


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

8 FEB 11 1977

SENATE

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S. No. 2058

Introduced by Senator Antonio "Sonny" F. Trillanes IV

EXPLANATORY NOTE

The Constitution mandates that the State shall "promote industrialization and full employment based on sound agricultural development and agrarian reform." A transformed agricultural sector becomes a reliable market for the consumer goods and farm implements produced by the industrial sector. Through the multiplier process, an initial impulse of agricultural activity spreads to other sectors of the economy.

Agricultural development, however, can be an end in itself. The income of the farmer must be raised to allow him to meet his basic needs and to enhance his self-esteem.

For the *palay* farmer's income to increase, his value added in rice production must rise. Over the decades the farmer's contribution to rice production has been confined to tilling the land and harvesting the crop, thus, limiting his income to a fraction of the value of the *palay* harvested.

Yet, as the pernicious practice of rice cartels indicates, a bigger income is earned from the time the harvested *palay* leaves the farm to the time milled rice reaches the market.

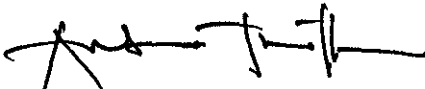
This bill proposes that the farmer gets the lion's share in this off-farm income. Hence, the proposal to have the farmer own post-harvest facilities like warehouses, rice mills and transport facilities to be provided by the government and acquired by farmers' cooperatives at cost to be amortized for a period of time. The farmers' control and ownership of the storage, milling and transport facilities in rice production will markedly increase his income.

Corollarily, the bill encourages the formation and development of farmers' cooperatives which will own and manage the post-harvest facilities.

In the long term, the bill will end the *palay* and rice price subsidies, thus, giving budgetary relief to the government.

The bottom line is to make rice, rather than *palay*, the end-product of the farmers to assure their economic stability.

The enactment of this bill is earnestly requested.


ANTONIO "SONNY" F. TRILLANES IV
Senator

1 provide the equipment and machinery required to operate these warehouses and rice mills as well
2 as the necessary transport facilities.

3

4 **SEC. 5. *Acquisition by Farmers Cooperatives.*** – The warehouses and rice mills,
5 including the equipment and machinery required to operate them, shall be sold at cost to
6 accredited farmers cooperatives which will be given 25 years to amortize the facilities.

7

8 **SEC. 6. *Funding.*** – The amount of One Billion Pesos (P1-B) is initially appropriated for
9 the program. In subsequent years, funding for the program shall be incorporated in the General
10 Appropriations Act, to come from, among others, the savings realized from the phasing out of
11 the palay and rice subsidies, and the accumulated amortizations of farmers cooperatives for the
12 facilities.

13

14 **SEC. 7. *Rules and Regulations.*** – Within thirty (30) days from the effectivity of this
15 Act, the Department of Public Works and Highways, the Department of Agriculture, the
16 Department of Agrarian Reform and the Department of Trade and Industry shall jointly
17 promulgate the implementing rules and regulations.

18

19 **SEC. 8. *Separability Clause.*** – If any provision in this Act or the application thereof is
20 held invalid or unconstitutional, the validity of other provisions not affected thereby, shall be in
21 full force and effect.

22

23 **SEC. 9. *Repealing Clause.*** – All laws, decrees, orders, proclamations, rules and
24 regulations, and other issuances, inconsistent herewith, are hereby repealed or modified
25 accordingly.

26

27 **SEC. 10. *Effectivity.*** – This Act shall take effect upon its approval.

Approved,