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[REPUBLIC ACT NO. 12308]

AN ACT ENHANCING ANIMAL INDUSTRY DEVELOPMENT AND COMPETITIVENESS, STRENGTHENING THE BUREAU OF ANIMAL INDUSTRY, AND CREATING FOR THE PURPOSE THE ANIMAL COMPETITIVENESS ENHANCEMENT FUND

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

TITLE I

GENERAL PROVISIONS

SECTION 1. *Short Title.* – This Act shall be known as the "Animal Industry Development and Competitiveness Act".

SEC. 2. *Declaration of Policies.* – The State shall promote industrialization and full employment based on sound agricultural development and agrarian reform, through industries that make full and efficient use of human and natural resources, which are competitive in both domestic and foreign markets.

To this end, it is hereby declared the policy of the State to advance the animal industry through robust regulatory and development institutions, adequate resources for production support especially for small farmers and producers, sound laws and regulations, effective coordination and collaboration with stakeholders, and credible standards and measures for safety and quality of animal products.

SEC. 3. *Definition of Terms.* – As used in this Act:

(a) *Animal* refers to livestock, poultry, dairy and companion animals;

(b) *Animal by-products* refer to materials of animal origin that are not intended for human consumption. It may include animal feeds, organic fertilizers and soil improvers, hides, horns, skins, bones, hooves, and wool;

(c) *Animal industry* refers to the branch of agriculture concerned with animals that are raised for meat, fibre, milk, or other products;

(d) *Animal infrastructure and facilities* refer to infrastructure, facilities, machinery and equipment for the production, handling, processing, and marketing of livestock, poultry, dairy, and companion animals, and their feeds such as biosecure housing, slaughterhouse, poultry dressing plant, meat-cutting plant, feed milling, cold storage facility, farm-to-market roads connectivity, waste management facility like biogas plant, shared/common service facility, machinery, equipment, and irrigation for pasture lands;

(e) *Animal product* refers to any material derived from the body of an animal such as fat, flesh, meat, blood, offal, milk, eggs, honey, raw meat products, and lesser known products such as rennet;

(f) *Companion animal* refers to domestic, domesticated and captive-bred animals intended for protection, utility, companionship, therapy, values formation, and breeding;

(g) *Condemnation* refers to the examination and judgment of meat or meat products according to approved protocols by a competent person, or otherwise determined by the controlling/competent authority, as being unsafe or unsuitable for human consumption and requiring appropriate disposal;

(h) *Corn* refers to yellow corn, white corn, and other corn varieties utilized as animal feed in the country;

(i) *Dairy animal* refers to any animal raised for the production of milk, butter, cheese, and other products and by-products.

(j) *Feed* refers to animal food for livestock, poultry and dairy-producing animals which includes, but is not limited to, corn, forages, and feed wheats;

(k) *Food animal* refers to any domestic animal slaughtered for human consumption such as cattle, carabaos, buffaloes, horses, sheep, goats, hogs, deer, rabbits, and poultry;

(l) *Fresh milk* refers to a milk product produced by local dairy farms for direct human consumption. Fresh milk is further described as a milk product from normal mammary secretion of healthy mammals such as, but not limited to, cows, goats, buffaloes, and carabaos, without either addition to it or extraction from it. It is subjected to minimum pasteurization conditions of 72°C for 15 seconds (continuous flow pasteurization) or 63°C for 30 minutes (batch pasteurization), has not been subjected to higher temperature, and has a shelf life of not more than ten (10) days when refrigerated;

(m) *Hot meat* refers to carcass or parts of carcass or food animals which were slaughtered from unregistered/unaccredited meat establishments and have not undergone the required inspection. It also includes undocumented, illegally shipped, and unregistered carcass, parts of carcass, and meat products coming from other countries and those that are classified as hot meat by the Bureau of Animal Industry (BAI);

(n) *Livestock* refers to any domestic or domesticated animal that is grown, kept, or raised in captivity for food or in the production of food or other by-products, and for other purposes. It includes all domestic animals that are slaughtered for human consumption, maintained for draft animal power, dairy, and for recreational purposes such as, but not limited to, cattle, carabaos or water buffaloes, horses, sheep, goats, hogs, deer, rabbits, poultry, and bees; and excludes products of hunting or fishing of wild animals;

(o) *Livestock agencies* refer to the BAI, National Dairy Authority (NDA), National Livestock Program (NLP), National Meat Inspection Service (NMIS), and the Philippine Carabao Center (PCC) which are reorganized in this Act;

(p) *Meat* refers to the fresh, chilled, or frozen edible carcass including offal derived from food animals;

(q) *Meat establishment* refers to premises such as slaughterhouse, poultry dressing plant, meat cutting plant, meat processing plant, cold storage facility, and any other meat outlet in which food animals or meat products are slaughtered, prepared, processed, handled, packed, or stored;

(r) *Native animals* refer to domesticated animals that contribute to food production found in a geographical location that have developed unique physical characteristics, behavior, and product attributes, adapted to the local environment and are products of selection with no infusion of exotic breeds including, but not limited to, native chicken, goats, pigs, ducks, cattle, horses, and carabaos or water buffaloes;

(s) *Notifiable animal disease* refers to a disease listed by the BAI regulatory office, and that should be brought to the attention of the BAI as soon as detected or suspected, in accordance with national regulations;

(t) *Poultry* refers to birds raised commercially or domestically for meat, eggs, and feathers such as chickens, ducks, turkey, geese, quails, and ostrich. It is a collective term which refers to all domesticated avian species reared in captivity mainly for agricultural purposes or for the production of food or other by-products;

(u) *Small-hold farm* refers to:

