

S. No. 2677  
H. No. 5817

**Republic of the Philippines**  
**Congress of the Philippines**  
**Metro Manila**

**Twelfth Congress**

**Third Regular Session**

Begun and held in Metro Manila, on Monday, the twenty-eighth day of July, two thousand three.

---

[ REPUBLIC ACT NO. 9281 ]

AN ACT TO STRENGTHEN AGRICULTURE AND FISHERIES  
MODERNIZATION IN THE PHILIPPINES BY EXTENDING THE  
EFFECTIVITY OF TAX INCENTIVES AND ITS MANDATED  
FUNDING SUPPORT, AMENDING FOR THIS PURPOSE  
SECTIONS 109 AND 112 OF REPUBLIC ACT NO. 8435

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

SECTION 1. Section 109 of Republic Act No. 8435, otherwise known as "The Agriculture and Fisheries Modernization Act of 1997" is hereby amended to read as follows:

"SEC. 109. All enterprises engaged in agriculture and fisheries as duly certified by the Department in consultation with the Department of Finance and the Board of Investment, shall, up to the year 2015, be exempted from the payment of tariff and duties for the importation of all types of agriculture and fisheries inputs, equipment and machinery such as, but not limited to, fertilizer, insecticide, pesticide, tractor, trailers, trucks, farm implements and machinery, harvesters, threshers, hybrid seeds, genetic materials, sprayers, packaging machinery and materials, bulk-handling facilities such as conveyors and

mini loaders, weighing scales, harvesting equipment, spare parts of all agricultural equipment, fishing equipment and parts thereof, refrigeration equipment, and renewable energy systems such as solar panels: *Provided, however,* That the imported agricultural and fishery inputs, equipment and machinery shall be for the exclusive use of the importing enterprise.

The Department, in consultation with the Department of Finance and the Board of Investment, shall, within ninety (90) days from the effectivity of this Act, formulate the Implementing Rules and Regulations governing the importation of agriculture and fishery inputs, equipment and machinery.”

SEC. 2. Section 112 of Republic Act No. 8435, otherwise known as “The Agriculture and Fisheries Modernization Act of 1997” is hereby amended to read as follows:

“SEC. 112. *Continuing Appropriation.* - The Department of Budget and Management (DBM) is hereby mandated to include annually up to the year 2015, in the President’s program of expenditures for submission to Congress, and release, an amount not less than Seventeen billion pesos (P17,000,000,000.00), for the implementation of this Act. Such amount shall be in addition to the annual budget of the Department of Agriculture and shall not be subjected to any mandatory reserves that shall be imposed by the executive department.

With the continuous implementation of the funding support for agriculture and fisheries modernization, the Department of Agriculture shall formulate, develop and implement programs and services towards the improvement of the quality of life of the farmers, fisherfolks and their families and the people who are directly or indirectly dependent on agriculture for their livelihood.

Additional funds over and above congressional appropriations of the Department shall be sourced from twenty percent (20%) of the proceeds of the securitization of government assets, including the Subic, Clark and other special economic zones.

Other sources of funds shall be from the following:

- a) Fifty percent (50%) of the net earnings of the Public Estates Authority or its successor agency;
- b) Loans, grants, bequest, or donations, whether from local or foreign sources;
- c) Forty percent (40%) of the TESDA Skills Development Fund;
- d) Net proceeds from the privatization of the Food Terminal, Inc. (FTI); the Bureau of Animal Industry (BAI), the Bureau of Plant Industry (BPI), and other assets of the Department that will be identified

by the DA Secretary and recommended to the President for privatization;

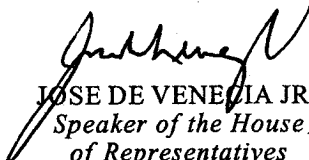
e) Proceeds from the Minimum Access Volume (MAV) in accordance with the provisions of Republic Act No. 8178;

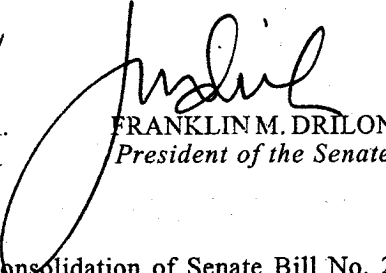
f) A portion of the proceeds from the countervailing, anti-dumping and special safeguards duties collected from agricultural imports pursuant to Republic Act Nos. 8751 and 8752, both series of 1999 and Republic Act No. 8800, series of 2000; and

g) Fifty percent (50%) of the Support Facilities and Services Fund under Republic Act No. 6657.”

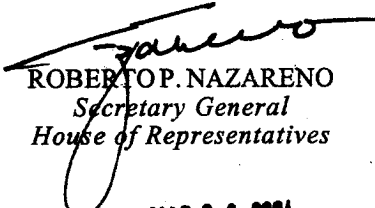
SEC. 3. This Act shall take effect fifteen (15) days from the date of its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation, whichever comes earlier.

Approved,

  
JOSE DE VENECIA JR.  
*Speaker of the House  
of Representatives*


  
FRANKLIN M. DRILON  
*President of the Senate*

This Act which is a consolidation of Senate Bill No. 2677 and House Bill No. 5817 was finally passed by the Senate and the House of Representatives on February 4, 2004.

  
ROBERTO P. NAZARENO  
*Secretary General  
House of Representatives*

  
OSCAR G. YABES  
*Secretary of the Senate*

Approved: **MAR 3 0 2004**

  
GLORIA MACAPAGAL ARROYO  
*President of the Philippines*

