

Comments on Senate Bill No. 139 entitled: An Act To Restructure And Rationalize The Livestock Industry In Order To Strengthen Its Development, Protection & Regulatory Functions, Including The Promotion Of Dairy And Native Animals And To Provide For A Livestock Development, (Sen. Cynthia A. Villar)

By: Roehlano M Briones¹

18 March 2021

I have the following specific comments on the wording of the Bill (in italics):

On the Rationale: promote food safety and quality standards of livestock products to attain greater self-sufficiency in food and livestock commodities

Rather than self-sufficiency, food safety and quality standards are intended to promote consumer safety and improve the reputation of the livestock industry.

On the Creation of the Philippine Livestock Authority (PLA): Undertake regulatory and monitoring services

Consolidating regulation under an agency also tasked with development function is too complicated and a source of conflict of interest. For instance, the PLA may push for the establishment of slaughterhouses that itself needs to accredit. I would favor consolidating livestock regulatory services under a separate Service while the Philippine Livestock Agency consolidates development mandate for livestock.

Furthermore, PLA seems to have a commercial function of importing and distributing breeding animals, and perhaps procurement of marketing of other products. It may be worth organizing it as a government corporate entity (with no regulatory function). PhilRice may be a good model for this.

On Authority of PLA:

In addition to an Emergency Task Force, consider establishing a permanent body to address long term coordination between local and national government on matters of livestock development, such as zoning, biosecurity, traceability, and so on. As a general principle, local governments should have jurisdiction over livestock and livestock products to be unloaded in its jurisdiction, while national government will have sole jurisdiction over goods in transit.

On Mandated Appropriations: 30% grants to shared service facilities (e.g. cold chain facilities and blast freezers, pasteurizing equipment, feed mills, forage pelletizing equipment, dairy and meat processing equipment, packaging facilities, etc.)

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The development of the livestock value chain is not made explicit in the mandate of the PLA. However, under the appropriations provision, it receives the largest share of the budget. I suggest we present this Bill to Department of Trade and Industry for comment.

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The Philippines' livestock industry has positively contributed to the economy despite the lesser infusion of government support compared to other agricultural commodity counterparts. Among the subsectors in agriculture, it steadily sees production dynamism and structural transformation to meet the growing demand for livestock products. The private sector bridges the gap in production resources, and imports have augmented local supply.

SB 139 looks to strengthen government support to the sector. It pushes for the formulation of a Philippine Livestock Development Framework containing programs that will harmonize marketing and production processes across all levels of implementation. It also proposes the rationalization of livestock support agencies, merging the Bureau of Animal Industry, the Philippine Carabao Center, the National Dairy Corporation, and the National Meat Inspection Service into a new Philippine Livestock Authority (PLA).

The PLA will be comprised of two major offices: Livestock Regulation Office and Livestock Industry Development Office. The former will be tasked with regulatory functions with respective sub-offices for import and export, domestic production, and pest infestation while the latter deals with research and development, training, and conservation of native species.

In any event of livestock or epidemic incident with possible reduction of at least two percent (2%) of livestock production, the PLA can authorize the activation of an Animal and Livestock Emergency Response Task Force (ALERT-TF).

The following are comments on the provisions of the bill:

1. **On the rationale:** the proposed bill aims to improve meat, poultry, egg and dairy (a)market supply, (b)animal population, (c)breeding stock (d)product safety and standard, and (e)feed and forage availability to develop the ***livestock industry and all its aspects***, improve food self-sufficiency, increase farmers' income and alleviate poverty.
2. **On the Task of PLA (item a):** PLA to increase ***the genetic pool*** and total population of livestock. Breeding stock can be augmented thru importation and/or local breeding and upgrading programs.

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3. **On the Creation of the PLA:** The mandates of the defunct Livestock Development Council (PD 914) must be revisited as it has similarities with the proposed new authority.
4. **On the proposed Livestock Industry Development Office:** Separate units for swine and poultry may be applicable given the importance and size of their respective industries.
5. **On the Exemption from Taxes and Duties:** The PLA must coordinate with DTI as they already have investment incentives in place that are similar to this.
6. **Suggestion to put tracing/monitoring mechanisms for all livestock and poultry products.** The PLA's encompassing mandates will allow it to do oversight function across value-chains from production to marketing, and transboundary product movements. Formulation of product tracing instruments can help ensure food safety standards, mitigate future disease outbreaks, and help enforce penalty/incentive mechanisms.
7. **Incentive mechanisms and penalty provisions.** The weak subnational regulatory clout over local government units, and the private sector's infirm reporting of pest infestation and disease outbreaks need to be addressed thru balanced incentives and penalty provisions.
8. **On land use and environmental protection.** Part of PLA's development framework must look at ecological integrity and land use issues, particularly concerns about environmental degradation and institutional cooperation with DENR and LGUs.
9. **On the Expenditure Program:** Review item allocations, given the need to prioritize smallholders as beneficiaries, and infuse more resources for R&D.
10. The role of the Department of Agriculture must be highlighted in the creation of ALERT TF and the formulation of the IRR. Private sector and CSO representation must be instituted.