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SENATE

Senate Bill No. 2384

NOV 1 2014

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Introduced by SENATOR SONNY ANGARA

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EXPLANATORY NOTE

Agriculture remains a sector most vital to the overall development of the country, not just as the main driver of food security but also as a source of livelihood.

But average agricultural employment has varied very little, staying only between 11 and 12 million from 2003 to 2013, as Bureau of Agricultural Statistics data would show. This indicates how agricultural growth has remained lackluster for decades—with such underperformance contributing immensely to chronic poverty and hunger. Indeed, Philippine agriculture remains a burgeoning, rather than flourishing sector.

Through the Department of Agriculture and its many attached agencies, government is providing whatever support it can to the sector. However, current policies are clearly inadequate - either in their form or in their implementation.

The problems are multi-faceted, with training and human capital development standing as areas that demand more focus and attention. Every year, universities and colleges graduate sizable numbers of students from agriculture-related courses. Yet, the outlook remains that agriculture is less of a profession or business enterprise than a means to daily subsistence.

Our agriculture needs to be infused with an entrepreneurial spirit. There have been initiatives to address the need for agricultural entrepreneurship training programs, enshrined by laws such as the Rural Farm Schools Act of 2013 (RA 10618).

The foregoing measure aims to support these, drawing from the Dual Training System of 1994 (RA 7686). When this measure is enacted, the country will train men and women as agriculture entrepreneurs (agripreneurs), with hands-on experience in agriculture endeavors and well-versed in agriculture as an entrepreneurial activity. This can be accomplished through a ladderized system of agricultural education and training in the post-secondary or collegiate level, which can be an extension of the Rural Farm Schools curriculum.

The passage of this bill is timely as the world tries to give significance to farming as a way to eradicate hunger and poverty, provide food security and nutrition, improve livelihoods, manage natural resources effectively, protect the environment and achieve sustainable development.

In view thereof, approval of this bill is earnestly sought.

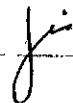
SENATOR SONNY ANGARA

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Senate Bill No. 2384

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Introduced by SENATOR SONNY ANGARA

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AN ACT  
TO DEVELOP AND STRENGTHEN THE AGRICULTURAL EDUCATION AND  
TRAINING IN THE COUNTRY THROUGH THE INSTITUTIONALIZATION OF  
MANPOWER DEVELOPMENT FOR AGRICULTURAL ENTREPRENEURSHIP IN  
THE POST-SECONDARY LEVEL

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

1 **Section 1. Title.** – This Act shall be known as “*The Entrepreneurial Agricultural*  
2 *Education Act.*”  
3

4 **Section 2. Declaration of Policy.** - It is hereby declared the policy of the State to  
5 promote the sustained development of a reservoir of national talents consisting of  
6 Filipino scientist, entrepreneurs; professionals, managers, high-level technical  
7 manpower and skilled workers and craftsmen in all fields. Towards this end, manpower  
8 education and training in the agricultural sector must be developed and strengthened in  
9 order to provide the country with a pool of educated and skilled agricultural manpower  
10 equipped with appropriate skills in agriculture and business, and desirable work habits  
11 and attitudes.  
12

13 **Section 3. Agricultural Manpower Education and Entrepreneurship System.** – The  
14 State hereby establishes the Agricultural Manpower Education and Entrepreneurship  
15 System (AMEES) that will assume a leadership role in the post-secondary, vocational or  
16 tertiary level of agricultural and entrepreneurship education, following the completion of  
17 the rural farm school’s curriculum in the secondary level.  
18

19 **Section 4. Objectives.** – This Act primarily aims to develop and strengthen the  
20 agricultural education and training in the country through the institutionalization of  
21 manpower development for agricultural entrepreneurship in the post-secondary level. It  
22 shall have the following specific objectives:  
23

24 (a) Encourage the application of manpower development for agricultural  
25 entrepreneurship in agricultural, technical and vocational education and  
26 training by both public and private schools within the context of existing  
27 agricultural training and educational system;  
28

29 (b) Promote investment in manpower education and training for agriculture  
30 entrepreneurship by both public and private sectors especially in rural areas;  
31

32 (c) Enhance the managerial skills and technical competence of students of  
33 agriculture by equipping them with analytical and creative thinking and  
34 problem-solving abilities; manipulative competencies suitable for occupational

1 standards and requirements; values and attitudes with emphasis on work  
2 ethics, quality orientation, discipline, honesty, self-reliance and patriotism;  
3 and,  
4

5 (d) Strengthen training cooperation between agricultural, industrial and business  
6 establishments and educational institutions by designing and implementing  
7 relevant training programs in close coordination with local government units.  
8

