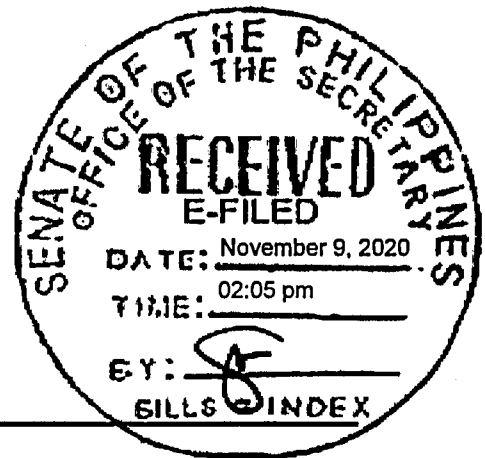


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

SENATE
S.B. No. 1902



Introduced by **SENATOR IMEE R. MARCOS**

**AN ACT TO PROMOTE AND ENHANCE THE DOUBLING OF INCOME OF
FARMERS, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER
PURPOSES**

EXPLANATORY NOTE

Article II, Section 9 of the 1987 Constitution provides that, "*The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all.*"

As of 2020, the agricultural sector continues to employ 23 to 26% of the labor force despite the sector's share of the GDP continuously decreasing from 13.41% in 2010 to 9.21% in 2020. The decrease in the share of agriculture to the GDP is due to the lag in the agricultural sector's growth compared to the other sectors of the economy. From 2010 to 2019, the economy grew by an average of 6.40%. Over the same period, the agricultural sector grew by an average of 1.89%.

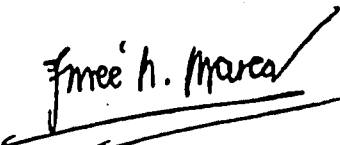
The sluggish growth experienced by the agricultural sector has resulted in farmers being the poorest sector in the country. Looking at the 2018 Family and Income Expenditure Survey, the poverty rate of the country is at 16.7%. However, among the basic sectors being tracked by the PSA, farmers recorded the highest poverty rate at 31.6%, or almost double the national average.

In 2019, the Department of Agriculture (DA) identified eight (8) "*paradigms*" to improve the income of farmers. The paradigms identified where: (a) modernization, (b) industrialization, (c) farm consolidation, (d) promotion of exports, (e) road map development, (f) infrastructure development, (g) government spending, and (h) legislative support. The said paradigms aim to double the earnings of farmers and create prosperity on farming communities.

This measure institutionalizes the needed programs to realize the improvement in the income of farmers by providing the necessary legislative support for the programs of the DA. It provides funding for the development of the road map for the promotion of high value crops and their export. It also establishes the necessary framework for the consolidation of farmlands by promoting the establishment of cooperatives through benefits and the provision of organizational knowhow. Lastly, the measure facilitates the transition to corporate farming by providing the legal framework for agribusiness venture agreements (AVAs) which aims to optimize and improve the agricultural production and agricultural security of tenure and income.

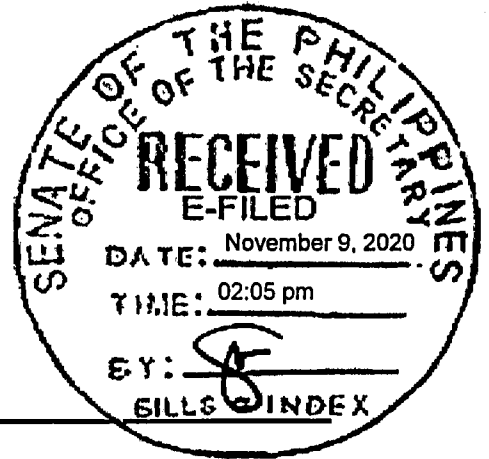
Given the untapped potential and resilience of the agricultural sector, as shown by its robust performance during the current pandemic, supporting the agricultural sector will provide farmers the opportunity to escape the chronic poverty associated with the sector and allow the government to provide low-cost and resilient employment badly needed during this financial and economic crisis the world is currently facing.

The approval of this measure is earnestly sought.


IMEE R. MARCOS

EIGHTEENTH CONGRESS OF THE)
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*Be it enacted by the Senate and House of Representatives of the Philippines in Congress
assembled:*

**CHAPTER I
GENERAL PROVISIONS**

SECTION 1. *Short Title.* – This Act shall be known as the "*Doubling Income
of Farmers Act*".

