

'18 JUL 16 A11 :42

SENATE
S. B. No. 1874

FILED _____

Introduced by Senator SONNY ANGARA

AN ACT
TO DEVELOP AND STRENGTHEN THE AGRICULTURAL EDUCATION AND TRAINING IN THE COUNTRY THROUGH THE INSTITUTIONALIZATION OF MANPOWER DEVELOPMENT FOR AGRICULTURAL ENTREPREURSHIP IN THE POST-SECONDARY LEVEL

EXPLANATORY NOTE

Agriculture remains a sector most vital to the overall development of the country, not just as the main driver of food security but also as a source of livelihood.

But average agricultural employment has varied very little over the years, staying only between 11 and 12 million from 2003 to 2016, as Bureau of Agricultural Statistics data would show. This indicates how agricultural growth has remained lackluster for decades—with such underperformance contributing immensely to chronic poverty and hunger. Unfortunately, Philippine agriculture remains a burgeoning, rather than flourishing sector.

Through the Department of Agriculture and its attached agencies, the government is providing whatever support it can to the sector. However, current policies are clearly inadequate, either in their form or in their implementation. The associated problems and challenges are multi-faceted, with training and human capital development standing as areas that demand more focus and attention. Every year, universities and colleges graduate sizable numbers of students from

agriculture-related courses. Yet, the outlook remains that agriculture is less of a profession or business enterprise than a means to daily subsistence.

Our agriculture needs to be infused with an entrepreneurial spirit. There have been initiatives to address the need for agricultural entrepreneurship training programs, enshrined by laws such as the Rural Farm Schools Act of 2013 (RA 10618).

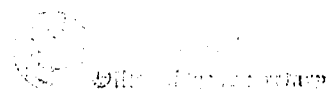
The foregoing measure aims to support these, drawing from the Dual Training System of 1994 (RA 7686). When this measure is enacted, the country will train men and women as agriculture entrepreneurs (agripreneurs), with hands-on experience in agriculture endeavors and well-versed in agriculture as an entrepreneurial activity. This can be accomplished through a ladderized system of agricultural education and training in the post-secondary or collegiate level, which can be an extension of the Rural Farm Schools curriculum.

The passage of this bill is timely as the world tries to give significance to farming as a way to eradicate hunger and poverty, provide food security and nutrition, improve livelihoods, manage natural resources effectively, protect the environment and achieve sustainable development.

In view thereof, approval of this bill is earnestly sought.



SONNY ANGARA



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TO DEVELOP AND STRENGTHEN THE AGRICULTURAL EDUCATION AND TRAINING IN THE COUNTRY THROUGH THE INSTITUTIONALIZATION OF MANPOWER DEVELOPMENT FOR AGRICULTURAL ENTREPREURSHIP IN THE POST-SECONDARY LEVEL

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

1 Section 1. *Title.* – This Act shall be known as the "*Entrepreneurial Agricultural*
2 *Education Act.*"

3 *Sec. 2. Declaration of Policy.* – It is hereby declared the policy of the State to
4 promote the sustained development of a reservoir of national talents consisting of
5 Filipino scientist, entrepreneurs; professionals, managers, high-level technical
6 manpower and skilled workers and craftsmen in all fields. Towards this end,
7 manpower education and training in the agricultural sector must be developed and
8 strengthened in order to provide the country with a pool of educated and skilled
9 agricultural manpower equipped with appropriate skills in agriculture and business,
10 and desirable work habits and attitudes.

11 *Sec. 3. Agricultural Manpower Education and Entrepreneurship System.* – The
12 State hereby establishes the Agricultural Manpower Education and Entrepreneurship
13 System (AMEES) that will assume a leadership role in the post-secondary, vocational
14 or tertiary level of agricultural and entrepreneurship education, following the
15 completion of the rural farm school's curriculum in the secondary level.

1 Sec. 4. *Objectives.* – This Act primarily aims to develop and strengthen the
2 agricultural education and training in the country through the institutionalization of
3 manpower development for agricultural entrepreneurship in the post-secondary
4 level. It shall have the following specific objectives:

- 5 a. Encourage the application of manpower development for agricultural
6 entrepreneurship in agricultural, technical and vocational education and
7 training by both public and private schools within the context of existing
8 agricultural training and educational system;
- 9 b. Promote investment in manpower education and training for agriculture
10 entrepreneurship by both public and private sectors especially in rural
11 areas;
- 12 c. Enhance the managerial skills and technical competence of students of
13 agriculture by equipping them with analytical and creative thinking and
14 problem-solving abilities; manipulative competencies suitable for
15 occupational standards and requirements; values and attitudes with
16 emphasis on work ethics, quality orientation, discipline, honesty, self-
17 reliance and patriotism; and,
- 18 d. Strengthen training cooperation between agricultural, industrial and
19 business establishments and educational institutions by designing and
20 implementing relevant training programs in close coordination with local
21 government units.

