

FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

OFFICE OF THE SECRETARY

9 MAY 19 P6:39

SENATE
COMMITTEE REPORT NO. REC-408 BY 

Submitted jointly by the Committees on Agriculture and Food and Finance on MAY 19 2009

RE: S. No. 3264 (Prepared by the Committees)

Recommending its approval in substitution of Senate Bill Nos. 371, 830, 1376, 1546 & 1898.

Sponsors: Senators Legarda and Zubiri

Mr. President:

The Committees on Agriculture & Food and Finance, to which were referred S. No. 371, introduced by Senator Jinggoy Estrada, entitled:

**“AN ACT
PROVIDING FOR THE PROMOTION OF BIO-ORGANIC
FARMING IN THE PHILIPPINES”**

S. No. 830, authored by Senator Biazon, entitled:

**“AN ACT
PROVIDING FOR THE PROMOTION OF BIO-ORGANIC
FARMING IN THE PHILIPPINES”**

S. No. 1376, introduced by Senator Legarda, entitled:

**“AN ACT
PROVIDING FOR THE PROMOTION OF ORGANIC
AGRICULTURE IN THE PHILIPPINES AND
APPROPRIATING FUNDS THEREOF”**

S. No. 1546, authored by Senator Zubiri, entitled:

**“AN ACT
PROVIDING FOR THE PROMOTION OF BIO-ORGANIC
FARMING IN THE PHILIPPINES AND FOR
OTHER PURPOSES”**

And S.B. No. 1898, introduced by Senator Villar, entitled:

**“AN ACT
PROVIDING FOR THE PROMOTION OF BIO-ORGANIC
FARMING IN THE PHILIPPINES AND APPROPRIATE
FUNDS THEREFOR”**

have considered the same and have the honor to report back said bills to the Senate with the recommendation that the attached S.B. No. 3264, prepared by the Committees, entitled:

**“AN ACT
PROVIDING FOR THE DEVELOPMENT AND PROMOTION OF
ORGANIC AGRICULTURE IN THE PHILIPPINES
AND FOR OTHER PURPOSES”**

be approved in substitution of S. Nos. 371, 830, 1376, 1546 and 1898 with Senators Estrada, Biazon, Legarda, Zubiri, Villar and Angara as authors thereof.

Respectfully Submitted:



SEN. EDGARDO J. ANGARA
Chairman

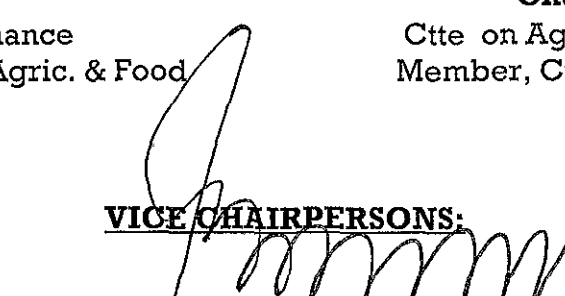
Committee on Finance
Member, Ctte. On Agric. & Food



SEN. LOREN B. LEGARDA
Chairperson

Ctte on Agriculture & Food
Member, Ctte on Finance

VICE CHAIRPERSONS:



SEN. GREGORIO B. HONASAN II
Committee on Finance
Member, Ctte. On Agriculture & Food

SEN. JOKER P. ARROYO
Committee. On Finance

MEMBERS:



