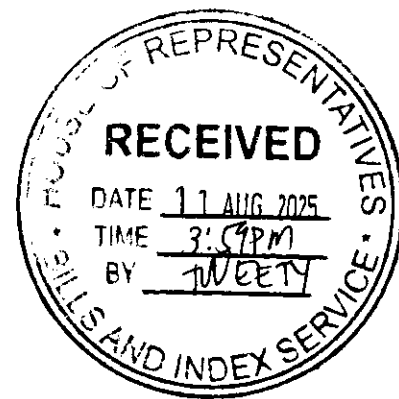


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 3466



Introduced by Representative Jan Rurik D. Padiernos, GP (Galing sa Puso) Party-List

EXPLANATORY NOTE

The Bureau of Agricultural Cooperative and Industry Development (BACID) is hereby established to address the evolving needs of both cooperative development and the modernization of agriculture in the Philippines. This new agency combines the focus of the previous Bureau of Agricultural Cooperatives (BACOD) on cooperative development with an expanded mandate to include the modernization of agriculture, including agro-processing, market access, transportation, and logistics. This expanded mandate aims to empower agricultural cooperatives to actively contribute to the agricultural value chain, ensuring that farmers are adequately supported in value-added activities, ultimately helping to ensure fair pricing, food security, and sustainable agricultural growth.

BACID shall likewise promote the clustering of smallholder farms through cooperatives, with the objective of facilitating shared resource utilization, enhancing market access, and improving production efficiency. This approach seeks to strengthen the agricultural sector, promote equitable pricing mechanisms, and contribute to national food security. By establishing BACID, the government will create an agency that not only regulates cooperatives but also drives their growth, market integration, and modernization, which is essential for building a more resilient, inclusive agricultural economy in the Philippines.

BACID shall inherit the cooperative development functions of the former Bureau of Agricultural Cooperatives (BACOD) but with an expanded mandate to drive agricultural modernization. This includes the clustering of small farms, contract growing, and agro-processing initiatives, which are outside the scope of the Cooperative Development Authority (CDA). While the CDA continues to focus on cooperative regulation and legal compliance, BACID shall focus on cooperative development, market integration, and agricultural modernization. BACID will facilitate the consolidation of small farms through cooperatives and promote contract growing arrangements, creating a more robust agricultural sector and ensuring fair pricing and food security.

Approval of this bill is earnestly sought.


ATTY. JAN RURIK D. PADIERNOS
GP (Galing sa Puso) Party-List

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TWENTIETH CONGRESS
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HOUSE BILL NO. 3466

Introduced by Representative Jan Rurik D. Padiernos, GP (Galing sa Pusong) Party-List

AN ACT
ESTABLISHING THE BUREAU OF AGRICULTURAL COOPERATIVE AND
INDUSTRY DEVELOPMENT (BACID), DEFINING ITS POWERS AND
FUNCTIONS, 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 "*Agricultural Cooperative and Industry Development Act of 2025.*"

SEC. 2. *Declaration of Policy.* - It is the policy of the State to promote the growth and development of the agricultural sector while ensuring the development, empowerment, and integration of technological advancements in agricultural cooperatives.

Recognizing the vital role of cooperatives in rural development, the State commits to provide agricultural cooperatives with the necessary tools, infrastructure, and support to enable them to engage in value-added agricultural activities, such as agro-processing, transportation, logistics, and market integration. This effort is designed to allow farmers to increase their income, participate in both local and global markets, and ultimately contribute to achieving fair and equitable prices for both farmers and consumers.

SEC. 3. *Creation of the Bureau of Agricultural Cooperative and Industry Development (BACID).* - BACID is hereby established under the Department of Agriculture (DA). BACID shall have a dual mandate: first, to support cooperative development, and second, to drive the modernization of agriculture through agro-processing, logistics development, contract growing, and farm consolidation. BACID builds upon the functions of the Bureau of Agricultural Cooperatives (BACOD), but expands its focus to include agriculture modernization, and value-added agricultural activities, which are not covered by CDA's mandate.

SEC. 4. *Mandates of Bureau of Agricultural Cooperative and Industry Development (BACID).* - BACID shall be the primary government agency responsible for the development, empowerment, and modernization of agricultural cooperatives. It shall support cooperatives in their integration into the agricultural industry, fostering sustainable growth, and ensuring market competitiveness.

