

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

NINETEENTH CONGRESS  
First Regular Session

**HOUSE BILL NO. 4974**



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Introduced by **ANG PROBINSYANO**  
Party-List Representative Alfred Delos Santos

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### **EXPLANATORY NOTE**

Article II, Section 21 of the 1987 Constitution declares that it is the State's duty to "promote comprehensive rural development." Under Section 15 of the same Article, it is likewise stated that the "[t]he State shall protect and promote the right to health of the people and instill health consciousness among them." These two policies impose upon Congress the responsibility of championing the advancement of the Philippine dairy industry, which is vital to both agricultural growth and public health.

There have indeed been such efforts. In 1964, we had Republic Act No. 4041 ("An Act to Develop the Dairy Industry"), which, in Section 1, makes it the government's policy to "promote and encourage the development of dairy industry so as to achieve self-sufficiency, at least, in milk and dairy products and to improve the health and standard of living of the people." Next, for 1989-1993, we had the Medium-Term Development Plan for Dairy, accompanied by the Dairy Industry Development Model (DDM), which led to the establishment of dairy zones. So it was that in 1992, the Philippine Carabao Center (PCC) came into being. This was followed in 1995, by the National Dairy Authority (NDA). Finally, we had the Dairy Road Map (DRM) for 2010-2016.

Yet we currently find ourselves with a dairy industry that remains crippled by several age-old problems:<sup>1</sup> 1) shortage of dairy stocks; 2) limited industry entrants; 3) competition with cheap imported milk powders; and 4) trained technicians and farmers leaving the country to work in dairy farms in New Zealand and Australia. The dairy industry is still clamoring for:<sup>2</sup> 1)

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<sup>1</sup> Angelo M. Tapia, "The Philippine Dairy Industry: Situation and Prospects," University of the Philippines Los Baños, available at <http://dairyasia.org/dmdocuments/AMT-edited.pdf>

<sup>2</sup> Id.

improved productivity of animals on the ground; 2) increased herds through intensive local upgrading; 3) increased numbers of small-hold farmers generating profits from dairy enterprise; 4) support for the establishment of breeding farms to supply new industry entrants with good dairy stocks; and 5) continued training of farmer technicians.

The Commission on Audit (COA) has declared that “lack of coordination among key agencies, lack of well-defined roles and responsibilities for the dairy industry’s stakeholders, lack of funding, operational issues, and significant cattle and buffalo mortality rates” all “led to the non-attainment of DRM targets.”<sup>3</sup> This, according to the Philippine Institute for Development Studies (PIDS), has resulted in us having to import practically 99% of our dairy requirements, while our local milk sources battle issues of being compromised or contaminated.<sup>4</sup>

This Bill has five primary measures. First, the fast-tracking and close monitoring of the implementation of dairy-related Public Investment Programs (PIP) under the National Economic Development Agency’s (NEDA) List of 2017-2022 Priority Programs and Projects. Second, the prioritization and boosting of projects that are meant to improve dairy animal health, welfare, and nutrition. Third, the identification of Model Farms, which will offer mentoring and host on-site trainings, both for fledgling dairy farmers, and those already seeking to expand their operations. Fourth, institutionalizing tie-ups between dairy farms and their local government units (LGUs), especially for regular milk-supplying programs in public schools, and for promoting/marketing dairy products as staple/specialty goods of their locality. And fifth, revitalizing and streamlining financial aid programs for dairy farmers.

It is for the foregoing premises that the approval of this Bill is earnestly sought.

  
**ALFRED C. DELOS SANTOS**  
*Representative, Ang Probinsyano Party-List*

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<sup>3</sup> Genshen L. Espedido, “Not enough dairy animals to reach milk self sufficiency,” *Business World Online*, February 7, 2020, available at <https://www.bworldonline.com/not-enough-dairy-animals-to-reach-milk-self-sufficiency/>.

<sup>4</sup> Sonny N. Domingo and Ma. Divina C. Olaguera, “Review of High-Value Agriculture in the Philippines with Comprehensive Subsectoral Focus: Livestock Industries,” PIDS Discussion Paper No. 2017-51, p.16, available at <https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1751.pdf>.

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**AN ACT PROVIDING FOR A COMPREHENSIVE DEVELOPMENT PLAN FOR  
THE DAIRY INDUSTRY, GEARED TOWARDS PHILIPPINE DAIRY  
SELF-SUFFICIENCY**

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

**SECTION 1. Short Title.** – This Act shall be known as the  
“Comprehensive Dairy Farming Act.”

**SECTION 2. Declaration of Policy.** – The State recognizes its duties of  
pushing for agricultural development, particularly in terms of self-sufficiency,  
and promoting public health, with emphasis on better nutritional options for  
all. As such, the State acknowledges the necessity to enact measures for  
bringing the dairy industry’s development back on track.

