

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



24 MAR 19 P 6 :02

SENATE

COMMITTEE REPORT NO. 246

RECEIVED BY

Submitted Jointly by the Committee on Agriculture, Food and Agrarian Reform and the Committees on Finance; and Ways and Means on MAR 19 2024.

Re: Senate Bill No. 2625 (Prepared by the Committees)

Recommending its approval in substitution of S. No. 120.

Sponsor: Senator Cynthia A. Villar

Mr. President:

The Committee on Agriculture, Food and Agrarian Reform and the Committees on Finance; and Ways and Means to which were primarily and secondarily referred **Senate Bill No. 120**, introduced by Senator Villar, C. A. entitled:

**"AN ACT
TO DEVELOP AND PROMOTE THE YELLOW CORN INDUSTRY, TO
ENHANCE THE AVAILABILITY OF AFFORDABLE AND QUALITY FEEDS,
TO PROVIDE FOR A CORN COMPETITIVENES ENHANCEMENT FUND,
AND FOR OTHER PURPOSES"**

have considered the same and have the honor to report back to the Senate with the recommendation that the attached bill, S. No. 2625, prepared by the Committees, entitled:

**"AN ACT
TO DEVELOP THE PHILIPPINE CORN INDUSTRY, ENHANCE THE
AVAILABILITY AND AFFORDABILITY OF QUALITY FEEDS AND
STAPLE FOOD, AND PROVIDE FOR A CORN COMPETITIVENESS
ENHANCEMENT FUND"**

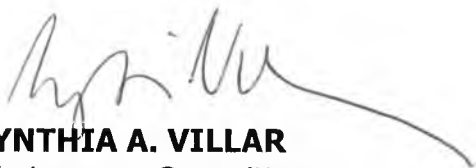
be approved in substitution of S. No. 120 with Senator Cynthia A. Villar, as author thereof.

RESPECTFULLY SUBMITTED:



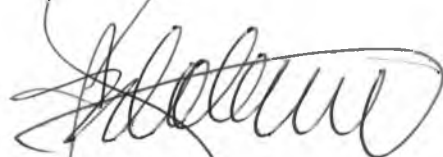
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Vice Chairperson, Committee on Ways
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CYNTHIA A. VILLAR

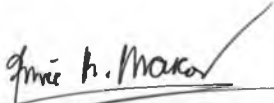
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play interpellate

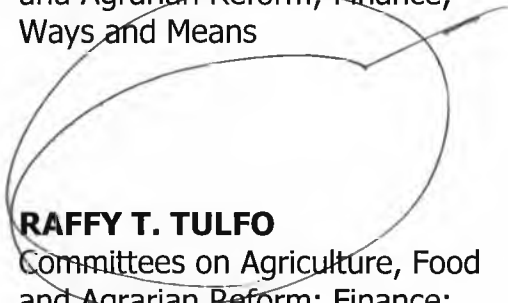
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Senate of the Philippines

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



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SENATE

Senate Bill No. 2625
(In Substitution of Senate Bill No. 120)

RECEIVED BY: 

Prepared by the Committees on Agriculture, Food and Agrarian Reform; Finance;
and Ways and Means with Senator Cynthia A. Villar as author thereof

AN ACT
TO DEVELOP THE PHILIPPINE CORN INDUSTRY, ENHANCE THE
AVAILABILITY AND AFFORDABILITY OF QUALITY FEEDS AND STAPLE
FOOD, AND PROVIDE FOR A CORN COMPETITIVENESS ENHANCEMENT
FUND

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

1 SECTION 1. **Short Title.** – This Act shall be known as the "Philippine Corn
2 Industry Development Act".

3 SEC. 2. **Declaration of Policy.** – It is the policy of the State to promote the
4 inclusive development and competitiveness of the corn industry, particularly among
5 smallhold farmers, to increase the supply of yellow corn, white corn and other
6 indigenous corn varieties to enhance the availability and affordability of corn for the
7 feeds industry and for human consumption. It is likewise the policy of the State to
8 increase the income of farmers and farm workers to alleviate rural poverty through
9 enhanced production efficiency and efficient post-production facilities.

10 Towards this end, the State shall nurture an enabling environment and establish
11 responsive government policies and support programs for the corn industry, with
12 primary focus on the smallhold corn farmers.

1 The State shall be committed to providing necessary support and incentives to
2 build stronger partnerships and cooperation with the private sector in recognition of
3 their vital role in achieving the objectives of this Act.

