

'04 JUN 30 P3:03

THIRTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

RECEIVED BY: 

SENATE

S. No. 240

Introduced by Senator S. R. Osmeña III

EXPLANATORY NOTE

Republic Act No. 8435, otherwise known as the "Agriculture and Fisheries Modernization Act of 1997" (AFMA) was approved on December 22, 1997 and took effect on February 9, 1998. Department of Agriculture, flawed as it is today with the certain weaknesses is no match for the challenges posed by R.A. 8435.

The mandates, authorities, and budgets for performing the various agriculture-related activities are spread over several different agencies belonging to at least three other departments. The Department of Science and Technology, for example officially has jurisdiction over the Philippine Council for Agriculture Resources Research Development; the Department of Agrarian Reform allocates about 2/3 of agrarian reform funds for the provision of agricultural support services; and the Department of Environment and Natural Resources delivers agricultural support services to upland areas.

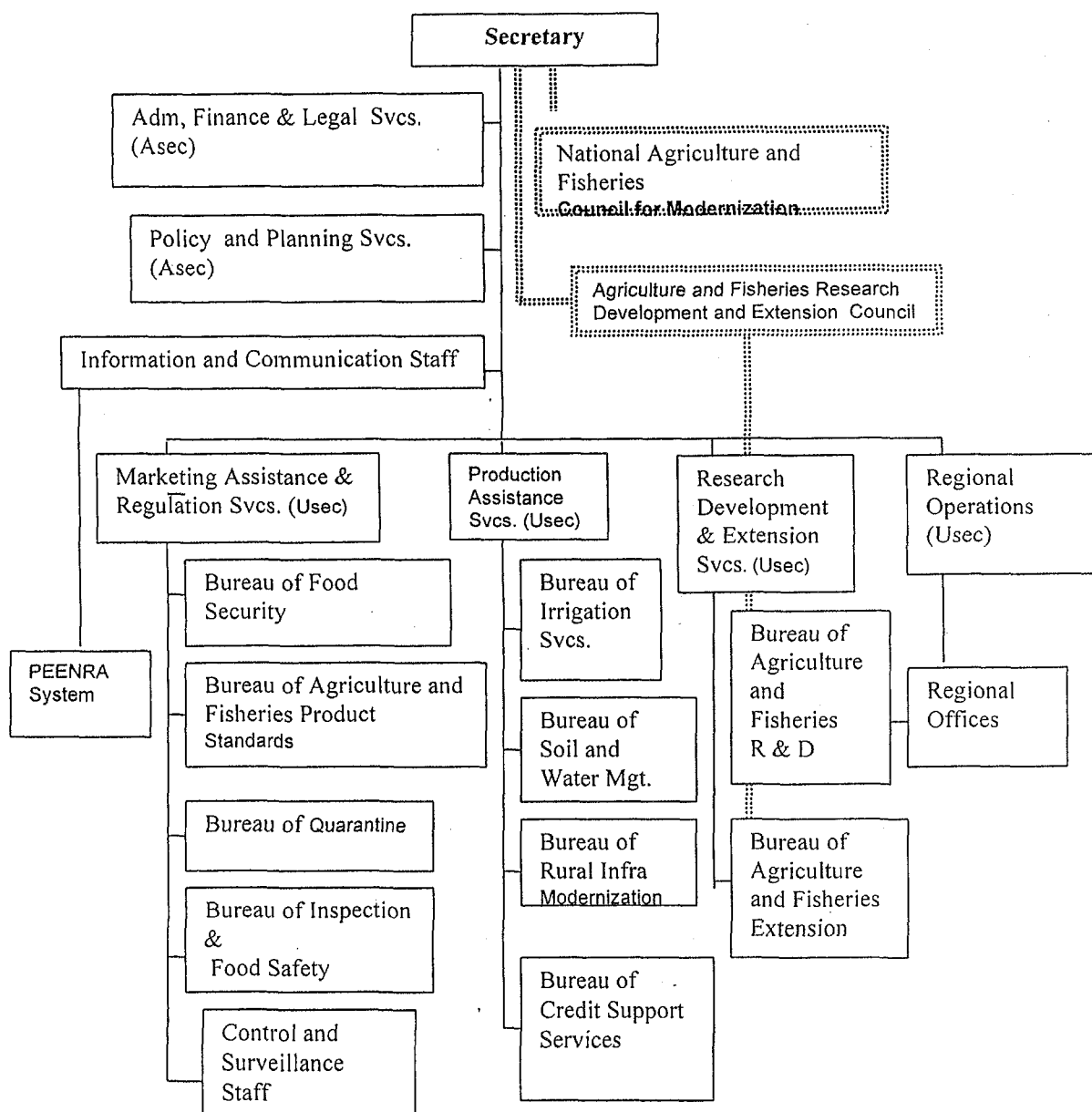
The proliferation of commodity-based structures like the Philippine Coconut Authority, the Sugar Regulatory Administration, Philippine Cotton Corporation, to name a few, has led to market distortions, unnecessary regulatory measures, duplication of functions and a lowering of the priority assigned to neutral growth-enhancing activities. The choice of these commodities are based on political economy considerations, rather than on sound, logical or economic criteria and have led to government encroachments into areas that are better left to private enterprises.

This bill proposes changes that will streamline, refocus and reinvigorate the agriculture and fisheries bureaucracy by addressing the following objectives:

- a) integrate the responsibility for all key public functions related to agriculture and fisheries with the Department proper;
- b) limit public intervention in agriculture and fisheries to the provision of basic services with the attributes of public goods; to the correction of market failures like external effects, natural monopolies, long gestation periods, and risks;


- c) devolve to local government units the provision of local public goods related to agriculture, such as extension, irrigation management and certain regulatory functions;
- d) streamline and reorganize the bureaucracy along functional lines of specialization to minimize redundancies and the need for outside coordination, delineate lines of responsibility, authority and accountability;
- e) free resources from unproductive trade and market regulations and licensing activities in favor of efficient delivery of growth-enhancing support services; and
- f) promote transparency in governance and participation of all stakeholders and relevant government and private agencies.

The chart below summarizes the basic structure of the department where the line agencies are focused on three main priorities: (1) marketing assistance and regulation services; (2) production assistance services; and (3) research, development and extension services.



In order to deliver on its promise of policies that will raise the quality of life especially for the poorest of the poor, the present administration needs an effective and efficient bureaucracy for governance over the agriculture and fisheries sectors. Such is outlined in the provisions of this bill.

In view of the foregoing, the immediate approval of this bill is earnestly requested.


SÉRGIO OSMEÑA III
Senator

THIRTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

'04 JUN 30 P3:04

RECEIVED BY: 

SENATE

S. No. 240

Introduced by Senator S. R. Osmeña III

AN ACT
RATIONALIZING THE AGRICULTURE AND FISHERIES BUREAUCRACY
REDEFINING THE FUNCTIONS OF THE DEPARTMENT OF AGRICULTURE
AND VARIOUS AGENCIES TO BRING ABOUT AGRICULTURE AND
FISHERIES MODERNIZATION, APPROPRIATING FUNDS THEREFOR, AND
FOR OTHER PURPOSES.

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

1 Section 1. **Short Title.** --- This Act shall be known as the "Department of
2 Agriculture and Fisheries Rationalization Act of 2004".

3 Section 2. **Declaration of Policy.** --- It is hereby declared the policy of
4 the State to develop the agriculture and fisheries sectors in order to attain
5 economic growth, alleviate rural poverty, assure food security and make farmers
6 and fisherfolk competitive.

7 To this end, policies and programs concerned with agriculture and
8 fisheries shall be rationalized to achieve in the most efficient and effective way
9 the national goal of enhancing productivity to raise the quality of life for all,
10 especially the underprivileged. Institutions, agencies, councils, bureaus, units,
11 and offices of the government concerned with agriculture and fisheries shall be
12 rationalized to conform with the following objectives:

13 1. To provide adequate rural public goods including infrastructure,
14 irrigation, post-harvest facilities and other production support, marketing

1 assistance and demand-driven research and development that will upgrade the
2 productivity, efficiency and profitability of farms and fisheries;

3 2. To minimize regulatory and licensing activities to areas that ensure
4 the quality of products and protect the health of consumers and the environment;
5 prevent market distortions and promote neutral policies that will bring out the
6 natural comparative advantage of Philippine agricultural and fisheries products;
7 and

8 3. To promote transparency in governance and participation of all
9 stakeholders and relevant government and private agencies.

10 Section 3. **Definition of Terms.** --- When used in this Act, unless the
11 context otherwise requires,

12 1. **Agribusiness** shall refer to the unified and systematic way of
13 considering production, processing, marketing and distribution of agriculture and
14 fishery products.

15 2. **Agriculture** shall refer to the cultivation of soil, planting of crops,
16 growing of fruit trees, raising of livestock and poultry including the harvesting,
17 processing, and marketing of such farm products, and other farm activities and
18 practices.

19 3. **Department** shall refer to the Department of Agriculture.

20 4. **Extension services** shall refer to technology transfer activities
21 such as training of farmers, fisherfolk, and those engaged in agriculture and
22 fisheries, input and credit assistance, marketing assistance, and similar related
23 services.

