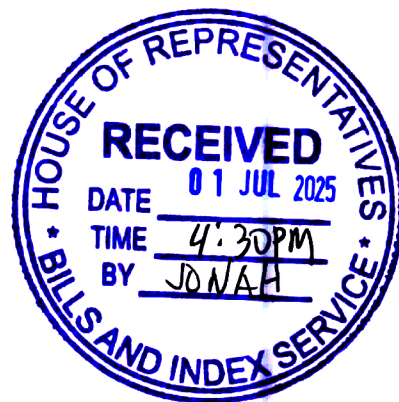




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **957**



Introduced by Representative Crispin Diego “Ping” D. Remulla

AN ACT
TO DEVELOP THE PHILIPPINE CORN INDUSTRY, ENHANCE THE
AVAILABILITY AND AFFORDABILITY OF QUALITY FEEDS AND STAPLE
FOOD, AND PROVIDE FOR A CORN COMPETITIVENESS ENHANCEMENT
FUND

EXPLANATORY NOTE

Corn remains a major agricultural crop in the Philippines, covering around 17.1% of the country's total agricultural land area, second only to rice at 32% and coconut at 24.3%. It consistently ranks among the top crops in terms of both economic value and production volume, placing third in average Gross Value Added (GVA) between 2010 and 2019, following rice and bananas. Both yellow and white corn varieties are among the five most produced crops in the country, underscoring their importance in the national food and feed supply chain.

From 2021 to 2023, yellow corn production showed a gradual increase from approximately 6.06 million metric tons to about 6.37 million metric tons. White corn production, however, slightly declined during the same period, from around 2.24 million metric tons in 2021 to approximately 2.04 million metric tons in 2023. Despite the large volume, the corn industry continues to face significant challenges, particularly for smallholder farmers, who comprise approximately 82% of the sector. These farmers typically manage only around 0.54 hectares of land each, limiting their ability to benefit from economies of scale and modern technologies. As a result, the Philippines has one of the lowest corn yields in Southeast Asia,

averaging just 4.215 metric tons per hectare, which is about one metric ton less than Indonesia, the regional leader.

In addition to low productivity, corn in the Philippines is priced significantly higher than in neighboring countries. Domestic prices range from USD 0.42 to USD 0.44 per kilogram, surpassing those in countries such as China, Vietnam, and Thailand. This disparity is particularly concerning because yellow corn serves as a key input for animal feeds, and higher corn costs ripple through to increase the prices of pork and poultry. Consequently, food affordability becomes an even greater concern for consumers.

To address these challenges, this legislative measure proposes to modernize and strengthen the corn industry by enhancing productivity, ensuring supply sufficiency, and making Filipino corn farmers more competitive globally. Through sustained support and structural reforms, the bill aims to uplift corn farming livelihoods and contribute to broader national food security.

Given the foregoing, the immediate approval of this bill is earnestly recommended.



CRISPIN DIEGO “PING” D. REMULLA



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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 357

Introduced by Representative Crispin Diego “Ping” D. Remulla

AN ACT
TO DEVELOP THE PHILIPPINE CORN INDUSTRY, ENHANCE THE
AVAILABILITY AND AFFORDABILITY OF QUALITY FEEDS AND STAPLE
FOOD, AND PROVIDE FOR A CORN COMPETITIVENESS ENHANCEMENT
FUND

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

1 **SECTION 1. *Short Title.*** – This Act shall be known as the "Philippine Corn Industry
2 Development Act".

3 **SEC. 2. *Declaration of Policy.*** – It is the policy of the State to promote the inclusive
4 development and competitiveness of the corn industry, particularly among smallhold farmers,
5 to increase the supply of yellow corn, white corn and other indigenous corn varieties to enhance
6 the availability and affordability of corn for the feeds industry and for human consumption. It
7 is likewise the policy of the State to increase the income of farmers and farm workers to
8 alleviate rural poverty through enhanced production efficiency and efficient post-production
9 facilities.

10 Towards this end, the State shall nurture an enabling environment and establish
11 responsive government policies and support programs for the corn industry, with primary focus
12 on the smallhold corn farmers.

13 The State shall be committed to providing necessary support and incentives to build
14 stronger partnerships and cooperation with the private sector in recognition of their vital role
15 in achieving the objectives of this Act.

