



Republic of the Philippines
House of Representatives
Quezon City



TWENTIETH CONGRESS

First Regular Session

House Bill No. 1965

Introduced by Representative Maria Angela S. Garcia

EXPLANATORY NOTE

The Philippine agricultural sector plays a vital role in the country's economy, ensuring food security, providing employment, and contributing to national development. However, despite its importance, the sector continues to face numerous challenges—inefficiencies in logistics, post-harvest losses, inadequate infrastructure, and lack of market access for farmers and fisherfolk.

To address these persistent issues and enhance the efficiency of the food supply chain, this bill proposes the establishment of the **Clark National Food Hub**, a centralized, world-class food terminal and logistics center located in the Clark Freeport and Special Economic Zone. This strategic location offers unparalleled access to key transport infrastructures, including international air and seaports, and is well-positioned to serve as a national and regional agri-logistics gateway.

The Clark National Food Hub aims to:

- Serve as a central aggregation, processing, storage, and distribution center for agricultural and fishery products.
- Strengthen the linkage between producers, processors, retailers, exporters, and institutional buyers.
- Reduce post-harvest losses and improve food safety, quality, and traceability.
- Foster inclusive agri-business development by providing market access to small farmers and fisherfolk.
- Improve price stability and enhance national food security by ensuring the timely and efficient movement of food products.

The Hub will be equipped with state-of-the-art cold storage, warehousing, processing facilities, quality control laboratories, and digital systems to enable end-to-end supply chain management. It shall also operate under a public-private partnership framework to ensure efficiency, sustainability, and responsiveness to market demands.

By establishing the Clark National Food Hub, the government demonstrates its commitment to modernizing Philippine agriculture, promoting rural development and ensuring that every Filipino has access to safe, affordable, and nutritious food.

Support for this bill is earnestly requested from my colleagues.


MARIA ANGELA S. GARCIA
Third District, Bataan



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**AN ACT
ESTABLISHING THE CLARK NATIONAL FOOD HUB,
APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES**

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

1 **SECTION 1. *Short Title.*** – This Act shall be known as the “The Clark National
2 Food Hub Act”.

3
4 **SEC. 2. *Declaration of Policy.*** – It is hereby declared the policy of the State
5 to promote food security and inclusivity through the unimpeded trade and flow of
6 agricultural products and agro-food products by facilitating seamless logistics and
7 transport distribution.

8 The State shall enable farmers, fisher folk, livestock and poultry raisers,
9 producers, and cooperatives to sell their products at a higher profit, and provide
10 wholesalers, institutional buyers, and end consumers access to quality agricultural
11 products and agro-food products at lower prices.

12 Toward this end, a comprehensive program for the creation, management,
13 and operation of the Clark National Food Hub with a strategic nationwide trading
14 network is hereby established.

15 Through the Clark National Food Hub, the State shall also facilitate higher
16 mobility of locally produced and available agricultural products and agro-food
17 products across the entire country at a reduced cost, alongside the export of high-
18 value crops to international markets, thereby increasing the profitability and global
19 competitiveness of Filipino farmers.

1 The establishment of the Clark National Food Hub shall likewise ensure
2 availability of quality, affordable Halal food outside Mindanao for Muslim Filipinos
3 and residents across the country, as well as foreign nationals residing or in transit
4 in the country.

5 The State shall also provide and allocate resources for efficient research and
6 quality control, compliance with international food safety and regulations, cold
7 storage systems, warehousing, food processing and packaging, international
8 shipping, marketing services and trading for local and foreign markets.

9 Finally, the State remains firm in its commitment to enhance the institutional
10 and human capacities of key government agencies in enforcing regulations and
11 enhance consumer awareness on the safety and quality of food products sold in the
12 Philippine market.

13 **SEC. 3. Definition of Terms.** – As used in this Act,

14 (a) *Agricultural product* refers to products that result from agricultural
15 activities which can be raw or processed goods that come from
16 farming, livestock, forestry, and fishing, i.e. goods that come from
17 plants, animals, and microorganisms. The term shall be synonymous
18 with and can be used interchangeably with “agricultural commodities”,
19 “agricultural produce”, “agro products”, and “agro produce,” and
20 includes crops, livestock, poultry, and dairy.

21 (b) *Agro-food product* refers to products that belong to a category of
22 agricultural products that encompass all food items that are made for
23 human and animal consumption, such as animal feed, farmed fish,
24 and honey, and such other food made from agricultural products.