9 **Section 5. Definition of Terms.** - For purposes of this Act, the following terms shall  
10 mean:  
11

12 (a) **Agricultural Entrepreneurship** refers to the process of identifying, starting and  
13 managing a farm business or enterprise, sourcing and organizing the required  
14 resources and taking both the risks and rewards associated with the venture.  
15

16 (b) **Manpower education and training** refers to the instructional delivery system of  
17 agricultural, technical and vocational education and training that combines  
18 hands-on and in-school training based on a training plan designed and  
19 implemented by an accredited manpower education and training institution for  
20 agricultural entrepreneurship and accredited dual system agricultural, industrial  
21 and business establishments with prior notice and advice to the local government  
22 unit concerned.  
23

24 (c) **Trainee** refers to a person qualified to undergo the manpower education and  
25 training for agriculture entrepreneurship.  
26

27 (d) **Farm Business Schools** are post-secondary schools where students, who are  
28 graduates of the Rural Farm Schools or any qualified secondary institution  
29 specializing in agriculture, shall be trained on agricultural entrepreneurship.  
30

31 (e) **Accredited dual training system educational institution or training center**  
32 refers to a public or private institution duly recognized and authorized by the  
33 TESDA in coordination with the agricultural sector, business and industry, to  
34 participate in the manpower education and training for agricultural  
35 entrepreneurship;  
36

37 (f) **Accredited dual training system agricultural, industrial and business**  
38 **establishment** refers to a juridical entity duly recognized and authorized by the  
39 TESDA to participate in the dual system for manpower education and training for  
40 agricultural entrepreneurship.  
41

42 (g) **Establishments** refer to enterprises or services, or both, of agricultural,  
43 industrial, or business establishments.  
44

45 **Section 6. Institutionalization of the manpower education and training for**  
46 **agricultural entrepreneurship.** - The manpower education and training for agriculture  
47 entrepreneurship, hereafter the System, shall be institutionalized in the Philippines, it  
48 shall form as part of the post-secondary education curriculum as provided in this Act.  
49

50 **Section 7. Coverage.** - This Act shall apply to all public and private educational  
51 institutions or training centers, and agricultural, industrial and business establishments  
52 duly accredited to participate in the manpower education and training for agricultural  
53 entrepreneurship.  
54

55 **Section 8. Components of the Manpower Education and Training for Agricultural**  
56 **Entrepreneurship.** - The manpower education and training for agricultural  
57 entrepreneurship shall have the following components:

1  
2 1. There shall be a ladderized system of agriculture entrepreneurship education that  
3 begins in the post-secondary level following the completion of the Rural Farm School  
4 curriculum as provided in Republic Act No. 10618 (Rural Farm Schools Act of 2013), or  
5 upon graduation in any qualified secondary institution, and culminates in applicable  
6 collegiate courses. The post-secondary program shall involve the conferment of a  
7 Diploma in Agricultural Entrepreneurship upon graduation of the trainee from the Farm  
8 Business Schools who shall have the option to continue his studies in partner  
9 universities for a degree in Bachelor of Science in Entrepreneurial Management, major  
10 in Farm Business;

11  
12 2. There shall be created for each administrative region (excluding the National Capital  
13 Region) an AMEES Development School, or Farm Business School, and such other  
14 schools as may be established by law;

15  
16 3. There shall be an instructional delivery system of agricultural, technical and  
17 vocational education and training in each Farm Business Schools that combines hands-  
18 on training and in-school training based on a training plan designed and implemented  
19 by an accredited manpower education and training institution for agricultural  
20 entrepreneurship and accredited dual system agricultural, industrial and business  
21 establishments with prior notice and advice to the local government unit concerned.  
22 Under this dual system, said establishments and the educational institution share the  
23 responsibility of providing the trainee with the best possible competencies and  
24 experience, the former essentially through practical training and the latter, by providing  
25 an adequate level of specific, general and theoretical instruction on agriculture and  
26 entrepreneurial management;

27  
28 4. The AMEES shall include instruction on vital values on citizenship, governance,  
29 entrepreneurship, work ethics, quality orientation, discipline, honesty, and self-reliance;

30  
31 5. The partnership between the public, private and voluntary sectors shall be a crucial  
32 component of the AMEES in both academic content and in on-the-job or hands-on  
33 training; and,

34  
35 6. The AMEES shall also be promoted among poor farming families and out-of-school  
36 youth in the rural areas and in agrarian reform communities. The AMEES shall ensure  
37 that poor and deserving youths receive the necessary grants and scholarships.

