

NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



23 FEB 13 P4 :23

SENATE  
S. No. 1870

RECEIVED BY:

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Introduced by: Senator Loren Legarda

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AN ACT  
STRENGTHENING AND REVITALIZING THE DEVELOPMENT OF THE SALT  
INDUSTRY IN THE PHILIPPINES, APPROPRIATING FUNDS THEREFOR,  
AMENDING REPUBLIC ACT NO. 8550, OTHERWISE KNOWN AS "THE  
PHILIPPINE FISHERIES CODE OF 1998," AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The Philippines ranks fifth among countries with the longest coastline and first in the highest coastline-to-land area ratio, a geographic feature that makes it prime for salt production. The country is endowed with rich and fine salt beds, thus, making the country self-sufficient at the height of salt production in the 1980s.

In 1994, the Philippines ratified the General Agreement on Tariffs and Trade (GATT) which was believed to have led to the flooding of cheap salt import (industrial grade) into our market. The price of locally produced salt could not compete with the price of imported salt. Despite the huge potential of the industry, it dwindled to the brink of extinction.

In 1995, Republic Act No. 8172, or the ASIN Law was passed which requires salt iodization to curb iodine deficiency disorders in the country. However, salt iodization requires the use of more sophisticated and costly machinery and technology making the industry generally limited to large-scale salt traders, marginalizing the small and medium salt farmers who cannot afford the corresponding costs. Due to a lack of training, funds, resources, and government support for the small producers, the eventual death of the salt industry became inevitable.

At present, the Philippine Chamber of Agriculture and Food Inc. reports that the Philippines imports up to 550,000 metric tons of salt, which constitutes 93% of the country's annual salt requirement. The Philippine Association of Salt Industry Networks (PhilAsin) said the number is expected to increase in the coming years due to the rapidly growing population.

The decline of the industry is also attributed to urbanization or the conversion of salt farms into residential and industrial areas; high repair and maintenance costs for salt farm development and exorbitant land rental fees which limit the capacity of salt producers to invest in product quality/productivity-enhancing methods and technologies; climate change as salt production in the Philippines is highly dependent on weather conditions; limited government support services and policies supporting the local salt industry as there is no law or policy that protects and charts the direction of the local salt industry; prevailing gaps such as the limited data about the Philippine salt industry, lack of standard design and process for salt production, and limited research and development studies for salt production.

This bill seeks to revitalize the salt industry of the Philippines and address the identified challenges and gaps with the end view of making the Philippine salt industry competitive in the local and international markets while providing opportunities for local employment and establishing salt-based community enterprises.

To strengthen local salt production and reduce our dependence on the importation, the proposed measure seeks to boost investments in the salt industry by providing substantial and attractive incentives to investors, and by pushing aggressive trade promotions to expand salt producers' local and international market access.

To reinforce government support in the local salt industry, technical and financial assistance shall be provided to salt farmers and salt farm registration shall also be expedited. Moreover, an inter-agency and stakeholder collaboration shall be

pushed through the creation of a Council that will shepherd the formulation and implementation of the Philippine Salt Industry Development Roadmap.

In response to issues corresponding to the mandatory iodization under Republic Act No. 8172 or ASIN Law, this bill seeks to exempt from the mandatory iodization the exported salt, those to be sold to local gourmet outlets, and those to be used for other commercial applications not related to food fortification.

In this regard, the government needs to extend all necessary support to strengthen and revitalize the development of the salt industry in the Philippines.

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



**LOREN LEGARDA**

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

1           Section 1. *Short Title.* - This Act shall be known as the "Philippine Salt Industry  
2 Development Act."

3           Sec. 2. *Declaration of Policy.* - It is the policy of the State to promote  
4 industrialization and full employment based on sound agricultural development  
5 through industries that make full and efficient use of human and natural resources,  
6 and which are competitive in both domestic and foreign markets. For this purpose,  
7 the State shall provide support through appropriate technology and research, and  
8 adequate financial, production, marketing, and other support services to revitalize the  
9 salt industry, attain increased income for salt farmers and salt producers, achieve salt  
10 self-sufficiency, and become a net exporter of salt

11           Sec. 3. *Objectives.* - This Act aims to make the Philippine salt industry  
12 competitive in the local and international markets while providing opportunities for  
13 local employment and establishing salt-based community enterprises by:

14           a) Promoting the integrated and holistic development of the salt industry in  
15 various aspects of production, processing, marketing, consumption, capacity  
16 building, and regulation;