SEC. 2. *Declaration of Policy.* – The State shall promote social justice and
protect and enhance the right of people, especially local rice farmers, to human
dignity, reduce social, economic, and political inequalities, and recognize the
indispensable role of the agricultural sector for national growth and development. It
is also the declared policy of the State to support local rice farmers through
appropriate technology and research, and adequate financial, production, marketing,
and other support services, promote cooperation between and among competing
farmer associations and cooperatives and regulate or prohibit monopolies in the
industry thereby contributing in the realization of a globally competitive local
agriculture sector and the attainment of food security.

SEC. 3. *Definition of Terms.* – As used in this Act, the following terms shall
mean:

- a) "*Agribusiness Venture Arrangement (AVA)*" shall refer to entrepreneurial
collaboration between farmers and investors to implement an agribusiness
venture;
- b) "*Build-Operate-Transfer (BOT)*" shall refer to an AVA scheme wherein the
investor builds, rehabilitates or upgrades, at his own cost, capital assets,

1 infrastructure and facilities applied to the production, processing and marketing
2 of agricultural products and operates the same at his expense for an agreed
3 period, but not to exceed twenty-five (25) years, after which the ownership
4 thereof is conveyed to the farmers who own the land where such improvements
5 and facilities are located;

- 6
- 7 c) *Cooperative*" shall refer to a cooperative defined and established in RA 9520 or
8 the "*Philippine Cooperative Code*"(PCC);
- 9
- 10 d) "*Equity*" shall refer to the value of the shares subscribed and paid for by each
11 party in relation to the authorized capital stock of a joint venture corporation;
- 12
- 13 e) "*Farmer Associations and Cooperatives*" shall refer to organizations of farmers
14 who own and/or till farmlands;
- 15
- 16 f) "*Farmer Hubs*" shall refer to centers established for and awarded to clusters of
17 farmer associations and cooperatives, providing the means and venue for (1)
18 sourcing and sharing of farming resources (machinery, equipment, loans,
19 farmer training, seeds, fertilizers, pesticides, and diesel) from the government
20 and private suppliers, (2) the processing (drying and milling) and storage of
21 rice, (3) the manufacture of rice products, (4) the direct marketing and sale of
22 rice and derivative products to retailers and consumers, and (5) other identified
23 cooperative activities;
- 24
- 25 g) "*Federation*" shall refer to a federation defined and established in the PCC but
26 whose formation and attributes are as defined in this Act. Other provisions of
27 the PCC not inconsistent with this Act shall apply to federations as defined
28 herein;
- 29
- 30 h) "*Government Farming Assistance*" shall refer to machinery, equipment, seeds,
31 training, subsidies, agricultural loans, and such other benefits or grants
32 extended to rice farmers under existing and future programs;
- 33
- 34 i) "*High Value Crops*" shall refer to crops other than rice, corn, coconut and sugar,
35 as defined by RA 7900 or the "High-Value Crops Development Act of 1995";
- 36
- 37 j) "*Investors*" shall refer to private individuals, corporations, non-government
38 organizations; cooperatives/associations, government owned and/or controlled
39 corporations or any entity duly authorized by law, who are willing and able to
40 contribute their capital, equipment and facilities, technology, and/or
41 management services in an AVA;
- 42

