

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**NINETEENTH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 3985**



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Introduced by **HON. LUIS RAYMUND “LRAY” F. VILLAFUERTE, JR.,  
HON. MIGUEL LUIS R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G. HORIBATA  
AND HON. NICOLAS “NICK” C. ENCISO VIII**

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### **EXPLANATORY NOTE**

The dairy sector is an unpresuming sector in the industry that is not only important in economic terms but also plays a huge role in the diet of the Filipino family. The Department of Agriculture (DA) sees the development of the dairy industry as a vital tool in combatting malnutrition and poverty and has therefore laid out its plans for the dairy industry through its Philippine Dairy Industry Roadmap Development (2020-2025).

With dairy production in the country being more community-based and with the lack of dairy processing facilities and milk delivering vehicles, maintaining the quality and accessibility of affordable fresh milk becomes a major concern. A report published by Global Agricultural Information Network revealed that around 99% of our dairy products are sourced from abroad, citing that the Philippines was the sixth largest market for U.S. dairy products by value at \$273 million, as of 2019.<sup>1</sup>

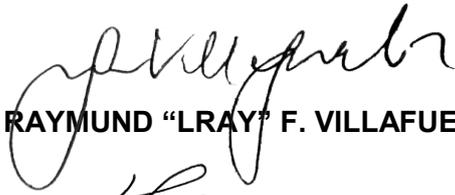
There is a need for a strong thrust for the development of the dairy industry. A strong partnership between the government, the farmers, and those involved in the production and supply of dairy products is a step in lifting this sector to its full potential. The merging of the Philippine Carabao Center and the National Dairy Authority will help shift the concentration of powers to one implementing body tasked to ensure the acceleration of this industry. The creation of the Philippine Dairy Development Agency, as the bill provides, will allow programs and projects from two structures to merge as one function and streamline the processes involved. This will stimulate rural-based small farm operators, farm families and cooperatives through the provision of necessary assistance as well as establish comprehensive support for the development of the ruminant livestock industry.

This bill, a counterpart bill to Senator Villar's filed bill in the Senate, seeks to provide this assurance of progress and self-sufficiency in the dairy industry. Through the exemption from taxes and duties provision, the agency to be created will be able to upgrade and improve equipment and machinery without affecting the funds to be used for the agencies' functions.

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<sup>1</sup>[https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Dairy%20and%20Products%20Annual\\_Manila\\_Philippines\\_10-15-2020](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Dairy%20and%20Products%20Annual_Manila_Philippines_10-15-2020)

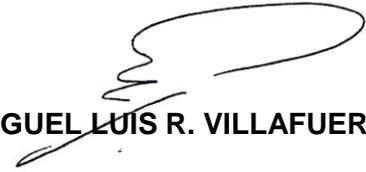
In view of the foregoing, the immediate passage of this bill earnestly sought.



**LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**



**TSUYOSHI ANTHONY G. HORIBATA**



**MIGUEL LUIS R. VILLAFUERTE**



**NICOLAS "NICK" C. ENCISO VIII**

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AN ACT  
OF MERGING THE PHILIPPINE CARABAO CENTER AND THE NATIONAL DAIRY  
AUTHORITY INTO THE PHILIPPINE NATIONAL DAIRY DEVELOPMENT AGENCY  
TO PROVIDE GREATER FOCUS ON THE ACCELERATED DEVELOPMENT OF THE  
DAIRY INDUSTRY AND TO INCREASE PRODUCTION OF DAIRY ANIMALS IN THE  
PHILIPPINES, PROVIDING A RUMINANT DEVELOPMENT FUND THEREFORE,  
AND FOR OTHER PURPOSES

*Be it enacted by the Senate and the House of Representatives of the Republic of the Philippines in Congress assembled.*

**SECTION 1. *Short Title.*** – This act shall be known as the "*Dairy Development Act.*"

**SECTION 2. *Declaration of Policy.*** – It is the declared policy of the State to promote the development of the livestock industry in order to increase the supply of livestock and livestock products and to attain greater self-sufficiency in food commodities from ruminants as sources of supply of milk and dairy products.

Towards this end, the State aims to restructure and realign the government agencies charged with the development of ruminants, by separating the regulatory functions from the development missions of the said agencies and merging these separate groups of functional role into the appropriate agency structures.

The State recognizes the primary role of the private sector in research, training, production, processing, and marketing, and shall provide incentives and the needed support to encourage these activities in the areas of production and processing Ruminant meat and hide production as well as dairy products.

**SECTION 3. *Objectives.*** – The objectives of this Act are as follows.

- a) To ensure adequate supply and growth of meat, milk and dairy, and other ruminants products at affordable prices and to promote and provide direction for the accelerated development of ruminants as sources of draft animal power, meat, milk and dairy, and hide products;
- b) To give support and assistance in the production, processing and marketing activities of ruminants and dairy products. particularly rural based small farm operators, farm operators, farm families. rural cooperatives and private corporate enterprises through the provision of necessary support systems;
- c) To formulate the long and short range programs calculated to achieve major self-sufficiency, efficiency, and stability in food commodities of ruminant animal origins;
- d) To formulate and establish comprehensive support programs and policy guidelines for the development of the ruminant livestock industry in all aspects in order to make the industry productive and profitable under sustainable environment through sound policies, programs, research and services on animal production, post-harvest activities;
- e) To coordinate with sources of production financing support, and marketing assistance in order to boost the sustainability of ruminant animal and dairy producers; and
- f) To coordinate, integrate, and supervise all policies and programs of all government agencies charged with the implementation thereof.

