

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

20th Congress
First Regular Session

HOUSE BILL NO. **2730**

Introduced by REP. DIBU S. TUAN



AN ACT MANDATING THE ESTABLISHMENT OF KADIWA CENTERS AS AGRI-FOOD TERMINALS IN THE
THIRD DISTRICT OF SOUTH COTABATO AND PROVIDING FUNDS THEREFOR

EXPLANATORY NOTE

Article XIII, Section 5 of the 1987 Constitution provides that “the State shall recognize the rights of farmers, farmworkers, landowners, as well as cooperatives, and other independent farmers’ organizations to participate in the planning, organization and management of agriculture programs and shall provide support to agriculture through appropriate technology and research, adequate financial, production, marketing and other support services.”

In the face of the COVID-19 pandemic and nationwide lockdowns, a number of agri-fishery food suppliers served as one of our commendable frontliners who ensured that food is made available and accessible to every household across the country. Through their efforts, consumers have availed of essential food and products right at the premises of their homes.

Amid the rising prices and cost of food, the scaling up of innovative solutions cannot be over-emphasized. One of the successful initiatives is the establishment of “kadiwa centers.” The Kadiwa ni Ani at Kita Program is the agribusiness and marketing initiative of the Department of Agriculture (DA) to help link local farmers and fisherfolks directly to consumers.

The Kadiwa initiative, which began in 2019, allows farmers to directly access consumers without going through a multi-layer marketing structure by building Kadiwa food terminals/storefronts in cities around the nation, allowing farmers to sell their produce at a higher profit margin. The program was even heightened during the start of the lockdown when the logistics of goods were hampered. It operates in four modes, namely Kadiwa Retail or Direct Selling which establishes physical retail stores to accommodate farmers’ produce for sale to customers especially in densely-populated areas; Kadiwa on Wheels which brings agri-fishery products to barangays and villages through rolling stores in vehicles; Kadiwa sa Pamahalaan in DA offices; and, Kadiwa in malls. Recently, the program also launched its Enhanced Kadiwa ni Ani at Kita where it capacitates farmers/fisherfolks organizations to become reliable food commodity suppliers to consumers and for community-based organizations to sustainably operate the Kadiwa retail stores. They were granted working capital to sustain their operations.

In April 2021, the DA reported that 41,357 farmers have benefitted from its Kadiwa ni Ani at Kita Program. It was also able to generate Php7.241 billion in sales and served nearly 4 million households in areas where it was rolled out.

Considering the gains of the Kadiwa Program as effective agri-food terminals very close and accessible to our consumers, this measure aims to scale up the said food terminal model and effectively promote the growth of the local agricultural markets. If successfully rolled out in every city and municipality, these agri-food terminals and centers will serve as a place where local farmers and fisherfolks can sell their produced goods directly to the consumers and the general market. Prices in Kadiwa are lower by 10-20 percent since bringing the products won't entail high transportation costs.

In line with the clear direction of the current administration to prioritize helping our agriculture and fisheries workers to make food products affordable, it is clear how scaling up the Kadiwa initiative in many regions across the country can be a concrete and immediate intervention to the food crisis that we face.

In view of the foregoing, the expeditious consideration and approval of this measure is earnestly sought.



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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 Kadiwa Agri-Food Terminal of the Third District of South Cotabato Act.

SECTION 2. Declaration of Policy. It is hereby declared the policy of the State to assist our farmers and fisherfolks by providing them a venue to market and trade their produce and give them access to buyers at affordable prices. Toward this end, instituting a program for the creation of a nationwide system of agricultural and fisheries food terminals is hereby established. The goal of these agri-trading centers is to provide an avenue where farmers and fisherfolks can directly sell their products to consumers and food suppliers. Moreover, this endeavors for higher mobility for locally-produced agricultural products to the whole country at a cheaper cost of transportation.

SECTION 3. Establishment of Kadiwa Agri-Food Terminals. The Department of Agriculture (DA), in close coordination with the Local Government Units (LGUs), shall establish and manage Agri-Food Terminals in the Third District of South Cotabato. The mandatory establishment of these Agri-Food Terminals by the aforementioned LGUs shall select among the following modes:

- a) Kadiwa Retail or Direct Selling – establishing physical food terminals to accommodate farmers and fisherfolks' products for sale to customers and food suppliers;
- b) Kadiwa on Wheels – using rolling stores in vehicles to bring agri-fishery products to barangays and villages;
- c) Kadiwa sa Pamahalaan – establishing trading centers within the proximity of the government's property/office through partnership with the DA or other government agencies within the LGU.

SECTION 4. Kadiwa Food Terminal Plan – in line with this Act, the DA shall develop the following:

- a) Comprehensive plan of rolling out the program in every city and municipality;
- b) Outlined process and mutual assistance between the DA, LGUs, and other concerned government agencies and the private sector;
- c) Schedule of short-term, medium-term, and long-term targets on research and development, marketing, trade promotion/initiatives, capacity-building, among others.

SECTION 5. Appropriations – the amount of Twenty Five (P25,000,000,000.00) Billion Pesos is hereby appropriated for the initial year of implementation of this Act. Thereafter, the amount of Ten Billion (P10,000,000,000.00) Pesos shall be included in the budget of the DA for implementation and continued expansion of this program. In addition, the establishment and operation of food terminals will be made with the available participatory funding from the national government with adequate equity from the LGUs.

SECTION 6. Implementing Rules and Regulations. Within thirty (30) days from the effectivity of this Act, the Secretary of Agriculture and the Secretary of the Interior and Local Government, in consultation with appropriate government agencies and other stakeholders, shall promulgate the necessary Rules and Regulations to implement this Act. The Implementing Rules and Regulations shall include a template to guide the Third District of South Cotabato in the establishment of their own Agri-Food Terminals and Trading Centers.

SECTION 7. Separability Clause. If any provision of this Act, or parts thereof, is declared unconstitutional, the same shall not affect the validity and effectivity of the other portions.

SECTION 8. Repealing Clause. All laws, executive orders, presidential decrees, and implementing rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 9. Effectivity. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved.