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MQLC

Item No. 6
For 2nd Reading
68th Regular Session
Bislig City

ORDINANCE NO. _____
(dated _____)

AN ORDINANCE REGULATING THE MINIMUM BUYING PRICE OF LIVE HOGS IN THE PROVINCE OF SURIGAO DEL SUR

AUTHOR:

HON. JOSE DUMAGAN, JR.

CO-AUTHOR:

HON. VALERIO T. MONTESCLAROS, JR.

WHEREAS, the swine industry is an important component of the agricultural economy of Surigao del Sur. Backyard and commercial hog raising provide income and livelihood to numerous families throughout the province. For backyard raisers in particular, hog production serves as an accessible agricultural enterprise that can provide supplemental or primary household income. The industry also contributes to local food security, availability of pork in local markets, employment and livelihood, circulation of income within rural communities, agricultural entrepreneurship, utilization of locally available resources and the broader economic activity of municipalities and the province;

WHEREAS, hog raisers operate under considerable production and market risks. Among the principal costs and risks borne by producers are purchase or production of piglets, feeds, including pre-starter, starter, grower, and finisher feeds, vitamins, minerals, and nutritional supplements, veterinary medicines and animal-health services, vaccination and disease-prevention measures, biosecurity expenses, labor, water and electricity, housing and facility maintenance, mortality and disease risks, transportation and hauling, interest and financing costs, depreciation of facilities and equipment and other miscellaneous operating expenses. Feed constitutes one of the largest components of swine production costs. Any substantial increase in feeds and other production inputs directly affects the break-even price of market-ready hogs. At the same time, hog raisers generally have less bargaining power than buyers, traders, consolidators, and other participants who purchase livestock in volume. This imbalance may become particularly serious when market prices decline significantly below production costs;

WHEREAS, upon numerous consultations, backyard raisers consistently expressed concern over the disparity between the cost of producing market-ready hogs and the prices being offered by buyers at the farm gate. The raisers likewise raised concerns regarding their limited bargaining power, fluctuating feed costs, increasing production expenses, transportation costs, animal-health requirements and the difficulty of recovering their investment when buying prices substantially decline. The consultations further established that backyard raisers are particularly vulnerable to distress selling. Once their hogs reach marketable weight, producers often have limited options other than to sell because continued feeding increases production costs, while household financial obligations, production loans and other expenses require immediate cash flow;

WHEREAS, the Office of the Provincial Agriculturist (OPAG) and the Provincial Veterinary Office (PVET) of the Province of Surigao del Sur, in the exercise of their respective mandates to promote agricultural development, protect livestock producers, safeguard animal health, and support the sustainability of the provincial livestock industry, is in strong support of the proposed enactment of a provincial ordinance prescribing a temporary minimum farm-gate price ~~of One Hundred Eighty Pesos (P180.00) per kilogram live weight~~ for live hogs;

WHEREAS, the proposed measure is intended to protect the sustainability of Surigao del Sur's swine industry and the livelihood of the people who depend upon it;

WHEREAS, in view of the foregoing and on motion of Hon. _____ ;

NOW THEREFORE

BE IT ORDAINED BY THE SANGGUNIANG PANLALAWIGAN OF THE PROVINCE OF SURIGAO DEL SUR IN A SESSION ASSEMBLED:

This Ordinance shall be known as, "An Ordinance . . . .

SECTION 1. TITLE. ~~There is hereby an Ordinance Setting the Minimum Buying Price of Live Hogs in the Province of Surigao del Sur.~~

SECTION 2. MINIMUM BUYING AND RETAIL PRICES. The minimum price shall be observed within the territorial jurisdiction of the Province of Surigao del Sur. it shall be established that no covered live hog transaction should result in a farm-gate price below P180.00/kg live weight, while legitimate transactions above the floor remain permissible. This is subject to periodic review, preferably at least every three (3) months or whenever there is a substantial change in production costs or market conditions.

SECTION 3. TEMPORARY CHARACTER AND PERIODIC REVIEW. The proposed minimum buying price should expressly be temporary. The swine industry is dynamic and is affected by changes in feed prices, supply and demand, animal-health conditions, transportation costs, production technology, consumer demand and other economic factors. The review should consider:

1. current feed prices;
2. cost of piglets;
3. veterinary and animal-health expenses;
4. prevailing farm-gate prices;
5. transportation costs;
6. local supply and demand;
7. production cost per kilogram; and
8. market trends and market indicators.

The minimum price may thereafter be maintained, adjusted or discounted through the appropriate legal and legislative process when conditions warrant.

