

**TITLE 9
AGRICULTURE**

**Chapter 1
Agriculture Commission
[Repealed]**

§ 101. [Repealed]

§ 102. [Repealed]

§ 103. [Repealed]

Source

PDC § 207, modified; repealed by RPPL 4-14 § 1(1).

Notes

See 2 PNCA § 102 for all references to Ministry names in this Title.

Chapter 2
Agricultural Revolving Fund

- § 201. Fund established.
- § 202. Purpose of fund.
- § 203. Administration of fund.

§ 201. Fund established.

There is hereby established within the National Treasury a separate account to be known as the Palau Agricultural Fund. All funds formerly maintained in the Palau Agricultural Revolving Fund shall be deposited into the Palau Agricultural Fund.

Source

PDC § 208, divided into sections, rewritten and modified. Amended by RPPL 6-37 § 26(b).

Notes

Section 26(a) of RPPL 6-37 reads: “Amendment: Palau Agriculture Fund. (a) Legislative findings. The Olbiil Era Kelulau finds that the Palau Agricultural Revolving Fund, established during the Trust Territory Administration, has not since the independence of the Republic been administered in accordance with the Constitution, Article XII, Section 1, which requires that all revenues to the national government be deposited into the National Treasury for appropriation pursuant to law. Changes to the law establishing this fund are therefore long overdue. It is appropriate to redesignate the Fund simply as the Palau Agricultural Fund, which is to be a separate fund within the National Treasury, and assign the administration of this fund to the Bureau of Agriculture of the Ministry of Resources and Development.”

Republic of Palau v. Carreon, 19 ROP 66, 81, 82 (2012).

§ 202. Purpose of fund.

The Palau Agricultural Fund shall be earmarked for appropriation to the Ministry of Agriculture, Fisheries, and the Environment, to be used by the Bureau of Agriculture for the purpose of purchasing seeds, fertilizers, insecticides, hog and chicken feed, and small hand tools, and then selling such items to farmers in the Republic at CIF prices plus a mark-up of not more than ten percent (10%). All revenues derived from sales of items pursuant to this section shall be deposited into the Palau Agricultural Fund.

Source

PDC § 208, divided into sections, rewritten and modified. Amended by RPPL 6-37 § 26(b)[202].

AGRICULTURAL REVOLVING FUND 9 PNCA § 203

§ 203. Administration of fund.

The fund shall be administered by the Bureau of Agriculture of the Ministry of Agriculture, Fisheries, and the Environment. The Bureau shall maintain proper records of all purchases and sales made under the fund, and shall submit quarterly reports to the Ministry of Agriculture, Fisheries, and the Environment summarizing the purchases and sales made under the fund.

Source

PDC § 208, divided into sections, rewritten and modified. Amended by RPPL 6-37 § 26(b)[203].

**Chapter 3
Farm Loan Program**

- § 301. Farm loan program established.
- § 302. Eligibility.
- § 303. Business and technical assistance.
- § 304. Farm loan program annual report and expiration

§ 301. Farm loan program established.

There is hereby established an agricultural and aquaculture development and technical assistance loan program to be called the “Farm Loan Program.” This program shall be administered by the National Development Bank of Palau (“NDBP”) with the assistance and cooperation of the Palau Small Business Development Center (“SBDC”) and the relevant Bureau within the Ministry of Agriculture, Fisheries, and the Environment, including the Bureau of Agriculture and the Bureau of Marine Resources. Under this program, NDBP shall offer loans of not more than twenty thousand dollars (\$20,000) to qualified Palauan citizens at the rate of three percent (3%) interest per year. NDBP shall establish credit eligibility standards for this program. Nothing in this chapter shall be construed to apply retroactively to loans made before the effective date of this chapter, or to affect such loans in any way.

Source

RPPL 9-13 § 2, modified.

Notes

RPPL 9-13 § 1 reads: Legislative Findings. The Olbiil Era Kelulau finds that much of the Republic’s produce is imported, resulting in additional cost to consumers, less income to local farmers, and a threat to food security. The Olbiil Era Kelulau finds that the appropriate solution is for the government to proactively support the development of local farms. The Olbiil Era Kelulau also finds that the Republic has the resources to develop its agricultural and aquaculture industry. A program that integrates the assistance of business development, financial resources, and technical assistance is the key resource that the government should provide to local farmers. Therefore, the National Development Bank of Palau shall provide small-scale financing to farming start-ups, contingent upon the applicant working with the Bureau of Agriculture and the Bureau of Marine Resources to receive technical assistance to operate the farm and perform strategic planning. The Olbiil Era Kelulau finds that the Republic’s current resources of the Palau Small Business Development Center, the National Development Bank of Palau, and the Ministry of Natural Resources, Environment, and Tourism are the appropriate entities to be charged to assist in filling this gap in the Republic’s economy. The Olbiil Era Kelulau further finds that tourism is the main industry in the Republic. Promoting agriculture and aquaculture farming will increase local food production which tourists will purchase, thereby maximizing the profits to be realized from tourism and farming.

