

Republic of the Philippines
House of Representatives
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 2417



Introduced by Hon. Felimon M. Espares

**AN ACT ENSURING THE DEVELOPMENT, PROMOTION,
AND PROTECTION OF AGRICULTURAL COOPERATIVES**

EXPLANATORY NOTE

A Social Weather Stations (SWS) survey conducted in the first quarter of 2025 revealed that involuntary hunger—defined as experiencing hunger and having nothing to eat at least once in the past three months—rose to 20%,¹ a significant increase from 14.2% recorded in the same period in 2024.²

Meanwhile, based on the 2021 data from the Philippine Statistics Authority (PSA), fisherfolk (30.6%) and farmers (30.0%) remain the poorest sectors in terms of poverty incidence³ — ironically, the very sectors responsible for producing the nation's food.

In recognition of this reality, the Department of Agriculture (DA) has underscored the vital role of the local agricultural sector in addressing food security, specifically through the implementation of a "farm-to-market network plan." Moreover, the growing role of the cooperative sector in this effort was institutionalized with the establishment of the Agricultural Cooperative Enterprise Development Services (ACEDS) in September 2024.

¹ "SWS: Filipinos who experienced involuntary hunger rose to 20% in April." Inquirer.net, 29 June 2025, available at <https://newsinfo.inquirer.net/2076066/sws-filipinos-who-experienced-involuntary-hunger-rose-to-20-in-april>

² "More hungry and poor, first quarter 2024," The Philippine Star, 11 May 2024, available at <https://www.philstar.com/the-freeman/opinion/2024/05/11/2354283/more-hungry-and-poor-first-quarter-2024>

³ Merged datafile of the 2015 Family Income and Expenditure Survey (FIES) and January 2016 Labor Force Survey (LFS), merged datafile of the 2018 FIES and January 2019 LFS and merged datafile of the preliminary 2021 FIES and January 2022 LFS, Philippine Statistics Authority available at <https://www.psa.gov.ph/content/fisherfolks-and-farmers-remain-have-highest-poverty-incidences-among-basic-sectors-2021#:~:text=Fisherfolks%20and%20Farmers%20Remain%20to,Authority%20%7C%20Republic%20of%20the%20Philippines>

The DA Secretary further emphasized President Ferdinand R. Marcos Jr.'s directive to transform and consolidate farmers' cooperatives and associations. This transformation involves the formulation of inclusive plans and policies, the delivery of comprehensive training programs, and the adoption of digital platforms, data analytics, online marketplaces, and climate adaptation tools—all aimed at improving the livelihoods of farmers and fisherfolk while advancing the national goal of food security.

Clearly, the lands and the people are already in place—what is needed is the institutional support to enable the local agricultural industry to stand on its own and meet the needs of the Filipino people.

Unfortunately, the current weak and fragmented agricultural service delivery system continues to hinder the effective implementation of agricultural development programs. This can be addressed by strengthening the link between the Department of Agriculture and the grassroots farming communities through agricultural cooperatives.

This proposed measure seeks to strengthen agricultural cooperatives as vital agents of food security in the Philippines. Recognizing the agricultural sector's central role in national development, the bill proposes targeted interventions to support and empower agricultural cooperatives and their contributions to food production and rural development.

By providing adequate resources and funding, this bill seeks to enhance the capacity of agricultural cooperatives to sustainably produce high-quality agricultural products. It aims to promote the adoption of modern farming technologies, sustainable practices, and efficient agricultural techniques to increase productivity and improve the livelihoods of family farmers.

Furthermore, this bill encourages the establishment of agricultural cooperatives, associations, and support networks to facilitate knowledge sharing, access to credit, and collective marketing efforts. It also promotes the provision of training programs, agricultural extension services, and technical assistance to empower family farmers with the necessary skills and knowledge to thrive in today's evolving agricultural landscape.

By strengthening the support and developing the network of agricultural cooperatives, this bill recognizes the importance of empowering small-scale farmers, who form the backbone of the agricultural sector, in achieving sustainable growth and food security.

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


HON. FELIMON M. ESPARES

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**AN ACT ENSURING THE DEVELOPMENT, PROMOTION,
AND PROTECTION OF AGRICULTURAL COOPERATIVES**

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

DECLARATION OF POLICY

21
22 **Section 1. Short Title.** – This Act shall be known as the “Agricultural
23 Cooperatives Act of 2024.”
24

25 **Sec. 2. Declaration of Policy.** – It is hereby declared to be the policy of the State,
26 in line with the Constitution, that expanding productivity is the key to raising the
27 quality of life for all, especially the underprivileged, together with a sustained
28 increase in the amount of goods and services produced by the nation for the benefit
29 of the people.
30

31 In line with this, the State recognizes the need to hasten the growth, integration,
32 and modernization of the agricultural sector in order to meet the rising dilemma of
33 food insecurity, which disproportionately affects the marginalized sectors of society.
34 The State further recognizes the indispensable need to encourage the participation of
35 women and youth as a primary force in the government’s drive to empower the
36 agricultural sector. Therefore, the State shall focus on establishing a structure and
37 network that institutionalizes support, capacity-building, and inclusive growth for

38 agricultural cooperatives.