(1) Tending not more than five (5) cow or water buffalo level (large ruminants: dairy and beef);

(2) Tending not more than 35 does (small ruminants: dairy and meat);

(3) Tending one (1) to ten (10) sow level or one (1) to 100 heads (swine, including native pig);

(4) Raising 100 heads and below (rabbit);

(5) Raising 500 birds and below (broiler);

(6) Raising 250 birds and below (chicken: native/improved/free range);

(7) Raising 250 layers and below (layer and duck);

(8) Raising 2,500 birds and below (quail);

(v) *Semi-commercial farm* refers to:

(1) Tending six (6) to 50 cow or water buffalo level (large ruminants: dairy and beef);

(2) Tending 36 to 100 does (small ruminants: dairy and meat);

(3) Tending 11 to 50 sow level or 101 to 500 heads (swine, including native pig);

(4) Raising 101 to 1,000 heads (rabbit);

(5) Raising 501 to 10,000 birds (broiler);

(6) Raising 251 to 5,000 birds (chicken: native/improved/free range);

(7) Raising 251 to 5,000 layers (layer and duck);

(8) Raising 2,501 to 10,000 birds (quail);

(w) *Commercial farm* refers to:

(1) Tending 51 cow or water buffalo level and above (large ruminants: dairy and beef);

(2) Tending more than 100 heads of does (small ruminants: dairy and meat);

(3) Tending 51 sow level and above or 501 heads and above (swine, including native pig);

(4) Raising 1,001 heads and above (rabbit);

(5) Raising 10,001 birds and above (broiler);

(6) Raising 5,001 birds and above (chicken: native/improved/free range);

(7) Raising 5,001 layers and above (layer and duck);

(8) Raising 10,001 birds and above (quail);

(x) *Transboundary animal disease* refers to an epidemic disease which is highly contagious or transmissible and has the potential for very rapid spread, irrespective of national borders, causing serious socio-economic and possible public health consequences;

(y) *Value chain* refers to the set of actors, activities, and services that bring a basic agricultural product from production in the field to final consumption, where value is added to the product at each stage;

(z) *Veterinary drugs, products, and biologics* refer to substances or devices, including biological products, whether used for therapeutic, prophylactic, or diagnostic purposes or for modification of physiological functions or behaviors, applied or administered to livestock and poultry, companion, aquatic, laboratory, and exotic animals;

(aa) *Veterinary drug and product establishment* refers to any person, partnership, corporation, or organization involved in the manufacture, import, export, repacking, labeling, advertising, and/or distribution of veterinary drugs and products; and

(bb) *Zoonotic disease* refers to an infectious disease that has been transmitted from animals to humans.

TITLE II

STRENGTHENING THE BUREAU OF ANIMAL INDUSTRY, HARMONIZING ANIMAL INDUSTRY REGULATORY AGENCIES, AND ENHANCING THEIR PROGRAMS

SEC. 4. *Reorganizing and Strengthening the Bureau of Animal Industry.* – The BAI is hereby expanded and reclassified into a line agency attached to the Department of Agriculture (DA), with regional and provincial offices. The BAI shall have an office for developmental functions, within which the NLP and its functions shall be absorbed. The NMIS is hereby reorganized and strengthened to be the core regulatory office of the BAI.

The BAI developmental office shall be called the Animal Development and Welfare Office (ADWO) and the BAI regulatory office shall be called the Animal Regulation and Enforcement Office (AREO).

The BAI shall be headed by an Administrator with the rank of an Undersecretary. The BAI shall also create, oversee, and implement the National Animal Industry Roadmap, in consultation with relevant stakeholders.

The PCC and the NDA shall be attached to and be under the direct supervision of the BAI.

SEC. 5. *Authority of the President of the Philippines to Rationalize the Operations of the Livestock Agencies.* – The President shall have the authority to restructure and complete the staffing pattern of the BAI in accordance with Section 4 of this Act and government policies and guidelines on rightsizing and rationalization efforts.

Within one hundred twenty (120) days from the effectivity of this Act, the DA, with the assistance of the Department of Budget and Management (DBM), shall submit its recommendations on the organizational structure and staffing pattern of the BAI for the President's approval: *Provided,* That safety nets shall be provided to employees whose agencies may be affected by the rationalization and funds and resources shall be set aside therefor: *Provided, further,* That organizational development programs to strengthen the institutional capacity of the agencies and improve the productivity of employees shall be implemented: *Provided, finally,* That the approved organizational structure and staffing pattern may be reviewed and evaluated five (5) years after the effectivity of this Act.

SEC. 6. *Non-interruption of Government Service and Transitory Provisions.* – The delivery of government functions and services shall not be delayed or disrupted during the reorganization of livestock agencies. Agencies and personnel shall continue to perform their respective functions, duties, and responsibilities in a holdover capacity until the transition has been completed.

SEC. 7. *Philippine Carabao Center.* – The PCC shall continue to perform its original mandates under Republic Act No. 7307 or the "Philippine Carabao Act of 1992", and implement its carabao milk production program. The PCC shall also conduct research and development for other animals. It may also be referred to as the PCC-National Institute for Animal Sciences.

In addition to its existing mandates, the PCC shall develop and implement strategies for other animals as specified under Section 6 of Republic Act No. 7307. The PCC may also undertake animal vaccine and biologics research and development.