4 **SEC. 3. *Definition of Terms.*** – As used in this Act:

- 5 a) *Corn* refers to yellow corn for animal feeds, and white corn and other
6 indigenous corn varieties for human consumption;
- 7 b) *Feeds* refers to a single or combination of ingredients, supplements, and
8 additives by specific formula to be fed directly to animals which is capable
9 of providing the nutritional requirements in order to sustain life, promote
10 growth, production, and reproduction; and
- 11 c) *Smallhold Farmer* refers to a farmer owning or cultivating three (3)
12 hectares or less of farmland;

13 **SEC. 4. *Corn Industry Development Roadmap.*** – The roadmap shall set
14 the strategic direction and key initiatives of the Corn Industry Development under this
15 Act. It shall be crafted in consultation with relevant stakeholders that include but not
16 limited to smallhold farmers, feed processors, livestock farmers, regulatory offices,
17 and academe. It shall be finalized within sixty (60) days from the effectivity of this Act
18 and updated every five (5) years thereafter.

19 The Bureau of Plant Industry, together with the government agencies cited in
20 this Act, shall spearhead the crafting of the roadmap.

21 **SEC. 5. *Designation of the Bureau of Plant Industry (BPI); Creation of***
22 ***a BPI Corn Unit and BPI Field Offices.*** – The BPI is hereby designated as the
23 implementing agency of this Act. Towards this end, the BPI is hereby authorized to
24 establish and maintain a Corn Unit at its main office which shall be headed by the BPI
25 Director. It shall also establish BPI field offices in corn production areas designated in
26 this Act. Both shall derive budgetary support from the Corn Fund.

27 The Corn Unit shall also be the Corn Program Management and Coordinating
28 Office (PMCO) which shall serve as the planning and administrative secretariat in the
29 implementation of this Act.

1 SEC. 6. ***Powers and Functions.*** – In addition to its existing powers and
2 functions as the premier government agency in the plant industry, the BPI shall have
3 the following powers and functions under this Act:

- 4 a) Manage, supervise and monitor the Corn Fund under Sections 8 and 9 of this
5 Act;
- 6 b) In partnership with the Bureau of Agricultural Research (BAR) and the corn
7 research stations in corn provinces designated herein, establish a network of
8 research institutions engaged in corn varietal improvement, propagation, and
9 distribution;
- 10 c) Establish and manage a corn gene bank of all the corn varieties developed
11 under this Act, which shall be kept, protected, accessed and utilized for the
12 implementation of this Act, especially those funded and developed by the BAR;
13 and
- 14 d) Establish a reliable, efficient and holistic corn industry database management
15 system which shall cater to the needs of the corn industry, particularly the corn
16 production areas in this Act.

17 SEC. 7. ***Corn Production Areas.*** – The provinces of Isabela, Bukidnon,
18 Pangasinan, Quirino, and Camarines Sur are hereby designated as corn production
19 areas and shall be the sole beneficiaries of the Corn Fund under this Act. Their
20 designation is based on historical corn production data of the country and climatic
21 factors.

22 These provinces shall share to other provinces, through the BPI field offices,
23 quality corn seeds and feeds they produce. The BPI shall draft guidelines for the
24 operationalization of sharing and distribution with other provinces.

25 SEC. 8. ***Creation of the Corn Competitiveness Enhancement Fund***
26 ***(Corn Fund).*** – In addition to the regular budget from the annual General
27 Appropriations Act (GAA) of the agencies herein mentioned, there is hereby created a
28 Corn Competitiveness Enhancement Fund for the use of these agencies.

1 The Corn Fund shall consist of an annual appropriation of Three billion pesos
2 (₱3,000,000,000.00) sourced from tariff collections on imported corn, feed wheat,
3 feeds and other products and ingredients for feeds for the fraction of the year and for
4 the next ten (10) years following the effectivity of this Act.

5 *Corn Imports* include imported products under the following HS headings or
6 2022 AHTN Codes, and Descriptions:

- 7 **10.05** Maize (corn).
8 1005.90.90 - - Other
9 1005.90.90.100 - - - In-Quota
10 1005.90.90.200 - - - Out-Quota

11 *Feed Wheat Imports* include imported products under the following HS
12 headings or 2022 AHTN Codes, and Descriptions:

- 13 **10.01** Wheat and meslin.
14 - - - Other
15 1001.99.91 - - Meslin
16 1001.99.99 - - Other

17 *Feeds and Other Products and Ingredients for Feeds Imports* include imported
18 products under the following HS headings or 2022 AHTN Codes, and Descriptions:

- 19 **10.03** - Barley
20 1003.10.00 - Seed
21 1003.90.00 - Other
22 **10.04** - Oats
23 1004.10.00 - Seed
24 1004.90.00 - Other
25 **10.07** Grain Sorghum
26 1007.10.00 - Seed
27 1007.90.00 - Other

28 **23.01** Flour, meals and pellets, of meat or meat offal, of fish or of crustaceans,
29 molluscs or other aquatic invertebrates, unfit for human consumption;
30 greaves.