- 1 k) *"Joint Venture Agreement (JVA)"* shall refer to an AVA scheme wherein the
2 farmers and investors form a joint venture corporation (JVC) to manage farm
3 operations. The beneficiaries contribute the use of the land held individually or
4 in common and the facilities and improvements, if any. On the other hand, the
5 investor furnishes capital and technology for production, processing and
6 marketing of agricultural goods, or construction, rehabilitation, upgrading and
7 operation of agricultural capital assets, infrastructure and facilities;
8
- 9 l) *"Joint Venture Corporation (JVC)"* shall refer to a corporation formed by the
10 investor and the farmer cooperative/association and is governed by the joint
11 venture agreement;
12
- 13 m) *"Lease Agreement"* shall refer to an AVA scheme wherein the farmers bind
14 themselves to give the investor general control over the use and management
15 of the land for a certain amount and definite period but not to exceed ten (10)
16 years;
17
- 18 n) *"Management Contract"* shall refer to an AVA scheme wherein the farmers hire
19 the services of a contractor who may be an individual, partnership, or
20 corporation to assist in the management and operation of the farm for the
21 purpose of producing high value crops or other agricultural crops in exchange
22 for a fixed wage and/or commission;
23
- 24 o) *"Marketing Agreement"* shall refer to an AVA scheme wherein the investor
25 explores possible markets/buyers for the farmer's produce and in turn receives
26 commission for actual sales;
27
- 28 p) *"Production/Contract Growing"* shall refer to an AVA scheme wherein the
29 farmers commit to produce certain crops which the investor buys at pre-
30 arranged terms (e.g., volume, quality standard, selling price). This may come
31 in the form of production and processing agreements; and
32
- 33 q) *"Service Contract"* shall refer to an AVA scheme wherein the farmers engage
34 the services of a contractor for mechanized land preparation, cultivation,
35 harvesting, processing, post-harvest operations and/or other farm activities for
36 a fee.

CHAPTER II CLUSTERING AND CONSOLIDATION

SEC. 4. *Clustering of Farmer Associations and Cooperatives.* – Farmer associations and cooperatives shall be clustered to form federations, which shall be registered as cooperatives under R.A. No. 9520 otherwise known as the "*Philippine Cooperative Code*". The Department of Agriculture (DA) shall determine the appropriate number of clusters based on the number and locations of farmlands owned and/or tilled by members of farmer associations and cooperatives, ensuring geographical proximity between each farmland and the Farmer Hub established under Sec. 5 of this Act.

The federation shall be exempt from the following requirements under the Philippine Cooperative Code, other cooperatives laws and regulations or otherwise:

- 1) bonding;
- 2) registration fee;
- 3) feasibility study; and
- 4) such other requirements waived by the IRR.

SEC. 5. *Establishment of Farmer Hubs.* – There shall be established Farmer Hubs. The Department of Agriculture shall determine the appropriate number and sites for the Farmer Hubs. Each Farmer Hub shall be managed by the federation formed under Sec. 4 of this Act. Notwithstanding the provisions of R.A. No. 9520, this Act shall provide for a simplified registration process for the federation in accordance with the provisions of this Act.

SEC. 6. *Powers, Capacities, and Privileges of Federation.* – Federations formed under this Act shall have the following powers, capacities, and privileges:

- a) It shall have the powers and privileges of both a cooperative and federation under R.A. No. 9520;
- b) It shall be the exclusive conduit of government farming assistance;
- c) All sales, services, or transactions of a federation shall not be subject to any taxes and fees imposed under the internal revenue laws and other tax laws, including income taxes, VAT, percentage taxes sales, and local sales taxes;
- d) All real properties owned and those directly used for the operations, management, and maintenance of a federation formed under Sec. 4 shall be exempt from the payment of real property taxes imposed under existing laws; and

- 1 e) It shall have such other powers, capacities, and privileges deemed necessary
2 to promote cooperative activities within the federation and in accordance with
3 existing laws, rules and regulations.

4 **SEC. 7. *Management of the Farmer Hub.*** – Notwithstanding the provisions
5 of R.A. No. 9520 and for purposes of this Act, the management and operation of the
6 Farmer Hub shall be performed by the Management Committee formed by the
7 federation. The Municipal Agriculturist of each municipality where farmlands owned
8 and/or tilled by members of clustered farmer associations and cooperatives are located
9 shall be non-voting ex-officio members of the Management Committee. The
10 Management Committee may enter into management contracts for the efficient
11 management and operation of the Farmer Hub.

12 The DA shall provide for a phased-in revenue-based operational model for the
13 Farmer Hubs. The Farmer Hubs shall receive monthly operational funds from the DA
14 within five (5) years from its establishment, after which it shall become self-sustaining.

