

Republic of the Philippines
House of Representatives

Quezon City, Metro Manila

TWENTIETH CONGRESS

First Regular Session

House Bill No. 5664



INTRODUCED BY REP. PATRICK MICHAEL “PM” D. VARGAS

AN ACT
TO DEVELOP, PROTECT, AND PROMOTE THE LIVESTOCK, POULTRY,
AND DAIRY INDUSTRIES AND THEIR VALUE CHAIN, TO PROVIDE FOR
A LIVESTOCK, POULTRY, AND DAIRY COMPETITIVENESS
ENHANCEMENT FUND, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The Social Weather Stations (SWS) has reported that in June this year, 16% of Filipino families experienced involuntary hunger. In other words, an estimated 4.6 million households have experienced involuntary hunger – “being hungry and not having anything to eat” at least once in the past three months.

Due to global economic challenges, the country faces an increased cost of meat, vegetables, and rice. The price of rice is expected to soar, given that major rice exporters such as Vietnam and India have implemented export restrictions due to the continuing supply chain disruptions caused by global conflicts like that of Russia-Ukraine.

These economic challenges are reflected in the inflationary effects on food and basic commodities, which can cause further poverty in the Philippines. It is thus imperative that the State pursue policies to ease the burden of inflation on vulnerable communities. One of the reforms that should be considered is to develop, protect, and promote the self-sufficiency of many agricultural commodities, especially the livestock, poultry, and dairy sectors.

For decades, the livestock, poultry, and dairy sectors have received limited attention and developmental assistance from the government. The country has relied mostly on international imports to provide for the local livestock, poultry, and dairy demand, despite our very own local industries having the capacity to be self-sufficient if only supported and incentivized.

In this light, this bill seeks to empower and capacitate the livestock, poultry, and dairy industries to be key production growth drivers in the economy. In doing so, we significantly strengthen the agriculture industry, while ensuring food security and providing employment opportunities, especially in rural areas.

In view of the foregoing, the immediate passage of this bill is earnestly sought.



REP. PATRICK MICHAEL "PM" D. VARGAS

Fifth District, Quezon City

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

TITLE I

PRELIMINARY PROVISIONS

SECTION 1. *Short Title.* — This Act shall be known as the "*Livestock, Poultry, and Dairy Development and Competitiveness Act*".

SECTION 2. *Declaration of Policies.* - It is hereby the declared policy of the State to promote the development and competitiveness of the livestock, poultry, and dairy industries, particularly the backyard livestock, poultry, and dairy raisers, in order to increase the supply of meat, eggs, milk, and other livestock, poultry, and dairy products, improve the domestic supply of breeders, enhance the availability and affordability of feeds and forage, promote food safety and quality standards, and attain greater security in food, livestock, poultry, and dairy commodities. It is likewise the policy of the State to increase the income of farmers and farm workers, and to alleviate rural poverty through improved productivity and competitiveness, product diversification, job generation, enhanced production efficiency, and protection of the livestock, poultry, and dairy industries from pests and diseases.

Towards this end, the State shall nurture an enabling environment and establish more responsive government policies and support programs to develop the whole value chain of the livestock, poultry, and dairy industries in the country, and raise the cost-effectiveness of regulations on animal disease prevention and control, enforcement of food safety and quality standards on their produce and processed products with least disruptive effects on trade and their value chains. The State recognizes the vital role of the private sector as partners in the various facets of the livestock, poultry, and dairy industries, and the organization of their farmers to be more competitive and shall provide incentives and needed support to encourage stronger partnership and consolidation.

SECTION 3. *Definition of Terms.* - As used in this Act, the following terms and phrases shall mean as follows:

- a) *Animal disease prevention and control* refers to a function that includes activities on effective surveillance, early detection, transparency, and rapid response mechanisms to prevent and control animal diseases;
- b) *Backyard raiser* refers to a livestock or poultry farmer tending to at least one head of animal and does not qualify as a commercial operator;
- c) *Commercial operator* refers to a livestock or poultry operator which satisfies at least one of the following conditions: (i) tending at least heads of adult; (ii) tending at least 41 heads of young animals; (iii) tending at least 10 heads of adult and at least 22 heads of young animals; (iv) at least 500 layer, or 1,000 broiler chicken; (v) at least 100 layers and 100 broilers if raised in combination; or (vi) at least 100 birds of duck regardless of age;
- d) *Corn* refers to yellow corn, which is largely utilized as animal feed in the country;
- e) *Department* refers to the Department of Agriculture (DA);
- f) *Feeds* refers to animal food for livestock, poultry, and dairy producing animals, which includes, but is not limited to, yellow corn, forages, and feed wheats.;
- g) *First Border Inspection Facility* refers to a facility wherein examiners and inspectors from the Bureau of Customs (BOC) and

National Meat Inspection Service (NMIS) conduct inspection to check the quality and quantity of all arriving imports of livestock, poultry, and dairy animals, animal products, by-products, and veterinary drugs and products based on the submitted documents or permits of the importer;

