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REPUBLIC OF THE PHILIPPINES )  
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SENATE

S.B. No. 2066

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Introduced by Senator EDGARDO J. ANGARA

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**EXPLANATORY NOTE**

Philippine agriculture is in crisis. The country has continually faced the problem of high food cost; it has the highest food prices among the ASEAN countries. And most recently, it experienced shortage of its most important staple food: rice. The high cost of food, being wage goods, has affected the competitiveness of the country's industry specially those in export. Compounding the problem is high rural poverty.

Agriculture and Fisheries extension is central to growth and development of the agriculture and fisheries sector. How a country manages its agriculture knowledge through its extension services is crucial to agriculture growth and development. Knowledge at the hands of the producers empowers and gives them the competitive edge. Extension, along with Research and Development (R&D), has the highest return of investment (ROI) among policy instruments. Therefore, it is worth investing on it.

Agriculture growth should come from knowledge-intensive practices in agriculture such as crop intensification. However, knowledge intensive agriculture (KIA) is dependent on a dynamic, responsive agriculture and fisheries extension with strong linkage to knowledge generation. Unfortunately, Agriculture and Fisheries Extension Services (AFES) in the Philippines face serious problems that affect its efficiency and effectiveness. The extension unit is highly fragmented, lacks a coherent direction, demoralized and composed of aging personnel who has not fully recovered from the effects of decentralization, weak research-extension linkage, underinvestment, and highly politicized structure among others.

The proposed Agriculture and Fisheries Extension bill will address the current problems and more.

The bill seeks to:

- 1) Strengthen the country's extension system by decentralizing it to the appropriate level of political unit that provides a viable economic unit for agriculture development i.e., the province;
- 2) Making the national government pay for the salaries and wages of extension personnel under the administrative direction of the provincial government;

- 3) Professionalizing and standardizing the salaries and wages of the Local Government Unit (LGU) extension personnel to that of equivalent positions in the national government;
- 4) Creating a national agency, the Philippine Agriculture & Fisheries Extension Agency (PAFEA) to orchestrate, provide national directions, set standards of performance, and provide institutionalized financial and technical support to the LGUs.

Hence, the approval of this bill is earnestly sought.

  
**EDGARDO J. ANGARA**

SENATE

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**AN ACT  
PRESCRIBING THE STRENGTHENING OF THE NATIONAL EXTENSION  
SYSTEM TO ACCELERATE AGRICULTURE AND FISHERIES  
DEVELOPMENT, APPROPRIATING FUNDS THEREFOR  
AND FOR OTHER PURPOSES**

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

**ARTICLE 1. GENERAL PROVISIONS**

1  
2  
3 Section 1. Short Title. - This Act shall be known as the "Agriculture and Fisheries  
4 Extension Act of 2009."

5  
6 Section 2. Declaration of Policy. - The goals of the national economy are a more  
7 equitable distribution of opportunities, income and wealth; a sustained increase in the  
8 amount of goods and services produced by the nation for the benefit of the people; and an  
9 expanding productivity as the key to raising the quality of life for all, especially the  
10 underprivileged.

11  
12 The State shall promote industrialization and full employment based on sound  
13 agricultural development and agrarian reform, through industries that make full and  
14 efficient use of human and natural resources, and which are competitive in both domestic  
15 and foreign markets. In pursuit of these goals, all sectors of the economy and all regions  
16 of the country shall be given optimum opportunity to develop.

17  
18 Thus, it is hereby declared the policy of the State to enable those who belong to  
19 the agriculture and fisheries sector to participate and share in the fruits of development  
20 and growth in a manner that utilizes the nation's resources in the most efficient and  
21 sustainable way possible by establishing a more equitable access to assets, income, basic  
22 and support services and infrastructure.

