



HOUSE OF REPRESENTATIVES

H. No. 8857

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BY REPRESENTATIVES PANGANIBAN, FERRER (L.), BAGUILAT, VARGAS, CHAVEZ, VILLAFUERTE, ALEJANO, UNABIA, VILLARAZA-SUAREZ, PANCHO, GONZALEZ, VERGARA, SALON, MARQUEZ, CAMINERO, PADUANO, REVILLA, CANAMA, SARMIENTO (C.), SARMIENTO (E.M.), UNGAB, GERON, ABAYA, CUEVA, VIOLAGO, BRAVO (M.), SY-ALVARADO, TAMBUNTING, DEL MAR, SANGCOPAN, CASTRO (F.H.), ROA-PUNO, HOFER, ORTEGA (V.N.), PALMA, NOEL, PIMENTEL, SAVELLANO, ROBES, FORTUN, BAGATSING, ABAYON, CAMPOS, LOPEZ (B.), MATUGAS, BELARO, ACOP, LIMKAICHONG, TEJADA, LACSON, DURANO, LEACHON, DATOL, MERCADO, TREÑAS AND MANGAOANG, PER COMMITTEE REPORT NO. 1070

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

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

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

3           SEC. 2. *Declaration of Policy.* – It is the declared policy of  
4   the State to achieve sustainable modern agriculture and food  
5   security by helping the agricultural and fishing communities to  
6   reach their full potential, increasing farmers’ and fishermen’s

1 incomes, and bridging gaps through public-private partnerships,  
2 thereby improving their quality of life.

3 In pursuance of this policy, the State shall strengthen the  
4 farmers and fisherfolk enterprise development program by  
5 establishing a comprehensive and holistic approach in the  
6 formulation, coordination and implementation of enterprise  
7 development initiatives, consolidating the roles of different  
8 government agencies involved in farmers and fisherfolk enterprise  
9 development, and intensifying the building of entrepreneurship  
10 culture among farmers and fisherfolk.

11 SEC. 3. *The Farmers and Fisherfolk Enterprise Development*  
12 *Program.* — There is hereby established the “Farmers and  
13 Fisherfolk Enterprise Development Program”, herein referred to  
14 as the Program, which shall refer to the comprehensive set  
15 of objectives, targets, and holistic approach in promoting the  
16 establishment of enterprises involving agricultural and fishery  
17 products. It shall be integrated and be made consistent with  
18 the Agriculture and Fisheries Modernization Plan, and the Micro,  
19 Small, and Medium Enterprises Development Plan.

20 The Program shall make use of science-based technologies in  
21 the identification and prioritization of agricultural and fishery  
22 products that will be covered.

23 The forms of assistance to be provided under the Program  
24 shall include:

25 (a) Improvement of production and productivity, including  
26 agricultural extension services, skills development, provision of  
27 production inputs, equipment, facilities, and infrastructure for  
28 production and post-production activities;

1           (b) Improvement of producers' and enterprises' access to  
2 financing in the form of credit grants and crop insurance;

3           (c) Provision of access to improved technologies through  
4 research and development; and

5           (d) Provision of business support and development services,  
6 particularly in the areas of access to markets, marketing, and  
7 networking.

8           SEC. 4. *Coverage of the Program.* — The Program shall cover  
9 the following areas:

10          (a) Agricultural and fisheries production, including  
11 processing of fisheries and agri-based products and farm inputs;

12          (b) Acquisition of work animals, farm and fishery equipment  
13 and machinery;

14          (c) Acquisition of seeds, fertilizer, poultry, livestock, feeds,  
15 and other similar items;

16          (d) Procurement of agricultural and fisheries products for  
17 storage, trading, processing, and distribution;

18          (e) Construction, acquisition, and repair of facilities for  
19 production, processing, storage, transportation, communication,  
20 marketing, and such other facilities in support of agriculture  
21 and fisheries;

22          (f) Working capital for agriculture and fisheries graduates to  
23 enable them to engage in agriculture and fisheries related economic  
24 activities;

25          (g) Agribusiness activities which support soil and water  
26 conservation and ecology enhancing activities;

27          (h) Working capital for long gestating projects; and

1 (i) Credit guarantees on uncollateralized loans to farmers  
2 and fisherfolk.

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 whose products are included in  
7 the priority commodity value chains and have potential to increase  
8 their marketable surplus;

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

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

16 (d) Micro, small, and medium scale processors, consolidators,  
17 exporters, and other enterprises, who are willing to assist producer  
18 groups in vertical clustering or joint business planning, and forge  
19 contracts or formal marketing agreements with such producer  
20 groups. Joint business planning and investments of the producer  
21 groups and agro-processors will be supported if it will result in  
22 increased engagement of the producer groups in value-adding  
23 activities.

24 Farmers and fisherfolk must be members of any organization  
25 operating in the priority commodity value chain for them to be  
26 eligible either as a member of the proponent group or as supplier to  
27 the enterprise.

1           SEC. 6. *Implementing Agencies and Partner Agencies.* –

2   The Department of Agriculture (DA) shall be the implementing  
3   agency of the Program. It shall tap the assistance, expertise and  
4   resources of the following agencies, such as the Philippine Coconut  
5   Authority (PCA), National Dairy Authority (NDA), Bureau of Soils  
6   and Water Management (BSWM), Philippine Center for  
7   Post-Harvest Development and Mechanization, Bureau of Fisheries  
8   and Aquatic Resources (BFAR), Agricultural Training Institute  
9   (ATI), Agricultural Credit and Policy Council (ACPC), and the  
10   Bureau of Agricultural Research (BAR).