- h) *Livestock* refers to any domestic or domesticated animal that is grown, kept, or raised in captivity for food or in the production of food or other by-products, regardless of age, location, or purpose of breeding. This includes all domestic animals that are slaughtered for human consumption, maintained for draft animal power, and for recreational purposes, such as but not limited to cattle, carabaos, buffaloes, horses, sheep, goats, hogs, deer, rabbits, turkeys, and poultry, among others. Products of hunting or fishing of wild animals shall not be considered part of this definition;
- i) *Native Animals* refer to domesticated animals which contribute to food production found in one geographical location that have developed unique physical characteristics, behavior, product attributes, adapted to the local environment and are products of selection with no infusion of exotic breeds for at least five (5) generations including, but not limited to, native chicken, goats, pigs, ducks, cattle and horses;
- j) *Poultry/s* is a collective term which refers to all domesticated avian reared in captivity mainly for agricultural purposes, or for the production of food or other by-products, as well as for final and Intermediate consumption;
- k) *Quick Response Fund (QRF)* refers to a stand-by fund for immediate government intervention in case of any event of livestock, poultry, and dairy pest or epidemic incident that may be deemed to have the potential to reduce the livestock, poultry, or dairy population at the municipal level by at least two percent (2%), and for the purpose of normalizing the living conditions of farmers or areas affected by such crisis;
- l) *Value chain* - A Value chain in agriculture identifies the set of actors and activities that bring a basic agricultural product from production in the field to final consumption, where at each stage, value is added to the 10 product;

- m) *Veterinary Drugs and Products* refer to any substance or device, including biological products, applied or administered to food-producing, processing (such as livestock and poultry), companion, aquatic, laboratory, and exotic animals, whether used for therapeutic, prophylactic, or diagnostic purposes or for modification of physiological functions or behaviors; and
- n) *Veterinary Drug and Product Establishment* refers to any organization or company involved in the manufacture, importation, repacking, labeling, advertising, and/or distribution of veterinary drugs and products.

TITLE II ROADMAP

SECTION 4. *Philippine Livestock, Poultry, and Dairy Value Chain Development Roadmap (Framework)*. - A Steering Committee, headed by the Bureau of Animal Industry (BAI), and composed of the National Dairy Authority (NDA), Philippine Carabao Center (PCC), National Meat Inspection Service (NMIS), DA-National Com Program, Department of Science and Technology-Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development (DOST-PCAARRD), Bureau of Customs (BOC), Department of Public Works and Highways (DPWH), Land Bank of the Philippines (LBP), Development Bank of the Philippines (DBP), Philippine Center for Postharvest Development and Mechanization (PhilMech), Agriculture Training Institute (ATI), International Training Center on Pig Husbandry (ITCPH), Bureau of Agriculture and Fisheries Standards (BAFS), Technical Education and Skills Development Authority (TESDA), Cooperative Development Authority (CDA), Department of Trade and Industry (DTI), Philippine Statistics Authority (PSA) and other concerned government agencies, and industry stakeholders, shall formulate a ten-year Livestock, Poultry, and Dairy Value Chain Development Roadmap (the "Roadmap" to be updated every five years. The Roadmap shall be prepared within one hundred twenty (120) days from the effectivity of this Act.

The Roadmap shall be the blueprint for the development of the livestock, poultry, and dairy industries. It shall set industry visions, time-bound goals and targets, and identify strategies to achieve them. The Roadmap shall serve as a guide in the formulation of plans, programs, and projects by all relevant livestock, poultry, and dairy agencies.

The implementation of the Roadmap shall be funded through the Livestock, Poultry and Dairy Competitiveness Enhancement Fund created under Section 12 of this Act, and shall state the priority of animals in the livestock and poultry value chain identified under the prevailing circumstances.

The Roadmap shall include the following, but not limited to:

- a) *Breeder Availability and Upgrading Programs.* - The BAI shall endeavor to increase the total population of livestock and poultry in the country in terms of quantity and quality through support programs for genetic improvement and upgrading, establishment of more semen banks, and natural and artificial breeding stations, stock farms with complete facilities for food, health and safety of animals, animal dispersal programs, as well as accreditation of breeding farms;
- b) *Corn development programs.* -The BAI, in partnership with the DA National Corn Program, shall improve support for the diversification of its use such as corn silage, and development of the local corn industry;
- c) *Pasture crops and animal feeds programs.* - The BAI shall enhance support for the development of pasture, forage crops, fish meals, protein-rich noncorn crops that can be utilized as animal feeds, such as but not limited to soybean, oil palm, coconut, cottonseed, peanut, chickpea, cowpea, mung bean, and cassava, and animal feed resources and infrastructure;
- d) *Native animal programs.* - The BAI shall strengthen support for the propagation, processing, utilization, and development of native animals.
- e) *Animal Health Welfare and Protection.* - The BAI shall take the lead in the implementation of prevention, control, containment, and eradication of animal pests and diseases by providing veterinary health services and general livestock, poultry, and dairy health support programs;
- f) *Enterprise Development.* - The BAI shall promote the establishment of livestock, poultry, and dairy credit facilities for backyard raisers, cooperatives, and organizations together with financial literacy programs and "farming as business" training programs with technical support from the Agriculture Training

Institute (ATI), Technical Education and Skills Development Authority (TESDA), and relevant local training institutes;