1  
2 The State shall give priority to promote science, technology and human resource  
3 development as essentials for national development and progress.  
4

5 The State shall utilize research results through information, extension and  
6 communication services. It shall support the development of a national extension system  
7 that will help accelerate the transformation of agriculture and fisheries sectors of the  
8 Country from a resource-based industry to knowledge and technology-based and market-  
9 oriented industry.  
10

11 The State shall adopt the market approach in assisting the agriculture and fisheries  
12 sector while recognizing the contribution of these sectors to food security, environmental  
13 protection, and balanced urban and rural development, without neglecting the welfare of  
14 the consumers, especially the lower income groups. The State shall promote market  
15 oriented policies in agricultural production to encourage farmers to shift to more  
16 profitable crops.  
17

18 The State shall empower the agriculture and fisheries sector to develop and  
19 sustain themselves to meet present and future needs of the Country. Toward this end, the  
20 State shall ensure the establishment and development of the agriculture and fisheries  
21 extension system that increases and sustains its contributions to the achievement of the  
22 goals of agriculture modernization as mandated by Republic Act 8435: a) Poverty  
23 Alleviation and Social Equity; b) Food Security; c) Rational Use of Resources and  
24 Sustainable Development; d) Global Competitiveness; and e) People Empowerment.  
25

26 Section 3. Definition of Terms. As used in this Act, the term:

27 1. "Agriculturist" refers to a person who is a graduate of a bachelor's degree in  
28 agriculture or any related course registered and licensed with the Professional  
29 Regulation Commission or Civil Service Commission; who performs  
30 communication, curriculum development, econometrics, statistical work, training  
31 and extension works in agriculture production, trade, and processing including  
32 crop and animal protection, food safety, agricultural and natural resource  
33 economics, and marketing;  
34

35 2. "Agricultural Engineer" refers to a person registered with the Professional  
36 Regulation Commission or Civil Service Commission performing training and  
37 extension work in agricultural and fisheries mechanization, irrigation, drainage,

1 soil and water conservation, agricultural buildings and structures, agricultural  
2 processing and post harvest facilities;

3  
4 3. "Catalytic Financing" - the provision of financial support to achieve excellence,  
5 equity and increased investment by the local governments in the implementation  
6 of agriculture and fisheries extension services towards the achievement of  
7 national goals;

8  
9 4. "Civil Society" - refers to the group of organizations whose uncoerced  
10 collective action revolves around shared interests, purposes and values. Civil  
11 societies are organizations composed of community groups, women's  
12 organizations, faith-based organizations, professional associations, trade unions,  
13 self-help groups, social movements, business associations, coalitions and  
14 advocacy groups;

15  
16 5. "Consumers" - are those that acquire goods or services for direct use or  
17 ownership rather than for resale or use in production and manufacturing;

18  
19 6. "Empowerment" - is the expansion of assets and capabilities of people to  
20 participate in, negotiate with, influence, control and hold accountable institutions  
21 that affect their lives; it involves providing authority, responsibility, and  
22 information to people directly engaged on agriculture and fishery production,  
23 primarily at the level of the farmers, fisher folk and those engaged in food and  
24 non-food production and processing, in order to give them enhanced economics  
25 rights;

26  
27 7. "Fisheries" - refers to all systems or networks of interrelated activities which  
28 include the production, growing, harvesting, processing, marketing, developing,  
29 conserving and managing of all aquatic and fisheries areas;

30  
31 8. "Fisheries Technologist" refers to a person who is a graduate of a four year  
32 course in Fisheries and registered and licensed with the Professional Regulation  
33 Commission or Civil Service Commission performing training and extension on  
34 fisheries, marine resources and aquaculture;

35  
36 9. "Food Security" - refers to the policy objective, plan and strategy of meeting  
37 the food requirements of the present and future generations, of Filipinos in  
38 substantial quantity, ensuring the availability and affordability of safe and

1 nutritious food to all, either through local production or importation, or both,  
2 based on the country's existing and potential resource endowment and related  
3 production advantages, and consistent with the overall national development  
4 objectives and policies;