SEN. RICHARD J. GORDON
Cttes. on Agric & Food and Finance

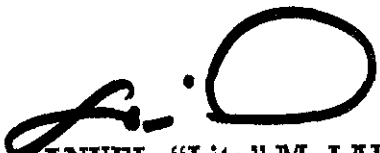



SEN. RODOLFO G. BIAZON.
Cttes. On Agric & Food & Finance

SEN. BENIGNO S. AQUINO
Ctte. On Finance



SEN. FRANCIS ESCUDERO
Ctte. on Agric & Food


SEN. MANUEL "Lito" M. LAPID
Ctte. On Finance


SEN. PANFILO M. LACSON
Cttes. on Agric & Food & Finance

SEN. MAR A. ROXAS
Ctte. On Finance



SEN. M. A. MADRIGAL
Cttes. on Agric & Food & Finance


SEN. MIRIAM DEFENSOR SANTIAGO
Ctte. on Finance


SEN. RAMON "Bong" REVILLA
Ctte. On Finance

SEN. ANTONIO F. TRILLANES IV
Ctte. On Finance


With Parallel Amendments
SEN. ALAN PETER CAYETANO
Ctte. On Finance


SEN. MANNY VILLAR
Cttes. on Agric & Food & Finance


Prop. & Amendments
SEN. PIA S. "Compañera" CAYETANO
Ctte. On Finance

SEN. FRANCIS N. PANGILINAN
Cttes. On Finance & Agric & Food

EX-OFFICIO MEMBERS:


SEN. JINGGOY E. ESTRADA
Senate President Pro-Tempore


SEN. JUAN MIGUEL F. ZUBIRI
Senate Majority Leader

may amend.

SEN. AQUILINO Q. PIMENTEL, JR.
Senate Minority Leader

HON. JUAN PONCE ENRILE
Senate President


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SENATE

S.B. NO. 3264

RECEIVED BY: 

Prepared by the Committee on Agriculture and Food jointly with the
Committee on Finance in substitution of S.B. Nos. 371, 830,
1376, 1546 and 1898

**"AN ACT
PROVIDING FOR THE DEVELOPMENT AND PROMOTION OF
ORGANIC AGRICULTURE IN THE PHILIPPINES
AND FOR OTHER PURPOSES"**

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

- 1 **SECTION 1. Title.** - This Act shall be known as the "*Organic Agriculture Act of*
2 *2009.*"
- 3 **SEC. 2. Declaration of Policy.** - It is hereby declared the policy of the State
4 to promote, propagate, develop further, and implement the practice of
5 organic agriculture in the Philippines that will cumulatively condition and
6 enrich the fertility of the soil, increase farm productivity, reduce pollution and
7 destruction of the environment, prevent the depletion of natural resources,
8 protect the health of farmers, consumers, and the general public, and save on
9 imported farm inputs. Towards this end, a comprehensive program for the
10 promotion of community-based organic agriculture systems which include,
11 among others, farmer-produced purely organic fertilizers such as compost,
12 pesticides and other farm inputs, not those that are commercially processed;
13 together with a nationwide educational and promotional campaign for their
14 use and processing, as well as the adoption of organic agricultural system as a
15 viable alternative, shall be undertaken.

1 The State recognizes and supports the central role of the farmers,
2 indigenous people and other stakeholders at the grassroots in this program.

3 **SEC. 3. Definition of Terms.** – For purposes of this Act, the following terms
4 shall be defined as follows:

5 a. Organic Agriculture - includes all agricultural systems that promote
6 the ecologically sound, socially acceptable, economically viable and
7 technically feasible production of food and fibers. Organic agriculture
8 dramatically reduces external inputs by refraining from the use of chemical
9 fertilizers, pesticides and pharmaceuticals. It also covers areas such as but
10 not limited to soil fertility management, varietal breeding and selection under
11 chemical and pesticide-free conditions, and other cultural practices that
12 enhance productivity without destroying the soil and harming farmers,
13 consumers and the environment as defined by the International Federation of
14 Organic Agriculture Movement (IFOAM).

15 b. Organic - refers to the particular farming and processing systems,
16 described in the standards and not in the classical chemical sense. The term
17 “organic” is synonymous in other languages to “biological” or “ecological”.
18 It is also a labeling term that denotes products according to organic
19 standards.

20 c. Biodegradable wastes – refer to organic matter for compost/organic
21 fertilizer for the organic cultivation, farming of food crops and include
22 discards segregated farm non-biodegradable wastes coming from the
23 kitchen/household (leftovers, vegetables and fruit peelings and trims,
24 fish/fowl cleanings, seeds, bones, soft paper used as food wrap and the like),
25 yard or garden (leaves, grasses, weeds and twigs), market (wilted, decayed
26 or rotten vegetables and fruits, fish/fowl cleanings, bones) and farm wastes
27 (grass clippings, dead or decayed plants, leaves, fruits, vegetables,
28 branches, twigs and the like).