38  
39 **Section 9. Board of Trustees.** – There shall be a Board of Trustees, herein referred to  
40 as the Board, composed of the Secretary of the Department of Agriculture (DA) as ex-  
41 officio Chairman, the Chairman of the Commission on Higher Education (CHED) as ex-  
42 officio Vice Chairman, and the following members:

- 43  
44 1. The Chairman of the Technical Education and Skills Development  
45 Authority (TESDA);  
46  
47 2. The Director of the Bureau of Micro, Small and Medium Enterprise  
48 and Development (BMSMED);  
49  
50 3. The Director of the DA-Agricultural Training Institute (ATI);  
51  
52 4. Two (2) Representatives from the private sector representing higher  
53 education, industry, agriculture, and new and emerging agricultural  
54 technologies; and,  
55  
56 5. Representative from a non-governmental organization.  
57

1 The representatives from the private sector and non-government  
2 organizations shall be appointed by the Chairman, subject to the  
3 confirmation of the Board of Trustees.

4  
5 The members of the Board shall serve for four years.

6  
7 **Section 10. Powers and Functions of the Board.** The Board shall exercise the  
8 following powers and functions:

- 9  
10 (a) Formulate policies and guidelines for the administration and operation of the  
11 AMEES;
- 12  
13 (b) Formulate policies on the appointment, promotion, retention, removal,  
14 renewal, rewards and incentives for administrators, faculty and staff;
- 15  
16 (c) Craft and approve the AMEES curricula;
- 17  
18 (d) Approve the criteria for the selection and admission of students;
- 19  
20 (e) Approve the grant of scholarship, stipend and such allowances for students;
- 21  
22 (f) Approve the graduation of successful candidates from the various AMEES  
23 campuses or farm business schools;
- 24  
25 (g) Formulate policies and rules of discipline for students, faculty and staff;
- 26  
27 (h) Approve the AMEES budget and appropriate to the ends specified by law  
28 such sums as may be provided by law for the support of the System;
- 29  
30 (i) Receive grants whether cash, land, buildings and improvements thereof;  
31 donations, contributions, bequest, gifts, and to formulate policies for the  
32 administration thereof;
- 33  
34 (j) Develop policies for the expansion of enrollment in the campuses under the  
35 AMEES;
- 36  
37 (k) Set policies and criteria to rationalize the establishment of AMEES schools  
38 under the System, for its evaluation and approval thereof;
- 39  
40 (l) Prepare strategic plans to enhance the capability of the AMEES in developing  
41 human resources with focus on youth with special aptitudes and inclination to  
42 agriculture and entrepreneurship;
- 43  
44 (m) Identify training centers/institutions that will provide manpower training and  
45 education; and
- 46  
47 (n) Perform such other functions as may be necessary to implement the  
48 provisions of this Act.
- 49

50 **Section 11. Career Management Development Division.** - The Career Management  
51 Development Division (CMDD) of the Agricultural Training Institute (ATI) of the  
52 Department of Agriculture shall plan, set standards, coordinate, monitor and allocate  
53 resources in the implementation of the provisions of this Act and in support of the in-  
54 plant training or on-the-job training component of the AMEES: *Provided* that the  
55 agricultural and agro-industrial establishment shall be required to furnish the AMEES  
56 with the necessary information for the purpose of supervision.

57

1 The CMDD shall be headed by a Division Chief (DC). The DC shall be assisted by such  
2 other personnel as may be necessary for the effective discharge of the functions of the  
3 office.

4  
5 **Section 12. Duties and functions of the Division Chief.** – The DC shall perform the  
6 following duties and functions:

- 7  
8 1. Coordinate curriculum planning activities for the AMEES;
- 9  
10 2. Coordinate publication of farm business outputs of the teachers,  
11 administrators and students from the AMEES;
- 12  
13 3. Provide legal and technical support to the members of the System;
- 14  
15 4. Coordinate exchange programs with other educational institutions both local  
16 and foreign, including youth development and empowerment organizations  
17 such as the 4-H Club;
- 18  
19 5. Develop and coordinate linkages and networking among the campuses of the  
20 AMEES with other institutions;
- 21  
22 6. Coordinate the implementation of the program for the identification and  
23 selection of scholars for the AMEES;
- 24  
25 7. Provide for the secretariat services of the Board of Trustees; and,
- 26  
27 8. Perform such other functions as may be deemed necessary for the effective  
28 discharge of the DC's duties.

29  
30 **Section 13. Status of trainee.** – Any student who is a bona fide graduate of a Rural  
31 Farm School or any qualified secondary educational institution shall be eligible to enroll  
32 in a farm business school. For the duration of the post-secondary manpower training  
33 under the system, the trainee is to be considered not an employee of the  
34 business/industrial establishment but rather a trainee of both the accredited dual  
35 training system educational institution and the agricultural, industrial and business  
36 establishments; *provided* that the union or the workers of the latter have been duly  
37 informed in advance of such an agreement.

