



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 5295



Introduced by Representative **ANTONINO B. ROMAN III**

EXPLANATORY NOTE

Food insecurity and rural poverty continue to weigh heavily on the Philippines. Farmers and fisherfolk—those who put food on our tables—remain among the poorest sectors in society. Many of them still struggle to access credit, technology, and markets that could help raise their incomes and improve their livelihoods.

One of the most effective ways to change this reality is through agricultural cooperatives. When farmers and fishers organize, they gain strength in numbers: they can pool resources, buy farm inputs at lower prices, share equipment, and sell their produce collectively to secure better market prices. These cooperatives also become channels for innovation, modern farming practices, and access to government support.

However, many agricultural cooperatives remain small, scattered, and under-resourced. They need stronger institutional support to reach their full potential and contribute meaningfully to national food security and rural development.

This bill seeks to empower agricultural cooperatives by establishing a Bureau of Agricultural Cooperatives under the Department of Agriculture. The Bureau will serve as the lead agency in promoting, regulating, and supporting agricultural cooperatives nationwide. It will provide training, capacity-building, financing, and technical assistance to help these cooperatives modernize, become more resilient, and operate sustainably.

The bill also promotes clustering and consolidation among cooperatives to achieve economies of scale, introduces climate-resilient and digital agricultural practices, and creates a Cooperative Climate Resilience Fund to help protect farmers against disasters and climate risks.

By strengthening agricultural cooperatives, this measure aims to create a more inclusive and competitive agricultural sector—one that ensures food security, uplifts rural communities, and brings dignity and prosperity to those who feed the nation.

Immediate passage of this bill is earnestly sought.

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AN ACT
ENSURING THE DEVELOPMENT, PROMOTION, AND PROTECTION OF
AGRICULTURAL COOPERATIVES, PROVIDING FOR THE CREATION OF
THE BUREAU OF AGRICULTURAL COOPERATIVES, AND FOR OTHER
PURPOSES

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

CHAPTER I

DECLARATION OF POLICY

SECTION 1. Short Title. – This Act shall be known as the “Agricultural Cooperatives Act of 2025.”

SECTION 2. Declaration of Policy. – It is hereby declared the policy of the State, in line with the Constitution, that expanding productivity is the key to raising the quality of life for all, especially the underprivileged, together with a sustained increase in the amount of goods and services produced by the nation for the benefit of the people.

In line with this, the State recognizes the need to hasten the growth, integration, and modernization of the agricultural sector in order to meet the rising dilemma of food insecurity, which disproportionately affects the marginalized sectors of society.

The State further recognizes the indispensable need to encourage the participation of women and youth as a primary force in the government's drive to empower the agricultural sector. Therefore, the State shall focus on establishing a structure and network that institutionalizes support, capacity-building, and industry growth for agricultural cooperatives.

Similarly, it is the declared policy of the State to foster the creation and growth of cooperatives as a practical vehicle for promoting self-reliance and harnessing people power towards the attainment of economic development and social justice.

Towards this end, the Government and all of its branches, subdivisions, instrumentalities, and agencies shall ensure the provision of technical guidance, financial

assistance, and other relevant services to enable farmers, fisherfolk, and other agricultural workers to organize themselves into self-sustaining cooperatives that work together to strengthen the Philippine agricultural industry.

CHAPTER II

GENERAL PROVISIONS

SECTION 3. Definition of Terms. – In so far as they are used in this Act, the following terms shall mean:

