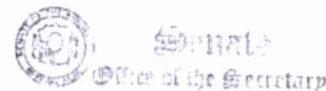


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



'18 MAR 20 P 4 :56

SENATE Bill No. 1758

RECEIVED

Introduced by SENATOR CYNTHIA A. VILLAR

AN ACT TO RESTRUCTURE AND RATIONALIZE THE LIVESTOCK INDUSTRY IN ORDER TO STRENGTHEN ITS DEVELOPMENT, PROTECTION AND REGULATORY FUNCTIONS, INCLUDING THE PROMOTION OF DAIRY AND NATIVE ANIMALS AND TO PROVIDE FOR A LIVESTOCK DEVELOPMENT FUND, AND FOR OTHER PURPOSES.

EXPLANATORY NOTE

The country has not been self-sufficient in many agricultural commodities, especially in the livestock sector. Data from the Philippine Statistical Authority indicate that from 2010-2015, the country imported a yearly average of 164,000 m.t. of pork, some 55,000 m.t. of beef, 37,000 m.t. of carabeef, and 128,000 m.t. of dressed chicken. Roughly 22% of our beef/carabeef, 9% of pork and 11% of the poultry are supplied by other countries. Over 95% of milk and dairy products in the Philippines are sourced from abroad. The country imports between US\$3-4 billion dollars of livestock commodities annually.

The Philippine livestock subsector urgently needs a boost and a reboot. For decades now, it has received limited attention and developmental assistance from the government because the major focus of Department of Agriculture has been mostly on rice and corn. The occasional but limited of livestock dispersal programs have not been sustained. Budget support for livestock has been averaging at only 2% of the yearly appropriations for agriculture. DA has not created a broad-based, organized, competitive livestock industry in the country, except for those of a few large corporate livestock ventures.

The Bureau of Animal Industry (BAI) has not been focused on its developmental support functions. It was created in 1930 with the primary goal to "investigate, study and report the cause of dangerous communicable diseases and the means of prevention, and in general, promote the development of the livestock industries... by improvement of breeds... and collection and compilation of statistics on domestic animals;...dissemination of useful information on all essential matters regarding domestic animals."

Subsequent legislation and administrative orders gave the agency additional roles such as: Republic Act No. 1556 - to "regulate and control the manufacture, importation, labeling, advertising and sale of livestock and poultry feeds"; Presidential Decree No. 34 – to "regulate the granting of tax free importation for breeder animals". The Bureau claims some of its mandates from - but without any direct mention of the agency in - the following laws: Republic Act No. 9729 or the Climate Change Act of 2009; Republic Act No. 10631 or the Animal Welfare Act of 1998.

Even the Agriculture and Fisheries Modernization Act (AFMA) of 1997 mention the Bureau of Animal Industry only in the context of privatization of its assets. This was corrected only under Executive Order No. 338 series of 2001, which enumerated under the spirit of the AFMA a more detailed set of roles and functions for the BAI. Still, EO 338 remained primarily focused on research and development and on regulation.

In short, all these decades, there has been no primary agency mandated to support the development of our livestock industry.

The regulatory functions under the Bureau of Animal Industry and the National Meat Inspection Commission are already well defined and need not be disturbed but the other roles of the BAI should be enhanced and supported in order for it to be an effective developmental support agency for the livestock sector, especially among the small hold farmers and backyard livestock growers.

The BAI shall henceforth provide stronger focus on industry development, helping upgrade industry's forward and backward linkages, and boosting conditions of players in the value chain in terms of farm technologies, logistics, financing, processing and overall capability building.

This Senate bill will spur the rise of the livestock sector as a key production growth driver in the economy, a significantly important segment of the agriculture, and a major provider of employment in the country-sides.

The approval of this bill is urgently requested.


CYNTHIA A. VILLAR
Senator

SEVENTEENTH CONGRESS OF THE)
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SENATE Bill No. 1758

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AN ACT TO RESTRUCTURE AND RATIONALIZE THE LIVESTOCK INDUSTRY IN ORDER TO STRENGTHEN ITS DEVELOPMENT, PROTECTION AND REGULATORY FUNCTIONS, INCLUDING THE PROMOTION OF DAIRY AND NATIVE ANIMALS AND TO PROVIDE FOR A LIVESTOCK DEVELOPMENT FUND, AND FOR OTHER PURPOSES.

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

1 **SECTION 1. Title.** – This Act shall be known as the “Livestock Industry Development Act
2 of 2018”.