- 31 2301.10.00 - Flours, meals and pellets, of meat or meat offal; greaves
32 2301.20 - Flours, meals and pellets, of fish or of crustaceans,

- 1 molluscs or other aquatic invertebrates
- 2 2301.20.10 - Of fish, with a protein content of less than 60% by weight
- 3 2301.20.20 - Of fish, with a protein content of 60% or more by weight
- 4 2301.20.90 - Other
- 5
- 6 **23.02** Bran, sharps, and other residues, whether or not in the forms of pellets,
- 7 derived from the sifting, milling or other working of cereals or of
- 8 leguminous plants.
- 9 2302.10.00 - Of maize (corn)
- 10 2302.30 - Of Wheat:
- 11 2302.30.10 - - Brans and pollards
- 12 2302.30.90 - - Other
- 13 2302.40 - Of other cereals:
- 14 2302.40.10 - Of rice
- 15 2302.40.90 - Other
- 16 2302.50.00 - Of leguminous plants
- 17 **23.03** Residues of a starch manufacture and similar residues, beet-pulp,
- 18 bagasse, and other waste of sugar manufacture, brewing or distilling
- 19 dregs and waste, whether or not in the form of pellets
- 20 2303.10 - Residues of starch manufacture and similar residues:
- 21 2303.10.10 - - Of manioc (cassava) or sago
- 22 2303.10.90 - - Other
- 23 2303.20.00 - Beet-pulp, bagasse and other waste of sugar
- 24 manufacture
- 25 2303.30.00 - Brewing or distilling dregs and waste
- 26 **23.04** Oil-cake and other solid residues, whether or not ground or in the form
- 27 of pellets, resulting from the extraction of soya-bean oil.
- 28 - Soya-bean meal
- 29 2304.00.29 - - Other
- 30 2304.00.90 - Other

- 1 **23.05** 2305.00.00 Oil-cake and other solid residues, whether or not
2 ground or in the form of pellets, resulting from the extraction of ground-
3 nut oil.
- 4 **23.06** Oil-cake and other solid residues, whether or not ground or in the
5 forms of pellets, resulting from the extraction of vegetable or microbial
6 fats or oils, other than those of heading 23.04 or 23.05.
- 7 2306.10.00 - Of cotton seeds;
8 2306.20.00 - Of linseeds;
9 2306.30.00 - Of sunflower seeds;
10 - Of rape or colza seeds
11 2306.41 - - Of low erucic acid rape or colza seeds
12 2306.41.10 - - - Of low erucic acid rape seeds
13 2306.41.20 - - - Of low erucic acid colza seeds
14 2306.49 - - Other :
15 2306.49.10 - - - Of other rape seeds
16 2306.49.20 - - - Of other colza seeds
17 2306.50.00 - Of coconut or copra;
18 2306.60 - Of palm nuts or kernels;
19 2306.60.10 - - Ground or in the form of pellets
20 2306.60.90 - - Other
21 2306.90 - Other :
22 2306.90.10 - - Of maize (corn) germ
23 2306.90.90 - - Other;
- 24 **23.07** 2307.00.00 Wine lees; argol.
- 25 **23.08** 2308.00.00 Vegetable materials and vegetable waste,
26 vegetable residues and by-products, whether or not in the form of
27 pellets, of a kind used in animal feeding, not elsewhere specified or
28 included
- 29 **23.09** Preparations of a kind used in animal feeding.
- 30 2309.90 - Other
31 - - Complete feed :
32 2309.90.11 - - - Of a kind suitable for poultry

1 2309.09.12 - - - Of a kind suitable for swine

2 All tariff collections shall be automatically credited to a special account for Corn
3 Industry Development in the general fund of the national treasury which shall be in
4 place within forty five (45) days from the effectivity of this Act: *Provided*, That if the
5 tariff collection exceeds three billion pesos (P3,000,000,000.00) in any given year
6 within the next ten (10) years following the effectivity of this Act, the excess tariff
7 revenue shall automatically be added to the Corn Fund of the following year and the
8 total amount be allocated and utilized in accordance with this Act.