39

40 Similarly, it is the declared policy of the State to foster the creation and growth
41 of cooperatives as a practical vehicle for promoting self-reliance and harnessing people
42 power towards the attainment of economic development and social justice. Towards
43 this end, the Government and all of its branches, subdivisions, instrumentalities, and
44 agencies shall ensure the provision of technical guidance, financial assistance, and
45 other relevant services to enable farmers, fisherfolk, and other agricultural workers to
46 organize themselves into self-sustaining cooperatives that work together to strengthen
47 the Philippine agricultural industry.

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CHAPTER II

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GENERAL PROVISIONS

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52 **Sec. 3. *Definition of Terms.*** – In so far as they are used in this Act, the following
53 terms shall mean:

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a. Agribusiness – refers to a range of activities that occur in the agricultural value chain utilized in modern food production, including but not limited to farming, forestry, fishing operations, as well as seed supply, agrichemicals, related machineries, processing, storage, marketing, distribution, and sales, whether wholesale or retail;

b. Agricultural Cooperative – refers to a type of cooperative comprising farmers, fisherfolk, agrarian reform beneficiaries, dairy farmers, community forestry farmers, aquaculture farmers, and other individuals engaged in agricultural activities. These individuals voluntarily organized themselves into an agricultural-based economic enterprise, including subsidiary agricultural cooperatives formed by existing multi-purpose cooperatives and multi-purpose cooperatives whose primary business activity is at least fifty percent (50%) related to agricultural production, agro-industry, agri-business, or services related to agricultural production. Agricultural activities encompassed by the cooperative include the production, processing, agrologistics, and distribution of agricultural,

71 fishery, and forestry products. The cooperative also provides a range of
72 services aimed at improving the livelihood, income, and overall welfare of
73 its members. These services include savings and credit, marketing,
74 agricultural extension, farm education, agri-tourism, digital agriculture,
75 and other allied services related to climate resiliency and safety nets;

76
77 c. Asset Development - refers to the growth and improvement, according to
78 targeted goals and objectives, of key instruments and resources for
79 agricultural operations, such as, but not limited to, land, buildings, which
80 may include residences, warehouses, or barns, irrigation systems, fences,
81 and trees;

82
83 d. Build Scale - refers to the growth or expansion of agribusiness in a
84 proportional and profitable manner;

85
86 e. Cooperative – refers to an autonomous and duly registered association of
87 persons, with a common bond of interest, who have voluntarily joined
88 together to achieve their social, economic, and cultural needs and
89 aspirations by making equitable contributions to the capital required,
90 patronizing their products and services, and accepting a fair share of the
91 risks and benefits of the undertaking in accordance with universally
92 accepted cooperative principles;

93
94 f. Clustering – refers to the process by which multiple agribusinesses, each
95 involved in different stages of the agricultural value chain, combine their
96 operations into a single hub. This collaboration aims to enhance
97 operational efficiency, streamline processes, and maximize profits through
98 integrated efforts;

99
100 g. Criteria for Assessment and Ratings - refers to a set of standards in
101 determining that the performance of an agricultural cooperative, which
102 includes, among others, enterprise management, adherence to cooperative
103 principles, and product or service quality;

104

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h. Family Farming – refers to an agribusiness operation that is managed and operated by a family unit, related by consanguinity or affinity, whether nuclear or extended, and which predominantly relies on the labor of the members of such family for its operations. The family and the farm, therefore, are inextricably linked, and co-evolve with each other;

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i. Local Development Hub (LDH) - refers to a farming zone or transport infrastructure, which is generally far from formal markets. An LDH serves around five hundred (500) to one thousand (1,000) farmers, and links them to buyers, which may be, among others, traders, processors, and export companies, among others.

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j. National Federation of Agricultural Cooperatives (NFAC) – refers to a federation of agricultural cooperatives that are engaged in agribusiness and financial business for the benefit of the members through its subsidiaries.

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k. Wholesale Market – refers to a market, owned by the government and managed by the National Federation of Agricultural Cooperatives (NFAC) through its subsidiary/ies, where a trader buys farm produce from the farmers, through the agricultural cooperatives, in bulk and re-sells the goods to business houses or retailers to further sell the goods to end consumers.

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m. Cooperative Climate Resilience Fund – refers to a grant-making mechanism that aims to ensure that agricultural cooperatives and their farmer-members are protected from and resilient to the impact of climate change.

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134

Sec. 4. Registration and Supervision. – Agricultural Cooperatives shall be governed by the general law on cooperatives, except as otherwise provided herein. In connection with this, agricultural cooperatives must be registered with the Cooperative

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137 Development Authority (CDA) in order to be entitled to the privileges and exemptions
138 extended to cooperatives under Republic Act (RA) No. 9520, otherwise known as the
139 Philippine Cooperative Code of 2008.

140

141 An agricultural cooperative shall file its application for registration with the CDA
142 regional office that has jurisdiction over its area of operation. No fees shall be assessed
143 or charged to any agricultural cooperative by any government entity, national or local,
144 at any stage of its organization and registration process.