25
26 (c) *Assembly market* refers to rural or town markets, normally situated on
27 main highways connecting rural-urban centers and near local
28 transportation interchange points.

29 (d) *Clark Civil Aviation Complex (CCAC)* refers to the 2,367-hectare
30 property operated, managed and maintained by the Clark International
31 Airport Corporation.

32 (e) *Clark International Airport Corporation (CIAC)* refers to the
33 government-owned and controlled corporation mandated to develop,
34 operate, and manage the CCAC and to further engage in civil aviation,
35 civil-aviation related services, and aviation-related logistics activities
36 within the CCAC and the Clark Industrial Estate 5 (IE5).
37

- 1 (f) *Clark National Food Hub* refers to the agricultural product and agro-
2 food terminal and trading hub or the facility in the CCAC where
3 farmers, first and second-level cooperatives, and private entities from
4 rural areas or directly from farms, can offer their products for sale
5 directly to wholesalers and direct customers, including interested
6 foreign buyers and importers, in the food industry like hotels,
7 restaurants, and catering services, thus reducing any middleman in
8 the sale of agricultural and agro-food products.
- 9 (g) *Cold storage* refers to an insulated facility designed to maintain an
10 artificially generated temperature or range of temperatures used to
11 store temperature-sensitive and perishable agricultural commodities
12 or food items to preserve food quality, ensure food safety, and prevent
13 deterioration or decay.
- (h) *Halal food* refers to any food products that are lawful or permissible to
consume under Shari'ah law and as defined in the Quran.
- 14 (i) *Hub-and-spoke* refers to a system of distribution comprised of
15 interrelated units (*spokes*) converging into a main central point (*hub*).
16 The main hub, such as the Clark National Food Hub, is where the
17 goods are stocked, stored, sold, packaged, or traded, and the spokes
18 represent the various distribution and logistics centers that facilitate
19 the transportation, handling, and delivery of goods from the suppliers
20 to end users.
- 21 (j) *Intermodal transportation hub* refers to a place or facility used in the
22 transportation of goods and persons using two or more modes of
23 transportation such as truck, rail, sea, and air.
- 24 (k) *Non-perishable agricultural commodities* refer to food products that are
25 processed or packaged for prolonged storage.
- 26 (l) *Pass-through fees* refer to taxes, fees, charges, and other impositions
27 upon goods carried into or out of, or passing through the territorial
28 jurisdiction of local government units in the guise of a toll, charges for
29 wharfage, or other taxes, fees, or charges in any form upon
30 agricultural products, goods, or merchandise.
- 31 (m) *Perishable agricultural commodities* refer to agricultural products that,
32 because of their inherent quantities or dependence upon conditions of
33 soil or weather, mature, decompose, decay, or deteriorate and
34 undergo material changes of form and quality that render them
35 unsuitable for the use for which they were produced. May also refer to
36

any food that may spoil or otherwise become unfit for human consumption because of its nature, type or physical condition.

(n) *Public-Private Partnership (PPP)* refers to a contractual arrangement between a government implementing agency and a private partner to finance, design, construct, operate, and maintain, or any combination or variation thereof, infrastructure or development projects and services which are typically provided by the public sector, where each party shares in the associated risks, and where the investment recovery of the Private Partner is linked to performance.

(o) *Ripening room* refers to a facility where environmental conditions, such as temperature, relative humidity, and concentration of ethylene, oxygen, and carbon dioxide, may be modified to control the ripening process of fruits and vegetables.

(p) *Sorting and grading line* refers to a manual, mechanical, or fully-automated system used to determine the quality and to sort food products into categories on the basis of weight, size, shape, surface, color, firmness, and other qualities.

(q) *Throughput capacity* refers to the volume of cargo discharged and loaded at a Clark National Food Hub over a given period.

