



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

**NINETEENTH CONGRESS**  
First Regular Session

HOUSE BILL NO. **5601**



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Introduced by Representative **GERALDINE B. ROMAN**

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### **EXPLANATORY NOTE**

The Philippines was an agricultural country which had its growth years from late sixties to early seventies. The last time we were able to attain agricultural surplus was in 1993. By 1995, the Philippines joined the World Trade Organization. The promises were agriculture will flourish and about 500,000 new jobs per year will be generated.

Our membership from WTO led to economic decline, incurred trade deficits and started our dependency on importation. Locally, the share of agriculture to GDP shrank plus the failure to adapt to diversity in agriculture, forestry and fishery production limited our chances to effectively compete to the potential of growing local and international market. Agriculture contributes 10% of GDP in the First Quarter of 2022 while Industry was at 28% and Services at 61%.

Then there is the impact of climate change and the degradation of our natural resources. We need to transform agriculture to a sustainable and diversified sector to ensure economic recovery, reduction of poverty and food security.

The work force of our country can be classified into three (3) major groupings: Service, Industry and Agricultural. But agriculture provides our country's needs and our security. Agriculture constitutes twenty-five percent (25%) of the total labor force who are mostly at the threshold of poverty. Industry stands at 17% and Service contributes 57% to the labor force of the country.

Without agriculture, there is no food. Agriculture is both production and price. The most essential inputs required for agriculture are seed, fertilizer, farm power, implements machinery and irrigation. Price on the other hand determines the earning potential of agricultural workers. In order for them to earn competitively, there should be less intermediation. In this measure, KADIWA is institutionalized as the government arm to buy directly to agricultural workers, ensuring a rate of return that would allow them to live comfortably and still have the wherewithal to engage in revitalized agriculture value chain. The value chain addresses supply chain gaps within the agriculture industry and develop an alternative market for domestically-produced agricultural goods wholly dedicated to maximizing the economic benefits of both producers and consumers.

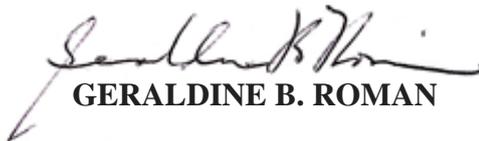
The measure sets up an infrastructure map thereby providing resilience in case the supply chain is compromised due to natural or man-made calamities. What we experienced during the pandemic should be lessons learned in terms of logistics and supply chain planning.

Agriculture is very important to the domestic economy. Hence, agricultural workers should be given all the rights beneficial to them and their families, from production and selling of their produce. Agriculture workers should be treated equal as all other workers as a minimum condition to work and employment. The principle of equal opportunity drives what this legislative measure seeks to achieve.

Equal opportunity is a state of fairness in which individuals are treated similarly, unhampered by artificial barriers, prejudices or preferences, except when particular distinctions can be explicitly justified. The intent is that the important jobs in an organization should go to the people who are most qualified – persons most likely to perform ably in a given task – and not go to persons for reasons deemed arbitrary or irrelevant, such as circumstances of birth, upbringing, having well-connected relatives or friends, religion, sex, ethnicity, race, caste or involuntary personal attributes such as disability, age, gender disability, age, gender identity, or sexual orientation.

Equal opportunity assures advancement to be open to everybody without regard for wealth, status, or membership in a privileged group. The idea is to remove arbitrariness from the selection process and base it on some "pre-agreed basis of fairness, with the assessment process being related to the type of position" and emphasizing procedural and legal means.

Approval of this measure is earnestly sought.



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**AN ACT PROVIDING FOR THE MAGNA CARTA FOR AGRICULTURAL  
WORKERS, ESTABLISHING A REVITALIZED AGRICULTURE VALUE CHAIN  
AND FOR OTHER PURPOSES**

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

**Chapter 1: General Provisions**

**SECTION 1. Title.** – This Act shall be known as the “Magna Carta for Agricultural Workers and Revitalized Agriculture Value Chain of 2022.”

**SEC. 2. Declaration of Policy.** – The State recognizes the significant role of the agricultural workers in the development of our economy as well as the right of farmers, farmworkers, and landowners, as well as cooperatives, and other independent farmers’ organizations to participate in the planning, organization, and management of agriculture, and shall provide support through appropriate technology and research, and adequate financial, production, marketing, and other support services.

**SEC. 3. Declaration of the Principle of Equal Opportunity.** – The State recognizes that all individuals have the right to equal opportunity to live decently and with dignity. Every individual has the right to participate and be given access to information relating to the decision-making processes that affects their lives and well-being.