CHAPTER III AGRIBUSINESS VENTURE AGREEMENTS

15 **SEC. 8. *Agribusiness Venture Agreement.*** – The agribusiness venture
16 arrangement shall be governed by the following policies:

- 17 a) Farmers organized as cooperatives or associations may enter into an AVA
18 provided that the Board of Directors, with the technical support of their
19 executive officers, shall secure the vote of approval by the general
20 membership in accordance with its articles of cooperation/association and by
21 laws. In the absence thereof, a vote of approval of at least 2/3 of the general
22 membership shall be secured.
- 23 b) For lands that are not yet fully paid or are within the ten-year prohibition
24 period pursuant to R.A. No. 6657 otherwise known as the "*Comprehensive*
25 *Agrarian Reform Law of 1988*", the DAR shall be a signatory as a nominal
26 party to the contract.
- 27 c) The terms and conditions of the AVA contract shall be mutually agreed upon
28 by the farmer/s and the investor/s. The terms and conditions of the AVA
29 contract shall be fully known to all parties. If warranted, the parties may
30 translate the contract into the local dialect known to the farmers.
- 31 d) The duration or period of the AVA contract shall be mutually agreed by all
32 parties taking into consideration the following: (1) crop or production cycle,
33 (2) gestation period of the crop, (3) economic lifespan of existing major and
34 essential facilities/infrastructure (if any), (4) payback or recoup period of

1 investments, and (5) term of office of cooperative/association, officers, Board
2 of Directors (if applicable).

3 e) Upon the end of the AVA, the farmers or their cooperative/association shall
4 assume full control of the land.

5 f) The landholding subject of AVA shall be used solely for agricultural purposes
6 and the investor shall not use or allow the use of the subject landholding for
7 illegal or prohibited purposes or for other purposes not covered under the AVA
8 contract.

9 g) For the duration of the contract, whenever applicable, the investor shall
10 provide funds necessary to ensure ecological protection of both the farm and
11 its workers, particularly for the conservation and maintenance of land quality,
12 proper handling, storage and disposal of hazardous residues and waste
13 products, and proper protective and acceptable safe methods of application
14 of fertilizers and other chemicals.

15 h) The AVA shall only adopt/apply farming technologies, methods, implements
16 and inputs that are generally determined to be safe for the environment and
17 which would not diminish the productive capacity and sustainability of the land
18 and the natural resources therein.

19 i) AVAs shall include provisions for mediation/conciliation and arbitration as a
20 means of resolving disputes arising from the interpretation and enforcement
21 thereof which may be undertaken by duly trained mediators or conciliators
22 acceptable to both parties.

23 j) The approval of AVAs shall depend on the following considerations: (1)
24 Economic Viability/Profitability; (2) Legal Enforceability; (3) Ecological
25 Soundness; (4) Farmers Skills Development; and (5) Non-Transferability.

26 **SEC. 9. *Specific Policies.*** – The different types of agribusiness partnership
27 or arrangement shall be governed by the following specific policies:

28 a) *Joint Venture Agreement.* – The farmers and investors shall form a joint
29 venture corporation (JVC) to manage farm operations. The farmers shall
30 contribute use of the land held individually or in common and the facilities and
31 improvements, if any, while the investor shall furnish capital and technology
32 for production, processing and marketing of agricultural goods, or
33 construction, rehabilitation, upgrading and operation of agricultural capital
34 assets, infrastructure and facilities. It shall be governed by the following
35 policies:

- 1 i. The JVC should be duly organized and registered with the Securities
2 and Exchange Commission (SEC).
- 3 ii. The JVC shall acquire merely usufructuary, but not ownership, rights
4 over the land for an agreed period, subject to the limitations
5 provided for under Art. 605 of the Civil Code, and subject, further to
6 the condition that it shall preserve the form and substance thereof.
7 Ownership of the land remains with the farmers and the property
8 cannot be used to settle obligations of the JVC in the event of
9 insolvency or bankruptcy.
- 10 iii. The equity shall serve as basis for determining the voting shares in
11 the JVA. The equity participation of the farmers may be determined
12 by both parties based on prevailing market rates or as appraised by
13 a registered and accredited independent appraiser chosen by the
14 parties. The equity of the farmers shall not be, in any manner,
15 subject to dilution in case of additional issuance by the JVA of shares
16 of the capital stock. For this purpose, additional issuance shall
17 consist of non-voting shares.
- 18 iv. Farmers and/or their dependents shall be given preference for
19 employment in the joint venture. Employed farmers shall receive
20 salaries/wages for their labor in accordance with existing labor laws,
21 in addition to dividends on their equity interest, to be given every
22 crop year, and other income that may be due the registered owner
23 for the land used under the joint venture, as the case may be.
- 24 b) *Production, Contract Growing, or Marketing Contract.* – In production/contract
25 growing, the farmers shall commit to produce certain crops which the investor
26 buys at pre-agreed terms (e.g., volume, quality standard, selling price) and
27 maintain ownership of the land.