9 *Provided further*, That allocation and utilization of the Corn Fund shall be
10 subject to the following guidelines:

- 11 a) The recipient agency shall be accountable and responsible for the
12 management and utilization of the said fund in coordination with other
13 government agencies concerned. It shall provide the Secretary of the
14 Department of Agriculture (DA) and the BPI Director with a regular report
15 on its fund management and utilization;
- 16 b) The amount allocated shall be released directly to the implementing
17 agencies as provided for in this Act based on the objectives and plans of the
18 Corn Industry Development Roadmap, under Section 4 of this Act:
19 *Provided*, That the unutilized portion of the Corn Fund allocated to the
20 implementing agencies shall not revert to the general fund but shall
21 continue to be used for the purpose for which it was set aside. Fund releases
22 charged against the said funds shall not be subject to any ceiling by the
23 Department of Budget and Management; and
- 24 c) Any program undertaken in accordance with this Act shall only be deemed
25 complementary and supplementary to, and shall not be a replacement of
26 any existing programs for corn farmers already implemented by the DA and
27 other agencies concerned.

28 SEC. 9. ***Allocation, Disbursement and Utilization of the Corn***
29 ***Competitiveness Enhancement Fund.*** – Subject to the usual accounting and
30 auditing rules and regulations, the Corn Fund shall be allocated, disbursed and utilized
31 as follows:

1 Eighty percent (80%) for yellow corn production; Twenty percent (20%) for
2 white corn and other indigenous corn varieties, which shall be respectively
3 divided by both as follows:

- 4 a) Forty percent (40%)-- 23% for post-production, 15% for mechanization of
5 corn farms, to be implemented by PHILMECH as grant in kind to eligible
6 farmers' associations or organizations, registered corn cooperatives, and
7 local government units (LGUs) in the form of provision of corn farm
8 equipment such as corn planters, tillers, farm tractors, forage choppers,
9 rotary seeders, power/boom sprayers, fertilizer spreader/applicator,
10 harvesters, corn shellers, mechanical dryers, moisture meters, feed
11 processors, and the establishment and improvement of corn post-harvest
12 centers (including corn mills, waste utilization facilities and equipment, and
13 corn-silage facilities), and warehouses and/or silos, and 2% for Program
14 Management Office (PMO): *Provided*, That PHILMECH shall endeavor to
15 develop and utilize local talents and resources in the manufacturing and
16 provision of the foregoing equipment, tools and facilities;
- 17 b) Twenty percent (20%) for provision of seeds and fertilizers, to be
18 implemented and/or supervised by the BPI: *Provided*, That in the
19 procurement of seeds for distribution to farmers under this Act, the BPI
20 shall source seeds from the ones developed by local Filipino seed producers
21 and registered with the Philippine Seed Board or National Seed industry
22 Council, until their supply lasts;
- 23 c) Twenty percent (20%) for the establishment and operations of the BPI Corn
24 Unit and the field offices in corn producing provinces in this Act, which shall
25 include the hiring and maintenance of needed personnel (15%), and for
26 roadmap, corn bank, review of the Corn Fund, and holistic database
27 management (5%);
- 28 d) Ten percent (10%) for extension and training activities to increase corn
29 productivity, including training course grants, training/capacity building of
30 beneficiaries for maintenance servicing of machinery and equipment, and
31 organizing and clustering of smallholder corn farmers into formal groups,
32 cooperatives or associations. The fund shall be utilized by the Agricultural

1 Training Institute (4%), PHILMECH (3%) and DA-National Corn Program
2 (2%); The PHILMECH shall create its PMO for extension and training for
3 1%;

4 e) Ten percent (10%) for research to be implemented by Bureau of
5 Agricultural Research (BAR), 8% of which shall be spent for corn applied
6 research and 2% for basic research: *Provided*, That the research outputs
7 shall be owned by the government, through BPI, and any subsequent
8 commercialization, propagation or distribution of said outputs may be the
9 subject of contractual arrangements between and among the BPI, BAR, and
10 local Filipino private entities that developed said outputs: *Provided, further*,
11 That research initiatives shall include, but not limited to:

- 12 i) Nutrient Management which shall look into increase yield and income
13 thru the use of cost reducing technologies (Site-specific Nutrient
14 Management for Maize (SSNM), Integrated Pest Management (IPM),
15 Community-based Participatory Research (CPAR), and development
16 of biofertilizers);
- 17 ii) Collection, conservation, and utilization of corn varieties for the
18 development and improvement of resistance to biotic and abiotic
19 stresses, and development and commercialization of high yielding
20 and stress resistant open pollinated varieties and hybrids;
- 21 iii) Pest Management thru development of rapid detection of aflatoxin
22 and other pests;
- 23 iv) Mechanization thru development of low-cost postharvest machinery
24 that will reduce losses;
- 25 v) Sustainable soil and water management in corn production areas;
- 26 vi) Food and feed product development and commercialization for
27 livelihood upliftment; and
- 28 vii) Development of training and learning modules.

