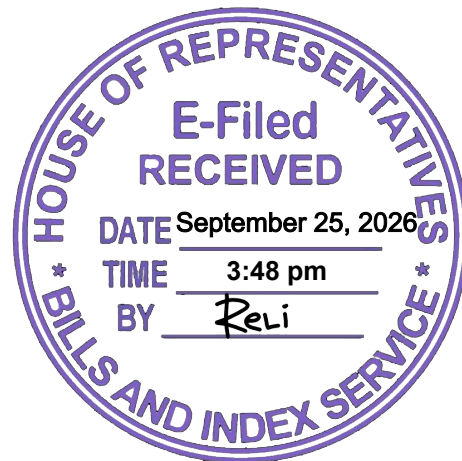


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
TWENTIETH CONGRESS
Second Regular Session



HOUSE BILL NO. 11482

Introduced by **REP. BERNADETTE "DETTE" G. ESCUDERO**

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

EXPLANATORY NOTE

The Philippines continues to face the twin challenges of food insecurity and persistent poverty among farmers and fisherfolk, the very people who ensure that food reaches every Filipino table. The March 2025 Social Weather Stations (SWS) survey revealed a troubling increase in involuntary hunger, rising from 14.2 percent in 2024 to 27.2 percent in 2025. It is a painful irony that those who produce the country's food are often the ones who experience hunger and deprivation the most.

Agricultural cooperatives have long served as an essential mechanism for empowering farmers and fisherfolk, improving productivity, and strengthening rural communities. According to the Cooperative Development Authority (CDA), cooperatives play a significant role in the Philippine economy. However, many agricultural cooperatives remain fragmented, underfunded, and constrained by limited access to markets, financing, and modern technologies. Studies conducted by the Food and Agriculture Organization (FAO) consistently demonstrate that cooperative members enjoy greater access to credit, improved farming technologies, and wider market opportunities. By enabling small-scale producers to pool resources, purchase inputs collectively, and market their products more effectively, cooperatives help reduce production costs, increase incomes, and improve overall competitiveness.

A similar measure has been filed and passed in the Senate and this proposed measure builds upon it and serves as a counterpart measure in the House of Representatives, sharing the common objective of advancing, promoting, and protecting agricultural cooperatives through the establishment of a dedicated bureau.

The immediate passage of this bill is therefore earnestly sought.



HON. BERNADETTE "DETTE" G. ESCUDERO

Representative
1st District, Sorsogon

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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 2026".

SEC. 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 sector of society.

The State further recognizes the indispensable need to encourage the participation of women and youth as a primary force in the government 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's power towards the attainment of economic development and social justice.

1
2 Towards this end, the Government and all of its branches, subdivisions,
3 instrumentalities, and agencies shall ensure the provision of technical guidance,
4 financial assistance, and other relevant services to enable farmers, fisherfolk, and
5 other agricultural workers to organize themselves into self-sustaining cooperatives
6 that work together to strengthen the Philippine agricultural industry.

7 8 **CHAPTER II** 9 **GENERAL PROVISIONS**

10
11 **SEC. 3. Definition of Terms.** In so far as they are used in this Act, the
12 following terms shall mean:

- 13
14 a) Agribusiness – refers to a range of activities that occur in the agriculture
15 value chain utilized in modern food production, including but not limited to
16 farming, forestry, fishing operations, as well as seed supply, agrichemicals,
17 related machineries, processing, storage, marketing, distribution, and sales,
18 whether wholesale or retail;
19
20 b) Agricultural Cooperative – refers to a type of cooperative comprising
21 farmers, fisherfolk, agrarian reform beneficiaries, fairer farmers, community
22 forestry farmers, aquaculture farmers, and other individuals engaged in
23 agricultural activities. These individuals voluntarily organized themselves
24 into an agricultural-based economic enterprise, including subsidiary
25 agricultural cooperatives formed by existing multi-purpose cooperatives and
26 multi-purpose cooperatives whose primary business activity is at least fifty
27 percent (50%) related to agricultural production, agro-industry, agri-
28 business, or services related to agricultural production. Agricultural activities
29 encompassed by the cooperatives include the production, processing,
30 agrologist, and distribution of agricultural, fishery, and forestry inputs and
31 products, whether primary, derived, or processed. The cooperative also
32 provides a range of services aimed at improving the livelihood, income, and
33 overall welfare of its members. These services include savings and credit,
34 marketing, agricultural extension, farm education, agri-tourism, digital
35 agriculture and other allied services related to climate resiliency and safety
36 nets;
37
38 c) Asset Development – refers to the growth and improvement, according to
39 targeted goals and objectives, of key instruments and resources for
40 agricultural operations, such as, but not limited to, land, buildings, which
41 may include residences, warehouses, or barns, irrigation systems, fences,
42 and trees;
43
44 d) Build Scale – refers to the growth or expansion of agribusiness in a
45 proportional and profitable manner;
46
47 e) Cooperative – refers to an autonomous and duly registered association of
48 persons, with a common bond of interest, who have voluntarily joined