28 In marketing contracts, the farmers shall engage the services of an
29 investor who will explore possible markets/buyers for his/her produce and
30 shall be governed by the following policies:

- 31 i. In production/contract growing, the investor may provide at
32 reasonable cost, the technology and other farm inputs prescribed to
33 produce agricultural goods according to the quality standards set by
34 the contract. Any loss resulting from arbitrary adjustments in the
35 quality standards shall be borne by the investor.

- 1 ii. If the application of the prescribed production technology results in
2 the degradation of the substance and form of the land, the farmers
3 shall be justified in applying alternative and equally effective
4 production technology upon proper notice to the investor.
- 5 iii. The period for acceptance by the investor of the products delivered
6 shall be stated in the contract. Acceptance is implied by the investor's
7 failure to notify the farmers of its rejection of the products after the
8 lapse of the agreed period.
- 9 iv. If production exceeds the volume of crops agreed upon in the
10 contract, the farmers may dispose of the excess to other interested
11 buyers, subject to the investor's right of first refusal. The proceeds
12 of the sale of the excess shall accrue exclusively to the farmers.
- 13 v. The agreement shall incorporate a price review mechanism,
14 including the disclosure of prices and post harvest and marketing
15 cost, taking into consideration industry practice, prevailing market
16 prices, and other appropriate factors.
- 17 c) *Lease Agreement.* – The beneficiaries shall bind themselves to give the
18 investor general control over the use and management of the land for a certain
19 amount and for a definite period. It shall be governed by the following policies:
- 20 i. The lessee or investor shall provide the capital to develop, cultivate,
21 plant, harvest or process the agricultural crops, extend all technical
22 and management services for the efficient operation of the farm,
23 and assume the risk of loss of agricultural operations.
24 Notwithstanding crop failure due to natural calamities or *force*
25 *majeure*, the lessee shall ensure payment of lease rental as
26 stipulated in the contract.
- 27 ii. The lessee/investor shall have the right to construct buildings and
28 introduce other physical improvements or facilities on the property
29 subject of lease, necessary for agricultural operations. In no case,
30 however, shall any improvement on the property decrease the
31 aggregate agricultural area to the extent of lowering the land rental
32 and other privileges accruing to the farmers. All buildings, roads,
33 bridges and other immovable permanent structures/improvements
34 and facilities on the land constructed or developed by the investor
35 during the term of the lease contract, including fruits thereon, shall
36 accrue or belong to the farmers upon termination of the lease.
37 Notwithstanding, all infrastructure, facilities and improvements,

1 including buildings, roads, machinery, receptacles, irrigation and
2 drainage system, packing plants, cables, instruments or implements,
3 and the like, permanently attached to the land, and are necessary
4 and beneficial to the operations of the farm as determined by the
5 DA, may be acquired at the option of the farmers, subject to the
6 amount agreed upon by both parties. In case of disagreement, the
7 valuation procedures of the LBP shall apply.

8 For non-permanent improvements on the land, the farmers
9 shall have the option to buy said improvements which are beneficial
10 to the land at the amount agreed upon by both parties. Otherwise,
11 the lessee/investor shall have the option to remove or transfer any
12 non-permanent improvement, prior to or upon
13 termination/expiration of the agreement at the investor's own
14 expense, and in any manner not to cause damage to the land.

15 iii. The lessee/investor shall give priority to qualified and willing farmers
16 and their dependents for employment in the enterprise. In such
17 case, they shall be treated as employees of the lessee/investor and
18 shall be entitled to the mandated minimum wage and other
19 economic benefits granted under the Labor Code and other existing
20 laws.

21 iv. Contracts on lease agreements shall include a rental rate review or
22 adjustment mechanism.

23 d) *Management Contract.* – The farmers shall hire the services of a contractor
24 who may be an individual, partnership, or corporation to assist in the
25 management and operation of the farm for the purpose of producing high
26 value crops or other agricultural crops in exchange for a fixed wage and/or
27 commission. It shall be governed by the following policies:

28 i. The farms shall remain under the control and possession of the
29 farmers and the management contractor shall receive a fixed
30 compensation, commission or other forms of remuneration for his
31 services, to be stipulated in the contract.

