

**NATIONAL TOBACCO ADMINISTRATION  
CORPORATE OPERATING BUDGET FY 2024**

**EXECUTIVE SUMMARY**

**MANDATE AND OBJECTIVES**

The NTA is the sole government Agency vested with the power to administer and regulate the local tobacco industry. **Executive Order No. 245**, series of 1987, mandates the Agency to:

1. Improve the living conditions and raise the quality of life of the tobacco farmers including those who depend upon the industry for their livelihood; and,
2. Promote the balanced and integrated growth and development of the tobacco industry to help make agriculture a solid basis for industrialization.

**POWERS**

To effectively and efficiently carry out its mandate, the Agency is vested with the specific powers to, among others:

1. Promulgate and enforce rules and regulations on the production, standardization, classification, grading and trading of tobacco and tobacco products as may be necessary to attain its purposes and objectives and pursue the policy of government on tobacco; and,
2. Conduct agricultural and industrial research and establish, operate and maintain experimental stations.

**ADDITIONAL MANDATE:** In addition, Section 33 of Republic Act No. 9211, entitled, Tobacco Regulation Act of 2003, mandates the NTA to implement the following programs and projects:

1. **Tobacco Growers Assistance Program** to support financially the NTA registered tobacco farmers who may be displaced due to the implementation of the said RA or has voluntarily ceased planting tobacco;
2. **Promote Tobacco Growers Cooperatives Program** to assist tobacco farmers in developing alternative farming systems, plant alternative crops and other livelihood projects;
3. **National Tobacco Free Public Education Program** to provide scholarship for dependents of tobacco farmers in collaboration with state colleges and universities;
4. **Research and Development Program** to undertake studies concerning technologies and methods to reduce the risk of dependence on or injury from tobacco product usage and exposure and Development of Alternative Uses of tobacco and similar research programs.

**VISION:**

***“By 2028, a resilient NTA resulting in progressive and empowered tobacco farmers and other industry stakeholders”<sup>1</sup>***

<sup>1</sup> Adopted from NTA Strategic Planning held on Feb. 2023

## MISSION:

*Provide excellent service to enrich the lives of Tobacco Farmers and other industry stakeholders through meaningful programs that improve productivity and promote global competitiveness.<sup>2</sup>*

## NTA CORPORATE PRIORITIES ALIGNED TO THE DA PILLARS/STRATEGIES

In pursuance of its mandates and thrusts, and in line with the Department of Agriculture's Thrusts and Strategies for 2023-2028, the NTA accords top priority to the following programs/projects/activities for CY 2024:

- I. **BOOSTING LOCAL PRODUCTION OF KEY COMMODITIES AND RAISING THE FARMERS' AND FISHERFOLK'S INCOME:**
  - **Tobacco Farmers Production Grant and Tobacco Contract Growing System (TCGS)**, will include the provision of production, technical and marketing assistance to tobacco farmers. **Php100 million from the national government will be given as a grant at Php6,000 per farmer tilling 0.5 hectares and below.** This shall be augmented from the agency's Corporate Funds by about **Php140 million** as production loan of farmers with **40% subsidy**;
  - **Tobacco Seed Production and Distribution targets** to provide free seeds to about 8,000 tobacco farmers;
  - **Curing Barn Assistance Project (CBAP)**, involves the provision of facility assistance for the construction and repair of about **3,000 curing barns and air curing shed** for the tobacco farmers of Regions 1, 2 and CAR;
  - Provision of **Bio-Stimulant for Rain Damaged Tobacco** as a mitigation measure for the affected crops of tobacco farmers (as needed);
  - **Farmers' Organizational Development**, to include continuing registration of farmers, strengthening farm clusters, trainings for cooperative officials and members, organizational development and livelihood assistance, to enable the farmers to become self-reliant, food secured and active partners of development;
- II. **ENSURING ACCESSIBILITY TO AFFORDABLE, SAFE, AND NUTRITIOUS FOOD THAT BENEFIT ALL FILIPINOS:**
  - **Gulayan at Manukan sa Barangay Project**, was conceived in response to ensuring food security. **Php17 million** is allocated targeted for **2,226 tobacco farmer beneficiaries.** This shall be funded from the agency's Corporate Funds.
- III. **DEVELOPING STRONG, MODERNIZED, AND CLIMATE RESILIENT VALUE CHAINS THROUGH THE DELIVERY OF QUALITY SERVICES:**
  - **Monitoring of Soil and Water Quality** shall generate information on the fertility and salinity status of different tobacco growing areas to be presented as soil fertility and chloride maps;

