

Republic Act 7607: Empowering Smallhold Farmers in their Economic Endeavors¹

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Introduction

Agriculture plays a vital role in the Philippine economy. Of the 30 million hectares of land in the country, one-third is devoted to agriculture while two-thirds of the populace depends on these lands for their livelihood (Briones, 2002). Farms are primarily characterized as smallhold and are managed and cultivated by small farmers. These smallhold farmers are important drivers of development in the countryside but are commonly marginalized and mostly vulnerable to the rapidly changing social, political, and environmental conditions. Hence in view of their significant contributions in achieving economic and sustainable development especially in the countryside, the Republic Act (R.A.) No. 7607, also known as the “Magna Carta of Small Farmers” was signed into law on June 4, 1992.

The Magna Carta for small farmers

Republic Act 7607 primarily aims in realizing equitable distribution of benefits and opportunities through the empowerment of the small farmers. The law recognizes the country’s responsibility for the welfare and development of small farmers by giving them support in attaining their socioeconomic goals.³ The law encourages the participation of small farmers, farm workers, farmers’ cooperatives and organizations to enjoin in the planning, organization, management and implementation of agricultural programs and projects.

Small farmers. Small farmers are defined in R.A. 7607 as those “natural persons dependent on small-scale subsistence farming as their primary source of income and whose sale, barter or exchange of agricultural products do not exceed a gross value of one hundred eighty thousand pesos (P 180,000) per annum based on 1992 constant prices.”⁴ The income is subject to adjustment as conducted by committee which consist of the Department of Agrarian Reform, Department of Trade and Industry, Department of Finance, National Economic and Development Authority with the Department of Agriculture as head.

Farmer’s organization. Chapter II of the Magna Carta of Small Farmers states that the farmers have the right to form themselves into an organization and be represented in government agencies’ board. As an organized group, the small farmers will be able to purchase inputs at lower cost, obtain fair prices for their products and be entitled to government subsidies and farm inputs. Further, they can be represented in boards of government agencies such as, but not limited to the Philippine Coconut Authority (PCA), the National Food Authority (NFA), the Philippine Crop Insurance Corporation (PCIC) and the National Irrigation Administration (NIA).

Empowerment of small farmers. The farmers’ rights and obligations are also specified in R.A. 7607 in order to guide their endeavors. The farmers’ rights are the following: (1) support to the price program; (2) ensure market; (3) be covered with social security; (4) avail of credit system at minimal interest rates and minimum collateral requirements; (5) avail of farm inputs and services; (6) be heard and represented in the government; (7) be updated on market prices and demands, policies and farming practices; (8) benefit from natural resources; (9)

¹ A short policy paper submitted to the Food and Fertilizer Technology Center (FFTC) for the project titled “Asia-Pacific Information Platform in Agricultural Policy”. Short policy papers, as corollary outputs of the project, describe pertinent Philippine laws and regulations on agriculture, aquatic and natural resources.

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³ Lifted heavily from Chapter I. Section 2 of R.A. 7607.

⁴ Lifted heavily from Chapter I. Section 4 of R.A. 7607.

assume certain processing and marketing functions of government agencies; (10) pursue appropriate education and skills development; and (11) avail of technical assistance from government agencies. On the other hand, the farmer's obligations are as follows: (1) establish farmers' organizations; (2) adopt recommended farm practices and inputs; (3) comply with the terms and conditions in availing of assistance; (4) adopt recommended production and marketing strategies; (5) provide reasonable prices and quality products; (6) share labor and material resources to community-based activities; (7) meet local demand requirements to avert shortage that may necessitate importation; (8) participate in conservation, protection and development of national patrimony; (9) pay all fees, license fees and taxes; (10) contribute to government insurance and social security programs; and (11) undertake self-help community development projects.