24 5. **Fisheries** shall refer to all activities relating to the act or business
25 of fishing, culturing, preserving, processing, marketing, developing, conserving,
26 and managing aquatic resources and the fishery areas, including the privilege to
27 fish or take aquatic resource thereof.

1 6. *Food processing* shall refer to the transformation, by hand or
2 machine, of food materials into new products, regardless of whether it is done in
3 a factory or domicile of the processor and whether the products are sold
4 wholesale or retail.

5 7. ***Integrate*** shall mean to make a part of a larger unit or office with
6 the same or similar functions.

7 8. ***Irrigation*** shall refer to supplying dry land with water by means of
8 ditches, pipes or streams.

9 9. ***Market information*** shall include, but shall not be limited to,
10 information, seminars and training on market that enable farmers and fisherfolk
11 to make sound investment decisions and earn maximum returns.

12 10. ***Market infrastructure*** shall include, but shall not be limited to,
13 facilities such as market buildings, slaughterhouses, holding pens, cold storage,
14 and other related facilities used by the farmers and fisherfolk in marketing their
15 produce.

16 11. ***Marketing assistance*** shall include up-to-date and continuing
17 information on input and output prices, the availability of needed inputs,
18 assistance to gain access to markets for output, list of possible business
19 ventures in their locality, and the like.

20 12. ***Post-harvest facilities*** shall refer to post-harvest equipment and
21 machinery such as, but not limited to, threshers, moisture meters, dryers,
22 weighing scales, milling equipment, packing and canning machinery, storage
23 facilities, buying stations, market infrastructure and transportation facilities.

24 13. ***Product standards*** shall refer to a predetermined set of
25 description of quality, quantity and such other measures and characteristics
26 specific to the type, kind and degree of processing of particular products.

27 14. ***Quarantine*** shall refer to a period of time during which a vehicle,
28 person, animal or material suspected of carrying a contagious disease is

1 detained at a port of entry under enforced isolation to prevent disease from
2 entering a country. It also refers to the place of such detention.

3 15. **Rationalization** shall refer to the reorganization of the bureaucracy
4 in order to streamline the both the structure and functions based on identified
5 government objectives and policies for increased effectiveness and efficiency.

6 16. **Regional operations** shall refer to all the activities, programs and
7 projects done by the regional offices.

8 17. **Research and development** shall refer to all organized activities
9 designed to search for new knowledge or modify existing ones, develop new
10 methods and techniques of operation, tools, equipment or types of organisms,
11 through the application of the scientific method.

12 18. **Resource-accounting** shall refer to a process of tracking changes
13 in the environment and natural resources biophysically and economically (in
14 monetary terms).

15 19. **Secretary** shall refer to the Secretary of the Agriculture.

16 20. **Small farmers and fisherfolk** shall refer to natural persons
17 dependent on small-scale subsistence farming and/or fishing as their primary
18 source of income or to those engaged in wholesale, barter or exchange of
19 agricultural and/or fishery products which do not exceed a gross value of one
20 hundred eighty thousand pesos (P180,000.00) per annum based on 1992
21 constant prices.

22 21. **Transfer** shall mean to remove and place in another unit or office.

23 Chapter 1

24 The Department Proper

25 Section 4. **Rationalization.** --- The Department of Agriculture, hereinafter
26 referred to as the Department, is hereby renamed as the Department of
27 Agriculture and Fisheries, and structurally and functionally rationalized, in
28 accordance with the provisions of this Act.

1 The functions and services of departments, agencies, councils, bureaus,
2 units, and offices of the government concerned with agriculture and fisheries
3 shall likewise be rationalized in accordance with the provisions of this Act.

4 Section 5. **Mandate.** --- The Department shall the government agency
5 responsible for the development of sustainable agriculture and fisheries, food
6 security, promotion of equity, people empowerment and global competitiveness.
7 In pursuit of this mandate, the Department shall provide the policy framework,
8 direct public investments, and in coordination with local government units
9 provide support services needed to make agriculture, agri-based enterprises and
10 fisheries profitable and to help spread the benefits of development to the poor,
11 particularly those in the rural areas.

12 To fulfill this mandate, it shall be the primary concern of the Department to
13 improve rural income and employment opportunities for farming and fishing
14 communities. It shall institutionalize efficient mechanisms to promote the active
15 participation of the people through people's organizations and non-government
16 organizations in policy-making bodies for agriculture and fisheries, in the
17 formulation and implementation of plans and programs, and in the monitoring
18 and evaluation of the same to ensure their relevance and responsiveness.

19 Section 6. **Powers and Functions.** --- The Department shall have the
20 following powers and functions:

21 1. Formulate policies and plans, and regulate, implement, monitor, and
22 evaluate all programs and activities relating to agriculture and fisheries;

23 2. Provide integrated support services in the production, harvesting,
24 storage and handling, processing, marketing, development, and management
25 and preservation of agricultural and fisheries resources;

26 3. Provide comprehensive support to all the extension workers of local
27 government units, non-governmental organizations, and farmers and fisherfolks'
28 organizations equipping them with adequate knowledge and skills to enable

1 them to train and provide technological information and managerial skills to
2 farmers, fisherfolk, and entrepreneurs on the production, harvesting, storage and
3 handling, processing, marketing, and financing aspects of agricultural and
4 fisheries enterprises;

5 4. Assure the availability, adequacy, accessibility and affordability of food
6 supplies to all, at all times;

7 5. Collect, analyze, and disseminate information on agriculture and
8 fisheries;

9 6. Provide assistance and support services to facilitate market access for
10 agricultural and fisheries producers and entrepreneurs particularly low income
11 farmers in the processing and marketing of their agricultural and agri-based
12 goods;

13 7. Provide the mechanism for the participation of farmers, fisherfolk, and
14 entrepreneurs at all levels of policy-making, planning, and program-formulation;

15 8. Conduct, coordinate and disseminate research studies on agriculture
16 and fisheries;

17 9. Exercise regulatory functions over the agriculture and fisheries sector
18 to prevent the over-exploitation of resources, protect the health and safety of the
19 public, prevent the spread of pests and diseases, and prevent anti-competitive
20 measures, and enforce international commodity agreements which the
21 Philippines is a party to;

22 10. Promulgate and enforce all laws, administrative orders, rules and
23 regulations relating to agriculture and fisheries;

24 11. Coordinate with local and international government and private
25 agencies, offices and institutions on all matters related to agriculture and
26 fisheries; and,

27 12. Perform such other functions as may be provided by law.

1 Section 9. **Offices under the Office of the Secretary.** --There are
2 hereby created the following offices under the Office of the Secretary:

- 3 1. Administrative, Finance and Legal Service;
- 4 2. Information and Communication Staff; and
- 5 3. Policy and Planning Service.

6 Section 10. **Administrative, Finance and Legal Service.** --- The
7 Administrative, Finance and Legal Service (AFLS) shall be headed by an
8 Assistant Secretary and shall have the following functions:

- 9 1. Develop human resources in the agriculture and fisheries bureaucracy
10 by providing opportunities for continuing career development and benefits that
11 will maximize personal productivity;
- 12 2. Provide personnel, records, information, training and other general
13 services;
- 14 3. Provide services related to budgeting , accounting, and management;
- 15 4. Handle the legal requirements including those pertaining to the quasi-
16 judicial and regulatory functions of the Department; and,
- 17 5. Perform such other functions assigned to it by the Secretary or as may
18 be provided by law.

19 Section 11. **Information and Communication Service.** --- There is
20 hereby created the Information and Communication Service (ICS) which shall be
21 headed by an Assistant Secretary.

22 The ICS shall have the following functions:

- 23 1. Design and set-up the National Information Network (NIN) as defined
24 and described in R.A. 8435;
- 25 2. Provide an integrated, comprehensive, and computer-based multi-
26 media information system and service;
- 27 3. Be mainly responsible for the compilation, and dissemination of
28 information on production technologies, market strategies, competition, foreign

1 assistance, grants, credit, business ventures, laws, orders, rules and regulations,
2 and other related information pertaining to agriculture and fisheries;

3 4. Exercise technical supervision over data collection;

4 5. Provide information regarding the objectives, plans, programs, and
5 activities of the Department and represent and promote the interests and
6 concerns of the Department before the general public and other government
7 agencies and private institutions, including the media; and,

8 6. Perform such other functions assigned to it by the Secretary or as may
9 be provided by law.

10 Section 12. ***Philippine Economic Environmental and Natural***
11 ***Resources Accounting Office.*** -- There is hereby created a Philippine
12 Economic Environmental and Natural Resources Accounting Division (PEENRA)
13 under the Information and Communication Service which shall be headed by a
14 Division Chief.

15 Section 13. ***Functions of the PEENRA Division.*** -- The PEENRA
16 Division shall have the following functions:

17 1. In coordination with the Agriculture and Fisheries Research
18 Development and Extension Council (AFRDEC) and other appropriate
19 government and private agencies and institutions, collect, analyze, interpret and
20 disseminate data required for environmental and natural resources accounting in
21 the agriculture and fisheries sector through the National Information Network;

22 2. Develop policy instruments and tools, formulate and implement
23 policies to ensure that the agriculture and fisheries sectors are made
24 accountable for the impact of their activities on our natural resources and
25 environment and to account for the use of the agriculture and fisheries resources
26 as a natural capital;

1 3. In coordination with the Agriculture and Fisheries Training Institute
2 (AFTI), conduct training and information dissemination activities on agriculture
3 and fisheries resources accounting;

4 4. In coordination with the Agriculture and Fisheries Research,
5 Development and Extension Council (AFRDEC), conduct special studies and
6 research on the impact of agriculture and fisheries on our natural resources and
7 environment and other related studies; and

8 5. Perform such other functions assigned to it by the Secretary or as
9 may be provided by law.

