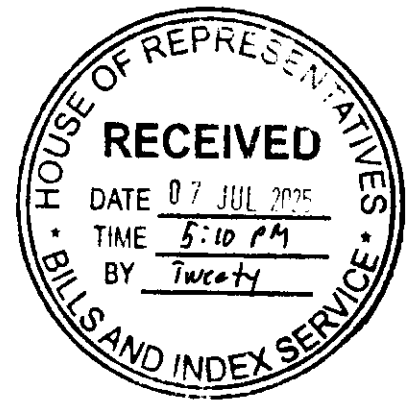


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
1st Regular Session

House Bill No. **1511**



Introduced by Representatives ERIC GO YAP and EDVIC G. YAP

EXPLANATORY NOTE

The 1987 Constitution guarantees the provision of adequate financial, production, marketing, and other support services to the agricultural sector. However, despite the vital role that the sector plays in ensuring food security in the country, news of undisposed and wasted vegetables remains prominent.

According to a January 9, 2024 GMA News Report¹, farmers in Tublay, Benguet have stockpiled hundreds of cabbages along the streets after being priced at Three Pesos (P3) to Fifteen Pesos (P15) per kilo in the Benguet Agri-Pinoy Trading Center (BAPTC). The same has been the perennial problem of the province for years already, such as in the municipalities of Buguias and Atok whose farmers were seen shoveling their cultivated carrots along the road—being left rotten in 2019 due to unreasonable prices.² The said circumstances have been long-standing for years, attributed to the oversupply brought by uptrend expectations of farmers in the demand of vegetables during holidays, as well as the frequent and continuous cases smuggling of the agricultural produce in the country.³

Considering the extremely low farm gate prices of such highly perishable crops, not only are the sources of livelihood of the country's farmers being killed, but these farmers are now left to fend for themselves following the huge losses in revenue. Hence, with agriculture as the main source of livelihood of its great population, the Province of Benguet continues to suffer from the low farm gate prices set on the

¹GMA News Online. (January 9, 2024). "Farmers dump excess cabbage in Benguet but LGU says there's no oversupply."

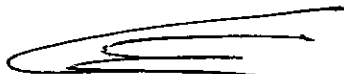
²Rappler. (January 9, 2019). "<https://www.rappler.com/business/220608-low-prices-leave-benguet-vegetables-rotting>."

³GMA News Online. (January 14, 2024). "Cabbage prices drop due to oversupply."

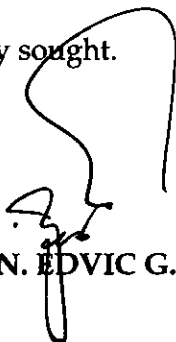
agricultural produce of the province's farmers, which is further aggravated by the high volatility of these easily perishable crops that greatly affects the crops' distribution process. It is disheartening to witness the innumerable wastage and extremely low prices of agricultural produce of my constituents in the Province of Benguet, most especially the millions-worth of undisposed agricultural produce that generate an immense unconsumed surplus in the midst of the country's increasing poverty incidence and lingering obstacle on our farmers' source of income through the years.

It is in this regard that this Bill vests the Department of Agriculture (DA) the power to impose and regulate farmgate prices of highly perishable vegetables which include, but are not limited to, green beans, broccoli, cabbage, carrots, cauliflower, chayote, and lettuce. Farmgate price refers to the prices received by farmers for their produce at the location of "farm" or first point of sale, regardless of any price set by any agent, middleman, or distributor. These farmgate prices will be subject to a Standard Farm Gate Price index that will continuously undergo seasonal review and appropriate changes, considering the time, effort and resources, market conditions and other economic indicators so as to ensure profitability and productivity among the local vegetable farmers. In addition, this measure will also mandate the farmers cultivating the said highly perishable vegetable crops to register their vegetable crops as part of the monitoring of the Standard Farm Gate Price and to prevent the crop's overproduction due to unregistered and unscrupulous supply of the highly perishable vegetables that are not included in the implementation of this measure.

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



HON. ERIC GO YAP



HON. EDVIC G. YAP

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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TWENTIETH CONGRESS
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House Bill No. **1511**

Introduced by Representatives ERIC GO YAP and EDVIC G. YAP

AN ACT
VESTING THE DEPARTMENT OF AGRICULTURE THE POWER TO IMPOSE
AND REGULATE FARM GATE PRICES FOR HIGHLY PERISHABLE
VEGETABLES AND FOR OTHER PURPOSES

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

SECTION 1. *Short Title.* - This Act shall be known as "*Farm Gate Price Imposition and Regulation of Highly Perishable Vegetables Act of 2024.*"

SEC. 2. *Declaration of Policy.* - The 1987 Constitution provides that the State shall provide support to agriculture through appropriate technology and research, and adequate financial, production, marketing, and other support services. The State shall therefore establish a program that will ensure the productivity and profitability of the food production sector and mitigate post-harvest losses during food distribution.