Infrastructure and farm inputs. The government shall provide assistance to the small farmers especially in gaining access to, obtaining, owning or opening facilities necessary for pre- and postharvest activities, for support services, and for procurement and distribution of inputs through their farmers' organizations. The law states that the government shall provide the following: (1) transportation infrastructure to include among others, farm-to-market roads, feeder roads, bridges, piers or ports and airports; (2) communications infrastructure facilitated and operated by the Department of Agriculture (DA) or by duly recognized and designated farmers' organization; (3) postharvest facilities/services; (4) market infrastructure; (5) good seeds and planting materials; and (6) fertilizers and pesticides. The priority shall be given to areas predominantly inhabited by small farmers, agricultural productivity is low and no or inadequate facilities are available.

Farm machinery and equipment. The law mandates the availability of farm machinery and equipment to small farmers. It further states that the government through the DA must acquire and distribute machinery and equipment to the farmers' organization to increase their productivity. The DA shall develop schemes in sharing, pooling, leasing or acquiring draft animals, equipment or machinery needed by small farmers.

Water management and irrigation facilities. It is stated in Section 19 of Chapter VI that "the government shall provide adequate support services that will address the development, management and conservation of water resources." Through the Department of Public Works and Highways (DPWH) and NIA, the government is also mandated to establish small water impounding projects. Also, through NIA and other concerned offices, the law states that the farmer organizations are encouraged to spearhead the construction of irrigation systems through formation of irrigators' associations. The farmers' organizations are also encouraged to develop their capabilities to later on assume the operation and maintenance of irrigation systems, including the collection of fees to be remitted to NIA.

Agricultural credit. Rural credit delivery system is included in the law as part of the responsibilities of the government. The law states that "the government shall establish an efficient credit delivery system guided by a sound rural credit policy." As part of that, the rural credit delivery system must have minimum collateral requirements and must be accessible to the small farmers, with reasonable repayment terms, and quick loan documentation and processing. Subsidies for the education and training of small farmers on awareness, loan acquisition and loan repayment must be given by the government through the Agricultural Credit Policy Council (ACPC).

Wage, incentives and price support. The following incentives and reward systems shall be provided by the government: (1) financial and technical assistance; (2) representation in appropriate government agencies; (3) investment and financing programs; (4) preferential tariff terms on imported farm inputs and spare parts, farm machinery and equipment; (5) incentives and recognitions to farmers adopting efficient farm technologies; (6) widening of scope of existing crop and livestock insurance program; (7) study tours in local and overseas, (8) certification of farm skills; (9) SSS farmers' insurance coverage; and (10) prohibition of importation on agricultural products that are produced locally in sufficient quantity.

To augment farm income, the government is also mandated to provide technical and skills training for the small farmers to engage in income-generating activities. The DA shall establish price support system, especially on primary staples such as rice and corn.

Research and extension services. The government is mandated by the law to conduct strategic research and extension initiatives to address the specific needs of small farmers. The Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development (PCAARRD) is identified in the law to take the lead in strengthening the existing R&D system in coordination with Bureau of Agricultural Research (BAR), other government institutions, private research institutions, state universities and colleges (SUCs), and farmers' organizations. Demonstration farms must be used for technology verification. The application of indigenous technology and materials, resource conservation, farm productivity and other similar considerations shall be emphasized. The Bureau of Soils and Water Management (BSWM) shall conduct studies that are suitable for best land use, most profitable cropping mix and the fertilizer needed for such areas and crops, and the suitable soil management practices. The DA is also tasked to link the R&D institutions to further develop the rural communities. The Department of Trade and Industry (DTI) with the DA shall jointly craft a program to increase linkage between agriculture and industries.

Conclusion

The Magna Carta of Small Farmers is a credible law aimed at improving the lives of the small farmers by empowering them and harnessing their potentials and abilities. The law encourages greater participation of this marginalized sector in the government planning and program and project implementation to contribute to national economic development. The provision of incentives in the form of infrastructure and other physical assets, access to vital agricultural services and capacity building provide an avenue for the small farmers to improve their performance as drivers of development in the countryside. In the end, optimizing the promised purpose of the law requires the government's adherence to its provisions and the provision of the necessary funding.

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