- a. *Agribusiness* refers to a range of activities that occur in the agricultural value chain utilized in modern food production, including but not limited to farming, forestry, fishing operations, as well as seed supply, agrichemicals, related machineries, processing, storage, marketing, distribution, and sales, whether wholesale or retail.
- b. *Agricultural Cooperative* refers to a type of cooperative comprising farmers, fisherfolk, agrarian reform beneficiaries, dairy farmers, community forestry farmers, aquaculture farmers, and other individuals engaged in agricultural activities. These individuals voluntarily organize themselves into an agricultural-based economic enterprise, including subsidiary agricultural cooperatives formed by existing multi-purpose cooperatives and multi-purpose cooperatives whose primary business activity is at least fifty percent (50%) related to agricultural production, agro-industry, agribusiness, or services related to agricultural production. Agricultural activities encompassed by the cooperative include the production, processing, agrologistics, and distribution of agricultural, fishery, and forestry inputs and products, whether primary, derived, or processed. The cooperative also provides a range of services aimed at improving the livelihood, income, and overall welfare of its members, including savings and credit, marketing, agricultural extension, farm education, agri-tourism, digital agriculture, and other allied services related to climate resiliency and safety nets.
- c. *Asset Development* refers to the growth and improvement, according to targeted goals and objectives, of key instruments and resources for agricultural operations, such as, but not limited to, land, buildings, which may include residences, warehouses, or barns, irrigation systems, fences, and trees;
- d. *Build Scale* refers to the growth or expansion of agribusiness in a proportional and profitable manner.
- e. *Cooperative* refers to an autonomous and duly registered association of persons, with a common bond of interest, who have voluntarily joined together to achieve their social, economic, and cultural needs and aspirations by making equitable contributions to the capital required, patronizing their products and services, and accepting a fair share of the risks and benefits of the undertaking in accordance with universally accepted cooperative principles.
- f. *Clustering* refers to the process by which multiple agribusinesses, each involved in different stages of the agricultural value chain, combine their operations into a single hub. This collaboration aims to enhance operational efficiency, streamline processes, and maximize profits through integrated efforts.
- g. *Consolidation* refers to a process by which fragmented and scattered landholdings are reorganized or restructured into larger, more contiguous plots. This can be done

through voluntary reallocation, sales, land exchanges or swaps, lease, and other means.

- h. *Criteria for Assessment and Ratings* refers to a set of standards in determining the performance of an agricultural cooperative, which includes, among others, enterprise management, adherence to cooperative principles, and product or service quality.
- i. *Family Farming* refers to an agribusiness operation that is managed and operated by a family unit, related by consanguinity or affinity, whether nuclear or extended, and which predominantly relies on the labor of the members of such family for its operations. The family and the farm, therefore, are inextricably linked and co-evolve with each other.
- j. *Local Development Hub (LDH)* refers to a farming zone or transport infrastructure, which is generally far from formal markets. An LDH serves around five hundred (500) to one thousand (1,000) farmers and links them to buyers, which may include traders, processors, and export companies.
- k. *National Federation of Agricultural Cooperatives (NFAC)* refers to a federation of agricultural cooperatives that are engaged in agribusiness and financial business for the benefit of the members through its subsidiaries.
- l. *Wholesale Market* refers to a market, owned by the government and managed by the NFAC through its subsidiary/ies, where a trader buys farm produce from the farmers, through the agricultural cooperatives, in bulk and resells the goods to business houses or retailers to further sell the goods to end consumers.
- m. *Cooperative Climate Resilience Fund* refers to a grant-making mechanism that aims to ensure that agricultural cooperatives and their farmer-members are protected from and resilient to the impact of climate change.

SECTION 4. Registration and Supervision. – Agricultural Cooperatives shall be governed by the general law on cooperatives, except as otherwise provided herein. In connection with this, agricultural cooperatives must be registered with the Cooperatives Development Authority (CDA) in order to be entitled to the privileges and exemptions extended to cooperatives under Republic Act No. 9520, otherwise known as the Philippine Cooperative Code of 2008.

An agricultural cooperative shall file its application for registration with the CDA regional office that has jurisdiction over its area of operation. No fees shall be assessed or charged to any agricultural cooperative by any government entity, national or local, at any stage of its organization and registration process.

This notwithstanding, as the agency with the mandate to promote agricultural development by providing policy framework, public investments, and support services, the Department of Agriculture (DA) shall be the regulatory agency exercising primary supervision over the National Federation of Agricultural Cooperatives (NFAC). The Federation shall exercise supervision and control over its member-primary agricultural cooperatives.

SECTION 5. Capital Requirements of Agricultural Cooperatives. – The authorized share capital of an agricultural cooperative shall be stated in its Articles of Cooperation. Prior to its registration, at least twenty-five percent (25%) of the authorized share capital shall be subscribed to by the members, and at least twenty-five percent (25%) of the

subscribed share capital shall be paid-up: Provided, That the paid-up capitalization requirement for primary cooperatives shall not be less than Fifteen Thousand Pesos (₱15,000.00).