The existing PCC regional centers located at the University of the Philippines Los Baños (UPLB) in Laguna; Central Luzon State University (CLSU) in Nueva Ecija; Cagayan State University (CSU) in Cagayan; Mariano Marcos State University (MMSU) in Ilocos Norte; Don Mariano Marcos Memorial State University (DMMMSU) in La Union; Central Bicol State University of Agriculture (CBSUA) in Camarines Sur; La Carlota Stock Farm (LCSF) in Negros Occidental; Ubay Stock Farm (USF) in Bohol; Visayas State University (VSU) in Leyte; West Visayas State University (WVSU) in Iloilo; Caraga State University (CARSU) in Butuan City;

Central Mindanao University (CMU) in Bukidnon; University of Southern Mindanao (USM) in North Cotabato; and Mindanao Livestock Production Center (MLPC) in Zamboanga del Norte shall be converted to research and development stations of the PCC. The existing regional centers may include research and development on other animals.

The PCC may also establish additional research and development centers in other areas.

SEC. 8. *National Dairy Authority.* – The NDA shall be the central policy and developmental body for the Philippine dairy industry. Its regulatory functions, including its power to issue and impose safety regulations on the dairy industry, shall be transferred to the BAI regulatory office.

The NDA shall be strengthened as the food safety certifying agency for the local dairy industry chain including, but not limited to, micro, small, medium and all other commercial dairy processing plants and other entities engaged in dairy activities, whether in whole or in part. The NDA shall be mandated by the BAI and the Food and Drugs Administration (FDA) to provide testing and accreditation services over all local dairy activities and products from primary production up to post-market product distribution.

The NDA, in the exercise of its function on production, post-harvest, processing, marketing, storage, distribution, and trading, may secure data and reports relative to dairy industry supply and value chain participants.

Within one hundred fifty (150) days from the effectivity of this Act, the FDA, NDA, Bureau of Agriculture and Fisheries Standards (BAFS), and the BAI shall harmonize the standards and guidelines for the regulation of local milk and milk products into a code of dairy regulations to be implemented, enforced, and updated primarily by the BAI.

SEC. 9. *Governance and Expanded Functions of the NDA.* – The BAI Administrator shall be the designated representative of the DA Secretary as Chairperson of the Dairy Industry Board, created under Section 5 of Republic Act No. 7884 or the "National Dairy Development Act of 1995".

In addition to its existing developmental powers and functions, the NDA shall:

(a) Distribute as grant, dairy animals, equipment, and other supplies to qualified small-hold and semi-commercial dairy farmers, cooperatives, and associations (FCAs), and local government units (LGUs);

(b) Integrate dairy production and dairy-related businesses into various livelihood and nutrition programs;

(c) Engage in dairy-related business, milk-buying, and other marketing activities, to sustain the financial viability of the agency including, but not limited to, sales, exchange, packaging, and exportation of milk and milk products, and importation of dairy animals; and engage in business ventures and other commercial arrangements on its own or with third parties related to dairy activities including, but not limited to, the establishment of milk processing plants, feed processing, trading, hauling, shipping, and other value chain businesses or activities on dairying;

(d) Establish and maintain dairy regional operations and business centers or offices in various parts of the country in order to conduct business, development, extension support, and training services;

(e) Establish and operate its own dairy stock farms, nucleus farms, and artificial insemination facilities for the purpose of breeding, upgrading, dispersal, and sale of dairy animals;

(f) Issue certificates of product registration, and in connection therewith, collect incidental fees from local related businesses;

(g) Coordinate and facilitate the absorption of local milk supply by the commercial sector; and

(h) Establish and maintain facilities and services in support of the industry's compliance with regulations, developmental and extension activities including, but not limited to, offices, reference laboratories, satellite laboratories, dairy hubs, and training facilities, among others.

SEC. 10. *Management and Acquisition of Dairy Programs, Projects, and Assets.* – All remaining government dairy programs, projects, and assets operating outside of the NDA, except the research and development component of the PCC, shall be absorbed by the NDA. Towards this end, the NDA, in coordination with affected agencies, shall conduct an inventory and survey of all assets it occupies and those assets, lots, funds, grants, subsidies and records of the DA related to dairying, and establish an office for transfer in its name, including the lot occupied by its central office in the BAI compound, Visayas Avenue, Quezon City, measuring at least one thousand (1,000) square meters.

Subject to the submission by the NDA of a development plan to be approved by the BAI Administrator, focusing on production, post-harvest, processing, marketing, and other commercial arrangements within the dairy value chain and support services, the NDA may also develop properties of the DA such as the Dumarao Stock Farm in Dumarao, Capiz; Bureau of Animal Industry National Beef Cattle Research and Development Center (BAI-NBCRDC) in Malaybalay, Bukidnon; Davao Regional Upland Agriculture Research Station in Marilog District, Davao City; DA-RFO2 - Quirino Experiment Station in Quirino Province; and other suitable properties under the management and administration of the DA.

SEC. 11. *NDA Capitalization.* – The NDA shall have an authorized capital of One billion pesos (P1,000,000,000.00) which shall be fully subscribed by the National Government in accordance with Title III of this Act.

SEC. 12. *Condonation and Writing-off of Farmers' Debts.* – To achieve the objectives of this Act, the past debts, including interests and penalties, of farmers to the NDA and the PCC under the Animal Dispersal Program or *paiwi* of both agencies are hereby condoned and written off the records of the NDA and the PCC.

