produce and processed products with least disruptive effects on trade and their value chains.

The State recognizes the vital role of the private sector as partners in the various facets of the livestock, poultry, and dairy industries - including the organization of their farmers to be more competitive by providing incentives and needed support to encourage stronger partnership and consolidation.

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

a) *Animal disease prevention and control* refers to a function that includes activities on effective surveillance, early detection, rapid response mechanisms, and transparency to prevent and control animal diseases;

b) *Backyard raiser* refers to a livestock or poultry farmer tending to at least one (1) head of animal and does not qualify as a commercial operator;

c) *Commercial operator* refers to a livestock or poultry operator which satisfies at least one of the following conditions: i) tending to at least twenty one 21) heads of adult; ii) tending to at least forty one (41) heads of young animals; (iii) tending to at least ten (10) heads of adult and at least twenty two (22) heads of young animals; (iv) tending to at least five hundred (500) layers or one thousand (1,000) broilers; (v) tending to at least one hundred (100) layers and one hundred (100) broilers, if raised in combination; or, (vi) tending to at least one hundred (100) birds or duck, regardless of age;

d) *Corn* refers to the yellow corn which is largely utilized as animal feed in the country;

e) *Department* refers to the Department of Agriculture (DA);

f) *Feeds* refer to animal food for livestock, poultry, and dairy- producing animals which includes, but not limited to, yellow corn, forages, and feed wheats;

g) *First Border Inspection Facility* refers to a facility wherein examiners and inspectors from the Bureau of Customs (BOC) and National Meat Inspection Service (NMIS) conduct inspections to check the quality and quantity of all arriving imports of livestock, poultry, and dairy animals, animal products, by-products, and veterinary drugs and products, based on the submitted documents or permits of an importer;

h) *Livestock* refers to any domestic or domesticated animal that is grown, kept, or raised in captivity for food or in the production of food or other by-products, regardless of age, location, or purpose of breeding. This includes all domestic animals that are slaughtered for human consumption, maintained for draft animal power, and for recreational purposes, such as, but not limited to, cattle, carabaos, buffaloes, horses, sheep, goats, hogs, deer, rabbits, turkeys, and poultry, among others. Products from hunting or fishing of wild animals shall not be considered part of this definition

i) *Native Animals* refer to domesticated animals which contribute to food production found in one geographical location that have developed unique physical characteristics, behavior, product attributes, and/or have adapted to the local environment, and are products of selection with no infusion of exotic breeds for at least five (5) generations including, but not limited to, native chicken, goats, pigs, ducks, cattle, and horses;

j) *Poultry* is a collective term which refers to all domesticated avian reared in captivity mainly for agricultural purposes, for the production of food or other by-products, as well as for final and intermediate consumption;

k) *Quick Response Fund* (QRF) refers to a stand-by fund for immediate government intervention in case of any event of livestock, poultry, or dairy pest or epidemic incident that may be deemed to have the potential to reduce the livestock, poultry, or dairy population at the municipal level by at least two percent (2%), and for the purpose of normalizing the living conditions of farmers or areas affected by such crisis;

1) *Value chain*, in agriculture, refers to the identification of the set of actors and activities that bring a basic agricultural product from production in the field to final consumption, where at each stage, value is added to the product;

m) *Veterinary Drugs and Products* refer to any substance, including biological products, applied or administered to food producing, processing, companion, aquatic, laboratory, and exotic animals, whether used for therapeutic, prophylactic, or diagnostic purposes or for modification of physiological functions or behaviors; and

n) *Veterinary Drug and Product Establishment* refers to any organization. or company involved in the manufacture, importation, repacking, labeling, advertising, and/or distribution of veterinary drugs and products.

