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SENATE
S. B. **2090**

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Introduced by Senator Poe

EXPLANATORY NOTE

According to its 2010 annual report "Land Bank of the Philippines continued to post higher profits with net income reaching P7.2 billion for the first nine months of the year, 12 percent or P735 million higher than the P6.4 billion registered for the same period last year."

Much is left to be desired despite this reported "growth".

By their own account, LANDBANK's total assets grew 12 percent to 591 billion from P527 billion in September 2010 with a 15 percent expansion of deposits to P460 billion from P399 billion of the same period last year. Capital increased to 66 billion from 60 billion in September 2010.

Despite these, their records show that the bank's credit facility reached only about 661,000 small farmers and fisher folk nationwide. This is a far-cry from the total number of small farmers and fisher folk in the country estimated at about 5.69 million in 2003 alone (ACPC Monitor June 2003). Moreover, the bank's latest report reveals that loans were channelled roughly to only about 4.435% of the country's more than 20,000 cooperatives.

The upward movement however of the bank's assets is indicative of its viability and capability to expand and deepen support to the small farming and fishing sectors to enable them to rise above poverty.

This measure is deemed as a more sustainable solution to the problems of inadequacies, and inaccessibility of financial support by redirecting the Bank's focus towards as institutionalize and strengthened credit, guarantee and insurance support to where it is needed most.

Congress' moves at existing the Bank's life as it expires on August 2013 offers a great opportunity to revisit and re-direct its focus towards more strengthened support to agrarian reform beneficiaries, small farmers and fisher folk which requires the amendment of the Bank's mandate.

This measure was filed before the 15th Congress as House Bill 5541 and hurdled Committee deliberation. This bill remains relevant and important in providing greater accessibility and financial support for small farmers, fisher folk, their organizations and associations.

Thus, the passage of this piece of legislation is earnestly sought.

GRACE POE



SIXTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
First Regular Session

'14 JAN 28 P4 20

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AN ACT
STRENGTHENING AND INSTITUTIONALIZING CREDIT, GUARANTEE AND
INSURANCE SUPPORT OF THE LAND BANK OF THE PHILIPPINES TO AGRARIAN
REFORM BENEFICIARIES, SMALL FARMERS AND FISHERFOLK, AMENDING
FOR THE PURPOSE, CHAPTER IV OF REPUBLIC ACT 3844 ALSO KNOWN AS THE
AGRICULTURAL LAND REFORM CODE

Be it enacted in Congress assembled, the following amendments to Chapter IV and Republic Act 3844 also known as the Agricultural land reform Code;

Chapter IV, Section 74 to read as follows;

Section 74. Creation – To finance the acquisition by the government of landed estates for division and resale to small landholders, as well as the purchase of the landholding by the agricultural lessee from the landowner, there is hereby established a body corporate to be known as the “Land Bank of the Philippines”, hereinafter called the “Bank”, which shall have its principal place of business in Manila. The legal existence of the Bank shall be for a period of fifty years counting from the date of the approval hereof. The bank shall be subject to such rules and regulations as the Central bank may from time to time promulgate [AND, TO ALLOCATE, 50 PERCENT (50%) OF ITS NET EARNING FOR CREDIT, GUARANTEE AND INSURANCE SUPPORT TO AGRARIAN REFORM BENEFICIARIES, SMALL FARMERS, FISHER FOLK AND FARM WORKERS THROUGH THEIR ORGANIZATION AND COOPERATIVES.]

- (a) [PURSUANT TO THIS, THE LAND BANK OF THE PHILIPPINES SHALL CREATE A SPECIAL WINDOW SOLELY FOR AGRARIAN BENEFICIARIES, SMALL FARMERS, AND FISHERFOLK TO CATER THE NEEDS OF THE SAME AT RATES THAT WILL NOT EXCEED 9 PERCENT.]

SECTION 2. Chapter IV, Section 75, entitled, Power I General, add...

(7) [TO OFFER AND ISSUE COMMON AND PREFERRED SHARES OF STOCKS TO AGRARIAN REFORM BENEFICIARIES, SMALL FARMERS AND FISHER FOLK BANKS IN QUANTITIES TO BE DETERMIND BY THE BOARD OF TRUSTEES AND UNDERTAKEN CONSISTENT WITH THE LAWS OF BANGKO SENTRAL NG PILIPINAS.]

SECTION 3. This Act shall take effect fifteen (15) days after publication in at least two (2) newspaper of general circulation.

Approved.