22 Sec. 5. *Definition of Terms.* – For purposes of this Act, the following terms
23 shall mean:

- 24 a. **Agricultural Entrepreneurship** refers to the process of identifying,
25 starting and managing a farm business or enterprise, sourcing and
26 organizing the required resources and taking both the risks and rewards
27 associated with the venture;
- 28 b. **Manpower education and training** refers to the instructional delivery
29 system of agricultural, technical and vocational education and training that
30 combines hands-on and in-school training based on a training plan
31 designed and implemented by an accredited manpower education and
32 training institution for agricultural entrepreneurship and accredited dual

1 system agricultural, industrial and business establishments with prior
2 notice and advice to the local government unit concerned;

3 c. **Trainee** refers to a person qualified to undergo the manpower education
4 and training for agriculture entrepreneurship;

5 d. **Farm Business Schools** are post-secondary schools where students,
6 who are graduates of the Rural Farm Schools or any qualified secondary
7 institution specializing in agriculture, shall be trained on agricultural
8 entrepreneurship;

9 e. **Accredited dual training system educational institution or**
10 **training center** refers to a public or private institution duly recognized
11 and authorized by the TESDA in coordination with the agricultural sector,
12 business and industry, to participate in the manpower education and
13 training for agricultural entrepreneurship;

14 f. **Accredited dual training system agricultural, industrial and**
15 **business establishment** refers to a juridical entity duly recognized and
16 authorized by the TESDA to participate in the dual system for manpower
17 education and training for agricultural entrepreneurship; and,

18 g. **Establishments** refer to enterprises or services, or both, of agricultural,
19 industrial, or business establishments.

20 *Sec. 6. Institutionalization of the Manpower Education and Training for*
21 *Agricultural Entrepreneurship.* – The manpower education and training for
22 agriculture entrepreneurship, hereafter the System, shall be institutionalized in the
23 Philippines. It shall form as part of the post-secondary education curriculum as
24 provided in this Act.

25 *Sec. 7. Coverage.* – This Act shall apply to all public and private educational
26 institutions or training centers, and agricultural, industrial and business
27 establishments duly accredited to participate in the manpower education and
28 training for agricultural entrepreneurship.

29 *Sec. 8. Components of the Manpower Education and Training for Agricultural*
30 *Entrepreneurship.* – The manpower education and training for agricultural
31 entrepreneurship shall have the following components:

- 1 1. There shall be a ladderized system of agriculture entrepreneurship
2 education that begins in the post-secondary level following the completion
3 of the Rural Farm School curriculum as provided in Republic Act No.
4 10618 (Rural Farm Schools Act of 2013), or upon graduation in any
5 qualified secondary institution, and culminates in applicable collegiate
6 courses. The post-secondary program shall involve the conferment of a
7 Diploma in Agricultural Entrepreneurship upon graduation of the trainee
8 from the Farm Business Schools who shall have the option to continue his
9 studies in partner universities for a degree in Bachelor of Science in
10 Entrepreneurial Management, major in Farm Business;
- 11 2. There shall be created for each administrative region (excluding the
12 National Capital Region) an AMEES Development School or Farm Business
13 School, and such other schools as may be established by law;
- 14 3. There shall be an instructional delivery system of agricultural, technical
15 and vocational education and training in each Farm Business School that
16 combines hands on training and in-school training based on a training
17 plan designed and implemented by an accredited manpower education
18 and training institution for agricultural entrepreneurship and accredited
19 dual system agricultural, industrial and business establishments with prior
20 notice and advice to the local government unit concerned. Under this dual
21 system, said establishments and the educational institution share the
22 responsibility of providing the trainee with the best possible competencies
23 and experience, the former essentially through practical training and the
24 latter, by providing an adequate level of specific, general and theoretical
25 instruction on agriculture and entrepreneurial management;
- 26 4. The AMEES shall include instruction on vital values on citizenship,
27 governance, entrepreneurship, work ethics, quality orientation, discipline,
28 honesty, and self-reliance;
- 29 5. The partnership between the public, private and voluntary sectors shall be
30 a crucial component of the AMEES in both academic content and in on-
31 the-job or hands-on training; and,

- 1 6. The AMEES shall also be promoted among poor farming families and out-
2 of-school youth in the rural areas and in agrarian reform communities.
3 The AMEES shall ensure that poor and deserving youths receive the
4 necessary grants and scholarships.