SECTION 4. MONITORING AND IMPLEMENTATION. The OPAG and PVET ~~recommend that implementation be undertaken~~ shall undertake its implementation through existing provincial and municipal offices, without unnecessarily creating additional administrative structures.

The Office of the Provincial Agriculturist shall:

- monitor farm-gate prices;
- coordinate with livestock raisers' associations;
- conduct cost-of-production assessments;
- collect market information;
- consolidate reports from municipalities; and
- recommend appropriate policy adjustments

The Provincial Veterinary Office shall:

- monitor animal-health conditions;
- assist in the implementation of livestock health and movement regulations;
- coordinate with municipal veterinary offices;
- assist in protecting the integrity of livestock transactions involving animal-health certification; and
- support the monitoring of legitimate livestock movements

The OPAG and PVET shall ask assistance of the Municipal/City Agriculture and Veterinary Offices in documenting local market prices, receiving complaints, assisting producers, and reporting market developments to the Province. They shall submit a monthly report to the Sangguniang Panlalawigan.

SECTION 5. PROHIBITED ACTS:

1. Any person/ individual who buys below the established price;

2. Any person/individual who sells below the established price; and

3. Any person or middle man who influences the other person to buy or sell below the established price.

SECTION 6. PENALTIES.

Any person found violating this Ordinance shall upon conviction be penalized as follows:

First Offense - a penalty in the amount of ~~₱~~4,000.00 and/or imprisonment of not exceeding 6 months

Second Offense - a penalty in the amount of ~~₱~~4,500.00 and/or imprisonment of not exceeding 9 months

Third Offense and succeeding Offenses - a penalty in the amount of ~~₱~~5,000.00 and/or imprisonment of not exceeding 12 months

SECTION 7. MONITORING AND ENFORCEMENT OF APPLICABLE MEAT SELLING PRICES. The ~~Provincial Agriculture~~ Office of the Provincial Agriculturist (OPAG), in coordination with the Provincial Veterinary Office (PVET), all Local Government Units (LGUs), and other appropriate government agencies such as the Department of Trade and Industry (DTI), shall strengthen the monitoring of the selling prices of pork and other meat products in public markets. The concerned offices shall ensure compliance with applicable national and local laws, regulations, and officially prescribed price limits, where applicable. Any suspected violation shall be referred to the appropriate enforcing authority for investigation and appropriate action.

(who shall be the enforcing authority? please specify)

SECTION 8. COMPLIANCE WITH SLAUGHTERHOUSE REGULATIONS. All concerned Local Government Units are urged to strictly implement applicable laws, rules, and regulations governing the slaughter of hogs intended for public consumption. Such hogs shall be slaughtered only in duly licensed or accredited slaughterhouses, as required by law. The concerned municipal/city veterinary offices, in coordination with the Provincial Veterinary Office and other appropriate agencies, shall monitor compliance with slaughterhouse requirements, meat inspection standards, and applicable animal health and meat safety regulations.

SECTION 9. SUPPORT FOR LOCAL HOG FEED PRODUCTION. The Provincial Government, through the ~~Provincial Agriculture~~ Office of the Provincial Agriculturist and in coordination with the Provincial Veterinary Office and other concerned agencies are urged to support and promote local hog feed production through appropriate programs and initiatives to ensure a sustainable supply of affordable animal feeds. The objective shall be to reduce production costs and improve the sustainability and competitiveness of local hog raising.

SECTION 10. ESTABLISHMENT AND STRENGTHENING OF MONITORING CHECKPOINTS. The Provincial Government, through the Provincial Veterinary Office and the ~~Provincial Agriculture~~ Office of the Provincial ..., in coordination with concerned Local Government Units, the Bureau of Animal Industry, and other appropriate agencies, shall establish or strengthen livestock monitoring checkpoints at strategic locations, including San Jose, the junction in Bislig City, Carrascal, Barobo, and Tagbina, subject to validation of the proposed locations and applicable regulations. The monitoring checkpoints shall assist in monitoring the movement and transport of live hogs and pork products, verifying the required veterinary health certificates and transport documents, and detecting and preventing the spread of African Swine Fever (ASF) and other animal diseases. The concerned offices shall ensure that checkpoint operations are conducted in accordance with applicable animal health, quarantine, transport, and public safety regulations.

SECTION 11. SEPARABILITY CLAUSE. Should any provision, section, or part of this Ordinance be adjudged or declared illegal or unconstitutional by any Court of competent jurisdiction, such judgment shall not affect or impair the remaining provisions, sections, or part hereof which shall continue to be in full force and effect.

SECTION 8. EFFECTIVITY. This Ordinance shall take effect upon its approval.