SEC. 4. Establishment of the Clark National Food Hub. – The Clark International Airport Corporation (CIAC), as the lead implementing agency and governing body, shall establish, manage, and operate the Clark National Food Hub, consistent with the following policies, guidelines, and standards:

(a) The Clark National Food Hub shall be built on a property with total area of approximately sixty (60) hectares with an expansion site of approximately twelve (12) hectares within the Clark Civil Aviation Complex (CCAC). It shall be developed into and operated as a self-sustaining, commercial, industrial, trading, agro-industrial, and logistics hub which provides among others, aviation-related logistics activities within the CCAC in order to promote food security, contribute to national economic growth, and effectively encourage and attract legitimate and productive foreign and local investments and market transactions;

(b) The Clark National Food Hub shall provide adequate facilities and support infrastructure such as an intermodal transportation hub, parking space, warehouse, ripening room, cold storage, sorting and grading line, or similar facilities;

1 (c) The Clark National Food Hub shall be fully integrated into the
2 transportation and mobility system of the CCAC and the greater Luzon
3 area;

4 (d) To contribute to the development of special trading markets for Halal
5 food production pursuant to Republic Act No. 10817, or the "Philippine
6 Halal Export Development and Promotion Act of 2016", the Clark
7 National Food Hub shall be the primary trade hub catering to Halal food
8 producers and investors outside Mindanao, making Halal food more
9 accessible to the Muslim population residing in the rest of the
10 Philippines.

11
12 (e) The CIAC shall transfer the management and operation of the Clark
13 National Food Hub to a qualified member of the private sector subject to
14 relevant laws and regulations.

15
16 **SEC. 5. *Implementing Agency.*** – The CIAC shall implement, operate, and
17 manage the Clark National Food Hub.

18 As the implementing agency, CIAC shall:

19 (a) Secure the necessary funding and support for the implementation of
20 the projects of the Clark National Food Hub;

21 (b) Regulate the use by logistics providers, suppliers, and food producers
22 of the Clark National Food Hub and issue the permit therefor. The
23 CIAC is thus authorized to collect a permit fee for such authority to do
24 business in the Clark National Food Hub;

25 (c) Ensure adherence in the implementation of the project with all relevant
26 and applicable national and international standards and best practices
27 for the optimum operation of the Clark National Food Hub;

28
29 (d) Implement policies on food transport and logistics within the Clark
30 National Food Hub Project to ensure safe, economical, and efficient
31 air travel;

32 (e) Perform such other related functions as may be authorized by the
33 President of the Philippines in the development and operation of the
34 Clark National Food Hub at every stage of its implementation.

35
36 **SEC. 6. *Nationwide Hub-and-Spoke Trading Network.*** – The Department
37 of Agriculture (DA) and the Department of Trade and Industry (DTI) shall establish

backward and forward linkages with the Clark National Food Hub through the creation of an integrated nationwide hub-and-spoke trading network, with the Clark National Food Hub as the hub or central point. This network will facilitate the movement of food products from assembly markets of agricultural and agro-food commodities to end users, including exporters, food processing plants, wholesalers, traders, retail markets, and restaurants.

SEC. 7. Food Safety and Quality Standards. – To strengthen the implementation of measures in managing risks and addressing food safety and quality standards, including product uniformity, packaging and handling, the Clark National Food Hub shall pioneer the promotion of food labeling and world-class food safety measures in the country, and shall ensure mandatory and strict compliance to existing national policies and standards in food handling, storage, and trading, as determined by the appropriate regulatory agencies.

These measures shall include the traceability of products to support targeted regulations and regulatory actions to specific sources of risks, and initiatives to harmonize and streamline regulatory services and strictly impose quality standards to ensure safe and quality products, facilitate trade, and promote ease of doing business.

Primarily, these objectives shall be achieved through:

- (a) The establishment of first border inspection facilities, laboratories, and container yards for purposes of inspection and examination of containerized poultry, animal products, fish, and other agricultural commodities, ensuring the safety and quality standards of the products preventing the proliferation of agricultural smuggling and reducing the risk of the agricultural commodities from pests, other infestations, and contamination; and
- (b) The creation of cold storage facilities that enable the preservation of examined and inspected poultry, animal products, fish, and other agricultural commodities that have passed the quality assurance and quality control procedures ensuring food safety and quality standards prior to shipping or distribution.

SEC. 8. Green Energy and Waste Management. – The CIAC shall promote the use of green energy, characterized as any energy type that is generated from natural resources, such as sunlight, wind or water, for the Clark National Food Hub and other facilities that will support the hub.

Moreover, the CIAC shall ensure that proper waste management, including but not limited to reduction, conversion and proper disposal of waste, to address

1 environmental sustainability.

2 **SEC. 9. *Promotion of Agro Processing and Value-Adding Activities***
3 ***within the Clark Freeport Zone (CFZ).*** – The CIAC and the Clark Development
4 Corporation (CDC) shall promote value-adding activities and encourage
5 investments in agro-food processing to complement and support the Clark National
6 Food Hub and food security thrust of the government.