SEC. 13. *Animal Management Information System (AMIS).* – Within one (1) year from the effectivity of this Act, the BAI shall establish the AMIS. The AMIS shall be the repository of all information relevant to animal industries. It shall provide timely, accurate, and responsive information related to animal industries from municipal up to national level which shall include, but not be limited to, the following data:

(a) Animal inventory, pedigree record, acquisition cost, and sales data;

(b) Animal health data vaccination;

(c) Registration of animal infrastructure and facilities;

(d) Supply and demand data of animal products and by-products;

(e) Export and import data on animals, animal products, and by-products;

(f) Crop and non-crop animal feed inputs data such as production, prices, imports, and exports;

(g) Animal feed and feed ingredients data such as inventory and prices;

(h) Price and price trends including farm gate, wholesale, and retail prices of animals, animal products, and by-products;

(i) Research information and technology generated from research institutions involved in the animal industry;

(j) Information on pests, diseases, and epidemics to ensure food safety and animal health protection; and

(k) Data relating to programs of the BAI, NDA, and the PCC, including importation of breeds, artificial insemination, natural breeding, buy-back programs, and sources of stocks and breeds for the need of local farms, among other information.

The AMIS shall have the capability to process, analyze, evaluate, and validate data and generate reports and forecasts. The system shall be placed directly under the BAI Administrator. The system reports shall be linked to the websites of the BAI, PCC, NDA, and the Philippine Statistics Authority (PSA) for easy access of stakeholders and users to livestock data and information.

SEC. 14. *Nutrition Program and Milk Feeding Program.* – The nutrition program of the government requiring milk and dairy products shall be sourced primarily from local dairy farmers and dairy cooperatives. For this purpose, the NDA, together with the PCC, shall spearhead the supply mapping of all local milk sources to determine the distribution based on supply and milk feeding program demand.

Pursuant thereto, the NDA and the PCC shall directly coordinate with the Department of Education (DepEd), Department of Social Welfare and Development (DSWD), LGUs, and other government agencies and entities to ensure the full utilization of local milk supply for the milk feeding program.

TITLE III

ANIMAL COMPETITIVENESS ENHANCEMENT FUND

SEC. 15. *Creation of the Animal Competitiveness Enhancement Fund.* – In addition to the regular budget of the livestock agencies, there is hereby created the Animal Competitiveness Enhancement Fund (AnCEF).

The AnCEF shall consist of an annual appropriation of Twenty billion pesos (P20,000,000,000.00) from tariff collections from livestock, poultry, and dairy following the effectivity of this Act and ten (10) years thereafter.

Livestock imports include imported products under the following Harmonized System (HS) headings or ASEAN Harmonized Tariff Nomenclature (AHTN) Codes, and Descriptions:

(a) 01.01 - Live horses, asses, mules and hinnies;

(b) 01.02 - Live bovine animals;

(c) 01.03 - Live swine;

(d) 01.04 - Live sheep and goats;

(e) 01.06 - Other live animals, except 0106.12;

(f) 02.01 - Meat of bovine animals, fresh or chilled;

(g) 02.02 - Meat of bovine animals, frozen;

(h) 02.03 - Meat of swine, fresh, chilled or frozen;

(i) 02.04 - Meat of sheep or goat, fresh, chilled or frozen;

(j) 02.05 - Meat of horses, asses, mules or hinnies, fresh, chilled or frozen;

(k) 02.06 - Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, chilled or frozen;

(l) 02.08 - Other meat and edible meat offal, fresh, chilled or frozen;

(m) 02.09 - Pig fat, free of lean meat, and poultry fat, not rendered or otherwise extracted, fresh, chilled, frozen, salted, in brine, dried or smoked;

(n) 02.10 - Meat and edible meat offal, salted, in brine, dried or smoked; edible flours and meals of meat or meat offal;

(o) 04.09 - Natural honey;

(p) 04.10 - Edible products of animal origin, not elsewhere specified or included;

(q) 05.02 - Pigs', hogs', boars' bristles and hair; badger hair and other brush making hair; waste of such bristle or hair;

(r) 05.04 - Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof, fresh, chilled, frozen, salted, in brine, dried or smoked;

(s) 05.06 - Bones and horn-cores, unworked, defatted, simply prepared (but not cut to shape), treated with acid or degelatinised; powder and waste of these products; and

(t) 05.07 - Ivory, tortoise-shell, whalebone and whalebone hair, horns, antlers, hooves, nails, claws and beaks, unworked or simply prepared but not cut to shape; powder and waste of these products.

Poultry imports include imported products under the following HS headings or AHTN Codes, and Descriptions:

(a) 01.05 - Live poultry, that is to say, fowls of the species *Gallus domesticus*, ducks, geese, turkeys and guinea fowls;

(b) 02.07 - Meat and edible offal, of the poultry of heading 01.05, fresh, chilled or frozen;

(c) 0209.90.00 - Pig fat, free of lean meat, and poultry fat, not rendered or otherwise extracted, fresh, chilled, frozen, salted, in brine, dried or smoked - - Other;

(d) 0210.99.10 - Meat and edible meat offal, salted, in brine, dried or smoked; edible flours and meals of meat or meat offal - - Freeze dried chicken dice;

(e) 04.07 - Birds' eggs, in shell, fresh, preserved or cooked;

(f) 04.08 - Birds' eggs, not in shell, and egg yolks, fresh, dried, cooked by steaming or by boiling in water, moulded, frozen or otherwise preserved, whether or not containing added sugar or other sweetening matter; and

(g) 0410.00.10 - Edible products of animal origin, not elsewhere specified or included - - Birds' nest.

Dairy imports include imported products under the following HS headings or AHTN Codes, and Descriptions:

(a) 04.01 - Milk and cream, not concentrated nor containing added sugar or other sweetening matter;

(b) 04.02 - Milk and cream, concentrated or containing added sugar or other sweetening matter;

(c) 04.03 - Buttermilk, curdled milk and cream, yogurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit, nuts or cocoa;

(d) 04.04 - Whey, whether or not concentrated or containing added sugar or other sweetening matter; products consisting of natural milk constituents, whether or not containing added sugar or other sweetening matter, not elsewhere specified or included;

(e) 04.05 - Butter and other fats and oils derived from milk; dairy spreads; and

(f) 04.06 - Cheese and curd.