145

146 This notwithstanding, as the agency with the mandate to promote agricultural
147 development by providing policy framework, public investments, and support services,
148 the Department of Agriculture (DA) shall be the regulatory agency exercising primary
149 supervision over the National Federation of Agricultural Cooperatives (NFAC). The
150 Federation shall exercise supervision and control over its member-primary agricultural
151 cooperatives.

152

153 **Sec. 5. Capital Requirements of Agricultural Cooperatives.** – The authorized
154 share capital of an agricultural cooperative shall be stated in its Articles of Cooperation.
155 Prior to its registration, at least twenty-five percent (25%) of the authorized share
156 capital shall be subscribed to by the members, and at least twenty-five percent (25%)
157 of the subscribed share capital shall be paid-up: *Provided*, That the paid-up
158 capitalization requirement for primary cooperatives shall not be less than Fifteen
159 Thousand Pesos (P15,000.00).

160

161 **Sec. 6. Cooperative Business Activities and Allied Services.** – A duly registered
162 agricultural cooperative may engage in all or any of the following activities:

- 163 a. Raising and/or culture of plants, high-value crops, animals, fish, poultry,
164 livestock, other agri-products as source of food, feed, and fiber, and other
165 agri-fishery or non-food commodities;
- 166 b. Production of salt;
- 167 c. Community and social forestry;
- 168 d. Provision of savings and credit facilities for marginal farmers and fishermen;
- 169 e. Facilitating the procurement and distribution of farm inputs/implements for

- 170 its members;
- 171 f. Processing, marketing, and sale of members' agri-products or produce;
- 172 g. Maintenance and management of irrigation systems, water impounding, and
- 173 other agricultural facilities; and
- 174 h. Other allied services such as, but not limited to, warehousing, cold storage
- 175 and other post-harvest services, hauling, transport of members' products or
- 176 produce, and such other similar business services and activities that will
- 177 reduce cost or add value.

178

179 **Sec. 7. Bond of Membership.** – The bond of membership of agricultural

180 cooperatives shall be any of the following:

- 181 a. Residential – members are farmers, farm workers, or fisherfolk who are
- 182 actually and physically residing within the area of operation;
- 183 b. Occupational – members are those who are engaged in raising or culture of
- 184 plants or animals, or are part of the technical and scientific communities of
- 185 the agriculture sector;
- 186 c. Associational – members are from registered associations, groups, clubs,
- 187 cultural and other similar aggrupation of farmers, farm workers, and
- 188 fisherfolk; and
- 189 d. Institutional – members are employees, workers, or officers of a particular
- 190 institution who are undertaking or will undertake agricultural projects.
- 191 Provided, that at least fifty-one per centum (51%) of its members are duly
- 192 registered with the Registry System for Basic Sectors in Agriculture (RSBSA).

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CHAPTER III

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BENEFITS OF AGRICULTURAL COOPERATIVES

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198 **Sec. 8. Tax Treatment of Agricultural Cooperatives that Transact with Non-**

199 *members.* – Notwithstanding any law or regulation to the contrary, duly registered

200 agricultural cooperatives that transact with both members and non-members, and

201 with reserve funds of One Hundred Million Pesos (P100,000,000.00) or below shall be

202 exempt from all national internal revenue taxes, fees, and charges of whatever name

203 and nature.

204

205 On the other hand, if such agricultural cooperatives have reserve funds of greater
206 than One Hundred Million Pesos (P100,000,000.00) shall pay the following taxes on
207 their transactions with non-members:

208 a. Income Tax on income derived from transactions with non-members:
209 Provided, That the same tax is not consequently imposed on interest
210 individually received by members. The tax base for all cooperatives liable to
211 pay income tax shall be the income directly related from the business
212 transactions with non-members after deducting the amounts for the statutory
213 funds;

214

215 b. Value-Added Tax (VAT) on transactions with non-members: *Provided,*
216 however, that duly registered agricultural cooperatives shall be exempt from
217 the imposition of VAT, on the following:

- 218 (i) Sales by agricultural cooperatives duly registered with the DA to their
219 members as well as sale of their produce, whether in its original state
220 or processed form, to non-members; their importation of direct farm
221 inputs, machineries and equipment, including spare parts thereof, to
222 be used directly and exclusively in the production and/or processing
223 of their produce, and their resale to other agricultural cooperatives;
224 (ii) Gross receipts from lending activities towards its members or other
225 agricultural cooperatives;

226

227 Provided, That the exempt transactions in the foregoing shall include
228 sales made by agricultural cooperatives duly registered with the DA
229 organized and operated by their members to undertake the
230 production and processing of raw materials or of goods produced by
231 their members into finished or process products for sale by the
232 cooperatives to their members and non-members: *Provided,* however,
233 that any processed product or its derivative arising from the raw
234 materials produced by their members, sold in the name and for the
235 account of the cooperative shall be deemed a product of the

236 cooperative and its members: Provided, further, That at least twenty-
237 five per centum (25%) of the net income of the cooperatives is
238 returned to the members in the form of interest and/or patronage
239 refunds.

