

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

22 OCT 13 P6 34

SENATE
S. No. 1391

RECEIVED BY: 

Introduced by SENATOR RAMON BONG REVILLA, JR.

**AN ACT
INSTITUTIONALIZING THE FERTILIZER AND PESTICIDE SUBSIDY
PROGRAM UNDER THE DEPARTMENT OF AGRICULTURE AND
APPROPRIATING FUNDS THEREFOR**

EXPLANATORY NOTE

In a World Bank Report¹, it was mentioned that the fertilizer prices have risen nearly 30% since the start of 2022, following last year's 80% surge. The Philippines, as a net importer of fertilizer, is vulnerable to the rising fertilizer prices brought about by the pandemic thus causing fertilizer shortages around the world, higher input costs and fuel prices, disruption of production and trade, aggravated by geopolitical disputes between Russia and Ukraine.²

Latest data from the Fertilizer and Pesticide Authority showed that the average retail price of prilled urea reached P2,969.92 per 50-kilo bag from May 2 to 6, this year. This is more than double the P1,150.83 per 50-kilo bag price in the same period last year.

Fertilizers are important farm input on food security as it aids crops to grow healthily by maximizing potential nutrients and replenishing the soil after the harvest. Fertilizer enriches the soil which causes the plants to absorb such nutrients, and in turn, transfer these nutritive elements to its consumers – people and animals.³

¹Baffes, J and Koh, W (11 May 2022). Fertilizer prices expected to remain higher for longer. Accessed from: Fertilizer prices expected to remain higher for longer (worldbank.org)

² Mula, M and Coronado (4 July 2022). Philippine fertilizer price outlook: A reality for farmers and fishers. Accessed from: <https://saad.da.gov.ph/2022/07/philippine-fertilizer-price-outlook-a-reality-for-farmers-and-fishers>

³ <https://www.da.gov.ph/from-philstar-p6-billion-fertilizer-subsidies-eyed-to-help-farmers/>

Currently, the Filipino farmers will have to continue enduring the high fertilizer prices as they are expected to remain elevated until the end of the year, particularly for phosphates and urea. Hence, it is necessary to resort to fertilizer and pesticide subsidy by institutionalizing the Fertilizer and Pesticide Subsidy Program under the Department of Agriculture. This effort is a stop gap measure while simultaneously exploring mechanisms to develop indigenous fertilizer, and expanding alternatives to importation as a long-term plan.

Considering that the National Fertilizer and Pesticide Subsidy Program (NFPSP) is one of the key components of proposed interventions to achieve genuine reforms in the agriculture sector and broaden the food security solutions of the country, the passage of this bill is earnestly sought.


RAMON BONG REVILLA, JR. 

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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 "National Fertilizer and
2 *Pesticide Subsidy for Farmers Act.*"

3 Sec. 2. *Institutionalizing of National Fertilizer and Pesticide Subsidy Program*
4 *(NFPSP).* - The Department of Agriculture (DA) and the Fertilizer and Pesticide
5 Authority (FPA), in coordination with the Local Government Agriculture Office, shall
6 implement a National Fertilizer and Pesticide Subsidy Program for the benefit of the
7 qualified farmers.

8 Sec. 3. *Forms of Subsidies.* - The DA shall provide fertilizer and pesticide
9 subsidies to qualified farmer beneficiaries. The DA and the FPA shall determine the
10 amount of the subsidy vouchers depending on the current situation and prevailing
11 market prices.

12 a. Fertilizer Subsidy - Subsidy voucher of no lower than six thousand pesos (P
13 6,000.000) per hectare annually

14 b. Pesticide Subsidy - Subsidy voucher of no lower than two thousand pesos (P
15 2,000.000) per hectare annually

16 Sec. 4. *Eligible Beneficiaries.* - The eligible farmer beneficiaries must meet the
17 following criteria:

18 a. Must be a Filipino citizen of legal age; and,

1 b. Must be a farmer on the Registry System for Basic Sectors in Agriculture
2 (RSBSA) definition of members of Agriculture and Fisheries Sector
3 Qualified farmers registered under the RSBSA shall be automatically included
4 in the list of eligible beneficiaries of the NFPSP.

5 *Sec. 5. Appropriations.* - The amount needed to implement the provisions of
6 this Act shall be appropriated in the DA.

7 *Sec. 6. Implementing Rules and Regulations.* - Within thirty (30) days from the
8 effectivity of this act, the DA and FPA, in consultation with the relevant government
9 agencies, shall promulgate the necessary rules and regulations to effectively
10 implement the provisions of this Act.

11 The non-promulgation of the rules and regulations provided under this section
12 shall not prevent the immediate implementation of this Act upon effectivity.

13 *Sec. 7. Mandatory Submission of Report to Congress* - The DA shall submit to
14 the Congress of the Philippines, through the respective Chairpersons of the Committee
15 on Agriculture, a program report detailing the implementation every fiscal year. The
16 program report should include the following:

- 17 a. Total number of farmer beneficiaries including relevant information, such as
18 but not limited to, age, sex, location, size of arable land;
19 b. Overall Production Performance of the Farmer Beneficiaries; and
20 c. Assessment of the impact of the program to the National Food Security Plan

21 *Sec. 8. Separability Clause.* - If any portion or provision of this Act is declared
22 invalid or unconstitutional, other provisions hereof which are not affected thereby shall
23 remain in full force and effect.

24 *Sec. 9. Repealing Clause.* - All laws, decrees, orders, and issuances, or portions
25 thereof, which are inconsistent with the provisions of this Act, are hereby repealed,
26 amended or modified accordingly.

27 *Sec. 10. Effectivity Clause.* - This Act shall take effect after fifteen (15) days
28 following its complete publication in the *Official Gazette* or in at least two (2)
29 newspapers of general circulation in the Philippines.

Approved,