1 together to achieve their social, economic, and cultural needs and
2 aspirations by making equitable contributions to the capital required,
3 patronizing their products and services, and accepting a fair share of the
4 risks and benefits of the undertaking in accordance with universally
5 accepted cooperative principles;

- 6
- 7 f) Clustering – refers to the process by which multiple agribusinesses, each
8 involved in different stages of the agricultural value chain, combine their
9 operations into a single hub. This collaboration aims to enhance operational
10 efficiency, streamline processes, and maximize profits through integrated
11 efforts;
- 12
- 13 g) Consolidation – refers to a process by which fragmented and scattered
14 landholdings are reorganized or restructured into larger, more contiguous
15 pot or plots. This can be done through voluntary reallocation, sales, land
16 exchanges, or swaps, lease, and other means.
- 17
- 18 h) Criteria for Assessment and Ratings – refers to a set of standards in
19 determining the performance of an agricultural cooperative, which includes,
20 among others, enterprise management, adherence to cooperative
21 principles, and product or service quality.
- 22
- 23 i) Family Farming – refers to an agribusiness operation that is managed and
24 operated by a family unit, related by consanguinity or affinity, whether
25 nuclear or extended, and which predominantly relies on the labor of the
26 members of such family for its operations. The family and the farm,
27 therefore, are inextricably linked, and co-evolve with each other;
- 28
- 29 j) Local Development Hub (LDH) – refers to a farming zone or transport
30 infrastructure, which is generally far from formal markets. An LDH serves
31 around five hundred (500) to one thousand (1,000) farmers, and links them
32 to buyers, which may be, among others, traders, processors, and export
33 companies, among others.
- 34
- 35 k) National Federation of Agricultural Cooperatives (NFAC) – refers to a
36 federation of agricultural cooperatives that are engaged in agribusiness and
37 financial business for the benefit of the members through its subsidiaries.
- 38
- 39 l) Wholesale Market – refers to a market, owned by the government and
40 managed by the National Federation of Agricultural Cooperatives (NFAC)
41 through its subsidiary/ies, where a trader buys farm produce from the
42 farmers, through the agricultural cooperatives, in bulk and re-sells the goods
43 to business houses or retailers to further sell the goods to end consumers.
- 44
- 45 m) Cooperative Climate Resilience Fund – refers to a grant-making mechanism
46 that aims to ensure that agricultural cooperatives and their farmer-members
47 are protected from and resilient to the impact of climate change.
- 48

SEC. 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 (RA) 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.

SEC 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 (P15,000.00).

SEC. 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.

1 **SEC. 7. Bond of Membership.** The bond of membership of agricultural
2 cooperatives shall be any of the following:

- 3
- 4 a) Residential – members are farmers, farm workers, or fisherfolk who are
5 actually and physically residing within the area of operation;
- 6 b) Occupational – members are those who are engaged in raising or culture of
7 plants or animals, or are part of the technical and scientific communities of
8 the agriculture sector;
- 9 c) Associational – members are from registered associations, groups, clubs,
10 cultural, and other similar aggrupation of farmers, farm workers, and fisher
11 folk; and
- 12 d) Institutional – members are employees, workers, or officers of a particular
13 Institution who are undertaking or will undertake agricultural projects.
14 Provided, That at least fifty-one per cent (51%) of its members are duly
15 registered with the Registry System for Basic Sectors in Agriculture (RSBSA).
- 16

17 **CHAPTER III**
18 **BENEFITS OF AGRICULTURAL COOPERATIVES**

19

20 **SEC. 8. Tax Treatment of Agricultural Cooperatives that Transact with**
21 **Non-members.** Notwithstanding any law or regulation to the contrary, duly
22 registered agricultural cooperatives that transact with both members and
23 nonmembers, and with 8 reserve funds of One Hundred Million Pesos
24 (P100,000,000.00) or below shall be exempt from all national internal revenue taxes,
25 fees, and charges of whatever name and nature.