TITLE II

ROADMAP

Section 4. Philippine Livestock, Poultry, and Dairy Value Chain Development Roadmap (Roadmap). - A Steering Committee headed by the Bureau of Animal Industry (BAI) and composed of the Department of Agriculture (DA), National Dairy Authority (NDA), Philippine Carabao Center (PCC), National Meat Inspection Service (NMIS), DA-National Corn Program, Department of Science and Technology-Philippine Council for Agriculture, Aquatic, and Natural Resources Research and Development (DOST-PCAARRD), Bureau of Customs (BOC), Department of Public Works and Highways (DPWH), Land Bank of the Philippines (LBP), Development Bank of the Philippines (DBP), Philippine Center for Postharvest Development and Mechanization (PHilMech), Bureau of Agricultural and Fisheries Engineering (BAFE), Agriculture Training Institute (ATI), International Training Center on Pig Husbandry (ITCH), Bureau of Agriculture and Fisheries Standards (BAFS), Technical Education and Skills Development Authority (TESDA), Cooperative Development Authority (CDA), Department of Trade and Industry (DTI), Philippine Statistics Authority (PSA) and other concerned government agencies and industry stakeholders, shall formulate a ten-year Roadmap to be updated every five (5) years. The Roadmap shall be prepared within one hundred twenty (120) days from the effectivity of this Act.

The Roadmap shall be the blueprint of the development of the livestock, poultry, and dairy industries. It shall set industry visions and time-bound goals and targets and identify strategies to achieve them it shail also serve as guide in the formulation of plans, programs, and projects by all relevant livestock, poultry, and dairy agencies.

The implementation of the Roadmap shall state the priority of animals in the livestock and poultry value chain identified under the prevailing circumstances and shall be funded through the Livestock, Poultry and Dairy Competitiveness Enhancement Fund created under Section 7 of this Act.

The Roadmap shall include the following, but not limited to:

a) *Breeder Availability and Upgrading Programs.* - The BAI shall endeavor to increase the total population of livestock and poultry in the country in terms of quantity and quality through support programs for genetic improvement and upgrading, establishment of more semen banks. natural and artificial breeding stations, stock farms with complete facilities for food, health, and safety of animals, animal dispersal programs, as well as accreditation of breeding farms

b) *Crops and Animal Feeds Programs.* - The BAI shall enhance support for the development of pasture, forage crops, fish meals, and protein rich non-corn crops that can be utilized as animal feeds such as, but not limited to, soybean, oil palm, coconut, cottonseed, peanut, chickpea, cowpea, mung bean, and cassava, and animal feeds resources and infrastructure.

c) *Native Animal Programs.* - The BAI shall strengthen support for the propagation, processing, utilization, and development of native animals.

d) *Animal Health Welfare and Protection.* - The BAI shall take the lead in the implementation of prevention, control, containment, and eradication of animal pests and diseases by providing veterinary health services and general livestock, poultry, and dairy health support programs.

e) *Enterprise Development.* - The BAI shall promote the establishment of livestock, poultry, and dairy credit facilities for backyard raisers, cooperatives, and organizations together with financial literacy programs and "farming as business" training programs with technical support from the ATI, TESDA, and relevant local training institutes.

f) *Training and Extension.* - The BAI, in consultation with the ATI, ITCH, TESDA-Accredited Farm Schools, state universities and colleges (SUCs), local government units (LGUs), and other relevant institutions, shall provide support to training extension services for backyard farmers, cooperatives and organizations on technologies and good practice in the propagation, utilization, marketing, processing, and distribution of livestock, poultry, dairy, and native animals.

g) *Market Promotion Programs.* - The BAI shall support livestock, poultry, and dairy auction markets, trade fairs, export initiatives, and encourage contract growing arrangements between farmers cooperatives or organizations and institutional buyers of livestock, poultry, and dairy produce.

h) *Research and Development (R&D).* - The BAI shall strengthen research collaboration with the DOST-PCAARRD, SUCs, and other public and private research and development institutions (RDls) for technical support in the areas of a) breeding and genetic improvement; b) reproductive biotechniques; c) nutrition, feeds, and feeding system including forage and pasture; d) conservation and improvement of native animals; e) vaccines, biologics, and diagnostics development, food quality, and safety assurance; f) disease control and anti-microbial resistance management; g) production and management decision support systems, h) product development and processing; i) emerging technologies on breeding techniques; and, j) development and modernization of livestock, poultry, and dairy housing and production facilities.