1 d. Ecologically-sound – refers to a state, quality, or condition of a
2 product, practice, system, development mode, culture, environment and the
3 like, in accord with the 1987 Philippine Constitution, and as expounded in
4 the above definition of organic agriculture.

5 e. Commercialization – is a process of introducing a new agricultural
6 and fishery technology either as product, process, or service that has
7 undergone the intensive innovative activities of assessment, promotion, and
8 transfer for economic benefit.

9 f. Certification – is the procedure by which official certification bodies
10 or officially recognized certification bodies provide written or equivalent
11 assurance that foods or food control systems conform to requirements.

12 g. Accreditation – is the procedure by which a government agency
13 having jurisdiction formally recognizes the competence of an inspection
14 and/or certification body to provide inspection and certification services.

15 h. First Party Verification – is defined as when the verification criteria
16 and rules are set and monitored/enforced by the producer or company itself.

17 i. Second Party Verification – is defined as when the verification
18 criteria and rules are set by buyers or industry organizations.

19 j. Third Party Verification or independent certification – is defined as
20 when a firm requires that its suppliers meet a certain standard and requests
21 an independent organization that is not involved in the business relationship
22 to control the compliance of the suppliers.

23 **SEC. 4. Coverage** – The provisions of this Act shall apply to the development
24 and promotion of organic agriculture and shall include, but not limited to the
25 following:

26 a. Policy formulation on regulation, registration, accreditation,
27 certification and labeling on organic agriculture;

1 b. Research, development, and extension of appropriate, sustainable
2 environment and gender-friendly organic agriculture;

3 c. Promotion and encouragement of the establishment of facilities,
4 equipment and processing plants that would accelerate the production and
5 commercialization of organic fertilizers, pesticides, herbicides and other
6 appropriate farm inputs; and

7 d. Implementation of organic agricultural programs, projects and
8 activities, including the provision and delivery of support services with focus
9 on the farmers and other stakeholders.

10 **SEC. 5. Program.** – There is thereby established a comprehensive organic
11 agricultural program through the promotion and commercialization of
12 organic farming practices, cultivation and adoption of production methods
13 which have already been developed, continuing research and upgrading
14 thereof, the education of more farmers and consumers thereon, the extension
15 of assistance to Local Government Units (LGUs), Peoples' Organizations (POs),
16 Non-Government Organizations (NGOs), and civil society including
17 individuals and groups who are practicing and promoting these methods as
18 well as those who are willing to do other pertinent activities, and
19 documentation and evaluation of the program. The Department of Agriculture
20 (DA) through the Bureau of Agriculture and Fisheries Product Standards
21 (BAFPS) shall take the lead role, supported by the Department of Agrarian
22 Reform (DAR) and Department of Education (DEPED) and other relevant
23 government agencies such as but not limited to Department of Trade and
24 Industry (DTI), Department of Science and Technology (DOST), Department of
25 Interior and Local Government (DILG), Department of Health (DOH) and
26 Department of Environment and Natural Resources (DENR), in their
27 respective areas of concern.

1 **SEC. 6. *Research, Development and Extension*** - The Bureau of Agricultural
2 Research (BAR) shall be the lead agency in the coordination and
3 management with the other agencies of the DA, DAR, DOST, DEPED, DILG,
4 strategic agricultural-based State Universities and Colleges (SUCs) including
5 private organizations, for the formulation and implementation of a unified and
6 integrated organic agriculture Research, Development and Extension Plans
7 and Programs (RDEP) from the national to the field level. The Organic
8 Agriculture RDE Plans and Programs shall include but not be limited to the
9 following:

10 a. Research, development and commercialization of appropriate,
11 innovative and viable organic agricultural technologies;

12 b. Nationwide promotion of developed and commercially viable
13 biodegradable farm wastes and by-products through various extension
14 strategies to accelerate the production, use and distribution of organic
15 fertilizers; and

16 c. Conduct research for market development, policy formulation,
17 regulation and certification.