10 Section 14. **The PEENRA System.** -- The Philippine Economic
11 Environmental and Natural Resources Accounting Division shall form part of the
12 PEENRA System created under Executive Order No. 406, series of 1997.

13 Section 15. **Transfer of Functions.** -- The functions, powers and duties
14 of the Bureau of Agricultural Statistics, Information and Technology Center for
15 Agriculture and Fisheries, and the Agriculture and Fisheries Information Service
16 are hereby transferred to the ICS.

17 Section 16. **Policy and Planning Service.** --- There shall be created the
18 Policy and Planning Service (PPS) which shall be headed by an Assistant
19 Secretary.

20 The PPS shall have the following functions:

21 1. Policy formulation, integration of plans and programs emanating from
22 all units, bureaus, and offices of the Department;

23 2. Data analysis, monitoring, and evaluation of the implementation of said
24 plans and programs through its management information system;

25 3. Analysis of economic information relating to agriculture and fisheries;
26 and

27 4. Such other functions assigned to it by the Secretary or as may be
28 provided by law.

1 Section 17. **Transfer of Functions.** -- The functions of the Planning and
2 Monitoring Service are hereby transferred to the PPS.

3 Chapter 3

4 Offices of the Undersecretaries

5 Section 18. **Undersecretaries.** -- There shall be four (4)
6 Undersecretaries who shall assist the Secretary in the exercise of the mandate
7 and in the discharge of the powers and functions of the Department

- 8 1) Undersecretary for Marketing Assistance and Regulations;
- 9 2) Undersecretary for Research, Development and Extension;
- 10 3) Undersecretary for Production Assistance Services; and
- 11 4) Undersecretary for Regional Operations.

12 Section 19. **Functions of the Undersecretaries.** -- An Undersecretary
13 shall have the following functions:

14 1. Exercise supervision and control over the services, offices,
15 bureaus, units including the officers and employees under his/her assigned area
16 of responsibility;

17 2. Implement the laws, orders, issuances, rules and regulations as
18 mandated and directed to by law or the Secretary;

19 3. Through a participatory process, facilitate the formulation of his/her
20 services' short, long-term and strategic plans, programs and activities in
21 accordance with the mandate given by law and executive orders, issuances and
22 directives including the implementation, monitoring and evaluation of the same.

23 4. Ensure that the plans and activities of his/her service is properly
24 coordinated and in harmony with those of the other units and offices in the
25 Department and with the overall mandate given to the Department by law; and

26 5. Perform such other functions assigned by the Secretary or as may
27 be provided by law.

Chapter 5

Marketing Assistance and Regulation

Section 20. ***Marketing Assistance and Regulation Services.*** -- There is hereby created the Marketing Assistance Regulation Services (MARS) which shall be headed by an Undersecretary.

The MARS shall have the following functions:

1. Identify markets for Philippine agricultural products and assist in the planning of market centers, marketing channels, and distribution networks;

2. Establish National Marketing Assistance Program that will immediately lead to the creation of a national marketing umbrella ,matching supply and demand in both domestic and foreign markets;

3. Identify, develop and strengthen local and foreign markets for Philippine agriculture and fishery products through, but not limited to, trade missions and trade fairs;

4. Conduct research and studies in domestic and foreign agriculture and fisheries economies, trade, community programs, and related topics;

5. Receive and analyze the reports of Agricultural Attaches; and

6. Develop, codify, promulgate, implement and monitor adherence to and compliance with agriculture and fisheries product standards in order to ensure consumer safety and promote the competitiveness of agriculture and fisheries products;

7. Review, codify and implement all laws, orders and regulations related to agriculture and fisheries such as quarantine laws, sanitary and phytosanitary measures and other regulatory programs to control and eradicate animal and plant pests and diseases;

8. Conduct regular inspections to ensure the safeness of agriculture and fisheries products;

1 9. Monitor the volume of rice and take appropriate measures to ensure its
2 availability; and

3 10. Perform such other functions as may be provided by law or assigned
4 to it by the Secretary.

5 Section 21. **Bureaus and Offices.** -- The MARS shall be composed of
6 the following bureaus and offices:

- 7 1. Bureau of Food Security;
- 8 2. Bureau of Agriculture and Fisheries Product Standards;
- 9 3. Bureau of Quarantine;
- 10 4. Bureau of Inspection and Food Safety; and
- 11 5. Control and Surveillance Office.

12 Section 22. **Bureau of Food Security.** -- There shall be a Bureau of
13 Food Security (BFS) which shall be headed by a Director, a career officer.

14 The BFS shall have the following functions:

15 1. Formulate, develop, promulgate and implement a national food
16 security program in coordination with the appropriate government and private
17 agencies, offices, entities and units;

18 2. Monitor and provide updated information on the current status of the
19 volume of rice stocks and major staples of the country;

20 3. Make regular national and regional forecasts on the supply and
21 demand of rice and major staples and, based on forecasts of rice shortages and
22 during calamities, exercise control over the flow and distribution of rice in order to
23 ensure its availability;

24 4. Recommend to the AFRDEC and other appropriate offices, research,
25 development and extension subjects and activities in support of the national food
26 security program; and

27 5. Perform such other functions as may be provided by law or assigned
28 to it by the Secretary.

1 Section 24. **Transfer of Powers and Functions.** -- The regulatory
2 power and functions and the appropriate units or sections of the National Food
3 Authority shall be transferred to the Bureau of Food Security and rationalized in
4 accordance with the provisions of this Act.

5 Section 25. **Bureau of Agriculture and Fishery Product Standards.** ---
6 There shall be a Bureau of Agriculture and Fisheries Product Standards
7 (BAFPS) which shall be headed by a Director, a career officer.

8 The BAFPS shall have the following functions:

9 1. Formulate and enforce standards of quality in the processing,
10 preservation, packaging, labeling, importation, exportation, distribution, and
11 advertising of agricultural and fisheries products;

12 2. Conduct research on product standardization, alignment of the
13 local standards with the international standards; and

14 3. Conduct regular inspection of processing plants, storage facilities,
15 abattoirs, as well as public and private markets in order to ensure freshness,
16 safety and quality of products.

17 Section 26. **Transfer of Powers and Functions.** -- The powers and
18 functions of the National Dairy Authority, Food Development Center and the units
19 or sections of offices involved in the development and implement of agriculture
20 and fisheries standards shall be transferred to and integrated with the Bureau of
21 Agriculture and Fisheries Product Standards.

22 Section 27. **Bureau of Quarantine.** --- There shall be a Bureau of
23 Quarantine (BQ) that shall be headed by a Director, a career officer.

24 The BQ shall have the following functions:

25 1. Examine imported plants and animals, their products, and other
26 materials capable of harbouring pests, pathogens and vectors of diseases and
27 process requests for approval of import-export permits;

1 2. Enter into and inspect all buildings, storage places, transportation
2 vehicles and carriers, passengers, crew, luggage and mails for the purpose of
3 implementing Section 27(a) of this Chapter and other regulatory and quarantine
4 laws;

5 3. Inspect, administer treatment and certify plants and animals, their
6 products and other related materials intended for export, if the importing country
7 so requires;

8 4. Confiscate and destroy or refuse entry of plants, animals, and their
9 products involved in prohibited importation and deny inspection certification or
10 clearance of the same; and

11 5. Perform such other functions as may be provided by law or assigned
12 to it by the Assistant Secretary for Regulatory Services.

13 Section 28. ***Transfer of Powers and Functions.*** -- The appropriate
14 units or sections of the Bureau of Animal Industry and Bureau of Plant Industry
15 are hereby transferred to and integrated with the Bureau of Quarantine and
16 rationalized in accordance with the provisions of this Act.

17 Section 29. ***Bureau of Inspection and Food Safety.*** --- There shall be a
18 Bureau of Inspection and Food Safety (BIFS) which shall be headed by a
19 Director, a career officer.