All tariff collections from livestock, poultry, and dairy shall be automatically credited to the AnCEF special account in the General Fund which shall be in place within forty-five (45) days from the effectivity of this Act: *Provided,* That if the tariff collection exceeds Twenty billion pesos (P20,000,000,000.00) in any given year within the next ten (10) years following the effectivity of this Act, the excess tariff revenue shall be earmarked and allocated towards direct financial support programs for farmers, including recovery and compensation programs and support to those affected by biosafety threats, participants of the livestock, poultry, and dairy value chain, and to Filipino consumers, and towards the capitalization of the NDA in the succeeding General Appropriations Act: *Provided, further,* That allocation and utilization of the AnCEF shall be subject to the following guidelines:

(a) The recipient agency shall be accountable and responsible for the management and utilization of the said fund in coordination with other government agencies concerned. It shall provide the DA Secretary, through the Administrator of the BAI, a regular report on its fund management and utilization;

(b) The amount allocated shall be released directly to the implementing agencies as provided in this Act based on the objectives and plans of the National Animal Industry Development Plan (NAIDP): *Provided,* That the unutilized portion of the AnCEF allocated to the implementing agencies shall not revert to the General Fund but shall continue to be used for the purpose for which it was set aside. Fund releases charged against the said funds shall not be subject to any ceiling by the DBM; and

(c) Any program undertaken in accordance with this Act shall be in addition to any existing government programs for the livestock sector.

SEC. 16. *Allocation and Disbursement of the AnCEF.* – Subject to the usual accounting and auditing rules and regulations, the AnCEF shall be annually allocated, disbursed, and used as follows:

(a) Twenty-six percent (26%) for repopulation and herd build-up, and improvement and accreditation of established breeding centers/stock farms nationwide based on the NAIDP. The fund shall be allocated to the BAI and distributed as follows:

(1) Seventy percent (70%) for the hogs subsector repopulation;

(2) Twenty percent (20%) for poultry;

(3) Five percent (5%) for native animals; and

(4) Five percent (5%) for other animals:

Provided, That the breeder/stock farm for paragraphs (1) and (2) shall refer only to cooperatives or associations of at least fifteen (15) hog/poultry farms, which have been in existence for at least five (5) years. They should have a counterpart contribution of at least a two (2)-hectare lot for said breeder/stock farm: *Provided, further,* That paragraphs (3) and (4) shall be coursed through the nucleus farms of the BAI all over the country, equally divided, which in turn shall be responsible in producing animals such as, but not limited to, pigs, chickens, sheep, goats, and cattle, and to be distributed to farmers cooperatives, associations, and/or organizations: *Provided, finally,* That the first two (2) years of the fund allocation for paragraphs (3) and (4) shall be utilized in strengthening the physical make-up of the nucleus farms and in the procurement of breeder/stock animals;

(b) Seven percent (7%) to be divided equally between the PCC (3.5%) and the NDA (3.5%) for herd build-up in accordance with their additional mandates under this Act, and in addition to their existing budget allocations: *Provided,* That the allocation herein shall be disbursed according to the following schedule:

(1) Seventy percent (70%) for genetically improved dairy cattle and carabao repopulation/herd build-up; and

(2) Thirty percent (30%) for other concerns enumerated in this Act:

Provided, That the breeder/stock farm shall refer only to cooperatives or associations of at least fifteen (15) dairy farms, which have been in existence for at least two (2) years. They should have a counterpart contribution of at least a two (2)-hectare lot for said breeder/stock farm;

(c) Six percent (6%) for animal health and welfare, native animal development programs, disease control, prevention and response, including protective surveillance, pest and disease emergency response, and conduct of research and technology advancement programs.

The fund shall be distributed as follows:

(1) Three percent (3%) for the BAI-National Development Centers;

(2) Two percent (2%) for vaccines and biologics production research and development initiatives and vaccine stockpiling; and

(3) One percent (1%) for the establishment and maintenance of the AMIS;

(d) Nine percent (9%) for the Capacity Recovery Fund (CRF) to be allocated to the BAI as the lead agency in the Animal Emergency Response Task Force (AERTF). It shall be utilized as a supplementary fund to the Quick Response Fund (QRF) of the DA, the National Disaster Risk Reduction and Management Fund under Republic Act No. 10121 or the "Philippine Disaster Risk Reduction and Management Act of 2010", or other government sources. LGUs may also augment the CRF using their local funds. Unexpended CRF shall remain on standby and shall not be reverted to the general fund.

The CRF shall be managed by the BAI Administrator. It shall be the source of actual cash assistance to livestock, poultry, and dairy (LPD) farmers who have become affected, with necessary proof, by animal disease outbreaks as declared by the national or local government authority. The qualification of recipients and the mechanism by which cash assistance shall be handed out shall be drawn by the BAI Administrator in consultation with the LPD associations or organizations: *Provided,* That the actual channel by which cash is to be given out shall be through the Development Bank of the Philippines (DBP);

(e) Fourteen percent (14%) to Philippine Center for Postharvest Development and Mechanization (PHilMech) for building or improving shared service facilities such as primary processing facilities like slaughterhouses, poultry dressing plants, facilities for the collection of dairy milk, and meat processing and storage. This component shall also include dairy logistics, cold chain development, distribution of equipment for developing pasture lands in strategic areas or provinces, and building of biosecure facilities with appropriate equipment for LPD production. These facilities shall serve the needs of small-hold raisers, cooperatives, or organizations: *Provided,* That the allocation and disbursement of funds shall be in accordance with the following schedule:

(1) Hogs subsector - at thirty percent (30%);

(2) Dairy subsector - at thirty percent (30%);

(3) Poultry subsector - at ten percent (10%); and

(4) Other animals - at thirty percent (30%);

(f) Fourteen percent (14%) for developing and augmenting food safety, animal extension support, and training services.