**SECTION 3. Coverage.** – This Act shall apply to, and be implemented, in  
all the provinces of the Philippines that have dairy farms of any size.

**SECTION 4. Goals.** – This Act focuses on the attainment of the following  
goals, all going towards meeting the goal of locally producing enough dairy  
products to meet at least 10% of the national demand:

- (a) Faster, but more strategic, herd build-up for all three types of dairy  
animals used in the Philippines—cattle, carabaos, and goats;
- (b) Establishment of modernized and accessible technical, financial,  
marketing/promotional, and mentorship-based support for dairy  
farmers; and
- (c) Improved awareness of, and intensive training on, dairy farming  
practices that are protective of animal health, nutrition, and welfare.

**SECTION 5.** *Fast-tracking and Monitoring the Implementation of Dairy-related Public Investment Programs.* – From among the National Economic Development Agency’s List of Priority Public Investment Programs (PIP) for “Expanding Economic Opportunities in Agriculture, Forestry, and Fisheries” which may hereinafter be promulgated, those that are dairy-related shall be implemented with more urgency, and closer performance monitoring, involving regular accomplishment or update reports. The performance monitoring for the dairy-related PIP may be done per category, with the various PIP grouped into the following clusters:

- (a) Herd build-up;
- (b) Training;
- (c) Research and Development; and
- (d) Marketing of Dairy Products and Institutionalization of Milk-feeding Programs.

Using the feedback and analyses from each cluster’s performance monitoring, the implementation flow of any particular PIP may be adjusted, by the involved actors, as would be necessary for that PIP’s targets or objectives to be realized in a timely manner.

**SECTION 6.** *Prioritizing and Boosting Projects on Improving Dairy Animal Health, Welfare, and Nutrition.* – This Act mandates its implementing agencies, under the leadership of the National Dairy Authority, to heavily invest in measures meant to improve dairy animal health, welfare, and nutrition, so as to:

- (a) combat the staggering rates of dairy animal mortality;
- (b) promote and institutionalize humane dairy farming practices that are respectful of animal rights;
- (c) eliminate animal cruelty or abuse in the dairy industry;
- (d) come up with dairy end-products that are more nutrient-rich.

**SECTION 7.** *Model Farms.* – The National Dairy Authority, with the cooperation of the members of this Act’s implementing task force, shall produce guidelines, processes, and criteria for the identification of model dairy farms all over the nation. These model farms shall serve as:

- (a) centers for on-site training for dairy farmers;
- (b) hubs for partnerships and mentorships meant to build the capacities of starting or fledgling dairy farmers; and
- (c) examples for dairy farmers seeking to expand their current operations.

**SECTION 8.** *Tie-ups between dairy farms and their local government units.* – Local government units (LGUs) outside of Metro Manila, especially those that already have dairy farms within their respective territories, are strongly encouraged to institutionalize and consistently advertise the following forms of tie-ups with their constituent dairy farmers:

- (a) Milk feeding programs for public schools, with prioritization given to primary and elementary schools;
- (b) Developing, packaging, and promoting dairy products as specialty goods of their localities; and
- (c) Locating and establishing communal grazing or pasture areas for dairy animals.

In all three forms of tie-ups, each LGU must primarily uphold the interest of its constituent smallholder dairies.

**SECTION 9.** *Financial aid for dairy farms.* – This Act further encourages LGUs to foster streamlined versions of financial aid programs for their constituent dairy farmers, wherein private businesses or financial institutions are tapped as creditors, with a dedicated office of a subject LGU stepping in as guarantor for the debtor-farmer.

**SECTION 10.** *Implementing Rules and Regulations.* – The National Dairy Authority (NDA), as the lead implementing agency for this Act’s provisions, shall be responsible for drawing up the implementing rules and regulations for the same. It shall also convene the following government bodies, to form an implementing task force where all aspects of the dairy industry are properly represented and accounted for:

- (a) The Philippine Carabao Center
- (b) The Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development
- (c) The Livestock Development Council
- (d) The Bureau of Animal Industry
- (e) The Dairy Research & Training Institute
- (f) The Dairy Confederation of the Philippines
- (g) The Philippine Chamber of Commerce and Industry; and
- (h) The Philippine Association of Food Manufacturers

**SECTION 11.** *Separability Clause.* – If any provision or part of this Act is held invalid or unconstitutional, the remaining provisions or parts unaffected shall remain in full force and effect.

**SECTION 12.** *Repealing Clause.* – All laws, executive orders, presidential decrees or issuances, letters of instruction, administrative orders, rules, and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

**SECTION 13.** *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,