3 **SECTION 2. Declaration of Policy.** – It is hereby the declared policy of the State to
4 promote the development and competitiveness of the livestock industry particularly the
5 backyard raisers in order to increase the supply of meat, poultry, dairy, eggs and other
6 livestock products, improve the domestic supply of breeders and attain greater self-
7 sufficiency in food and other livestock commodities. It is likewise the policy of the State to
8 improve the incomes of farmers and farm workers, through improved productivity, product
9 diversification, job generation, and increased efficiency of the livestock industry.

10 Towards this end, the State aims to provide for enabling environment for the development
11 of a more responsive government policies, support programs and the agencies charged
12 with the development of livestock sub-sectors, by separating the regulatory functions from
13 the development missions, rationalizing the roles and right-sized structures. The State
14 shall provide: (a) productivity improvement programs; (b) infrastructure and common
15 service facility support; (c) research and development for animal food, disease prevention

1 and animal health, propagation and genetic resource development and enterprise
2 development, among others; (d) technical and extension services; and (e) financial
3 assistance to small farmers.

4 The State recognizes the primary role of the private sector as partners in the various facets
5 of the livestock industry and shall provide incentives and the needed support to encourage
6 these activities.

7 **SECTION 3. Philippine Livestock Development Goals** - This act seeks to (1) to ensure
8 the adequate supply of meat, poultry and eggs, milk, breeders, other livestock products at
9 affordable prices; (2) to provide production support to backyard farmers to increase farm
10 productivity and competitiveness; and (3) to establish livestock-based enterprises; (4)
11 poverty alleviation and increase farmer's income and (5) the promotion of livestock farmers
12 organization.

13 **SECTION 4. Definition of Terms.** As used in this Act, the following terms and phrases
14 shall mean as follows:

15 a) *Department* – shall refer to the Department of Agriculture

16 b) *Livestock* – refers to any domestic or domesticated animal that is grown, kept or
17 raised in captivity for food or in the production of food or other by-products,
18 regardless of age, location or purpose of breeding. This includes all domestic
19 animals that are slaughtered for human consumption, maintained for draft animal
20 power, and for recreational purposes, such as but not limited to cattle, carabaos,
21 buffaloes, horses, sheep, goats, hogs, deer, rabbits, ostrich and poultry; among
22 others. Products of hunting or fishing of wild animals shall not be considered part
23 of this definition.

24 c) *Native Animals* - Native Animals refer to domesticated animals which contribute to
25 food production found in one geographical location that have developed unique
26 physical characteristics, behavior, product attributes, adapted to the local

1 environment and are products of selection with no infusion of exotic breed for at
2 least five (5) generations, including but not limited to native chicken, goats, pigs,
3 ducks, cattle and horses.

4 d) *Stock Farms* – refers to the network of stock and breeding farms and facilities
5 owned and operated by the Bureau of Animal Industry for the purpose of
6 demonstration of livestock farming technologies.

7
8 e) *Philippine Native Animal Development Centers* - refers to a network of stock and
9 breeding farms and laboratories dedicated to the nurturing, maintenance, and
10 development of the country's native animals for food production purposes.

11
12 f) *Smallholder Farmer* - refers to a farmer owning or cultivating five (5) hectares or
13 less of farmland.

14
15 **Section 5. *Philippine Livestock Development Framework.*** The Bureau of Animal
16 Industry in coordination with the Department of Agriculture (DA), Department of Science
17 and Technology (DOST), Department of Environment and Natural Resources (DENR),
18 livestock growers' cooperatives and backyard raisers' organizations, animal health care
19 practitioners, and the Local Government Leagues, shall formulate a ten-year Framework
20 for Livestock Development to be validated and updated annually. Such Framework shall
21 serve as guide to the formulation and implementation of plans, programs and projects for
22 the propagation, utilization and development of the livestock industry, including Philippine
23 native animals, as envisioned in this Act. The Framework shall likewise provide for the
24 following:

25
26 a) *Investment Promotion and Credit Access* - The DA shall develop programs
27 establishing links between stakeholders in the livestock industry and Government
28 Financial Institutions (GFIs) and other financial cooperatives. The DA, through the

1 BAI, shall likewise develop and implement programs that would establish
2 reasonable and innovative investment incentives to attract more players in the
3 native animal industry;

4 b) Production Support, Training and Extension - The DA, through the BAI, in
5 consultation with DOST, state universities and colleges, the Agricultural Training
6 Institute (ATI), TESDA Accredited Farm Schools and other relevant government
7 agencies shall establish programs which shall promote and provide adequate
8 trainings on adapting technologies to the farmers or individuals engaged in the
9 propagation, utilization, marketing, processing and distribution of livestock, dairy
10 and native animals; and afford opportunities for participation in international
11 conventions, workshops and for a. The DA shall likewise make good quality
12 breeders readily available to farmers and farmers' cooperatives to ensure high yield
13 and high profit;

14 c) Research and Development – The DA, through the BAI, and the Bureau of
15 Agricultural Research (BAR) shall strengthen research collaborations among state
16 universities and other research institutions for technical support in the areas of
17 genetic resource improvement programs, pasture seeds and crops for animal food
18 and other fields that promote the development and competitiveness of the livestock
19 industry, especially native animals.

