

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

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SENATE

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COMMITTEE REPORT NO. 3

Submitted by the Committee on Agriculture and Food on
27 OCT 2004

Re: S.B. No. 1837

Recommending its approval in substitution of SB No. 1165

Sponsor: Senator Ramon B. Magsaysay, Jr.

MR. PRESIDENT:

The Committee on Agriculture and Food, to which was referred Senate Bill No. 1165, introduced by Senator Magsaysay, Jr., entitled:

**"AN ACT
EXTENDING THE UTILIZATION PERIOD OF THE AGRICULTURAL
COMPETITIVENESS ENHANCEMENT FUND, AMENDING FOR
THIS PURPOSE PERTINENT PROVISION OF REPUBLIC ACT NO.
8178, ENTITLED "AN ACT REPLACING QUANTITATIVE IMPORT
RESTRICTIONS ON AGRICULTURAL PRODUCTS, EXCEPT RICE,
WITH TARIFFS, CREATING THE AGRICULTURAL
COMPETITIVENESS FUND" AND FOR OTHER PURPOSES**

has considered the bill and has the honor to report it back to the Senate with the recommendation that the attached bill, Senate Bill No. 1837, prepared by the Committee, entitled:

**"AN ACT
EXTENDING THE UTILIZATION PERIOD OF THE AGRICULTURAL
COMPETITIVENESS ENHANCEMENT FUND, AMENDING FOR
THIS PURPOSE SECTION 8 OF REPUBLIC ACT NO. 8178,
ENTITLED "AN ACT REPLACING QUANTITATIVE IMPORT
RESTRICTIONS ON AGRICULTURAL PRODUCTS, EXCEPT RICE,
WITH TARIFFS, CREATING THE AGRICULTURAL
COMPETITIVENESS FUND" AND FOR OTHER PURPOSES**

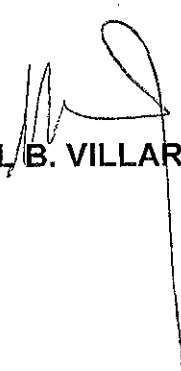
be approved in substitution of SB No. 1165 with Senator Magsaysay, Jr. as author thereof.

Respectfully submitted:


RAMON B. MAGSAYSAY, JR.
Chairman

Committee on Agriculture and Food

Vice Chairmen:


MANUEL B. VILLAR, JR.


RODOLFO G. BIAZON

Members:


COMPAÑERA PIA S. CAYETANO

EDGARDO J. ANGARA


JINGGOY EJERCITO ESTRADA


MANUEL "LITO" M. LAPID



ALFREDO S. LIM


SERGIO R. OSMEÑA III


RALPH G. RECTO


RAMON "BONG" REVILLA, JR.

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JUAN M. FLAVIER
Pro-Tempore President


FRANCIS N. PANGILINAN
Majority Floor Leader


AQUILINO Q. PIMENTEL, JR.
Minority Floor Leader

HON. FRANKLIN M. DRILON
Senate President
Pasay City

THIRTEENTH CONGRESS OF THE)
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SENATE

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S. NO. **1837**

(In Substitution of SB No. 1165)

Prepared by the Committee on Agriculture and Food with Senator Magsaysay, Jr., as author thereof

AN ACT

EXTENDING THE UTILIZATION PERIOD OF THE AGRICULTURAL COMPETITIVENESS ENHANCEMENT FUND, AMENDING FOR THIS PURPOSE SECTION 8 OF REPUBLIC ACT NO. 8178, ENTITLED "AN ACT REPLACING QUANTITATIVE IMPORT RESTRICTIONS ON AGRICULTURAL PRODUCTS, EXCEPT RICE, WITH TARIFFS, CREATING THE AGRICULTURAL COMPETITIVENESS FUND" AND FOR OTHER PURPOSES

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

1 SECTION 1. Section 8 of Republic Act Number 8178, entitled "An Act
2 Replacing Quantitative Import Restrictions on Agricultural Products, Except Rice, with
3 Tariffs, Creating the Agricultural Competitiveness Enhancement Fund, and for Other
4 Purposes" is hereby amended to read as follows:
5