<sup>2</sup> Adopted from NTA Strategic Planning held on Feb. 2023

- **Agricultural Researches** are aimed at improving the production technology particularly on preservation/development of current tobacco varieties, field verification of organic and inorganic fertilizers/pesticides to recommend the suitable fertilizers for various tobacco types that will lessen the cost of production and improvement of curing Structures and Curing Processes to tap other fuelwood sources like Solar-aided Curing Barns;
- **Industrial Researches** are focused on the other uses of tobacco. The research on Tobacco Handmade Paper has led to the production of novelty items that are already ready for commercialization and were piloted to the Women Weavers Association of Banna, I. Norte; In a collaborative research with FPRDI, Los Baños ground tobacco stalks were found to be a safe additive in wood glue and effective in termites; Other researches include Tobacco Powder and Extracts as organic pesticides in fruit bearing trees and vegetables, while soaps and shampoos were found to control diseases of animals;
- **Quality Assurance for Tobacco Leaf and Manufactured Products**, will concentrate in the provision of laboratory services that to test the quality of soil, water, fertilizer and leaf tobacco, including the continuing study and monitoring of physical and chemical quality of cigarettes, as an input to continuing technology adjustments, standards formulation and effective regulation enforcement and compliance;
- **Renewable Energy Farm Project and Restoration of Ecological Integrity** of Tobacco Growing Regions, activities will include the annual **Synchronizēd Tree Planting** per province and the **Beema Bamboo Production Project** with the aim of producing alternative source of materials for curing and in the future utilize the biomass for possible conversion to ethanol and other fuel forms;

#### IV. **INSTITUTIONALIZING POLICY REFORMS AND STRENGTHENING INSTITUTION TO ENHANCE EFFICIENCY AND ACCELERATE THE MODERNIZATION OF THE SECTOR:**

- **Development of Facility Maps in Tobacco Producing Areas** aims to develop NTA projects and tobacco related activities and facilities map for stakeholders of the tobacco industry; to generate a web map application, story map and operations dashboard embedded to NTA website;
- **Market Research and Development** includes research and assessment on the local tobacco industry, situation/trends of the international market and trade promotions thru participation in trade exhibits;
- **Regulatory Services** include monitoring of trading operations, documentation of tobacco production where NTA certifies annually to DBM as basis for R.A. 7171 & 8240 shares of LGUs; Likewise issuance of licenses/permits to leaf buyers, importers and exporters, and the conduct of bi-annual Tripartite Consultative Conference for the setting of tobacco floor prices;
- **Communication Support Program** involves the provision of information and education materials for the stakeholders especially the tobacco farmers, in the form of technoguides/technocalendars, newsletters, video production, radio programs (OMT) and other forms of social media;

- **Institutional Development Programs** include Human Resource Development activities, capability trainings for the agency's personnel and improvement/repair of facilities, buildings, and all other activities under GASS ;
- **Support to Operations (STO) Projects/Activities** identified below which are regularly funded under the GAA.

The agency's approved **Program Expenditure Classification (PREXC)** of the DBM includes the following specific programs/activities/projects:

- I. **Operations (O)**
  - A. Conduct of Research and Development
  - B. Technology Assistance, Extension and Production Support Services
  - C. Regulatory Services
- II. **Support to Operations (STO)**
  - A. Planning and Management Services
  - B. Information Technology Mgmt. and Computer Services
  - D. Communication Support, Education and Information Campaign
  - E. Market Research and Trade Promotion
- III. **General Administration and Support Services (GASS)**
  - A. Human Resource Development
  - B. General Service Improvement
  - C. Internal Audit Services

## **RELATIONSHIP TO NATIONAL DEVELOPMENT PLAN, POLICIES AND PRONOUNCEMENTS**

The above programs, projects and activities are supportive of the Department of Agriculture's vision and priorities and Philippine Development Plan (PDP) 2023-2028 towards "economic and social transformation for a prosperous, inclusive and resilient society."

The **Philippine Tobacco Industry** has the following significant contributions to the country's economy:

- provides livelihood and sustenance to some **2.1 million people**, including the more than **400,000 farmers, farm workers and the members of their families**;
- The industry earns **US\$619 million** from the exportation of unmanufactured and manufactured tobacco.
- earns for the national coffers some **PhP150 billion** in taxes a year, with the excise taxes from locally manufactured Virginia-type;
- **PhP74 billion** per year to the Universal Health Care and Health Enhancement Facilities;
- **PhP19 billion** plowed back to tobacco-growing local government units (provinces, municipalities and cities), in 2022 which they can use for their priority programs and projects, pursuant to R.A. 7171 and 8240; and,

**TOTAL BUDGETARY REQUIREMENT FOR CY 2024:**

For the effective implementation of its programs and projects for the year, the NTA will need a Total Agency Budget of **One Billion, Three Hundred Forty-Nine Million, Six Hundred Sixty-Nine Thousand Pesos only (PhP1,349,669,000.00)**, which will be spent for the following:

Personal Services (PhP351,900,000.00);  
Maintenance and Other Operating Expenses (PhP580,604,000.00);  
Accounts Payable (PhP52,803,000.00);  
Due to National Treasury (PhP119,632,000);  
Capital Outlay (PhP49,179,000.00); and  
Investment Outlay/Locally Funded Projects (PhP195,551,000.00).

The details of Sources and Uses of Funds by Expense Class and other supporting documents are presented in the ensuing pages.

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