

**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-eight day of July, two thousand three.

**Republic Act No. 9281**                      **March 30 2004**

**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 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:

Fifty percent (50%) of the net earnings of the Public Estates Authority or its successor agency;

Loans, grants, bequest, or donations, whether from local or foreign sources;

Forty percent (40%) of the TESDA Skills Development Fund:

Net proceed 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:

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

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

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,

**FRANKLIN DRILON**  
President of the Senate

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

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.

**OSCAR G. YABES**  
Secretary of Senate

**ROBERTO P. NAZARENO**  
Secretary General  
House of Representatives

Approved: March 30 2004

**GLORIA MACAPAGAL-ARROYO**  
*President of the Philippines*