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SENATE
S.B. NO. 2520

RECEIVED BY: *Ji*

Introduced by Senator Maria Lourdes Nancy S. Binay

AN ACT EXEMPTING FARMER COOPERATIVES AND ASSOCIATIONS ENGAGED IN THE TRADE OF ORGANIC FERTILIZERS FROM PAYMENT OF REGISTRATION, LICENSING FEES AND ADMINISTRATIVE CHARGES, GRANTING AMNESTY FOR PREVIOUS VIOLATIONS OF PRESIDENTIAL DECREE 1144 AND AMENDING FOR THE PURPOSE PRESIDENTIAL DECREE 1144

EXPLANATORY NOTE

Organic fertilizers are fertilizers derived from animal matter or vegetable matter. (e.g. compost, manure, animal wastes from meat processing, peat, manure, slurry, and guano).

It has come to our attention that much of the fertilizer needs of our farmers are still being met by traditional organic fertilizers. With the recent attraction towards organic farming i.e., farming, which uses organic fertilizers, local demand for traditional organic fertilizers has increased in the past few years. With the rise of such demand, a number of our farmers and their families have established cooperatives or associations trading in organic fertilizers.

Owing to the lack of access to information/education of many of our farmers, a number of them are exposed to possible criminal liability under Presidential Decree 1144, which states that:

Section 9. Registration and Licensing. No pesticides, fertilizer, or other agricultural chemical shall be exported, imported, manufactured, formulated, stored distributed, **sold or offered for sale**, transported, delivered for transportation or used **unless it has been duly registered with the FPA or covered by a numbered provisional permit issued by FPA for use in accordance with the conditions as stipulated in the permit**. Separate registrations shall be required for each active ingredient and its possible formulations in the case of pesticides or for each fertilizer grade in the case of fertilizer.

xxx

A violation of Section 9 is punishable under Section 10, which states that:

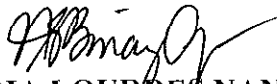
Section 10. *Penalties*

(a) Fertilizer. Any person who violates any of the provisions of this Decree or any of the provisions of the rules and regulations issued or promulgated by the FPA on fertilizer shall be punished by **imprisonment of not less than 15 years and 1 day or more than 20 years if the amount involved is more than P50,000.00; by imprisonment of not less than 10 years and 1 day or more than 15 years if the amount involved is P10,000.00 or less, as well as a fine ranging from an amount equal to the value involved to three times such value but which shall in no case be less than P5,000.00 nor more than P20,000.00; by a fine of P5,000.00 but not more than P10,000.00 by other violations where the amount involved cannot be determined**; Provided, that if falsification of a public or commercial document is committed by reasons or on the occasion of the commission of any of the acts punishable herein, the offender shall be imposed of the maximum fine and term of imprisonment as above prescribed. If the violation is committed by a corporation, firm, partnership, cooperative, association or any other entity, the penalty shall be imposed upon the guilty office or offices and such corporation, firm, partnership, association or entity.

This representation is cognizant of the rationale for regulation of fertilizers. It does not propose the abolition of the penalties provided above. Instead, regulation should be encouraged in view of the susceptibility of a free market regime to abuse.

It is proposed that all registration, license fees and other administrative costs for farmer cooperatives and associations dealing with organic fertilizers be exempt from payment of such fees. It is hoped that through this measure, such cooperatives or associations will be encouraged to submit to the regulatory jurisdiction of the Fertilizer and Pesticide Authority.

For the above reasons, the passage of this bill is earnestly requested.



MARIA LOURDES NANCY S. BINAY
Senator



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

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1 AN ACT EXEMPTING FARMER COOPERATIVES AND ASSOCIATIONS ENGAGED
2 IN THE TRADE OF ORGANIC FERTILIZERS FROM PAYMENT OF REGISTRATION,
3 LICENSING FEES AND ADMINISTRATIVE CHARGES, GRANTING AMNESTY FOR
4 PREVIOUS VIOLATIONS OF PRESIDENTIAL DECREE 1144 AND AMENDING FOR
5 THE PURPOSE PRESIDENTIAL DECREE 1144
6

7 *Be it enacted by the Senate and House of Representatives of the Philippines in Congress*
8 *assembled:*
9

10 SECTION 1. Section 9-A is hereby inserted to Presidential Decree 1144, as follows:
11

12 SECTION 9-A. *EXEMPTION FOR FARMER COOPERATIVES AND*
13 *ASSOCIATIONS ENGAGED IN THE TRADE OF ORGANIC FERTILIZERS.*
14 FARMER COOPERATIVES AND ASSOCIATIONS ENGAGED IN THE
15 DOMESTIC SALE OR TRADE OF ORGANIC FERTILIZERS SHALL BE
16 EXEMPT FROM PAYMENT OF REGISTRATION FEES, LICENSE FEES AND
17 ANY OTHER ADMINISTRATIVE CHARGES IMPOSED BY THE FERTILIZER
18 AND PESTICIDE AUTHORITY.

19
20 THE FPA SHALL PROMULGATE GUIDELINES FOR THE SCREENING OF
21 FARMER COOPERATIVES AND ASSOCIATIONS ENTITLED TO
22 EXEMPTIONS UNDER THIS ACT.
23

24 SECTION 2. *Amnesty.* To encourage farmer cooperatives and associations engaged in the
25 trade of organic fertilizers to submit to the jurisdiction of the FPA, they shall file with the
26 FPA a request for amnesty and apply for the necessary license and registration of the organic
27 fertilizers that they are already selling; *Provided However,* that the request for amnesty shall
28 be filed within two (2) years from the effectivity of this Act.
29

30 The amnesty shall not be denied unless said farmer cooperative or association has been
31 previously warned in writing by the FPA and persisted to do business without the requisite
32 license and registration.
33

34 SECTION 3. *Information Dissemination.* Upon the approval of this Act, the FPA shall
35 engage in extensive information dissemination campaign to all farming communities all over
36 the country.

1 SECTION 4. *Appropriations.* An additional budget of Fifty Million Pesos (P50,000,000.00)
2 to cover administrative costs in the implementation of the amendments herein is hereby
3 appropriated.

4
5 SECTION 5. *Repealing Clause.* All laws, decrees, executive orders, proclamations, rules and
6 regulations, and other issuances, or parts thereof inconsistent with the provisions of this Act
7 are hereby repealed or modified accordingly.

8
9 SECTION 6. *Separability Clause.* If, for any reason, any section or provision of this Act is
10 held unconstitutional or invalid, the other sections or provisions hereof shall not be affected
11 thereby.

12
13 SECTION 7. *Effectivity.* This Act shall take effect fifteen (15) days after its complete
14 publication in at least two (2) newspapers of general circulation.

15
16 Approved,