

[REPUBLIC ACT NO. 10659, March 27, 2015]

AN ACT PROMOTING AND SUPPORTING THE COMPETITIVENESS OF THE SUGARCANE INDUSTRY AND FOR OTHER PURPOSES

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

SECTION 1. *Short Title.* – This Act shall be known as the “Sugarcane Industry Development Act of 2015”.

SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to promote the competitiveness of the sugarcane industry and maximize the utilization of sugarcane resources, and improve the incomes of farmers and farm workers, through improved productivity, product diversification, job generation, and increased efficiency of sugar mills.

For these purposes, the State shall: (a) establish productivity improvement programs; (b) provide the needed infrastructure support; (c) enhance research and development of other products derived from sugar, sugarcane, and their by-products; (d) provide human resource development and extension services; and (e) provide financial assistance to small farmers.

SEC. 3. *Productivity Improvement Programs.* – To boost the production of sugarcane and sugar, and increase the incomes of sugarcane farmers/planters and farm workers, the following Productivity Improvement Programs shall be implemented:

(a) Block Farm Program. – The Block Farm Program for sugarcane farming being implemented by the Sugar Regulatory Administration (SRA), the Department of Agriculture (DA), the Department of Agrarian Reform (DAR), and other government agencies is hereby institutionalized and shall be further enhanced and supported.

For purposes of this Act, the Program is the consolidation of small farms including farms of agrarian reform beneficiaries, as one larger farm, with a minimum area of thirty (30) hectares within a two-kilometer radius, to take advantage of the economies of scale in the production of sugarcane, such that the activities in the small farms are aligned and implemented to ensure the efficient use of farm machineries and equipment, deployment of workers, volume purchase of inputs, financing, and other operational advantages, as well as recognition by sugar mills, government financial institutions, private investors, but the ownership of each small farm remains with the landowners.

The SRA, the DA, the DAR and other concerned government agencies shall provide common service facilities, such as farm machineries and implements, grants or start-up funding for the needed production inputs, technology adoption, livelihood and skills training and other development activities for the block farm and its members, and other support activities that may be identified.

To ensure the success of, and compliance to the objectives of the Program, the SRA shall:

(1) Develop guidelines for sugarcane farms to qualify for and continue to participate in the Program;

(2) Provide farm management, technical assistance, and professional services support to block farms, in coordination with the DA, the DAR and other concerned government agencies;

(3) Monitor the development and productivity of block farms;

(4) Recommend, after six (6) years, the cessation of the Program on block farms that have failed to improve productivity or raise efficiency, or graduation of block farms that have achieved high and sustainable productivity and profitability on its operations; and

(5) Implement a certification system as a mechanism to access grants, low interest financing, and other incentives and support from Official Development Assistance (ODA); and market access of sugarcane: *Provided*, That sugar mills, bioethanol distilleries and other markets of sugarcane shall provide market access priority to the SRA-certified block farms.

(b) Farm Support Program. – For other farms that are not eligible under the Block Farm Program, the SRA shall make available a support program which shall include, among others, the provision of (1) socialized credit; and (2) farm management, technical assistance; and professional services:

(i) Socialized credit shall be made available, through the Land Bank of the Philippines (LBP), for the acquisition of production inputs, farm machineries, and implements necessary for the continuous production of sugarcane: *Provided*, That the loans shall be available to sugarcane farmers duly registered with the SRA: *Provided, further*, That the lender shall have a lien on the quedan of farmers who obtained a crop loan until the crop loan is fully paid: *Provided, finally*, That farmers cannot be granted another loan until the loan is fully paid.

To ensure immediate payment of farmers and secure their income from sugarcane, farmers may enter into any payment method with the sugar mills or distilleries for their sugarcane.

(ii) Farm Management, Technical Assistance and Professional Services –The SRA, the DA, the DAR, the Department of Labor and Employment (DOLE), the Technical Education and Skills Development Authority (TESDA), state universities and colleges (SUCs), and other concerned private and nongovernment organizations (NGOs) shall formulate and implement a deployment program of agricultural engineers, agriculturists and farm technicians for the provision of farm management, technical assistance and professional services to these farms.

(c) Farm Mechanization Program. – Planters/farmers of sugarcane farms, including block farms and farms of agrarian reform beneficiaries, shall be encouraged and trained to utilize appropriate agricultural machineries and equipment necessary for the efficient planting, cultivation, care and maintenance, harvesting and handling of sugarcane.

The SRA, the DA and the DAR, in partnership with local government units (LGUs), consistent with the provisions of Republic Act No. 10601, otherwise known as the "Agricultural and Fisheries Mechanization (AFMech) Law", shall:

(1) Introduce or expand the use of machineries for the different stages of sugarcane farming;

(2) Formulate and implement a Sugarcane Farm Mechanization Program at the mill district levels and block farms; and

(3) Support the establishment, operation and maintenance of Agri-fisheries Machinery and Equipment Service Centers, as provided in Section 9 of Republic Act No. 10601, in sugarcane areas and, for this purpose, provide socialized credit to service centers: *Provided*, That these service centers shall emphasize the provision of plowing, harrowing, weeding, fertilization, harvesting and other farm mechanization services to sugarcane farms that do not have the capability to purchase or maintain their own machineries and equipment.

To develop and deploy appropriate machineries and equipment, the SRA, through its research centers, in collaboration with the Philippine Sugar Research Institute, the Philippine Center for Post-Harvest Development and Mechanization, the Bureau of Agricultural Research, SUCs, other concerned government agencies, and industry stakeholders, shall formulate and conduct a research, development and extension program for sugarcane farm mechanization and engineering.

The LBP shall manage the socialized credit facility under the Farm Support Program and the Farm Mechanization Program.

The SRA, the DA, the DAR, and the LBP shall issue the guidelines on the administration and lending of the socialized credit facility.

SEC. 4. *Research and Development.* – The SRA, in coordination with the Department of Science and Technology (DOST), as well as relevant state universities and government research and development institutions and the private sector, shall intensify researches on sugarcane high yielding or flood resistant varieties; pest control and prevention; latest farming, milling, refining and biomass co-generation technologies; soil analysis and fertility mapping of sugarcane areas; weather monitoring and climate change adaptation measures; sugar and sweetener consumption; and other viable products that can be derived from sugarcane. The DA and the DOST shall likewise provide assistance to the SRA to improve the latter's crop forecasting and crop monitoring activities or programs.

SEC. 5. *Extension Services.* – In addition to extension services provided by the DA, the DAR, the SUCs and private and NGOs, extension services in sugar districts shall be provided by the SRA and the mill district development councils (MDDCs). Extension services that can be provided shall include, but not limited to, provision of technical assistance and advice, conduct of tests, propagation, and dissemination of high yielding varieties, and operation of demonstration farms.

For its extension services, MDDCs may develop linkages with NGOs, peoples' organizations, and LGUs. It may likewise secure funding for its extension services from private sector sources.

SEC. 6. *Human Resources Development.* – All stakeholders in the sugarcane industry shall contribute to the development of a sustainable human resource for