20 The BIFS shall have the following functions:

21 1. Formulate, develop, promulgate, implement and monitor compliance
22 with guidelines pertaining or related to food safety, the use of fertilizers and
23 pesticides consistent with sustainability in agriculture and fisheries, and proper
24 labeling of agriculture and fisheries products;

25 2. Conduct inspection of agriculture and fisheries products for the
26 purpose of implementing Section 29(a) of this Chapter and conduct food safety
27 and consumer education programs; and

1 1. Coordinate with and provide technical assistance to the local
2 government units and other appropriate government and private agencies,
3 institutions, and offices in planning, designing, constructing, and selecting
4 appropriate irrigation development schemes based on the criteria specified in
5 Section 28 of R.A. 8435;

6 2. Improve, rehabilitate, and maintain all types of irrigation projects
7 including the operation of major irrigation structures such as the headwork and
8 main canals, and turn-over of the operations and maintenance of the national
9 irrigation system's secondary canals and on-farm facilities to qualified Irrigators
10 Associations in the locality;

11 3. Provide technical assistance to local government units, and devolve
12 the planning, design, and management of communal irrigation systems including
13 the transfer of the assets and resources of the National Irrigation Administration
14 in relation to the communal irrigation systems to the local government units;

15 4. Formulate and develop a plan for the promotion of a private-sector led
16 development of minor irrigation systems such as Shallow Tube Wells (STWs),
17 Low Lift Pumps (LLPs) and other inundation systems which shall be included in
18 the Agriculture and Fisheries Modernization Plan referred to in Chapter 2 of R.A.
19 8435;

20 5. Review and recommend proposals for the construction of irrigation
21 facilities through other viable schemes such as build-operate-and-transfer, build-
22 transfer, and other schemes that will fast track the development of irrigation
23 systems;

24 6. Review irrigation service fee rates and recommend to the Department
25 reasonable rates;

26 7. Monitor the implementation of and evaluate research, development
27 programs pertaining to irrigation and review every four (4) years all existing
28 irrigation systems to determine their viability and effectiveness;

1 8. Recommend plans, programs, policies, rules, and regulations to the
2 Secretary and provide for the technical assistance in the implementation of the
3 same; and

4 9. Perform such other functions as may be provided by law or assigned
5 to it by the Secretary.

6 Section 34. ***Bureau of Soils and Water Management.*** --- There shall be
7 a Bureau of Soils and Water Management (BSWM) which shall be headed by a
8 Director, a career officer.

9 The BSWM shall have the following functions:

10 1. Advise and render assistance on matters relating to the utilization and
11 management of land and water resources;

12 2. Formulate measures and guidelines for effective soil, land, and water
13 resource utilization, as well as soil conservation in agricultural areas and other
14 areas affecting agriculture;

15 3. Prepare plans and recommendations, as well as assist the farmers,
16 local government units and other members of the agriculture sector, in soil
17 impounding, prevention of soil erosion, fertility preservation and other matters
18 related to soil and water management;

19 4. Coordinate with government agencies on matters related to soil and
20 water management;

21 5. Engage in rainmaking projects for agricultural areas and watersheds to
22 solve the problem of prolonged droughts and minimize their effects on standing
23 agricultural crops;

24 6. Recommend plans, programs, policies, rules and regulations to the
25 Secretary and provide technical assistance in the implementation of the same;
26 and

27 7. Perform such other functions as may be provided by law or assigned
28 to it by the Assistant Secretary for Support Services.

1 Section 35. ***Bureau of Rural Infrastructure Modernization.*** --- There
2 shall be a Bureau of Rural Infrastructure Modernization (BRIM) which shall be
3 headed by a Director, a career officer.

4 The BRIM shall have the following functions:

5 1. In coordination with Department of Public Works and Highways, the
6 Department of Transportation and Communications, the Department of Trade
7 and Industry and the local government units, address the infrastructure
8 requirements of the agriculture and fisheries sectors;

9 2. Together with the local government units, strengthen its agricultural
10 and fisheries engineering groups to provide the necessary technical and
11 engineering support in carrying out the smooth and expeditious implementation
12 of agriculture and fisheries infrastructure projects;

13 3. Coordinate with the Department of Public Works and Highways for
14 the purpose of determining the order of priorities for public works funded under
15 the Public Works Act which directly or indirectly affect agriculture and fisheries

16 4. Coordinate with Department of Transportation and
17 Communications and other appropriate government agencies and offices, for the
18 purpose of determining priority fishports, seaports and airports and facilitating the
19 installation of bulk-handling and storage facilities, and other post-harvest facilities
20 needed in order to enhance the marketing of agriculture and fisheries products;

21 5. Coordinate with the local government units and resident farmers
22 and fisherfolk in identifying priority locations of farm-to-market roads;

23 6. Coordinate with the Department of Energy, Department of Public
24 Works and Highways, National Electrification Administration, and National Power
25 Corporation for the identification and installation of appropriate types of energy
26 sources particularly in the use of non-conventional energy sources for the locality
27 in order to enhance agriculture and fisheries development in the area;

1 7. Coordinate with the Department of Transportation and
2 Communications to facilitate the installation of telecommunication facilities in
3 priority areas;

4 8. Coordinate with the Department of Public Works and Highways and
5 local government units for the identification and installation of water supply
6 system in the locality for agro-industrial uses;

7 9. Coordinate with the Post-Harvest Horticulture, Training and
8 Research Center of the University of the Philippines at Los Baños to identify
9 appropriate post-harvest facilities and technology; and

10 10. Perform such other functions as may be provided by law or
11 assigned to it by the Assistant Secretary for Support Services.

12 Section 36. **Bureau of Credit Support.** --- There shall be a Bureau of
13 Credit Support which shall be headed by a Director, a career officer.

14 The BCS shall have the following functions:

15 1. Monitor the implementation of the agriculture, fisheries, and agrarian
16 reform credit and financing system including the Agro-Industry Modernization
17 Credit and Financing Program (AMCFP) in accordance with the provisions of
18 Section 23 of R.A. 8435;

19 2. Review all existing credit and guarantee schemes and funds pertaining
20 to the agriculture and fisheries sectors in order to rationalize and consolidate the
21 same into an Agriculture and Fisheries Credit Guarantee Fund in accordance
22 with the provisions of Section 25 of R.A. 8435;

23 3. Recommend plans, programs and policies relating to credit assistance
24 for the agriculture and fisheries sectors;

25 4. Coordinate with other government and private agencies and entities in
26 the performance of its functions; and

27 5. Perform such other functions as may be provided by law or assigned
28 to it by the Assistant Secretary for Support Services.

1 Section 37. **Transfer of Functions.** -- The powers and functions of the
2 Agriculture Credit Policy (ACPC) and the Quedan Rural Credit and Guarantee
3 Corporation (Quedancor) are hereby transferred to and integrated with the BCS
4 and rationalized in accordance with the provisions of this Act.

5 Chapter 6

6 Research, Development and Extension Services

7 Section 38. **Research, Development and Extension Services.** --- There
8 is hereby created the Research, Development and Extension Services which
9 shall be headed by an Undersecretary and shall consist of two (2) bureaus:

- 10 1. Bureau of Agriculture and Fisheries Research and Development; and
- 11 2. Bureau of Agriculture and Fisheries Extension

12 Section 39. **Bureau of Agriculture and Fisheries Research and**
13 **Development.** --- The Bureau of Agriculture Research is hereby renamed the
14 Bureau of Agriculture and Fisheries Research and Development (BFARD) and
15 shall be headed by a Director, a career officer. The functions of the Bureau of
16 Fisheries and Aquatic Resources are hereby transferred to and integrated with
17 the BAFRD and likewise rationalized in accordance with this Act.

18 The BAFRD shall have the following functions:

- 19 1. Serve as the Secretariat of the Agriculture and Fisheries Research and
20 Development Council (AFRDC) to ensure that all agriculture and fisheries
21 research is coordinated and undertaken for maximum utility to agriculture and
22 fisheries;
- 23 2. In coordination with appropriate government and private agencies,
24 formulate the Agriculture and Fisheries National Research and Development
25 System (AFNaRDS) for approval by the AFRDC;
- 26 3. Coordinate the research and development system of the Department
27 which includes the National Research Centers (NRC), Regional Integrated
28 Agriculture and Fisheries Research Centers (RIAFRC), Regional Integrated

1 Agricultural Research Centers (RIARC), Research Outreach Stations (ROS),
2 and the Research and Development units of bureaus and attached agencies;

3 4. Provide leadership in the formulation of the national research and
4 development agenda, approve the releases of funds for all agriculture and
5 fisheries Research and Development and, in coordination with the State
6 Universities and Colleges (SUCs), Philippine Council for Agriculture Research
7 and Rural Development (PCARRD) and Philippine Council for Aquatic and
8 Marine Research and Development (PCAMARD), draft and regularly review the
9 *"Guidelines in Planning and Implementation of Agriculture and Fisheries*
10 *Research"*;

11 4. Tap farmers and fisherfolk, their organizations, and research
12 institutions, especially state colleges and universities, in the conduct of research
13 for use by the Department and its clientele, particularly farmers, fisherfolk, and
14 other rural workers;

15 5. Directly administer, and implement a monitoring and evaluation
16 system for all research centers, institutes and research networks in agriculture
17 and fisheries, specifically, but not limited to those identified in Chapter 7 of this
18 Act and, in coordination with appropriate agencies, draft the program,
19 parameters and guidelines for the evaluation of agricultural and fisheries
20 research and development performance, activities and outputs incorporating the
21 Output-Oriented Performance Standards (OOPS) and the standards and
22 accreditation guidelines referred to in Section 72 (5) and the provisions of the
23 *Magna Carta for Science and Technology Personnel*;

24 6. In coordination with the Agriculture and Fisheries Training Institute
25 (AFTI) and other appropriate agencies, draft and regularly review the following:

26 a. *"Policies on the Autonomy and Academic Freedom of Research*
27 *and Development Institutions in Agriculture and Fisheries"* in relation to
28 the institutional, fiscal and administrative autonomy and exercise of

1 academic freedom of professional staff and institutions including
2 guidelines for the use and reinvestment of research and development
3 extension income into research and development extension activities;

4 b. *"Harmonized Merit and Out-put Oriented Promotion System*
5 *for Technical and Scientific Personnel Involved in Agriculture and Fishery*
6 *Research and Development Extension"* to harmonize performance
7 standards, qualifications, salary scales and the collegial process of
8 performance evaluation including the setting up of minimum qualification
9 standards, compensation and incentive structure for directors and heads
10 of research centers;

11 c. *"Salary and Fringe Benefit System for Technical and*
12 *Scientific Personnel Involved in Agriculture and Fisheries Research and*
13 *Development Extension"* with the aim of providing a competitive edge in
14 attracting and retaining in the research and development extension
15 system the brightest and most productive technical and science
16 personnel;

17 8. Coordinate with privately owned-and funded research centers,
18 institutes, and networks;

19 9. Develop an agriculture and fisheries research and development
20 information system linked to the National Information Network (NIN);

21 10. Manage the research and development fund of the Department based
22 on the guidelines approved by AFRDC; and

23 11. Perform such other functions as may be provided by law or assigned
24 to it by the Undersecretary for Research, Development and Extension.