26

27 On the other hand, if such agricultural cooperatives have reserve funds of
28 greater than One Hundred Million Pesos (P100,000,000.00), it shall pay the following
29 taxes on their transactions with non-members:

30

- 31 a) Income Tax on Income derived from transactions with non-members: Provided,
32 That the same tax is not consequently imposed on interest individually received
33 by members. The tax base for all cooperatives liable to pay income tax shall be
34 the income directly related from the business transactions with non-members
35 after deducting the amounts for the statutory funds;
- 36 b) Value-Added Tax (VAT) on transactions with non-members: Provided, however,
37 that duly registered agricultural cooperatives shall be exempt from the
38 imposition of VAT, on the following:
- 39 1. Sales by agricultural cooperatives duly registered with the DA to their
40 members as well as sale of their produce, whether in its original state or
41 processed form, to non-members, their importation of direct farm inputs,
42 machineries and equipment, including spare parts thereof, to be used
43 directly and exclusively in the production and or processing of their
44 produce, and their resale to other agricultural cooperatives;
- 45 2. Gross receipts from lending activities towards its members or other
46 agricultural cooperatives;
- 47

1 Provided, That the exempt transactions in the foregoing shall include
2 sales made by agricultural cooperatives duly registered with the DA
3 organized and operated by their members to undertake the production
4 and processing of raw materials or of goods produced by their members
5 into finished or process products for sale by the cooperatives to their
6 members and non-members: Provided, however, that any processed
7 product or its derivative arising from the raw materials produced by their
8 members, sold in the name and for the account of the cooperative shall
9 be deemed a product of the cooperative and its members: Provided,
10 further, That at least twenty five per centum (25%) of the net income
11 of the cooperatives is returned to the members in the form of interest
12 and/or patronage refunds;

- 13
14 c) All sales of goods and/or services rendered for non-members shall be subject
15 to the applicable percentage taxes; and
16 d) All other taxes unless otherwise provided herein.
17

18 Donations to duly accredited charitable, research and educational institutions
19 and reinvestment to socio-economic projects within the area of operation of the
20 cooperative may be tax deductible.
21

22 **SEC. 9. Tax Treatment of Agricultural Cooperatives that Transact with**
23 **Members Only.** Duly registered agricultural cooperatives under this Act which do not
24 transact any business with non-members or the general public shall not be subject to
25 any taxes, fees, and charges Imposed under the internal revenue laws and other tax
26 laws.
27

28 **SEC. 10. Other Benefits and Privileges of Agricultural Cooperatives.**
29 An agricultural cooperative shall enjoy the following benefits and privileges:
30

31 a) Taxes, Duties, and Liens:

32
33 1. All benefits, privileges, and tax treatments of cooperatives as defined
34 and enumerated under RA 9520 and other relevant laws shall apply to
35 agricultural cooperatives;
36

37 2. Agricultural cooperatives shall be exempt from customs duties,
38 advance sales or compensating taxes on their importation and local
39 purchase of machineries, equipment, accessories, batteries, and spare
40 parts used by them: Provided, That all tax and duty free imports and
41 local purchases shall not be sold nor the beneficial ownership thereof be
42 transferred to any person until after five (5) years otherwise, the
43 cooperative and the transferee or assignee shall be solidarity liable to
44 pay twice the amount of the imposed tax and/or duties; and
45

46 3. All real properties owned, and those directly used for the operations,
47 management, and maintenance of agricultural cooperatives shall be

1 exempt from the payment of real property taxes imposed under existing
2 laws.

