

**FIFTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES**  
*First Regular Session*

SENATE  
OFFICE OF THE SECRETARY

10 JUL 27 AM 12:28

**SENATE OF THE PHILIPPINES**

**S. B. NO. 2131**

RECEIVED BY

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**Introduced by Senator Ralph G. Recto**

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**Explanatory Note**

Over the past years, the Philippines has been hit by typhoons more intense than what have been normally experienced. The poor are more severely affected by disasters brought about by climate change since they are located in areas more vulnerable to floods and other forms of climate disasters, which in turn often disrupt agricultural production, hence affecting their livelihoods. These kinds of disasters take a great toll to Filipinos, especially those in the agriculture sector. And needless to say, farmers suffer the greater loss.

About 1.38 million metric tons of rice was wiped out when the Philippines was ravaged by storms in the last quarter of 2009 and losses caused by El Niño may be as much as 816,372 metric tons of rice worth P12.24 billion this year.

Crop insurance is a risk management tool designed to even out agricultural risks and address the consequences of natural disasters to make losses more bearable, especially to the marginalized farmers. In the Philippines, the Philippine Crop Insurance Corporation (PCIC) implements and manages the government program on agricultural insurance.

When there was no crop insurance yet, the farmers would just patiently wait for the next planting season and would even resort to borrowing at usurious rates.

The crop insurance program extended by the PCIC provided farmers the funds to sustain their operation. With the sum of money paid, the farmers are able to replant again as soon as weather and soil condition permits. Thus, crop insurance ensures the least disruption in crop production, ensuring both food security and the incomes of the farmers.

However, despite the existence of the PCIC, only a small number of farmers avail of crop insurance because of the premium that they are required to pay. Although half of the premium is subsidized by the government, the remaining 50% is still a burden to some of our poor farmers.

In support of the policy of the Comprehensive Agrarian Reform programs in our country which states that the welfare of the landless farmers and farm workers will receive the highest consideration to promote social justice and to move the nation toward sound rural development and industrialization, this bill seeks to give the qualified beneficiaries of the Comprehensive Agrarian Reform Program a full crop insurance coverage.

In light of the foregoing, immediate passage of the bill is earnestly sought.

  
**RALPH G. RECTO**

18 JUL 27 AM 128

SENATE OF THE PHILIPPINES

S. B. NO. 2131

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Introduced by Senator Ralph G. Recto

AN ACT  
AUTHORIZING THE GRANT OF A FULL CROP INSURANCE COVERAGE TO  
QUALIFIED BENEFICIARIES OF THE COMPREHENSIVE AGRARIAN REFORM  
PROGRAM AMENDING FOR THE PURPOSE SECTION 14 OF R.A. 9700 OTHERWISE  
KNOWN AS THE "COMPREHENSIVE AGRARIAN REFORM PROGRAM EXTENSION  
WITH REFORMS"

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

SECTION 1. Section 14 of Republic Act 9700, otherwise known as "Comprehensive  
Agrarian Reform Program Extension with Reforms" is hereby amended to read as follows:

"SEC. 37. *Support Services for the Agrarian Reform Beneficiaries.* - The  
State shall adopt the integrated policy of support services delivery to  
agrarian reform beneficiaries. To this end, the DAR, the Department of  
Finance, and the Bangko Sentral ng Pilipinas (BSP) shall institute  
reforms to liberalize access to credit by agrarian reform beneficiaries.  
The PARC shall ensure that support services for agrarian reform  
beneficiaries are provided, such as:

"xxx

"(G) FULL CROP INSURANCE COVERAGE TO FARMER  
BENEFICIARIES. COMPENSABLE LOSSES INCLUDE NATURAL  
CALAMITIES SUCH AS TYPHOON, FLOOD, DROUGHT,  
EARTHQUAKE AND VOLCANIC ERUPTION, PLANT DISEASES  
AND PEST INFESTATIONS. THE TERM OF INSURANCE IS FROM  
PLANTING UP TO EXPECTED DATE OF HARVEST.

"xxx

SEC 2. *Implementing Rules and Regulations.* - The Presidential Agrarian Reform Council  
and the Department of Agrarian Reform shall provide the necessary implementing rules and  
regulations within thirty (30) days upon the approval of this Act. Such rules and regulations shall  
take effect after they have been made and shall be published in at least two (2) newspapers of general  
circulation.

SEC. 3. *Effectivity.* - This Act shall take effect fifteen (15) days following its publication in  
at least two (2) newspapers of general circulation or the Official Gazette.

Approved,