38  
39 A trainee who has successfully completed a training program in a particular agricultural,  
40 industrial or business establishment shall be given priority of employment in that  
41 agricultural, industrial or business establishment. The CHed shall keep a roll of these  
42 successful trainees for purposes of identifying them for employment.

43  
44 **Section 14. Obligations of the accredited educational institutions or training  
45 centers.** - The educational institutions or training centers that have entered into a  
46 memorandum of agreement with agricultural, industrial or business establishments to  
47 undertake training shall:

- 48  
49 (a) Ensure that the necessary skills and knowledge are imparted to the trainee  
50 during his in-school trainings in accordance with an approved training plan;
- 51  
52 (b) Design, implement and evaluate jointly the training plan with the accredited  
53 agricultural, industrial and business establishments;
- 54  
55 (c) Provide the training instructors;
- 56  
57 (d) Provide specific, general and occupation-related theoretical instructions;

- 1  
2 (e) Appoint industrial coordinators to supervise the in-plant or farm training;  
3  
4 (f) Pay the trainee his daily allowance; and,  
5  
6 (g) Perform such other tasks and activities as may be necessary in furtherance of  
7 the objectives of the training.  
8

9 **Section 15. Obligations of accredited agricultural, industrial and business**  
10 **establishments.** The agricultural, industrial and business establishments shall have the  
11 following duties and responsibilities:  
12

- 13 (a) Ensure that the necessary skills and knowledge are imparted to the trainee  
14 during his hands-on trainings in accordance with an approved systematic training  
15 plan;  
16  
17 (b) Appoint the training officer/s to implement the training plan;  
18  
19 (c) Make available, free of charge, the consumable materials and basic hand tools  
20 and equipment necessary for the training;  
21  
22 (d) Allow the trainee to attend his in-school training and to sit for his examinations;  
23  
24 (e) Require the trainee to keep his report book up to date and inspect such books;  
25  
26 (f) Ensure that the trainee is encouraged to develop his personality and that he is  
27 protected from physical or moral danger;  
28  
29 (g) Entrust to the trainee such jobs as are related to the purpose of his training and  
30 are commensurate with his capabilities;  
31  
32 (h) Pay to the accredited educational institution/training centre the daily allowance of  
33 the trainee;  
34  
35 (i) Allow the trainee the necessary time off for his in-school training; and,  
36  
37 (j) Perform such other obligations in accordance with the provisions of this Act and  
38 other prevailing laws of the Philippines.  
39

40 **Section 16. Obligations of the trainee.** - A trainee shall exert every effort to acquire  
41 the skills and knowledge necessary for him to achieve the purpose of his training.  
42 Towards this end, the trainee shall:  
43

- 44 (a) Carefully perform the jobs entrusted to him as part of his training;  
45  
46 (b) Take part in training programs for which he has been granted time off under this  
47 Act;  
48  
49 (c) Follow the instruction given to him as part of his training by the training officer or  
50 any other person entitled to give him such instructions;  
51  
52 (d) Observe rules of behavior in the training premises;  
53  
54 (e) Use tools, instruments, machines and other equipment with due care;  
55  
56 (f) Not reveal any business or trade secrets that have come to his knowledge in the  
57 course of his training;

1  
2 (g) Keep his record books up to date; and,

3  
4 (h) Perform such other obligations in the attainment of the objectives of this Act.  
5

6 **Section 17. Memorandum of Agreements.** Prior to the commencement of any  
7 manpower training, a memorandum of agreement (MOA) shall be signed by all parties  
8 which shall stipulate the following, among others:  
9

10 (a) the training plan;

11  
12 (b) the nature and objective of the training;

13  
14 (c) the commencement and duration of the training period, including the total  
15 number of in-plant/farm training hours;

16  
17 (d) the normal daily training hours;

18  
19 (e) the trainee's allowance and the rate to be applied, which shall not be less than  
20 seventy-five (75) per cent of the applicable minimum daily wage;

21  
22 (f) the rights and obligations of the parties concerned in addition to those provided in  
23 Sections 14, 15 and 16;

24  
25 (g) the definition of the status of the trainee according to Section 13 of this Act;

26  
27 (h) the conditions for the termination of the training agreement;

28  
29 (i) the performance, monitoring and evaluation system; and,

30  
31 (j) such other essential particulars as would mutually benefit all parties concerned.  
32

