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TITLE : AN ACT TO PROMOTE AND DEVELOP THE SEED INDUSTRY IN THE
PHILIPPINES AND CREATE A NATIONAL SEED INDUSTRY COUNCIL AND FOR
OTHER
PURPOSES

TEXT :

S. No. 401
H. No. 28002

Republic of the Philippines
Congress of the Philippines
Metro Manila

Fifth Regular Session

Begun and held in Metro Manila, on Monday, the twenty-second
day of July, nineteen hundred and ninety-one.

[REPUBLIC ACT No. 07308]

AN ACT TO PROMOTE AND DEVELOP THE SEED
INDUSTRY IN THE PHILIPPINES AND CREATE A
NATIONAL SEED INDUSTRY COUNCIL AND FOR
OTHER PURPOSES

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

SECTION 1. Short Title. - This Act shall be known as the
Seed Industry Development Act of 1992.

SEC. 2 Declaration of Policy - It is hereby declared the
policy of the State to promote and accelerate the development
of the seed industry and, for this purpose, the Government
shall:

a) conserve, preserve and develop the plant genetic
resources of the nation;

b) encourage and hasten the organization of all sectors
engaged in the industry, integrate all their activities, and
provide assistance to them;

c) consider the seed industry as a preferred area of
investment;

d) encourage the private sector to engage in seed research

and development and in mass production and distribution of good quality seeds; and

e) provide the local seed industry protection against unfair competition from imported seeds.

SEC. 3. Definition of Terms - When used in this Act, the following terms shall mean as follows:

a) "Seed" shall mean plant material used for the production of food, forage, fibers, industrial crops, oil, flowers, grasses, herbs and aquatic plants, including but not limited to meristem, and clonal propagules such as tubers, corms, cuttings, and micro-propagated plantlets;

b) "Seed lot" shall mean a definite quantity of seeds identified or any container, the contents of which uniformly represent the factors which appear in the label within allowable tolerance;

c) "Breeder Seed" shall mean a seed directly controlled by the originating, or in certain cases, the sponsoring plant, breeder or institution and which provide the source for the initial and recurring increase of foundation seeds;

d) "Foundation Seed" shall mean seed that is a progeny of breeder seeds so handled as to maintain a minimum acceptable level of genetic purity and identity;

e) "Registered Seed" shall mean the progeny of foundation seeds so handled as to maintain satisfactory genetic identity and purity;

f) "Seed Industry" shall mean the different components of the chain of activities undertaken by an individual, association, cooperative, corporation or firm, academic institutions, public agricultural research institutes in the production, processing, testing, handling, grading, storage, distribution, and marketing of seeds for agricultural production with economic benefits;

g) "Seed Testing" shall mean the accurate and prompt analysis of a seed sample based on methodologies prescribed by the Council to determine its quality;

h) "Seed Certification" shall mean a system of seed production geared toward maintaining genetic identity, varietal purity and standards of quality seeds of superior crop varieties;

i) "Quality Control" shall mean a systematic approach to determine, achieve and maintain desired standards of seed quality;

j) "Seed Sample" shall mean a quantity of seeds drawn from seed lots in accordance with the rules for seed sampling to be promulgated under this Act, properly identified, labeled, and submitted for seed testing;

k) "Label" shall mean any written, printed or graphic presentation in any manner on the seed container giving information as required in the rules and regulations promulgated under this Act;

l) "Seed Dealer/Trader/Merchant" shall mean any person, firm, agency, cooperative or corporation engaged in the processing and/or marketing of seeds;

m) "Seed Grower/Producer" shall mean any person, natural or juridical, engaged in the production, processing and/or marketing of seeds;

n) "Seed control" shall mean the regulation of seed marketing through registration of seed merchants/dealers compulsory labeling and establishment of minimum standards of seed quality.