5 *Sec. 9. Board of Trustees.* – There shall be a Board of Trustees, herein
6 referred to as the Board, composed of the Secretary of the Department of
7 Agriculture (DA) as ex-officio Chairman, the Chairman of the Commission on Higher
8 Education (CHED) as ex-officio Vice Chairman, and the following members:

- 9 1. The Chairman of the Technical Education and Skills Development
10 Authority (TESDA);
11 2. The Director of the Bureau of Micro, Small and Medium Enterprise and
12 Development (BMSMED);
13 3. The Director of the DA-Agricultural Training Institute (ATI);
14 4. Two (2) Representatives from the private sector representing higher
15 education, industry, agriculture, and new and emerging agricultural
16 technologies; and,
17 5. Representative from a non-governmental organization.

18 The representatives from the private sector and non-government
19 organizations shall be appointed by the Chairman, subject to the confirmation of the
20 Board of Trustees.

21 The members of the Board shall serve for four years.

22 *Sec. 10. Powers and Functions of the Board.* – The Board shall exercise the
23 following powers and functions:

- 24 a. Formulate policies and guidelines for the administration and operation of
25 the AMEES;
26 b. Formulate policies on the appointment, promotion, retention, removal,
27 renewal, rewards and incentives for administrators, faculty and staff;
28 c. Craft and approve the AMEES curricula;
29 d. Approve the criteria for the selection and admission of students;
30 e. Approve the grant of scholarship, stipend and such allowances for
31 students;

- 1 f. Approve the graduation of successful candidates from the various AMEES
2 campuses or farm business schools;
- 3 g. Formulate policies and rules of discipline for students, faculty and staff;
- 4 h. Approve the AMEES budget and appropriate to the ends specified by law
5 such sums as may be provided by law for the support of the System;
- 6 i. Receive grants whether cash, land, buildings and improvements thereof;
7 donations, contributions, bequest, gifts, and to formulate policies for the
8 administration thereof;
- 9 j. Develop policies for the expansion of enrollment in the campuses under
10 the AMEES;
- 11 k. Set policies and criteria to rationalize the establishment of AMEES schools
12 under the System, for its evaluation and approval thereof;
- 13 l. Prepare strategic plans to enhance the capability of the AMEES in
14 developing human resources with focus on youth with special aptitudes
15 and inclination to agriculture and entrepreneurship;
- 16 m. Identify training centers /institutions that will provide manpower training
17 and education; and,
- 18 n. Perform such other functions as may be necessary to implement the
19 provisions of this Act.

20 *Sec. 11. Career Management Development Division.* – The Career
21 Management Development Division (CMDD) of the Agricultural Training Institute
22 (ATI) of the Department of Agriculture shall plan, set standards, coordinate, monitor
23 and allocate resources in the implementation of the provisions of this Act and in
24 support of the in plant training or on-the-job training component of the AMEES:
25 *Provided,* That the agricultural and agro-industrial establishment shall be required to
26 furnish the AMEES with the necessary information for the purpose of supervision.

27 The CMDD shall be headed by a Division Chief (DC). The DC shall be assisted
28 by such other personnel as may be necessary for the effective discharge of the
29 functions of the office.

30 *Sec. 12. Duties and Functions of the Division Chief.* – The DC shall perform
31 the following duties and functions:

- 32 1) Coordinate curriculum planning activities for the AMEES;

- 1 2) Coordinate publication of farm business outputs of the teachers,
2 administrators and students from the AMEES;
- 3 3) Provide legal and technical support to the members of the System;
- 4 4) Coordinate exchange programs with other educational institutions both
5 local and foreign, including youth development and empowerment
6 organizations such as the 4-H Club;
- 7 5) Develop and coordinate linkages and networking among the campuses of
8 the AMEES with other institutions;
- 9 6) Coordinate the implementation of the program for the identification and
10 selection of scholars for the AMEES;
- 11 7) Provide for the secretariat services of the Board of Trustees; and,
- 12 8) Perform such other functions as may be deemed necessary for the
13 effective discharge of the DC's duties.