11       The DA shall likewise collaborate with and secure the  
12   technical support and assistance of other departments and their  
13   attached agencies and corporations to support enterprise  
14   development in the priority commodity value chain, such as the  
15   Department of Agrarian Reform (DAR), Department of  
16   Environment and Natural Resources (DENR), Department of  
17   Science and Technology (DOST), Department of Trade and Industry  
18   (DTI), and the Department of the Interior and Local Government  
19   (DILG).

20       SEC. 7. *Private Sector Partnership.* – Partnerships or  
21   alliances between farmers and fisherfolk and the private  
22   sector may be formed to improve market access of producer groups.

23       The following criteria shall be considered in the selection of  
24   private sector partners:

25       (a) Commitment to enter into marketing contract or a  
26   buy-back agreement with the producers' group;

27       (b) Willingness to undertake technology transfer on the  
28   provided goods and/or services;



1 (c) Financial and organizational capability to undertake the  
2 proposed enterprise; and

3 (d) Established and actual experience in undertaking or  
4 implementing the proposed enterprise.

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

8 The DA shall issue the guidelines and the qualification  
9 requirements in recognizing private sector partners of the Program.

10 SEC. 8. *Creation of the Farmers and Fisherfolk Enterprise*  
11 *Development Council.* – To oversee the proper implementation of  
12 the Program, the Farmers and Fisherfolk Enterprise Development  
13 Council is hereby created. It shall be composed of: (a) the Secretary  
14 of the DA or his duly authorized representative who is at least  
15 an Undersecretary, who shall be the Chair; (b) a representative  
16 of the DTI, who shall likewise at least be an Undersecretary; (c) a  
17 representative of the DILG; (d) a representative of the Department  
18 of Finance (DOF); (e) a representative of the Cooperative  
19 Development Authority (CDA); (f) a representative of a national  
20 organization of farmers cooperatives or associations; (g) a  
21 representative of a national organization of fisherfolk cooperatives  
22 or associations; and (h) two (2) representatives from the agriculture,  
23 food, restaurant and business sectors.

24 The DA shall tap the resources under the management of  
25 its attached agencies and commodity development programs and  
26 require counterpart funding from partner and local government  
27 units (LGUs) and farmers and fisherfolk organizations and

1 enterprises in the form of cash, land, building, labor, or machineries  
2 and equipment.

3 SEC. 9. *Local Councils for Farmers and Fisherfolk Enterprise*  
4 *Development.* – The Agriculture and Fishery Councils (AFCs)  
5 of the Philippine Council for Agriculture and Fisheries (PCAF)  
6 shall provide the mechanisms for private sector participation  
7 in the development processes at the regional, provincial,  
8 city/municipal levels.

9 SEC. 10. *Farmers and Fisherfolk Enterprise Development*  
10 *Information System.* – The DA, through the Agribusiness and  
11 Marketing Assistance Service, shall maintain a Farmers and  
12 Fisherfolk Enterprise Development Information System to assist  
13 the government in formulating plans and programs on enterprise  
14 development, and to enable producer groups, the private sector,  
15 the LGUs, and potential donors to respond to the needs of the local  
16 and world markets and in generating resources for further  
17 enterprise development. The information system shall contain a list  
18 of possible and implemented programs and projects, a registry of  
19 agricultural and fisheries enterprises, and a roster of private  
20 companies engaged in these enterprises or have expressed interest  
21 in participating in the Program, and other information that may be  
22 identified by the Department or by the Council.

23 SEC. 11. *Direct Purchase by National and Local Government*  
24 *Agencies.* – To promote and support farmers and fisherfolk  
25 enterprise development, national and local government agencies  
26 shall directly purchase agricultural and fishery products from  
27 accredited farmers and fisherfolk cooperatives and enterprises:

1     *Provided*, That said agricultural and fishery products are necessary  
2     in the performance of their respective mandates.

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

10            SEC. 12. *Tax Incentives and Exemptions.* – The provisions of  
11     any general or special law to the contrary notwithstanding:

12            (a) Gifts and donations of real and personal properties shall  
13     be exempt from donor's tax;

14            (b) The LGUs shall exempt structures, buildings, and  
15     warehouses utilized for the storage of farm inputs and outputs from  
16     real property tax: *Provided*, That the assessed value of the property  
17     does not exceed Three million pesos (P3,000,000.00);

18            (c) The Land Bank of the Philippines shall provide  
19     preferential rates and special window to accredited farmers and  
20     fisherfolk enterprises; and

21            (d) Exemptions from income tax may be provided for income  
22     arising from the operations of the enterprise: *Provided*, That the  
23     farmer and the fisherfolk cooperatives and enterprises shall register  
24     as barangay micro-business enterprises pursuant to Republic Act  
25     No. 9178, otherwise known as the "Barangay Micro-Business  
26     Enterprises (BMBEs) Act of 2002".  
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1           SEC. 13. *Implementing Rules and Regulations.* – Within  
2 sixty (60) days from the date of effectivity of this Act, the DA, in  
3 consultation with the DTI and the DOF, shall formulate the rules  
4 and regulations for the proper implementation of this Act.

5           SEC. 14. *Separability Clause.* – If any provision of this Act  
6 is declared invalid or unconstitutional, the other provisions not  
7 affected by such declaration shall remain in full force and effect.

8           SEC. 15. *Repealing Clause.* – All laws, executive and  
9 administrative orders, rules and regulations inconsistent with the  
10 foregoing provisions are hereby repealed or modified accordingly.

11          SEC. 16. *Effectivity.* – This Act shall take effect fifteen (15)  
12 days after its publication in the *Official Gazette* or in a newspaper  
13 of general circulation.

Approved,

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