i) *Food Safety and Quality Assurance.* - The NMIS shall support the Food and Drug Administration (FDA) in the enforcement and regulation of food safety and quality standards on livestock, poultry, and dairy produce and by-products. Moreover, consistent with its mandate under Republic Act No. 9296, otherwise known as the "The Meat Inspection Code of the Philippines," the NMIS shall continue to serve as the sole national controlling authority on all matters pertaining to primary and processed meat and meat product inspection and hygiene.

j) *Livestock, Poultry, and Dairy Production Networks Program.* - The BAI shall formulate and implement livestock, poultry, and dairy cluster development programs for cooperatives, organizations, and/or federations of backyard raisers in order to encourage economies of scale, production efficiencies, bargaining power of farmers, mutual support, and maximize the coordination and dissemination of government interventions.

k) *Livestock, Poultry, and Dairy Processing Program.* - The BAI shall formulate a program that will enhance the value-addition and value-adding opportunities of the processing of livestock and poultry meat and dairy milk.

l) *Livestock, Poultry, and Dairy Infrastructure and Facilities Development and Modernization Programs.* - The BAFE, pursuant to its mandate under Section 24 of Republic Act No. 10601, otherwise known as the "Agricultural and Fisheries Mechanization (AFMech) Law," and in consultation with concerned offices, units, attached agencies, and bureaus under the DA and DPWH, and other relevant government agencies and industry stakeholders, shall formulate Livestock, Poultry, and Dairy Infrastructure and Facilities Development and Modernization Programs. The programs shall include the provision, establishment, and construction of infrastructure and mechanization facilities for the production, handling, processing, and marketing for livestock, poultry, and dairy such as, but not limited to, bio-secure housing, slaughterhouses, poultry dressing plant, farm-to-market roads connectivity, waste management facilities like biogas plant and shared/common service facilities like machineries, equipment, and irrigation for pasture lands in strategic areas or provinces to serve the needs of raisers, cooperatives, or organizations, and human resource development for livestock, poultry, and dairy infrastructure and mechanization workers.

TITLE III

PROGRAM MANAGEMENT

CHAPTER I

PROGRAM MANAGEMENT OFFICE AND OVERSIGHT

Section 5. Secretariat and Oversight. - The Undersecretary for the National Livestock Program (NLP) of the Department shall supervise and direct the implementation of the Roadmap and all the programs under it and shall regularly report to the Secretary of Agriculture. For this purpose, there is hereby created a Project Management Office (PMO), headed by the Undersecretary for the NLP, which shall act as the secretariat and support staff to the Steering Committee.

The Steering Committee shall prepare periodic and annual assessments on its accomplishments in accordance with their responsibilities under this Act. Such reports shall be compiled and maintained by the PMO.

The Congressional Oversight Committee on Agriculture and Fisheries Modernization (COCAFM) shall be furnished with such reports. It shall also conduct a periodic review of the Livestock, Poultry, and Dairy Competitiveness Enhancement Fund.

CHAPTER II

INFORMATION SYSTEM

***Section 6. Livestock, Poultry, and Dairy Management Information System (LPDMIS)*.** - The LPDMIS shall be the repository of all information relevant to livestock, poultry, and dairy industries. It shall endeavor to provide timely, accurate, and responsive information related to livestock, poultry, and dairy (LPD) industries which shall include, but not limited to, the following data from the national level down to the municipal level:

a. LPD supply (such as LPD inventory, production data, exports, and imports, among others), and demand data;

b. Crop and non-crop animal feed inputs data (such as production, prices, imports, and exports);

c. Animal feed data (such as inventory and prices);

d. Price and price trends (such as farm-gate, wholesale, and retail prices of LPD and corn);

e. Research information and technology generated from research institutions involved in LPD;

f. Information on pests, diseases, and epidemics to ensure food safety and animal health protection;

g. International, national, regional, and provincial market forecast;

h. Support extension providers' relevant information; and,

i. Data relating to programs of the BAI, PCC, NDA, and NMIS (such as importation of breeds, artificial insemination, natural breeding, buy-back programs, among other information).