6 "SEC. 8 *Agricultural Competitiveness Enhancement Fund* - To implement the
7 policy enunciated in this Act, there is hereby created the Agricultural Competitiveness
8 Enhancement Fund, hereinafter referred to as the Fund. **THE FUND SHALL CONSIST**
9 **OF ALL DUTIES COLLECTED FROM** [The proceeds of] the importation of
10 **AGRICULTURAL PRODUCTS UNDER THE** minimum access volume (MAV)
11 **MECHANISM, TO BE CREDITED TO THE SPECIAL ACCOUNT, FUND 183 IN**
12 **THE GENERAL FUND OF THE NATIONAL TREASURY.** [shall accrue to the
13 General Fund and shall be deposited in the national Treasury.]
14

15 The FUND [entire proceeds] shall **CONTINUE TO** be set aside and earmarked
16 by Congress **AS FOLLOWS:** [for irrigation, farm to market roads, post-harvest
17 equipment and facilities, credit, research and development, other marketing
18 infrastructure, provision of market information, retraining, extension services, and other
19 forms of assistance and support to the agricultural sector.]
20

- 1 **1) EIGHTY-FIVE PERCENT (85%) FOR AGRI BASED PRODUCTION**
2 **AND POST PRODUCTION AND PROCESSING ACTIVITIES,**
3 **INCLUDING BUT NOT LIMITED TO NEW EXPORT INDUSTRIES**
4 **AND AGRI-RELATED INFRASTRUCTURE AND EQUIPMENT TO**
5 **ACHIEVE MODERN AGRICULTURAL PRACTICES; AND FOR**
6 **MARKET PROMOTION ACTIVITIES, INCLUDING THE**
7 **ESTABLISHMENT OF MARKET SUPPORT MECHANISM; AND**
8
- 9 **2) FIFTEEN PERCENT (15%) FOR RESEARCH, DEVELOPMENT,**
10 **AND THE COMMERCIALIZATION OF SUCH, INCLUDING THE**
11 **UPGRADING OF THE RESEARCH FACILITIES OF QUALIFIED**
12 **UNIVERSITIES AND COLLEGES.**

13

14 The Committees on Agriculture and Food, Appropriations and Finance of both the
15 Senate and House of Representatives shall conduct **AN ANNUAL** [a periodic] review
16 of the use of the Fund. The Fund shall have a life of **UP TO THE YEAR 2015** [nine (9)
17 years], after which the remaining balance shall revert to the General Fund.”

18

19 **SEC. 2. *Fund Management and Sustainability.*** For the purpose of fund
20 management and sustainability, the Fund shall be released to the official designated
21 depository bank, to which collections from repayments from loan beneficiaries including
22 interests, if any, shall be credited. The Department of Agriculture and the official
23 designated depository bank are hereby mandated to draw up a plan and such other
24 mechanisms for fund utilization and sustainability.

25

26 **SEC. 3. *Implementing Rules and Regulations.*** –The Department of Agriculture
27 (DA) in consultation with all the concerned stakeholder groups in the agricultural and
28 fisheries sectors and other agencies concerned, in coordination with the Congressional
29 Oversight Committee on Agriculture and Fisheries Modernization (COCAFAM), shall
30 promulgate within a period of ninety (90) days from the effectivity of this Act, the
31 implementing rules and regulations, for the effective implementation of this Act.

1 SEC. 4. *Repealing Clause* – All laws, decrees, executive issuances, rules and
2 regulations inconsistent with this Act are hereby repealed or modified accordingly.

3
4 SEC. 5. *Separability Clause* – The provision of this Act are hereby declared to be
5 separable, and in the event one or more of such provision are held unconstitutional, the
6 validity of the other provision shall not be affected thereby.

7
8 SEC. 6. *Effectivity* - This Act shall take effect fifteen (15) days from the date of its
9 publication in the *Official Gazette* or in at least two (2) newspapers of general circulation,
10 whichever comes earlier.

11
12 Approved,