

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO: 5907

Introduced By: **HON. CLAUDE P. BAUTISTA**

EXPLANATORY NOTE

This bill seeks to institutionalize the KADIWA Program by establishing KADIWA markets in all regions of the country to ensure food security, empower farmers, and provide affordable basic goods to consumers.

First introduced in 1980 under President Ferdinand E. Marcos, Sr., the KADIWA Program created a direct farm-to-consumer supply chain, reducing middlemen and allowing farmers to earn more while selling essential commodities at lower prices. Though discontinued in 1985, the program was revived during the COVID-19 pandemic and once again proved effective in stabilizing prices and maintaining food supply in times of crisis.

Today, the country continues to face recurring shortages and price surges in essential commodities such as rice, onions, and garlic. In response, President Ferdinand R. Marcos, Jr. has relaunched and modernized KADIWA through innovative strategies, including mobile rolling stores, retail hubs in government offices, interregional distribution systems, and even an online platform to connect farmers directly with consumers.

Institutionalizing KADIWA will sustain these gains, strengthen the livelihood of farmers and fisherfolk, and guarantee every Filipino family access to affordable and nutritious food.

In view of the foregoing, the swift approval of this measure is earnestly sought.


CLAUDE P. BAUTISTA

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City**

**TWENTIETH CONGRESS
First Regular Session**

HOUSE BILL NO. 5907

Introduced by: Hon. Claude P. Bautista

**AN ACT
INSTITUTIONALIZING THE KADIWA PROGRAM BY ESTABLISHING KADIWA
MARKETS IN ALL REGIONS OF THE COUNTRY AND APPROPRIATING FUNDS
THEREFOR**

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

SECTION 1. Short Title. - This Act shall be known as the "Katuwang sa Diwa (KADIWA) Program Act."

SEC. 2. Declaration of Policy. - The State recognizes the role of agriculture in nation-building and shall provide support to agriculture through appropriate technology and research and sufficient financial, production, marketing, and other support services. The State also recognizes the right of every citizen to adequate food and shall ensure that the people have access to essential food commodities at affordable prices.

Towards this end the State shall craft policies and implement programs geared towards effective and efficient marketing mechanisms of agricultural and fisheries products to help farmers earn higher income and ensure the accessibility and availability of agricultural products at affordable prices, especially in poor communities. For this purpose, the government shall establish and maintain a system for the efficient movement of goods by providing a direct linkage between farmers and fisherfolk, and consumers and establishing markets that will deliver

and ensure the supply, availability, and affordability of agricultural products in all regions of the country.

SEC. 3. KADIWA Ni Ani At Kita Program. - The "Katuwang sa Diwa at Gawa para sa Masaganang Ani at Mataas na Kita," or the "KADIWA ni Ani At Kita," an existing program of the Department of Agriculture (DA), is hereby institutionalized to ensure stable food supply, promote locally produced agricultural and fishery products nationwide, and create a direct and increased access of consumers to the products.

SEC. 4. National KADIWA Office. - A national KADIWA office, hereinafter referred to as the "KADIWA," is hereby created under the administrative control and supervision of the Department of Agriculture.

The KADIWA shall assist farmers and fisherfolks in marketing their products directly to the consumers, to ensure a stable food supply and promote locally produced agricultural and fisheries products in all municipalities and cities, establish linkages of the regional products nationwide, and create a direct access of consumers to the products.

SEC. 5. Functions. - The KADIWA shall exercise the following functions:

- a) Formulate and establish an integrated and comprehensive marketing mechanism for the attainment of the objectives of this Act;
- b) Formulate a system of networking, coordination and cooperation among national government agencies, local government units, farmers, fisherfolks, cooperatives, and other stakeholders;
- c) Subject to the approval of the Secretary of Agriculture, arrange funding of major projects from any legitimate source, whether private, government, foreign or domestic, including official development assistance and bilateral or multilateral loans,
- d) Identify and coordinate with proper government agencies in the establishment, construction, maintenance, and operation of infrastructure, equipment, technology, systems or such other requirements necessary for the harvesting, storage, packaging, processing, and transportation and distribution of agricultural and fisheries products for the effective implementation of this Act;

- e) Avail of the expertise of any particular employee or group of persons in any bureau, office, or department of the national government or engage the services of consultants from the private sector whose services are needed for the effective implementation of this Act;
- f) Establish a secretariat of the KADIWA and its regional and local offices, if needed;
- g) Prepare the annual budget of the KADIWA for inclusion in the budget of the DA in the annual General Appropriations Act; and
- h) Perform such other acts that are necessary for the effective implementation of this Act

