

FOURTEENTH CONGRESS OF THE )  
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S. B. No. 2468

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INTRODUCED BY HONORABLE MAR ROXAS

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EXPLANATORY NOTE

Since the end of 2007, global rice prices have increased nearly two-fold, spiking at US\$1,025.00/MT in April-May 2008 before settling at current prices of US\$780.00/MT. To date, domestic price is Php37.00/kg for regular-milled rice and Php39.00/kg for well-milled rice. As a result, Filipinos, fighting to stretch the last peso, have had to scramble for access to government subsidized NFA-rice, the supply of which has clearly not been enough to meet demand. It is estimated that these sharp food price spikes are likely to increase the incidence of poverty from 33% in 2006 to 35% in 2008, wiping out any positive impact of recent growth on poverty.<sup>1</sup>

Unfortunately, even without the global rice price spikes, a rice crisis was already foreseen to occur in the Philippines sooner or later. Over the last three years, the rice yield gap has been an average of 2.1 MT, costing the country at least US\$2 Billion in rice importations since 2002. This rice yield gap is directly correlated to our agricultural productivity growth which averaged a shameful 0.2 over the last 30 years, only 13% and 16% the productivity growth of Indonesia and Thailand respectively. With low rice productivity growth and rapid population growth, rice consumption has outpaced rice production necessitating rice importation. Despite the early warnings of a looming crises however, the Executive failed to take corrective action, insisting on maintaining the status quo -- a posture that continues even today.

Clearly, there is an urgent need for the agricultural sector to take deliberate and concerted action: to minimize the rice yield gap and achieve enduring rice sufficiency for the country. Equally clear is that to achieve these goals, a serious reorientation of the current policies of the agricultural sector is demanded, for it is these policies that have brought the country to this crisis point in the first place. This bill seeks such a reorientation.

This measure thus provides for medium to long term actions to achieve sustained rice sufficiency embodied in a ten-year accelerated agricultural investment plan. Specifically, it identifies additional allocations on top of regular appropriations for agricultural research and development (R&D), extension services, and irrigation, and governance reform designed to close the 30-40% gap between actual farmer yields and expected or optimal yields. These additional allocations will support the strategic interventions under the proposed bill which include the undertaking of location-specific, resource-sensitive and participatory R&D to maximize the impact of rice research and development; financial support for LGU extension

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<sup>1</sup> Balisacan, May 2008.

services that will ensure a decentralized extension program responsive to farmers' needs including on-farm diagnosis, field results demonstrations on new technology, information and communication linkage facilitation between farmers and market, financial and knowledge institutions; and the prioritization and development of small-scale irrigation, private-sector led minor irrigation systems, development of irrigation systems in priority river basins ideal for rice farming and rehabilitation of existing irrigation systems (vis-à-vis constructing new large-scale irrigation systems). A moratorium on conversion is also imposed on lands the irrigation systems of which were installed as part of the national irrigation investment plan. An inventory of existing irrigation facilities to identify those that will need rehabilitation is also mandated under the proposed measure.

The transformation and reorientation of the National Food Authority into a buffer stock management agency will be completed at the end of the 10 year agricultural investment plan provided under the proposed measure.

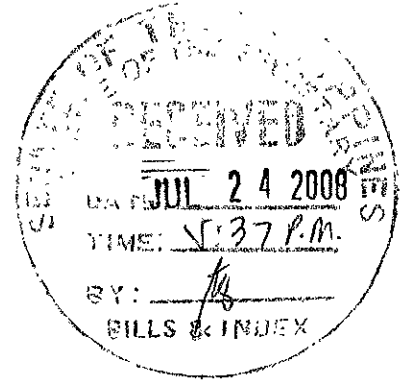
Finally, improved sector governance is required in order that the government interventions under the proposed agricultural investment plan will succeed. While the 1991 Local Government Code devolved agriculture research and extension to the LGUs, the national government has thus far reneged on their support and coordination functions in terms of information, technology as well as budgeting. Therefore, this bill ensures sustainable financing of small-scale agriculture through a bottom-up approach to budgeting, rice market information exchange through the construction of on-site agricultural research facilities, technical assistance in the design, use and maintenance of post-harvest facilities, and capacity building programs for LGU on-site agriculture extension workers.