240

241 c. All sales of goods and/or services rendered for non-members shall be subject
242 to the applicable percentage taxes; and

243

244 d. All other taxes unless otherwise provided herein.

245

246 Donations to duly accredited charitable, research and educational institutions
247 and reinvestment to socioeconomic projects within the area of operation of the
248 cooperative may be tax deductible.

249

250 **Sec. 9. Tax Treatment of Agricultural Cooperatives that Transact with Members**
251 *Only.* – Duly registered agricultural cooperatives under this Act which do not transact
252 any business with non-members or the general public shall not be subject to any
253 taxes, fees, and charges imposed under the internal revenue laws and other tax laws.

254

255 **Sec. 10. Other Benefits and Privileges of Agricultural Cooperatives.** – An
256 agricultural cooperative shall enjoy the following benefits and privileges:

257

a. Taxes, Duties, and Liens:

258

(1) All benefits, privileges, and tax treatments of cooperatives as
259 defined and enumerated under RA 9520 and other relevant laws
260 shall apply to agricultural cooperatives;

261

(2) Agricultural cooperatives shall be exempt from customs duties,
262 advance sales or compensating taxes on their importation and
263 local purchase of machineries, equipment, accessories, batteries,
264 and spare parts used by them: *Provided,* That all tax- and duty-
265 free imports and local purchases shall not be sold nor the
266 beneficial ownership thereof be transferred to any person until
267 after five (5) years, otherwise, the cooperative and the transferee
268 or assignee shall be solidarily liable to pay twice the amount of

269 the imposed tax and/or duties; and
270 (3) All real properties owned, and those directly used for the
271 operations, management, and maintenance of agricultural
272 cooperatives shall be exempt from the payment of real property
273 taxes imposed under existing laws.

274
275 b. Trainings and Conferences - All trainings and conferences necessary for the
276 organization, registration, management and operations of an agricultural
277 cooperative, rendered by the appropriate government agency, shall be given
278 free of charge, including costs of venue, training materials, speakers and
279 resource persons. The CDOs shall be primarily responsible for these trainings
280 and conferences within their respective localities.

281
282 c. Consolidation - Agricultural cooperatives may consolidate agricultural lands
283 owned by its members within in a contiguous area for purposes of agricultural
284 development.

285
286 e. Direct Purchase by National and Local Government Agencies – To promote
287 and support agricultural cooperatives, national and local government
288 agencies shall directly purchase at least fifty percent (50%) of their targeted
289 agricultural products from accredited agricultural cooperatives; *Provided,*
290 That said products are necessary in the performance of their respective
291 mandates.

292
293 Further, in areas where there are agricultural cooperatives, at least fifty per
294 centum (50%) of the supply to government institutions, agencies, and LGUs,
295 of rice, corn, grains, fish and other marine products, meat, eggs, milk,
296 vegetables, and other agricultural commodities such as fertilizers, seeds and
297 other agricultural inputs and implements, and related products, shall be
298 sourced from such cooperatives.

299
300 For the purposes of this Act, the procurement by national and local
301 government agencies of said agricultural products shall be exempt from the

302 application of the bidding process prescribed under relevant government
303 procurement laws; *Provided*, That said agencies shall undergo a negotiated
304 procurement under the applicable guidelines of the Government Procurement
305 Policy Board.

306
307 e. Loans and Grants:

308 (1) All loans applied for by agricultural cooperatives in any
309 government-owned or -controlled banks or government financial
310 institutions shall enjoy preferential treatment as to the
311 requirements, rates, securities, and collaterals; and

312
313 (2) The DA shall coordinate with the Bangko Sentral ng Pilipinas
314 (BSP) to lower the requirements for all loans applied for and
315 granted to agricultural cooperatives.

316
317 f. Strengthening Program for Agricultural Cooperatives – the government
318 through the DA and CDA shall introduce a program aimed at strengthening
319 agricultural cooperatives through mergers and consolidations. This initiative,
320 part of the government’s broader effort to enhance the stability and resilience
321 of the agriculture sector, offers income support incentives to encourage
322 smaller agricultural cooperatives and farmers associations to consolidate that
323 can lead to improved operational efficiencies, reducing costs and improving
324 service delivery for agricultural cooperatives. These may include grants or
325 subsidies that help build business scale and improve capital base, operational
326 synergies, broader service offerings, and risk mitigation.

327
328 **Sec. 11. *Organization as a Multi-Purpose Cooperative.*** – Notwithstanding any
329 law to the contrary, an agricultural cooperative may be organized as a multi-purpose
330 cooperative from its registration with the CDA: *Provided*, that it has complied with the
331 minimum requirements for an agricultural cooperative as prescribed by the CDA Rules
332 and Regulations.