33 **Section 18. Incentives for the trainees.**  
34

35 a. Every agricultural, industrial and business establishment undertaking training, in  
36 accordance with the provisions of this Act, shall sign a life and/or accident  
37 insurance policy on the life of the trainee with the insured and the spouse,  
38 children or parents of the trainee as the beneficiaries thereof; *Provided* that the  
39 agricultural, industrial and business establishments shall pay for the premiums of  
40 said insurance policy;

41  
42 b. Upon graduation, the students will be provided funding as start-up capital for their  
43 farm business. Financial services and programs shall be made available to them  
44 as stipulated in Republic Act No. 10000 or the "The Agri-Agra Reform Credit Act  
45 of 2009". Students should be able to avail of loans without the need for a  
46 collateral. A government guarantee fund shall be set aside for this purpose in  
47 case of a default or failure to pay the debt; *Provided* that a proof is presented that  
48 the student suffers from financial hardships and is no longer able to pay his loan.  
49

50 c. The government shall also extend incentives to students for the production and  
51 propagation of organic farm inputs by maximizing their use in all government and  
52 government-supported agricultural production, research and demonstration  
53 programs, as embodied in Republic Act No. 10068 or the "Organic Agriculture  
54 Act of 2010".  
55

56 **Section 19. Incentives for participating establishments.** - To encourage agricultural,  
57 industrial and business establishments to participate in the system, they shall be



1 allowed to deduct from their taxable income the amount of one hundred and fifty (150)  
2 per cent of the system expenses paid to the accredited dual training system educational  
3 institution for the establishment's trainees: *Provided* that such expenses shall not  
4 exceed five (5) per cent of their total direct labor expenses but in no case to exceed  
5 twenty-five million pesos (P25,000,000.00) a year.

6  
7 Donations for the operation of the system shall be deductible from the taxable  
8 income of the donors. Donations to government-run educational institutions shall be  
9 awarded incentives under Republic Act No. 8525 or the "Adopt-a-School Act of 1998".

10  
11 The Department of Finance shall issue the necessary rules and regulations to  
12 implement the provisions of this section.

13  
14 **Section 20. Non-diminution of incentives.** - Nothing in this Act shall be construed to  
15 diminish or reduce any privilege already enjoyed by the parties concerned under  
16 existing laws, decrees or executive orders.

17  
18 **Section 21. Other exemption from taxes and duties.** - Any donation, contribution,  
19 bequest, subsidy or financial aid which may be made for the operation of the system  
20 shall constitute an allowable deduction from the income of the donors for income tax  
21 purposes and shall be exempt from donor's tax, subject to such conditions as provided  
22 under the National Internal Revenue Code, as amended. Essential equipment,  
23 apparatus and materials imported by accredited dual training private educational  
24 institutions shall be exempt from taxes and duties: *Provided* that the importation of  
25 these items shall be subject to the following qualifications that:

26  
27 (a) the importation shall be certified by the appropriate authority;

28  
29 (b) they should be actually, directly and exclusively used in connection with the dual  
30 training system and any unauthorized use shall subject the accredited dual  
31 training private educational institutions to payment of taxes and duties thereon;  
32 and,

33  
34 (c) they are not available locally in sufficient quantity of comparable quality, and at  
35 reasonable prices;

36  
37 *Provided, however,* that taxes and duties pertaining to the importations of accredited  
38 government and dual training educational institutions are deemed automatically  
39 appropriated.

40  
41 The Department of Finance shall accumulate the necessary rules and regulations to  
42 implement the provisions of this section.

43  
44 **Section 22. Revolving fund.** Any law, rule or regulation to the contrary  
45 notwithstanding, the accredited dual training system educational institution/training  
46 center is hereby authorized to retain as a revolving fund the amount paid to it by the  
47 agricultural, industrial and business establishments representing the actual dual training  
48 expenses. The fund shall be used to improve the operation of the dual training system.

49  
50 **Section 23. Implementing rules.** - The CHEd, DA, TESDA and the Department of  
51 Finance, in coordination with other industries concerned, shall issue the necessary rules  
52 and regulations for the effective implementation of this Act within a period of ninety (90)  
53 days after its effectivity.

54  
55 **Section 24. Separability clause.** If any part or provision of this Act is declared  
56 unconstitutional or invalid, other parts or provisions thereof which are not affected  
57 thereby shall continue to be in full force and effect.

1  
2  
3  
4  
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6  
7  
8  
9

**Section 25. Repealing clause.** All laws, decrees, executive orders, rules and regulations or other issuances or parts thereof, inconsistent with this Act, are hereby repealed, amended or modified accordingly.

**Section 26. Effectivity.** This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.

*Approved,*