SEC. 6. Executive Director. - The KADIWA shall be headed by an executive director who shall be appointed by the President of the Philippines and shall be responsible for the efficient implementation of this Act. The executive director must be a Filipino citizen, at least thirty-five (35) years of age, of goodmoral character and unquestionable integrity, with recognized competence and at least ten (10) years of supervisory or management experience in law, accounting, marketing, or related fields. The executive director shall have a term of four (4) years and may be reappointed to another term but shall in no case serve for more than eight (8) years. The executive director may only be removed for cause in accordance with the rules and regulations prescribed by the Civil Service Commission.

SEC. 7. Powers and Functions. - The executive director shall be the chief executive officer of the KADIWA and shall exercise the following powers and functions:

- a) Ensure that the KADIWA performs its function in a proper, efficient and effective manner specifically, to carry out the purposes and policies established in this Act, enforce the rules and regulations issued pursuant to this Act, and primarily be vested with the authority to take charge of the technical and operational phase of the KADIWA;
- b) Decide the objective, strategies and policies of the KADIWA in accordance with the provisions of this Act;
- c) Determine the organizational structure of the KADIWA, establish a human resource management system based on merit and fitness, and adopt a rational compensation and benefits scheme;

- d) Promulgate policies and guidelines for the harvesting, storage, packaging, processing, transportation, and distribution of agricultural and fisheries products, and the imposition and fixing of reasonable charges and fees for services rendered by the KADIWA;
- e) Create or abolish any division or unit and position therein as may be required by the exigencies of the service subject to the approval of the Secretary of Budget and Management;
- f) Hire consultants as may be deemed required by the exigencies of the service subject to pertinent laws, rules, and regulations;
- g) Remove, suspend, or otherwise discipline personnel for a cause in accordance with civil service rules and regulations and other pertinent laws;
- h) Accept donations and grants; and
- i) Perform such other functions as may be provided by law.

SEC. 8. Deputy Executive Directors. - The executive director shall be assisted by two (2) deputy executive directors for administration and operation, who shall be appointed by the President of the Philippines, a Filipino citizen, at least thirty-five (35) years of age, of good moral character, unquestionable integrity, recognized competence, and a degree holder with at least five (5) years supervisory or management experience in the field of law, marketing, accounting, management or any related fields.

All other appointments shall be approved by the Secretary of Agriculture

SEC. 9. Regional Offices. - The KADIWA shall establish, in each region, a KADIWA regional office to be headed by the regional director and manned by the personnel complement of the regional office of the DA. If necessary, the executive director of the KADIWA, subject to the prior approval of the Secretary of Budget and Management, may create additional plantilla positions in each region to augment manpower shortages as a consequence of the additional duties and responsibilities of the KADIWA regional office of the DA.

SEC. 10. Provincial, City, and Municipal Offices. - The KADIWA shall establish, in all provinces, cities, and municipalities, a KADIWA office to be headed by the provincial, city, and municipal agriculturist, respectively. They shall be assisted by the personnel complement of the offices of the provincial, city, and municipal agriculturist. They shall be responsible for the day-

to-day operation of the KADIWA in their respective jurisdiction. If there is a need to increase the personnel complement of the offices of the provincial, city, and municipal agriculturist, the governor, city and municipal mayor, subject to the prior approval of their respective provincial, city and municipal councils, may create additional plantilla positions to augment the manpower requirements of their respective offices.

SEC. 11. Organizational Structure. - The organizational structure and staffing pattern of the KADIWA shall be approved by the Secretary of Agriculture within ninety (90) days after the effectivity of this Act, and the authorized positions created therein shall be filled by regular appointments by the President of the Philippines or the Secretary of Agriculture as the case may be.

SEC. 12. Local Government Units Participation. - All provinces, cities and municipalities must submit a market feasibility study of their participation in the KADIWA program to their respective KADIA regional offices within one hundred eighty (180) days after the approval of this Act, stating the list of their local products, volume of production, population, supply and demand analysis, suitability and accessibility of the area, road networks, public transportation, peace and order situation, operating expenses, cash requirements, profitability, and infrastructure requirements taking into consideration the harvesting, storage, packaging, processing and transportation of the agricultural and fisheries products to the KADIWA stores.

All barangays shall prepare market feasibility studies and submit the same to their city or municipal agriculturist for consolidation. The consolidated market feasibility studies of barangay shall be submitted to the provincial agriculturist and in the same manner, consolidate the same to have a consolidated market feasibility study of cities and municipalities. The provincial agriculturist shall transmit the consolidated market feasibility studies of cities and municipalities to the regional office for consolidation. The regional director shall consolidate the market feasibility studies of provinces and submit the same to the executive director for assessment and evaluation.

SEC. 13. KADIWA Programs. - Based on the consolidated feasibility studies of provinces, the KADIWA shall identify the needed KADIWA programs or projects to be

undertaken in each region, including the need to establish KADIWA outlets, invitations to private persons or entities to partner with the government in establishing and operating a KADIWA outlet, transportation facilities for the movement of goods from farm-to-KADIWA stores, transportation by bulk of agricultural and fisheries products from one region to another procurement of harvesting, packaging, processing, and storage facilities, and such other programs or projects necessary or incidental in the efficient and effective implementation of this Act. The executive director shall submit the programs or projects identified by each region to the Secretary of Agriculture for approval and eventual implementation by the KADIWA.

SEC. 14. Monitoring and Evaluation. - The DA shall assess the overall performance of the KADIWA Program and shall promulgate policies, rules and regulations for its improvement.

Participants and project partners operating a KADIWA outlet are required to submit an annual report to the municipal or city agriculturist, who shall collate and submit a summary to the provincial agriculturist. The provincial agriculturist shall consolidate the annual report per municipality and submit it to their regional director for consolidation, and the regional director submits the consolidated regional annual report to the KADIWA. The executive director consolidates the regional annual reports and prepares the overall annual report to be submitted to the Secretary of Agriculture. The annual reports shall form part of the DA report on the KADIWA Program.

The DA shall submit the report to the President of the Philippines, Senate President, Speaker of the House of Representatives, and Committees on Agriculture and Food in both houses of Congress. The report must be published and regularly updated for the information of the public.

SEC. 15. KADIWA Fund. - The KADIWA fund is hereby created to be used exclusively for the implementation of the projects and activities under this Act.

The KADIWA fund shall be administered by the DA under existing government budgeting, accounting, and auditing rules and regulations. The KADIWA fund shall be sourced from the following:

- a) The initial amount of One hundred million pesos (P100,000,000.00) to be taken from the General Appropriations Act (GAA) and other unutilized funds or savings from the GAA

of the preceding year, in case the GAA was approved before this law is enacted. Such amount shall be released to the DA after the effectivity of this Act. The yearly budget for the KADIWA fund shall double yearly for the next four (4) years,

- b) Income generated by the KADIWA; and
- c) Loans, grants, bequests, gifts, and donations whether from local or foreign sources.

The DA is directed to include resource requirements for nationwide implementation of KADIWA in its annual budget priority and such other appropriate funding sources as the Secretary of Budget and Management may identify.

The LGU shall put up counterpart funds in cash or in-kind, or both, which may be sourced from the internal revenue allotment of the LGU. Members of the community and private individuals or institutions, including foreign organizations may also contribute to the KADIWA fund.

The Secretary of Agriculture, with the approval of the Secretary of National Economic Development Authority and the Secretary of Finance, is hereby granted the authority to enter into loan agreements with foreign financial institutions for purposes of this Act.

SEC. 16. Partner in Implementation. - The Department of the Interior and Local Government shall be a key partner agency in the development of policies and technologies for the implementation of this Act to strengthen the participation of the LGUs, institute policy and structural reforms, and ensure direct linkages between farmers and fisherfolk with the local government. It may also initiate the crafting of projects, activities, and programs aligned with community-identified needs and priorities involving the KADIWA, including a massive information campaign about the program, especially in rural communities.

All relevant bureaus, offices, agencies, and instrumentalities of the government shall likewise render the necessary support for the effective implementation of this Act.

SEC. 17. Appropriations. - The amount necessary for the initial implementation of this Act shall be charged to the current year's appropriations of the Department of Agriculture. Thereafter, such sum as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

SEC. 18. Implementing Rules and Regulations. - Within six (6) months from the effectivity of this Act, the Secretary of Agriculture shall, in coordination with the Secretary of the Interior and Local Government, promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 19. Repealing Clause. - All laws, presidential decrees, executive 18 orders, and rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

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

Approved,