333
334 **Sec. 12. *Pre-Cooperative Agricultural Organization.*** – Prior to registration with

335 the CDA, a group of natural persons intending to form an agriculture cooperative may
336 voluntarily form a Pre-Cooperative Agricultural Organization (PCAO) that shall have its
337 own juridical personality to undertake activities that shall determine the viability of the
338 creation of an agricultural cooperative. The PCAO must be registered as such with the
339 Cooperative Development Offices (CDOs) of the appropriate LGU where the PCAO
340 intends to operate. The Bureau may assist and endorse PCAOs to CDA for registration.

341

342 The DA and CDA, in coordination with the CDOs, shall assist PCAOs so that they
343 can formally organize as agricultural cooperatives; *Provided*, that should the PCAO
344 decide to formally organize into a cooperative, it must comply with the requirements
345 under the law. Any contract executed by the PCAO prior to its registration as an
346 agricultural cooperative shall remain valid and binding between the parties insofar as
347 it redounds to the benefit of the cooperative.

348

349 The DA and CDA shall jointly issue guidelines on the mechanisms for PCAOs.

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CHAPTER IV

353

NATIONAL FEDERATION OF AGRICULTURAL COOPERATIVES

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355 **Sec. 13.** *Organization of the National Federation of Agricultural Cooperatives*
356 *(NFAC).* – There is hereby organized the National Federation of Agricultural
357 Cooperatives (NFAC), (hereinafter, the “Federation”), which shall be the single
358 federation of agricultural cooperatives.

359

360 **Sec. 14.** *Consolidation/Merger of Existing Duly-Registered Agricultural*
361 *Cooperatives Federation.* – Agricultural Cooperative Federations duly-registered with
362 the CDA prior to the effectivity of this Act shall merge or consolidate in accordance
363 with existing applicable laws, rules and regulations. The merged or consolidated
364 federation shall serve as the single National Federation of Agricultural Cooperatives
365 (NFAC).

366

367 The DA and CDA shall issue the guidelines on the merger and/or consolidation

368 of existing federations of agricultural cooperatives.

369

370 **Sec. 15. *Mandatory Membership of Primary Agricultural Cooperatives to the***
371 *Federation.* It is compulsory for Primary Agricultural Cooperatives to become members
372 of the National Federation of Agricultural Cooperatives (NFAC).

373

374 **Sec. 16. *Governance of the Federation.*** – The Chairpersons of the member-
375 primary agricultural cooperatives shall comprise the General Assembly of the
376 Federation who shall elect and appoint the Officers and Management Staff in
377 accordance with its duly-approved Articles of Cooperation and By-Laws.

378

379 **Sec. 17. *Primary Business Operations Through Subsidiary/ies.*** – The Federation
380 shall be allowed to organize subsidiary cooperatives and/or corporations that will
381 engage in Agribusiness and Financial Business the surplus and/or income of which
382 shall be utilized to fund, wholly or in part, the needed services of the member-primary
383 agricultural cooperatives. Such subsidiary/ies shall be registered with the necessary
384 regulatory authorities including, but not limiting to, the DA, CDA, SEC and Board of
385 Investments and shall enjoy the relevant exemptions and privileges under this Act,
386 the Cooperative Code, and other laws, rules and regulations.

387

388 **Sec. 18. *Channel And/Or Partner of Farmer-Related Government and Non-***
389 *Government Programs, Projects and Activities.* – The Federation shall serve as channel
390 and/or partner in the implementation of various Programs, Projects and Activities of
391 National Government Agencies, Local Government Units and Non-Government
392 Organizations for the benefit of the farmers and their respective families.

393

394 **Sec. 19. *Inter-Cooperative Arrangements.*** – The Federation shall be allowed to
395 enter into inter-cooperative arrangements with and among other non-agriculture
396 cooperative federations and other entities to pursue value and supply chain solutions
397 and other agribusiness development programs, subject to the guidelines to be jointly
398 promulgated by the DA and CDA.

399

400 **Sec. 20. *Partnership and Joint Venture with Private Entities.*** – Duly registered

401 private entities may enter into a partnership or joint venture with the Federation in
402 order to provide the latter with investments and technical support, such as, but not
403 limited to technological, logistics, and facilities support, among others. Such
404 partnership or joint venture shall be registered with the necessary regulatory
405 authorities, including the DA and CDA, and shall enjoy the relevant exemptions and
406 privileges under this Act, the Cooperative Code, and other laws, rules and regulations.

407

408 This notwithstanding, the equity or contribution of such private entity shall not
409 exceed forty percent (40%) of the partnership or joint venture.

410

411 **Sec. 21. *Supervision and Control*** – The DA shall exercise supervision and
412 control over the Federation. In like manner, the Federation shall exercise supervision
413 and control over its member-primary agricultural cooperatives through the conduct of
414 regular audit/s in accordance with the standards approved by the DA and the CDA.
415 Sanctions imposed on non-compliant member-primary cooperatives shall be approved
416 by the DA and CDA.

417

418 The DA and CDA shall, in consultation with the Federation, issue guidelines on
419 the supervision and control of agricultural cooperatives.

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421

CHAPTER V

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WHOLESALE MARKET

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424 **Sec. 22. *Establishment of Wholesale Markets***. – There is hereby established at
425 least one Wholesale Market in every province owned by the respective Local
426 Government Units (LGUs) and operated by the National Federation of Agricultural
427 Cooperatives (NFAC) or its appropriate subsidiary/ies.