5  
6 10. "Formula grants" - these are national government financial transfers to the  
7 local governments to support the regular expenditures in the provision of  
8 Agriculture and Fisheries Extension Services (AFES) based on a formula that  
9 takes into consideration, among others, the level of economic development of a  
10 municipality or a province;

11  
12 11."Gross Value Added in Agriculture" - refers to the total value, excluding the  
13 value of non-agricultural or fisheries intermediate inputs, of goods and services  
14 contributed by the agricultural and fisheries sectors;

15  
16 12."Knowledge Management" - is a systematic approach which invents,  
17 understands, shares, creates and utilizes knowledge in order to create values such  
18 as customer's value, employee's value, stockholder's value, business partner's  
19 value and social value to achieve the vision and goal of the organization;

20  
21 13."Partnership" - a relationship between and among agencies that is  
22 characterized by mutual cooperation and responsibility towards the achievement  
23 of shared goals;

24  
25 14. "Private sector" - the part of a nation's economy that is not owned and  
26 managed by the government;

27  
28 15."Producer" - one that produces, especially a person or organization, that  
29 produces goods or services for sale;

30  
31 16."RBOs" - are rural based organizations or people's organizations composed of  
32 various sectors of the rural community such as farmers, fisher folk, growers, seed  
33 producers, women, and youth;

34  
35 17,"Targeted financial transfer" - is a financial support provided by the national  
36 government to the LGUs in support of national goals or programs;

37

1 18. "Value chain" - is a process from seed to shelf or from the producers to the  
2 consumers, showing activities and interventions of/for a chosen commodity/ties  
3 based on understanding the needs for such interventions;

4  
5 19. "Veterinarian" refers to a person registered with the Professional Regulation  
6 Commission performing professional services related to the practice of veterinary  
7 medicine including training and extension on disease prevention control and  
8 animal health.

9  
10 Section 4. Statement of Goals. - Agricultural extension is a policy instrument for  
11 empowering individuals and organizations; public agriculture extension shall contribute  
12 towards the achievement of the national goals of agriculture development.

13  
14 Section 5. Statement of Objectives. - Agriculture and fisheries extension shall  
15 contribute to the following objectives:

16 a) To enhance the economic rights of Producers, especially the poor, to  
17 use the most appropriate technologies they feel will give them the best profit and  
18 to choose the most affordable loans in producing the quality and quantity of  
19 products and to sell their products freely; Traders, to move goods in the  
20 expectation of profits unconstrained by serious lack of knowledge and  
21 information; and Consumers, to buy safe and nutritious foods at the lowest prices  
22 possible.

23 b) To manage knowledge in strengthening the individual and  
24 organizational capabilities of producers, traders and consumers; and

25 c) To help create an enabling environment that strengthens the linkage  
26 between knowledge generation and knowledge use and encourages increased  
27 investment in agriculture extension by the private sector, civil society, and Local  
28 Governments.

29  
30 Section 6. Clients. - The clients of Philippine agricultural and fisheries extension  
31 system are the producers (farmers, fisherfolk, agricultural processors), traders, and  
32 consumers along the value chain. Public extension shall focus on the delivery of public  
33 goods. The priority clients shall be the economically and socially disadvantaged groups  
34 in agriculture and fisheries. Local Government Units shall put primary attention to these  
35 groups in the provision of extension services through formula grants and targeted and  
36 catalytic financing of National Government Agencies.

1  
2 **ARTICLE II Structure and Organization**  
3

4 Section 7. Creation of the Philippine Agriculture and Fisheries Extension Agency  
5 (PAFEA). - The Agricultural Training Institute is hereby strengthened and transformed  
6 into the Philippine Agriculture and Fisheries Extension Agency (PAFEA). It shall serve  
7 as the national apex organization for a unified and efficient agriculture and fisheries  
8 extension system of the country. It shall ensure that public extension services meet the  
9 national standards of performance and effectively contribute towards the achievement of  
10 the national goals of agriculture and fisheries modernization.