Status quo agricultural programs and policies have clearly shortchanged the Filipino people. We must take action now to fulfill our responsibility to achieve enduring food security for present and future generations. The problems of hunger and food insecurity have global dimensions and are likely to persist. Attaining food security is a complex task for which the primary responsibility rests with individual governments.

In view of the foregoing, urgent approval of this bill is earnestly requested.

  
M A R ROXAS  
Senator

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INTRODUCED BY HONORABLE MAR ROXAS

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AN ACT

TO ACHIEVE ENDURING RICE AND FOOD SUFFICIENCY, MANDATING FOR THAT PURPOSE AN AGRICULTURAL RENAISSANCE PROGRAM ANCHORED ON A 10-YEAR ACCELERATED AGRICULTURAL INVESTMENT PROGRAM DIRECTED AT RESEARCH & DEVELOPMENT, EXTENSION SERVICES, IRRIGATION AND IMPROVED AGRICULTURE SECTOR GOVERNANCE, INSTITUTIONALIZING KEY REFORMS IN AGRICULTURAL MANAGEMENT, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES.

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

CHAPTER 1

GENERAL PROVISIONS

SECTION 1. *Short Title.* - This Act shall be known as the "*Agricultural Renaissance and Food Sufficiency Act of 2008.*"

SEC. 2. *Declaration of Policy.* The State hereby reaffirms the fundamental right of every person to adequate food and to be free from hunger. The achievement of self-sufficiency in food, particularly the staple food rice, is therefore adopted as a primary State policy. Towards this end, key reforms for the advancement of, and support to agricultural research and development (R & D), extension services, and small scale irrigation shall be undertaken to cultivate an agricultural framework that encourages the achievement of rice sufficiency.

1 Pursuant to this, the State shall maximize the impact of rice R & D by undertaking  
2 location-specific, resource-sensitive and participatory R & D, strengthening research-  
3 extension linkages and hastening technology commercialization. At the same time, the State  
4 shall create a decentralized rice extension system to help accelerate the transformation of  
5 rice production from a resource-based industry to a technology-based industry, at the same  
6 time empowering LGU extension workers and farmers. Recognizing the role of the private  
7 sector, the State shall also provide focused support to more affordable and feasible small-scale  
8 irrigation systems, the rehabilitation of existing irrigation facilities and private-sector led  
9 development of existing minor irrigation systems. In the choice of location-specific  
10 irrigation projects, the economic principle of economic efficiency shall always be adhered to.  
11 Further recognizing that the buy-in of local governments is of paramount importance in any  
12 successful agricultural renaissance program, the State shall adopt a bottom-up approach to  
13 sector planning and budgeting.

14 **SEC. 3. *National Rice Development Investment Plan.*** The Department of Agriculture,  
15 hereinafter referred to as the Department, shall, within ninety (90) days from the effectivity  
16 of this Act, craft a ten (10) year agricultural investment program to achieve enduring rice  
17 sufficiency. As a necessary component of the agricultural investment program, an increase in  
18 allocation for agricultural research and development, extension services, and irrigation  
19 projects shall be identified in accordance with Section 21 of this act to ensure the  
20 implementation of the program components set forth in this Act. Further, the components  
21 for an improved sector governance directed at agricultural areas devoted to rice production  
22 as identified under Chapter 5 of this act shall also be a mandatory part of the national  
23 agricultural investment plan and the bottom-up approach to planning and budgeting  
24 prescribed in Section 18 of this act shall be applied.

25

1 CHAPTER 2

2 RESEARCH AND DEVELOPMENT

3 SEC. 4. *Participatory, Location-Specific and Resource-Sensitive Research and*  
4 *Development.* – Rice research and development activities shall be multidisciplinary and shall  
5 involve farmers, their organizations, and those engaged in the production and post-  
6 production process, including both the private and public sectors in all stages so that research  
7 priorities and directions are at all times responsive to their needs. The Department, in  
8 coordination with the local government units shall prioritize undertaking of location-specific  
9 and resource-sensitive research and development initiatives that focus on distinct problems  
10 and opportunities that may affect the course of the production system, including research in  
11 more efficient individual irrigation systems as well as research in post-production processes.