428

429 The DA, DILG and the CDA shall, in close coordination with the Federation, issue
430 the rules and regulations on Wholesale Market establishment and operation.

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CHAPTER VI

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COOPERATIVE CLIMATE RESILIENCE FUND

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Sec. 23. *Creation of the Cooperative Climate Resilience Fund.* – There is hereby established a Cooperative Climate Resilience Fund managed by the National Federation of Agricultural Cooperatives (NFAC) to be pooled from government, agricultural cooperatives and other private entities, the utilization of which shall be subject to the guidelines promulgated by the Agricultural Cooperatives Council. At least fifty percentum (50%) of the Cooperative Climate Resilience Fund shall come from the government.

CHAPTER VII
BUREAU OF AGRICULTURAL COOPERATIVES

Sec. 24. *Creation of the Bureau of Agricultural Cooperatives.* – The DA shall establish a *Bureau of Agricultural Cooperatives* (hereafter, the “*Bureau*”), which shall be the primary coordinating, implementing, and administrative body responsible for matters relating to agricultural cooperatives, including, but not limited to, monitoring their performance and implementing plans and programs for their growth and development. The Bureau shall be headed by a qualified Director, and its organizational and staffing pattern shall be determined by the DA, in accordance with the rules set forth by the Department of Budget and Management (DBM).

Sec. 25. *Powers and Functions of the Bureau of Agricultural Cooperatives.* – The Bureau of Agricultural Cooperatives shall exercise the following powers and functions:

- a. Collaborate and coordinate with various government agencies, institutions, and units for the development and implementation of projects and plans for agricultural cooperatives;
- b. Promote the use of digital platforms and innovative technologies for the growth and development of agricultural cooperatives, in coordination with the relevant agencies;
- c. Consolidate and study all relevant information regarding agricultural cooperatives that shall be used in the formulation of policies and programs for the sector;
- d. Develop advocacy programs for capacity-building and further education

- 467 of members of agricultural cooperatives, with a particular focus on women
468 and youth;
- 469 e. Provide technical assistance to agricultural cooperatives;
- 470 f. In partnership with the NFAC, establish Local Development Hubs (LDHs)
471 in order to foster cooperation, collaboration, and mutual support among
472 agricultural cooperatives, in coordination with the CDA and LGUs;
- 473 g. Promote agricultural cooperative clusters and assist in the creation
474 thereof, as a means to forge strategic partnerships among cooperatives;
475 and
- 476 h. Monitor and evaluate the performance of agricultural cooperatives
477 according to an established assessment and ratings system.
- 478

479 **Sec. 26. Sustainability Mapping.** – Within one (1) year from the effectivity of
480 this Act, the Bureau shall undertake a comprehensive nationwide survey in order to
481 assess the agricultural sustainability status of each region and LGU. The findings of
482 such nationwide survey shall serve as the foundation for the formulation of a ten (10)-
483 year Food Security Master Plan. The Master Plan shall identify priority sectors and
484 projects aimed at promoting agricultural development and sustainability throughout
485 the country. The plan shall be designed to enhance food security, improve agricultural
486 productivity, and ensure long-term sustainability of the agricultural sector.

487

488 **Sec. 27. Clustering and Consolidation.** – In order to pool their resources for
489 increased viability and market competitiveness, the DA, Department of Agrarian
490 Reform (DAR), Department of Trade and Industry (DTI), CDA and NFAC shall jointly
491 establish a program that will promote, encourage agricultural cooperatives and
492 facilitate their cooperation into clusters that will encompass the whole agricultural
493 value chain, including but not limited to land consolidation, postharvest processing,
494 distribution, logistics, marketing, and promotions.

495

496 Within sixty (60) days from the effectivity of this Act, the DA, DAR, DTI and CDA,
497 in consultation with the NFAC, shall jointly issue the guidelines for the implementation
498 of the foregoing program, and shall provide the necessary assistance at every step of
499 the clustering and consolidation process, including the formulation of cluster

500 development plans.

501

502 Notwithstanding any law to the contrary, the clustering or merger and
503 consolidation of agricultural cooperatives shall be in accordance with the
504 Implementing Rules and Regulations of this Act.

505

506 **Sec. 28. *Local Development Hubs.*** – The DA and CDA shall jointly establish Local
507 Development Hubs (LDHs) in order to strengthen the market linkages between
508 farmers and buyers, fostering agricultural development and economic growth at the
509 local level. Further, they shall jointly issue the guidelines for the operations and
510 maintenance thereof.

511

512 **Sec. 29. *Collaboration with the NFAC, Cooperative Development Councils and***
513 ***National Government Agencies.*** – The Bureau shall, in collaboration with the National
514 Federation of Agricultural Cooperatives (NFAC), LGUs through the Regional, Provincial,
515 City, and Municipal Cooperative Development Councils and the CDOs, facilitate and
516 promote programs and policies that enables the growth and development of
517 agricultural cooperatives. The DA, CDA, and the relevant LGU or agency in consultation
518 with NFAC shall issue a Joint Memorandum Circular for the implementation of this
519 provision.