- 1 b) Ensuring that the salt industry has sufficiently identified production areas
- 2 through the use of technology;
- 3 c) Ensuring cooperation with various government agencies, private entities, and
- 4 other relevant sources, to aid in the development of the industry;
- 5 d) Promoting investments in the salt by providing substantial and attractive
- 6 incentives to investors;
- 7 e) Providing skilled labor and manpower through continuous relevant capacity
- 8 building;
- 9 f) Ensuring the provision of locally manufactured machines with improved
- 10 capacity, efficiency, and quality at competitive costs; and,
- 11 g) Providing access to markets of local salt locally and internationally through
- 12 aggressive trade promotions;

13 Sec. 4. *Definition of Terms* - for purposes of this Act, the following terms are  
14 hereby defined as follows:

- 15 a) *Artisanal Sea Salt* refers to unrefined sea salt, derived directly from a living sea
- 16 or ocean, harvested and cooked through a natural evaporation process; it
- 17 retains natural traces of minerals depending on the source and the manner of
- 18 production which is solar-evaporation, cooked or smoked.
- 19 b) *Food fortification* refers to the addition of nutrients to process food at levels
- 20 above the natural state.
- 21 c) *Iodized salt* refers to salt artificially spray-coated with iodine.
- 22 d) *Large-scale Salt Farm/operator/producer* shall refer to:
  - 23 a. An individual owner or leasehold of a salt farm that is more than fifty
  - 24 (50) but not more than five hundred (500) hectares.
  - 25 b. An association, cooperative, or corporation that owns or is a leaseholder
  - 26 of a salt farm that is more than fifty (50) but not more than 1,000 hectares.
- 27 e) *Medium-scale Salt Farmer/Operator/Producer* shall refer to an individual,
- 28 association, cooperative, or corporation that owns or is a leaseholder of more
- 29 than three (3) hectares but more than fifty (50) hectares of salt farms.
- 30 f) *Philippine sea salt* refers to salt produced from the evaporation of seawater,
- 31 brine, or concentrated brine, in any salt farm or refinery within the Philippines.

- 1 g) *Salt Farm* refers to areas of land, shorelines, or coastal areas, including its  
2 buildings, machinery, and equipment used in salt production.
- 3 h) *Salt Producer* refers to an individual, corporation, cooperative, or association  
4 involved in the production of sea salt.
- 5 i) *Salt Technology Demonstration Center* refers to training facilities where salt  
6 farming, harvesting, cooking, and packaging are done for the purpose of  
7 conducting hands-on training, skills enhancement, and capacity-building.
- 8 j) *Small-scale salt farmer/operator/producer* refers to an individual, association,  
9 cooperative, or corporation that owns or leaseholder of a salt farm of not more  
10 than three (3) hectares.

11 Sec. 5. *Salt as Aquatic Resource*. - For purposes of this Act, the following  
12 provisions of Republic Act No. 8550, otherwise known as "The Philippine Fisheries  
13 Code of 1998," are hereby amended to read as follows:

14 (a) Section 4 is hereby amended to read as follows:

15 "SEC 4. Definition of Terms. - As used in this Code, the phrases shall mean as  
16 follows:

17 XXX

18 11. *Commercial Scale* - A scheme of producing a minimum amount per year of  
19 **SALT OR HARVEST OF** milkfish or other species including those raised in  
20 pens, cages, and tanks to be determined by the Department in consultation with  
21 the concerned sectors.

22 XXX

23 22. *Fish and Fishery Aquatic Products* - include not only finfish but also  
24 mollusk, crustaceans, echinoderms, marine mammals, and all other species of  
25 aquatic flora and fauna and all other products of aquatic living resources in any  
26 form, **AND SALT**.

27 XXX

28 28. *Fisherfolk* - people directly or personally and physically engaged in taking  
29 and/or culturing and processing fishery and aquatic resources **INCLUDING**  
30 **SEA SALT PRODUCED BY SALT FARMERS**.

31 XXX

1 32. Fishpond - a land-based facility enclosed with earthen or stone material to  
2 impound water for growing fish AND/OR PRODUCING SALT.

3 XXX

4 47. Fully developed Fishpond Area - a clean leveled area enclosed by dikes, at  
5 least one foot higher than the highest floodwater level in the locality and strong  
6 enough to resist pressure at the highest flood tide; consist of at least a nursery,  
7 a transition pond, a rearing pond, **RESERVOIR POND, EVAPORATING**  
8 **POND, SALT CRYSTALIZER POND**, or a combination of any or all said  
9 classes of ponds, and a functional water control system and producing in a  
10 commercial scale."