12 SEC. 5. *Research-Extension Linkage.* – The Philippine Rice Research Institute,  
13 hereinafter referred to as PhilRice, shall perform a key role in national rice research and  
14 development. PhilRice shall consolidate and rationalize existing National Rice Research and  
15 Development Network (NRRDN) initiatives and output, and shall hereafter implement a  
16 unified research and development agenda. The local government units shall maximize the  
17 linkage provided by the NRRDN to facilitate the promotion and adoption of technologies,  
18 and improve the capacity of farmers and farmers organizations in technology dissemination  
19 through trainings in the latest available technologies and the use of innovative extension  
20 modalities.

21 Research information and technology shall be communicated through the National  
22 Information Network (NIN) created pursuant to Republic Act 8435, otherwise known as the  
23 *Agriculture and Fisheries Modernization Act of 1997*. Continuous support shall also be given  
24 to the application of information communication and technology in extension for easier  
25 access to available technology and information.

1           The Department of Agriculture shall initiate the formulation of plans that will tighten  
2 partnerships among local government units (LGUs), state colleges and universities (SCUs),  
3 and Regional Integrated Agricultural Research Centers (RIARCs), and non-agricultural  
4 departments such as the Departments of Agrarian Reform, Science and Technology, and  
5 Environment and Natural Resources, as well as the collaboration of LGUs with farmers'  
6 organizations, people's organizations (POs), non-governmental organizations (NGOs), and  
7 the private sector.

8           **SEC. 6. *Technology Commercialization.*** – A program for the construction of on-site  
9 agriculture research facilities in rice-producing provinces which will serve as strategic  
10 channels for transmission of rice research and technology from the Department and other  
11 concerned national government agencies to the local government unit shall be mapped out  
12 by the Department as part of the 10 year agricultural investment plan mandated by this Act.  
13 The Department, in coordination with the private sector, shall advance efforts to  
14 commercialize technology through beneficial licensing agreements or joint venture  
15 agreements in order to improve farmers' access to technology, *Provided* however, that the  
16 rights of the scientist, researcher, author and other persons under Republic Act 8293 or the  
17 Intellectual Property Code of the Philippines shall at all times be respected.

18           **SEC. 7. *Special Concerns in Rice Farming Research and Development.*** – Research  
19 institutions and centers shall enjoy autonomy and academic freedom. The Department, in  
20 collaboration with the Department of Science and Technology and other appropriate  
21 agencies, shall harmonize its merit and output-oriented promotion system governing the  
22 scientific community in order to promote increased research excellence and productivity and  
23 provide the government research system a competitive edge in increasing and retaining its  
24 scientific personnel.

1 Appropriate technology shall be used to increase the level of productivity, reduce cost  
2 of production, improve product quality, increase value-added for global competitiveness, and  
3 protect the environment.

### 4 CHAPTER 3

#### 5 EXTENSION SERVICES

6 SEC. 8. *Decentralized Extension Services.* – The Department shall adapt a  
7 decentralized rice extension services system that puts emphasis on technology transfer and  
8 improvement of cultural and management practices. It shall be the prime responsibility of  
9 the local government units to undertake appropriate farm diagnosis in order to determine the  
10 rice problems in their respective areas and shall prepare and implement farm-specific  
11 solutions that address these problems. The extension service program of the LGUs shall  
12 include, but is not limited to:

- 13 a. On-Farm Diagnoses and Advisory Services;
- 14 b. Training of Cluster Farmer-Leaders;
- 15 c. Field Results Demonstrations;
- 16 d. Information and Communication Support Systems;
- 17 e. Linkage Facilitation; and
- 18 f. Monitoring and Evaluation

19 To strengthen the capacity of the local government units and ensure their delivery of  
20 adequate rice extension services, the Department, together with state colleges and  
21 universities, shall assist the LGUs' extensions system by extending technical assistance,  
22 providing capability-building programs, and releasing the national counterpart budget on  
23 time.