7 **SEC. 10. *Development of an Agriculture Production Base in Luzon.*** –
8 The DA, in cooperation with agriculture state universities and colleges (ASUCs),
9 shall collaborate in the development of an agriculture production base in Luzon to
10 ensure regular and sustainable supply of agricultural commodities for the Clark
11 National Food Hub.

12 **SEC. 11. *Work Plan.*** – The CIAC, as the implementing agency, shall develop
13 the following:

14 (a) A pattern of cooperation and mutual assistance with National
15 Government Agencies such as the DA, DTI, and Department of
16 Transportation (DOTr), non-governmental organizations,
17 cooperatives, traders unions, and the private sector, which shall
18 maximize free market, people empowerment and participatory
19 approaches to program formulation, implementation and monitoring,
20 including a plan for bringing the program down to the farmers, fisher
21 folk, farmer and fisher folk cooperatives, producers, traders, and
22 wholesalers by utilizing available personnel and facilities of the Clark
23 National Food Hub; and

24 (b) A schedule of short-term, medium-term, and long-term targets on
25 research and development, marketing, trade promotion initiatives, and
26 capacity building, among others.

27
28 **SEC. 12. *Whole-of-Nation Approach; Inter-Agency Collaboration.*** – The
29 CIAC, together and in close coordination with key agencies such as the Bases
30 Conversion and Development Authority (BCDA), DA, DTI, DOTr, National Economic
31 and Development Authority (NEDA), Department of Health (DOH), Department of
32 Science and Technology (DOST), Department of the Interior and Local Government
33 (DILG), and Public-Private Partnership (PPP) Center shall collaborate in identifying,
34 strengthening, and implementing the strategic and harmonized Work Plan and such
35 other policies, regulations, and standards which may be deemed appropriate under
36 this Act.

37
38 Furthermore, the Clark National Food Hub shall be the central hub of
39 agricultural and agro-food commodities that shall establish a link towards several

end-users.

SEC. 13. The Clark National Food Hub Technical Working Group (CNFH-TWG). – There is hereby constituted a Clark National Food Hub Technical Working Group (CNFH-TWG) which shall be composed of the heads of the following agencies or organizations or their duly authorized representatives who shall at least be third-ranking officers thereof:

- (a) CIAC;
- (b) BCDA;
- (c) DA;
- (d) DTI;
- (e) NEDA;
- (f) DOTr;
- (g) DOH;
- (h) DOST;
- (i) DILG;
- (j) PPP Center;
- (k) HALAL DEVELOPMENT INSTITUTE OF THE PHILIPPINES;
- (l) One representative from a nationally recognized agricultural product or agri-food product producers organization; and
- (m) One representative from a nationally recognized local business and industry organization.

The President of the CIAC shall act as the Chairperson of the CNFH-TWG, and the Secretaries of the DA and DTI shall act as the Vice-Chairpersons thereof. The appropriate office of the CIAC, as the latter may designate, shall serve as the Secretariat of the CNFH-TWG.

The CNFH-TWG shall be the primary policy planning and coordinating body of the government in ensuring the proper functioning of the Clark National Food Hub. As such, the CNFH-TWG shall formulate, provide, and prescribe strategic policies in support of the implementation, management, and operations of the Clark National Food Hub.

SEC. 14. Stakeholder Consultations. – The CIAC, in coordination with the rest of the CNFH-TWG, shall conduct regular consultations with and among the project stakeholders and beneficiaries on the planning, implementation, and evaluation of the Clark National Food Hub.

SEC. 15. Funding. – The amount of Three Billion Pesos (P3,000,000,000) is hereby appropriated for the initial year of implementation of this Act.

Thereafter, the amount of such sums as may be necessary shall be included

1 in the budget of the CIAC in the annual General Appropriations Act for the
2 implementation and personnel requirements, monitoring and evaluation of the
3 concession agreement, carrying out of capacity building programs, and further
4 sustainability initiatives for this project, including but not limited to, the construction
5 of access roads and utility corridors, materials recovery facility, logistics equipment
6 necessary for the efficient operation of the Clark National Food Hub, development of
7 information and communications technology (ICT) systems that support online or
8 digital transactions, including electronic auctions, and other essential or useful utility
9 infrastructure within and connected to the project site, including access and
10 connectivity to the airport and seaport.

11 In addition, the establishment and operation of the terminal and trading
12 centers will be made with the available participatory funding from the national
13 government.