- g) *Training and Extension.* - In consultation with the ATI, International Training Center for Pig Husbandry (ITCPH), TESDA-Accredited Farm Schools, state universities and colleges (SUCs), LGUs, and other relevant Institutions, the BAI shall provide support to training extension services for backyard farmers, cooperatives and organizations on technologies and good practice in the propagation, utilization, marketing, processing and distribution of livestock, poultry, dairy, and native animals;
- h) *Market Promotion Programs.* - The BAI shall support livestock, poultry, and dairy auction markets, trade fairs, export initiatives, and encourage contract growing arrangements between farmers cooperatives or organizations and institutional buyers of livestock, poultry, and dairy produce;
- i) *Research and Development (R&D).* - The BAI shall strengthen research collaboration with the DOST-PCAARRD, state universities and colleges (SUCs) and other public and private institutions research and development institutions (RDIs) for technical support In the areas of a) breeding and genetic improvement b) reproductive biotechniques, c) nutrition, feeds and feeding system including forage and pasture, d) conservation and Improvement of native animals, e) vaccines, biologics and diagnostics development, food quality and safety assurance, f) disease control and antimicrobial resistance management, g) production and management decision support systems, h) product development and processing, and h) emerging technologies on breeding techniques;
- j) *Food Safety and Quality Assurance.* -The National Meat Inspection Service (NMIS) shall support the Food and Drug Administration (FDA) in the enforcement and regulation of food safety and quality standards on livestock, poultry, and dairy produce and by-products. Moreover, consistent with its mandate under RA 9296 (Meat Inspection Code of the Philippines), the NMIS shall continue to serve as the sole national controlling authority on all matters pertaining to primary and processed meat and meat product inspection, and hygiene;

- k) *Livestock, Poultry, and Dairy Production Networks Program.* -The BAI shall formulate and implement livestock, poultry, and dairy cluster development programs for backyard raisers' cooperatives, organizations and/or federations in order to encourage economies of scale, production efficiencies, bargaining power of farmers, mutual support, and maximize the coordination and dissemination of government Interventions.
- l) *Livestock, Poultry, and Dairy Processing Program.* - The BAI shall formulate programs that will enhance the value-added and value-adding opportunities of the processing of livestock and poultry meat, and dairy milk. Finally, the DA-National Corn Program shall also update its corn roadmap within one hundred twenty (120) days from the effectivity of this Act.

TITLE III

RATIONALIZATION OF LIVESTOCK, POULTRY, AND DAIRY SUPPORT AGENCIES

Chapter 1

Program Management Office and Oversight

SECTION 5. *Secretariat and Oversight.* – The Undersecretary for the National Livestock Program (NLP) shall supervise and direct the implementation of the Roadmap and all the programs under it, and shall regularly report to the Secretary of Agriculture. For this purpose, there is hereby created a Project Management Office (PMO), headed by the Undersecretary for the NLP, which shall act as the secretariat and support staff to the Steering Committee.

The Steering Committee shall prepare periodic and annual assessments on its accomplishments in accordance with its responsibilities under this Act. Such reports shall be compiled and maintained by the PMO.

The Congressional Oversight Committee on Agriculture and Fisheries Modernization (COAFM) shall be furnished with such reports. It shall also conduct a periodic review of the Livestock, Poultry, and Dairy Competitiveness Enhancement Fund.

Chapter 2

Developmental Support Agencies for Livestock, Poultry and Dairy Industries

SECTION 6. *Rationalization of Developmental Functions of the Livestock and Poultry Support Agencies.* - The Bureau of Animal Industry (BAI), the Philippine Carabao Center (PCC), and the National Dairy Authority (NDA) shall be restructured, strengthened, and empowered to support the objectives of this Act, and shall be under the supervision and direction of the Undersecretary for the National Livestock Program.

In addition to the present mandates of BAI, it shall take the lead in implementing the National Livestock Program with the following main goals and functions:

- 1) Promote the competitive development of the livestock, poultry, and dairy Industries and their various subgroups as a means of attaining food security and combating rural poverty;
- 2) Formulate and execute the developmental programs in the Roadmap to ensure competitiveness and development of the livestock, poultry, and dairy industries;
- 3) Develop, maintain, and access data or technologies to provide timely, accurate, and responsive information to the DA, livestock, poultry, and dairy farmers, cooperatives and organizations, and other players in the value chain of the livestock, poultry, and dairy sector.

Further, it shall supervise the following Services, namely:

- a) *Ruminants Service (RS)* -It shall provide developmental support, extension services, research, and technical assistance programs to backyard farmers of cattle, carabaos, buffaloes, goats, and sheep for meat and dairy production, and processing, as well as for draft animal purposes. Subject to further rationalization, the RS shall absorb the mandates, functions, and personnel of the National Beef Cattle Research and Development Center and National Small Ruminants Research and Development Center of BAI;
- b) *Non-Ruminants Service (NRS)* - It shall provide developmental support, extension services, research, and technical assistance

programs to backyard raisers of hogs, poultry and egg, ducks, geese, turkey, quails, and other birds, and all other livestock production, including, but not limited to, horses, rabbits, and beehive farming. The NRS shall absorb the National Swine and Poultry Research and Development Center, subject to further rationalization;

- c) *Dairy Development Service (DDS)* - There is hereby created a Dairy Development Service which shall oversee and provide support services to the Philippine Carabao Center (PCC) and National Dairy Authority (NDA).