24 SEC. 9. *Knowledge Management.* – In defining the agricultural investment plan, the  
25 Department shall ensure that priority is given to the provision of financial support to the

1 improvement of the quality of knowledge management in order that LGU extension workers  
2 and rice farmers are given timely access to relevant data and information. Pursuant to this,  
3 the Department shall take measures to empower LGU extension workers and farmers  
4 through:

- 5 a. Establishing a feedback mechanism from farmers to on-site research facilities and  
6 other rice research centers;
- 7 b. Providing support to research and extension networks to ensure smooth flow and  
8 exchange of data and information;
- 9 c. Developing the capacity of the LGUs to use the value-chain approach;
- 10 d. Developing the organizational management of LGU extension services and  
11 community organization development;
- 12 e. Optimizing the principle of farmer-to-farmer and extensionist-to-extensionist  
13 learning approach; and
- 14 f. Strengthening the use of information and communication technology.

15 **SEC. 10. *Post-Harvest Facilities.*** – An inventory of all post-harvest facilities shall be  
16 carried out by the Department to determine those areas that are seriously lacking in post  
17 harvest facilities and to evaluate the performance and capacity of the same. Accordingly, the  
18 Department shall extend technical assistance in the design, use and maintenance of post  
19 harvest facilities. The Department, in coordination with the LGUs, shall devise schemes such  
20 as, but not limited to, lease with option to buy or amortization, that will make farmers'  
21 acquisition of threshers, driers and other post harvest facilities possible.

22 **SEC. 11. *Role of the Private Sector in Extension.*** – The Department shall encourage  
23 the participation of farmers' associations, cooperatives, and organizations in the private  
24 sector in training and other complementary extension services especially in the community



1 organizing, use of participatory approaches, popularization of training materials, regenerative  
2 agricultural technologies, agribusiness and management skills.

3 The Department shall also assist the local government units in entering into  
4 partnerships with the private sector through businesses and non-government organizations,  
5 as well as with neighboring local government units to more efficiently and effectively deliver  
6 extension services.

## 7 CHAPTER 4

### 8 IRRIGATION

9 SEC. 12. *Irrigation Investment Plan.* – The ten (10) year agricultural investment plan  
10 shall include an irrigation investment program that identifies priority irrigation areas. For  
11 this purpose, the Department and the National Irrigation Administration shall conduct an  
12 inventory of all existing irrigation systems to identify those needing urgent rehabilitation.  
13 The irrigation investment plan shall include hydrological maps and be designed to advance  
14 the use of more affordable small-scale irrigation systems and promote private sector-led  
15 development of minor irrigation systems; *Provided*, that the irrigation investment plan shall  
16 prioritize the development of irrigation systems in major river basin areas identified as ideal  
17 for rice farming; *Provided further* that the irrigation investment plan shall include a  
18 comprehensive strategy for the sustainable use of these same river basin areas for irrigation  
19 to optimize its resources;

20 Priority shall also be given to the rehabilitation of existing irrigation systems as  
21 identified in the DA and NIA inventory under the preceding paragraph rather than on  
22 construction of new large-scale irrigation systems. All irrigation projects to be constructed  
23 pursuant to the irrigation investment plan should be location-specific and supported by  
24 feasibility studies and social cost-benefit analysis indicating that the same is the most viable  
25 and beneficial irrigation system for the locality.

1 Funding from other sources other than as stated in this Act such as international  
2 donor agencies shall also be encouraged and duly identified in the investment plan stated  
3 above.

4 **SEC. 13. *Conversion of Irrigated Land.*** – The Department shall conduct a survey of all  
5 irrigated lands to determine those irrigated lands that can still be sustainably utilized for food  
6 production. Thereafter, such irrigated lands identified as still suitable for food production  
7 and other agricultural purposes shall be subject to a ten year moratorium from conversion.

8 All agricultural lands so delineated which will benefit from the irrigation investment  
9 plan created pursuant to the preceding section shall not be converted to other uses for a  
10 period of ten (10) years from the time that the irrigation system has been installed.

11 **SEC. 14. *Monitoring and Evaluation.*** – The Department shall monitor the  
12 implementation of irrigation projects that are part of the irrigation investment plan created  
13 under this Act. A review of the condition of all existing irrigation systems shall be  
14 conducted by the Department every two (2) years to determine their viability or  
15 ineffectiveness. For purposes of this section, the Department shall employ the services of  
16 independent evaluators to assess the over-all impact of the country's irrigation development.