16 **SEC. 3. *Definition of Terms.*** – As used in this Act:

- 1 a) *Corn* refers to yellow corn for animal feeds, and white corn and other indigenous
2 corn varieties for human consumption;
- 3 b) *Feeds* refers to a single or combination of ingredients, supplements, and additives
4 by specific formula to be fed directly to animals which is capable of providing the
5 nutritional requirements in order to sustain life, promote growth, production, and
6 reproduction; and
- 7 c) *Smallhold Farmer* refers to a farmer owning or cultivating three (3) hectares or less
8 of farmland.

9 **SEC. 4. *Corn Industry Development Roadmap.*** – The roadmap shall set the strategic
10 direction and key initiatives of the Corn Industry Development under this Act. It shall be crafted
11 in consultation with relevant stakeholders that include but not limited to smallhold farmers,
12 feed processors, livestock farmers, regulatory offices, and academe. It shall be finalized within
13 sixty (60) days from the effectivity of this Act and updated every five (5) years thereafter.

14 The Bureau of Plant Industry, together with the government agencies cited in this Act,
15 shall spearhead the crafting of the roadmap.

16 **SEC. 5. *Designation of the Bureau of Plant Industry (BPI); Creation of a BPI Corn***
17 ***Unit and BPI Field Offices.*** – The BPI is hereby designated as the implementing agency of
18 this Act. Towards this end, the BPI is hereby authorized to establish and maintain a Corn Unit
19 at its main office which shall be headed by the BPI Director. It shall also establish BPI field
20 offices in corn production areas designated in this Act. Both shall derive budgetary support
21 from the Corn Fund.

22 The Corn Unit shall also be the Corn Program Management and Coordinating Office
23 (PMCO) which shall serve as the planning and administrative secretariat in the implementation
24 of this Act.

25 **SEC. 6. *Powers and Functions.*** – In addition to its existing powers and functions as
26 the premier government agency in the plant industry, the BPI shall have the following powers
27 and functions under this Act:

- 28 a) Manage, supervise and monitor the Corn Fund under Sections 8 and 9 of this Act;
- 29 b) In partnership with the Bureau of Agricultural Research (BAR) and the corn
30 research stations in corn provinces designated herein, establish a network of
31 research institutions engaged in corn varietal improvement, propagation, and
32 distribution;

- 1 c) Establish and manage a corn gene bank of all the corn varieties developed under
2 this Act, which shall be kept, protected, accessed and utilized for the
3 implementation of this Act, especially those funded and developed by the BAR; and
4 d) Establish a reliable, efficient and holistic corn industry database management
5 system which shall cater to the needs of the corn industry, particularly the corn
6 production areas in this Act.

7 **SEC. 7. *Corn Production Areas.*** – The provinces of Isabela, Bukidnon, Pangasinan,
8 Quirino, Camarines Sur and other provinces as may be later identified by the BPI, are
9 designated as corn production areas and shall be the beneficiaries of the Corn Fund under this
10 Act. Their designation is based on historical corn production data of the country and climatic
11 factors.

12 The identified provinces shall share to other provinces, through the BPI field offices,
13 quality corn seeds and feeds they produce. The BPI shall draft guidelines for the
14 operationalization of sharing and distribution with other provinces.

15 **SEC. 8. *Creation of the Corn Competitiveness Enhancement Fund (Corn Fund).*** –
16 In addition to the regular budget from the annual General Appropriations Act (GAA) of the
17 agencies herein mentioned, there is hereby created a Corn Competitiveness Enhancement Fund
18 for the use of these agencies.

19 The Corn Fund shall consist of an annual appropriation of Three billion pesos
20 (P3,000,000,000.00) sourced from tariff collections on imported corn, feed wheat, feeds and
21 other products and ingredients for feeds for the fraction of the year and for the next ten (10)
22 years following the effectivity of this Act.