- 3
- 4 b) Training and Conferences. All training and conferences for the organization,
5 registration, management and operations of an agricultural cooperative,
6 rendered by the appropriate government agency, shall be given free of charge,
7 including costs of venue, training materials, speakers and resource persons.
8 The CDOs shall be primarily responsible for these trainings and conferences
9 within their respective localities.
- 10 c) Consolidation. Agricultural cooperatives may consolidate agricultural lands
11 owned by its members within a contiguous area for purposes of agricultural
12 development.
- 13 d) Negotiated Procurement by National and Local Government Agencies. To
14 promote and support agricultural cooperatives, national and local government
15 agencies shall negotiate the procurement of agricultural products and other
16 agricultural commodities from registered and accredited agricultural
17 cooperatives. Negotiated procurement of these products and commodities shall
18 follow. RA No. 12009, its implementing rules and regulations, and applicable
19 guidelines issued by the Government Procurement Policy Board; Provided that
20 the procurement of said products and commodities are necessary for the
21 performance of the mandates of the procuring entities.
- 22 e) Loans, and Grants:
- 23 1. All loans applied for by agricultural cooperatives in any government
24 owned or controlled banks or government financial institutions shall
25 enjoy preferential treatment as to the requirements, rates, securities,
26 and collaterals; and
- 27 2. The DA shall coordinate with the Bangko Sentral ng Pilipinas (BSP) to
28 lower the requirements for all loans applied for and granted to
29 agricultural cooperatives.
- 30 f) Strengthening Program for Agricultural Cooperatives. The government through
31 the DA and CDA shall introduce a program aimed at strengthening agricultural
32 cooperatives through mergers and consolidations. This initiative, part of the
33 government's broader effort to enhance the stability and resilience of the
34 agriculture sector, offers income support incentives to encourage smaller
35 agricultural cooperatives and farmers associations to consolidate that can lead
36 to improved operational efficiencies, reducing costs and improving service
37 delivery for agricultural cooperatives. These may include grants or subsidies
38 that help build business scale and improve capital base, operational synergies,
39 broader service offerings, and risk mitigation.
- 40

41 **SEC. 11. Organization as a Multi-Purpose Cooperative.** Notwithstanding
42 any law to the contrary, an agricultural cooperative may be organized as a multi-
43 purpose cooperative from its registration with the CDA: Provided, that it has complied
44 with the minimum requirements for an agricultural cooperative as prescribed by the
45 CDA Rules and Regulations.

46

47 **SEC. 12. Pre-Cooperative Agricultural Organization.** Prior to registration
48 with the CDA, a group of natural persons intending to form an agriculture cooperative

1 may voluntarily form a Pre-Cooperative Agricultural Organization (PCAO) that shall
2 have its own juridical personality to undertake activities that shall determine the
3 viability of the creation of an agricultural cooperative: The PCAO must be registered
4 as such with the Cooperative Development Offices (CDOS) of the appropriate LGU
5 where the PCAO intends to operate. The Bureau may assist and endorse PCAOS to
6 CDA for registration.

7
8 The DA and CDA, in coordination with the CDOs, shall assist PCAOS so that
9 they can formally organize as agricultural cooperatives. Provided, that the PCAO
10 decides to formally organize into a cooperative, it must comply with the requirements
11 under the law. Any contract executed by the PCAO prior to its registration as an
12 agricultural cooperative shall remain valid and binding between the parties insofar as
13 it redounds to the benefit of the cooperative.

14
15 The DA and CDA shall jointly issue guidelines on the mechanisms for PCAOS.

16 17 18 **CHAPTER IV** 19 **NATIONAL FEDERATION OF AGRICULTURAL COOPERATIVES**

20
21 **SEC. 13. Organization of the National Federation of Agricultural**
22 **Cooperatives (NFAC).** The NFAC is hereby organized the National Federation of
23 Agricultural Cooperatives (NFAC), (hereinafter, the "Federation"), which shall be the
24 single federation of agricultural cooperatives.

25
26 **SEC. 14. Consolidation/Merger of Existing Duly-Registered**
27 **Agricultural Cooperatives Federation.** Agricultural Cooperative Federations duly-
28 registered with the CDA prior to the effectiveness of this Act shall merge or consolidate
29 in accordance with existing applicable laws, rules and regulations. The merged or
30 consolidated federation shall serve as the single National Federation of Agricultural
31 Cooperatives (NFAC). The DA and CDA shall issue the guidelines on the merger and/or
32 consolidation of existing federations of agricultural cooperatives.

33
34 **SEC. 15. Mandatory Membership of Primary Agricultural Cooperatives**
35 **to the Federation.** It Is compulsory for Primary Agricultural Cooperatives to become
36 members of the National Federation of Agricultural Cooperatives (NFAC).

37
38 **SEC. 16. Governance of the Federation.** The Chairpersons of the member
39 primary agriculture cooperatives shall comprise the General Assembly of the
40 Federation who shall elect and appoint the Officers and Management Staff in
41 accordance with its duly-approved Articles of Cooperation and By-Laws.