14 Sec. 13. *Status of Trainee.* – Any student who is a *bona fide* graduate of a
15 Rural Farm School or any qualified secondary educational institution shall be eligible
16 to enroll in a farm business school. For the duration of the post-secondary
17 manpower training under the System, the trainee is to be considered not an
18 employee of the business/industrial establishment but rather a trainee of both the
19 accredited dual training system educational institution and the agricultural, industrial
20 and business establishments: *Provided*, That the union or the workers of the latter
21 have been duly informed in advance of such an agreement.

22 A trainee who has successfully completed a training program in a particular
23 agricultural, industrial or business establishment shall be given priority of
24 employment in that agricultural, industrial or business establishment. The CHED
25 shall keep a roll of these successful trainees for purposes of identifying them for
26 employment.

27 Sec. 14. *Obligations of the Accredited Educational Institutions or Training*
28 *Centers.* – The educational institutions or training centers that have entered into a
29 memorandum of agreement with agricultural, industrial or business establishments
30 to undertake training shall:

- 1 a. Ensure that the necessary skills and knowledge are imparted to the
- 2 trainee during his in-school trainings in accordance with an approved
- 3 training plan;
- 4 b. Design, implement and evaluate jointly the training plan with the
- 5 accredited agricultural, industrial and business establishments;
- 6 c. Provide the training instructors;
- 7 d. Provide specific, general and occupation-related theoretical instructions;
- 8 e. Appoint industrial coordinators to supervise the in-plant or farm training;
- 9 f. Pay the trainee his daily allowance; and,
- 10 g. Perform such other tasks and activities as may be necessary in
- 11 furtherance of the objectives of the training.

12 *Sec. 15. Obligations of Accredited Agricultural, Industrial and Business*
13 *Establishments.* – The agricultural, industrial and business establishments shall have
14 the following duties and responsibilities:

- 15 a. Ensure that the necessary skills and knowledge are imparted to the
- 16 trainee during his hands-on trainings in accordance with an approved
- 17 systematic training plan;
- 18 b. Appoint the training officer/s to implement the training plan;
- 19 c. Make available, free of charge, the, consumable materials and basic hand
- 20 tools and equipment necessary for the training;
- 21 d. Allow the trainee to attend his in-school training and to sit for his
- 22 examinations;
- 23 e. Require the trainee to keep his report book up to date and inspect such
- 24 books;
- 25 f. Ensure that the trainee is encouraged to develop his personality and that
- 26 he is protected from physical or moral danger;
- 27 g. Entrust to the trainee such jobs as are related to the purpose of his
- 28 training and are commensurate with his capabilities;
- 29 h. Pay to the accredited educational institution/training centre the daily
- 30 allowance of the trainee;
- 31 i. Allow the trainee the necessary time off for his in-school training; and,

- 1 j. Perform such other obligations in accordance with the provisions of this
2 Act and other prevailing laws of the Philippines.

3 Sec. 16. *Obligations of the Trainee.* – A trainee shall exert every effort to
4 acquire the skills and knowledge necessary for him to achieve the purpose of his
5 training. Towards this end, the trainee shall:

- 6 a. Carefully perform the jobs entrusted to him as part of his training;
7 b. Take part in training programs for which he has been granted time off
8 under this Act;
9 c. Follow the instruction given to him as part of his training by the training
10 officer or any other person entitled to give him such instructions;
11 d. Observe rules of behavior in the training premises;
12 e. Use tools, instruments, machines and other equipment with due care;
13 f. Not reveal any business or trade secrets that have come to his knowledge
14 in the course of his training;
15 g. Keep his record books up to date; and,
16 h. Perform such other obligations in the attainment of the objectives of this
17 Act.

18 Sec. 17. *Memorandum of Agreements.* – Prior to the commencement of any
19 manpower training, a memorandum of agreement (MOA) shall be signed by all
20 parties which shall stipulate the following, among others:

- 21 a) the training plan;
22 b) the nature and objective of the training;
23 c) the commencement and duration of the training period, including the total
24 number of in-plant/farm training hours;
25 d) the normal daily training hours;
26 e) the trainee's allowance and the rate to be applied, which shall not be less
27 than seventy-five (75) per cent of the applicable minimum daily wage;
28 f) the rights and obligations of the parties concerned in addition to those
29 provided in Sections 14, 15 and 16;
30 g) the definition of the status of the trainee according to Section 13 of this
31 Act;
32 h) the conditions for the termination of the training agreement;

- 1 i) the performance, monitoring and evaluation system; and,
2 j) such other essential particulars as would mutually benefit all parties
3 concerned.