The DDS, in coordination with PCC and NDA, shall endeavor to increase and improve upon dairy production and livelihood programs in partnership with stakeholders, including cooperatives, state colleges and universities, especially in dairy cow and buffalo breeding, propagation of dairy animals and milk production technologies, pasteurization, and initial processing of raw milk. The DDS shall also coordinate the implementation of a national milk feeding program in partnership with the Department of Education (DepEd) and/or the Department of Social Welfare and Development (DSWD) and local government units.

- d) *Native Animal Development Service (NADS)* -The Philippine Native Animal Development Center is hereby upgraded to become the NADS, which shall be responsible for the identification, conservation, propagation, and promotion of Philippine native animals, including native pigs, poultry, ducks, deer, and horses through the use of appropriate technology as sources of meat, eggs, and other by-products, and help increase incomes of farmers. It shall also be responsible for the establishment of a gene pool of Philippine animals as well as their registration as native animal species of the Philippines in the Food and Agriculture Organization (FAO) and/or other International Intellectual property registry bodies.

- e) *Feeds Development Service (FDS)* - The Feeds Development Service is hereby created to strengthen. In coordination with the DA-National Corn Program and the corn industry players, the availability of affordable and quality animal feeds. It shall engage the private sector, seed producers, feed millers, and commercial manufacturers in joint ventures or direct marketing linkages with

corn farmers' cooperatives and organizations. It shall absorb the mandates, functions, and personnel of the BAI-National Feeds Resources Research and Development Center, subject to further rationalization.

- f) *Research and Marketing Service (RMS)* -It shall be responsible for studies and proposals for livestock, poultry, dairy, and meat consumer protection, consumer attitudes and behavior, product satisfaction, and consumer experience, apart from generating information on product quality standards and new livestock, poultry, and dairy products. The RMS shall absorb the Livestock Research and Development Division of BAI.
- g) *Training and Extension Service (TES)* – It shall be responsible for organizing and coordinating livestock, poultry, and dairy training and educational programs in partnership with LGUs, cooperatives federations, farmer organizations, regional offices of DA, ATI, and TESDA, in order to promote and upgrade the farmers' skills and practices in livestock, poultry, and dairy animal care, production, processing, storage, handling, marketing, transport, and the overall management of livestock, poultry, and dairy farms.
- h) *Livestock, Poultry, and Dairy Protection and Disease Control Service (LPDPDCS)*. - It shall be responsible for programs, policies, surveillance, and emergency action to protect the livestock, poultry, and dairy industries, including native animals, from the risk of outbreak of diseases or pests. The National Veterinary Quarantine Services Division, Animal Health and Welfare Division, and Veterinary Laboratory Division of BAI shall be part of this Service group and shall create programs in accordance with the following powers and mandates:
 - a. Regular protection surveillance inspections, in partnership with industry players and LGUs, and establishment of protection surveillance and emergency communications networks, that will include farmers groups, LGUs, the police and military, and other stakeholders;
 - b. Pest and disease emergency response by way of developing protocols and responses upon declaration of any livestock, poultry, or dairy pest and epidemic disease incident, including regulation of movement of persons, conveyances, and plant material in affected areas, powers

to deputize police, military, and local government to control pest outbreaks, and disposal of affected livestock, poultry, or dairy resources and assets;

c. Conducting scientific research and technology advancement programs on livestock protection by partnering with SUCs, DOST-PCAARRD, private sector laboratories, and international centers for disease control.

Furthermore, the mandates and functions of the PCC and the NDA are hereby rationalized to include the following: improvement of livestock productivity, establishment of dairy infrastructure to include milking, cooling, pasteurization, processing and storage facilities, machineries or equipment; development of pasture lands, technology in feeds and fodder; advancement of veterinary support; contingency planning for animal care and feeds availability during natural calamities and drought conditions; imparting technological researches to the dairy industry stakeholders; and most importantly, development of projects to increase the country's dairy production.

In addition to their existing priorities, PCC and NDA shall develop holistic programs that address the needs of farmers, their cooperatives, and organizations in different aspects of dairy farm management, like breeding, raising dairy livestock, milk production, milk processing, business development and marketing, among others. They shall empower farmers, cooperatives, and organizations to increase production.

PCC and NDA are likewise mandated to institute a program on the distribution of dairy animals to qualified farmers for breeding with dose monitoring on the increase in population of reproduced animals. The program shall put in place a system of accountability of beneficiaries that will ensure the success of the program. Funding for these additional mandates shall be as specified in Title IV, Chapter 1, Section 11(a).

PCC and NDA shall establish Incremental annual targets for the number of dairy animals and volume of milk production.

SECTION 7. *Inventory of Animals.* - Upon the effectivity of this Act, the BAI shall conduct an inventory and audit of all animals and stocks in its farms and centers. It shall thereafter regularly monitor animal production, purchase, sale, replacement of stocks, dispersal, and all other forms of disposition of animals, including their genetics and semen, in accordance with government auditing rules. Income derived from such sale or disposition shall also be treated in accordance with government auditing rules.

