



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session



HOUSE BILL NO. 5054

Introduced by Representative JONATHAN KEITH T. FLORES

EXPLANATORY NOTE

Corn plays a crucial role in the country's agricultural sector as a primary source of food for millions of Filipinos and as an essential part in feed production for the livestock, poultry, and aquaculture industries.

Despite its importance, the corn industry continues to face significant challenges, including low productivity, inadequate postharvest facilities, limited access to quality seeds and mechanization, and vulnerability to climate risks. These factors hinder industry growth, drive up production costs, reduce competitiveness, and limit the incomes of corn farmers and their families.

Thus, this measure seeks to address these challenges by establishing a comprehensive framework for the development of the Philippine corn industry. The bill proposes the creation of a National Corn Program Management Office (NCPMO) to oversee implementation and mandates the crafting of a Corn Industry Development Roadmap to set the long-term strategic direction for improving productivity, resilience, and sustainability.

Furthermore, this bill provides for the creation of the Corn Competitiveness Enhancement Fund (Corn Fund), sourced from tariff collections on imported corn, feed wheat, and related products. The fund will support mechanization, seed and fertilizer provision, training and extension services, research and development, credit facilities, crop insurance, and other interventions that will directly benefit corn farmers and enhance industry competitiveness.

By investing in a more competitive corn industry, this measure aims to raise farmer incomes, strengthen the country's food security, and promote inclusive rural development.

The immediate passage of this bill is earnestly sought.

JONATHAN KEITH T. FLORES
2nd District of Bukidnon





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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 House of Representatives of the Philippines in Congress assembled:

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

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

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

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

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

- (a) *Corn* refers to yellow corn for animal feeds, and white corn and other indigenous corn varieties for human consumption;
- (b) *Feeds* refers to a single or combination of ingredients, supplements, and additives by specific formula to be fed directly to animals which is capable of providing the nutritional requirements in order to sustain life, promote growth, production, and reproduction;
- (c) *Smallhold Farmer* refers to a farmer owning or cultivating three (3) hectares or less of farmland;
- (d) *Locally Produced Seeds* refer to seeds cultivated, harvested, and processed within the country by any individual, organization and/or entity involved in seed production.

SEC. 4. *Creation of National Corn Program Management Office.* – To ensure the effective implementation of the Corn Industry Development Act, a National Corn Program Management office (NCPMO) shall be established. The NCPMO shall operate under the authority of the National Corn Banner Program led by its director. Towards this end, the NCPMO shall seamlessly integrate into the existing banner corn program of the Department of Agriculture to ensure continued development of the corn industry beyond the expiration or termination of the Corn Fund established by this act. Moreover, it is hereby authorized to hire additional personnel in its main office and regional field offices.

SEC 5. *Powers and Functions.* -The NCPMO shall have the following powers and functions under this Act:

- (a) Serve as the overall planning and administrative secretariat for the implementation of this Act;
- (b) Manage, supervise, and monitor the Corn Fund under Sections 8 and 9 of this Act;
- (c) In partnership with the Bureau of Agricultural Research (BAR), Bureau of Plant Industry (BPI), and the DA Regional Integrated Agricultural Research Centers, establish and strengthen a network of research institutions engaged in corn varietal improvement, propagation, and distribution;
- (d) In collaboration with BPI, establish and manage a corn gene bank of all the corn varieties developed under this Act, which shall be kept, protected, accessed and utilized for the implementation of this Act, especially those funded and developed by the BAR; and
- (e) Establish a reliable, efficient, and holistic corn industry database management system that shall cater to the needs of the corn industry, particularly the corn production areas in this Act.

SEC. 6. *Corn Industry Development Roadmap.* – The roadmap shall set the strategic direction and key initiatives of the Corn Industry Development under this Act. It shall be crafted in consultation with relevant stakeholders that include, but are not limited to smallhold farmers, feed processors, livestock farmers, regulatory offices, and academe. It shall be finalized within one hundred eighty (180) days from the effectivity of this Act and updated every three (3) years thereafter.

The NCPMO, together with the government agencies cited in this Act, shall spearhead the crafting of the roadmap.

SEC. 7. *Corn Production Areas.* - The priority corn production areas that shall be the beneficiaries of the corn fund under this Act shall be identified by the NCPMO and approved by the DA Secretary based on the following criteria:

- (a) *Potential Expansion Area and Yield Optimization* - Areas with significant potential expansion, as well as those with low average corn yields shall be given priority to increase corn production;
- (b) *Poverty Incidence* - Provinces or communities with high poverty incidence shall receive priority consideration to provide livelihood opportunities and increase incomes;
- (c) *Limited Number of Postharvest Facilities* - Provinces lacking sufficient postharvest facilities for corn processing and storage shall be given priority to reduce postharvest losses, increase market access and overall competitiveness;
- (d) *Agro-Climatic Factors* - Areas that are vulnerable to climate risks shall be considered for support to enhance resilience and sustainability; and
- (e) *Marginalized Corn Areas* - Priority consideration shall be given to areas with low fertility and problem soils.