SECTION 6. Cooperative Business Activities and Allied Services. – A duly registered agricultural cooperative may engage in all or any of the following activities:

- a. Raising and/or culture of plants, high-value crops, animals, fish, poultry, livestock, other agri-products as source of food, feed, and fiber, and other agri-fishery or non-food commodities;
- b. Production of salt;
- c. Community and social forestry;
- d. Provision of savings and credit facilities for marginal farmers and fishermen;
- e. Facilitating the procurement and distribution of farm inputs/implements for its members;
- f. Processing, marketing, and sale of members' agri-products or produce;
- g. Installation, maintenance and management of irrigation systems, water impounding, and other agricultural facilities; and
- h. Other allied services such as, but not limited to, warehousing, cold storage and other post-harvest services, hauling, transport of members' products or produce, and such other similar business services and activities that will reduce cost or add value.

SECTION 7. Bond of Membership. – The bond of membership of agricultural cooperatives shall be any of the following:

- a. Residential – members are farmers, farm workers, or fisherfolk who are actually and physically residing within the area of operation;
- b. Occupational – members are those who are engaged in raising or culture of plants or animals, or are part of the technical and scientific communities of the agriculture sector;
- c. Associational – members are from registered associations, groups, clubs, cultural and other similar aggregations of farmers, farm workers, and fisherfolk; and
- d. Institutional – members are employees, workers, or officers of a particular institution who are undertaking or will undertake agricultural projects: Provided, that at least fifty-one percent (51%) of its members are duly registered with the Registry System for Basic Sectors in Agriculture (RSBSA).

CHAPTER III

BENEFITS OF AGRICULTURAL COOPERATIVES

SECTION 8. Tax Treatment of Agricultural Cooperatives that Transact with Non-Members. – Notwithstanding any law or regulation to the contrary, duly registered agricultural cooperatives that transact with both members and non-members, and with

reserve funds of One Hundred Million Pesos (₱100,000,000.00) or below shall be exempt from all national internal revenue taxes, fees, and charges of whatever name and nature.

On the other hand, if such agricultural cooperatives have reserve funds of greater than One Hundred Million Pesos (₱100,000,000.00), they shall pay the following taxes on their transactions with non-members:

- a. Income Tax on income derived from transactions with non-members: Provided, That the same tax is not consequently imposed on interest individually received by members. The tax base for all cooperatives liable to pay income tax shall be the income directly derived from the business transactions with non-members after deducting the amounts for the statutory funds;
- b. Value-Added Tax (VAT) on transactions with non-members: Provided, however, that duly registered agricultural cooperatives shall be exempt from the imposition of VAT on the following:
 1. Sales by agricultural cooperatives duly registered with the DA to their members, as well as sale of their produce, whether in its original state or processed form, to non-members; their importation of direct farm inputs, machineries, and equipment, including spare parts thereof, to be used directly and exclusively in the production and/or processing of their produce, and their resale to other agricultural cooperatives;
 2. Gross receipts from lending activities towards their members or other agricultural cooperatives.

Provided, That the exempt transactions above shall include sales made by agricultural cooperatives duly registered with the DA, organized and operated by their members to undertake the production and processing of raw materials or of goods produced by their members into finished or processed products for sale by the cooperatives to their members and non-members: Provided, however, That any processed product or its derivative arising from the raw materials produced by their members, sold in the name and for the account of the cooperative, shall be deemed a product of the cooperative and its members: Provided, further, That at least twenty-five percent (25%) of the net income of the cooperatives is returned to the members in the form of interest and/or patronage refunds;

- c. All sales of goods and/or services rendered for non-members shall be subject to the applicable percentage taxes; and
- d. All other taxes unless otherwise provided herein.

Donations to duly accredited charitable, research and educational institutions and reinvestment to socio-economic projects within the area of operation of the cooperative may be tax deductible.

SECTION 9. Tax Treatment of Agricultural Cooperatives that Transact with Members Only. – Duly registered agricultural cooperatives under this Act which do not transact any business with non-members or the general public shall not be subject to any taxes, fees, and charges imposed under the internal revenue laws and other tax laws.