Chapter 3

Management Information System

SECTION 8. *Livestock, Poultry, and Dairy Management Information System (LPDMIS)*. - The LPDMIS shall be the repository of all information relevant to livestock, poultry, and dairy industries. It shall endeavor to provide timely, accurate, and responsive information related to livestock, poultry, and dairy (LPD) industries, which shall include, but not limited to, the following data down to the municipal level:

- a) LPD supply (LPD inventory, production data, exports, and imports, among others), and demand data;
- b) Crop and non-crop animal feed inputs data (production, prices, imports, and exports);
- c) Animal feed data (inventory and prices);
- d) Price and price trends (include farm-gate, wholesale, and retail prices of LPD and corn);
- e) Research information and technology generated from research institutions involved in LPD;
- f) Information on pests, diseases, and epidemics to ensure food safety and animal health protection;
- g) International, national, regional, and provincial market forecast;
- h) Support extension providers' relevant information; and
- i) Data relating to programs of the BAI, PCC, NDA, and NMIS (importation of breeds, artificial insemination, natural breeding, buy-back programs, among other information).

The LPDMIS shall be linked to the BAI, PCC, NDA, and PSA database and website for easy access of users to data on livestock, poultry, and dairy information. It shall be implemented within one hundred twenty (120) days from the effectivity of this Act.

Chapter 4

Regulatory Agency for Livestock, Poultry, and Dairy Industries

SECTION 9. *Rationalization of Regulatory Functions of the National Meat Inspection Service (NMIS)*. - The NMIS shall be restructured, strengthened, and empowered to support the objectives of this Act, and shall be under the supervision and direction of the Undersecretary for the National Livestock Program. Without prejudice to its original mandates, and in coordination with the concerned government agencies and bureaus. It shall have the following principal goals and functions:

1. To undertake regulatory and monitoring services in order to ensure the quality standards of production and processing, and food safety of primary and processed livestock, and poultry produce;
2. To formulate and execute inspection, exportation, and importation related regulatory programs in the Livestock, Poultry, and Dairy Value Chain Development Roadmap; and
3. To pursue a risk-based and evidence-supported regulatory approach in enforcing food safety and protecting animal health in a manner that is least disruptive to the development of the livestock, poultry, and dairy sectors.

The NMIS shall harmonize its efforts with the BOC, towards the implementation of the National Single Window as a reliable institutional platform for interagency collaboration.

The NMIS, in addition to its established regulatory services, shall have the following Service groups:

- a) Livestock, Poultry, Dairy, and Veterinary Drugs and Products Exportation and Importation Regulation Service (LPDVPDPEIRS) - The LPDVPDPIRS, together with the Bureau of Customs (BOC), shall develop strategies and measures to deal with livestock-, poultry-, and dairy-related imports to prevent and minimize health and environmental risks. It shall regulate the Importation of animals, animal by-products and produce, veterinary drugs and products, and other related animal health products and devices, to ensure efficient supply, food safety, and minimize environmental risk. In view of this, LPDVPDPIRS shall have the sole authority to issue Sanitary and Phyto-Sanitary Import Clearance (SPSIC) for the aforementioned products and commodities, and to conduct inspection and monitoring at the first border facilities.
- b) Livestock and Poultry Inspection Service (LPIS) -The LPIS shall be the controlling authority in the enforcement of all policies, regulations, guidelines, and standards, including exportation process, pertaining to primary and processed meat products, meat processing, handling, safety, quality, hygiene, and sanitation, including assisting the Bureau of Agriculture and Fisheries Standards (BAFS) In the formulation of safety and quality standards for meat produce. Through Its Regional Operation Centers, In coordination with local government units, it shall also have the

powers to: inspect meat establishments engaged in slaughter, processing, and domestic meat trade; registration of meat produce Inspectors, meat handlers and meat brokers, meat products processing establishments; and accredit facilities, conveyances and service providers for Hazard Analysis Critical Control Point Program (HACCP) audit as well as oversight of compliance to hygiene and sanitation standards.

- c) Animal Feeds, Veterinary Drugs and Biologics Control Service (AFVDBCS). - AFVDBCS shall be the sole regulatory office over local animal feeds, veterinary drugs and products, and other related animal health products and devices intended solely for animal use, including the licensing and monitoring of veterinary drugs and products establishments.

SECTION 10. *Streamlining the Regulations of Veterinary Drugs and Products.* – Consistent with the policies of this Act, RA11032 (Ease of Doing Business and Efficient Government Service Delivery Act of 2018), and the principle of good governance and efficient and effective regulation, the NMIS through its Animal Feeds, Veterinary Drugs and Biologics Control Service (AFVDBCS) shall become the sole regulatory agency over veterinary drugs and products, and other related animal health products and devices, including the licensing and monitoring of veterinary drugs and products establishments. All regulatory processes for veterinary drugs and products, and other animal health products and devices being handled by other agencies, such as the Food and Drug Administration (FDA), shall be transitioned to the AFVDBCS within ninety (90) days following the effectivity of this Act. All laws, rules, regulations, guidelines, and other issuances inconsistent with this streamlining are hereby repealed.

However, jurisdiction over the exportation and Importation of veterinary drugs and products, and other health products and devices intended solely for livestock, poultry, and dairy animal use shall pertain to NMIS - LPDFVDPEIRS.