32 ii. The management contractor shall prepare the development plan,
33 cost estimates, annual budget, and manpower requirements of the
34 agribusiness enterprise, subject to approval of the farmers, and
35 assist in sourcing funds to finance its operations.

- 1 iii. Employees of the management contractor shall be limited to
2 managerial positions and those engaged in the introduction and
3 transfer of appropriate technology. The farmers shall provide the
4 labor necessary for farm operations.
- 5 iv. All income from the operation of the farm shall accrue exclusively to
6 the farmers. Disbursements shall be made jointly by the
7 management contractor and the farmers through their duly
8 authorized representatives.
- 9 e) *Service Contract.* – The farmers shall engage the services of a contractor for
10 mechanized land preparation, cultivation, harvesting, processing, post-harvest
11 operations and/or other farm activities for a fee. It shall be governed by the
12 following policies:
- 13 i. The farms shall remain under the control and possession of the
14 farmers while the service contractors provide the necessary
15 equipment, facilities or other services for a period of time and at
16 specifications stipulated in the service contract.
- 17 ii. The service contractors shall receive a fixed compensation,
18 commission or other forms of remuneration to be stipulated in the
19 contract.
- 20 f) *Build-Operate-Transfer.* (BOT). The investor may build, rehabilitate or
21 upgrade, at his own cost, capital assets, infrastructure and facilities applied to
22 the production, processing and marketing of agricultural products. He/She
23 shall operate the same at his/her expense for an agreed period after which
24 the ownership thereof is conveyed to the farmers who own the land where
25 such improvements and facilities are located. It shall be governed by the
26 following policies:
- 27 i. The investor shall build infrastructure or rehabilitate facilities and
28 improvements necessary to make the lands productive and shall
29 directly operate the same for a specified period and under the terms
30 stipulated in the BOT contract.
- 31 ii. The facilities and improvements shall be constructed at the investor's
32 own expense.
- 33 iii. The farmers shall receive a reasonable amount (i.e., rent or profit
34 sharing arrangement) or any other equitable arrangement
35 advantageous to the farmers for the use of the land while the
36 investor operates the infrastructure/facilities.

- iv. The farmers shall continue to engage in production activities on portions of the land not affected by the facilities being constructed/rehabilitated.

SEC. 10. *Approval of AVAs.* – The DA shall act on the AVA within thirty (30) days from the completion of all the required documents and in accordance to Sec. 8. (j) of this Act. The AVA contract shall not be approved if it will result in the transfer of ownership, exemption/exclusion from CARP coverage and/or conversion of the subject landholding to non-agricultural use except those necessary for the operation of the AVA. There shall be no provision in the AVA contract stipulating the sale or transfer of land ownership from the farmers to the management contractor/lessee/investor firm during the term of the AVA or in the renewal thereof.

SEC. 11. *Reporting of AVA Contracts.* – The DA shall maintain a database of all AVA Applications and approved AVA Contracts. The DA shall submit an annual report to Congress on the status of all AVA contracts approved and operational.

CHAPTER IV CROP DIVERSIFICATION AND EXPORT PROMOTION

SEC. 12. *Benefits for Crop Diversification.* – Farmers who shall shift from planting traditional crops to high value crops or shall practice intercropping with high value crops shall be entitled to the following benefits:

- a) Free crop insurance under the Philippine Crop Insurance System (PCIC);
- b) Interest-free loans from the Land Bank of the Philippines (LBP) with corresponding terms and conditions, as may be determined by the LBP; and
- c) Moratorium on the payment of land acquisition loans under RA 6657 or the "*Comprehensive Agrarian Reform Law of 1988*" of at least five (5) years, with the moratorium to be determined by the gestation period of the crops.

Provided, that the abovementioned benefits shall only be granted if the farmer cultivated high value crops on that particular year, as inspected and determined by the Municipal Agricultural Officer (MAO). *Provided further* that, such benefits may be taken away if the cultivation of such high value crops is discontinued.

The Department of Agriculture, in coordination with the Department of Trade and Industry and the Department of Foreign Affairs, shall link up agribusiness cooperatives directly with consumers, processing companies, exporters, and foreign buyers to provide market access.