The State further declares that agricultural workers are individuals deserving of decent life and dignity. Considered as professionals, farmers should be given the opportunity to live a life of normalcy, living in co-existence with other workers who are living a peaceful and productive life, secured and protected by law.

**SEC. 4. Definition of Terms.** – For purposes of this Act, the following terms shall mean:

- a) *Agriculture* refers to an economic sector that encompasses soil cultivation, planting and harvesting food crops and raw materials, growing trees, catching fish and seafood products, and raising livestock such as pork, poultry, cattle, and alike.
- b) *Agricultural land* refers to the domain (a piece of land or a body of water) devoted for agricultural activities such farming and harvesting food crops, growing trees, raising livestock, and aquaculture production, and harvesting some other products.
- c) *Agricultural worker* refers to an individual who engages in agricultural activities, from farming, fisheries and aquaculture, forestry, livestock raising, among others.
- d) *Farm-to-market roadmap* refers to the infrastructure network which connects agricultural farmlands and fisheries areas to marketplaces where producers can easily transport their goods to traders and traders at relative ease.
- e) *Agricultural workers registry* refers to a verified database of agricultural workers directly from the field as well as collecting data regarding the land and aquaculture area; crop and produce as well as agricultural practices in order to facilitates strategic and targeted initiatives prior to harvest.
- f) *High density urban areas* are areas where the demand for food can be expected to be highest relative to other areas.
- g) *Irrigation* refers to an intentional and systematic provision of water resources for the farm lands to improve pastures and crop production, as well as the existence of infrastructure and/or equipment to deliver sufficient water resources to crops.
- h) *Kadiwa* refers to a market strategy that lowers food prices by buying directly from agricultural workers, ensuring distribution at the household levels in the community.
- i) *Food terminal* refers to provincial hubs that provide warehousing, food processing, research and quality control, live animal slaughtering, marketing services, trading to agricultural workers.
- j) *Poorest provinces* refer to the forty (40) provinces identified by the National Anti-Poverty Commission covering twelve (12) provinces in Luzon, nine (9) in Visayas and nineteen (19) in Mindanao.
- k) *Revitalized Agriculture Value chain* refers to a simplified agricultural model that exhibits the full range of activities needed to produce goods and services to be distributed to its end-users through wholesalers and retailers; providing steps from acquiring inputs, producing goods, transporting to traders, and selling the said goods to consumers.
- l) *Regional specialized produce* refers to products uniquely produced in a locality, creating a competitive advantage for said local government unit.

m) *Supply chain redundancy* is creating or keeping excess capacity or back-up over the entire supply chain to maintain their regular functions in the event of any untoward incident leading to disruptions.

## **Chapter II – Revitalized Agriculture Value Chain**

**SEC. 5. Coverage.** – This Act shall apply to all registered agricultural workers that bring a basic agricultural product from obtaining inputs and production in the field to the consumer, through stages such as processing, packaging and distribution.

Under the revitalized agriculture value chain, production of agricultural products shall be the responsibility of the Department of Agriculture (DA) while processing, packaging, marketing and trading shall be under the Department of Trade and Industry (DTI), specifically through Kadiwa markets as outlets.

The DA shall collect the produce directly from the registered agricultural workers and place the products in the provincial food terminal in coordination with DTI.

The DTI is tasked to (1) manage the procurement and sale of produce from registered agricultural workers and (2) ensure the long-term sustainability of the program. DTI shall purchase produce from agricultural workers at subsidized prices through negotiated government contracts in order to provide direct support to them and reduce the risks involved in agriculture

There shall be a Kadiwa store in designated local government units who shall be serviced by provincial food terminals in the respective areas nationwide.

**SEC. 6. Registration of agricultural workers.** – Agricultural workers under this Act shall register to the KADIWA program and provide detailed information about their farming operations. The information, in turn, will allow KADIWA to identify the farmers who can reliably fulfill their contract obligations. The information shall identify the agricultural workers who are able to fulfill loan obligations. Registered agricultural workers shall have access to the Landbank of the Philippines (LBP) to assist the agriculture sector.

The registered agricultural farmers shall have access to the national color-coded agriculture guide map (NACCAG) developed by DA under the Adaptation and Mitigation Initiative in Agriculture to assist agricultural workers decide what to plant, establish livestock stocks and enhance aquaculture harvest.