SECTION 11. *Authority in Livestock, Poultry, and Dairy Pest and Disease-related Emergencies.* - Through LPDPDCS, the BAI is hereby designated as the overall coordinating government body in the event of any livestock, poultry, or dairy pest or epidemic incident that may be deemed to have the potential to reduce the livestock, poultry, or dairy population at the municipal level by at least two percent (2%). The BAI head shall have the authority to call for the creation or activation of the Animal and Livestock

Emergency Response Task Force (ALERTF) to be composed of key officials at the regional level from the following agencies:

1. Department of Agriculture - Regional Office;
2. Department of Interior and Local Government (DILG) - Regional Office;
3. Philippine National Police (PNP) and/or Philippine Army (PA) - Regional Command;
4. Provincial Governor, Provincial Agriculturist, and Provincial Veterinarian;
5. Mayors of the affected municipalities/cities; and
6. Other science experts on the case.

The provincial, municipal, or city veterinarian, as the case may be, shall be duty-bound to immediately report any event of livestock, poultry, or dairy pest or epidemic incident to BAI. It shall likewise alert BAI should the event or incident be deemed to have the potential to reduce the livestock, poultry, or dairy population at the municipal level by at least two percent (2%).

TITLE IV FUND

Chapter 1 Livestock, Poultry, and Dairy Competitiveness Enhancement Fund

SECTION 12. *Creation of the Livestock, Poultry, and Dairy Competitiveness Enhancement Funds.* – There is hereby created a Livestock, Poultry, and Dairy Competitiveness Enhancement Fund, herein referred to as the 'LPDCEF'.

The LPDCEF shall consist of an annual appropriation of seven billion and eight hundred million pesos (P7,800,000,000.00) sourced from tariff collections on imported livestock, poultry, and dairy for the next six (6) years following the approval of this Act.

Livestock Imports includes imported products under the following HS headings or AHTN Codes, and Descriptions:

- i. 01.01 - Live horses, asses, mules, and hinnies.

- ii. 01.02 - Live bovine animals.
- iii. 01.03 - Live swine.
- iv. 01.04 - Live sheep and goats
- v. 0106.13.00 - Other live animals - - Rabbits and hares
- vi. 0106.41.00 - Other live animals - - Bees
- vii. 02.01 - Meat of bovine animals, fresh or chilled.
- viii. 02.02 - Meat of bovine animals, frozen.
- ix. 02.03 - Meat of swine, fresh, chilled or frozen.
- x. 02.04 - Meat of sheep or goat, fresh, chilled or frozen.
- xi. 02.05 - Meat of horses, asses, mules or hinnies, fresh, chilled or frozen.
- xii. 02.06 - Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, chilled or frozen.
- xiii. 02.08 - Other meat and edible meat offal, fresh, chilled or frozen.
- xiv. 0209.10.00 - Pig fat, free of lean meat, and poultry fat, not rendered or otherwise extracted, fresh, chilled, frozen, salted. In brine, dried or smoked - - Of Pigs
- xv. 02.10 - Meat and edible meat offal, salted, in brine, dried or smoked; edible flours and meals of meat or meat offal.
- xvi. 04.09 - Natural Honey
- xvii. 04.10.00.90 - Edible products of animal origin, not elsewhere specified or included - Other
- xviii. 05.02 - Pigs', hogs', boars' bristles and hair; badger hair and other brush making hair; waste of such bristle or hair.
- xix. 05.04 - Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof, fresh, chilled, frozen, salted, in brine, dried or smoked.
- xx. 05.06 - Bones and horn-cores, unworked, defatted, simply prepared (but not cut to shape), treated with add or degelatinised; powder and waste of these products.
- xxi. 05.07 - Ivory, tortoise-shell, whalebone and whalebone hair, horns, antlers, hooves, nails, claws and beaks, unworked or simply prepared but not cut to shape; powder and waste of these products.

Poultry Imports includes imported products under the following HS headings or AHTN Codes, and Descriptions:

- i. 01.05 - Live poultry, that is to say, fowls of the species *Gallus domesticus*, ducks, geese, turkeys, and guinea fowls.
- ii. 02.07 - Meat and edible offal, of the poultry of heading 01.05, fresh, chilled or frozen.

- iii. 0209.90.00 - Pig fat, free of lean meat, and poultry fat, not rendered or otherwise extracted, fresh, chilled, frozen, salted, in brine, dried or smoked
- iv. 0210.99.10 - Meat and edible meat offal, salted, in brine, dried or smoked; edible flours and meals of meat or meat offal - -Freeze dried chicken dice
- v. 04.07 - Birds' eggs, in shell, fresh, preserved, or cooked
- vi. 04.08 - Birds' eggs, not in shell, and egg yolks, fresh, dried, cooked by steaming or by boiling in water, moulded, frozen or otherwise preserved, whether or not containing added sugar or other sweetening matter.
- vii. 0410.00.10 - Edible products of animal origin, not elsewhere specified or included - - Birds' nest

Dairy Imports includes imported products under the following HS headings or AHTN Codes, and Descriptions:

- i. 04.01 - Milk and cream, not concentrated nor containing added sugar or other sweetening matter.
- ii. 04.02 - Milk and cream, concentrated or containing added sugar or other 4 sweetening matter.
- iii. 04.03 - Buttermilk, curdled milk and cream, yogurt, kefir and other 6 fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit, nuts or cocoa.
- iv. 04.04 - Whey, whether or not concentrated or containing added sugar or other sweetening matter; products consisting of natural milk constituents, whether or not containing added sugar or other sweetening matter, not elsewhere specified or included.
- v. 04.05 - Butter and other fats and oils derived from milk; dairy spreads.
- vi. 04.06 - Cheese and curd.