The LPDMIS shall be linked to the BAI, PCC, NDA, and PSA database and website for easy access of users to data on livestock, poultry, and dairy information, and to the Agricultural and Biosystems Engineering Management Information System (ABEMIS). It shall be implemented within one hundred twenty (120) days from the date of effectivity of this Act.

TITLE IV

FUND

CHAPTER I

LIVESTOCK, POULTRY, AND DAIRY COMPETITIVENESS ENHANCEMENT FUND

Section 7. Creation of the Livestock, Poultry and Dairy, Competitiveness Enhancement Funds. - There is hereby created a Livestock, Poultry, and Dairy Competitiveness Enhancement Fund, hereinafter referredfered to as the LPDCEF.

The LPDCEF shall consist of an annual appropriation of seven billion and eight hundred million pesos (P7,800,000,000.00) sourced from tariff collections on imported livestock, poultry and dairy for the next six (6) years following the approval of this Act.

Livestock Imports includes imported products under the following HS headings or AHTN Codes, and Descriptions:

1. 01.01 - Live horses, asses, mules and hinnies.

2. 01.02 - Live bovine animals.

3. 01.03 - Live swine.

4. 01.04 - Live sheep and goats.

5. 0106.13.00 - Other live animals - - Rabbits and hares.

6. 0106.41.00 - Other live animals - - Bees.

7. 02.01 - Meat of bovinè animals, fresh or chilled.

8. 02.02 - Meat of bovine animals, frozen.

9. 02.03 - Meat of swine, fresh, chilled or frozen.

10.02.04 - Meat of sheep or goat, fresh, chilled or frozen.

11.02.05 - Meat of horses, asses, mules or hinnies, fresh, chilled or frozen.

12.02.06 - Edible offal of bovine animals, swine, sileep, goats, horses, asses, mules, or hinnies, fresh, chilled or frozen.

13.02.08 - Other meat and edible meat offal, fresh, chilled or frozen.

14.0209.10.00 - Pig fat, free of lean meat, and poultry fat, not rendered or otherwise extracted, fresh, chilled, frozen, salted, in brine, dried or smoked - - Of Pigs.

15.02.10 - Meat and edible meat offal, salted, in brine, dried or smoked; edible flours and meals of meat or meat offal.

16.04.09 - Natural Honey.

17.04.10.00.90 - Edible products of animal origin, not elsewhere specified or included - - Other

18.05.02 - Pigs', hogs', boars' bristles and hair; badger hair and other brush making hair; waste of such bristle or hair.

19.05.04 - Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof, fresh, chilled, frozen, salted, in brine, dried or smoked.

Poultry Imports includes imported products under the following HS headings or AHTN Codes, and Descriptions:

1. 01.05 - Live poultry, that is to say, fowls of the species Gallus domesticus, ducks, geese, turkeys and guinea fowls.

2. 02.07 - Meat and edible offal, of the poultry of heading 01.05, fresh, chilled or frozen.

3. 0209.90.00 - Pig fat, free of lean meat, and poultry fat, not rendered or otherwise extracted, fresh, chilled, frozen, salted, in brine, dried or smoked - - Other

4. 0210.99.10 - Meat and edible meat offal, salted, in brine, dried or smoked; edible flours and meals of meat or meat offal - -Freeze dried chicken dice

5. 04.07 - Birds' eggs, in shell. fresh, preserved or cooked

6. 04.08 - Birds' eggs, not in shell, and egg yolks, fresh, dried, cooked by steaming or by boiling in water, moulded, frozen or otherwise preserved, whether or not.

7. 04.05 - Butter and other fats and oils derived from milk; dairy spreads.

8. 04.06 - Cheese and curd.

Tariff collections 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 livestock, poultry, and dairy importation exceeds seven billion and eight hundred million pesos (P7,800,000,000.00) in any given year within the next six (6) years following the effectivity of this Act, the excess tariff revenue shall be earmarked by Congress and added to the LPDCEF included in the General Appropriations Act (GAA) of the following year.