The fund shall be distributed as follows:

(1) Five percent (5%) to the BAI;

(2) Two and five tenths percent (2.5%) to the NDA;

(3) Two and five tenths percent (2.5%) to the PCC;

(4) Three percent (3%) to Agricultural Training Institute (ATI) of which 0.5% goes to International Training Center on Pig Husbandry (ITCPH); and

(5) One percent (1%) to PHilMech:

Provided, That all initiatives shall be in cooperation with ATI to delineate efforts avoiding overlaps and duplication, as well as to ensure its alignment with the NAIDP;

(g) Five percent (5%) to be equally divided between the BAI, NDA, and the PCC for the development and propagation of animal and poultry feeds, forage, and fodder, particularly by providing seeds and planting materials, and ensuring easy and affordable access to small-hold farms. They shall establish model forage farms in their existing research and development (R&D) centers nationwide, and develop forage and feed consolidation models in partnership with cooperatives;

(h) Fifteen percent (15%) to the BAI for credit to the animal industry sector, to be made available in the form of credit facility, interest subsidies including negative interest loans in the case of calamities, and credit guarantees for the improvement of breeders and stocks through the purchase of breeders, growers, multipliers, feeds, genetically improved stocks, establishment of animal housing, and purchase of equipment for livestock, poultry, and dairy farms, with the least of interest rates and documentary requirements: *Provided,* That such credit instruments shall be made available through the Land Bank of the Philippines and DBP, at the direction of the BAI;

(i) One percent (1%) to DA-Agribusiness and Marketing Assistance Service (DA-AMAS) for marketing and trade promotion activities, and price analytics such as updating of cost structure, supply value chain analysis, sensitivity analysis, and price analysis benefitting the livestock, poultry and dairy raisers;

(j) Two percent (2%) to be divided between the BAI (1%) and PCC (1%) for farm school-based and/or industry-driven R&D programs, as well as technology transfer and commercialization programs and projects; and

(k) One percent (1%) to the DA for the accreditation of small-hold livestock raisers into formal groups such as cooperatives or organizations:

Provided, That the DA Secretary may reallocate unexpended funds from any item from the previous year in accordance with the programs enumerated in this section and towards the capitalization of the NDA: *Provided, further,* That each agency in the above allocation of funds shall annually report on their accomplishment to the Congressional Oversight Committee on Agricultural Fisheries Modernization (COCAFM).

SEC. 17. *Beneficiaries of the AnCEF.* – Within one hundred eighty (180) days from the effectivity of this Act, the DA, in consultation with farmers' cooperatives and organizations, and LGUs, shall establish the Livestock Registry System (LRS) as the master list of eligible AnCEF beneficiaries.

The beneficiaries of the AnCEF are small livestock raisers, livestock cooperatives, associations, or organizations accredited by the DA: *Provided,* That preferential attention shall be given to livestock raisers who are members of cooperatives, associations, or organizations.

SEC. 18. *Review of the AnCEF.* – The following mandatory review of the AnCEF shall be performed:

(a) The Philippine Institute for Development Studies (PIDS) shall conduct impact evaluation of the AnCEF programs on livestock productivity on the second, third, sixth, and ninth year of the effectivity of this Act;

(b) The percentage allocation of the AnCEF shall be reviewed on the third year from the effectivity of this Act for possible revisions should intervention priorities change; and

(c) Before the end of the tenth year from the effectivity of this Act, a mandatory review shall be conducted by the COCAFM to determine whether the AnCEF and its utilization as provided under this Act shall be continued, amended, or terminated. The increase or decrease in farmers' incomes shall be a primary benchmark in determining the effectiveness of the interventions under the program and its possible extension.

In view of its oversight function, the COCAFM, at any time, may conduct an assessment of the implementation of programs and utilization of the AnCEF as directed under this Act.

TITLE IV

ANIMAL INDUSTRY REGULATION, ENFORCEMENT, AND FEES

SEC. 19. *Administrative Regulations.* – In addition to the regulations and prohibitions in this Act, the BAI, in consultation with the LGUs and stakeholders, may issue administrative orders or regulations for the conservation, preservation, management, and sustainable development of the animal industry. As far as practicable, all regulations on the sectors of the animal industry shall be harmonized and consolidated into Codes of Regulation for LPD and other major animal industry sectors.

SEC. 20. *Creation of the Animal Emergency Response Task Force.* – The AERTF is hereby created at the regional level and may be activated by the appropriate authority in the event of or in anticipation of any animal pest or epidemic incident, or when there is a suspected or confirmed case of emerging or re-emerging transboundary animal or zoonotic disease. The BAI is designated as the overall coordinating government body of the AERTF and shall activate the AERTF. The AERTF shall be composed of key officials or designated representatives from the following agencies:

(a) Department of Agriculture – Regional Field Office;

(b) Office of Civil Defense – Regional Office;

(c) Department of the Interior and Local Government – Regional Office;

(d) Department of Health – Regional Office;

(e) Department of Environment and Natural Resources – Regional Office;

(f) Philippine National Police and/or Philippine Army – Regional Command;

(g) Provincial Governor, Provincial Agriculturist, and Provincial Veterinarian;

(h) Mayors of the affected municipalities/cities;

(i) Other science experts on the case; and

(j) Two (2) industry representatives from the affected animal subsector.