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

The Corn Fund shall consist of an annual appropriation of Three billion pesos (₱3,000,000,000.00) sourced from tariff collections on imported corn, feed wheat, feeds and other products and ingredients for feeds for the fraction of the year and for the next ten (10) years following the effectivity of this Act.

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

- 10.05** Maize (corn).
- 1005.90.90 - - Other
- 1005.90.90.100 - - - In-Quota
- 1005.90.90.200 - - - Out-Quota

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

- 10.01** Wheat and meslin.
- - - Other
- 1001.99.91 - - Meslin
- 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** Flours, meals and pellets, of meat or meat offal, of fish or of crustaceans, molluscs 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, molluscs 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 forms 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
- 2303.10.90 - - Other
- 2303.20.00 - Beet-pulp, bagasse and other waste of sugar manufacture
- 2303.30.00 - Brewing or distilling dregs and waste

23.04 Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soya-bean oil.

- Soya-bean meal:
- 2304.00.29 - - Other
- 2304.00.90 - Other

23.05 2305.00.00 - Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of ground-nut oil.

23.06 Oil-cake and other solid residues, whether or not ground or in the forms of pellets, resulting from the extraction of vegetable or microbial fats or oils, other than those of heading 23.04 or 23.05.

- 2306.10.00 - Of cotton seeds;
- 2306.20.00 - Of linseeds;
- 2306.30.00 - Of sunflower seeds;
- Of rape or colza seeds
- 2306.41 - - Of low erucic acid rape or colza seeds
- 2306.41.10 - - - Of low erucic acid rape seeds
- 2306.41.20 - - - Of low erucic acid colza seeds
- 2306.49 - - Other:
- 2306.49.10 - - - Of other rape seeds
- 2306.49.20 - - - Of other colza seeds
- 2306.50.00 - Of coconut or copra;
- 2306.60 - Of palm nuts or kernels;
- 2306.60.10 - - Ground or in the form of pellets
- 2306.60.90 - - Other
- 2306.90 - Other:
- 2306.90.10 - - Of maize (corn) germ
- 2306.90.90 - - Other;

23.07 2307.00.00 Wine lees; argol.

23.08 2308.00.00 Vegetable materials and vegetable waste, vegetable residues and byproducts, whether or not in the form of pellets, of a kind used 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
 - 2309.90.12 - - - 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 (₱3,000,000,000.00) 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 shall be allocated and utilized in accordance with the priorities outlined under Section 9 of 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 NCPMO 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 6 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;
- (c) Any program undertaken in accordance with this Act shall only be deemed complementary and supplementary to, and shall not be replacement of any existing programs for corn farmers already implemented by the DA and other agencies concerned; and
- (d) If the Corn Fund expires or is terminated following evaluation and recommendation of the review committee outlined in section 11 of this Act, funds earmarked for programs vital to the continued development of the corn industry, including core functions outlined in Section 5 such as establishing a corn gene bank and managing a corn industry database management system, shall be integrated into the GAA under the DA's existing banner program for corn.

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:

- (a) Forty percent (40%) – 57% for post-production, 38% for mechanization of corn farms, to be implemented by PHILMECH as grant in kind to eligible farmers' associations or organizations, registered corn cooperatives, and local government units (LGUs) in the

form of provision of corn farm equipment such as corn planters, farm tractors, forage choppers, power/boom sprayers, fertilizer spreader/applicator, harvesters, irrigation systems, corn shellers, mechanical dryers, moisture meters, feed processors, and the establishment and improvement of corn postharvest centers (including corn mills, waste utilization facilities and equipment, and corn-silage facilities), warehouses and/or silos, and 5% for Program Management Office (PMO): *Provided*, That PHILMECH shall endeavor to develop and utilize local talents and resources in the manufacturing and provision of the foregoing equipment, tools and facilities;

