


THIRTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES }  
*Second Regular Session*

6 JUN -7 P. M.

SENATE

S. No. 2326 RECEIVED BY: 

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INTRODUCED BY HON. MANNY VILLAR

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### EXPLANATORY NOTE

Farm productivity a. key element in attaining food sufficiency in a country whose population is growing at an alarming rate like the Philippines. Increasing agricultural productivity, however, has always been an elusive goal, as government continues to pour in limited funds in order to stimulate productivity in the agricultural sector.

As government resources become scarce and global competition intensifies in the agricultural world market, demand for more strategic provision of farm support increases.

Among, the farm supports provided by the government, irrigation is the most crucial and is recognized as a catalyst of agricultural productivity. However, only 1.37 million lands have adequate irrigation facilities.

This bill provides for a strategic provision of irrigation farm support with the view of increasing farm productivity. It grants incentives for the promotion of cost-effective irrigation technologies. This will maximize the potential of our agricultural sector towards more efficient farming technologies that will yield a more diversified produce thereby contributing to the food sufficiency goal of the country.


In view of the foregoing reasons, the approval of this bill is earnestly sought.

  
MANNY VILLAR

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**AN ACT TO ENHANCE FARM PRODUCTIVITY BY PROVIDING STRATEGIC FARM IRRIGATION SUPPORTS AND FOR OTHER PURPOSES**

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

**SECTION 1. Title-** This Act shall be known as the "Farm Productivity Act of 2005."

**SECTION 2. Declaration of State Policy-** It is hereby declared the policy of the State to enhance farm productivity in order to boost food sufficiency in the country. In pursuit of such policy, the State shall provide strategic farm irrigation supports and incentives to increase the productivity of the country's agricultural sector especially in the countryside.

**SECTION 3. Definition of Terms-** For purposes of this Act, the following terms are defined as follows:

- a) **Minor Irrigation Systems** are irrigation systems that utilize small and medium scale irrigation facilities such as Shallow Tube Wells (STWs), Low-Lift Pumps (LLPs) and other inundation systems.
- b) **Shallow Tube Well (STW)** refers to a tube or shaft vertically set into the ground for the purpose of bringing ground water to the soil surface from a depth of less than 20 meters by suction lifting.
- c) **Low-Lift Pump (LLP)** refers to the pump in which the pressure is developed by the lifting action of the suction valves on the water source.
- d) **Farm Enterprises** refers to any business activity or enterprise engaged in agriculture whether single proprietorship, cooperative, partnership or corporation duly certified by the Department of Agriculture.

**SECTION 4. Technical Assistance** - The National Irrigation Administration, together with agricultural state colleges and universities shall provide farm enterprise a comprehensive technical assistance program in the development of minor irrigation training, research, information support services and the improvement of irrigation facilities.

**SECTION 5. Irrigation Development Loans** - The Department of Agriculture shall establish an irrigation credit facility under the Agro-industry Modernization Credit and Financing Program that will provide access to concessional loans and credit guarantees for the acquisition of water pump sets, tube wells, sprinkler systems and

other equipment for the development of minor irrigation systems. Provided, that interest rates for these loans shall not exceed nine percent (9%) per annum.

**SECTION 6. Fiscal Incentives** - All purchases and rentals of equipment for minor irrigation, systems, such as Shallow Tube Wells (STWs), Low Lift Pumps (LLPs), and other inundation systems used by farm enterprises that are duly certified by the Department of Agriculture in consultation with the Department of Finance and Board of Investment shall for a period of ten (10) years, be exempted for the payment of all forms of taxes, tariffs and duties.

**SECTION 7. Appropriations.** - There shall be appropriated an initial appropriation of P 1.0 Billion Pesos during the first year of implementation of this Act to be administered by the Department of Agriculture.

Thereafter, all such amounts as may be necessary for the sustainable financing, operation, maintenance and improvement of minor irrigation systems shall be automatically appropriated in the General Appropriations Act as approved by Congress.

**SECTION 8. Implementing Rules and Regulations.**- The Secretary of Agriculture, in coordination with the National Irrigation Administration and the Department of Finance, shall within sixty (60) days from effectivity this Act.

Copies of such rules and regulations shall be both submitted to both Committees of Agriculture and Food of the Senate and the House of Representatives.

**SECTION 9. Separability Clause.**- If any provisions of this Act shall be deemed unconstitutional or invalid, the other provisions not affected thereby shall remain in force and effect.

**SECTION 10. Repealing Clause.** - All Acts, Presidential' Decrees, Executive Orders and Administrative Orders, Rules and Regulations, and other.

**SECTION 11. Effectivity.** - This Act shall take effect Fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved,