

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 7826



Introduced by Representative Alfred Delos Santos

EXPLANATORY NOTE

Article XII, Section 1 of the 1987 Constitution declares that the State shall promote a more equitable distribution of opportunities, income, and wealth, and shall regulate the acquisition, ownership, use, and disposition of property to promote the common good. Article XIII, Section 4 further mandates the State to undertake an agrarian reform program founded on the right of farmers and regular farmworkers to own the lands they till, and to provide support services to agriculture. These constitutional directives underscore the State's duty to protect farmers and strengthen agricultural productivity as pillars of national development and food security.

Filipino farmers continue to confront escalating fertilizer prices driven by global supply volatility, exchange rate pressures, and domestic distribution costs. Fertilizer constitutes a substantial portion of production expenses for rice, corn, and other strategic crops. When input costs rise sharply, smallholder farmers, who comprise the majority of agricultural producers, are compelled to reduce application rates, incur debt, or operate at a loss.

The consequences extend beyond the farm. Reduced fertilizer uses leads to lower yields, diminished harvest quality, and an unstable domestic supply of staple crops such as rice and corn. In turn, constrained production contributes to upward pressure on food prices, exacerbating inflation and burdening Filipino consumers. The vulnerability of the agricultural sector to input cost shocks, therefore, directly affects both farmer welfare and national food price stability.

While Republic Act No. 11203 (Rice Tariffication Law) and Republic Act No. 11598 provide certain financial assistance mechanisms, these measures are limited in scope and do not establish a permanent, responsive system to address fertilizer price volatility across crops and regions. Regulatory oversight under Republic Act No. 11321 ensures fertilizer quality control but does not address affordability concerns.

This bill seeks to institutionalize a targeted and transparent Fertilizer Subsidy Program to assist qualified smallholder farmers during periods of significant input cost increases. The measure aims to stabilize agricultural production, protect farmer incomes, mitigate inflationary pressures on food commodities, and strengthen national food security.

By establishing a structured and accountable support mechanism, the proposed measure advances the State's constitutional duty to support farmers and promote sustainable agricultural development.

It is for the foregoing premises that the approval of this Bill is earnestly sought.


ALFRED C. DELOS SANTOS
Representative, Ang Probinsyano Party List

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**AN ACT
INSTITUTING A FERTILIZER SUBSIDY PROGRAM 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 “National Fertilizer and Pesticide Subsidy Act”

SECTION 2. *Declaration of Policy.* – It is hereby declared a policy of the State to protect and assist the agricultural sector as an indispensable component of national growth and development. As such, the State shall foster an enabling environment for farmers and provide effective assistance for them to acquire a reasonable profit and increase local production.

SECTION 3. *National Fertilizer and Pesticide Subsidy Program (NFPSP).* - The Department of Agriculture (DA) shall implement a National Fertilizer and Pesticide Subsidy Program which shall benefit qualified farmers.

The DA shall provide fertilizer subsidy to qualified farmer beneficiaries according to the following scheme:

- a) Per hectare, six bags of fertilizers or subsidy vouchers not lower than Php 6,000.00 for those who plant inbred seeds;
- b) Per hectare, seven bags of fertilizers or subsidy vouchers not lower than Php 7,000.00 for those who plant hybrid seeds.

The DA shall similarly provide pesticide subsidy vouchers to qualified farmer beneficiaries. The DA shall determine the amount of subsidy vouchers not lower than Php 2,000.00 per hectare annually, depending on the current agricultural situation and prevailing market prices.

SECTION 4. *Eligibility for the NFPSP.* – To be eligible for the fertilizer and pesticide subsidy, beneficiaries must meet the following criteria:

- a) A bona fide Filipino citizen who is a member of the agricultural sector;
- b) Must be at least eighteen (18) years old at the time of registration;

- c) Must be a farmer, farm laborer/worker or agriyouth based on the Registry System for Basic Sectors in Agriculture (RSBSA) Definition of Memembrs of the Agriculture and Fisheries Sector.

Qualified farmers registered under the RSBSA shall be automatically included as eligible beneficiaries of the NFSPSP.

SECTION 5. *Program Report.* – The DA shall annually submit to the agricultural committee of both houses of Congress a report assessing the fertilizer and pesticide subsidy program Each report required shall include for the one year period ending on March of the year in which the report is submitted

- a) The number of farmers that participated in the program;
- b) Information regarding the demographic characteristics of the farmer beneficiaries;
- c) Description of the steps taken by the Department to help the farmer beneficiaries;
- d) Overall production performance by the farmer-beneficiaries;
- e) Assessment of its impact in the National Food Security Plan.

SECTION 6. *Appropriations.* – Such amount necessary for the initial implementation of this Act shall be charged against the current year's appropriation for the concerned agencies. Thereafter, the funds necessary for this Act's continuous and effective implementation shall be included in the annual General Appropriations Act.

SECTION 7. *Implementing Rules and Regulations.* – The DA, in coordination with other relevant government agencies, shall formulate and promulgate the implementing rules and regulations and other issuance as may be necessary to ensure the effective implementation of the provisions of this Act within sixty (60) days from the approval thereof. The implementing rules and regulations issued pursuant to this section shall take effect (30) days after its publication in the Official Gazette or any newspaper of general circulation.

SECTION 8. *Repealing Clause.* – All laws, decrees, executive orders, and proclamations, rules, and regulations or parts thereof inconsistent with this Act, are hereby amended or modified accordingly.

SECTION 9. *Separability Clause.* – If any provision of this Act is held invalid or unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

SECTION 10. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,