SECTION 10. Other Benefits and Privileges of Agricultural Cooperatives. – An agricultural cooperative shall enjoy the following benefits and privileges:

a. Taxes, Duties, and Liens:

1. All benefits, privileges, and tax treatments of cooperatives as defined and enumerated under RA 9520 and other relevant laws shall apply to agricultural cooperatives;
2. Agricultural cooperatives shall be exempt from customs duties, advance sales or compensating taxes on their importation and local purchase of machineries, equipment, accessories, batteries, and spare parts used by them: Provided, That all tax- and duty-free imports and local purchases shall not be sold nor the beneficial ownership thereof transferred to any person until after five (5) years, otherwise, the cooperative and the transferee or assignee shall be solidarily liable to pay twice the amount of the imposed tax and/or duties;
3. All real properties owned, and those directly used for the operations, management, and maintenance of agricultural cooperatives shall be exempt from the payment of real property taxes imposed under existing laws.

b. Trainings and Conferences – All trainings and conferences for the organization, registration, management and operations of an agricultural cooperative, rendered by the appropriate government agency, shall be given free of charge, including costs of venue, training materials, speakers, and resource persons. The CDOs shall be primarily responsible for these within their respective localities.

c. Consolidation – Agricultural cooperatives may consolidate agricultural lands owned by their members within a contiguous area for purposes of agricultural development.

d. Negotiated Procurement by National and Local Government Agencies - To promote and support agricultural cooperatives, national and local government agencies shall negotiate the procurement of agricultural products and other agricultural commodities from registered and accredited agricultural cooperatives. Negotiated procurement of these products and commodities shall follow RA No. 12009, its implementing rules and regulations, and applicable guidelines issued by the Government Procurement Policy Board; Provided that the procurement of said products and commodities are necessary for the performance of the mandates of the procuring entities.

e. Loans and Grants

1. All loans applied for by agricultural cooperatives in any government-owned or controlled banks or government financial institutions shall enjoy preferential treatment as to the requirements, rates, securities, and collaterals;
2. The DA shall coordinate with the Bangko Sentral ng Pilipinas (BSP) to lower the requirements for all loans applied for and granted to agricultural cooperatives.

- f. **Strengthening Program for Agricultural Cooperatives** – The government through the DA and CDA shall introduce a program aimed at strengthening agricultural cooperatives through mergers and consolidations. This initiative, part of the government's broader effort to enhance the stability and resilience of the agriculture sector, offers income support incentives to encourage smaller agricultural cooperatives and farmers associations to consolidate that can lead to improved operational efficiencies, reducing costs and improving service delivery for agricultural cooperatives. These may include grants or subsidies that help build business scale and improve capital base, operational synergies, broader service offerings, and risk mitigation.

SECTION 11. Organization as a Multi-Purpose Cooperative. – Notwithstanding any law to the contrary, an agricultural cooperative may be organized as a multi-purpose cooperative from its registration with the CDA: Provided, That it has complied with the minimum requirements for an agricultural cooperative as prescribed by CDA rules and regulations.

SECTION 12. Pre-Cooperative Agricultural Organization. – Prior to registration with the CDA, a group of natural persons intending to form an agricultural cooperative may voluntarily form a Pre-Cooperative Agricultural Organization (PCAO) that shall have its own juridical personality to undertake activities that shall determine the viability of the creation of an agricultural cooperative. The PCAO must be registered as such with the Cooperative Development Offices (CDOs) of the appropriate LGU where it intends to operate. The Bureau may assist and endorse PCAOs to CDA for registration.

The DA and CDA, in coordination with the CDOs, shall assist PCAOs so that they can formally organize as agricultural cooperatives: Provided, That should the PCAO decide to formally organize into a cooperative, it must comply with the requirements under the law. Any contract executed by the PCAO prior to its registration as an agricultural cooperative shall remain valid and binding between the parties insofar as it redounds to the benefit of the cooperative.

The DA and CDA shall jointly issue guidelines on the mechanisms for PCAOs.

CHAPTER IV

NATIONAL FEDERATION OF AGRICULTURAL COOPERATIVES

SECTION 13. Organization of the National Federation of Agricultural Cooperatives (NFAC). – There is hereby organized the National Federation of Agricultural Cooperatives (NFAC), hereinafter referred to as the “Federation,” which shall be the single federation of agricultural cooperatives.