14 **SEC. 16. Tax Incentives.** The provisions of existing laws, rules, and
15 regulations to the contrary notwithstanding, no national and local taxes shall be
16 imposed on registered and/or accredited logistics providers, business enterprises,
17 traders, and investors within the Clark National Food Hub.

18 In lieu of said taxes, a five percent (5%) tax on gross income earned shall be
19 paid by all registered and/or accredited logistics providers, business enterprises,
20 traders, and investors within the Clark National Food Hub and shall be directly
21 remitted as follows: three percent (3%) to the National Government; one percent
22 (1%) to the Treasurer's Office of the Municipality of Mabalacat, Province of
23 Pampanga; and one percent (1%) to the CIAC.

24 To ensure free flow or movement of goods and capital equipment within, into,
25 and exported out of the Clark National Food Hub, tax and duty-free importation of
26 raw materials and capital equipment shall be provided to registered and/or
27 accredited logistics providers, business enterprises, traders, and investors involved
28 in and operating within the Clark National Food Hub.

29 However, the exportation or removal of goods from the territory of the Clark
30 National Food Hub to the other parts of the Philippine territory, except to Subic Bay
31 Freeport Zone, shall be subject to customs duties and taxes under the Republic Act
32 No. 10863, or the "Customs Modernization and Tariff Act (CMTA)", and other
33 relevant tax laws of the Philippines.

34
35 The governing body, implementing agency, and principal investment
36 promotion agency (IPA) of the Clark National Food Hub shall be the CIAC. The CDC
37 shall be the IPA for purposes of the grant and administration of fiscal incentives only.

1 **SEC. 17. Regulation and Accreditation of Logistic Providers, Suppliers,**
2 **and Food Producers.** – Consistent with the authority of CIAC to authorize and enter
3 into contracts with private corporations, associations, or entities to operate or
4 manage other businesses and activities inside the CCAC, the nationwide trading
5 network supporting the Clark National Food Hub shall be exclusively comprised of
6 logistics providers, suppliers, assembly markets, wholesalers and importers, food
7 traders, buyers, including retailers, food processors, importers, farmers, fisher folk,
8 and cooperatives registered with and accredited by the CIAC, through appropriate
9 public-private partnership arrangements and investment schemes, as capable of
10 servicing the operational requirements, or compliant with the food security and safety
11 standards implemented in the Clark National Food Hub.

12
13 The CIAC shall likewise ensure that such standards, regulation, and
14 accreditation policies issued by appropriate government agencies are upheld.

15 **SEC. 18. Congressional Oversight Committee.** – A Congressional
16 Oversight Committee, hereinafter referred to as the Clark National Food Hub
17 Congressional Oversight Committee (CNFH-COC), shall be constituted to monitor
18 and ensure the proper implementation of this Act. It shall be composed of five (5)
19 members from the Senate, which shall include the Chairpersons of the Committee
20 on Trade, Commerce and Entrepreneurship; Agriculture, Food and Agrarian Reform;
21 and Finance, and five (5) members from the House of Representatives, which shall
22 include the Chairperson of the Committees on Trade and Industry; Agriculture and
23 Food; and Appropriations.

24 The Chairpersons of the Senate Committee on Trade, Commerce and
25 Entrepreneurship, and the House of Representatives Committee on Trade and
26 Industry shall jointly chair the CNFH-COC.

27 The CNFH-COC shall be deactivated after five (5) years from the effectivity
28 of this Act.

29
30 **SEC. 19. Implementing Rules and Regulations.** – Within one hundred
31 eighty (180) days from the effectivity of this Act, the CIAC, assisted by the CNFH-
32 TWG and upon consultations with relevant stakeholders, shall promulgate the
33 necessary rules and regulations to implement this Act.

34 **SEC. 20. Supervision and Control.** – For purposes of policy direction and
35 coordination on the Clark National Food Hub, the CIAC shall be under the direct
36 supervision and control of the Office of the President of the Philippines, through the
37 Bases Conversion and Development Authority.

38 **SEC. 21. Separability Clause.** – If any provision of this Act is held invalid or

1 unconstitutional, the same shall not affect the validity and effectivity of other
2 provisions hereof.

3 **SEC. 22. *Repealing Clause.*** – All laws, decrees, executive orders, rules and
4 regulations, which are inconsistent with the provisions of this Act are hereby
5 repealed, amended or modified accordingly.

6 **SEC. 23. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
7 publication in the Official Gazette or in a newspaper of general circulation.

Approved.