11 (b) Section 46 is hereby amended to read as follows:

12 "SEC. 46. Lease of Fishponds/**FISHPOND WITH SALT FARMS** - Fishpond  
13 leased to qualified persons and fisherfolk organizations/cooperatives shall be  
14 subject to the following conditions: xxx"

15 (c) Section 54 is hereby amended to read as follows:

16 "SEC. 54. Insurance for Fishponds, **FISHPONDS WITH SALT FARMS**, Fish  
17 Cages, and Fish Pens - Inland Fishponds, **INLAND FISHPONDS WITH SALT**  
18 **FARMS**, Fish Cages, and Fish Pens shall be covered under the insurance  
19 program of the Philippine Crop Insurance Corporation for the losses caused by  
20 force majeure and fortuitous events."

21 *Sec. 6. Philippine Salt Industry Development Roadmap (PSIDR).* - For the  
22 attainment of the objectives of this Act, there shall be formulated and established a  
23 Philippine Salt Industry Development Roadmap (Roadmap), which shall include, but  
24 not be limited to, programs and projects for the development and management,  
25 processing, utilization, business development, and commercialization of Philippine  
26 salt. The Roadmap shall include the following objectives, among others:

- 27 a) Expand the number of salt-producing areas;  
28 b) Ensure the sustainable production, management and harvesting, and soil  
29 and water conservation practices in these areas;  
30 c) Encourage salt farming;  
31 d) Ensure the sustainability and viability of the salt industry;  
32 e) Promote investments in the salt industry development programs;

- 1 f) Advance market access for Philippine salt products locally and  
2 internationally;
- 3 g) Extend technical and financial assistance for the development, processing,  
4 commercialization and marketing of the Philippines salt products;
- 5 h) Require locally produce salt to be used in the fertilization of coconut farms  
6 by the Philippine Coconut Authority;
- 7 i) Develop and distinguish the category of salt areas into artisan salt  
8 production areas, such as gourmet salt-producing areas, iodized salt-  
9 producing areas, salt eco-tourism sites, etc.;
- 10 j) Provide continuous training and capacity building in the salt industry  
11 development; and
- 12 k) Provide technical and financial assistance in the local design and fabrication  
13 of high-capacity processing equipment and machinery for the salt industry.

14 *Sec. 7. Creation of the Philippine Salt Industry Development Council (PSIDC).* – To  
15 ensure the unified and integrated implementation of the PSIDR and accelerate the  
16 modernization and industrialization of the Philippine salt industry, a Philippine Salt  
17 Industry Development Council (PSIDC) is hereby created with the following  
18 composition:

- 19 a) Secretary of the Department of Agriculture (DA), as Chairperson;
- 20 b) Secretary of the Department of Trade and Industry (DTI), as Co-  
21 Chairperson;
- 22 c) Secretary of the Department of Science and Technology (DOST) as Co-  
23 Chairperson;
- 24 d) Director of the Bureau of Fisheries and Aquatic Resources (DA-BFAR), as  
25 Vice-Chairperson;
- 26 e) Secretary of the Department of Interior and Local Government (DILG);
- 27 f) Secretary of the Department of Health (DOH);
- 28 g) Secretary of the Department of Tourism (DOT);
- 29 h) The CEO of the Land Bank of the Philippines (LBP);
- 30 i) One representative each from the League of Provinces of the Philippines,  
31 League of Cities of the Philippines, and League of Municipalities of the  
32 Philippines;



- 1 j) One (1) representative each from salt farmers, salt manufacturers, and salt  
2 process associations; and  
3 k) One (1) representative from the private sector involved in a business  
4 belonging to the salt industry.

5 Sec. 8. *Powers and Functions of the Council.* - The Council shall have the following  
6 powers and functions:

7 a) Formulate the Philippine Salt Industry Development Roadmap containing  
8 the short-term, medium-term, and long-term development plan covering a  
9 period of five (5) years;

10 b) Identify specific and priority programs and projects in support of, and in  
11 line with, the Roadmap;

12 c) Identify sources of financing and facilitate credit windows with  
13 government banks and the Agricultural Credit Policy Council (ACPC) to  
14 expand the salt industry development;

15 d) Increase production of local salt by increasing land area devoted to salt and  
16 improving farm productivity;

