



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session



House Bill No. 608

Introduced by Representative **ANTONINO B. ROMAN III**

EXPLANATORY NOTE

Agriculture remains a cornerstone of the Philippine economy, yet Filipino rice farmers continue to struggle with high production costs, limited market access, and low farmgate prices. These challenges contribute to high poverty incidence among farmers and diminishing interest in agricultural work among younger generations.

This bill proposes the institutionalization of "coopetition" -- a framework of cooperation among competing farmer groups through the creation of clustered organizations and the establishment of multi-purpose farmer coopetition hubs. These hubs will facilitate the shared use of resources and post-harvest facilities (such as drying, milling, and storage), and empower farmers to market their products directly, minimizing reliance on middlemen.

The bill draws inspiration from international best practices. In Thailand and Korea, farmers control the planting, processing, and marketing of their own produce, and have bonded into large cooperatives, freeing them from the control of middlemen, traders, and millers. In Vietnam, rice farm estates are managed by central groups that coordinate production, post-harvest, and marketing activities of farmers within the estate. Taiwan's state-led coopetition initiatives have enabled farmers to benefit collectively from modernized agriculture. In Israel, the *kibbutz* and *moshav* systems showcase how collective ownership or cooperative purchasing and marketing arrangements can sustain prosperous agricultural communities.

The bill encourages partnerships among national government agencies -- including the Department of Agriculture, National Irrigation Administration, Cooperative Development Authority, Technical Education and Skills Development Authority, and National Economic and Development Authority -- as well as local government units and the private sector. It provides flexible mechanisms for implementation, such as repurposing existing infrastructure and gradually building farmer management capacity, to ensure the program's viability even with limited funding.

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

A handwritten signature in black ink, appearing to read 'Antonino B. Roman III', with a stylized flourish extending to the right.

ANTONINO B. ROMAN III



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AN ACT
PROMOTING FARMER COOPETITION THROUGH THE
ESTABLISHMENT OF MULTI-PURPOSE FARMER COOPETITION HUBS,
DEFINING MECHANISMS FOR CLUSTERING FARMERS AND
EXTENDING SUPPORT SERVICES, AND APPROPRIATING FUNDS
THEREFOR

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

SECTION 1. Short Title. --This Act shall be known as the “Farmer Coopetition and Empowerment Act.”

SEC. 2. Declaration of Policy. -- It is the policy of the State to promote social justice and inclusive agricultural development by:

- a. Encouraging cooperation among competing farmer organizations to optimize resource sharing;
- b. Providing support infrastructure for post-harvest processing and direct market access;
- c. Minimizing monopolistic practices in the rice and food value chain;
- d. Improving the incomes and livelihood of Filipino farmers and farmworkers; and
- e. Advancing food security and rural entrepreneurship.

SEC. 3. Definition of Terms. –

- a. “Farmer Cluster Organization” refers to an organization established within each geographical cluster of farmers, whether as a cooperative, association, or other legally recognized form.
- b. “Farmer Coopetition Hubs” are multi-purpose centers established or repurposed within strategic farming areas that shall serve as:
 - 1. A venue for the pooling and sourcing of farming resources;
 - 2. A facility for drying, milling, and storing produce;
 - 3. A center for the manufacture and marketing of agricultural and derivative products; and
 - 4. A site for cooperative activities and skills-building programs, including for farm laborers.
- c. “Government Farming Assistance” refers to agricultural inputs, machinery, training, credit, subsidies, or services extended by national or local government programs to farmer organizations.
- d. “Coopetition” means collaborative arrangements between or among competing farmer organizations to achieve mutual benefit.

SEC. 4. Clustering of Farmers. -- The Department of Agriculture (DA), in coordination with the Cooperative Development Authority (CDA), shall facilitate the clustering of farmers based on geographic proximity, farming practices, and production compatibility. Local government units (LGUs) shall assist in farmer profiling and logistics coordination.

SEC. 5. Creation and Recognition of Farmer Cluster Organizations. -- Each cluster shall form or designate a Farmer Cluster Organization, which shall be the preferred conduit for government farming assistance. Technical support shall be provided by the DA, the CDA, and other relevant agencies.

Nothing in this Act shall preclude other legally recognized and eligible farmer organizations outside of established clusters from accessing government farming assistance.

SEC. 6. Establishment and Functions of Farmer Coopetition Hubs. -- The DA, in partnership with LGUs, private sector stakeholders, and Farmer Cluster Organizations, shall:

- a. Establish or repurpose existing infrastructure into Farmer Coopetition Hubs;
- b. Prioritize cost-effective development using modular or mobile facilities, as needed;
- c. Integrate training, capacity-building, and cooperative marketing in hub operations; and
- d. Ensure fair access to services for member and non-member farmers.

The hubs shall be multi-purpose in design, capable of supporting rice, fruits, vegetables, and value-added production.

SEC. 7. Management and Capacity-Building. – Each hub shall be managed by a professional management team to be appointed or contracted in consultation with the Farmer Cluster Organization. This team may be composed of experts in agri-business operations and cooperative management, and may engage low-income farm workers in hub operations and upkeep. Over time, capable members of the Farmer Cluster Organization may be trained and integrated into management to build local entrepreneurial capacity.

Such management may be undertaken through any of the following arrangements:

- a. Appointment by or contract with the DA and/or Provincial Government, where feasible;
- b. Public-Private Partnerships (PPP), joint ventures, or service agreements with accredited agribusiness entities, cooperative development firms, non-profit organizations, or entities with relevant experience; and
- c. Co-managed arrangements with the Farmer Cluster Organization, with phased transition to farmer-led management once capacity is built.

The Implementing Rules and Regulations (IRR) shall detail the scope, selection, and duties of the management team, as well as procedures for performance monitoring, capacity-building, and transition to farmer-led management where feasible.

SEC. 8. Funding and Implementation. -- To ensure frugal and sustainable implementation:

- a. National funding shall be sourced from the annual General Appropriations Act, including the budget of the DA and its attached agencies;
- b. National government agencies may also establish technical assistance grants, and encourage blended finance models, including CSR programs and performance-based incentives, to support hub management and sustainability;
- c. LGUs may allocate portions of their development funds;

- d. The DA shall prioritize regions with high poverty incidence among rice farmers;
- e. Donor support and corporate social responsibility partnerships are encouraged; and
- f. Existing public infrastructure may be repurposed to reduce capital expenditures.

SEC. 9. Inter-Agency Coordination. -- The implementation of this Act shall involve the following:

- a. DA, as lead agency;
- b. CDA, for cooperative registration and training;
- c. Department of Trade and Industry (DTI), for market linkage and micro, small and medium enterprise (MSME) integration;
- d. Technical Education and Skills Development Authority (TESDA), for skills development of farm laborers;
- e. National Economic and Development Authority (NEDA), for monitoring and evaluation; and
- f. LGUs, for localized implementation and support services.

The CDA and TESDA shall lead capacity-building efforts for farmer organizations, in partnership with higher education institutions (HEIs), the DA, and LGUs.

A Joint Congressional Oversight Committee shall be created to monitor progress, ensure compliance, and address bottlenecks to ensure timely implementation and effectiveness.

The DA and NEDA shall jointly submit to Congress an annual report on the implementation of this Act, including performance indicators (e.g., number of clusters formed, number of operational hubs, income change of participating farmers, etc.), outcomes, and identified gaps.

SEC. 10. Implementing Rules and Regulations. -- Within sixty (60) days from the effectivity of this Act, the DA, in consultation with relevant agencies and stakeholders, shall promulgate the implementing rules and regulations.

SEC. 11. Separability Clause. -- If any part of this Act is declared unconstitutional or invalid, the remainder shall not be affected.

SEC. 12. Repealing Clause. -- All laws, decrees, orders, rules, and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 13. Effectivity. -- This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) national newspapers of general circulation.

Approved.