SECTION 14. Consolidation/Merger of Existing Duly-Registered Agricultural Cooperative Federations. – Agricultural Cooperative Federations duly registered with the CDA prior to the effectivity of this Act shall merge or consolidate in accordance with existing applicable laws, rules, and regulations. The merged or consolidated federation shall serve as the single NFAC. The DA and CDA shall issue the guidelines on the merger and/or consolidation of existing federations.

SECTION 15. Mandatory Membership of Primary Agricultural Cooperatives to the Federation. – It is compulsory for Primary Agricultural Cooperatives to become members of the NFAC.

SECTION 16. Governance of the Federation. – The Chairpersons of the member-primary agricultural cooperatives shall comprise the General Assembly of the Federation, who shall elect and appoint the Officers and Management Staff in accordance with its duly approved Articles of Cooperation and By-Laws.

SECTION 17. Primary Business Operations Through Subsidiary/ies. – The Federation shall be allowed to organize subsidiary cooperatives and/or corporations that will engage in agribusiness and financial business, the surplus and/or income of which shall be utilized to fund, wholly or in part, the needed services of the member-primary agricultural cooperatives. Such subsidiaries shall be registered with the necessary regulatory authorities including, but not limited to, the DA, CDA, SEC, and BOI, and shall enjoy the relevant exemptions and privileges under this Act, the Cooperative Code, and other laws, rules, and regulations.

SECTION 18. Channel and/or Partner of Farmer-Related Government and Non-Government Programs/Projects and Activities. – The Federation shall serve as channel and/or partner in the implementation of various Programs, Projects and Activities of National Government Agencies, Local Government Units and Non-Government Organizations for the benefit of the farmers and their respective families.

SECTION 19. Inter-Cooperative Arrangements. – The Federation shall be allowed to enter into inter-cooperative arrangements with and among other non-agriculture cooperative federations and other entities to pursue value and supply chain solutions and other agribusiness development programs, subject to the guidelines to be jointly promulgated by the DA and CDA.

SECTION 20. Partnership and Joint Venture with Private Entities. – Duly registered private entities may enter into a partnership or joint venture with the Federation in order to provide the latter with investments and technological support, such as, but not limited to, technological, logistics, and facilities support, among others. Such partnership or joint venture shall be registered with the necessary regulatory authorities, including the DA and CDA, and shall enjoy the relevant exemptions and privileges under this Act, the Cooperative Code, and other laws, rules, and regulations. This notwithstanding, the equity or contribution of such private entity shall not exceed forty percent (40%) of the partnership or joint venture.

SECTION 21. Supervision and Control. – The DA shall exercise supervision and control over the Federation. In like manner, the Federation shall exercise supervision and control over its member-primary agricultural cooperatives through the conduct of regular audits in accordance with the standards approved by the DA and the CDA. Sanctions imposed on non-compliant member-primary cooperatives shall be approved by the DA and CDA. The DA and CDA shall, in consultation with the Federation, issue guidelines on the supervision and control of agricultural cooperatives.

CHAPTER V

WHOLESALE MARKET

SECTION 22. Establishment of Wholesale Markets. – There is hereby established at least one Wholesale Market in every province owned by the respective Local Government Units (LGUs) and operated by the National Federation of Agricultural Cooperatives (NFAC) or its appropriate subsidiary/ies. The DA, DILG, and CDA shall, in close coordination with the Federation, issue the rules and regulations on Wholesale Market establishment and operation.

CHAPTER VI

COOPERATIVE CLIMATE RESILIENCE FUND

SECTION 23. Creation of the Cooperative Climate Resilience Fund. – There is hereby established a Cooperative Climate Resilience Fund managed by the National Federation of Agricultural Cooperatives (NFAC) to be pooled from government, agricultural cooperatives and other private entities, the utilization of which shall be subject to the guidelines promulgated by the Agricultural Cooperatives Council. At least fifty per centum (50%) of the Cooperative Climate Resilience Fund shall come from the government.

