

**Seventeenth Congress
Third Regular Session**

Begun and held in Metro Manila, on Monday, the twenty-third day of July, two thousand eighteen.

REPUBLIC ACT No. 11321

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 Philippine Congress assembled:

Section 1. Short Title. -This Act shall be known as the "Sagip Saka Act".

Section 2. Declaration of Policy. -It is the declared policy of the State to achieve sustainable modern agriculture and food security by helping the agricultural and fishing communities to reach their full potential, increasing farmers' and fishermen's incomes, and bridging gaps through, public-private partnerships, thereby improving their quality of life.

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

Section 3. The Farmers and Fisherfolk Enterprise-Development Program.— There is hereby established the "Farmers and Fisherfolk Enterprise Development Program", herein referred to as the Program, which shall refer to the comprehensive set of objectives, targets, and holistic approach in promoting the establishment of enterprises involving agricultural and fishery products. It shall be integrated and be made consistent with the Agriculture and Fisheries Modernization Plan, and the Micro, Small, and Medium Enterprises Development Plan.

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

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

- (a) Improvement of production and productivity, including agricultural extension services, skills development, provision of production inputs, equipment, facilities, and infrastructure for production and post-production activities;
- (b) Improvement of producers' and enterprises' access to financing in the form of credit grants and crop insurance;
- (c) Provision of access to improved technologies through research and development; and
- (d) Provision of business support and development services, particularly in the areas of access to markets, marketing, and networking.

Section 4. Coverage of the Program.— The Program shall cover the following areas:

- (a) Agricultural and fisheries production, including processing of fisheries and agri-based products and farm inputs;
- (b) Acquisition of work animals, farm and fishery equipment and machinery;
- (c) Acquisition of seeds, fertilizer, poultry, livestock, feeds, and other similar items;
- (d) Procurement of agricultural and fisheries products for storage, trading, processing, and distribution;
- (e) Construction, acquisition, and repair of facilities for production, processing, storage, transportation, communication, marketing, and such other facilities in support of agriculture and fisheries;
- (f) Working capital for agriculture and fisheries graduates to enable them to engage in agriculture and fisheries related economic activities;
- (g) Agribusiness activities which support soil and water conservation and ecology enhancing activities;
- (h) Working capital for long gestating projects; and
- (i) Credit guarantees on uncollateralized loans to farmers and fisherfolk.

Section 5. Beneficiaries of the Program.— The possible proponent groups or beneficiaries of the Program are the following:

- (a) Existing producer groups whose products are included in the priority commodity value chains and have potential to increase their marketable surplus;

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

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

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

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

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

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

Section 7. *Private Sector Partnership.*— Partnerships or alliances between farmers and fisherfolk and the private sector may be formed to improve market access of producer groups.

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

- (a) Commitment to enter into marketing contract or a buy-back agreement with the producers' group;
- (b) Willingness to undertake technology transfer on the provided goods and/or services;
- (c) Financial and organizational capability to undertake the proposed enterprise; and
- (d) Established and actual experience in undertaking or implementing the proposed enterprise.

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

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

Section 8. *Creation of the Farmers and Fisherfolk Enterprise-Development Council.*— To oversee the proper implementation of the Program, the Farmers and Fisherfolk Enterprise Development Council is hereby created. It shall be composed of: (a) the Secretary of the DA or his duly authorized representative who is at least an Undersecretary, who shall be the Chair; (b) a representative of the DTI, who shall likewise at least be an Undersecretary; (c) a representative of the DILG; (d) a representative of the Department of Finance (DOF); (e) a representative of the Cooperative Development Authority (CDA); (f) a representative of a national organization of farmers cooperatives or associations; (g) a representative of a national organization of fisherfolk cooperatives or associations; and (h) two (2) representatives from the agriculture, food, restaurant and business sectors.

The DA shall tap the resources under the management of its attached agencies and commodity development programs and require counterpart funding from partner and local government units (LGUs) and farmers and fisherfolk organizations and enterprises in the form of cash, land, building, labor, or machineries and equipment.

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

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

Section 11. *Direct Purchase by National and Local Government Agencies.*— To promote and support farmers and fisherfolk enterprise development, national and local government agencies shall directly purchase agricultural and fishery products

from accredited farmers and fisherfolk cooperatives and enterprises: *Provided*, That said agricultural and fishery products are necessary in the performance of their respective mandates.

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

Section 12. Tax Incentives and Exemptions.— The provisions of any general or special law to the contrary notwithstanding:

- (a) Gifts and donations of real and personal properties shall be exempt from donor's tax;
- (b) The LGUs shall exempt structures, buildings, and warehouses utilized for the storage of farm inputs and outputs from real property tax: *Provided*, That the assessed value of the property does not exceed Three million pesos (P3,000,000.00);
- (c) The Land Bank of the Philippines shall provide preferential rates and special window to accredited farmers and fisherfolk enterprises; and
- (d) Exemptions from income tax may be provided for income arising from the operations of the enterprise: *Provided*, That the farmer and the fisherfolk cooperatives and enterprises shall register as barangay micro-business enterprises pursuant to Republic Act No. 9178, otherwise known as the "Barangay Micro-Business Enterprises (BMBEs) Act of 2002".

Section 13. Implementing Rules and Regulations.— Within sixty (60) days from the date of effectivity of this Act, the DA, in consultation with the DTI and the DOF, shall formulate the rules and regulations for the proper implementation of this Act.

Section 14. Separability Clause.— If any provision of this Act is declared invalid or unconstitutional, the other provisions not affected by such declaration shall remain in full force and effect.

Section 15. Repealing Clause.— All laws, executive and administrative orders, rules and regulations inconsistent with the foregoing provisions are hereby repealed or modified accordingly.

Section 16. Effectivity. -This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,

(Sgd) **VICENTE C. SOTTO III**
President of the Senate

(Sgd) **GLORIA MACAPAGAL-ARROYO**
Speaker of the House of Representatives

This Act was passed by the House of Representatives as House Bill No. 8857 on January 28, 2019 and adopted by the Senate of the Philippines as an amendment to Senate Bill No. 1281 on February 6, 2019.

(Sgd) **MYRA MARIE D. VILLARICA**
Secretary of the Senate

(Sgd) **DANTE ROBERTO P. MALING**
Acting Secretary General
House of Representatives

(Sgd) **RODRIGO ROA DUTERTE**
President of the Philippines

Approved: April 17, 2019.