SEC. 5. Powers and Functions of Bureau of Agricultural Cooperative and Industry Development (BACID). - BACID shall have the authority to exercise the following powers and functions:

- a. Develop and implement comprehensive programs to assist cooperatives in their formation, expansion, and sustainability, including offering training, technical assistance, and financial support to promote the growth of the cooperatives.
- b. Facilitate the adoption of innovative technologies and sustainable farming practices through agro-processing, logistics, contract farming, and farm consolidation.
- c. Expand cooperative participation in local and global markets, ensuring fair pricing, stable markets, and predictable income streams for farmers.
- d. Develop and manage partnerships between cooperatives, agribusinesses, and local government units (LGUs) to improve agricultural productivity and ensure food security.
- e. Guide cooperatives to establish and strengthen value-added activities, including processing and product branding, to increase farmer profitability.
- f. Implement training programs on cooperative governance, financial management, and market development to enhance cooperative operations.
- g. Facilitate contract farming arrangements between cooperatives and agribusinesses, securing stable markets and providing necessary resources and technical support to farmers.
- h. Support the clustering and consolidation of small farms through cooperatives to improve efficiency, reduce costs, and increase bargaining power.
- i. Facilitate access to loans, grants, and subsidies for cooperatives to modernize infrastructure, including processing plants, storage, and transportation networks.
- j. Oversee the compliance of cooperatives with industry standards and best practices, ensuring environmental sustainability and operational efficiency.

SEC. 6. Cooperation Between Bureau of Agricultural Cooperative and Industry Development (BACID) and Cooperative Development Authority (CDA). - BACID and CDA shall work together to promote cooperative development and agricultural consolidation. CDA will handle regulation, compliance, and governance, while BACID will focus on modernizing agriculture, including clustering small farms and supporting contract growing.

SEC. 7. Organizational Structure and Composition of the Board of Administrators of BACID - The Authority shall be governed by a Board of Administrators consisting of a Chairman and six (6) members to be appointed by the President. The Board consist of the following:

- a. Chairman. — The Chairman shall serve as the Chief Executive Officer of the Board. The Chairman must have demonstrated leadership and technical expertise in cooperative development, agriculture, public policy, or organizational management.
- b. Members. — The six (6) Members of the Board shall be appointed by the President, upon endorsement or nomination by the relevant agencies or sectors, as follows:
 - i. One (1) representative from the cooperative sector, endorsed by the Cooperative Development Authority (CDA), who has at least five (5) years of experience in managing or advising cooperatives engaged in agriculture, agribusiness, or community development;
 - ii. One (1) representative from the private sector, with background in logistics, agritech, market development, or finance, nominated by the Department of Trade and Industry (DTI);

- iii. One (1) representative from the academe, with expertise in rural development, agricultural economics, or cooperative systems, to be nominated by the Commission on Higher Education (CHED);
- iv. One (1) representative from a national farmers' or fisherfolk organization, endorsed by the Department of Agriculture (DA);
- v. One (1) nominee of the Department of Agriculture (DA), preferably with experience in policy implementation or program coordination in agricultural modernization or cooperative clustering;
- vi. One (1) nominee of the Cooperative Development Authority (CDA), with relevant technical, legal, or regulatory background.

c. **Term.** — All members of the Board shall serve a term of three (3) years, renewable for one (1) additional term, and shall serve in a full-time capacity. To ensure continuity, the initial appointees shall serve staggered terms to be determined by the President.

d. **Qualifications and Disqualifications.** — All members must be of proven integrity, competence, and independence, with no conflict of interest in the performance of their duties. They shall not, during their tenure, engage in any activity or business that may conflict with the mandate of the Board.

e. **Gender and Regional Representation.** — In appointing members to the Board, the President shall ensure, as far as practicable, gender balance and regional representation, particularly from underrepresented or marginalized agricultural communities.

SEC. 8. Appropriations. - To carry out the provisions of this Act, an initial appropriation is hereby authorized in the General Appropriations Act (GAA). Subsequent budgets shall be provided based on the Bureau's needs and performance, as determined by the DA. The Bureau may also seek funding from international organizations, private sector partnerships, and other sources of financial support.

SEC. 9. Implementing Rules and Regulations. - The Department of Agriculture, in consultation with relevant stakeholders, shall issue the necessary rules and regulations for the effective implementation of this Act within ninety (90) days from its approval.

SEC. 10. Repealing Clause. - All laws, decrees, executive orders, or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SEC. 11. Separability Clause. If any provision of this Act is declared unconstitutional or invalid by a competent court, the remaining provisions shall remain in full force and effect.

SEC. 12. Effectivity. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,