

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila

**NINETEENTH (19<sup>th</sup>) CONGRESS**  
First Regular Session

House Bill No. 1572



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Introduced by: **Rep Olga “Ara” T. Kho and Rep. Ricardo T. Kho**

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### EXPLANATORY NOTE

The production of rice, corn and sugar in the Philippines has been a constant mainstay in the agricultural configuration of our country. However, the increasing cost of fertilizers to sustain it has become a cause of alarm to our farmers. Data from the Fertilizer and Pesticide Authority (FPA) that fertilizer prices as June 10, 2022, the average price is Php 2,943.63. This persistent rise of fertilizer prices is an added cost of the production, which is the problem of our farmers now.

While the country’s agriculture sector posted a flat growth during the first quarter of the year (Q1 2022), the volume of production of palay and corn has slightly increased.

Based on standing crop as of February 1, 2022, the Philippine Statistics Authority (PSA) said palay production for Q1 2022 may increase to 4.64 million metric tons (MMT), 0.2 percent (%) more than the harvest in Q1 2021.

Likewise, PSA said the estimated corn production may increase to 2.46 MMT, 0.7% higher than the yield in Q1 2021.

With this information, in order to maintain the local supply of our crops and to encourage our home grown farmers to continue their production, it is essential that we introduce a beneficial approach to address this particular concern, such as exempting from taxes collection the fertilizers and pesticides commonly used by our famers.

The passage of this bill will not only alleviate the plight of our farmers but will surely contribute to their increased income and added subsidies.

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

  
**REP. OLGA “Ara” T. KHO**  
2<sup>nd</sup> District, Masbate

  
**REP. RICARDO T. KHO**  
1<sup>st</sup> District, Masbate

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AN ACT  
EXEMPTING FROM TAXES THE FERTILIZERS AND PESTICIDES USED IN  
RICE, CORN AND SUGAR PRODUCTION

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

SECTION 1. Short Title. - This Act shall be known as the “Farm Fertilizer & Pesticide Tax Exemption Act” of the Philippines.

SECTION 2. Declaration of Policy. - It is hereby declared as the policy and principles of the State to recognize the indispensable role of the agricultural sector for national growth and development. As such, the State shall foster an enabling environment for rice farms, corn fields and sugar plantations, and provide effective assistance to enable them to a reasonable profit and increase and encourage local rice production.

SECTION 3. Tax Exemption. - All fertilizers and pesticides used in rice, corn and sugar production are hereby exempt from all taxes.

SECTION 4. Separability Clause. - If any of this Act is held invalid or unconstitutional, the same shall not affect the validity and effectivity of other provisions thereof.

SECTION 5. Repealing Clause. - All laws, decrees, executive order, and rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 6. Effectivity. - This act shall take effect fifteen (15) days from the date of its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,