20 d) Market Promotion Programs - The DA shall strive to strengthen its Livestock
21 Program and other similar programs in the promotion and development of backyard
22 livestock and dairy enterprise including that of native animals through the DA-
23 Agribusiness and Marketing Assistance Service (AMAS) including provision for
24 livestock auction markets and price monitoring of supply and demand. The DA shall
25 also coordinate with the Department of Trade and Industry (DTI), link-up
26 agribusiness cooperatives and organizations directly with consumers' cooperatives
27 and organizations including export.

1 e) Food Safety and Quality Assurance - To ensure public health and proper
2 handling of livestock products, the DA, together with the National Meat inspection
3 Service (NMIS) and the Bureau of Food and Drugs (BFAD), shall establish and
4 enforce standards of hygiene in propagating, processing, grading, sampling, tests
5 and analysis, specifications, nomenclature, inspection, processing, conservation,
6 utilization and transportation of Philippine livestock, dairy products and for native
7 animals including environmental management program for disposal and utilization
8 of animal waste;

9 f) Infrastructure Development - The DA shall facilitate the provision and/or
10 installment of needed provision for slaughter houses and abattoirs including
11 community hatcheries facilities, and other facilities in the propagation, processing,
12 utilization and development of native animals.

13 g) Animal Health and Welfare– to promote animal health, welfare and preservation,
14 the DA-BAI shall facilitate the availability of biotechnology techniques at a
15 commercial scale to farmers and livestock raisers. This shall include artificial
16 insemination service (AI) and the implementation of veterinary health services,
17 livestock feeds development centers, and biologics. Included in this shall be the
18 provision for surveillance, vaccination, animal movement control and management
19 and public awareness campaign.

20 h) Enterprise Development –the increase in income of livestock farmers can be
21 achieved through their engagement in livestock-based livelihood enterprises. The
22 DA-BAI shall provide animal dispersal, breeder loan program and dairy enterprise
23 development program with technical support. The ATI shall make sure that the
24 beneficiaries shall undergo training in Farm Business School.

25
26 **SECTION 6. Merging of Service Groups in the Bureau of Animal Industry.** The
27 following six Services are hereby established way of merging and consolidating the 21

1 existing divisions in the Bureau of Animal Industry and absorbing rationalizing three other
2 agencies, to wit:

3
4 a) **Livestock and Meat Regulatory Service** – The following divisions of the BAI
5 shall be merged with the National Meat Inspection Service, which in turn is
6 placed under the supervision and authority of the BAI, to become the Livestock
7 Regulatory Service, together with the powers, responsibilities, organization and
8 personnel, assets, and functions of their offices, units, and services.

- 9 • Animal Feeds, Veterinary Drugs and Biologics Control Division
10 (AFVDBD)
- 11 • Animal Health and Welfare Division (AHWD)
- 12 • Livestock Research and Development Division (LSD)

13 Livestock Regulatory Service shall provide regulatory, monitoring and
14 enforcement services as mandated under prior laws, including Act 3101 (1923),
15 Act 3639 (1930), R.A. 1071, R.A. 1556, P.D. 34 section 105(r), Administrative
16 Code of 1987, RA 8485, and RA 9482.

17 The new Service shall continue to serve as the controlling authority on all
18 policies, regulations, guidelines and standards pertaining to meat and meat
19 products, meat handling, safety, quality, hygiene, and sanitation, including:
20 establishing safety and quality standards for meat and meat products;
21 inspection - in coordination with local government units - of meat
22 establishments engaged in slaughter, processing, and domestic and
23 international meat trade; registration and licensing of meat inspectors, meat
24 handlers meat brokers, meat products processing establishments; and
25 accreditation of facilities, conveyances and service providers for Hazard
26 Analysis Critical Control Point Program (HACCP) audit as well as compliance
27 to hygiene and sanitation standards.