Tariff collections shall be automatically credited to a special account in the general fund of the national treasury, which shall be in place within ninety (90) days upon the effectivity of this Act. Provided^ that If the tariff collection from the livestock, 18 poultry and dairy Importation exceeds seven billion and eight hundred million pesos (P7,800,000,000.00) in any given year within the next six (6) years following the effectivity of this Act, the excess tariff revenue shall be earmarked by Congress and added to the LPDCEF Included in the General Appropriations Act (GAA) of the following year.

Provided, further, that allocation and utilization of the LPDCEF shall be subject to the following guidelines:

- a) The Secretary of the DA shall be accountable and responsible for the management and utilization of the said fund in coordination with other government agencies concerned;
- 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 Livestock, Poultry, and Dairy Value Chain Development Roadmap, created in Section 4 of this Act. Provided, that the unutilized portion of the LPDCEF 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 DBM; and
- c) Any program undertaken in accordance with this Act shall only be deemed complementary and supplementary to, and shall not be a replacement of any existing programs for farmers already implemented by the DA and other agencies concerned.

SECTION 13. Allocation and Disbursement of the Livestock, Poultry, and Dairy Competitiveness Enhancement Funds. - Subject to the usual accounting and auditing rules and regulations, the LPDCEF shall be allocated and disbursed as follows:

- a) Twenty percent (20%) of the fund shall be used for repopulation, breeding, genetic reproduction of animals, stock infusion, and establishment of semen banks, stock farms, and breeding centers with complete facilities for food, health, and safety of animals. The fund shall be distributed as follows: fifteen percent (15%) to BAI and five percent (5%) to be distributed equally to PCC and NDA for dairy development in accordance with their additional mandates set forth in Section 6 of this Act, in addition to their existing budget allocations;
- b) Fifteen percent (15%) shall be released to NMIS for the creation of strategic locations and Improvement of the first border inspection, in coordination with the DPWH and BOC;
- c) Fifteen percent (15%) shall be allocated to BAI for animal health and welfare, and native animal development programs, disease control, prevention and response, including protective surveillance, pest and disease emergency response, and conduct of research and technology advancement programs to be distributed as follows: five percent (5%) for BAI-LPDPDCS, five percent (5%) for BAI-AHWD, and five percent (5%) for BAI-NADS.

A Quick Response Fund (QRF) in the amount of One hundred million pesos (Php100,000,000.00) from the budget appropriated in this paragraph, shall be set aside every year by BAI, as the lead agency in ALERTF, for immediate intervention in any event of livestock, poultry, and dairy pest or epidemic incident that may be deemed to have the potential to reduce the livestock, poultry, or dairy population at the municipal level by at least two percent (2%). Unexpended QRF for the year shall be used for animal health, and disease control and prevention programs for the following year, in addition to the existing budget allocation.

In case the QRF for the year is exhausted, the same shall be augmented by the Quick Response Fund of the Department, the Calamity Fund under Republic Act No. 10121, or other government sources. Local Government Units may also augment the QRF using their local funds.

- d) Fifteen percent (15%) shall be released to and managed equally by the Land Bank of the Philippines (LBP) and Development Bank of the Philippines (DBP), made available in the form of credit facility for the Improvement of breeders and stocks through the purchase of breeders, growers, multipliers, feeds, and genetically improved stocks, establishment of animal housing, and purchase of livestock, poultry and dairy farm equipment, with minimal Interest rates and documentary requirements;
- e) Ten percent (10%) of the fund shall be released to Philippine Center for Postharvest Development and Mechanization (PhilMech) to be utilized for building or improving shared service facilities including, but not limited to, cold chains, primary processing facilities like 'AAA' certified slaughterhouses, 'AAA' certified poultry dressing plants, Halal certified facilities, dairy infrastructure like milking, cooling, pasteurization, processing and storage and distribution of equipment for developing pasture lands In strategic areas or provinces to serve the needs of raisers, cooperatives or organizations;
- f) Five percent (5%) shall be released to Cooperatives Development Authority (CDA) to be used for organizing and clustering of backyard livestock, poultry, and dairy raisers, into formal groups, cooperatives, or organizations;
- g) Five percent (5%) shall be used to develop and augment food safety and animal support extension and training, to be implemented by BAI, ATI, ITCPH, and PhilMech. It shall also be utilized for training

courses to be implemented by TESDA. The fund shall be distributed equally to BAI, ATI, ITCPH, PhilMech, and TESDA;

- h) Five percent (5%) of the fund shall be used for the provision of insurance to qualified livestock, poultry, and dairy raisers under an extensive livestock, poultry, and dairy insurance coverage;
- i) Four percent (4%) shall be allocated to DOST-PCAARRD for farm school-based and/or industry-driven research and development programs, as well as for support to technology transfer and commercialization programs and projects, in support of the areas identified in Section 4(i);
- j) Three percent (3%) shall be released to BAI to be used for planning, formulating, updating the Roadmap, monitoring activities, and impact assessment studies. It shall likewise be used for the establishment and operation of the Livestock, Poultry and Dairy Management Information System (LPDMIS), to be used for an information database on supply/inventory, price trends, forecasts, best practices, pests, diseases, and epidemics, among others, and assessment planning; and
- k) Three percent (3%) shall be released and distributed equally to DA-Agribusiness and Marketing Assistance Service (DA-AMAS) and the Department of Trade and Industry (DTI) to be used for marketing and trade promotion activities to benefit livestock, poultry, and dairy raisers.

