

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

8 JUL 10 12 03

SENATE
S. B. No. **2435**

RECEIVED BY: 

Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

The Constitution, Article 2, Section 16 mandates that the State shall protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature. In Section 20 of the same Article, the Constitution states that the State recognizes the indispensable role of the private sector, encourages private enterprise and provides incentives to needed investments.

The United States Congress reported a finding that farm worker productivity is based on the input of large quantities of fossil fuel based energy and chemicals, with typically an input of as much as 10 fossil calories used to produce a calorie of food output. Food production in this manner cannot be sustained if fossil fuels are depleted and become increasingly costly and scarce, and biofuels are not a viable alternative if their production consumes more energy than they contain. Reduction of energy consumption through maximum efficiency is a prerequisite to sustainable reliance on renewable resources at an affordable scale.

For over a century, agriculture extension has shown that demonstration of viable techniques and technologies is a powerful force for their adoption and promotion.

This bill seeks to develop a program to encourage the participation of the private sector in developing and applying technologies which makes use of renewable energies in the agricultural sector.


MIRIAM DEFENSOR SANTIAGO

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1 AN ACT
2 TO PROVIDE FOR RESEARCH, DEVELOPMENT, DEMONSTRATION, AND
3 COMMERCIAL APPLICATION ACTIVITIES TO ENABLE THE DEVELOPMENT OF
4 FARMS THAT ARE NET PRODUCERS OF BOTH FOOD AND ENERGY

5 *Be it enacted by the Senate and the House of representatives of the Philippines in*
6 *Congress assembled:*

7 SECTION 1. *Short Title.* – This Act shall be known as the “Food and Energy Farm
8 Research Act of 2008.”

9 SECTION 2. *Declaration of Policy.* – It shall be the policy of the State to promote the
10 use of renewable energy. To this end, the State shall promote activities that encourage the
11 research and application of renewable energy technologies.

12 SECTION 3. *Definition* – For purposes of this act, the term:

13 (A) ELIGIBLE ENTITY- means--

14 (1) a regional or local agency;

15 (2) a nonprofit organization or institution that farms or provides farm or
16 educational services to persons or organizations that own or operate farms;

17 (3) a farm or farmer or for-profit corporation that farms, or group of such farms,
18 farmers, or corporations, at least 50 percent of the gross revenue of which is
19 derived from the sale of food or fiber grown on the farm, if the acreage under
20 their control, individually and collectively, whether through ownership or
21 leasehold interests, is less than 65 hectares; and

22 (4) institutions of higher education, as defined in section by the Commission on
23 Higher Education.

1 (B) RENEWABLE ENERGY- means energy obtained from a resource in a manner
2 capable of being indefinitely sustained or replenished.

3 (C) SECRETARY- means the Secretary of Energy.

4 (D) SELF-POWERED FARM- means a farm or collection of farms that--

5 (1) is capable of independence from offsite sources of energy, fuel, and raw
6 materials for fuel;

7 (2) is a community resource for--

8 (i) food; and

9 (ii) energy, fuel, or raw materials for fuel;

10 (3) minimizes or eliminates ongoing operating expenditures to offsite entities for
11 fossil fuel-derived energy;

12 (4) employs sustainable farming practices for long term soil fertility; and

13 (5) produces at least 2 times as much energy, including fuel or raw materials for
14 fuel, as it consumes both on site and in the transfer of farm products to market.

15 SECTION 4. *Department of Science and Technology Recommendations.* -- The Secretary
16 shall enter into an arrangement with the Department of Science and Technology for--

17 (1) the development of recommendations for appropriate evaluation measures and
18 criteria for the programs under this Act; and

19 (2) an evaluation of the feasibility of prize and best practices award programs as
20 tools to promote self-powered farms, and recommendations for how to carry out
21 such programs, if feasible.

22 Not later than twelve (12) months after the date of enactment of this Act, the Secretary
23 shall transmit to the Congress a report containing the recommendations and evaluation as
24 described in this section.

25 SECTION 5. *Research and Technology Development Program.* -- The Secretary shall
26 establish a program, taking into account the recommendations of the Department of Science and
27 Technology under Section 4, for the research, development, demonstration, and commercial
28 application of energy technologies or other technologies that have the potential to increase

1 energy efficiency or otherwise to enable self-powered farms. The Secretary shall award grants
2 under this section to eligible entities, or consortia thereof, on a competitive basis. The Secretary
3 shall encourage participation in the program under this section through the Agricultural
4 Cooperative Extension System.

5 SECTION 6. *National Agricultural Demonstration Program Awards.* – The Secretary
6 shall establish a program, taking into account the recommendations of the Department of Science
7 and Technology under Section 4, for making awards to not more than 30 national agricultural
8 research programs for the demonstration in a farm setting of the integration of technologies
9 developed under Section 5, or other technologies, in a manner that best achieves the goal of self-
10 powered farms.

11 SECTION 7. *Loan Programs.* –The Secretary shall provide, on a competitive basis, low-
12 cost revolving loans and loan guarantees to eligible entities for the commercial application of
13 energy technologies or other technologies that will contribute to the goal of establishing self-
14 powered farms.

15 (A) Preferences- In providing loans or loan guarantees under this section, the Secretary
16 shall give preference to applicants who propose to derive the highest proportion of their
17 energy needs from technologies that use biobased feedstocks or other renewable energy
18 sources. The Secretary shall give highest preference to applicants who propose to meet
19 their energy needs from biobased feedstocks or other renewable energy sources produced
20 on that farm.

21 (B) Oversight- The Secretary shall establish procedures to enable the Secretary to oversee
22 the operation of projects supported by loans or loan guarantees under this section, to
23 ensure that such projects are operated consistent with the goals and requirements of this
24 Act.

25 (C) Loan Amount- The amount of a loan under this section shall not exceed 80 percent of
26 the cost of the project for which the loan is provided.

27 (D) Guarantee Amount- The Secretary shall not guarantee under this section more than
28 80 percent of the principal of any loan.

1 SECTION 8. *Consultation.* – In carrying out this Act, the Secretary shall consult with the
2 Secretary of Agriculture.

3 SECTION 9. *DOST Review.* – The Secretary shall enter into an arrangement with the
4 Department of Science and Technology for a review of the programs under this Act and the
5 development of recommendations for improvements to such programs. Not later than 4 years
6 after the date of enactment of this Act, the Secretary shall transmit to the Congress a report
7 containing such review and recommendations.

8 SECTION 10. *Appropriations.* – To carry out the provisions of this Act, such amount as
9 hereby necessary is hereby authorized to be appropriated from the National Treasury. Thereafter,
10 the amount necessary for the continuation of the program shall be included in the annual
11 appropriation of the Department of Science and Technology.

12 SECTION 11. *Separability Clause.* – If any provision or part hereof, is held invalid or
13 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain
14 valid and subsisting.

15 SECTION 12. *Repealing Clause.* – Any law, presidential decree or issuance, executive
16 order, letter of instruction, administrative order, rule or regulation contrary to or is inconsistent
17 with the provision of this Act is hereby repealed, modified, or amended accordingly.

18 SECTION 13. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
19 publication in at least two (2) newspapers of general circulation.

20 Approved,