23 *Corn Imports* include imported products under the following HS headings or 2022
24 AHTN Codes, and Descriptions:

25 10.05 Maize (corn).
26 1005.90.90 - - Other
27 1005.90.90.100 - - - In-Quota
28 1005.90.90.200 - - - Out-Quota

29 *Feed Wheat Imports* include imported products under the following HS headings or
30 2022 AHTN Codes, and Descriptions:

31 10.01 Wheat and meslin.
32 - - - Other
33 1001.99.91 - - Meslin
34 1001.99.99 - - Other

Feeds and Other Products and Ingredients for Feeds Imports include imported products under the following HS headings or 2022 AHTN Codes, and Descriptions:

10.03 - Barley

1003.10.00 - Seed

1003.90.00 - Other

10.04 - Oats

1004.10.00 - Seed

1004.90.00 - Other

10.07 - Grain Sorghum

1007.10.00 - Seed

1007.90.00 - Other

23.01 Flour, meals and pellets, of meat or meat offal, of fish or of crustaceans, mollusks or other aquatic invertebrates, unfit for human consumption; greaves.

2301.10.00 - Flours, meals and pellets, of meat or meat offal; greaves 2301.20

- Flours, meals and pellets, of fish or of crustaceans,

mollusks or other aquatic invertebrates

2301.20.10 - Of fish, with a protein content of less than 60% by weight

2301.20.20 - Of fish, with a protein content of 60% or more by weight

2301.20.90 - Other

23.02 Bran, sharps, and other residues, whether or not in the form of pellets, derived from the sifting, milling, or other working of cereals or of leguminous plants.

2302.10.00 - Of maize (corn)

2302.30 - Of Wheat:

2302.30.10 - Brans and pollards

2302.30.90 - Other

2302.40 - Of other cereals:

2302.40.10 - Of rice

2302.40.90 - Other

2302.50.00 - Of leguminous plants

23.03 Residues of a starch manufacture and similar residues, beet-pulp, bagasse, and other waste of sugar manufacture, brewing or distilling dregs and waste, whether or not in the form of pellets

2303.10 - Residues of starch manufacture and similar residues:

2303.10.10 - Of manioc (cassava) or sago

1 2303.10.90 - Other
 2 2303.20.00 - Beet-pulp, bagasse and other waste of sugar manufacture
 3 2303.30.00 - Brewing or distilling dregs and waste
 4 23.04 Oil-cake and other solid residues, whether or not ground or in the form
 5 of pellets, resulting from the extraction of soya-bean oil.
 6 - Soya-bean meal
 7 2304.00.29 - - Other
 8 2304.00.90 - - Other
 9 23.05 2305.00.00 Oil-cake and other solid residues, whether or not ground
 10 or in the form of pellets, resulting from the extraction of ground-nut oil.
 11 23.06 Oil-cake and other solid residues, whether or not ground or in the forms
 12 of pellets, resulting from the extraction of vegetable or microbial fats or
 13 oils, other than those of heading 23.04 or 23.05.
 14 2306.10.00 - Of cotton seeds;
 15 2306.20.00 - Of linseeds;
 16 2306.30.00 - Of sunflower seeds;
 17 - Of rape or colza seeds
 18 2306.41 - - Of low erucic acid rape or colza seeds
 19 2306.41.10 - - - Of low erucic acid rape seeds
 20 2306.41.20 - - - Of low erucic acid colza seeds
 21 2306.49 - - Other:
 22 2306.49.10 - - - Of other rape seeds
 23 2306.49.20 - - - Of other colza seeds
 24 2306.50.00 - Of coconut or copra;
 25 2306.60 - Of palm nuts or kernels;
 26 2306.60.10 - - Ground or in the form of pellets
 27 2306.60.90 -- Other
 28 2306.90 - Other:
 29 2306.90.10 -- Of maize (corn) germ
 30 2306.90.90 -- Other;
 31 23.07 2307.00.00 Wine lees; argol.
 32 23.08 2308.00.00 Vegetable materials and vegetable waste, vegetable
 33 residues and by-products, whether or not in the form of pellets, of a kind used
 34 in animal feeding, not elsewhere specified or included

23.09 Preparations of a kind used in animal feeding.

2309.90 - Other

- - Complete feed:

2309.90.11 - - - Of a kind suitable for poultry

2309.09.12 - - - Of a kind suitable for swine

All tariff collections shall be automatically credited to a special account for Corn Industry Development in the general fund of the national treasury which shall be in place within forty five (45) days from the effectivity of this Act: *Provided*, That if the tariff collection exceeds Three billion pesos (P3,000,000,000.00) in any given year within the next ten (10) years following the effectivity of this Act, the excess tariff revenue shall automatically be added to the Corn Fund of the following year and the total amount be allocated and utilized in accordance with this Act.