**SEC. 7. Supply chain redundancy plan.** - The national government shall establish a Supply Chain Redundancy Plan for the development of transportation and logistics infrastructure systems connecting agricultural zones with high density urban areas. The plan shall develop a closely integrated system of farm-to-market roads, freight railways, and high-volume cargo ports. The local government shall focus on optimizing its existing road networks to facilitate the rapid transit of produce and provide additional support to agricultural industries that have tremendous growth potential in their jurisdiction.

**SEC. 8. Farm-to-Market Roadmap.** – The Department of Public Works and Highways (DPWH) shall design and create a concrete farm-to-market roadmap to ensure the connectivity and mobility of agricultural goods and services at ease throughout the country.

This Roadmap shall lay out vital infrastructure network to be put in place such as road networks, railway, seaports, and air hubs, but not limited to storage facilities, warehouses, cooling facilities, processing plants, and Kadiwa markets. This Roadmap shall identify and fortify resilience and sustainability in the event the supply chain is compromised due to natural and man-made crises.

**SEC. 9. Establishment of Kadiwa Centers.** - DA shall allocate funds in purchasing agricultural products from registered agricultural workers at a competitive price. It shall transport and distribute these agricultural products to the provincial food terminals and sell them through Kadiwa Centers to consumers, in compliance with the DTI's Suggested Retail Price (SRP) program.

**SEC. 10. Poverty Alleviation Price Support.** - A mark-up pricing scheme of products shall be implemented by DTI to all purchases by the DA from registered agricultural workers thereby increase the benefits for them, ensuring a competitive income and promote price stability for the relief and comfort of consumers, most especially in the forty (40) poorest provinces as identified by the National Anti-Poverty Commission.

**SEC. 11. Incentives for Agricultural Workers.** - This Act aims to allocate funds, through the annual General Appropriations, to distribute financial and non-financial incentives for the agricultural workers who are actively and consistently using provincial food terminals and Kadiwa centers. The local government units, under the oversight of DA and DTI, shall be responsible in distributing these incentives to the agricultural workers.

**SEC. 12. Eastern Seaport Infrastructure Development Plan.** - For purposes of enhancing the transport of products from areas outside of Luzon, the DPWH shall, in collaboration with the Department of Transportation (DOTr), develop an infrastructure network plan to construct an Eastern Seaport to link agricultural producing areas to sea transportation hubs and vice versa.

#### **Chapter IV – Strengthening a Sustainable Agricultural Education and Benefits to Children of Agricultural Workers**

**SEC. 13. Introductory Agriculture Education as a Separate Senior High School Subject.** - In agricultural provinces, there shall be an *Introductory Agriculture Education* offered to all Senior High School tracks, with the exception of Technical-Vocational Livelihood – Agricultural-Fisheries Arts (AFA) Strand.

**SEC. 14. Exemption from State College and University Admission Examinations.** - All children of a bona file agricultural workers shall be exempt in taking college admission examinations in all state universities and colleges and local universities and colleges. These exempted graduates shall automatically be beneficiaries under the Universal Access to Quality Tertiary Education Act of 2017.

**SEC. 15. Priority Agriculture-related courses.** - All senior high school graduates, exempted in taking college admissions examinations pursuant to Section 12 hereof, shall enroll in agriculture-related courses, as identified by the Commission on Higher Education (CHED).

**SEC. 16. Dual-Degree Program.** - All senior high school graduates shall have the liberty to enroll in a dual-degree program if graduates desire to enroll to aspired tertiary course. CHED shall, in consultation with State Universities and Colleges and Local Universities and Colleges, provide an Implementing Rules and Regulations to apply to all SUCs and LUCs.

#### **Chapter VI – Transitory Provisions**

**SEC. 14. Implementing Rules and Regulations (IRR).** – DA, in coordination with the DTI and in collaboration with the following agencies on key provisions of the Act: National Irrigation Administration, Department of Education and Commission on Higher Education, shall formulate and promulgate the Implementing Rules and Regulations (IRR) and other issuances as may be necessary to ensure the effective implementation of this Act within sixty (60) days from the effectivity thereof. The IRR issued pursuant to this section shall take effect thirty (30) days after its publication in any national newspaper of general circulation.

**SEC. 15. Separability Clause.** – If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or the provisions not otherwise affected shall remain valid and subsisting.

**SEC. 16. Repealing Clause.** – Any law, presidential decree, executive order, letter of instruction, administrative order, rules, or regulations contrary to, or inconsistent with this Act is hereby repealed, modified, or amended accordingly.

**SEC. 17. 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,*