The Department of Agriculture shall provide free seeds and planting materials to farmers with landholdings under one (1) hectare.

1 **SEC. 13. *Establishment of Agricultural Export Promotion Council***
2 **(AEPC).** – A council, composed of the Secretary of the Department of Agriculture as
3 the Chairperson, the Secretary of the Department of Foreign Affairs, and the Secretary
4 of the Department of Trade and Industry shall be created immediately upon the
5 effectivity of this Act to ensure the promotion, support, and assistance to agricultural
6 exporters. The Bureau of Plant Industry, through the office which implements the High
7 Value Crops Development Program, shall be designated as the Secretariat.

8 **SEC. 14. *Functions of the AEPC.*** – The AEPC, in consultation with the
9 Department of Environment and Natural Resources, Department of Science and
10 Technology, crop growers' cooperatives and organizations, local government units,
11 and the private sector, shall formulate a one-year framework to be validated and
12 updated annually. Such Framework shall serve as guide to the formulation and
13 implementation of plans, programs and projects for the production, marketing,
14 processing and distribution of high-value crops for food and commercial needs, as
15 envisioned in this Act. The Framework shall likewise provide for the following:

- 16 a) National Framework – The DA, DOST, state universities and colleges (SUCs)
17 and other stakeholders shall strengthen the conduct of researches on high
18 value crops particularly on areas of crop improvement (development of new
19 varieties), crop protection, harvesting and postharvest handling, supply chain
20 analysis, marketing and promotion. A techno-demo site shall also be
21 established in different high value crop growing areas of the country to
22 showcase the matured technologies on propagation, production, Integrated
23 Pest Management (IPM), post-harvest handling, and processing.
- 24 b) Investment Promotion and Facilitation – The DA and DTI shall develop
25 programs establishing links between stakeholders in the high value crops
26 industry and Government Financial Institutions (GFIs) and other financial
27 cooperatives. The DA and DTI shall likewise develop and implement programs
28 that would establish reasonable and innovative investment benefits to attract
29 more players in the high value crop industry.
- 30 c) Export Promotion Support. – An integrated and strategic export promotion
31 program for high value crops industry shall be created. The export promotion
32 program shall be responsive to market conditions, needs of the exporters, and
33 possibilities offered by new products and technologies. It shall likewise provide
34 foreign trade and export promotion activities through trainings, technical
35 assistance, capacity building, generating awareness on export opportunities,
36 and export planning assistance.
- 37 d) Strengthen Trade Policies and Support Network. – The AEPC shall be
38 responsible in coordinating a consultative approach for the various stages of

1 the trade policy making process. The Department of Foreign Affairs shall lead
2 the negotiation of Free Trade Agreements to provide a competitive
3 environment for pineapple exports abroad.

- 4 e) Monitoring and Evaluation. – The AEPC shall continuously monitor, track, and
5 analyze the progress and outcomes of the programs to be implemented to
6 determine over-all effectiveness.

CHAPTER VI FINAL PROVISIONS

7 **SEC. 15. Appropriations.** – To provide for the funding requirements of this
8 Act, there is hereby created an Agriculture Development Fund (ADF), with an initial
9 amount of five hundred million pesos (P500,000,000.00) to be taken from the existing
10 budget of the Department of Agriculture. Thereafter, the ADF shall be sourced from
11 the amounts be appropriated in the General Appropriations Act in the year following
12 its enactment into law. Other sources of funds, including but not limited to borrowings
13 from local and international financial institutions, shall also be considered to further
14 support the Fund. In addition, one (1) percent of the revenue from the high value
15 crop export (as levy) shall be allocated to research and development to address the
16 priority problems of the industry.

17 **SEC. 16. Separability Clause.** – If, for any reason or reasons, any part or
18 provision of this Act shall be declared as unconstitutional or invalid, the other parts or
19 provisions hereof which are not affected thereby shall continue to be in full force and
20 effect.

21 **SEC. 17. Repealing Clause.** – All provisions of existing laws, orders, rules and
22 regulations or parts thereof which are in conflict or inconsistent with the provisions of
23 this Act are hereby repealed, amended or modified accordingly.

24 **SEC. 18. Effectivity.** – This Act shall take effect immediately upon its
25 publication in the Official Gazette or in a newspaper of general circulation in the
26 Philippines.

Approved,