18 **SEC. 7. *Creation of Organic Agriculture RDE Network.*** - An Organic
19 Agriculture Research, Development and Extension (RDE) Network shall be
20 organized by BAR, composed of research and educational institutions, local
21 government units, non-government agencies and the recognized association
22 of organic fertilizer manufacturers and distributors, agricultural engineers,
23 agriculturists, soil technologists, farmers groups and/or associations.

24 **SEC. 8. *Research Development and Extension Centers.*** - National, Regional
25 and Provincial Organic R&D and Extension Centers shall be organized and
26 established within ninety (90) days following the approval of this Act, which
27 shall be integrated as a major component of the existing RDE Centers of DA,
28 DOST, DENR, SUCs and LGUs. These will be strengthened and enhanced to

1 spearhead the integrated program to develop and promote organic
2 agriculture throughout the country.

3 **SEC. 9. Creation of the National Organic Agriculture Board (NOAB).** – In
4 pursuance of the abovementioned policies, the NOAB is hereby created. It
5 shall be composed of the Secretary of the DA or his designate with a rank of
6 Undersecretary from among the undersecretaries of DA, as Chairman, and
7 one (1) representative each, who shall be not less than a bureau director
8 level, from the following agencies: DAR, DEPED, DTI, DOST, DILG, DOH and
9 DENR, and shall be designated by their respective Secretaries on a
10 permanent basis; and one representative each from the following private
11 sectors: farmer operating an organic farm, organic handler and processor;
12 organic fertilizer producer; NGO/PO representing consumer interest;
13 organic certifying body; and the academe, duly endorsed by their respective
14 industry associations and all to be appointed by the President of the Republic
15 of the Philippines and shall serve for a term of three (3) years without
16 reappointment.

17 The Chairman shall, within sixty (60) days from the effectivity of this
18 Act, convene the NOAB.

19 The NOAB shall be assisted by a technical secretariat from the
20 BAFPS of the DA, and shall directly report to the Office of the Secretary on
21 matters pertaining to the activities of the NOAB. The number of staff of the
22 technical secretariat and the creation of corresponding positions necessary to
23 complement and/or augment the existing plantilla of the NOAB shall be
24 determined by the Board, subject to approval by the Department of Budget
25 and Management (DBM) and the existing civil service rules and regulations.

26 During the transition period which begins upon the approval of this Act,
27 the existing NOAB created under Executive Order No. 481 Series of 2005,
28 shall continue to function until the new NOAB created under Section 9 of this

1 Act shall have been organized and constituted. Within thirty (30) working
2 days from the effectivity of this Act, the national organizations of organic
3 farmers, of NGOs/POs, and of agricultural SUCs shall submit their respective
4 nominees to the Chairman of NOAB, who shall evaluate the qualifications of
5 the nominees and submit a final list of at least three (3) nominees from each
6 sector to the President for appointment. The nominees shall be
7 knowledgeable and have gained relevant experience on organic agriculture.

8 **SEC. 10. Powers and Functions of the NOAB.** – The NOAB shall have the
9 following powers and functions:

- 10 a. Formulate policies, plans, programs and projects to develop and
11 promote organic agriculture;
- 12 b. Oversee the successful implementation of the organic agriculture
13 programs and projects;
- 14 c. Identify sources of financing to expand organic agriculture;
- 15 d. Monitor and evaluate the performance of programs for appropriate
16 incentives;
- 17 e. Call upon any government agency to carry out and implement
18 programs and projects identified by the board;
- 19 f. Call upon private sectors, POs and NGOs , and the academe to provide
20 advice on matters pertaining to organic agriculture and conduct of
21 capability-building initiatives to farmers, producers, extension
22 workers, consumers and other stakeholders in agriculture sector in
23 collaboration with the Agricultural Training Institute of the DA;
- 24 g. Submit annual and other periodic reports to the President, Secretary of
25 the DA and the Congress of the Philippines through the Congressional
26 Oversight Committee on Agricultural and Fisheries Modernization
27 (COCAFAM);

1 h. Promulgate such rules and regulations and exercise such other powers
2 and functions as may be necessary to carry out effectively the purpose
3 and objectives of this Act; and

4 i. Perform such other functions as may be necessary for its effective
5 operations and for the continued enhancement, growth or development
6 of organic agriculture.