25 Section 40. ***Bureau of Agriculture and Fisheries Extension.*** --- There
26 shall be a Bureau of Agriculture and Fisheries Extension (BAFEx) which shall be
27 headed by a Director, a career officer. The BAFEx shall administer the
28 following offices:

- 1 1. Agriculture and Fisheries Training Institute;
- 2 2. Technology Tracking Office; and
- 3 3. Extension and Marketing Communication.

4 Section 41. ***Agriculture and Fisheries Training Institute*** -- The
5 Agriculture Training Institute shall be renamed as the Agriculture and Fisheries
6 Training Institute (AFTI) and its functions rationalized in accordance with the
7 provisions of this Act. Other offices and units of the department involved in
8 extension services in agriculture and fisheries shall be transferred and integrated
9 with the AFTI.

10 The AFTI shall be headed by the Assistant Director for Training and shall
11 have the following functions:

12 a. Serve as the Secretariat for extension and training in
13 agriculture and fisheries of the AFRDEC;

14 b. Advise the Department in the management of financial and
15 logistical support for extension based on principles approved by the
16 AFRDEC;

17 c. In coordination with appropriate government and private
18 agencies, formulate the Agriculture and Fisheries National Extension
19 System (AFNES) in harmony with the Agriculture and Fisheries National
20 Research and Development System (AFNaRDS) for approval by the
21 AFRDEC;

22 d. Coordinate with farmers and fisherfolk organizations and
23 with appropriate government and private agencies in order to determine
24 priority areas for training and extension and in gathering information
25 related to agriculture and fisheries;

26 e. Provide leadership in the formulation of the national
27 agriculture and fisheries extension agenda and the corresponding budget;

1 f. Directly administer and implement a monitoring and
2 evaluation system for the AFNES;

3 g. Prepare an integrated training plan for publicly-funded
4 training in agriculture and fisheries for review by the AFRDEC and, in
5 consultation with representatives of the institutions in the AFNES, shall
6 promulgate the *"Guidelines for the Planning and Implementation of*
7 *Agriculture and Fisheries Extension"* that shall provide guidelines on
8 multidisciplinary extension work and its linkages to research and
9 development , and strategies for increasing the participation of the
10 clientele and the industry in the planning and in the monitoring and
11 evaluation of extension programs;

12 h. Set up a certification system for vocational and technical
13 training in agriculture and fisheries in collaboration with the Technical
14 Education and Skills Development Authority (TESDA);

15 i. Develop and administer a national human resources
16 development program for short-term and degree and non-degree training
17 for local government units extension personnel in all areas related to
18 agriculture and fisheries which include production, processing, marketing,
19 use of appropriate technology, networking, product standards, credit
20 facilities and entrepreneurship;

21 j. In consultation with the Civil Service Commission (CSC),
22 Department of Interior and Local Government and the local government
23 units, formulate a national merit and output-oriented promotion system
24 governing all extension personnel in the national and local levels;

25 k. Develop an agriculture and fisheries extension information
26 and communication system linked with the National Information Network
27 and maintain a computerized database on the extension force, covering
28 all agriculture and fisheries extension personnel of local government units,

1 the Department and its attached agencies, bureaus and other government
2 and private agencies;

3 l. Provide technical assistance to local government units in the
4 implementation of extension services in agricultural and fisheries
5 development plans and mobilize technical resources from all sources to
6 assist local government units in solving specific problems related with
7 extension services in agriculture and fisheries;

8 m. Undertake relevant special studies related to training and
9 extension services in agriculture and fisheries;

10 n. Recommend specific policies and procedures related to
11 training and extension in agriculture and fisheries;

12 o. Provide an integrated and comprehensive multi-media
13 support on extension and training services for the national research and
14 development program;

15 p. Perform such other functions as may be provided by law or
16 assigned to it by the Bureau Director of the BAFEx.

17 Section 42. **Technology Tracking Office.** --- There shall be a
18 Technology Tracking Office (TTO) which shall be headed by an Assistant
19 Director. The TTO shall establish a technology tracking system in order to
20 monitor periodically the extent and level of technology applications in major
21 agriculture and fishery commodities.

22 Section 43. **Extension and Marketing Communication Office.** --- There
23 shall be an Extension and Marketing Communication Office (EMCO) which shall
24 be headed by an Assistant Director. The EMCO shall have the following
25 functions:

26 1. Provide an integrated and comprehensive multi-media support on
27 extension and training services for the national research and research extension
28 program in agriculture and fisheries;

1 National Commodity Centers in accordance with the provisions of this Act: Fiber
2 Development Authority, National Crop Protection Center, National Fisheries
3 Development Institute, Bureau of Post-Harvest Research and Extension,
4 National Tobacco Administration, Philippine Carabao Center, Philippine Coconut
5 Authority, Philippine Cotton Corporation, Philippine Rice Research Institute, and
6 the Sugar Regulatory Administration.

7 Other agencies, offices, units or sections of agencies engaged in
8 agriculture and fisheries research and development shall be integrated,
9 whenever appropriate with the above National Commodity Research Centers
10 (NCRC) or shall be transformed into separate NCRC as may be determined by
11 the Agriculture and Fisheries Research and Development Extension Council
12 (AFRDEC)

13 The rationalized offices under this section including international research
14 entities engaged in agriculture and/or fisheries research and development and
15 extension such as the South East Asian Fisheries Development and Extension
16 Council (SEAFDEC) shall form part of the Agriculture and Fisheries National
17 Research and Development System (AFNaRDS) or Agriculture and Fisheries
18 National Extension System (AFNES) in accordance with the provisions of this
19 Act.

20 Section 47. **State Universities and Colleges as National Multi-Media**
21 **Commodity Research Centers, Regional Research Stations or Cooperating**
22 **Stations.** --- Selected state universities and colleges shall be included under the
23 National Agriculture and Resources Research and Development Network
24 (NARRDN) and the National Aquatic and Resources Research and Development
25 System (NARRDS) as National Multi-Commodity Research Centers,(NMCRC),
26 Regional Research Stations (RSS), or Cooperating Stations (CS), as determined
27 by the AFRDEC.

1 Section 48. **National Multi-Commodity Research Centers.** -- National
2 Multi-Commodity Research Centers are hereby defined as National Universities
3 and Colleges of Agriculture and/or Fisheries (NUCAF) that are assigned national
4 or zonal responsibilities on specific commodities by the Agriculture and Fisheries
5 Research and Development Extension Council based on recommendations of
6 the Bureau of Agriculture and Fisheries Research and Development in
7 coordination with the Philippine Council for Agricultural Research and Rural
8 Development and the Philippine Council for Aquatic and Marine Research and
9 Development.

10 Section 49. **Functions of the National Multi-Commodity Research**
11 **Centers.** -- National Multi-Commodity Research Centers, in relation to their
12 assigned national, zonal or commodity responsibilities, shall have the following
13 functions:

- 14 1. Provide leadership in the planning, implementation, monitoring and
15 evaluation of their research, development and extension programs:
- 16 2. Undertake basic research;
- 17 3. Undertake upstream applied research including strategic research;
- 18 and
- 19 4. Develop and maintain a network of national regional and provincial
20 collaborators.

21 Section 50. **Functions of the Regional Integrated Agricultural**
22 **Research Centers.** -- The Regional Integrated Agricultural Research Centers,
23 in relation to their assigned commodities or fields, under the guidance of the
24 National Commodity Research Centers and in close cooperation with the
25 relevant National Universities and Colleges of Agriculture and Fisheries,
26 Regional Field Units and Provincial Agriculturist shall have the following
27 functions:

1 1. Provide leadership in the planning and coordination of the
2 implementation, monitoring and evaluation of an integrated research,
3 development and extension program within a farming systems approach in
4 coordination with the regional training centers;

5 2. Undertake midstream and downstream applied research in the
6 region; and

7 3. Develop and maintain a network of provincial collaborators in
8 undertaking the regional research, development and extension programs.

9 Section 51. **Functions of the Regional Outreach Stations.** -- The
10 Regional Outreach Stations, under the guidance of the Regional Integrated
11 Agricultural Research Centers and in close collaboration with the Provincial
12 Agriculturist and Philippine Institute of Agriculture and Fisheries, shall have the
13 following functions:

14 1. Serve as the satellite stations of the Regional Integrated
15 Agricultural Research Centers and links between the regional and provincial
16 research, development and extension programs;

17 2. Undertake downstream applied research;

18 3. Demonstrate new and appropriate technologies;

19 4. Serve as an educational and training facility; and

20 5. Propagate genetic materials.