29 **SEC. 10. *Beneficiaries/Grantees of Corn Fund.*** – Within one hundred
30 eighty (180) days from the effectivity of this Act, the DA, in consultation with farmers'
31 cooperatives and organizations and LGUs, shall validate and update the master list of

1 eligible beneficiaries in corn production province in this Act to ensure that those listed
2 are corn farmers, cooperatives, associations, and organizations.

3 The beneficiaries of the Corn Fund are smallhold corn farmers listed in the
4 Registry System for Basic Sectors in Agriculture (RSBSA), and corn farmer
5 cooperatives, associations, or organizations accredited by the DA in the designated
6 corn production provinces: *Provided*, That preferential attention shall be given to
7 smallhold corn farmers who are members of cooperatives, associations or
8 organizations.

9 **SEC 11. *Review of the Corn Competitiveness Enhancement Fund.*** – The
10 following mandatory review of the Corn Fund shall be performed:

- 11 1. The Philippine Institute for Development Studies (PIDS) shall conduct
12 impact evaluation of the Corn Fund program on corn productivity on the
13 third (3rd), sixth (6th) and ninth (9th) year of the effectivity of this Act;
- 14 2. The percentage allocation of the Corn Fund will be reviewed on the third
15 (3rd) year from the effectivity of this Act for possible revisions should
16 intervention priorities change; and
- 17 3. On the ninth (9th) year from the effectivity of this Act, a mandatory review
18 shall be conducted by the Congressional Oversight Committee on
19 Agricultural and Fisheries Modernization (COCAFAM) to determine whether
20 the Corn Fund and its utilization as provided for under this Act shall be
21 continued, amended, or terminated. The increase or decrease in farmers'
22 incomes shall be a primary benchmark in determining the effectiveness of
23 the interventions under the program and its possible extension;

24 In view of its oversight function, the COCAFAM, at any time, may conduct an
25 assessment of the implementation of programs and utilization of Corn Fund as directed
26 under this Act.

27 **SEC. 12. *Lifting of Export Restrictions on Corn.*** – All laws, rules,
28 regulations, guidelines, and other issuances imposing export restrictions on corn,
29 except those related to the prevention and spread of plant, animal pests and diseases,
30 are hereby lifted and/or repealed.

1 SEC. 13. **Disposition of Corn Fund under the National Food Authority**
2 **(NFA).** – The NFA shall liquidate and report on the accomplishment of its existing
3 corn marketing assistance program. Its corn development fund, enhanced electronic
4 trading system for corn, created under Presidential Memo No. 468 dated March 17,
5 1998, held in trust by the NFA, is hereby dissolved and the remaining money balance
6 transferred to the BPI for inclusion in the Corn Fund.

7 SEC. 14. **Powers of the President.** –The President is hereby empowered to:

- 8 a) Revise or adjust existing rates of customs duties on corn, feed wheat,
9 feeds, and other products and ingredients for feeds imports up to their
10 respective bound rates committed by the Philippines under the WTO
11 agreement on agriculture and under ASEAN Trade in Goods Agreement,
12 including any necessary change in classification applicable to their
13 importation, subject to the provisions of the Customs Modernization and
14 Tariff Act (CMTA): *Provided*, That the adjustment is time-bound and that
15 the power herein delegated to the President shall only be exercised when
16 Congress is not in session: *Provided further*, That any order issued by the
17 President adjusting the applied tariff rates shall take effect fifteen (15) days
18 after publication;
- 19 b) Allow the importation of corn, feed wheat, feeds, and other products and
20 ingredients for feeds products at a lower applied tariff rate to address the
21 situation in the event of any imminent or forecasted shortage, animal
22 disease epidemic, or such other situation requiring government
23 intervention for a limited period and/or a specified volume. Such order shall
24 take effect immediately and can be issued even when Congress is in
25 session.

26 The power herein delegated to the President may be withdrawn or terminated
27 by Congress through a joint resolution.

1 SEC. 15. **Separability Clause.** – If any provision of this Act is declared
2 unconstitutional, the remainder thereof not otherwise affected shall remain in full force
3 and effect.

4 SEC. 16. **Repealing Clause.** – Such other laws, presidential decrees, executive
5 orders, letters of instruction, proclamations or administrative regulations that are
6 inconsistent with the provisions of this Act are hereby repealed, amended, or modified
7 accordingly.

8 SEC. 17. **Effectivity.** – This Act shall take effect after fifteen (15) days
9 following the completion of its publication in the Official Gazette, or in a newspaper of
10 general circulation.

11 Approved,