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

- a) The recipient agency shall be accountable and responsible for the management and utilization of the said fund in coordination with other government agencies concerned. It shall provide the Secretary of the Department of Agriculture (DA) and the BPI Director with a regular report on its fund management and utilization;
- 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 under Section 4 of this Act: *Provided*, That the unutilized portion of the Corn Fund 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 Department of Budget and Management; 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 corn farmers already implemented by the DA and other agencies concerned.

SEC. 9. Allocation, Disbursement and Utilization of the Corn Competitiveness Enhancement Fund. – Subject to the usual accounting and auditing rules and regulations, the Corn Fund shall be allocated, disbursed and utilized as follows: Eighty percent (80%) for yellow corn production; Twenty percent (20%) for white corn and other indigenous corn varieties, which shall be respectively divided by both as follows:

- 1 a) Forty percent (40%) – 23% for post-production, 15% for mechanization of corn
2 farms, to be implemented by PHILMECH as grant in kind to eligible farmers'
3 associations or organizations, registered corn cooperatives, and local government
4 units (LGUs) in the form of provision of corn farm equipment such as corn planters,
5 tillers, farm tractors, forage choppers, rotary seeders, power/boom sprayers,
6 fertilizer spreader/applicator, harvesters, corn shellers, mechanical dryers, moisture
7 meters, feed processors, and the establishment and improvement of corn post-
8 harvest centers (including corn mills, waste utilization facilities and equipment, and
9 corn-silage facilities), and warehouses and/or silos, and 2% for Program
10 Management Office (PMO): *Provided*, That PHILMECH shall endeavor to develop
11 and utilize local talents and resources in the manufacturing and provision of the
12 foregoing equipment, tools and facilities;
- 13 b) Twenty percent (20%) for provision of seeds and fertilizers, to be implemented
14 and/or supervised by the BPI: *Provided*, that in the procurement of seeds for
15 distribution to farmers under this Act, the BPI shall source seeds from the ones
16 developed by local Filipino seed producers and registered with the Philippine Seed
17 Board or National Seed Industry Council, until their supply lasts;
- 18 c) Twenty percent (20%) for the establishment and operations of the BPI Corn Unit
19 and the field offices in corn producing provinces in this Act, which shall include the
20 hiring and maintenance of needed personnel (15%), and for roadmap, corn bank,
21 review of the Corn Fund, and holistic database management (5%);
- 22 d) Ten percent (10%) for extension and training activities to increase corn
23 productivity, including training course grants, training/capacity building of
24 beneficiaries for maintenance servicing of machinery and equipment, and
25 organizing and clustering of smallholder corn farmers into formal groups,
26 cooperatives or associations. The fund shall be utilized by the Agricultural Training
27 Institute (4%), PHILMECH (3%) and DA-National Corn Program (2%); The
28 PHILMECH shall create its PMO for extension and training for 1%;
- 29 e) Ten percent (10%) for research to be implemented by Bureau of Agricultural
30 Research (BAR), 8% of which shall be spent for corn applied research and 2% for
31 basic research: *Provided*, That the research outputs shall be owned by the
32 government, through BPI, and any subsequent commercialization, propagation or
33 distribution of said outputs may be the subject of contractual arrangements between

and among the BPI, BAR, and local Filipino private entities that developed said outputs: *Provided, further*, That research initiatives shall include, but not limited to:

- i) Nutrient Management which shall look into increase yield and income thru the use of cost reducing technologies (Site-specific Nutrient Management for Maize (SSNM), Integrated Pest Management (IPM), Community-based Participatory Research (CPAR), and development of biofertilizers);
- ii) Collection, conservation, and utilization of corn varieties for the development and improvement of resistance to biotic and abiotic stresses, and development and commercialization of high yielding and stress resistant open pollinated varieties and hybrids;
- iii) Pest Management thru development of rapid detection of aflatoxin and other pests;
- iv) Mechanization thru development of low-cost postharvest machinery that will reduce losses;
- v) Sustainable soil and water management in corn production areas;
- vi) Food and feed product development and commercialization for livelihood upliftment; and
- vii) Development of training and learning modules.