520

521 Agricultural cooperatives shall be entitled to financing support from the relevant
522 government agencies that shall allocate funds for the establishment of projects and
523 programs for the development and promotion of agricultural cooperatives.

524

525 **Sec. 30. *Sustainability and Innovation.*** – The Bureau shall allocate funding and
526 support for the development and implementation of innovative and sustainable
527 agricultural practices.

528

529 **Sec. 31. *Mentorship and Training.*** – The Bureau shall implement programs that
530 will focus on the capacity- and capability-building of members of agricultural
531 cooperatives, especially the empowerment of women and young farmers. Among
532 others, these programs may include:

- 533 a. Internship and apprenticeship programs with duly accredited agricultural
534 cooperatives, in partnership with the Committee on Higher Education
535 (CHED);
- 536 b. Certification programs for management and operation of agricultural
537 cooperatives, as well as related technical skills, in partnership with the
538 Technical Education and Skills Development Authority (TESDA);
- 539 c. Scholarships or student loan forgiveness, as may be necessary; and
- 540 d. Incentives for the discovery or development of innovative and sustainable
541 agricultural practices or techniques.

542

543 **Sec. 32. *Assessment and Ratings.*** – Upon the effectivity of this Act, the Bureau
544 shall establish an assessment and ratings system for agricultural cooperatives, which
545 shall measure the performance, including the social and community impact, of the
546 latter using both qualitative and quantitative metrics, and which shall be used to
547 classify and determine the best-performing agricultural cooperatives among various
548 categories. Thereafter, the Bureau and the CDA, in close coordination with NFAC shall
549 review the performance of registered agricultural cooperatives every three (3) years
550 and update their ratings accordingly.

551

552 The DA and CDA, in consultation with NFAC shall use the foregoing in the
553 provision of incentives and benefits to agricultural cooperatives under the law.

554

555 **Sec. 33. *Annual Trade Fair and Awards.*** – The Bureau, in coordination with the
556 CDA and the National Federation of Agricultural Cooperatives (NFAC), shall establish
557 the Annual Agricultural Cooperatives Trade Fair and Awards to showcase exemplary
558 business achievement, latest innovations, and other emerging trends in the sector.
559 The Bureau shall ensure that agricultural cooperatives are able to participate and
560 exhibit their products during said Fair and shall encourage the latter's participation in
561 other trade fairs and expos.

562

563

CHAPTER III

564

AGRICULTURAL COOPERATIVES COUNCIL

565

566 **Sec. 34. *Creation of the Agricultural Cooperatives Council.*** – There is hereby
567 created the Agricultural Cooperatives Council (hereafter, the “Council”), which shall
568 be the primary policy and planning body for the promotion, development, and
569 modernization of agricultural cooperatives and organizations.

570
571 **Sec. 35. *Composition of the Council.*** – The Council shall be composed of the
572 following members, or their duly authorized representatives:

- 573 a. Secretary of Agriculture, as Chairperson;
- 574 b. Chairperson of the CDA, Vice-Chairperson;
- 575 c. Undersecretary of the Department of Trade and Industry;
- 576 d. Undersecretary of the Department of Agrarian Reform;
- 577 e. Undersecretary of the Department of Environment and Natural Resources;
- 578 f. Undersecretary of the Department of Education;
- 579 g. Undersecretary of the Department of Science and Technology;
- 580 h. Director-General of the National Economic Development Authority;
- 581 i. Director-General of the TESDA;
- 582 j. Executive Director of the National Disaster Risk Reduction and
583 Management Council;
- 584 k. Commissioner of the CHED;
- 585 l. Representative from the Philippine Statistics Authority;
- 586 m. One (1) Representative each from Cooperative Climate Resiliency Fund
587 private donor entities;
- 588 n. Representative from the National Federation of Agricultural Cooperatives
589 (NFAC) and
- 590 o. Two (2) representatives each, from the primary agricultural cooperatives
591 sector who are members of the National Federation of Agricultural
592 Cooperatives (NFAC), for Luzon, Visayas, and Mindanao

593
594 **Sec. 36. *Powers and Functions of the Council.*** – The Council shall exercise the
595 following powers and functions:

- 596 a. Formulate and issue policies for the growth and development of the
597 agricultural cooperative sector, which shall encompass adoption of
598 innovative and ecological agricultural practices, access to resources and