21 Section 52. **Regional Research Stations.** -- The Regional Research
22 Stations are hereby constituted to consist of National Universities and Colleges
23 of Agriculture and Fisheries or Provincial Institutes of Agriculture and Fisheries
24 that are assigned regional responsibilities on specific commodities by the
25 Agriculture and Fisheries Research, Development and Extension Council as
26 recommended by the Bureau of Agriculture and Fisheries Research and
27 Development in coordination with the Philippine Council for Agricultural

1 Research and Rural Development and the Philippine Council for Aquatic and
2 Marine Research and Development.

3 Section 53. **Functions of the Regional Research Stations.** -- The
4 Regional Research Stations, under the technical guidance of the National
5 Central Research Centers and in close cooperation with the Regional Integrated
6 Agricultural Research Centers and the Provincial Agriculturists, shall, in relation
7 to their assigned national, zonal, or commodity responsibilities, have the
8 following functions:

9 1. Provide regional leadership in the planning, implementation,
10 monitoring and evaluation of the research, development and extension
11 programs;

12 2. Undertake midstream and downstream applied research in the region;
13 and,

14 3. Develop and maintain a network of provincial collaborators.

15 Section 54. **Cooperating Stations.** -- The Cooperating Stations are
16 hereby constituted to consist to National Universities and Colleges of Agriculture
17 and Fisheries or Provincial Institutes of Agriculture and Fisheries that are
18 assigned provincial responsibilities on specific commodities or areas by the
19 Agriculture and Fisheries Research, Development and Extension Council as
20 recommended by the Bureau of Agriculture and Fisheries Research and
21 Development in coordination with the Philippine Council for Agriculture Research
22 and Rural Development and the Philippine Council for Aquatic and Marine
23 Research and Development.

24 Section 55. **Functions of the Cooperating Stations.** --- The Cooperating
25 Stations shall, under the guidance of the Regional Research Centers or the
26 Regional Integrated Agricultural Research Centers and in close collaboration
27 with the Research Outreach Stations and the Provincial Agriculturist, in relation
28 to their assigned commodities, have the following functions:

1 1. Serve as satellite stations of the Regional Integrated Agriculture
2 Research Centers or the Regional Research Stations and link the regional and
3 provincial research, development and extension programs;

4 2. Undertake downstream applied research relevant to the province;

5 3. Demonstrate new and appropriate technologies in the province; and

6 4. Serve as educational and training facilities.

7 **Chapter 8**

8 **Regional Operations**

9 Section 56. **Regional Operations.** -- The Department shall establish,
10 operate and maintain a Regional Office in each of the country's administrative
11 regions, each of which shall be headed by a Regional Executive Director. The
12 Regional Executive Director shall be assisted by three (3) Technical Directors
13 equivalent to the level of Assistant Regional Directors assigned to Marketing
14 Assistance and Regulatory Services, Production Support Services, and
15 Research, Development and Extension Services, respectively.

16 Section 57. **Functions of the Regional Offices.** -- The regional offices
17 shall have the following functions:

18 1. Implement and enforce in its area the laws and policies, plans,
19 programs, projects, rules and regulations issued by the Department such as
20 quarantine and food safety standards laws, rules and regulations;

21 2. Implement and provide regulatory and support services and coordinate
22 and/or exercise supervision over research, development and extension
23 programs at the regional level;

24 3. Provide technical and financial support to the local government units in
25 terms of, but not limited to extension and training services, and in the
26 implementation and management of agriculture and fisheries development
27 programs;

1 4. Monitor and evaluate the local government units compliance with
2 nationally-mandated programs and standards relating to agriculture and
3 fisheries;

4 5. Coordinate with government and private agencies and offices; and

5 6. Perform such other functions as may be provided by law or assigned
6 by the Undersecretary for Operations;

7 Section 61. **Other Offices and Units in Regional Offices.** -- Other
8 offices and units in the regional offices shall be rationalized and coordinated with
9 the Administrative and Finance Services, Information and Communication Staff,
10 and Policy and Planning Service structure of the Office of the Secretary of the
11 Department

12 Chapter 9

13 The National Agriculture and Fisheries Modernization Council

14 Section 58. **National Agriculture and Fisheries Council for**
15 **Modernization.** --- There is hereby created a National Agriculture and Fisheries
16 Council for Modernization (NAFCM), hereinafter referred to as the Council, a
17 body attached to the Office of the Secretary, to promote a policy environment
18 that will accelerate the development of a sustainable and globally competitive
19 agriculture and fisheries industry.

20 Section 59. **Functions of the Council.** -- The Council shall have the
21 general powers and attributes of a corporation as set forth in the Corporation
22 Law and the mandate to perform the following functions, powers and
23 responsibilities:

24 1. To formulate, implement, review and revise a medium and long-
25 term comprehensive agriculture and fisheries modernization plan. Such plan
26 shall be developed on the basis of the long-term agriculture and fisheries plans
27 and programs developed by the Municipal, Provincial and Regional Agriculture

1 and Fisheries Development Councils for Modernization to effect consistency of
2 such plans with national development framework and policies;

3 2. To ensure food security, alleviate poverty in the rural sector,
4 promote sustainable growth, and develop internationally competitive
5 agribusiness and fisheries ventures;

6 3. Serve as the consultative and feedback mechanism which shall
7 enable the farmers, fisherfolk and those involved in agriculture and fisheries at all
8 levels of operations from the municipal up to the national level to be actively
9 involved in the formulation of policies, plans, programs and activities;

10 4. Review and recommend for the approval of the Secretary reports
11 for submission to the Congressional Oversight Committee on Agriculture and
12 Fisheries Modernization created under Republic Act 8435;

13 5. Formulate policies, plans and programs on food production, post-
14 harvest handling, storage, milling, distribution and credit support, including the
15 coordination of its implementation among the various agencies and institutions of
16 the government and the private sector;

17 6. Ensure the best administration of market development programs
18 for agricultural commodities and food products;

19 7. Ensure an adequate flow of these products to consumers as well
20 as a fair return to producers and prevent inefficient and wasteful methods of
21 distribution;

22 8. Foster the empowerment of agricultural producers into effective
23 associations or corporations under their own control for greater unity of effort in
24 marketing;

25 9. Promote the establishment and financing of farm marketing
26 systems of producer-owned and producer-controlled cooperative associations
27 and other agencies;

1 10. Set and review annually the government's buffer grain stock
2 requirements at the national and local levels and ensure that these requirements
3 are achieved;

4 11. Effect, with the Regional Agricultural Councils and/or other
5 government entities as implementing agents, the domestic procurement of the
6 government's buffer grain stock through purchases of warehouse receipts or
7 quedans of grain deposits in government, farmer-cooperatives and private
8 warehouses and/or by buying grain produce directly from farmer cooperatives;

9 12. Cause the direct importation of rice and allocation of import quotas
10 among private entities, especially certified and licensed farmer cooperatives;

11 13. Promulgate the government's stabilization price for grains to assure
12 farmers with a reasonable mark-up on their production cost and participation in
13 the profits that may be realized from the sale of the government's buffer grain
14 stock;

15 14. Reorient the country's food production policies, plans and
16 programs in such a way that the thrust of increasing the productivity of farmers is
17 not only in terms of yield per unit area but more so in aggregate income from
18 farming enterprises;

19 15. Promote and coordinate plans and programs of assistance to
20 producers through input supplies, purchases and other operations, including
21 loans in partnership with available financial sources or institutions;

22 16. Institutionalize and actively promote the adoption of sustainable
23 agricultural practices at all farm levels so that steady production of various food
24 commodities to cope with the demands of a growing population is achieved in a
25 way that maintains the productivity of the soil and diminishes any adverse impact
26 to the immediate environment; and

1 17. Undertake other tasks and activities as may be necessary to
2 ensure the attainment of efficient agricultural marketing systems and food
3 security.

4 Section 60. **Composition of the Council.** --- The powers, functions and
5 affairs of the Council shall be exercised and directed by a governing board to be
6 chaired by the Secretary with the Secretary of Agrarian Reform as Vice-
7 Chairman; and with six (6) members from the government sector who shall sit for
8 a term of three (3) years; and five representatives from the private sector, who
9 shall sit for a term of three years, without reappointment. The members from the
10 government sector shall consist of the respective heads of the following agencies
11 or offices: the National Economic and Development Authority; the Department of
12 Environment and Natural Resources; the Department of Trade and Industry, the
13 Department of Transportation and Communications, the Department of Interior
14 and Local Government, and the Department of Public Works and Highways. Any
15 of the government members may designate his permanent representative who
16 shall serve in his place as member of the board: Provided, That such
17 representative shall have a rank not lower than Undersecretary. The remaining
18 five (5) members of the Council shall consist of representatives to be nominated
19 by accredited non-government organizations and peoples' organizations, and
20 appointed by the President to represent the following sectors: small farmers,
21 fisherfolk, agricultural traders, agri-based manufacturers, and agri-based
22 exporters.