CHAPTER VII

BUREAU OF AGRICULTURAL COOPERATIVES

SECTION 24. Creation of the Bureau of Agricultural Cooperatives. – The DA shall establish a Bureau of Agricultural Cooperatives (hereafter, the "Bureau"), which shall be the primary coordinating, implementing, and administrative body responsible for matters relating to agricultural cooperatives, including, but not limited to, monitoring their performance and implementing plans and programs for their growth and development. The Bureau shall be headed by a qualified Director, and its organizational and staffing pattern shall be determined by the DA, in accordance with the rules set forth by the Department of Budget and Management (DBM).

SECTION 25. Powers and Functions of the Bureau of Agricultural Cooperatives. – The Bureau shall exercise the following powers and functions:

- a. Collaborate and coordinate with various government agencies, institutions, and units for the development and implementation of projects and plans for agricultural cooperatives;
- b. Promote the use of digital platforms and innovative technologies for the growth and development of agricultural cooperatives, in coordination with the relevant agencies;
- c. Consolidate and study all relevant information regarding agricultural cooperatives to be used in the formulation of policies and programs for the sector;
- d. Develop advocacy programs for capacity-building and continuing education of members of agricultural cooperatives, with a particular focus on women and youth;
- e. Provide technical assistance to agricultural cooperatives;
- f. In partnership with the NFAC, establish Local Development Hubs (LDHs) to foster cooperation, collaboration, and mutual support among agricultural cooperatives, in coordination with the CDA and LGUs;
- g. Promote agricultural cooperative clusters and assist in their creation as a means to forge strategic partnerships among cooperatives; and
- h. Monitor and evaluate the performance of agricultural cooperatives according to an established assessment and ratings system.

SECTION 26. Sustainability Mapping. – Within one (1) year from the effectivity of this Act, the Bureau shall undertake a comprehensive nationwide survey in order to assess the

agricultural sustainability status of each region and LGU. The findings of such nationwide survey shall serve as the foundation for the formulation of a ten (10)- year Food Security Master Plan. The Master Plan shall identify priority sectors and projects aimed at promoting agricultural development and sustainability throughout the country. The plan shall be designed to enhance food security, improve agricultural productivity, and ensure long-term sustainability of the agricultural sector.

SECTION 27. Clustering and Consolidation. – In order to pool their resources for increased viability and market competitiveness, the DA, Department of Agrarian Reform (DAR), Department of Trade and Industry (DTI), CDA and NFAC shall jointly establish a program that will promote, encourage agricultural cooperatives and facilitate their cooperation into clusters that will encompass the whole agricultural value chain, including but not limited to land consolidation, postharvest processing, distribution, logistics, marketing, and promotions.

Within sixty (60) days from the effectivity of this Act, the DA, DAR, DTI, and CDA, in consultation with the NFAC, shall jointly issue the guidelines for the implementation of this program. They shall provide the necessary assistance at every step of the clustering and consolidation process, including the formulation of cluster development plans.

Notwithstanding any law to the contrary, the clustering, merger, or consolidation of agricultural cooperatives shall be in accordance with the Implementing Rules and Regulations (IRR) of this Act.

SECTION 28. Local Development Hubs. – The DA and CDA shall jointly establish LDHs to strengthen market linkages between farmers and buyers, thereby fostering agricultural development and economic growth at the local level. They shall also jointly issue the guidelines for the operations and maintenance of the LDHs.

SECTION 29. Collaboration with the NFAC, Cooperative Development Councils and National Government Agencies. – The Bureau shall, in collaboration with the NFAC, LGUs through the Regional, Provincial, City, and Municipal Cooperative Development Councils and the CDOs, facilitate and promote programs and policies that enable the growth and development of agricultural cooperatives. The DA, CDA, and the relevant LGU or agency, in consultation with the NFAC, shall issue a Joint Memorandum Circular for the implementation of this provision. Agricultural cooperatives shall be entitled to financing support from the relevant government agencies which shall allocate funds for the establishment of projects and programs for the development and promotion of agricultural cooperatives.

SECTION 30. Sustainability and Innovation. – The Bureau shall allocate funding and support for the development and implementation of innovative and sustainable agricultural practices.

SECTION 31. Mentorship and Training. – The Bureau shall implement programs that will focus on the capacity- and capability-building of members of agricultural cooperatives, especially the empowerment of women and young farmers.