- (b) Ten percent (10%) for provision of seeds and fertilizers, to be implemented and/or supervised by the NCPMO through DA Regional Field Offices (RFOS): *Provided*, That in the procurement of seeds for distribution to farmers under this Act, the NCPMO shall ensure that DA-RFOS prioritize procurement of locally produced seeds registered with the National Seed Industry Council (NSIC);
- (c) Ten percent (10%) of the Corn Fund shall be allocated in support of the core function of the BPI. Of which, ninety-three percent (93%) shall be allotted to its core functions, and seven percent (7%) shall be allotted to its PMO. Its core functions encompass establishing seed identity, ensuring seed quality, establishment of corn gene bank and seed network, pest management, facilitating PHILGAP certification processes, and strengthening measures for food safety compliance and quarantine regulations. Furthermore, these funds will be utilized for providing essential technical assistance and intervention, which includes conducting training and information dissemination, and monitoring and evaluation activities;
- (d) Six percent (6%) for the NCPMO, which shall include the hiring and maintenance of needed personnel (34%), and for roadmap, review of the Corn Fund, holistic database management, and program management activities (66%);
- (e) Ten percent (10%) for extension and training activities to increase corn productivity, including training course grants, training/capacity building of beneficiaries for maintenance servicing of machinery and equipment, and organizing and clustering of smallhold corn farmers into formal groups, cooperatives or associations. The fund shall be utilized by the Agricultural Training Institute (ATI) (6%) and PHILMECH (4%). *Provided further*, that ninety-four percent (94%) of the allocation of ATI shall be utilized for the extension and training activities and six percent (6%) for its PMO;
- (f) Ten percent (10%) shall be allocated for research to be managed by BAR. Of which, ninety-three percent (93%) shall be allocated for research, with priority to research related to yellow corn. The remaining seven percent (7%) will be allocated for its PMO and research network. *Provided*, that research initiatives shall include but not be limited to:
 - i. Crop management which shall look into the increase in yield and income through the use of cost-reducing technologies such as: Site Specific Nutrient Management (SSNM) expert for yellow and white corn; Integrated Pest Management (IPM); and irrigation and drainage systems;
 - ii. Collection, varietal improvement of yellow and white corn and utilization of traditional corn products through the development and improvement of resistance to biotic and abiotic stresses, development and commercialization of high yielding and stress resistant open pollinated varieties and hybrids;
 - iii. Mechanization through the development of low cost but appropriate postharvest machines that will reduce losses and improve production and grain quality;
 - iv. Development of food and non-food products for commercialization; and
 - v. Scaling-up of matured technologies generated by implementing agencies.

Provided further, that the seven percent (7%) allocated for a PMO shall be utilized for the establishment and strengthening of a corn research network, the improvement of the PMO housed at BAR, hiring of staff to coordinate and oversee the

implementation of research activities, project review, workshops, monitoring, and other related activities.

- (g) Seven percent (7%) for credit facility with minimal interest rates and documentary requirements to be implemented by the Agricultural Credit Policy Council (ACPC); and
- (h) Seven percent (7%) shall be allocated for the provision of crop insurance under an extensive corn crop insurance coverage of the Philippine Crop Insurance Corporation (PCIC).

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 associations, and LGUs, shall validate and update the master list of eligible beneficiaries in corn production provinces identified under this Act to ensure that those listed are corn farmers, cooperatives and associations.

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 identified corn production areas: *Provided*, That preferential attention shall be given to smallhold corn farmers who are members of cooperatives and associations.

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 an 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;
- (b) The percentage allocation of the Corn Fund will be reviewed on the third (3rd) year from the effectivity of this Act for possible revisions should intervention priorities change; and
- (c) On the ninth (9th) year from the effectivity of this Act, a mandatory review shall be conducted by the Congressional Oversight Committee on Agricultural and Fisheries Modernization (COCAFAM) to determine whether the Corn Fund and its utilization as provided for under this Act shall be continued, amended, or terminated. The increase or decrease in farmers' incomes, increase in the number of corn farmers, and increase in market demand shall be a primary benchmark in determining the effectiveness of the interventions under the program and its possible extension;

In view of its oversight function, the COCAFAM, at any time, may conduct an assessment of the implementation of programs and utilization of Corn Fund as directed under this Act.

SEC. 12. *Lifting of Export Restrictions on Corn.* – All laws, rules, regulations, guidelines, and other issuances imposing export restrictions on corn, except those related to the prevention and spread of plant, animal pests and diseases, food-borne and water-borne illnesses affecting the safety of food for human and animal consumption, and food security emergencies are hereby lifted and/or repealed.

Sec. 13. *Review of Tariff Rates.* – Consistent with the policies of this Act, the Tariff Commission shall review the Most Favored Nation (MFN) tariff rates on corn, feed wheat, and other related feed as outlined in Section 8 of this Act originating from non-Association of Southeast Asian Nation (ASEAN) World Trade Organization (WTO) member states. Within sixty

(60) days following the effectivity of this act, the Tariff Commission shall recommend to the NEDA board the possible MFN rate adjustments that will ensure the competitiveness of the corn industry.

SEC. 14. ***Disposition of Corn Fund under the National Food Authority (NFA).*** – The NFA shall liquidate and report on the accomplishment of its existing corn marketing assistance program. Its corn development fund, enhanced electronic trading system for corn, created under Presidential Memo No. 468 dated March 17, 1998, held in trust by the NFA, is hereby dissolved and the remaining money balance transferred to the NCPMO for inclusion in the Corn Fund.

SEC. 15. ***Powers of the President.*** – The President is hereby empowered to:

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

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

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

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

Sec. 18. ***Transitory Clause.*** – The National Corn Program, the banner program under the DA office of the Secretary, shall serve as the PMO for the implementation of this Act, until the National Corn Program management office as provided in Section 4 of this Act is created.

Sec. 19. ***Implementing Rules and Regulations.*** – The DA, in consultation with concerned agencies and stakeholders, shall promulgate the implementing rules and regulations of this Act within one hundred twenty (120) days upon the effectivity of this Act.

SEC. 20. ***Effectivity.*** – This Act shall take effect after fifteen (15) days following the completion of its publication in the Official Gazette, or in a newspaper of general circulation.

Approved,