SEC. 3. *Definition of Terms.* - For the purposes of this Act, the following are hereby defined as follows:

- a. ***Agricultural Products*** refer to unprocessed food derived from cultivated plants or animals to sustain or enhance human life. Agricultural produce shall also refer to unprocessed food derived from the following activities:
 - i. Agriculture: cultivating soil; planting; raising, and harvesting crops; rearing, feeding, and managing animals
 - ii. Aquaculture: raising private aquatic animals (fish)
 - iii. Horticulture: growing fruits, vegetables, and plants

- b. **Basic necessities** include rice; corn; bread; fresh, dried and canned fish and other marine products, fresh pork, beef and poultry meal; fresh eggs; fresh and processed milk; fresh vegetables; root crops; coffee; sugar; cooking oil; salt; laundry soap; detergents; firewood; charcoal; candles; and drugs classified as essential by the Department of Health;
- c. **Buffer Fund** means a contingent fund in the budget of the implementing agency which shall not be used in its normal or regular operations but only for purposes provided for in this Act;
- d. **Farm Gate Price** refers to the prices received by farmers for their produce at the location of "farm" or first point of sale, regardless of any price set by any agent, middleman, or distributor. Transportation and marketing costs shall not be included in farm gate prices;
- e. **Highly Perishable Vegetables** – refers to vegetable crops that are easily spoiled or wasted during the process of food distribution in the supply chain; and
- f. **Prime commodities** include fresh fruits; flour; dried processed and canned pork; beef and poultry meat; dairy products not falling under basic necessities; noodles; onions; garlic; vinegar; fish sauce; soy sauce; toilet soap; fertilizer; pesticides; herbicides; poultry; swine and cattle feeds; veterinary products for poultry, swine and cattle; paper; school supplies; nipa shingles; sawali; cement; clinker; GI sheets; hollow blocks; plywood; plyboard; construction nails; batteries; electrical supplies; light bulbs; steel wire; and all drugs not classified as essential drugs by the Department of Health.

SEC. 4. Regulation of Farm Gate Price. - The Department of Agriculture (DA) is vested with the power to impose and regulate farm gate prices, as defined in Section 3 of this Act, of highly perishable vegetables which include, but are not limited to, green beans, broccoli, cabbage, carrots, cauliflower, chayote, and lettuce and shall therefore establish a Standard Farm Gate Price index. The Standard Farm Gate Price index shall continuously undergo seasonal review and appropriate changes, considering the time, effort and resources, market conditions and other economic indicators so as to ensure profitability will accrue to the benefit of our food producers.

SEC. 5. Baseline/Related Standards for Highly Perishable Vegetables. - The Bureau of Agriculture and Fisheries Standards (BFAS) of the Department of Agriculture (DA) shall devise qualitative, quantitative and other related standards which shall serve as the baseline for determining the Standard Farm Gate Price for highly perishable vegetables.

SEC. 6. Registration of Highly Perishable Vegetables Cultivated. - Farmers who are cultivating the highly perishable vegetables mentioned in Section 4 of this Act shall register their crops to the BFAS as part of the baseline in determining and

monitoring the Standard Farm Gate Price and to prevent overproduction of vegetable crops due to unregistered and unscrupulous supply of the highly perishable vegetables that are not insured with the implementation of this measure.

SEC 7. *Allocation of a Buffer Fund for Surplus in Highly Perishable Vegetables.* As provided in Republic Act No. 7851, the DA, as the implementing agency in the National Price Coordinating Council (NPCC) with reference to agricultural crops, fish and other marine products, fresh meat, fresh poultry and dairy products, fertilizers, and other farm inputs, may procure, purchase, import, or stockpile any basic necessity or prime commodity, devise ways and means of distributing them for sale at reasonable prices in areas where there is shortage of supply or a need to effect changes in its prevailing price.