11 The Philippine Agricultural and Fisheries Extension Agency (PAFEA), shall  
12 coordinate all government extension programs in agriculture and fisheries.  
13

14 Section 8. Powers and Functions.

15 a) Provide direction in the development of national extension policies in  
16 agriculture and fisheries;

17 b) Orchestrate the development of extension strategic plan including its financing  
18 in coordination with the Department of Budget and Management and other stakeholders;

19 c) Develop and implement national policies and programs aimed at the continuous  
20 improvement of the quality of extension methods, products, and services towards a more  
21 efficient and client-responsive national agriculture and fisheries knowledge management  
22 system;

23 d) Develop a system towards the management of the country's extension resources  
24 for agriculture and fisheries to ensure a sustainable, participatory. And efficient system of  
25 funding for information, education, and communication materials (IEC) and to achieve  
26 optimal efficiency along the value chain;

27 e) Provide leadership in the development and implementation of the National  
28 Agriculture & Fisheries Knowledge Network (NAFKN) in agriculture an fisheries of the  
29 Department through a system of partnerships that may include, but not be limited to, the  
30 (Local Government Units) LGUs, the regional development council (RDC), the Regional  
31 Agriculture and Fisheries Council (RAFCs), the academe especially the SUCs of  
32 agriculture and fisheries, the Civil Society Organizations (CSOs), producers, rural based  
33 organizations (RBO)s and the private sector;

34 f) Provide national leadership in consultation with agriculture and fisheries  
35 councils (AFCs), in developing extension partnerships towards increased investment and  
36 private sector participation;

37 g) Team up with state universities and colleges (SUCs) of agriculture and  
38 fisheries as key partners in the implementation of the national programs specially in the



1 areas of extension innovations, national training, and monitoring and evaluation of  
2 extension institutions and programs;

3 h) Provide leadership in developing and implementing a national system of  
4 strengthening institutional extension capacities at all levels of implementation; and

5 i) In coordination with the Department of Budget and Management (DBM); the  
6 Local Government Units, The Department of Local governments, and other stakeholders,  
7 the PAFEA shall set up a review mechanism for all agriculture and fisheries extension  
8 programs and budgets of national agencies to determine cost effectiveness of operations  
9 and potential impacts to national goals.

10  
11 Section 9. Structure of PAFEA. - It shall be headed by a Director General (DG)  
12 with a rank of Assistant Secretary to be assisted by two Deputy Director Generals (DDG)  
13 and they shall be appointed by the President upon recommendation of the Secretary of  
14 Agriculture from a list submitted by an independent Search Committee organized and  
15 based on the qualification standards set by the Council for Extension Research  
16 Development in Agriculture and Fisheries (CERDAF) . They shall have a fixed tenure of  
17 six (6) years and may be re-appointed for an additional term of four (4) years based on  
18 very satisfactory performance.

19  
20 Section 10. The Council for Extension Research Development in Agriculture and  
21 Fisheries (CERDAF) - The Council for Extension Research Development in Agriculture  
22 and Fisheries (CERDAF) is hereby strengthened. It shall ensure that the agriculture and  
23 fisheries research, development and extension policies and programs of the Department  
24 are consistent with national policies and priorities.

25 a) Functions and duties of the Council for Extension Research  
26 Development in Agriculture and Fisheries (CERDAF).

27 (1) Approve policies covering program priorities and resource allocation in  
28 research and extension of all agencies of the Department;

29 (2) Enhance coordination and linkage of government institutions involved in  
30 agriculture and fisheries research, development and extension;

31 (3) Strengthen the participation of various stakeholders, especially the civil  
32 society, local government units, and private sector in the development of National  
33 Research Development and Extension (NRDE) agenda and programs;

34 (4) Strengthen the institutional efficiency of the NRDE system, including the  
35 setting up of a monitoring and evaluation system on the effectiveness and efficiency of its  
36 various components; and

37 (5) Set guidelines in the use of services and facilities, collection of fees and in the  
38 utilization of income.