7 The Chairman shall call the members of the NOAB, or a majority thereof if
8 not all have been designated, to a meeting to organize themselves and
9 prescribe its rules and procedures for the attainment of the objectives of this
10 Act. A majority of all the members of the NOAB shall constitute a quorum.

11 The NOAB shall also determine its budget, including travel expenses,
12 allowances and per diems of its non-government members when attending
13 official board meetings or attending to matters assigned to them.

14 **SEC. 11. *The Bureau of Agriculture and Fisheries Product Standards***
15 ***(BAFPS) of the Department of Agriculture.*** – The BAFPS of the DA shall serve
16 as the national technical and administrative secretariat of the NOAB with the
17 member agencies providing additional staff support as the need arises.

18 **SEC. 12. *Functions, Duties and Responsibilities of the BAFPS.*** – The BAFPS,
19 in addition to its existing functions and responsibilities shall perform the
20 following functions, duties and responsibilities for purposes of this Act:

21 a. Implement organic agriculture programs and projects approved by the
22 NOAB;

23 b. Update the NOAB on the status of the programs, projects and activities
24 undertaken for the development and promotion of organic agriculture;

25 c. Create effective networking with the various stakeholders involved in
26 organic production; and

27 d. Perform such other functions, duties and responsibilities as may be
28 necessary to implement this Act and as directed by the NOAB.

1 **SEC. 13. *Local Technical Committees.*** – Every provincial governor shall, in
2 so far as practicable, form a local technical committee, and which shall
3 operate within his province in coordination and mutual assistance with the
4 BAFPS, pursuant to the provisions of this Act. The governor shall see to it that
5 the city and municipal mayors and barangay chairmen will do the same
6 within the area of their respective jurisdiction.

7 **SEC. 14. *Accreditation of Organic Certifying Body.*** – The BAFPS is hereby
8 designated and authorized to grant Official Accreditation to Organic
9 Certifying Body or entity. The BAFPS is tasked to formulate the necessary
10 rules and procedures in the Accreditation of Organic Certifying Body:
11 *Provided*, however, that there shall be at least one (1) accredited Organic
12 Certifying Body each in Luzon, Visayas and Mindanao or in case of only one
13 (1) Organic Certifying Body is accredited, it shall have at least one (1) satellite
14 office or processing unit each in Luzon, Visayas and Mindanao.

15 **SEC. 15. *Certification of Organic Produce.*** – There shall be a certification
16 process which shall attest that a particular agricultural product has adhered to
17 and followed organic agriculture standards, systems and practices. The
18 Certification process shall include but not be limited to the following elements
19 of certification:

- 20 a. Standards;
- 21 b. Contracts;
- 22 c. Inspection;
- 23 d. Certification or Approval; and
- 24 e. Management

25
26 **SEC. 16. *Labeling of Organic Produce.*** – The label of organic produce shall
27 contain the name, logo or seal of the Organic Certifying Body and the
28 Accreditation Number issued by the BAFPS. Only Third Party Verification or

1 Independent Certification is required to be labeled, however, the organic
2 producer may put label on his produce for First Party or Second Party
3 Verification: *Provided*, That such labeling shall clearly and conspicuously
4 indicate that it is a First Party or Second Party Verification.

5 **SEC. 17. *Retailing of Organic Produce.*** – Retail establishments or stores of
6 organic produce shall designate a separate area to display the organic
7 produce to avoid mixing it with non-organic produce.