**SECTION 4. *The Philippine Dairy Development Agency.*** – The Philippine Carabao Center created under R.A. 7307 and the National Dairy Authority, created under R.A. 7884 are hereby merged and converted into Philippine Ruminants Development Agency (PRDA), which shall be attached to the Department of Agriculture, and headed by an Administrator.

The Agency shall be the central coordinating agency tasked to ensure the accelerated development of the Philippine ruminant meat, hide and dairy industries, in accordance with the policies and objectives set forth in this Act.

**SECTION 5. *Powers and Functions or the PDDA.*** – The PDDA shall have the following powers and functions:

- a) To conserve propagate and promote the ruminant animals as sources of draft animal power, meat, milk and dairy, and hide products,

- b) To enable the farmers, particularly small holder farmers and CARP beneficiaries to avail themselves of good quality ruminant stocks at reasonable prices through an organized program of production, breeding, training and dispersal;
- c) To undertake training programs for farmers, particularly smallholder farmers and CARP beneficiaries, designated to transfer technology on the proper care and reproduction of the carabao and the processing of its meat and milk;
- d) To provide updated information on varieties, prices, importation, propagation, storage, distribution and sale of ruminants and dairy animals, semen, forage seeds, fertilizers, veterinary supplies, dairy equipment and engineering supplies and such other inputs,
- e) To receive grants, subsidies, donations or contributions from corporations, trusts, foundations, associations and other sources from any private or government office, agency or corporation in the Philippines or abroad;
- f) To establish, maintain or operate field units or offices in various parts of the country in order to achieve the objectives of this Act.

**SECTION 6. *Transfer of Functions.*** – All on-going programs and functions of the merged agencies are hereby transferred to the PDDA Administrator is able to implement a rationalization and reengineering program to align their functions, programs and activities to the objectives of this Act.

Any and all regulatory functions embodied in R.A. 7307 and R.A. 7884 are hereby transferred to the Bureau of Animal Industry, created by Republic Act No. 3639 as amended.

**SECTION 7. *PDDA Advisory Board.*** – The PDDA Advisory Board shall be composed of the following.

The PDDA shall be governed by and Advisory Board to be composed of:

- a) Secretary of the Department of Agriculture as chairman;
- b) Director of the Bureau of Animal Industry;
- c) One farmer representatives for each among Carabao, Cattle, Goat and Dairy producers; and
- d) Administrator of PDDA, as Vice Chairman.

The PDDA Board shall and approve all the policies, systems, protocols and organizational re-engineering of the Agency. It shall also affirm the development programs that will be implemented by the Administrator.

**SECTION 8. *Exemption from Taxes and Duties.*** – The Agency may, in behalf of ruminant and dairy producer enterprises and cooperatives, import and shall be exempt from the payment of customs duties and taxes on the importation of ruminants and dairy animals, veterinary and other supplies or other farm inputs, dairy equipment and machineries, research equipment, including its spare parts, for purposes of augmenting and upgrading local stocks and breeders, subject to the following conditions:

- a) That the breeders are certified to upgrade and improve existing stocks;
- b) That the dairy equipment and machineries, including its spare parts are not manufacture domestically in sufficient quantity, of comparable quality and reasonable prices; and
- c) That it shall be actually, directly and exclusively used by the ruminant producer enterprises and cooperatives in the production or manufacture of ruminant and dairy products.

**SECTION 9. *Powers and Functions of the Administrator.*** – Subject to the control and supervision of the Advisory Board, the Administrator shall have the following powers and functions:

- a) Submit policy recommendations and proposed measures necessary to carry out the objectives and functions of the Agency, for the consideration of the Board;
- b) Recommend to the Board, for approval, an organizational structure, and plantilla of personnel of the merged Agency, in accordance with existing laws, rules and regulations;
- c) Execute, administer and implement policies and measures approved by the Board,
- d) Submit to the Board, in line with the national budget cycle, an annual budget and such supplemental budget as may be necessary for its consideration and approval;
- e) Represent the Authority in all its dealings with other persons, entities, agencies, and institutions whether public or private, domestic or foreign, subject to the limitations and conditions herein provided;

- f) Appoint, subject to the confirmation of the Board, and discipline or remove for cause in accordance with the civil service laws, rules and regulations, the officers and personnel of the Authority; and
- g) Perform such other duties which may be assigned to him by the Board or by the Secretary of the Department of Agriculture.

**SECTION 10. *Implementing Rules and Regulations.*** – Within three months from the effectivity of this Act, the Secretary of Agriculture shall form an ad hoc Task Force to be composed of two representatives each from the merged agencies, from the cattle producers, from carabao producers, goat producers and the local dairy industry to formulate the Implementing Rules and Regulations within the ensuing period of three months. Two representatives of the Congressional Commission on Agriculture and Fisheries Modernization shall join the meetings of the ad hoc Task Force as observers.

**SECTION 11. *Appropriations.*** – The appropriations of agencies, division, council and corporation, merged, abolished or transferred pursuant to this Act shall be turned over to the Agency. Thereafter, such sums as may be necessary for its continued operation and maintenance shall be included in the annual General Appropriations

**SECTION 12. *Repealing Clause.*** – R.A. 7307 and R.A. 7884 are hereby repealed accordingly. All laws, decrees, executive's orders, rules and regulations or parts thereof which are inconsistent with this Act are hereby repealed or modified accordingly.

**SECTION 13. *Separability Clause.*** – If any provision of this Act is declared unconstitutional or invalid, other provisions thereof which are not affected thereby shall continue in full force and effect.

**SECTION 14. *Effectivity.*** – This Act shall take effect after fifteen (15) days following its publication in the *Official Gazette* or in any newspaper or general circulation.

*Approved,*