4 Sec. 18. *Incentives for the Trainees.* –

5 a. Every agricultural, industrial and business establishment undertaking
6 training, in accordance with the provisions of this Act, shall sign a life and/or
7 accident insurance policy on the life of the trainee with the insured and the spouse,
8 children or parents of the trainee as the beneficiaries thereof: *Provided*, That the
9 agricultural, industrial and business establishments shall pay for the premiums of
10 said insurance policy.

11 b. Upon graduation, the students will be provided funding as start-up
12 capital for their farm business. Financial services and programs shall be made
13 available to them as stipulated in Republic Act No. 10000 or the "The Agri-Agra
14 Reform Credit Act of 2009". Students should be able to avail of loans without the
15 need for collateral. A government guarantee fund shall be set aside for this purpose
16 in case of a default or failure to pay the debt: *Provided*, That a proof is presented
17 that the student suffers from financial hardships and is no longer able to pay his
18 loan.

19 c. The government shall also extend incentives to students for the
20 production and propagation of organic farm inputs by maximizing their use in all
21 government and government-supported agricultural production, research and
22 demonstration programs, as embodied in Republic Act No. 10068 or the "Organic
23 Agriculture Act of 2010".

24 Sec. 19. *Incentives for Participating Establishments.* – To encourage
25 agricultural, industrial and business establishments to participate in the system, they
26 shall be allowed to deduct from their taxable income the amount of one hundred
27 and fifty per cent (150%) of the system expenses paid to the accredited dual
28 training system educational institution for the establishment's trainees: *Provided*,
29 That such expenses shall not exceed five per cent (5%) of their total direct labor
30 expenses but in no case to exceed twenty-five million pesos (P25,000,000.00) a
31 year.

1 Donations for the operation of the system shall be deductible from the
2 taxable income of the donors. Donations to government-run educational institutions
3 shall be awarded incentives under Republic Act No. 8525 or the "Adopt-a-School Act
4 of 1998".

5 The Department of Finance shall issue the necessary rules and regulations to
6 implement the provisions of this Section.

7 *Sec. 20. Non-diminution of Incentives.* – Nothing in this Act shall be
8 construed to diminish or reduce any privilege already enjoyed by the parties
9 concerned under existing laws, decrees or executive orders.

10 *Sec. 21. Other Exemption from Taxes and Duties.* – Any donation,
11 contribution, bequest, subsidy or financial aid which may be made for the operation
12 of the system shall constitute an allowable deduction from the income of the donors
13 for income tax purposes and shall be exempt from donor's tax, subject to such
14 conditions as provided under the National Internal Revenue Code, as amended.
15 Essential equipment apparatus and materials imported by accredited dual training
16 private educational institutions shall be exempt from taxes and duties: *Provided,*
17 That the importation of these items shall be subject to the following qualifications
18 that:

- 19 a) the importation shall be certified by the appropriate authority;
20 b) they should be actually, directly and exclusively used in connection with
21 the dual training system and any unauthorized use shall subject the
22 accredited dual training' private educational institutions to payment of
23 taxes and duties thereon; and,
24 c) they are not available locally in sufficient quantity of comparable quality,
25 and at 35 reasonable prices.

26 *Provided, however,* That taxes and duties pertaining to the importations of
27 accredited government and dual training educational institutions are deemed
28 automatically appropriated.

29 The Department of Finance shall accumulate the necessary rules and
30 regulations to implement the provisions of this section.

31 *Sec. 22. Revolving Fund.* – Any law, rule or regulation to the contrary
32 notwithstanding, the accredited dual training system educational institution/training

1 center is hereby authorized to retain as a revolving fund the amount paid to it by
2 the agricultural, industrial and business establishments representing the actual dual
3 training expenses. The fund shall be used to improve the operation of the dual
4 training system.

5 *Sec. 23. Implementing Rules and Regulations.* – The CHED, DA, TESDA and
6 the Department of Finance, in coordination with other industries concerned, shall
7 issue the necessary rules and regulations for the effective implementation of this Act
8 within a period of ninety (90) days after its effectivity.

9 *Sec. 24. Separability Clause.* – If any part or provision of this Act is declared
10 unconstitutional or invalid, other parts or provisions thereof which are not affected
11 thereby shall continue to be in full force and effect.

12 *Sec. 25. Repealing Clause.* – All laws, decrees, executive orders, rules and
13 regulations or other issuances or parts thereof, inconsistent with this Act, are hereby
14 repealed, amended or modified accordingly.

15 *Sec. 26. Effectivity.* – This Act shall take effect fifteen (15) days after its
16 publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,