42
43 **SEC. 17. Primary Business Operations Through Subsidiary/ies.** The
44 Federation shall be allowed to organize subsidiary cooperatives and/or corporations
45 that will engage in Agribusiness and Financial Business the surplus and/or income of
46 which shall be utilized to fund, wholly or in part, the needed services of the member-
47 primary agricultural cooperatives. Such subsidiary/ies shall be registered with the
48 necessary regulatory authorities including, but not limiting to, the DA, CDA, SEC and

1 Board of Investments and shall enjoy the relevant exemptions and privileges under
2 this Act, the Cooperative Code, and other laws, rules and regulations.

3
4 **SEC. 18. Channel and/or Partner of Farmer-Related Government and**
5 **Non-Government Programs, Projects and Activities.** The Federation shall serve
6 as channel and/or partner in the implementation of various programs, projects and
7 activities of National Government Agencies, Local Government Units and Non-
8 Government Organizations for the benefit of the farmers and their respective families.
9

10 **Sec. 19. Inter-Cooperative Arrangements.** The Federation shall be
11 allowed to enter into inter-cooperative arrangements with and among other non-
12 agriculture cooperative federations and other entities to pursue value and supply chain
13 solution and other agribusiness development programs, subject to the guidelines to
14 be jointly promulgated by the DA and CDA/
15

16 **Sec. 20. Partnership and Joint Venture with Private Entities.** Duly
17 registered private entities may enter into a partnership or joint venture with the
18 Federation in order to provide the latter with investments and technological support,
19 such as, but not limited to technological, logistics, and facilities support, among others.
20 Such partnership or joint venture shall be registered with the necessary regulatory
21 authorities, including the DA and CDA, and shall enjoy the relevant exemptions and
22 privileges under this Act, the Cooperative Code, and other laws, rules and regulations.
23 This notwithstanding, the equity or contribution of such private entity shall not exceed
24 forty percent (40%) of the partnership or joint venture.
25

26 **Sec. 21. Supervision and Control.** The DA shall exercise supervision and
27 control over the Federation. In like manner, the Federation shall exercise supervision
28 and control over its member-primary agricultural cooperatives through the conduct of
29 regular audit/s in accordance with the standards approved by the DA and the CDA.
30 Sanctions imposed on non-compliant member-primary cooperatives shall be approved
31 by the DA and CDA. The DA and CDA shall, in consultation with the Federation, issue
32 guidelines on the supervision and control of agricultural cooperatives.
33
34

35 **CHAPTER V**

36 **WHOLESALE MARKET**

37

38 **Sec. 22.** Establishment of Wholesale Markets. There is hereby established at
39 least one Wholesale Market in every province owned by the respective Local
40 Government Units (LGUs) and operated by the National Federation of Agricultural
41 Cooperatives (NFAC) or its appropriate subsidiary/ies. The DA, DILG and the CDA
42 shall, in close coordination with the Federation, issue the rules and regulations on
43 Wholesale Market establishment and operation.
44
45

46 **CHAPTER VI**

47 **COOPERATIVE CLIMATE RESILIENCE FUND**

48

1
2 **Sec. 23. Creation of the Cooperative Climate Resilience Fund.** There is
3 hereby established a Cooperative Climate Resilience Fund managed by the National
4 Federation of Agricultural Cooperatives (NFAC) to be pooled from government,
5 agricultural cooperatives and other private entities, the utilization of which shall be
6 subject to the guidelines promulgated by the Agricultural Cooperatives Council. At
7 least fifty per cent (50%) of the Cooperative Climate Resilience Fund shall come from
8 the government.
9

10 **CHAPTER VII**
11 **BUREAU OF AGRICULTURAL COOPERATIVES**
12

13 **Sec. 24. Creation of the Bureau of Agricultural Cooperatives.** The DA
14 shall establish a Bureau of Agricultural Cooperatives (hereafter, the "Bureau"), which
15 shall be the primary coordinating, implementing, and administrative body responsible
16 for matters relating to agricultural cooperatives, including, but not limited to,
17 monitoring their performance and implementing plans and programs for their growth
18 and development. The Bureau shall be headed by a qualified Director, and its
19 organizational and staffing pattern shall be determined by the DA, in accordance with
20 the rules set forth by the Department of Budget and Management (DBM).
21

22 **Sec. 25. Powers and Functions of the Bureau of Agricultural**
23 **Cooperatives.** The Bureau of Agricultural Cooperatives shall exercise the following
24 powers and functions:
25