Among others, these programs may include:

- a. Internship and apprenticeship programs with duly accredited agricultural cooperatives, in partnership with the Commission on Higher Education (CHED);

- b. Certification programs for management and operation of agricultural cooperatives, as well as related technical skills, in partnership with the Technical Education and Skills Development Authority (TESDA);
- c. Scholarships or student loan forgiveness, as may be necessary; and
- d. Incentives for the discovery or development of innovative and sustainable agricultural practices and techniques.

SECTION 32. Assessment and Ratings. – Upon the effectivity of this Act, the Bureau shall establish an assessment and ratings system for agricultural cooperatives, which shall measure performance, including social and community impact, using both qualitative and quantitative metrics, and which shall be used to classify and determine the best-performing agricultural cooperatives among various categories. Thereafter, the Bureau and the CDA, in close coordination with the NFAC, shall review the performance of registered agricultural cooperatives every three (3) years and update their ratings accordingly.

The DA and CDA, in consultation with the NFAC, shall use the foregoing system in the provision of incentives and benefits to agricultural cooperatives under the law.

SECTION 33. Annual Trade Fair and Awards. – The Bureau, in coordination with the CDA and the National Federation of Agricultural Cooperatives (NFAC), shall establish the Annual Agricultural Cooperatives Trade Fair and Awards to showcase exemplary business achievement, latest innovations, and other emerging trends in the sector.

The Bureau shall ensure that agricultural cooperatives are able to participate and exhibit their products during said Fair and shall encourage the latter's participation in other trade fairs and expos.

CHAPTER VIII

AGRICULTURAL COOPERATIVES COUNCIL

SECTION 34. Creation of the Agricultural Cooperatives Council. – There is hereby created the Agricultural Cooperatives Council (hereafter, the "Council"), which shall be the primary policy and planning body for the promotion, development, and modernization of agricultural cooperatives and organizations.

SECTION 35. Composition of the Council. – The Council shall be composed of the following members, or their duly authorized representatives:

- a. Secretary of Agriculture, as Chairperson;
- b. Chairperson of the CDA, Vice-Chairperson;
- c. Undersecretary of the Department of Trade and Industry;
- d. Undersecretary of the Department of Agrarian Reform;
- e. Undersecretary of the Department of Environment and Natural Resources;
- f. Undersecretary of the Department of Education;
- g. Undersecretary of the Department of Science and Technology;

- h. Undersecretary of the Department of Economy, Planning and Development;
- i. Director-General of the Technical Education and Skills Development Authority;
- j. Executive Director of the National Disaster Risk Reduction and Management Council;
- k. Commissioner of the Commission on Higher Education;
- l. Representative from the Philippine Statistics Authority;
- m. One (1) representative from Cooperative Climate Resiliency Fund private donor entities;
- n. Representative from the National Federation of Agricultural Cooperatives (NFAC); and
- o. Two (2) representatives each from the primary agricultural cooperatives sector who are members of the NFAC, for Luzon, Visayas, and Mindanao.

SECTION 36. Powers and Functions of the Council. – The Council shall exercise the following powers and functions:

- a. Formulate and issue policies for the growth and development of the agricultural cooperative sector, including adoption of innovative and ecological agricultural practices, access to resources and benefits, market opportunities, and capacity-building;
- b. Formulate the Food Security Master Plan, in coordination with the Bureau;
- c. Provide an integrated framework in order to optimize all government resources for the modernization and empowerment of the sector;
- d. Issue guidelines, rules, and regulations for the development of tangible assets of agricultural cooperatives, such as machineries, granaries, equipment, and lands;
- e. Issue guidelines, rules, and regulations, in coordination with the appropriate agencies, to ensure the rights and welfare of agricultural cooperatives and their members, especially women, youth, and family farmers, as well as their preferential treatment in government procurement as enshrined under the law;
- f. Formulate policies for the development of sustainable financial reforms in the agricultural cooperative sector, including the creation of a government financial institution that will specifically cater to the sector, in coordination with the relevant departments and agencies;
- g. Develop policies and guidelines for the institutionalization of Cooperative Resilience Mechanism (CRM) that will aid agricultural to adapt to and recover from the effects of climate change or other unforeseen circumstances. The CRM shall embody a holistic approach, with provisions for funding assistance, addressing production and distribution issues, and use of new or innovative technologies, production technologies using renewable energies, regenerative and sustainable agriculture, among others; and

- h. Advocate for policy reforms and programs that enhance social protection of the agricultural cooperatives and their members, including access to healthcare, insurance, and retirement benefits, among others.