23 The governing board shall meet regularly at least every month on any
24 date to be determined by the Chair: Provided, That the Chair may convene
25 special meetings to discuss urgent matters needing immediate resolution. The
26 Council members shall be entitled to a *per diem* for every meeting actually
27 attended: Provided, That in no case shall *per diems* exceed the equivalent for

1 more than four (4) meetings per month. It shall prescribe the rules and
2 regulations to govern its deliberations and other official actions.

3 Section 61. **Organization and Staff.** -- The management of the day-to-
4 day operations of the Council shall be vested in an Executive Director who shall
5 be appointed with the rank of an Undersecretary by the President of the
6 Philippines.

7 The Council shall set up the organizational structure, staffing pattern,
8 qualification standards, compensation scale, functions and authorities of their
9 officers and employees, pursuant to pertinent laws, rules and regulations being
10 implemented by the Civil Service Commission and the Department of Budget
11 and Management.

12 Section 62. **Committees.** -- Committees shall be organized within the
13 Council to address the respective concerns of the following:

- 14 1. National Agriculture and Fisheries Education System (NAFES);
- 15 2. The marketing umbrella for agriculture and fisheries products;
- 16 3. Agro-industrial Modernization Credit and Finance Program
17 (AMCFM); and
- 18 4. Agriculture and Fisheries National Research and Development
19 System (AFNaRDS).

20 A Technical Advisory Group composed of representatives from various
21 agricultural and fisheries professions and the scientific community shall be
22 created to serve all the technical needs of the committees.

23 Section 63. **The Consultative Network of National Agriculture and**
24 **Fisheries Council for Modernization.** --- The following shall be established
25 and organized to form the consultative network of the National Agriculture and
26 Fisheries Council for Modernization (NAFCM):

- 27 1. The Regional Agriculture and Fisheries Council (RAFC)
- 28 2. The Provincial Agriculture and Fisheries Council (PAFC)

1 3. The Municipal Agriculture and Fisheries Council (MAFC)

2 Section 64. **Structure of the Agriculture and Fisheries Councils.** ---

3 The Agriculture and Fisheries Councils (AFC) shall have the following
4 membership and organizational structure:

5 1. At the regional level, the presiding officer shall be the Regional
6 Agriculture and Fisheries Council (RAFC) chairperson, with all Provincial and
7 Fisheries Council chairpersons and all Provincial Agriculture Officers of the
8 Department as members. The regional field units of the Department shall serve
9 as the Secretariat.

10 2. At the provincial level, the presiding officer shall be the Provincial
11 Agriculture and Fisheries Council (PAFC) chairperson, to be elected from among
12 the members who shall consist of all Municipal Agriculture and Fisheries Council
13 Chairpersons and all Municipal Agriculture officers as members. The Provincial
14 Agrarian Office shall serve as the Secretariat.

15 3. At the municipal level, the presiding officer shall be the Municipal
16 Council Chairman, to be elected from among the representatives of the following
17 sectors: farmers' organizations, fisherfolks' organizations, non-government
18 organizations, women, youth and agri-business groups. The Municipal Agrarian
19 Office shall serve as the Secretariat.

20 Section 65. **Functions of the local AFCs.** --- The local AFCs shall have
21 the following functions:

22 1. Convene meetings to discuss relevant agriculture and fisheries issues
23 for submission and recommendation to the National Agriculture and Fisheries
24 Council for Modernization (NAFCM) in order to ensure food security;

25 2. Review and assess agriculture and fisheries programs;

26 3. Represent the agriculture and fisheries sectors and participate actively
27 in the Local Development Councils (LDCs);

1 4. Assist the Department in the formulation of development plans for
2 agriculture and fisheries; and

3 5. Perform such other functions as may be assigned to it by the Council
4 to achieve its goals and objectives.

5 Section 66. ***Transfer of Powers and Functions.*** -- The powers and
6 functions of the National Agricultural and Fisheries Council, the National Nutrition
7 Council, and the Livestock Development Council are hereby transferred to and
8 integrated with the National Agriculture and Fisheries Council for Modernization.

9 Chapter 10

10 The Agriculture and Fisheries Research Development and Extension 11 Council

12 Section 67. ***The Agriculture and Fisheries Research Development
13 and Extension Council.*** -- There is hereby created the Agriculture and
14 Fisheries Research Development and Extension Council (AFRDEC) which shall
15 be attached to the Office of the Secretary. It shall be headed by the Secretary
16 as Chairperson and the Director General as Vice-Chairperson. The
17 Undersecretary for Research, Development and Extension Services of the
18 Department shall serve as the Secretary of the Council.

19 Each of the following departments, offices and agencies shall have a
20 representative: Department of Agrarian Reform, Department of Environment and
21 Natural Resources, Department of Interior and Local Government, Department of
22 Science and Technology, Department of Budget and Management, Commission
23 on Higher Education and the University of the Philippines at Los Baños. The
24 representatives shall be designated by their respective departments, offices and
25 agencies and shall sit as members of the Council for a term of three (3) years.

26 The following organizations shall likewise have a representative in the
27 Council duly designated by their respective governing boards: League of City
28 Mayors, the League of Municipal Mayors and the League of Governors.

1 Each of the following sectors shall have a representative who shall be
2 appointed by the President upon the nomination of non-government
3 organizations and people's organizations duly accredited by the Department,
4 and who shall sit as members of the Council for a term of three (3) years with no
5 reappointment: rice farmers, corn and other grains farmers, plantation crop
6 farmers, livestock raisers, poultry raisers, municipal fishers, commercial fishers,
7 aquaculture enterprises, food processing industry, manufacturers of agricultural
8 and fisheries machineries, the agriculture and fisheries marketing sector, the
9 science and technology community, and non-government organizations
10 concerned with the environment.

11 Section 68. **Functions of the Council.** -- The Council shall have the
12 following functions:

13 1. Integrate all the research, development and extension functions
14 and activities in agriculture and fisheries by enhancing, supporting, coordinating
15 and consolidating the Agriculture and Fisheries National Research and
16 Development System (AFNaRDS), and in close and effective linkage with the
17 Agriculture and Fisheries National Extension System (AFNES);

18 2. Prepare and oversee the implementation of a comprehensive
19 research, development and extension program in agriculture and fisheries
20 including the review and rationalization of the roles, functions and organization of
21 various research, development and extension centers, institutes, and network
22 such as the National Agriculture and Resources Research and Development
23 Network (NARRDN) and the National Aquatic Resources and Development
24 System (NARRDS) including the Philippine Council for Agriculture and
25 Resources Research and Development (PCARRD) and the Philippine Council
26 for Aquatic and Marine Research and Development (PCAMRD);

27 3. Consolidate, review and approve the national research
28 development and extension agenda, and the plans and programs developed by

1 the Agriculture and Fisheries National Research and Development System
2 (AFNaRDS) and the Agriculture and Fisheries National Extension System
3 (AFNES);

4 4. Set policies pertaining to research, development and extension in
5 agriculture and fisheries which will ensure food security, alleviate poverty,
6 promote people empowerment, agricultural and fisheries productivity and
7 development, and promote international competitiveness in the agriculture and
8 fisheries sectors;

9 5. Approve policies for the operationalization and continued
10 strengthening of the institutional capabilities, efficiency, effectiveness and
11 integration of the Agriculture and Fisheries National Research and Development
12 System (AFNARDS) and the Agriculture and Fisheries National Extension
13 System (AFNES), including the setting up of an output-oriented system of
14 monitoring and evaluating research, development and extension in agriculture
15 and fisheries;

16 6. Create committees, technical working groups, and commodity
17 teams to facilitate the accomplishment of its objectives;

18 7. Set policies on relations and exchange between Philippine and
19 international institutions on agriculture and fisheries research, development and
20 extension, and approve the allocation of funds from national as well as foreign
21 sources for national research, development and extension programs.

22 8. Formulate and implement a national program to develop and
23 maintain a critical mass of scientists involved in agriculture and fisheries
24 research by providing adequate and up-to-date science laboratory facilities and
25 equipment, promoting a scientific environment and culture conducive for
26 scientific research and creativity, and providing compensation rates and other
27 benefits comparable with international standards; and

1 9. Call on the personnel of any of the services and offices of the
2 Department and other government agencies for technical support and
3 assistance.

4 Section 69. ***The Secretariat.*** -- The Bureau of Agriculture and Fisheries
5 Research and Development (BAFRD) shall serve as the Secretariat of the
6 Council for research and development while the Agriculture and Fisheries
7 Training Institute (AFTI) shall serve as the Secretariat for Extension and
8 Training.

9 The Undersecretary of the Department for Research, Development and
10 Extension shall head both Secretariats that shall assist the Council in:

11 1. Formulating and setting the priorities for the national research,
12 development and extension agenda for agriculture and fisheries;

13 2. Implementing a system for monitoring and evaluating research,
14 development and extension in agriculture and fisheries;

15 3. Preparing details of the budget for the national agriculture and
16 fisheries research, development and extension activities; and

17 4. Performing such other functions as may be assigned to it by the
18 Council to achieve its goals and objectives.

19 Section 70. ***Agriculture and Fisheries National Research and***
20 ***Development System) Subsystems.*** -- The Agriculture and Fisheries National
21 Research and Development System (AFNaRDS) shall be composed of two (2)
22 subsystems: the Agriculture Research and Development subsystem and the
23 Fisheries Research and Development subsystem.