- 26 a) Collaborate and coordinate with various government agencies, institutions,
27 and units for the development and implementation of projects and plans for
28 agricultural cooperatives;
29 b) Promote the use of digital platforms and innovative technologies for the
30 growth and development of agricultural cooperatives, in coordination with
31 the relevant agencies;
32 c) Consolidate and study all relevant information regarding agricultural
33 cooperatives that shall be used in the formulation of policies and programs
34 for the sector;
35 d) Develop advocacy programs for capacity-building and further education of
36 members of agricultural cooperatives, with a particular focus on women and
37 youth;
38 e) Provide technical assistance to agricultural cooperatives;
39 f) In partnership with the NFAC, establish Local Development Hubs (LDHs) In
40 order to foster cooperation, collaboration, and mutual support among
41 agricultural cooperatives, in coordination with the CDA and LGUS;
42 g) Promote agricultural cooperative dusters and assist in the creation thereof,
43 as a means to forge strategic partnerships among cooperatives; and
44 h) Monitor and evaluate the performance of agricultural cooperatives
45 according to an established assessment and ratings system.
46

47 **Sec. 26. Sustainability Mapping.** Within one (1) year from the effectivity
48 of this Act, the Bureau shall undertake a comprehensive nationwide survey in order to

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

7
8 **Sec. 27. Clustering and Consolidation.** In order to pool their resources for
9 increased viability and market competitiveness, the DA, Department of Agrarian
10 Reform (DAR), Department of Trade and Industry (DTI), CDA and NFAC shall jointly
11 establish a program that will promote, encourage agricultural cooperatives and
12 facilitate their cooperation into clusters that will encompass the whole agricultural
13 value chain, including but not limited to land consolidation, postharvest processing,
14 distribution, logistics, marketing, and promotions. Within sixty (60) days from the
15 effectivity of this Act, the DA, DAR, DTI and CDA, in consultation with the NFAC, shall
16 jointly issue the guidelines for the implementation of the foregoing program, and shall
17 provide the necessary assistance at every step of the clustering and consolidation
18 process, including the formulation of cluster development plans. Notwithstanding any
19 law to the contrary, the clustering or merger and consolidation of agricultural
20 cooperatives shall be in accordance with the Implementing Rules and Regulations of
21 this Act.

22
23 **Sec. 28. Local Development Hubs.** The DA and CDA shall jointly establish
24 Local Development Hubs (LDHs) in order to strengthen the market linkages between
25 farmers and buyers, fostering agricultural development and economic growth at the
26 local level. Further, they shall jointly issue the guidelines for the operations and
27 maintenance thereof.

28
29 **Sec. 29. Collaboration with the NFAC, Cooperative Development**
30 **Councils and 5 National Government Agencies.** The Bureau shall, in
31 collaboration with the National Federation of Agricultural Cooperatives (NFAC), LGUs
32 through the Regional, Provincial, City, and Municipal Cooperative Development
33 Councils and the CDOs, facilitate and promote programs and policies that enables the
34 growth and development of agricultural cooperatives. The DA, CDA, and the relevant
35 LGU or agency in consultation with NFAC shall issue a Joint Memorandum Circular for
36 the implementation of this provision. Agricultural cooperatives shall be entitled to
37 financing support from the relevant government agencies that shall allocate funds for
38 the establishment of projects and programs for the development and promotion of
39 agricultural cooperatives.

40
41 **Sec. 30. Sustainability and Innovation.** The Bureau shall allocate funding
42 and support for the development and implementation of innovative and sustainable
43 agricultural practices.

44
45 **Sec. 31. Mentorship and Training.** The Bureau shall implement programs
46 that will focus on the capacity-and capability-building of members of agricultural
47 cooperatives, especially the empowerment of women and young farmers. Among
48 others, these programs may include:

- a) Internship and apprenticeship programs with duly accredited agricultural cooperatives. In partnership with the Committee 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.

Sec. 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 the performance, including the social and community impact, of the latter 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 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 NFAC shall use the foregoing in the provision of incentives and benefits to agricultural cooperatives under the law.

Sec. 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

Sec. 34. Creation of the Agricultural Cooperatives Council. The Agricultural Cooperatives Council 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.

Sec. 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 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 each 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 9 who are members of the National Federation of Agricultural Cooperatives 10 (NFAC), for Luzon, Visayas, and Mindanao

Sec. 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, which shall encompass adoption of innovative and ecological agricultural practices, access to resources and benefits, market opportunities, and capacity-building, among others;
- 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 it of the sector;
- d) Issue guidelines, rules, and regulations for the development of the tangible assets, such as machineries, granaries, equipment, and lands, among others, of agricultural cooperatives;
- 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 reform 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.