8 **SEC. 18. *Incentives.*** – The Government shall extend incentives for the
9 production and propagation of organic farm inputs by maximizing their use in
10 all government and government-supported agricultural production, research
11 and demonstration programs. The DA, DAR, DOST, DEPED, DILG, DTI,
12 Department of Finance (DOF), Land Bank of the Philippines (LBP) and other
13 government lending or financial institutions, shall assist organic input
14 producers and organic farmers in conversion through the provision of
15 adequate financial, technical, marketing and other support services. These
16 include the following:

- 17 a. Vat and duty-free importation of agricultural
18 equipment/machinery/implements for use in organic agriculture;
- 19 b. LGUs to identify local taxes that may be offered as incentives to
20 organic inputs, organic input producers and manufacturers, and
21 farmers utilizing organic agriculture;
- 22 c. LBP to give preferential loan rates and to open a special loan
23 window to organic input producers and manufacturers and farmers
24 utilizing organic agriculture;
- 25 d. Tax incentives, including tax holiday, in accordance with the
26 provisions of EO 226 of the Omnibus Investment Code; and
- 27 e. Subsidies for certification fees and other support services to
28 facilitate organic certification.

1 **SEC. 19. Appropriations.** – The sum of Fifty million pesos (P50,000,000.00) for
2 the initial year of implementation of this Act is hereby appropriated.
3 Thereafter, such amount as may be necessary for the continuous
4 implementation of the program shall be included in the annual General
5 Appropriations Act (GAA).

6 The NOAB is hereby authorized to solicit and accept assistance from
7 individuals and entities here and abroad, and to utilize these funds and
8 resources for purposes of this Act subject to the usual budget, accounting and
9 auditing rules and regulations.

10 **SEC. 20. Implementing Rules and Regulations.** - The NOAB shall adopt
11 rules and regulations to implement the provisions of this Act within ninety (90)
12 days from the effectivity of this Act and submit the same to the COCAFAM for
13 review and approval.

14 **SEC. 21. Annual Report.** – The NOAB shall render annual report to both
15 Houses of Congress on the accomplishment of the program. A review on the
16 viability of the program shall be made by the concerned agencies after five
17 (5) years of its implementation.

18 **SEC. 22. Congressional Oversight Committee.** – The Congressional
19 Oversight Committee on Agricultural and Fisheries Modernization (COCAFAM)
20 shall be the congressional oversight committee for purposes of this Act. The
21 COCAFAM shall review and approve the implementing rules and regulations of
22 this Act and also perform the following functions:

- 23 a. Monitor and ensure the proper implementation of this Act;
- 24 b. Review the proper implementation of the programs of the
25 organic agriculture and the use of its funds;
- 26 c. Review the performance of the NOAB; and
- 27 d. Such other functions it deems necessary.

28

1 **SEC. 23. *Penal Provision*** . - Any person who willfully and deliberately
2 a. obstructs the development and propagation of organic
3 agriculture, or the production, sale or use of organic
4 agricultural inputs;
5 b. refuses without just cause to extend the support and assistance
6 required under this Act; or
7 c. mislabels or claims that the product is organic when it is not in
8 accordance with the existing standards for Philippine organic
9 agriculture
10 shall, upon conviction, be punished by imprisonment of not less than one (1)
11 year nor more than six (6) years, or a fine of not less than Fifty thousand pesos
12 (P50,000.00) or both, at the discretion of the court. If the offender is a
13 corporation or juridical entity, the official who ordered or allowed the
14 commission of the offense shall be punished with the same penalty. If the
15 offender is in the government service, he shall, in addition, be dismissed from
16 office.

17 **SEC. 24. *Separability Clause***. - If any provision of this Act is declared
18 invalid or unconstitutional, the other provision not affected thereby shall
19 remain in full force and effect.

20 **SEC. 25. *Repealing Clause***. - All laws, presidential decrees, executive
21 orders, presidential proclamation, rules and regulations or parts thereof
22 contrary to or inconsistent with this Act are hereby repealed or modified
23 accordingly.

24 **SEC. 26. *Effectivity***. - This Act shall take effect fifteen (15) days following its
25 publication in at least two (2) newspapers of general circulation or in the
26 Official Gazette, whichever comes first.

27 Approved.