17 e) Institutionalize capacity building for salt farmers through the Agricultural  
18 Training Institute;

19 f) Strengthen Market Linkage and Promotion of Philippine salt;

20 g) Continual Research and Development such as postharvest technologies  
21 and the establishment of laboratory centers for iodization of food-grade salt;

22 h) Establish Agri-insurance Program for Salt producers;

23 i) Submit annual reports, not later than June 30 of each year, to the Office of  
24 the President and to each House of Congress on the status of the  
25 implementation of the Roadmap and the salt industry development in the  
26 country;

27 j) Recommend to the Department of Budget and Management the required  
28 yearly appropriations for the plan and implementation of the salt  
29 development programs; and

30 k) Promulgate such rules and regulations and exercise such other powers and  
31 functions as may be necessary to carry out the objectives of this Act.

1           Sec. 9. *Project Management Office (PMO)*. - Department of Agriculture thru the  
2 BFAR shall lead in the industry strengthening, expansion, and promotion of the Salt  
3 Industry. Towards this end, a Program Management Office (PMO) is hereby created  
4 under the Office of the Director of the BFAR.

5           Sec. 10. *Department of Science and Technology (DOST) for Research and*  
6 *Development* - The Department of Science and Technology-Forest Products Research  
7 and Development Institute (DOST-FPRDI) shall be tasked to develop and implement  
8 a comprehensive program for the acquisition, design, and manufacture of salt  
9 iodization equipment, and transfer of the salt iodization technology to salt  
10 producers/manufacturers.

11           Sec. 11. *Role of the Local Government Units*. - Local Government Units (LGUs) in  
12 cooperation with the DENR, DTI and the DOST-FPRDI, the National Fisheries  
13 Research and Development Institute (NFRDI), and in consultation with the DA and  
14 BFAR shall identify appropriate areas for local salt production in their respective  
15 localities.

16           Sec. 12. *Establishment of Provincial, City, and Municipal Salt Industry Development*  
17 *Councils and Salt Industry Development Programs*. - LGUs shall, as far as practicable,  
18 establish Salt Industry Development Councils in their respective localities. LGUs shall  
19 regularly conduct a survey of existing salt farms and salt enterprises in their respective  
20 localities.

21 Each local Salt Industry Development Council shall conduct a survey of existing salt  
22 processing enterprises that are operating in the locality.

23           Sec. 13. *Registration of Salt Farms*. - The BFAR shall facilitate the prompt  
24 registration of salt farms as well as assist in the design, construction, and development  
25 of small-scale artisanal salt farms either through its own or through a partnership with  
26 the private sector.

27           Sec. 14. *Fishpond Lease Agreements to Include Salt Production*. - Fishpond Lease  
28 Agreements (FLAs) shall automatically include salt farming or production as among  
29 the valid activities that may be undertaken by the leaseholder. FLA holders who  
30 intend to venture into salt farming shall be given the same support, training, and  
31 financing given to salt farmers, as provided under this Act.

1           Sec. 15. *Funding for the Development of Salt Farms, Lease of Government Developed*  
2 *Salt Farms, and Equipment.* - The DA-BFAR, in consultation with individuals,  
3 corporations, associations, and cooperatives from the salt industry, will allocate and  
4 provide funding and technical support needed for the maintenance, repair, and  
5 upgrading of existing salt farms and newly constructed government-funded salt  
6 projects. The funds will cover materials, dike and canal repairs, equipment, and other  
7 items specified by industry stakeholders, ensuring the continued productivity and  
8 competitiveness of the salt industry. Government financial institutions such as but not  
9 limited to, the Land Bank of the Philippines (LBP) and the Development Bank of the  
10 Philippines (DBP), shall extend financial assistance to viable projects of eligible and  
11 creditworthy salt farmers, cooperatives, and micro, small, and medium enterprises  
12 (MSMEs) for the development, operation, and improvement of salt farms, lease of  
13 government developed salt farms and purchase of salt farming equipment.

14           Sec. 16. *Training/Development Programs.* - The DA, together with the DOST, DTI,  
15 FDA, and TESDA, shall provide complementary training programs to  
16 develop/upgrade the skills and competencies of Philippine salt farmers and  
17 producers, ensure product traceability and compliance to food safety, technology  
18 acquisition including product labeling and packaging, conduct continuous training  
19 on market positioning for Philippine artisanal/specialty and industrial salts and such  
20 other skills necessary in the maintenance and development of the local salt industry.  
21 These agencies shall also assist the farmers to be able to effectively comply with the  
22 requirements of Republic Act No. 8172, otherwise known as "An Act for Salt  
23 Iodization Nationwide (ASIN)".