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b) **Livestock Industry Development Service** - The Livestock Research and Development Division, Marketing Development Division, and Research Development Division, National Swine and Poultry Research and Development Center, International Training Center for Pig Husbandry (ITCPH) of the Agriculture Training Institute, National Beef Cattle Research and Development Center, National Feeds Resources Research and Development Center, National Small Ruminants Research and Development Center shall be merged to become the Livestock Industry Development Service, together with the powers, responsibilities, organization and personnel, assets, and functions of their offices, units, and services, subject to further rationalization.

The Livestock Industry Development Service shall coordinate the formulation and implementation of policies, programs, and roadmaps that will hasten and sustain the development of the livestock and native animal sub-sectors.

c) **Philippine Native Animal Development Service** – The Philippine Native Animal Development Center is hereby upgraded to become the Philippine Native Animal Development Service (PNADS), which shall be responsible for the conservation, propagation, and promotion of Philippine native animals, including native pigs, poultry, ducks, deer, and horses through the use of appropriate technology as sources of meat, eggs, and other by-products, and help increase incomes and available food for farmers.

To promote the propagation, processing, utilization and development of Philippine native animals, there shall be created in each of the three major island groups at least one native animal development center, to be known as the Philippine Native Animal Development Center for Luzon, Visayas and for Mindanao, respectively, to ensure the distributed implementation of native animal policies and development programs.

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d) **National Dairy Development Service.** There is hereby created the National Dairy Development Service (NDDS) which shall assume the functions, mandates, personnel and assets of the Philippine Carabao Center, created under R.A. 7307. The PCC shall cease to be a government-owned and controlled corporation and transformed as the NDDS. The NDDS shall expand its mandate of formulating, implementing and managing carabaos to include cows and small ruminants, with the end in view of increasing milk production in the Philippines.

The National Dairy Authority, created under R.A. 7884, is hereby abolished and its on-going programs, and assets transferred to the the National Dairy Development Service (NDDS).

e) **Philippine Livestock Protection Service.** The following units of the BAI are hereby merged and consolidated to become the Philippine Livestock Protection Service, together with the powers, responsibilities, organization and personnel, assets, and functions of their offices, units, and services, subject to further rationalization, to wit:

- National Veterinary Quarantine Services (NVQS)
- Philippine Animal Health Center (PAHC)
- Animal Health Division (AHD)

The PLPS shall be responsible for programs, policies, surveillance and emergency action to protect the livestock industry from diseases and outbreak of infestation and shall have the following powers and functions:

1. *Livestock Protection Surveillance*, including regular Surveillance Inspections in partnership with industry players and LGUs, coordination with counterpart offices in other countries as well as UN food agencies, and

1 organizing the Livestock Protection Surveillance Network at the provincial
2 levels in partnership with LGUs, livestock producers, and other industry
3 stakeholders;

4 2. *Conducting Research and Development programs through* partnering with
5 SUCs, ATI for capability building programs, partnering with private sector
6 laboratories, Barangay-based farmer/stakeholder livestock protection
7 networks, and Provincial Agriculturists Emergency Communications
8 Network;

9 3. *Pest and Disease Emergency Response*, by way of developing protocols
10 and responses on the Declaration of livestock infestation, regulation of
11 movement of persons, conveyances and plant materiel in affected areas,
12 powers to deputize police and military to control pest outbreaks, and
13 disposal of affected livestock resources and assets

14 **SECTION 9. Authority in Livestock Pest-related Emergencies.** With the PLPS as its
15 implementing arm, the Bureau of Animal Industry is hereby designated as the overall
16 coordinating government body in the event of any livestock infestation or epidemic. The
17 PLPS shall have the authority to call for the creation of an animal and livestock emergency
18 response task force (ALERT-TF) to be composed of key officials at the regional level from
19 the following agencies:

- 20 1. Department of Agriculture- Regional Office
- 21 2. Department of Interior and Local Government - Regional Office
- 22 3. Philippine National Police -- Regional Command
- 23 4. Provincial governor and/or Provincial Agriculturist
- 24 5. Congressional Representative of the affected district
- 25 6. Mayors of the affected municipalities/cities
- 26 7. Science experts on the case

1 **SECTION 10. *Transfer of Supervision and Functions.*** All on-going programs and
2 functions of the merged and re-grouped divisions and centers, including the NDA and PCC
3 are hereby transferred to the BAI Service offices above created, but shall continue to be
4 operational until such time as the Bureauhead is able to implement a rationalization and
5 reengineering program to align their functions, programs and activities to the objectives of
6 this Act. The affected personnel who may opt for early separation shall be entitled to
7 receive separation benefits equivalent to two months of salaries for every year of service
8 in government.