Provided, further, that allocation and utilization of the LPDCEF shall be subject to the following guidelines:

a. The Secretary of Agriculture 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 Roadmap, created in Section 4 of this Act. *Provided,* that the unutilized portion of the LPDCEF 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 not a replacement of, any existing programs for farmers already implemented by the DA and other agencies concerned.

Section 8. Allocation and disbursement of the Livestock, Poultry, and Dairy Competitiveness Enhancement Funds. - Subject to the usual accounting and auditing rules and regulations, the LPDCEF shall be allocated and disbursed, as follows:

a. Twenty percent (20%) of the fund shall be used for repopulation, breeding, genetic reproduction of animals, stock infusion, and establishment of semen banks, stock farms and breeding centers with complete facilities for food, health and safety of animals. The Fund shall be distributed as follows: fifteen percent (15%) to BAI and five percent (5%) to be distributed equally to PCC and NOA for dairy development in accordance with their additional mandates set forth in Sec. 6 of this Act, in addition to their existing budget allocations;

b. Fifteen percent (15%) shall be released to NMIS for creation in strategic locations of first border inspection and its improvements, in coordination with the DPWH and BOC;

c. Fifteen percent (15%) shall be allocated to BAI for animal health and welfare, and native animal development programs, disease control, prevention and response, including protective surveillance, pest and disease emergency response, and conduct of research and technology advancement, programs to be distributed as follows: five percent (5%) for BAI-LPDPDCS, five percent (5% for BAI-Animal Health and Welfare Division (BAI-AHWD), and five percent (5%) for BAI-NADS

A Quick Response Fund (QRF) in the amount of one hundred million pesos (P100,000,000.00) from the budget appropriated in this paragraph, shall be set aside every year by BAI, as the lead agency in ALERTF, for immediate intervention in any event of livestock, poultry, and dairy pest or epidemic incident that may be deemed to have the potential to reduce the livestock, poultry, or dairy population at the municipal level by at least two percent (2%). Unexpended QRF for the year shall be used for animal health and disease control and prevention programs for the following year in addition to the existing budget allocation.

In case the QRF for the year is exhausted, the same shall be augmented by the Quick Response Fund of the Department, the Calamity Fund under Republic Act No. 10121, otherwise known as the *Philippine Disaster Risk Reduction and Management Act of 2010," or other government sources.

LGUs may also augment the QRF using their local funds.

d. Fifteen percent (15%) shall be released to and managed equally by the LBP and DBP, made available in the form of credit facility for the improvement of breeders and stocks through the purchase of breeders, growers, multipliers, feeds, genetically

improved stocks, and establishment of animal housing, and purchase of livestock, poultry and dairy farm equipment, with minimal interest rates and documentary requirements.

e. Ten percent (10% of the fund shall be used for the implementation of Livestock, Poultry and Dairy Infrastructure and Facilities Development and Modernization Programs. Two percent (2%) shall be released to BAFE for the formulation, updating, coordination and monitoring of Livestock, Poultry and Dairy Infrastructure and Mechanization Programs, preparation of feasibility studies and detailed engineering design; and, to DA Regional Field Office Regional Agricultural Engineering Division for
building or improving shared service facilities including, but not limited to cold chains, primary processing facilities like 'AAA' certified slaughterhouses, 'AAA' certified poultry dressing plants, Halal certified facilities, dairy infrastructure like milking, cooling, pasteurization processing and storage, bio-secure animal housing and waste management facilities like biogas plants and provision of machineries, equipment and irrigation facilities for developing pasture lands in strategic areas or provinces to serve the needs of raisers, cooperatives or organizations.

f. Five percent (5%) shall be released to the CDA to be used for organizing and clustering of backyard livestock, poultry, and dairy raisers, into formal groups, cooperatives or organizations.

g. Five percent (5%) shall be used to develop and augment food safety and animal support extension and training, to be implemented by BAI, ATI, ITCH, and PhilMech. It shall also be utilized for training courses to be implemented by TESDA. The fund shall be distributed equally to BAI, ATI, ITCH, PhilMech, and TESDA.