SEC. 4. National Seed Industry Council. - There is hereby created a National Seed Industry Council, hereinafter referred to as the "Council", to replace the existing Philippine Seed Board. The Council shall be composed of the following who, except for the representatives of the private sector shall serve in ex officio capacity.

a) Secretary, Department of Agriculture - Chairman

b) Director, Bureau of Plant Industry - Vice Chairman and Executive Director.

c) Dean, College of Agriculture University of the Philippines at Los Banos, Laguna - Member

d) Director, Institute of Plant Breeding - Member

e) Crop Research Director, Philippine Council for Agriculture Forestry and Natural Resources Research and Development - Member

f) Director, Philippine Rice Research Institute - Member

g) Two (2) representatives from accredited farmers' organizations.

h) One (1) representative from the seed industry - Member

The representatives of the sectors enumerated herein, who shall be nominated by their respective sectors or associations, shall be appointed by the Secretary of

Agriculture and shall serve for a term of three (3) years. Only citizens of the Philippines shall be members of the Council. In case of vacancy the appointed successor shall serve only the unexpired portion of the term of his predecessor.

SEC 5. Duties, Powers and Functions - The Council shall have the following duties, powers and functions:

a) to formulate policies that will stimulate plant breeding activities for the development of the genetic resources of the country in accordance with the provisions of this Act;

b) to encourage persons, associations, cooperatives and corporations engaged in genetic resources conservation, varietal development, production and processing, quality control, storage, marketing, and distribution of seeds to adopt systems and practices which improve the quality of seeds for distribution to farmers;

c) to promote the establishment of infrastructures and other support services in priority areas geared toward the development of the seed industry;

d) to formulate a comprehensive medium and long-term national seed industry development program in order to achieve self-sufficiency in the supply of high quality seeds;

e) to grant awards, subsidies and other forms of assistance to seed or plant breeders who develop or are developing outstanding varieties or cultivars;

f) to formulate policies that will stimulate plant breeding activities; and

g) to promulgate rules and regulations to implement the provisions of this Act.

SEC. 6. Council Meetings. - The Council shall hold regular quarterly meetings: Provided, That it may hold special meetings when necessary upon the call of the Chairman or upon written request of at least three (3) members. The presence of five (5) members shall constitute a quorum.

The members of the Council shall not receive any compensation: Provided, That they shall be entitled to per diems and travel allowances, to be determined by the Council for every attendance in the meetings.

SEC. 7. Chairman, Duties and Responsibilities. - The Chairman of the Board shall have the following duties and responsibilities:

a) to preside over the meetings of the Council;

b) to supervise the operations and administration of the Council; and

c) to exercise such other functions and perform such other duties as may be vested in him by the Council.

SEC. 8. Executive Director, Duties and Responsibilities. - The Executive Director shall have the following duties and responsibilities:

a) to execute, direct and implement the policies, regulations and resolutions issued by the Council;

b) to assist in the administration, management and supervision of the functional activities of the Council;

c) to coordinate, monitor and evaluate the seed program of the different government agencies;

d) to administer and manage the budgetary appropriations and financial disbursements of the Council; and

e) to supervise the Council Secretariat and maintain official records, files and proceedings of the Council.

SEC. 9. Council Secretariat. - The Council shall have a Secretariat which shall furnish the necessary administration, secretarial and other support services to the Council. The Secretariat shall be under the direction and supervision of the Executive Director. The personnel of the Secretariat shall be appointed, and their compensation fixed by the Chairman upon the recommendation of the Executive Director in accordance with Civil Service rules and regulations.

SEC. 10. Technical Secretariat. - There is hereby created under the Council a Technical Secretariat which shall assume the functions of the existing Philippine Seed Board Technical Working Groups. The heads and the members of the Technical Secretariat shall be appointed and their compensation and tenure fixed by the Chairman upon the recommendation of the Executive Director.

The Technical Secretariat shall establish seed standards and formulate systems and procedures for varietal identification, evaluation, nomination, review and approval for registration, commercial release and discontinuation of crop cultivars or varieties in the National Agricultural Crop Production and Development Program.

SEC. 11. National Seed Quality Control Services. - There shall be a National Seed Quality Control Services, hereinafter referred to as "Services", which shall be constituted in the Bureau of Plant Industry. It shall have

control and supervision over field inspection and control services, and seed testing laboratories which shall be established by the Bureau of Plant Industry in various parts of the country as are necessary to ensure the attainment of the purposes of this Act. All personnel, funds and equipment of the existing Seed Certification Section of the Bureau of Plant Industry, the seed quality control services and the field inspection services of the Department of Agriculture are hereby transferred to the herein created body.