## 17 CHAPTER 5

### 18 IMPROVED SECTOR GOVERNANCE

19 **SEC. 15. *Rice Market Information.*** – The Bureau of Agricultural Statistics (BAS) shall  
20 ensure that reliable and updated market information on relevant market indicators is  
21 available and accessible to farmers and all other persons or entities involved in the trade of  
22 rice, such as, but not limited to:

23 (a) domestic production;

24 (b) current stocks;

25 (c) imports and exports;

1 (d) demand situation;

2 (e) prices of rice in different markets; and

3 (f) prices and demand situations of substitute products and inputs to rice  
4 production (e.g., seeds, fertilizers, chemicals, etc.)

5 **SEC. 16. *Rural Finance.*** – The national government shall encourage a more active  
6 participation of private financial institutions in the rural financial markets that will meet the  
7 demand for financial services of small client-farmers. Local government units shall likewise  
8 encourage and support private sector interventions and programs aimed at extending long-  
9 term credit to finance smallholder agriculture and mobilizing intermediate long-term  
10 investment credit.

## 11 CHAPTER 6

### 12 Implementing Mechanism

13 **SEC. 17. *Role of the National Food Authority.*** – Henceforth, the NFA shall be  
14 primarily tasked to maintain and manage the rice reserve requirements of the country, and  
15 exercise all of its other regulatory and developmental functions pursuant to Presidential  
16 Decree 1770. Accordingly, the NFA shall have completely relinquished its rice importation  
17 function to the private sector at the end of the ten (10) year agricultural investment plan  
18 created pursuant to Section 3 above. The NFA shall review on an annual basis, the buffer  
19 stock requirements at the national and local level, and shall implement measures to ensure  
20 that the rice reserve requirements of the country are regularly met and maintained.

21 **SEC. 18. *Bottom-Up Approach Budgeting.*** – The Department shall henceforth adapt a  
22 bottom-up approach in the formulation of their budget. To ensure that the LGUs are a  
23 paramount consideration in the formulation of the budget plan, the budget structure shall  
24 have in the first level of allocation the functional level computed based on the local  
25 government unit's rice program's general objectives and the relative contribution of each

1 functional level to the program's goals, *Provided* that the budget plan of the Department  
2 shall be consistent with the specific increases in allocation for agricultural research and  
3 development, extension and irrigation programs mandated by Section 22 below.

4 The Department shall also develop a transparent system of matching grants to local  
5 government units in order to implement critical national and local government programs  
6 under the 10 year agricultural investment plan.

7 **SEC. 19. *Reportorial Requirements.*** – The Secretary of Agriculture shall submit an  
8 annual report of its performance on the ten (10) year agricultural investment plan to the  
9 Office of the President and to the Congressional Oversight Committee hereinafter created:  
10 *Provided*, That the report shall have been subjected to validation and evaluation by an  
11 independent panel of experts to be appointed by the President for this purpose. It shall also  
12 submit all other reports and information as may be required by the Congressional Oversight  
13 Committee.

14 The annual report shall contain the status of the following:

- 15 (1) Situation and Outlook;
- 16 (2) Performance Standards;
- 17 (3) Implementation of the Irrigation Investment Plan;
- 18 (4) Conduct of Research and Development efforts;
- 19 (5) Conduct of delivering Extension Services;
- 20 (6) Outcomes and performance vis-à-vis targets and standards covering the previous 3  
21 years
- 22 (7) Such other information or data relevant to the functions of the Department in the  
23 performance of their mandate and functions that may be required by the Office of  
24 the President or the Congressional Oversight Committee.



1            **SEC. 22. *Rules and Regulations.*** – The Department of Agriculture, in consultation  
2 with relevant government agencies and LGUs, farmer organizations and other stakeholders,  
3 shall, within one hundred twenty (120) days from the effectivity of this Act, promulgate the  
4 necessary rules and regulations to effectively implement the provisions of this Act.

5            **SEC. 23. *Separability Clause.*** - If, for any reason, any section or provision of this Act  
6 shall be held unconstitutional or invalid, the other section or provision not otherwise  
7 affected shall remain in full force and effect.

8            **SEC. 24. *Repealing Clause.*** - All laws, presidential decrees, executive orders,  
9 proclamations, rules and regulations which are inconsistent with the provisions of this Act  
10 are hereby repealed or modified accordingly.

11            **SEC. 25. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days after its  
12 publication in the Official Gazette or in at least two (2) newspapers of general circulation.

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14 Approved,