1  
2 Section 11. Composition of the Council for Extension Research Development  
3 Agriculture and Fisheries (CERDAF). The Undersecretary for Policy and Planning of the  
4 DA shall be the Chair of the Council. There shall be a Vice Chair to be elected from  
5 among the other members of the Board. The Executive Director of the Philippine  
6 Agriculture and Fisheries Extension Agency (PAFEA) and the Director of the Bureau of  
7 Agriculture Research (BAR) shall be ex officio members and the Chair shall appoint the  
8 Executive Director of PAFEA as Secretary of the Council. The CERDAF shall have the  
9 following as members:

10 (1) Designated Undersecretaries for Policy & Planning of the following  
11 Departments:

- 12 i. Department of Science and Technology;
- 13 ii. Department of Environment and Natural Resources;
- 14 iii. Department of Agrarian Reform;

15 (2) Presidents of the following LGU organizations:

- 16 i. League of Provinces;
- 17 ii. Union of Local Authorities of the Philippines (ULAP);

18 (3) Four (4) CSO representatives from the rural youth, rural women, and farmer,  
19 and fisher folk sectors as identified and selected by the Department of  
20 Agriculture;

21 (4) One (1) private sector representative designated by the Management  
22 Association of the Philippines (MAP);

23 (5) Representatives from scientific/professional organizational societies;

24 (6) One representative each from the following national professional  
25 organizations: i) agriculturists; ii) agricultural engineers; iii) fishery technologists  
26 and iv) veterinarians.

27  
28 Section 12. Offices under the PAFEA. -To carry out the functions of the Agency,  
29 PAFEA shall have four technical offices as follows: (1) Policy Development; (2)  
30 Extension Innovations & National Training; (3) Knowledge Products & Services  
31 Development; and (4) Extension Governance & Partnerships.

32  
33 The PAFEA shall maintain a small regional office to: (1) liaise with the  
34 Department Regional Field Units (RFUs) that should serve as the principal arm of the  
35 Department to implement extension policies and programs in the regions (2) provide  
36 regional technical assistance in the implementation of PAFEA policies and programs and  
37 (3) monitor and evaluate extension offices and programs being undertaken by  
38 government agencies. The PAFEA is authorized to utilize existing Agricultural Training

1 Institute (ATI) plantilla positions but in no case shall it exceed 85% of the plantilla  
2 positions in 2008.

3  
4 **ARTICLE III Organization of the Local Government Extension Services**  
5

6 Section 13. Province as the LGU Unit of Operation for Agriculture & Fisheries  
7 Extension. - To achieve efficiency and to provide more responsive services, the  
8 administrative unit for the planning and implementation of the extension services at the  
9 level of Local Government Units is the province through a Provincial Agriculture and  
10 Fisheries Extension Services under the Office of the Governor. The Provincial  
11 Agriculture and Extension Services shall be headed by a technically-qualified career  
12 Provincial Agriculturist (PA). The PAS shall be appointed by the Director General of  
13 PAFEA chosen from three qualified nominees submitted by the Governor. Its staff shall  
14 be composed of technically qualified career agriculturists, economists, statisticians,  
15 agricultural engineers, fishery technologists and veterinarians appointed by the Provincial  
16 Governor. Congress and serve as the basis for the continuation or modification of the  
17 grants-in aid.

18  
19 Section 16. Professionalization of Extension Services. The PAFEA, in  
20 coordination with the Civil Service Commission and subject to the approval of the  
21 CERDAF, shall develop qualification standards beyond the minimum set by the Civil  
22 Service Commission for the various managerial, technical, and non-technical positions of  
23 the extension services of the country including that of all local government units. The

24 PAFEA shall also develop a career path of all technical extension personnel that  
25 will allow them regardless of assignment or location in government, to move vertically in  
26 the promotion system. Managerial positions shall be open to all qualified personnel  
27 regardless of geographic or agency assignment. Towards this end, the PAFEA shall issue  
28 guidelines for the creation of a merit promotion boards for each extension agency that  
29 will include representatives of the SUCs of agriculture and fisheries.