9 The BAI stock farms and research centers in Gen. Tinio, Nueva Ecija; Tiaong, Quezon;
10 Lipa, Batangas; Busuanga, and Coron in Palawan; Dumarao, Capiz; Milagros in Masbate;
11 Malaybalay, Bukidnon; and the two separate forage centers/stations in
12 Labangan, Zamboanga del Sur shall be transferred under the care and administrative
13 supervision of the relevant divisions of the Livestock Industry Development Service to
14 primarily serve the needs of small-hold farmers as the base locations for purposes of
15 human resource development in the livestock sector, livestock breeding, extension work,
16 demonstration activities, and trade and promotion activities.

17 **SECTION 11. *Exemption from Taxes and Duties.*** – The BAI shall be the focal office on
18 the upgrading of breeders and may, in behalf of livestock, poultry and dairy producer
19 enterprises and cooperatives, import and shall be exempt from the payment of customs
20 duties and taxes on the importation of livestock and dairy animals, veterinary and other
21 supplies, other farm inputs, dairy equipment and machineries, research equipment,
22 including its spare parts, provided that these are certified and monitored, and accounted
23 for in terms of augmenting and upgrading local stocks and breeders of small farmers,
24 subject to the following conditions:

25 a) That the breeders are certified to upgrade and improve existing stocks;

1 b) That it shall be actually, directly and exclusively used by the producer
2 enterprises and cooperatives in the production of livestock and/or manufacture
3 of livestock by-products; and

4 c) That a quarterly monitoring report shall be made over a two-year period on the
5 status of the imported livestock and materials.

6 **SECTION 12. Mandated Appropriations.** – On top of the existing budgets of the relevant
7 agencies and units of the BAI, the amount of P500 million shall be appropriated as funds
8 for the reorganization and restructuring, initial operations and programs of the agency, to
9 be set aside from the current agriculture development funds under the Office of the
10 Secretary. The appropriations of agencies, divisions that have been merged, abolished or
11 transferred pursuant to this Act shall be turned over to the BAI. Thereafter, such sums as
12 may be necessary for its continued operation and maintenance shall be included in the
13 annual General Appropriations Act, provided that, henceforth, the budget share of the
14 livestock sector shall not be lower than fifteen percent (15%) of the total appropriations for
15 the Department.

16 In addition, the Department of Budget and Management (DBM) is hereby mandated to
17 include annually, starting the year 2016, an initial aggregate amount of Two billion pesos
18 (P5,000,000,000.00) in the President's program of expenditures for submission to
19 Congress and allocated, as follows:

20 (a) Fifteen percent (15%) for grants to Livestock Common Service facilities that
21 shall serve livestock growers within each province;

22 (b) Fifteen percent (15%) for socialized credit under the Small Livestock Farm
23 Support and Modernization Programs;

24 (c) Fifteen percent (10%) for research and development, capability building and
25 technology transfer activities under Research and Development, Extension
26 Services, Human Resources Development, and Farm Support Programs;

1 (d) Ten percent (5%) for marketing and trade fair support and assistance for
2 organized groups of small farmers at the provincial and regional levels;

3 (e) Five percent (5%) for scholarship grants and Human Resource Development;

4 (f) Regulatory Services (30%) and

5 (f) Forty percent (20%) for infrastructure support programs.

6 **SECTION 13. *Implementing Rules and Regulations.*** Within thirty days (30) from the
7 date of approval of this Act, the Secretary of the Department of Agriculture shall convene
8 the members of the Livestock Development Advisory Board to formulate the rules and
9 regulations for the proper implementation of this Act. Such implementing rules shall,
10 among others, provide for the following:

11 a) Plans, programs and policy recommendations and proposed measures
12 necessary to carry out the objectives and functions of the Bureau and the Service
13 offices;

14 b) Submit, an annual budget and proposed supplemental budget as may be
15 needed in its initial operations, and a consultative process for stakeholders in the
16 formulation of Bureau's annual budgets in line with the national budget cycle; and

17 c) A proposed rationalization program to update the organizational structure, and
18 plantilla of personnel of the Service office, in accordance with existing laws, rules
19 and regulations, including the early separation benefits for those whose positions
20 may have to be abolished.

21 **SECTION 15. *Repealing Clause.*** –All laws, decrees, executive orders, rules and
22 regulations or parts thereof which are inconsistent with this Act are hereby repealed or
23 modified accordingly.

1 **SECTION 17. *Separability Clause.*** – If any provision of this Act is declared
2 unconstitutional or invalid, other provisions thereof which are not affected thereby shall
3 continue in full force and effect.

4
5 **SECTION 18. *Effectivity.*** — This Act shall take effect after fifteen (15) days following its
6 publication in the Official Gazette or in any newspaper of general circulation.

Approved.