In cases where there is surplus of highly perishable vegetables due to lack of demand at the farm gate price set by the DA, the DA shall purchase the registered highly perishable vegetables from the local Filipino farmers at the Standard Farm Gate Price to avoid wastage and revenue loss and devise ways and means of distributing them primarily through selling them at reasonable prices in areas where there is shortage of supply. When there is no shortage in supply of these highly perishable vegetables in the country, the DA shall also mandate government agencies to buy and utilize them for related programs or activities such as, but not limited to, feeding programs in public schools and state universities, relief assistance of government agencies in areas affected by calamities, and daily sustenance of persons deprived of liberty (PDLs) in penitentiaries or correctional facilities. *Provided*, that the chosen means of distribution by the DA will not compromise the shelf life of these highly perishable crops.

The DA shall promulgate the necessary guidelines and procedures to carry out this mandate in coordination with the Inter - Agency Council for Farm Gate Prices of Highly Perishable Vegetables. For any or all of these purposes, a buffer fund shall be allocated in the annual appropriations of the DA.

SEC. 8. *Inter - Agency Council for Farm Gate Prices of Highly Perishable Vegetables.* - The Inter - Agency Council for Farm Gate Prices of Highly Perishable Vegetables is hereby established composed of the Secretary of DA as chairperson and the following as members:

- a) Secretary of the Trade and Industry;
- b) Secretary of the Interior and Local Government;
- c) Secretary of the Information and Communications Technology;
- d) Chief of the Philippine National Police;
- e) The Director General of the National Economic and Development Authority;
- f) Two (2) representatives from the agricultural producers' sector;
- g) One (1) representative from the consumers' sector;
- h) One (1) representative from the trading sector; and
- i) One (1) representative from the manufacturers' sector.

The representatives of various sectors shall be nominated by the Council for appointment by the President for a term of three (3) years and may be renewed upon renomination and reappointment by the Council and the President respectively.

The members of the Council may designate their permanent representatives, who shall have a rank not lower than assistant secretary or its equivalent, to meetings and shall receive emoluments as may be determined by the Council in accordance with existing budget and accounting rules and regulations

SEC 9. Functions of the Inter - Agency Council for Farm Gate Prices of Highly Perishable Vegetables. – Despite the mandate granted to the DA in the Republic Act No. 7851 or the *Price Act* as the implementing agency in the National Price Coordinating Council (NPCC) with reference to agricultural crops, fish and other marine products, fresh meat, fresh poultry and dairy products, fertilizers, and other farm inputs, the Inter-Agency Council shall have the following functions:

- a. Coordinate its productivity, distribution and price stabilization programs, project and measures to the NPCC and other implementing agencies involved in the monitoring and investigation of price movements and shortages of basic necessities and prime commodities and develop comprehensive strategies for general stabilization of prices;
- b. Cause the immediate dissemination of any mandated price ceiling or farm gate price for agricultural crops, fish and other marine products, fresh meat, fresh poultry and dairy products, fertilizers, and other farm inputs through publication in a newspaper of general circulation in the area affected, and through broadcast by radio, or whenever deemed to materially make dissemination of the information more effective, by television, radio, other forms of media, official websites and online pages, or through posting in public markets, supermarkets or other public places;
- c. Require any government agency or unit, sector representative, and stakeholder such information as it may deem necessary, and conduct public consultations and hearings for purposes of assessing the supply, distribution and price situation of any basic necessity or prime commodity; and
- d. Strengthen market linkages program in support of this Act to ensure that the vegetable farmers have an outlet for their products.

SEC 10. Standard Farm Gate Price as a Price Floor or Baseline for Pricing. - This Act shall not be interpreted with the intent of shunning prices above the Standard Farm Gate Price as this Act only seeks to impose a Standard Farm Gate Price which will only serve as a baseline for pricing or price floor and shall continuously undergo seasonal review and appropriate changes, considering the

time, effort and resources, market conditions and other economic indicators so as to ensure market security and profitability among our food producers or farmers and avoid unwanted surplus of vegetables that are highly volatile.

SEC. 11. *Implementing Rules.* - To ensure proper and effective implementation of this Act, the DA shall promulgate the necessary rules and regulations within ninety (90) days from the effectivity of this Act.

SEC. 12. *Repealing Clauses.* - All laws, executive orders, letters of instructions, rules and regulations and other issuances, or provision thereof, which are inconsistent with the of this Act are hereby repealed, amended or modified accordingly.

SEC. 13. *Separability Clause.* - The provisions of this Act are hereby declared separable. If any provision or portion thereof shall be held invalid or unconstitutional, the other provisions will remain in full force and effect.

SEC. 14. *Effectivity* - This Act shall take effect after fifteen (15) days following its publication in two (2) national newspapers of general circulation, or in the Official Gazette, whichever comes first.

Approved,