



SENATE

S. No. 1281

PREPARED AND SUBMITTED JOINTLY BY THE COMMITTEES
ON AGRICULTURE AND FOOD; AND WAYS AND MEANS
WITH SENATOR PANGILINAN AS AUTHOR THEREOF

AN ACT INSTITUTING THE FARMERS AND
FISHERFOLK ENTERPRISE DEVELOPMENT
PROGRAM OF THE DEPARTMENT OF
AGRICULTURE AND FOR OTHER PURPOSES

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

1 SECTION 1. *Short Title.* – This Act shall be known as
2 the “Sagip Saka Act of 2017”.

3 SEC. 2. *Declaration of Policy.* – It is the declared
4 policy of the State to achieve sustainable modern
5 agriculture and food security by transforming agricultural
6 and fishing communities to reach their full potential,
7 improving farmers and fisherfolk incomes and quality of
8 life, and bridging gaps through public-private
9 partnerships.

1 Towards these ends, the State recognizes the
2 essential role of the private sector in promoting and
3 supporting enterprise development in the agriculture and
4 fisheries sectors, opening up of opportunities and markets
5 for agricultural and fishery products in the domestic and
6 world markets, and developing entrepreneurship among
7 our farmers and fisherfolk.

8 In pursuance of this policy, the State shall strengthen
9 the farmers and fisherfolk enterprise development
10 program of government by establishing a comprehensive
11 and holistic approach in the formulation, coordination and
12 implementation of enterprise development initiatives,
13 consolidate the roles of different government agencies
14 involved in farmers and fisherfolk enterprise development,
15 intensify the building of entrepreneurship culture among
16 farmers and fisherfolk, and provide incentives to private
17 entities that support the farmers and fisherfolk enterprise
18 development initiatives of the government.

1 SEC. 3. *The Farmers and Fisherfolk Enterprise*
2 *Development Program.* – There is hereby established the
3 Farmers and Fisherfolk Enterprise Development Program,
4 herein referred to as the Program, which shall refer to the
5 comprehensive set of objectives, targets, and holistic
6 approach and assistance in promoting the establishment of
7 enterprises involving agricultural and fishery products. It
8 shall be integrated and be made consistent with the
9 Agriculture and Fisheries Modernization Plan, and the
10 Micro, Small and Medium Enterprises Development Plan.

11 In the identification and prioritization of agricultural
12 and fishery products that will be supported, the Program
13 shall make use of science-based methodologies, such as the
14 value chain analysis.

15 The forms of assistance to be provided under the
16 Program shall include:

17 a) Improvement of production and productivity,
18 including agricultural extension services, skills
19 development, provision of production inputs, equipment

1 and facilities/infrastructure for production and post-
2 production activities;

3 b) Improvement of producers' and enterprises' access
4 to financing in the form of credit grants as well as crop
5 insurance;

6 c) Provision of access to improved technologies
7 through research and development; and

8 d) Provision of business support and development
9 services, particularly in the areas of access to markets,
10 marketing, and networking.

11 SEC. 4. *Coverage of the Program.* – The Program shall
12 cover the following areas:

13 a) Agricultural and fisheries production, including
14 processing of fisheries and agri-based products and farm
15 inputs;

16 b) Acquisition of work animals, farm and fishery
17 equipment and machinery;

1 c) Acquisition of seeds, fertilizer, poultry, livestock,
2 feeds and other similar items;

3 d) Procurement of agricultural and fisheries products
4 for storage, trading, processing and distribution;

5 e) Construction, acquisition and repair of facilities for
6 production, processing, storage, transportation, communication,
7 marketing and such other facilities in support of
8 agriculture and fisheries;

9 f) Working capital for agriculture and fisheries
10 graduates to enable them to engage in agriculture and
11 fisheries related economic activities;

12 g) Agribusiness activities which support soil and
13 water conservation and ecology-enhancing activities;

14 h) Working capital for long gestating projects; and

15 i) Credit guarantees on uncollateralized loans to
16 farmers and fisherfolk.

17 The Department of Agriculture (DA) may include
18 other areas of intervention in order to expand and support

1 enterprise development in the agriculture and fisheries
2 sector.

3 SEC. 5. *Beneficiaries of the Program.* – The possible
4 proponent groups or beneficiaries of the Program are the
5 following:

6 a) Existing producer groups with members producing
7 commodities which are included in the priority commodity
8 value chains and have potential to increase their
9 marketable surplus;

10 b) Farmer and fisherfolk groups which have potential
11 to produce marketable surplus and demonstrate
12 willingness to voluntarily adopt clustering with other
13 groups and forge contracts or formal marketing
14 agreements with buyers or private intermediaries;

15 c) Producer groups or cluster of growers that are
16 either operational and/or show a willingness to undergo
17 capacity building on enterprise development and
18 management; and

1 d) Micro, small and medium scale processors,
2 consolidators, exporters, and other enterprises, who are
3 willing to assist producer groups in vertical clustering or
4 joint business planning, and forge contracts or formal
5 marketing agreements with such producer groups. Joint
6 business planning and investments of the producer groups
7 and agro-processors will be supported if it will result in
8 increased engagement of the producer groups in value
9 adding activities.