1 **Sec. 37. Policies Fostering Inclusivity and Sustainability.** Recognizing
2 the contributions of women and youth to the agricultural sector, as well as the need
3 to improve inclusivity, the Council shall prioritize policies that seek to improve women
4 empowerment and youth participation in the sector, and which shall foster
5 sustainability and further opportunities for economic growth. Further, the Council shall
6 prioritize the implementation of policies that enhance biodiversity, sustainability, and
7 agroecology, and the development of innovative farming techniques and practices.
8

9 **Sec. 38. Secretariat.** The Bureau shall serve as the Secretariat to the Council
10 and shall provide the necessary administrative, technical, and logistical support for the
11 effective performance of its functions.
12

13 **Sec. 39. Per Diem.** The members of the Council shall each receive a per diem
14 pursuant to existing laws, for each meeting of the Council actually attended; provided,
15 that in the case of representatives from the private sector, the Council is authorized
16 to provide funds to defray the cost of reasonable travel expenses, in addition to the
17 per diem, as may be necessary.
18

19 **Sec. 40. Role of Local Government Units.** The Local Government Units
20 shall:

- 21 a) Ensure the appointment of CDOs in compliance with Republic Act No.
22 11535;
- 23 b) Create a Committee on Agricultural Cooperatives Development in the Local
24 Government Legislatives Council, which shall focus on addressing legislative
25 concerns of agricultural cooperatives;
- 26 c) Disseminate information and promote agricultural cooperatives in their
27 respective localities;
- 28 d) Facilitate the establishment and develop the management and operations
29 of agricultural cooperatives within their jurisdictions;
- 30 e) Expedite the issuance of necessary permits for the implementation of
31 projects and programs of the DA, CDA, and other government agencies and
32 instrumentalities for the benefit of agricultural cooperatives;
- 33 f) Upon written request of the CDA, assist in the resolution of inter-cooperative
34 disputes among agricultural cooperatives operating within their localities;
- 35 g) Facilitate and conduct seminars, trainings, and conferences necessary for
36 the organization, registration, management, and operations of agricultural
37 cooperatives, in coordination with cooperative federations and unions; and
38 h) Provide technical assistance and skills training for farmers, farm workers,
39 and fisherfolk to engage in income-generating activities.
40

41 **CHAPTER IX** 42 **OTHER PROVISIONS** 43

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

1 **Sec. 42. Implementing Rules and Regulations.** Within ninety (90) days
2 from the effectivity of this Act, the DA, in coordination with the relevant departments
3 and agencies, and in consultation with agricultural cooperatives, shall issue the
4 necessary rules and regulations to implement this Act.
5

6 **Sec. 43. Joint Congressional Oversight Committee on Agricultural**
7 **Cooperatives.** There is hereby created a Joint Oversight Committee to oversee,
8 monitor, and evaluate the implementation of this Act. The Oversight Committee shall
9 be composed of five (5) members each from the Senate and House of Representatives,
10 including Chairpersons of the Committee on Agriculture and Cooperatives of both
11 Houses. The membership of the Committee of every House shall have at least two (2)
12 members from the minority.
13

14 **Sec. 44. Annual Reports.** The Council shall submit an annual report to the
15 Congress of the Philippines on the progress of its projects and plans and offer
16 recommendations for possible legislation.
17

18 **Sec. 45. Sunset Review.** Within five (5) years after the effectivity of this Act,
19 or as the need arises, the Joint Congressional Committee on Agricultural Cooperatives
20 shall conduct a sunset review. For purposes of this Act, the term "sunset review" shall
21 mean a systematic evaluation of the accomplishments and impact of this Act, as well
22 as the performance and organizational structure of its implementing entities, for
23 purposes of determining remedial legislation.
24

25 **Sec. 46. Repealing Clause.** All laws, decrees, executive orders,
26 administrative orders, rules and regulations or parts thereof inconsistent with the
27 provisions of this Act are hereby repealed or modified accordingly.
28

29 **Sec. 47. Separability Clause.** In case any provisions of this Act or any
30 portion thereof is declared unenforceable, illegal, or unconstitutional by a competent
31 court, other provisions shall not be affected thereby.
32

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

Approved,