The provincial, municipal, or city veterinarian, as applicable, shall, within twenty-four (24) hours, report any event of notifiable and reportable animal pest or disease incident to the BAI.

In the event of a multiregional pest or epidemic incident, a national body shall immediately be formed, under the direction and command of the Office of the President, to address such pest or epidemic incident.

SEC. 21. *Non-imposition of Fees and Charges on Livestock Movement.* – The imposition and collection of any fee and charge, including fees for vehicle stickers, discharging, delivery, market, and entry permits, upon all types of delivery and transport vehicles carrying animal and animal products for access to all roads by any national or local government agency or instrumentality shall be prohibited.

SEC. 22. *Streamlining the Regulations of Veterinary Drugs and Products, and Biologics.* – The BAI shall become the sole regulatory agency for veterinary drugs, products, and biologics, and other related animal health products and devices, including the licensing and monitoring of veterinary drugs and products establishments. All regulatory processes for veterinary drugs, products, and biologics, and other animal health products and devices being handled by other agencies, such as the FDA, shall be transferred to the BAI within one hundred eighty (180) days from the effectivity of this Act.

SEC. 23. *Suppletory Application of National Meat Inspection Code.* – In the absence of any applicable provision under this Act, the provisions of Republic Act No. 9296 or "The Meat Inspection Code of the Philippines", as amended by Republic Act No. 10536, its implementing rules and regulations, and other relevant laws and issuances shall have suppletory application.

TITLE V

PROHIBITIONS AND PENALTIES

SEC. 24. *Prohibited Acts and Penalties.* –

(a) Grave Offense. The following violations shall be punishable by a fine of One million pesos (P1,000,000.00) to Fifty million pesos (P50,000,000.00) and/or imprisonment from six (6) years and one (1) day to twelve (12) years at the discretion of the court, taking into account the volume and value of the commodity or animal, economic impact to the sector, the potential gains of the violator, loss or damages to the victims, and frequency of the violation: *Provided,* That violations under this subparagraph shall be subject to Section 7 of Republic Act No. 12022 or the "Anti-Agricultural Economic Sabotage Act":

(1) Engaging in the manufacture, importation, sale, or distribution of feeds or feeding stuff, veterinary drugs or products, veterinary devices, or veterinary biological products, without having first registered in the appropriate office of the BAI: *Provided,* That this shall not apply to feed processing for one's own use, the sale or distribution of the by-products of grains, such as rice bran, rice crush, corn bran, and corn crush, which are sold in their natural state as feeding stuff without having been further processed, mixed with other ingredients, or otherwise manufactured into another form;

(2) Importing, distributing, storing, or selling meat or animal products from countries where entry of such meat or animal products are prohibited or banned by existing regulations;

(3) Engaging in the importation, manufacture, distribution, or sale of animal products without proper authorization and registration;

(4) Allowing the entry of animals, animal products, animal by-products, animal feeds, feed ingredients or feed additives, veterinary drugs or products, veterinary devices, or veterinary biological products without the necessary importation documents, permits, and clearances;

(5) Fraudulently using or altering certificates for analysis, diagnosis, or registration;

(6) Knowingly using or administering drugs, biologics, antibiotics, and other substances in excess of what is prescribed, which has been proven to seriously affect human health by semi-commercial or commercial animal producers;

(7) Knowingly slaughtering any food animal or prepare meat or meat products from animals with communicable diseases for sale;

(8) Knowingly possessing falsified instrument, certification, document, statement, or device purporting to indicate that a particular product is safe or legitimate with intent to deceive or cause damage; or

(9) Harassing, intimidating, assaulting, impeding, or interfering with any inspector during the performance of his/her duties as prescribed under relevant laws and government issuances;

(b) Less Grave Offense. The following violations shall be punishable by a fine of One hundred thousand pesos (P100,000.00) to One million pesos (P1,000,000.00) and/or imprisonment from two (2) years and one (1) day to six (6) years at the discretion of the court, taking into account the volume and value of the commodity or animal, economic impact to the sector, the potential gains of the violator, loss or damages to the victims, and frequency of the violation:

(1) Fraudulently lessening or adulterating the feeding value of any feed or feeding stuff, veterinary drugs or products, veterinary devices, or veterinary biological products;

(2) Tampering, altering, mutilating, destroying, obliterating, or removing the whole or any part of the labeling material, packages, and tags or labels of feed and feeding stuff, veterinary drugs or products, veterinary devices, or veterinary biological products for the purpose of defrauding or misleading the public;

(3) Making unauthorized disposition of feeds, animals, and animal products placed under confiscation;

(4) Disposing solid and liquid wastes from farms during production process in violation of existing environmental standards;

(5) Intentionally concealing the existence of notifiable or reportable animal disease by:

(i) Hiding or disposing diseased animal carcasses;

(ii) Refusing to cooperate with inspectors; or

(iii) Concealing, tampering, or falsifying laboratory results;

(6) Offering to sell, selling, transporting, or storing animals or animal products for sale, at semi-commercial or commercial scale, without proper authorization;

(7) Failing to report notifiable diseases to competent authorities when and as required by the BAI and rules and regulations, immediately within twenty-four (24) hours of attaining knowledge of such cases;

(8) Adulterating, misbranding, mislabeling, or falsely advertising animal products at semi-commercial or commercial scale;

(9) Producing, handling, manufacturing or offering for sale, distributing in commerce, or importing into the Philippines any animal products in violation of food safety standards;

(10) Failing or refusing to withdraw meat and animal products from the market or circulation as specified in a recall order;

(11) Torturing, maltreating, or abusing any animal through beating, kicking, or using objects to inflict harm; dogfights or horse fights; or other analogous circumstances except when permitted by rules and regulations;