SECTION 37. Policies Fostering Inclusivity and Sustainability. – Recognizing the contributions of women and youth to the agricultural sector, as well as the need to improve inclusivity, the Council shall prioritize policies that strengthen women’s empowerment and youth participation in the sector. These policies shall foster sustainability and create further opportunities for economic growth.

Further, the Council shall prioritize the implementation of policies that enhance biodiversity, sustainability, and agroecology, as well as the development of innovative farming techniques and practices.

SECTION 38. Secretariat. – The Bureau shall serve as the Secretariat to the Council.

SECTION 39. Per Diem. – The members of the Council shall each receive a per diem pursuant to existing laws, for each meeting of the Council actually attended: *Provided*, That in the case of representatives from the private sector, the Council is authorized to provide funds to defray the cost of reasonable travel expenses, in addition to the per diem, as may be necessary.

SECTION 40. Role of Local Government Units. – The Local Government Units shall:

- a. Ensure the appointment of Cooperative Development Officers (CDOs) in compliance with Republic Act No. 11535;
- b. Create a Committee on Agricultural Cooperatives Development in the Local Government Legislative Council, which shall focus on addressing legislative concerns of agricultural cooperatives;
- c. Disseminate information and promote agricultural cooperatives in their respective localities;
- d. Facilitate the establishment and development of the management and operations of agricultural cooperatives within their jurisdictions;
- e. Expedite the issuance of necessary permits for the implementation of projects and programs of the DA, CDA, and other government agencies and instrumentalities for the benefit of agricultural cooperatives;
- f. Upon written request of the CDA, assist in the resolution of inter-cooperative disputes among agricultural cooperatives operating within their localities;
- g. Facilitate and conduct seminars, trainings, and conferences necessary for the organization, registration, management, and operations of agricultural cooperatives, in coordination with cooperative federations and unions; and
- h. Provide technical assistance and skills training for farmers, farm workers, and fisherfolk to engage in income-generating activities.

CHAPTER IX

OTHER PROVISIONS

SECTION 41. Appropriation. – The amount necessary for the initial implementation of this Act shall be taken from the current fiscal year's appropriation of the DA and DTI. Thereafter, the amount necessary to carry out the provisions of this Act shall be appropriated in the General Appropriations Act of the year following its enactment into law.

SECTION 42. Implementing Rules and Regulations. – Within ninety (90) days from the effectivity of this Act, the DA, in coordination with the relevant departments and agencies, and in consultation with agricultural cooperatives, shall issue the necessary rules and regulations to implement this Act.

SECTION 43. Joint Congressional Oversight Committee on Agricultural Cooperatives. – There is hereby created a Joint Oversight Committee to oversee, monitor, and evaluate the implementation of this Act.

The Oversight Committee shall be composed of five (5) members each from the Senate and House of Representatives, including Chairpersons of the Committee on Agriculture and Cooperatives of both Houses.

The membership of the Committee of every House shall have at least two (2) members from the minority.

SECTION 44. Annual Reports. – The Council shall submit an annual report to the Congress of the Philippines on the progress of its projects and plans and offer recommendations for possible legislation.

SECTION 45. Sunset Review. – Within five (5) years after the effectivity of this Act, or as the need arises, the Joint Congressional Committee on Agricultural Cooperatives shall conduct a sunset review.

For purposes of this Act, the term "sunset review" shall mean a systematic evaluation of the accomplishments and impact of this Act, as well as the performance and organizational structure of its implementing entities, for purposes of determining remedial legislation.

SECTION 46. Repealing Clause. – All laws, decrees, executive orders, administrative orders, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 47. Separability Clause. – In case any provision of this Act or any portion thereof is declared unenforceable, illegal, or unconstitutional by a competent court, the other provisions shall not be affected thereby.

SECTION 48. Effectivity Clause. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,