SEC. 12. Functions of the National Seed Quality Control Services. - The National Seed Quality Control Services shall perform the following functions:

- a) formulate plans and programs on seed quality control services and activities on seed testing, plant/seed material certification and other quality control schemes to be developed;
- b) sample and conduct seed analysis and issue the corresponding report of analysis of samples drawn from locally produced and imported seed within the purview of this Act;
- c) conduct field inspections of seed crops, seed storage and processing facilities and other activities required for seed/plant material certification and issue the corresponding report of inspection within the purview of this Act;
- d) conduct other related functions like seed research and seed technology training for its clientele;
- e) collect reasonable fees for testing of seeds, inspection of crop fields and facilities and for issuance of permits and licenses in relation to the activities of the Services;
- f) supervise and coordinate all official seed testing laboratories in the regions and provincial satellite laboratories and seed certification in all provinces and sub-provinces;
- g) accredit private seed testing laboratories; and
- h) perform such other functions as the Council may direct.

SEC. 13. Seed Industry Development Program. - The Council shall adopt within ninety (90) days after it has been constituted, a Seed Industry Development Program hereinafter referred to as the "Program", which shall be implemented by its constituent agencies.

- a) A network of seed centers to be known as the National Seed Network shall be established at the Bureau of Plant Industry and major agricultural colleges and universities to

produce sufficient quantity of breeder, foundation and registered seeds of all varieties developed by the government sector;

b) The Department of Agriculture shall have the overall task of directing and coordinating the activities of its component agencies in accelerating the development of the seed industry;

c) The Bureau of Plant Industry shall have the direct responsibility for the production, distribution, regulation of breeder, foundation and registered seeds, and the implementation of the program, including but not limited to the management of the existing research stations and seed farms, seed testing laboratories, and certification services under a self-reliant management scheme;

d) The University of the Philippines at Los Banos shall provide leadership in plant biotechnology activities related to plant improvement, genetic resources conservation, and in vitro mass production of planting materials through the Institute of Plant Breeding (IPB);

e) The Philippine Rice Research Institute (PHILRICE) shall develop an appropriate rice varieties designed under Philippine conditions and propagate them into breeder, foundation, and registered seeds and extend all necessary technical assistance to ensure the proper utilization of such seeds on the farm level;

f) The Board of Investment (BOI) shall promulgate necessary rules for the development of the seed industry as preferred area of investment; and

g) The private sector of the seed industry shall direct their collective efforts towards an increased and more active cooperation and coordination with the government agencies. Farmers' organizations shall take active part in the conservation of the plant genetic resources of the nation.

SEC. 14. Incentives. The private sector may avail of the following incentives to develop the local seed industry:

a) Individuals, farmers' organizations, cooperatives, and corporations, wholly owned by Filipinos shall be entitled to technical assistance from the Government, including training in seed technology, and availment of seeds and results of basic research studies;

b) Technical equipment used in seed processing, sowing, meristem culture, storage and quality testing by individuals, farmers' organizations, cooperatives and corporations, wholly owned by Filipinos shall be exempted from duties and taxes during their first five (5) years of operation subject to the

following conditions:

- 1) The equipment are not manufactured domestically in sufficient quantity of comparable quality and at reasonable prices;
- 2) They are reasonably needed and will be used exclusively by the importer in the operation of its business;
- 3) Approval of the Council was obtained prior to the importation;
- 4) In case the importer transfers, sells, or disposes of the equipment within five (5) years from acquisition without prior approval of the Council the former shall be solidarily liable with the transferee to pay double the amount of tax exemption given it. The Council may permit transfer, sale or disposition of said equipment within the said five (5) years if made to another person or entity enjoying similar incentives, or for reason of proven technical obsolescence, or for purposes of replacement to improve and expand the operations of the importer;
- 5) The importer shall not enjoy a similar incentive under the Omnibus Investments Code of 1987.