10 Farmers and fisherfolk who are not members of any
11 organization operating in the priority commodity value
12 chain must join the proponent groups for them to be
13 eligible either as a member of the proponent group or as
14 supplier to the enterprise.

15 SEC. 6. *Implementing Agency and Partner Agencies.* –
16 The DA shall be the implementing agency of the Program.
17 It shall tap the assistance, expertise and resources of the
18 following agencies, such as, but not limited to, the
19 Philippine Coconut Authority, the National Dairy

1 Authority, the Bureau of Soils and Water Management,
2 the Philippine Center for Post-Harvest Development and
3 Mechanization, the Bureau of Fisheries and Aquatic
4 Resources, the Agricultural Training Institute, the
5 Agricultural Credit and Policy Council, and the Bureau of
6 Agricultural Research.

7 The DA shall likewise collaborate and secure the
8 technical support and assistance of other departments and
9 their attached agencies and corporations to support
10 enterprise development in the priority commodity value
11 chain, such as: the Department of Agrarian Reform, the
12 Department of Environment and Natural Resources, the
13 Department of Science and Technology, the Department of
14 Trade and Industry (DTI), and the Department of the
15 Interior and Local Government.

16 SEC. 7. *Private Sector Partnership.* – Partnerships or
17 alliances between farmer and fisherfolk groups and the
18 private sector may be formed to improve market access of
19 producer groups.

1 The following criteria shall be considered in the
2 selection of private sector partners:

3 a) Committed to enter into marketing contract or
4 buy-back agreement with the producers group;

5 b) Will undertake technology transfer on the provided
6 goods and/or services;

7 c) Financial and organizational capability to
8 undertake the proposed enterprise; and

9 d) Established actual experience in undertaking or
10 implementing the proposed enterprise.

11 Private sector partners may also provide or donate
12 equipment, machineries, and other forms of assistance to
13 farmers and fisherfolk engaging in enterprise development.

14 The DA shall issue the guidelines and impose the
15 qualification requirements in recognizing private sector
16 partners of the Program.

17 *SEC. 8. Farmers and Fisherfolk Enterprise Development*
18 *Information System.* – The DA, through the Agribusiness and

1 Marketing Assistance Service, shall maintain a Farmers
2 and Fisherfolk Enterprise Development Information
3 System to assist government in formulating plans and
4 programs on enterprise development, and to enable
5 producer groups, the private sector, local government
6 units, and potential donors to respond to the needs of the
7 local and world markets and in generating resources for
8 further enterprise development. The information system
9 shall contain a list of possible and implemented programs
10 and projects; a registry of agricultural and fisheries
11 enterprises, and private companies engaging these
12 enterprises or have expressed interest in participating in
13 the Program, and other information that may be identified
14 by the DA.

15 SEC. 9. *Direct Purchase by National and Local*
16 *Government Agencies.* – To promote and support farmers
17 and fisherfolk enterprise development, national and local
18 government agencies are hereby mandated to directly
19 purchase agricultural and fishery products from accredited
20 farmers and fisherfolk cooperatives and enterprises:

1 *Provided, That,* said agricultural and fishery products are
2 necessary in the performance of their respective mandates
3 such as, but not limited to, government feeding programs,
4 calamity and relief operations and health and nutrition
5 programs among others.

6 For purposes of this Act, the procurement by national
7 and local government agencies of said agricultural and
8 fishery products shall be exempt from the application of
9 the bidding process prescribed under relevant government
10 procurement laws: *Provided, That,* said agencies shall
11 undergo a negotiated procurement under the applicable
12 guidelines of the Government Procurement Policy Board.

13 SEC. 10. *Tax Incentives and Exemptions.* – The
14 provisions of any general or special law to the contrary
15 notwithstanding:

16 a) Gifts and donations of real and personal
17 properties shall be exempt from donor's tax.

1 b) The Land Bank of the Philippines shall provide
2 preferential rates and special window to accredited
3 farmers and fisherfolk enterprises; and

4 c) Exemptions from income tax may be provided for
5 income arising from the operations of the enterprise:
6 *Provided, That the farmer and the fisherfolk cooperatives*
7 *and enterprises shall register as barangay microbusiness*
8 *enterprises pursuant to Republic Act No. 9178, otherwise*
9 *known as the "Barangay Micro-Business Enterprises*
10 *(BMBEs) Act of 2002".*

11 SEC. 11. *Implementing Rules and Regulations.* –
12 Within sixty (60) days from the date of effectivity of this
13 Act, the DA, in consultation with the DTI, and the
14 Department of Finance, shall formulate the rules and
15 regulations for the proper implementation of this Act.

16 SEC. 12. *Separability Clause.* – If any provision of this
17 Act is declared invalid or unconstitutional, the other
18 provisions not affected by such declaration shall remain in
19 full force and effect.

1 SEC. 13. *Repealing Clause.* – All laws, executive and
2 administrative orders, rules and regulations inconsistent
3 with the foregoing provisions are hereby repealed or
4 modified accordingly.

5 SEC. 14. *Effectivity Clause.* – This Act shall take
6 effect after fifteen (15) days from its publication in the
7 *Official Gazette* or in two (2) newspapers of general
8 circulation.

Approved,