h. Five percent (5% of the fund shall be used for the provision of insurance to qualified livestock, poultry and dairy raisers under an extensive livestock, poultry, and dairy insurance coverage.

i. Four percent (4%) shall be allocated to DOST-PCAARRD for farm school-based and/or industry-driven research and development programs, as well as for support to technology transfer and commercialization programs and projects, in support of the areas identified in Sec. 4(h).

j. Three percent (3%) shall be released to BAI to be used for planning, formulating, updating the Roadmap, monitoring activities, and impact assessment studies. It shall likewise be used for the establishment and operation of the LPDMIS; and,

k. Three percent (3%) shall be released and distributed equally to DA-Agribusiness and Marketing Assistance Service (DA-AMAS) and the DTI to be used for marketing and trade promotion activities to benefit livestock,

Section 9. Beneficiaries of LPDCEF. - The beneficiaries of the LPDCEF shall be those backyard livestock, poultry, and dairy raisers, farm workers, and their dependents listed in the Livestock, Poultry, and Dairy Registry System (LPDRS), and livestock, poultry or dairy cooperatives, associations, or organizations accredited by the Department.

Provided, that preferential attention should be given to livestock, poultry, and dairy raisers 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.

TITLE V

FINAL PROVISIONS

Section 10. Review of Livestock, Poultry, and Related Feeds Tariff Rates. - Consistent with the policies of this Act, the Tariff Commission shall review the most favored nation's (MFN) in-quota and out-quota tariff rates on livestock, poultry, and corn imports originating from non-Association of Southeast Asian Nation (ASEAN) and World Trade Organization (WTO) member states.

Within sixty (60) days following the effectivity of this Act, the Tariff Commission shall recommend to the NEDA Board the possible MFN in-quota and out-quota rate adjustments for livestock, poultry, and corn imports that will ensure the competitiveness of the livestock, poultry, and dairy sectors.

Section 11. Powers of the President. - Consistent with the Philippine national interest and the objective of safeguarding Filipino livestock, poultry, dairy 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 livestock, poultry, and dairy imports 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;

b. In the event of any imminent or forecasted shortage, animal disease epidemic, 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 livestock, poultry, and dairy products at a lower applied tariff rate to address the situation. Such order shall take effect immediately and can be issued even when Congress is in session.

The power herein delegated to the President may be withdrawn or terminated by Congress through a joint resolution.

Section 12. Budget for the Procurement of Local Fresh Milk and Fresh Milk-based Products. - The DSWD and the Department of Education shall allocate their budgets for the implementation of the National Feed Program in procuring locally produced fresh milk and fresh-milk based food products which are incorporated in the fortified meals and cycle menu as follows:

a. A minimum of twenty percent (20%) in the first two (2) years following the enactment of this Act;

b. A minimum of thirty percent (30%) in the third (3rd) to fourth (4th) year following the enactment of this Act; and,

c. A minimum of forty percent (40%) in the fifth year (5th year and thereafter following the enactment of this Act.

Section 13. Implementing Rules and Regulations. - Within forty-five (45) days from the effectivity of this Act, the DA, BAI, NMIS shall, in coordination with ATI, BAFS, BAFE, BOC, CDA, DBM, DBP, DOF, DOST-PCAARRD, LBP, NDA, PCC, DPWH, DTI, ITCH, PhilMech, TESDA, NEDA, PSA, and other government agencies concerned, formulate the rules and regulations for the proper implementation of this Act.

Section 14. Separability Clause. - If any portion or provision of this Act is declared unconstitutional or invalid, the remainder of this Act or any provisions hereof not affected shall continue to be in force and effect.

Section 15. Repealing Clause. - Any law, presidential decree or issuance, executive order, letter of instruction, rule, or regulation inconsistent or contrary to the provisions is hereby repealed or modified accordingly.

Section 16. Effectivity Clause. - This Act shall take effect after fifteen (15) days following its complete publication in the Official Gazette or a newspaper of general circulation.

Approved,