SEC. 10. *Beneficiaries/Grantees of Corn Fund.* – Within one hundred eighty (180) days from the effectivity of this Act, the DA, in consultation with farmers' cooperatives and organizations and LGUs, shall validate and update the master list of eligible beneficiaries in corn production provinces in this Act to ensure that those listed are corn farmers, cooperatives, associations, and organizations.

The beneficiaries of the Corn Fund are smallhold corn farmers listed in the Registry System for Basic Sectors in Agriculture (RSBSA), and corn farmer cooperatives, associations, or organizations accredited by the DA in the designated corn production provinces: *Provided*, That preferential attention shall be given to smallhold corn farmers who are members of cooperatives, associations or organizations.

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

- a) The Philippine Institute for Development Studies (PIDS) shall conduct impact evaluation of the Corn Fund program on corn productivity on the third (3rd), sixth (6th) and ninth (9th) year of the effectivity of this Act;

- 1 b) The percentage allocation of the Corn Fund will be reviewed on the third (3rd) year
2 from the effectivity of this Act for possible revisions should intervention priorities
3 change; and
- 4 c) On the ninth (9th) year from the effectivity of this Act, a mandatory review shall be
5 conducted by the Congressional Oversight Committee on Agricultural and Fisheries
6 Modernization (COCAFAM) to determine whether the Corn Fund and its utilization
7 as provided for under this Act shall be continued, amended, or terminated. The
8 increase or decrease in farmers' incomes shall be a primary benchmark in
9 determining the effectiveness of the interventions under the program and its
10 possible extension. In view of its oversight function, the COCAFAM, at any time,
11 may conduct an assessment of the implementation of programs and utilization of
12 the Corn Fund as directed under this Act.

13 **SEC. 12. *Lifting of Export Restriction on Corn.*** – All laws, rules, regulations,
14 guidelines, and other issuances imposing export restrictions on corn, except those related to the
15 prevention and spread of plant, animal pests and diseases, are hereby lifted and/or repealed.

16 **SEC. 13. *Disposition of Corn Fund under the National Food Authority (NFA).*** – The
17 NFA shall liquidate and report on the accomplishment of its existing corn marketing assistance
18 program. Its corn development fund, enhanced electronic trading system for corn, created under
19 Presidential Memo No. 468 dated March 17, 1998, held in trust by the NFA, is hereby dissolved
20 and the remaining money balance is transferred to the BPI for inclusion in the Corn Fund.

21 **SEC. 14. *Powers of the President.*** – The President is hereby empowered to:

- 22 a) Revise or adjust existing rates of customs duties on corn, feed wheat, feeds, and
23 other products and ingredients for feeds imports up to their respective bound rates
24 committed by the Philippines under the WTO agreement on agriculture and under
25 ASEAN Trade in Goods Agreement, including any necessary change in
26 classification applicable to their importation, subject to the provisions of the
27 Customs Modernization and Tariff Act (CMTA): *Provided*, That the adjustment is
28 time-bound and that the power herein delegated to the President shall only be
29 exercised when Congress is not in session: *Provided further*, That any order issued
30 by the President adjusting the applied tariff rates shall take effect fifteen (15) days
31 after publication;
- 32 b) Allow the importation of corn, feed wheat, feeds, and other products and ingredients
33 for feeds products at a lower applied tariff rate to address the situation in the event
34 of any imminent or forecasted shortage, animal disease epidemic, or such other

1 situation requiring government intervention for a limited period and/or a specified
2 volume. Such order shall take effect immediately and can be issued even when
3 Congress is in session.

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

6 **SEC. 15. *Value Chain Development and Market Access.*** – To ensure inclusive growth
7 and increase the income of corn farmers and stakeholders, the DA, in coordination with the
8 DTI, the DOST, and other relevant government agencies, shall implement programs that
9 support value chain development and enhance market access for corn and corn-based products.

10 **SEC. 16. *Separability Clause.*** – If any provision of this Act is declared
11 unconstitutional, the remainder thereof not otherwise affected shall remain in full force and
12 effect.

13 **SEC. 17. *Repealing Clause.*** – Such other laws, presidential decrees, executive orders,
14 letters of instruction, proclamations or administrative regulations that are inconsistent with the
15 provisions of this Act are hereby repealed, amended, or modified accordingly

16 **SEC. 18. *Effectivity.*** – This Act shall take effect after fifteen (15) days following the
17 completion of its publication in the *Official Gazette*, or in a newspaper of general circulation.

Approved,