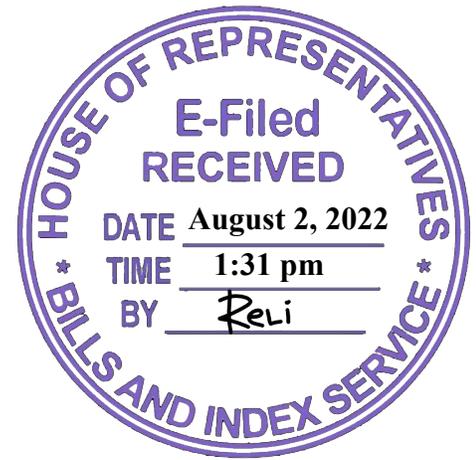


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

19TH CONGRESS
First Regular Session

HOUSE BILL NO. 2980



Introduced by Honorable Michael L. Romero

EXPLANATORY NOTE

In the Republic of the Philippines Agriculture plays a vital role in the economy. Of the 30 million hectares of land in the country, one-third (**33%**) is devoted to agriculture while two-thirds (**67%**) of the populace depends on these lands for their livelihood. Farms are primarily characterized as smallhold and are managed and cultivated by small farmers.

All these smallhold farmers are important drivers of development in the countryside but are commonly marginalized and mostly vulnerable to the rapidly changing social, political, and environmental conditions. Hence in view of their significant contributions in achieving economic and sustainable development especially in the countryside, the **Republic Act (R.A.) No. 7607**, also known as the "**Magna Carta of Small Farmers**" was signed into law on June 4, 1992.

The Magna Carta of Small Farmers is a creditable law aimed at improving the lives of the small farmers by empowering them and harnessing their potentials and abilities. The state encourages greater participation of this marginalized sector in the government planning and program and project implementation to contribute to national economic development.

The provision of incentives in the form of infrastructure and other physical assets, access to vital agricultural services and capacity building provide an avenue for the small farmers to improve their performance as drivers of development in the countryside.

This House Bill is seeking to optimize the promised purpose of the state's law requiring the government's adherence to its provisions and the provision for the necessary funding.

Earnest approval of this bill is hereby requested.

A handwritten signature in black ink, appearing to read 'M. Romero', written over a horizontal dashed line.

MICHAEL L. ROMERO Ph.D.

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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AN ACT

AMENDING SECTION 27 OF CHAPTER VIII OF **REPUBLIC ACT NO. 7607** OTHERWISE KNOWN AS THE "**MAGNA CARTA OF SMALL FARMERS**", INCREASING ITS PENALTIES AND ADMINISTRATIVE SANCTIONS, AND FOR OTHER PURPOSES

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

SECTION 1. DECLARATION OF POLICY

Section 27 of Chapter VIII of Republic Act No. 7607 is hereby amended to read:

Sec. 27. Procurement of Agricultural Produce. — The National Food Authority (**NFA**) or any other appropriate agency of the Department of Agriculture which implements the government price support for agricultural produce, especially rice and corn, shall only procure and purchase palay, corn or other agricultural produce directly from small farmers or farmers' organizations. Such agency shall devise an effective procurement scheme to ensure that small farmers can avail of this benefit.

Any official or employee of such agency who allows, consorts or connives with any trader or nonfarmer in the purchase of rice, corn or other agricultural produce or inputs subject to price support or any other government subsidy which is intended exclusively to

benefit small farmers, shall be punished by a fine of not less than One hundred thousand pesos (**₱100,000.00**) or by imprisonment for a term of not less than three (**3**) years but not more than six (**6**) years, or both at the discretion of the court, without prejudice to administrative sanctions imposed by the subject agency with perpetual disqualification to hold public office. The Probation Law shall not apply to penalties imposed under this Act.

Authentic copies of any evidence of procurement or purchase of palay, corn and other agricultural produce enjoying price support as provided in this section shall, within thirty (30) days from the issuance thereof, be furnished the Bureau of Internal Revenue by the National Food Authority or any other agency of the Government implementing price support therefor, subject to the penalties provided in the preceding paragraph for violation thereof.

The penalties provided under this section shall likewise apply to any official or employee of the National Food Authority or to any such similar agency of the Government who consorts or connives with any trader or nonfarmer in the sale of rice, corn or other agricultural produce sold under any government program.

SECTION 2. MISCELLANEOUS PROVISIONS:

In addition, the Department of Agriculture (**DA**) shall impose the following penalties, after determining, in an administrative proceeding, that violation of this law has been committed:

- a.** Withdrawal of the authorization for any licensing and registration ; and
- b.** Blacklisting, or automatic disapproval of any pending or subsequent applications that they may filed with the NFA-DA.

SECTION 3. REPEALING CLAUSE. All laws, executive orders, issuances, rules and regulations inconsistent with this Act are hereby amended, repealed or modified accordingly.

SECTION 4. SEPARABILITY CLAUSE. If, for any reason or reasons, any portion or provision of this Act shall be held unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in full force and effect.

SECTION 5. EFFECTIVITY CLAUSE. This Act shall take effect fifteen (15) days after its publication in any newspaper of general circulation.

Approved,