However, cooperatives organized and registered under Republic Act No. 6938 shall be covered by Articles 61, 62, and 63 of the said law pertaining to the tax exemption privileges of cooperatives; and

- 6) Expenses for research, development and extension of private Filipino seed producers shall enjoy a two hundred percent (200%) deduction from their gross income for the first five (5) years of operation in accordance with the rules and regulations to be promulgated by the Department of Finance within ninety (90) days from the effectivity of this Act.

SEC. 15. Restrictions. - The following acts are prohibited:

- a) Importation in commercial quantities of species of seeds that are being produced locally, except seeds difficult to grow under ordinary conditions or when allowed by the Council;
- b) Exportation of rare species, varieties, lines and strains of plants from the country except for scientific or international exchange purposes which shall be determined by

the Council; and

c) Such other activities as the Council may deem fit to prohibit.

SEC. 16. Funds of the Council. - There is hereby created a special in the general fund to be known as the Seed Fund which shall be obtained from the following sources:

a) Five million pesos (P 5,000,000.00) to be appropriated out of any funds in the National Treasury not otherwise appropriated;

b) the existing Seed Fund;

c) revenues from the sale of certified seeds and plant materials, including but not limited to the income derived from the products of research stations and seed farms, seed processing and testing fees, field inspection fees, seed export and import fees, license fees, fees for the issuance of permits to seed growers/producers, fines collected for violations of this Act; and

d) donations from private or government agencies, either domestic or foreign: Provided, That said fund shall be held in trust by the Bureau of Plant Industry; Provided, further, That the allocation, utilization and disposition of such funds shall be by and under the authority of the Council.

SEC. 17. Appropriations. - The amount necessary to carry out the provisions of this Act is hereby authorized to be appropriated in the General Appropriations Act of the year following its enactment into law and thereafter.

SEC. 18. Authority to Search and Condemn Unlawful Seed Lots. - In order to carry out effectively the provisions of this Act, the Executive Director of the Council is hereby authorized to search and seize seed lots labeled, identified or imported in violation of this Act; Provided, That a search warrant shall first be secured from the proper court and the same shall be served/enforced with the assistance of the Philippine National Police (PNP) or the National Bureau of Investigation.

Should the seed lots so searched and seized be found after due hearing, to be suitable for condemnation, in his judgment, the Executive Director is hereby empowered to issue to any of his designated representatives an order for condemnation of unlawful seed lots, in which case the same shall be processed, relabeled or otherwise disposed of in such manner as he may deem appropriate: Provided, That in no case shall the Executive Director order such condemnation without giving the claimant an opportunity to apply for the release of said seed lot or permission to process it in

compliance with this Act, subject to the payment of just compensation in the proper case.

SEC. 19. Penal Provisions. - Any person, firm, or association who shall violate any provision of this Act or the implementing rules and regulations promulgated pursuant to this Act, shall, upon conviction, be punished with a fine of not more than Ten thousand pesos (P10,000.00) or imprisonment of not more than five (5) years, or both, in the discretion of the Court: Provided, That in the case of a firm or association, the penalty of imprisonment shall be imposed upon the officer(s) who knowingly participated, abetted, or consented to the commission of such punishable acts.

SEC. 20. Rules and Regulations. - The Council shall, within ninety (90) days from the effectivity of this Act, promulgate the necessary rules and regulations for the enforcement of the provisions of this Act.

SEC. 21. Repealing Clause. - All existing laws, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed, superseded or modified accordingly: Provided, however, That nothing in this Act shall amend, modify or repeal the provisions of Republic Act No. 7160, otherwise known as the Local Government Code.

SEC. 22. Separability Clause. - If any part, section, or provision of this Act shall be held invalid or unconstitutional, the rest of the provisions shall not be affected thereby.

SEC. 23. Effectivity. - This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,

RAMON V. MITRA
GONZALES
Speaker of the House
of Representatives

NEPTALI A.
President of the Senate

This bill which is a consolidation of Senate Bill No. 401 and House Bill No. 28002, was finally passed by the Senate and the House of Representatives on February 3, 1992 and January 29, 1992, respectively.

CAMILO L. SABIO
Secretary General

ANACLETO D. BADOY, JR.
Secretary of the

Senate

House of Representatives

Approved: March 27, 1992

CORAZON C. AQUINO
President of the Philippines