30  
31 Section 17. Structure of the Provincial Extension Services. - The provincial  
32 agriculture and fisheries extension services shall organize and structure its services based  
33 on the agricultural and extension needs of the province and on the standards set by the  
34 PAFEA. The technical positions of the PAFEA, and the Provincial Extension Services  
35 shall be rationalized to provide the required number of positions for agriculturists,  
36 communication and curriculum specialists, economists, agricultural engineers, fishery  
37 technologists and veterinarians.

1 Section 18. LGU Livestock Production Services. In recognition of the need to  
2 provide an integrated extension approach to total farm development, the LGU livestock  
3 production Services shall be part and parcel of the Provincial Agricultural Office (PAO).  
4 In cases where these functions were transferred to the Provincial Veterinary Services,  
5 they shall be returned and integrated to the rest of the PAO services.  
6

7 Section 19. Strategic Plan in Agriculture & Fisheries. To provide coherence of all  
8 government plans in agriculture and fisheries and to achieve efficiency in the use of  
9 resources, all provincial governments are required to develop a five-year strategic plan in  
10 agriculture and fisheries based on the framework and principles provided by the  
11 Department of Agriculture (DA). The Strategic Plan shall serve as the basis for the DA to  
12 provide short-term and long-term assistance. The yearly program of work and budget  
13 shall be derived from the strategic plan.  
14

#### 15 **ARTICLE IV Funding for Extension Services**

16

17 Section 20. Initial Appropriation. - For the first year of implementation of this  
18 Act, the amount of five billion pesos (PHP 5,000,000,000.00) shall be appropriated out of  
19 the total budget of the Dept of Agriculture (DA) for personal services, grants-in-aid to the  
20 LGUs, operation and capital outlay requirements of the Philippine Agriculture and  
21 Fisheries Extension Agency (PAFEA).  
22

23 The Department of Budget and Management (DBM) is hereby mandated to  
24 include annually in the President's program of expenditures for submission to Congress  
25 and release an amount not less than five billion pesos (PHP 5,000,000,000.00) or one  
26 percent of the gross value added in agriculture and fisheries, whichever is higher, for the  
27 implementation of this Act.  
28

29 The PAFEA is authorized to utilize part of its yearly appropriation to set up or  
30 upgrade necessary facilities to improve the provision of national extension services.  
31

32 All assets, resources both human and financial of Agriculture Training Institute  
33 (ATI), shall be transferred to the PAFEA.

34 All revenues generated out of the use of services, facilities and equipment shall be  
35 utilized by the Agency to augment its maintenance and operating expenditures subject to  
36 the approval of the Governing Board.  
37

#### 38 **ARTICLE IV Final Provisions**

1  
2           Section 21. Oversight Committee. The Congressional Oversight Committee for  
3 Agriculture and Fisheries Modernization shall oversee the implementation of this Act for  
4 a period not exceeding five (5) years from its effectivity.

5  
6           Section 22. Implementing Rules and Regulations. -Within ninety (90) days from  
7 the effectivity of this Act, the implementing rules and regulations shall be formulated by  
8 the Department of Agriculture in coordination with the members of the Congressional  
9 Oversight Committee on Agriculture and Fisheries Modernization. The said rules and  
10 regulations shall be submitted by the Secretary of the Department of Agriculture (DA) to  
11 the Committee of Agriculture of both Houses of Congress.

12  
13           Section 23. Repealing Clause. - All laws, decrees, executive orders, rules and  
14 regulations, issuances or parts thereof inconsistent with this Act are hereby repealed or  
15 amended accordingly.

16  
17           Section 24. Separability Clause. - If any provision of this Act is declared invalid  
18 or unconstitutional, the other provisions not affected thereby shall remain valid and  
19 subsisting.

20  
21           Section 25. Effectivity Clause. - This Act shall take effect thirty (30) days from  
22 the date of its publication in the Official Gazette or in at least in two (2) national  
23 newspapers of general circulation.

24  
25           *Approved*