24 1. Agriculture Research and Development Subsystem -- The
25 agriculture research and development subsystem shall be composed of the
26 following:

27 a. the agriculture research and development system of the
28 Department;

1 b. the national agriculture and resources research and
2 development network including PCARRD;

3 c. the Bureau of Agrarian Reform Beneficiaries Development of
4 the Department of Agrarian Reform;

5 d. appropriate units and offices of other government agencies
6 with functions relating to agricultural research;

7 e. the Commission on Higher Education;

8 f. selected State Universities and Colleges involved in fisheries
9 research; and

10 g. private agencies and institutions involved in agriculture
11 research.

12 2. Fisheries Research and Development Subsystem shall be
13 composed of the following:

14 a. the fisheries research and development system of the
15 Department;

16 b. the National Aquatic Resources Research and Development
17 System including the Philippine Council for Aquatic and Marine Research
18 and Development (PCAMRD);

19 c. appropriate units and offices of other government agencies
20 with functions relating to fisheries research;

21 d. the Commission on Higher Education;

22 e. selected State Universities and Colleges involved in fisheries
23 research, and

24 f. private agencies and institutions involved in fisheries
25 research.

26 Section 71. ***Role of the Philippine Council for Agricultural Research***
27 ***and Rural Development and the Philippine Council for Aquatic and Marine***
28 ***Research and Development.*** – The Philippine Council for Agricultural

1 Research and Rural Development (PCARRD) and the Philippine Council for
2 Aquatic and Marine Research and Development (PCMARD) under the
3 Agriculture and Fisheries Research Development and Extension Council
4 (AFRDEC), shall perform the following functions:

5 1. Collaborate with the Bureau of Agriculture and Fisheries Research
6 and Development in the screening of proposals and in the monitoring of ongoing
7 agriculture and fisheries research and development in the country;

8 2. Develop methodologies and systems for effective research,
9 development and extension planning in agriculture and fisheries emphasizing the
10 quality and intensity of participation on farmers, fisherfolk and the industry in
11 setting the research, development and extension agenda of the Department and
12 related allocation of resources;

13 3. Develop and coordinate the implementation of output-oriented
14 performance standards for staff, institutions and programs in agriculture and
15 fisheries research and development;

16 4. Set-up an efficient and effective computerized system of monitoring
17 and evaluation of research, development and extension staff and institutions,
18 including databases required for the assessment of research excellence,
19 performance and capacity, such as the "*Database of Scientific and Technical*
20 *Personnel*," Database for research, development and extension infrastructure,
21 and "*Database of Research, Development and Extension Investment*";

22 5. Develop and administer a career development program and a
23 unified merit promotion system for scientific and technical personnel in
24 agriculture and fisheries research, development and extension;

25 6. Develop and administer a career development program and a
26 unified merit promotion system for scientific and technical personnel in
27 agriculture and fisheries research, development and extension;

1 7. Develop and administer an incentive system to support high quality
2 scientific journals in agriculture and fisheries;

3 8. Develop a human resource maintenance system for providing
4 incentives and benefits to technical and scientific personnel in agriculture and
5 fisheries aimed at ensuring that agriculture and fisheries institutions gain and
6 maintain a competitive edge in attracting and maintaining their staff; and

7 9. Provide technical assistance in the improvement of institutions gain
8 and maintain a competitive edge in attracting and maintaining their staff.

9 Section 72. ***Integrated Council.*** -- The Philippine Council for Agriculture
10 and Rural Development (PCARRD) and the Philippine Council for Aquatic and
11 Marine Research and Development (PCMARD) shall be transferred and
12 integrated with the Agriculture and Fisheries, Research, Development and
13 Extension Council (AFRDEC).

14 Chapter 11

15 General Provisions

16 Section 73. ***Other Agencies, Offices and Units.*** -- Other agencies,
17 offices and units engaged in agriculture and fisheries not otherwise specifically
18 mentioned in this Act shall be integrated with the appropriate bureaus, councils
19 and offices created and/or rationalized in accordance with provisions of this Act.

20 The National Stud Farm shall be integrated with the Philippine Racing
21 Commission.

22 Section 74. ***Security of Tenure.*** -- In the implementation of this Act, the
23 Department shall ensure that there shall be no undue loss of employment of
24 personnel as a result of the rationalization authorized herein. In the event that
25 the separation of personnel becomes unavoidable because of the integration,
26 transfer, or abolition of their office or positions, or the reduction of the functions
27 of the office, impact mitigation measures shall be adopted, such as redeployment

1 of separated employees of one unit of the Department to other appropriate units,
2 agencies, entities of the Department.

3 Section 75. ***Transitory Provisions.*** – In accomplishing the acts of
4 rationalization herein prescribed, the following transitory provisions shall be
5 complied with:

6 1. The transfer or integration of a government unit or office shall
7 include the functions, appropriations, funds, records, equipment, facilities,
8 change in action, rights, other assets, and liabilities, if any, of the transferred or
9 integrated unit or office as well as the personnel thereof, as may be necessary
10 who shall in hold-over capacity continue to perform their respective duties and
11 responsibilities, and receive the corresponding salaries and benefits unless
12 separated from government due to causes other than the implementation of the
13 provisions of this Act.

14 2. The integrated units or offices shall be deemed abolish.

15 3. Personnel of the transferred or integrated units whose positions are
16 not included or who are no longer qualified in the Department's new position
17 structure and staffing pattern shall be deemed separated from service and shall
18 be entitled to the benefits provided for in this Act and such other applicable laws;

19 4. The transfer of function which result in the abolition of the unit or
20 office that has exercised them shall include the appropriations, fund, records,
21 equipment, facilities, change in action, rights, other assets, and personnel as
22 may be necessary to the proper discharge of the transferred functions. The
23 remaining appropriations for funds of the abolished units or offices shall revert to
24 the General Fund and its remaining assets, if any, shall be allocated to such
25 appropriate units in the new organizational structure of the Department as
26 determined by the Secretary or shall otherwise be disposed in accordance with
27 the Government Auditing Code and other pertinent laws, rules and regulations.

1 5. In case of termination of functions which does not result in the
2 abolition of the government unit which has performed such functions, the
3 appropriations and funds intended to finance the discharge of such function shall
4 revert to the General Fund, while the records, equipment, facilities, change in
5 action, rights and other assets used in connection with the discharge of functions
6 shall be allocated to the appropriate units as the Secretary shall determine or
7 shall otherwise be disposed in accordance with the Government Auditing Code
8 and other pertinent laws, rules and regulations.

9 The liabilities, if any, that may have been incurred in connection with the
10 discharge of such functions shall likewise be treated in accordance with the
11 Government Auditing Code and other pertinent laws, rules and regulations.

12 The personnel who may have performed such functions, whose positions
13 are not included or who may no longer be qualified in the new organization
14 structure and staffing pattern shall be deemed separated from the service and
15 shall be entitled to the benefits provided for in this Act and other pertinent laws.

16 Section 76. *New Structure and Pattern.* – Upon approval of this Act, the
17 offices and employees of the Department shall, in a hold-over capacity, continue
18 to perform their respective duties and responsibilities and receive the
19 corresponding salaries and benefits unless in the meantime, they are separated
20 from the service from causes other than the implementation of the provisions of
21 this Act.

22 The new position structure and staffing pattern of the Department shall be
23 approved and prescribed by the Secretary within one hundred twenty (120) days
24 from the approval of this Act, and the authorized positions thereunder shall be
25 filled with regular appointments by him or by the President, as the case may be.
26 Those incumbents whose positions are not included therein or those who are no
27 longer qualified and re-appointed shall be deemed separated from the service

1 and shall be entitled to the benefits provided for in this Act and other pertinent
2 laws.

3 Section 77. **Separation Benefits.** -- Career and civil service employees
4 of the Department separated from the service not for cause but as a result of the
5 rationalization effected pursuant to this Act, shall be entitled to appropriate
6 separation pay and to retirement benefits accruing to them under the laws of
7 general application in force at the time of their separation.

8 Section 78. **Time Frame.** -- The Secretary shall complete the
9 implementation of this Act within six (6) months from the approval thereof and
10 shall, within two (2) months thereafter, submit to the President of the Philippines
11 the report of completion of this rationalization.

12 Section 79. **Submission of Report to Congress.** -- Within four (4)
13 months after the completion of the rationalization of the Department, the
14 President shall submit to Congress a report on the result of the rationalization.

15 Section 80. **Appropriations.** -- Upon the effectivity of this Act, the
16 rationalized councils, bureaus, agencies, and offices shall retain their present
17 appropriations until a new budget of the rationalized Department shall have been
18 completed and submitted to the Department of Budget and Management six (6)
19 months after the effectivity of this Act.

20 Section 81. **Repealing Clause.** -- All laws, decrees, executive issuance,
21 rules and regulations inconsistent with this Act are hereby repealed or modified
22 accordingly.

23 Section 82. **Separability Clause.** -- The provisions of this Act are hereby
24 declared to be separable, and in the event one or more of such provisions are
25 held unconstitutional, the validity of the other provisions shall not be affected
26 thereby.

1 Section 83. **Effectivity.** -- This Act shall take effect thirty (30) days from
2 the date of its publication in the Official Gazette or in at least two (2) newspapers
3 of general circulation.

Approved.