(12) Transporting, selling, or disposing of animals coming from areas known to be affected or have been declared to be affected by animal disease;

(13) Fabricating, tampering, forging, recycling, or otherwise falsifying any required documents or permits authorizing animal movements;

(14) Obstructing, hindering, resisting, or refusing access to pertinent records, or in any other way opposing an inspector in the execution of his/her duties under laws, rules, and regulations; or

(15) Casting, printing, lithographing, or otherwise making any device containing any official mark or simulation thereof, or any label bearing any such mark or simulation, or any form of official certificate or simulation by brand manufacturers and printers not authorized by the DA Secretary or BAI Administrator;

(c) Minor Offense. The following violations shall be punished by a fine of at least Ten thousand pesos (P10,000.00) and not more than One hundred thousand pesos (P100,000.00) and/or imprisonment from thirty (30) days to two (2) years at the discretion of the court, taking into account the volume and value of the commodity or animal, economic impact to the sector, the potential gains of the violator, loss or damages to the victims, and frequency of the violation:

(1) Deliberately violating imposed biosecurity protocols;

(2) Killing or slaughtering any animal, except animals raised for food and industrial use and those specified in the Animal Welfare Act;

(3) Slaughtering or handling any food animal in violation of existing regulations on humane handling and slaughtering;

(4) Refusing or failing to have their animals vaccinated or treated whenever required by competent authorities;

(5) Abandoning, displacing, or neglecting to provide adequate care for animals under one's custody or care; or

(6) Failing to comply with DA regulations related to quarantine measures and movements of animals.

SEC. 25. *Administrative Violations.* – Violation of administrative orders or regulations promulgated by the BAI or any provision thereof shall subject the offender to a fine of Ten thousand pesos (P10,000.00) to Two hundred thousand pesos (P200,000.00), depending on the socio-economic impact and seriousness of the violation, volume and value of the animal product and by-product, damage to the industry and/or the environment due to the violation, and the habituality of the offender: *Provided,* That a violator may offer not to contest with the BAI its finding that an offense was committed, after which the BAI, through the adjudication procedure, is authorized to impose not less than the minimum penalty, but not more than half of the maximum penalty imposable for the violation.

SEC. 26. *Escalation Clause.* – The fines herein prescribed shall be increased by at least ten percent (10%) every five (5) years.

SEC. 27. *Administrative Adjudication.* – The BAI is hereby empowered to impose the administrative fines and penalties provided in this Act.

For this purpose, the BAI shall organize and designate the composition of the Adjudication Committee, which shall be composed of the BAI Deputy Administrator as Chairperson, the Director which handles regulations and enforcement functions as Vice Chairperson, and three (3) other members from the livestock sector to be designated by the Secretary.

The Committee shall promulgate rules and regulations for administrative adjudication and the disposition of confiscated animal, animal products, animal by-products, and all other items used in the commission of the violation. It may also issue *subpoena duces tecum* and *ad testificandum* in administrative cases before it.

The Office of the Assistant Director in charge of legal concerns shall serve as the Secretariat of the Adjudication Committee and shall be supported by an adequate number of personnel.

Members shall be entitled to travel allowance, *honorarium*, and *per diem* for their attendance to the meetings, subject to government accounting and auditing rules.

TITLE VI

FINAL PROVISIONS

SEC. 28. *Transitory Provisions.* – Animal industry-related functions of the DA regional field offices shall be transferred to the regional offices of the BAI established under this Act. Employees responsible for the transferred laboratory functions will be reassigned to the Office of the Regional Director for BAI regional offices. Their employment terms, benefits, and service records shall be preserved.

The NMIS Central and Satellite Meat Laboratories shall be renamed and reorganized as Food Safety Laboratories of the BAI.

SEC. 29. *Appropriations.* – The amount necessary for the initial implementation of this Act shall be charged against the current year's appropriations of the programs, bureaus, and agencies concerned. Thereafter, such amount shall be included in the annual General Appropriations Act.

A one-time allocation of Two billion three hundred million pesos (P2,300,000,000.00) from the accumulated and unutilized Remedies Fund derived from safeguards imposed on bovine, chicken, processed pork, and processed meat exports under Section 34 of Republic Act No. 8800 or the "Safeguard Measures Act" shall be allocated for the BAI, as follows:

(a) Three hundred million pesos (P300,000,000.00) for the BAI, for the development of a One-stop Shop Regulatory Building for the expanded NMIS;

(b) Eight hundred twenty million pesos (P820,000,000.00) for the establishment of eighty-two (82) BAI provincial offices;

(c) Six hundred eighty million pesos (P680,000,000.00) for biosafety programs of the BAI; and

(d) Five hundred million pesos (P500,000,000.00) for the establishment of dairy hubs of the NDA.

SEC. 30. *Separability Clause.* – If any provision of this Act is declared unconstitutional, the remainder hereof not otherwise affected shall remain in full force and effect.

SEC. 31. *Repealing Clause.* – Such other laws, presidential decrees, executive orders, letters of instruction, proclamations, or administrative regulations that are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SEC. 32. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,

FERDINAND MARTIN G. ROMUALDEZ
Speaker of the House of Representatives

FRANCIS "CHIZ" G. ESCUDERO
President of the Senate

This Act, which is a consolidation of Senate Bill No. 2558 and House Bill No. 11355, was passed by the Senate of the Philippines and the House of Representatives on June 4, 2025.

REGINALD S. VELASCO
Secretary General
House of Representatives

RENATO N. BANTUG JR.
Secretary of the Senate

Approved: SEP 25 2025

FERDINAND ROMUALDEZ MARCOS JR.
President of the Philippines

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