24           Sec. 17. *Control Measures.* - The BFAR shall adopt measures to ensure  
25 compliance with food safety law guidelines regarding salt intended for human and  
26 animal consumption. Provided that, salt which are not intended for food consumption  
27 shall not be subjected to food safety laws and guidelines;  
28 The BFAR Regional Offices shall ensure that pure, un-iodized salt shall be issued the  
29 necessary transport permits and certification documents for the purposes it is  
30 intended.

31           Sec. 18. *Human Resources Development.* - All stakeholders in the salt industry  
32 shall contribute to the development of a sustainable human resource for the industry.

1 Towards this end, the DOLE, in collaboration with the duly recognized salt  
2 associations and salt cooperatives, the Commission on Higher Education, the TESDA,  
3 the Professional Regulation Commission (PRC), and the private sector, shall formulate  
4 and implement a Human Resources Development (HRD) Master Plan for the salt  
5 industry which shall include, but not limited to, the following:

- 6 a) Capacity building, skills training, and institutional strengthening of the salt  
7 farm workers, salt farmers, and their organizations to actively contribute to  
8 productivity and competitiveness;
- 9 b) Scholarship program for underprivileged but deserving college and  
10 postgraduate students who are taking up courses in relevant fields of discipline  
11 in SUCs which have programs in agriculture, agricultural engineering and  
12 mechanics, and chemical engineering/salt technology; and for vocational  
13 courses and skills development for farmers and farm technicians, and skilled  
14 workers in salt farms; and
- 15 c) Conduct capability training or attendance to local or international training and  
16 seminars by salt farmers and workers.

17 *Sec. 19. Provision of Incentives to Investors involved in the Salt Development - The*  
18 *following incentives shall be provided to investors in salt farms development and salt*  
19 *processing facilities:*

- 20 a) The Board of Investments shall classify salt farms as preferred areas of  
21 investment under its Investment Priorities Plan (IPP) subject to pertinent rules  
22 and regulations;
- 23 b) Salt farm owners, processors, and other related businesses shall be exempt  
24 from the payment of import duties for imported machines and equipment  
25 subject to pertinent rules and regulations;
- 26 c) Salt farm owners in public lands shall be exempt from the payment of forest  
27 charges that may be imposed by the national government and other fees or  
28 taxes imposed by LGUs;
- 29 d) The salt farmers and processors shall be given priority to access credit  
30 assistance and guarantee schemes being granted by GFIs; and

1 e) Salt farm development and their equipment shall be covered by the  
2 Philippine Crop Insurance Corporation.

3 Sec. 20. *Exemption of Exported Salt and Salt Sold In Local Gourmet Outlets From*  
4 *Mandatory Iodization.* - Philippine sea salt exported to other countries, those to be sold  
5 to local gourmet outlets, and those to be used for other commercial applications not  
6 related to food fortification such as, but not limited to, water treatment, feeds, and  
7 chemical processing shall be exempt from mandatory iodization provided under the  
8 provisions of Republic Act No. 8172 or ASIN Law. Food manufacturers, restaurants,  
9 and chefs may also be exempted from the mandatory use of iodized salt on their  
10 specific products under guidelines to be issued by the FDA when the taste or quality  
11 of the product will be significantly altered with the use of iodized salt.

12 Sec. 21. *Congressional Oversight* - The Congressional Oversight Committee on  
13 Agriculture and Fisheries Modernization or COCAFAM shall see to the full  
14 Implementation of this Act.

15 Sec. 22. *Implementing Rules and Regulations.* - Within sixty (60) days from the  
16 effectivity of this Act, DTI, in consultation with the members of the Council and other  
17 relevant stakeholders, shall promulgate the necessary rules and regulations for the  
18 effective implementation of this Act.

19 Sec. 23. *Separability Clause.* - Should any provision herein be declared  
20 unconstitutional or invalid, the same shall not affect the validity of the other  
21 provisions of this Act.

22 Sec. 24. *Repealing Clause.* - All laws, decrees, orders, rules, and regulations or  
23 other issuances or parts inconsistent with the provisions of this Act are hereby  
24 repealed or modified accordingly.

25 Sec. 25. *Effectivity.* - This Act shall take effect fifteen (15) days following its  
26 publication in the Official Gazette or in two (2) newspapers of general circulation.

*Approved,*