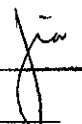


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SENATE

S. No. **252**

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Introduced by Senator Ralph G. Recto

Explanatory Note

Over the past years, the Philippines had been hit by extreme weather events such as heavy rains, typhoons and droughts that were more intense than what had 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 disaster that often disrupt agricultural production and affect their livelihoods. These kinds of disasters take a great toll on Filipinos, especially those in agriculture. And, needless to say, farmers suffer the greater loss.

About 1.38 million metric tons of rice were wiped out when the Philippines was ravaged by storms in the last quarter of 2009 while losses caused by El Niño may be as much as 816,372 metric tons of rice worth P12.24 Billion in 2010.¹ A most recent incident is Typhoon Pablo which ravaged Regions IV-B, VII, IX and CARAGA causing P26.5 Billion damage to agriculture in December 2012.² In February, Tropical Depression Crising brought heavy downpour that triggered landslides, flashfloods, widespread flooding in low-lying areas and damaged flood-control dikes in Regions IV-B, VII, VIII, IX, X, XI, XII, XIII. In Asuncion, the only town in Davao del Norte that sustained damages to agriculture, the toll reached P11.2 Million.³

Crop insurance is a risk management tool designed to mitigate agricultural risks and address the consequences of natural disasters to make losses more bearable, especially to 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 immediately replant as soon as weather and soil condition permits. Thus, crop insurance ensures the least disruption in crop production, ensuring both food security and farm incomes.

From January to November 2012, the PCIC issued P10.63 Billion worth of crop insurance policies. 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 many of our

¹http://www.neda.gov.ph/devpulse/pdf_files/Devpulse%20on%20Government%20Responds%20to%20El%20Ni%C3%B1o.pdf (Accessed on March 21, 2013)

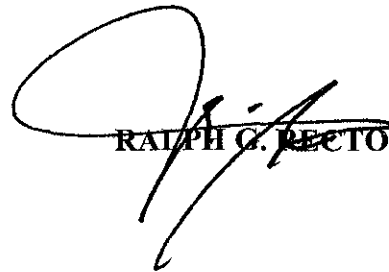
² NDRRMC UPDATE. SitRep No. 38 re: Effects of Typhoon "Pablo" (Bopha)

³ NDRRMC UPDATE. SitRep No. 13 re: Effect of Tropical Depression "Crising", p. 3.

poor farmers. For 2012, the PCIC “paid out P195.641 Million to 27,369 farmers and farmworkers” of which only “525 were not rice and corn farmers”.⁴

In support of the policy of the Comprehensive Agrarian Reform Program 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

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⁴ <http://pcic.gov.ph/index.php/news/featured/state-crop-insurance-firm-issues-p10b-worth-of-policies-in-2012/>
(Accessed on March 21, 2013)



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SENATE

S. No. 252

RECEIVED BY: *ji*

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 REPUBLIC ACT NO. 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:

1 **SECTION 1.** Section 14 of Republic Act No. 9700, otherwise known as the
2 "Comprehensive Agrarian Reform Program Extension with Reforms" is hereby amended to read
3 as follows:

4 "Sec. 14. Section 37 of Republic Act No. 6657, as amended, is hereby further amended
5 to read as follows:

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

13 "(a) xxx ;

14 "xxx;

15 "(f) xxx; AND

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

22 "xxx."

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

6 **SEC. 3. *Repealing Clause.*** – All laws, acts, decrees, executive orders, issuances, and
7 rules and regulations or parts thereof which are contrary to and inconsistent with this Act are
8 hereby repealed, amended or modified accordingly.

9 **SEC. 4. *Effectivity.*** - This Act shall take effect fifteen (15) days following its publication
10 in at least two (2) newspapers of general circulation or the Official Gazette.

Approved,