- 599 benefits, market opportunities, and capacity-building, among others;
- 600 b. Formulate the Food Security Master Plan, in coordination with the Bureau;
- 601 c. Provide an integrated framework in order to optimize all government
- 602 resources for the modernization and empowerment of the sector;
- 603 d. Issue guidelines, rules, and regulations for the development of the
- 604 tangible assets, such as machineries, granaries, equipment, and lands,
- 605 among others, of agricultural cooperatives;
- 606 e. Issue guidelines, rules, and regulations, in coordination with the
- 607 appropriate agencies, to ensure the rights and welfare of agricultural
- 608 cooperatives and their members, especially women, youth, and family
- 609 farmers, as well as their preferential treatment in government
- 610 procurement as enshrined under the law;
- 611 f. Formulate policies for the development of sustainable financial reform in
- 612 the agricultural cooperative sector, including the creation of a government
- 613 financial institution that will specifically cater to the sector, in coordination
- 614 with the relevant departments and agencies;
- 615 g. Develop policies and guidelines for the institutionalization of Cooperative
- 616 Resilience Mechanism (CRM) that will aid agricultural to adapt to and
- 617 recover from the effects of climate change or other unforeseen
- 618 circumstances. The CRM shall embody a holistic approach, with provisions
- 619 for funding assistance, addressing production and distribution issues, and
- 620 use of new or innovative technologies, production technologies using
- 621 renewable energies, regenerative and sustainable agriculture, among
- 622 others; and
- 623 h. Advocate for policy reforms and programs that enhance social protection
- 624 of the agricultural cooperatives and their members, including access to
- 625 healthcare, insurance, and retirement benefits, among others.
- 626

627 **Sec. 37. Policies Fostering Inclusivity and Sustainability.** – Recognizing the

628 contributions of women and youth to the agricultural sector, as well as the need to

629 improve inclusivity, the Council shall prioritize policies that seek to improve women

630 empowerment and youth participation in the sector, and which shall foster

631 sustainability and further opportunities for economic growth.

632

633 Further, the Council shall prioritize the implementation of policies that enhance
634 biodiversity, sustainability, and agroecology, and the development of innovative
635 farming techniques and practices.

636

637 **Sec. 38. Secretariat.** – The Bureau shall serve as the Secretariat to the Council.

638

639 **Sec. 39. Per Diem.** – The members of the Council shall each receive a *per diem*
640 pursuant to existing laws, for each meeting of the Council actually attended; *provided*,
641 that in the case of representatives from the private sector, the Council is authorized
642 to provide funds to defray the cost of reasonable travel expenses, in addition to the
643 *per diem*, as may be necessary.

644

CHAPTER IV

645

OTHER PROVISIONS

646

647 **Sec. 40. Role of LGUs.** – The Local Government Units shall:

648

a. Ensure the appointment of CDOs in compliance with Republic Act NO. 11535;

649

b. Create a Committee on Agricultural Cooperatives Development in the Local
650 Government Legislatives Council, which shall focus on addressing legislative
651 concerns of agricultural cooperatives;

652

c. Disseminate information and promote agricultural cooperatives in their
653 respective localities;

654

d. Facilitate the establishment and develop the management and operations of
655 agricultural cooperatives within their jurisdictions;

656

e. Expedite the issuance of necessary permits for the implementation of projects
657 and programs of the DA, CDA, and other government agencies and
658 instrumentalities for the benefit of agricultural cooperatives;

659

f. Upon written request of the CDA, assist in the resolution of inter-cooperative
660 disputes among agricultural cooperatives operating within their localities;

661

g. Facilitate and conduct seminars, trainings, and conferences necessary for the
662 organization, registration, management, and operations of agricultural
663 cooperatives, in coordination with cooperative federations and unions; and

664

h. Provide technical assistance and skills training for farmers, farm workers, and

665 fisherfolk to engage in income-generating activities.

666
667 **Sec. 41. Appropriation** – The amount necessary for the initial implementation of
668 this Act shall be taken from the current fiscal year’s appropriation of the DA and DTI.
669 Thereafter, the amount necessary to carry out the provisions of this Act shall be
670 appropriated in the General Appropriations Act of the year following its enactment into
671 law.

672
673 **Sec. 42. Implementing Rules and Regulations.** – Within ninety (90) days from
674 the effectivity of this Act, the DA, in coordination with the relevant departments and
675 agencies, shall issue the necessary rules and regulations to implement this Act.

676
677 **Sec. 43. Annual Reports.** – The Council shall submit an annual report to the
678 Congress of the Philippines on the progress of its projects and plans and offer
679 recommendations for possible legislation.

680
681 **Sec. 44. Sunset Review.** – Within five (5) years after the effectivity of this Act,
682 or as the need arises, the House Committee on Agriculture and Food shall conduct a
683 sunset review. For purposes of this Act, the term “sunset review” shall mean a
684 systematic evaluation of the accomplishments and impact of this Act, as well as the
685 performance and organizational structure of its implementing entities, for purposes of
686 determining remedial legislation.

687
688 **Sec. 45. Repealing Clause.** – All laws, decrees, executive orders, administrative
689 orders, rules and regulations or parts thereof inconsistent with the provisions of this
690 Act are hereby repealed or modified accordingly.

691
692 **Sec. 46. Separability Clause.** – In case any provisions of this Act or any portion
693 thereof is declared unenforceable, illegal, or unconstitutional by a competent court,
694 other provisions shall not be affected thereby.

695
696 **Sec. 47. Effectivity Clause.** – This Act shall take effect fifteen (15) days after its
697 publication in the Official Gazette or in two (2) newspapers of general circulation.

698

699

Approved,