SECTION 14. *Beneficiaries of LPDCEF*- The beneficiaries of the LPDCEF shall be those backyard livestock, poultry, and dairy raisers, farm workers, and their dependents listed in the Livestock, Poultry, and Dairy Registry System (LPDRS), and livestock, poultry, or dairy cooperatives, associations, or organizations accredited by the Department.

Provided further, preferential attention should be given to livestock, poultry, and dairy raisers who are members of cooperatives, associations, or organizations.

Within one hundred eighty (180) days from the effectivity of this Act, the Department, in consultation with farmers' cooperatives and organizations, and LGUs, shall validate and update the master list of eligible beneficiaries to ensure that those listed are legitimate raisers, farmers, farmworkers, cooperatives, associations, and organizations.

SECTION 15. *Review of the Livestock, Poultry, and Dairy Competitiveness Enhancement Funds.* - The following mandatory reviews of the LPDCEF shall be performed:

1. The Philippine Institute for Development Studies (PIDS) shall conduct an impact evaluation of the LPDCEF programs on livestock, poultry, and dairy productivity on the second (2nd), third (3rd), and sixth (6th) year of the effectivity of this Act, as provided for in Section 11 (j);
2. The percentage allocation of the LPDCEF will be reviewed on the intervention priorities change; and
3. Before the end of the sixth (6th) year from the effectivity of this Act, a mandatory review shall be third (3rd) year from the effectivity of this Act for possible revisions should conducted by the Congressional Oversight Committee on Agricultural and Fisheries Modernization (COCAFM) to determine whether the LPDCEF and its utilization as provided for under this Act shall be continued, amended, or terminated. The Increase or decrease in farmers ' Incomes 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 COCAFM, at any time, may conduct an assessment of the implementation of programs and utilization of LPDCEF directed under this Act.

TITLE V FINAL PROVISIONS

SECTION 16. *Review of Livestock, Poultry, and Related Feeds Tariff Rates.* – Consistent with the policies of this Act, the Tariff Commission shall review the most favored nation (MFN) in-quota and out-quota tariff rates on livestock, poultry, and corn imports originating from non-Association of Southeast Asian Nations (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 in-quota and out-quota rate adjustments for livestock, poultry, and corn imports that will ensure the competitiveness of the livestock, poultry, and dairy sectors.

SECTION 17. *Powers of the President.* - Consistent with the Philippine national interest and the objective of safeguarding Filipino livestock, poultry, dairy farmers, and consumers, the President is hereby empowered to act with full delegated authority, subject to the provisions of the Customs Modernization and Tariff Act (CMTA), in the following circumstances:

- a) The President may revise or adjust existing rates of customs duties on livestock, poultry, and dairy imports up to their respective bound rates committed by the Philippines under the WTO agreement on agriculture and under the ASEAN Trade in Goods Agreement (ATIGA), including any necessary change in classification applicable to their importation. 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 the applied tariff rates shall take effect fifteen (15) days after publication;
- b) In the event of any imminent or forecasted shortage, animal disease epidemic, or such other situation requiring government intervention, the President is empowered for a limited period and/or a specified volume to allow the importation of livestock, poultry, and dairy products at a lower applied tariff rate to address the situation. Such an 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.

SECTION 18. *Budget for the Procurement of Local Fresh Milk and Fresh-Milk-based Products under the Milk Feeding Program of RA No. 11037.*

- The DSWD and DepEd shall allocate their budgets for the implementation of the National Feed Program in procuring locally produced fresh milk and fresh-milk-based food products, which are incorporated in the fortified meals and cycle menu as follows:

- a) A minimum of twenty percent (20%) in the first two (2) years following the enactment of this Act;
- b) A minimum of thirty percent (30%) in the third (3rd) to fourth (4th) year following the enactment of this Act; and
- c) A minimum of forty percent (40%) in the fifth year (5th) year and thereafter following the enactment of this Act.

SECTION 19. *Implementing Rules and Regulations.* - Within forty-five days (45) from the effectivity of this Act, the DA, BAI, NMIS shall, in coordination with ATI, BAFS, BOC, CDA, DBM, DBP, DOF, DOST-PCAARRD, LBP, NDA, PCC, DPWH, DTI, ITCPH, PhilMech, TESDA, NEDA, PSA, and other government agencies concerned, shall coordinate with government agencies concerned formulate the rules and regulations for the proper implementation of this Act.

SECTION 20. *Separability Clause.* - If any portion or provision of this Act is declared unconstitutional or invalid, the remainder of this Act or any provisions hereof not affected shall continue to be in force and effect.

SECTION 21. *Repealing Clause.* - Any law, presidential decree or issuance, executive order, letter of instruction, rule or regulation inconsistent or contrary to the provisions of this Act is hereby repealed or modified accordingly.

SECTION 22. *Effectivity.* - This Act shall take effect after fifteen (15) days following its complete publication in the Official Gazette or a newspaper of general circulation.

Approved,