§ 302. Eligibility.

In addition to the credit eligibility standards and other loan criteria established by NDBP for this program, the application for this loan must also require a written business plan prepared with the SBDC and Ministry of Agriculture, Fisheries, and the Environment that demonstrates how SBDC and the Bureau of Agriculture and the Bureau of Marine Resources will establish and continue its assistance to the applicant throughout the development of the local farm. The SBDC and the Ministry of Agriculture, Fisheries, and the Environment shall respond within ninety (90) days to a request by a loan applicant for assistance with development of a written business plan for purposes of applying for a loan under this program.

Source

RPPL 9-13 § 3, modified.

§ 303. Business and technical assistance.

The Palau Small Business Development Center and the Ministry of Agriculture, Fisheries, and the Environment shall provide technical and advisory assistance to the recipients of this loan throughout the life of the loan. This assistance will include, at a minimum, assisting loan applicants in preparing written agricultural or aquaculture business plans, suitable crop or livestock selection, operational assistance, harvest methods, market selection, farm to market strategies including transportation, and financial management of agricultural or aquaculture projects.

Source

RPPL 9-13 § 4, modified.

§ 304. Farm loan program annual report and expiration.

(a) The National Development Bank of Palau, in collaboration with the Palau Small Business Development Center and the Ministry of Agriculture, Fisheries, and the Environment, shall provide an annual report to the President and both houses of the Olbiil Era Kelulau by April 1 of each year that the Farm Loan Program remains in effect. The report shall summarize the state of the Farm Loan Program by providing details regarding the number of projects funded through the program, the amount of funds issued through the program, and information regarding the development and success of each project funded by the program.

9 PNCA § 304

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(b) Unless reauthorized by law, the provisions of the Farm Loan Program shall expire five (5) years after the enactment of this chapter.

Source

RPPL 9-13 § 5, modified.

**INCENTIVE PROGRAMS AND
BUREAU OF AGRICULTURE**

9 PNCA § 402

**Chapter 4
Incentive Programs and Bureau of Agriculture**

**Subchapter I
Local Production Incentive Programs**

§ 401. Incentive program for local pork and poultry production.

§ 402. Incentive program for local seafood production.

§ 401. Incentive program for local pork and poultry production.

The Ministry of Agriculture, Fisheries, and the Environment shall establish, by regulation, a program to incentivize the local production of pork and poultry products, through subsidies for the purchase of feed for pigs, chickens, and other poultry raised for domestic sale and consumption, or through other incentives. The Ministry shall promulgate rules and regulations regarding the governance of this incentive program.

Source

RPPL 10-37 § 2

§ 402. Incentive program for local seafood production.

The Ministry of Agriculture, Fisheries, and the Environment shall establish, by regulation, a program to incentivize the local production of seafood for domestic sale and consumption. The Ministry shall promulgate rules and regulations regarding the governance of this incentive program.

Source

RPPL 10-37 § 2.

**Subchapter II
Bureau of Agriculture**

§ 411. Duties.

§ 412. Livestock Sales Broker.

§ 413. Veterinarian.

§ 411. Duties.

The Bureau of Agriculture, or other national agency furthering similar objectives, (“BOA”) shall:

- (a) create a position within its agency with the title of Livestock Sales Broker, as provided for in section 412;
- (b) create a position within its agency with the title of Veterinarian, as provided for in section 413;
- (c) provide workshops, programs, or other methods of training to the Palau Livestock Association as needed to further the plans as provided by the Palau Livestock Association to the BOA pursuant to chapter 5 of this Title, for a period of six (6) years beginning on the date of establishment of the Palau Livestock Fund, or longer, as the BOA deems necessary;
- (d) assist the Palau Livestock Association in any other manner as needed to further the plans as provided by the Palau Livestock Association to the BOA pursuant to chapter 5 of this Title, for a period of six (6) years beginning on the date of establishment of the Palau Livestock Fund, or longer, as the BOA deems necessary; and
- (e) develop and implement an inspection and grading system for meats and poultry produced in the Republic of Palau, including grading and processing standards, within six (6) months of the effective date of this chapter. The BOA shall utilize the United States Department of Agriculture’s inspection and grading system and standards as guidance for the development and implementation of this system.

Source

RPPL 10-37 § 2, modified.

**INCENTIVE PROGRAMS AND
BUREAU OF AGRICULTURE**

9 PNCA § 413

§ 412. Livestock Sales Broker.

(a) The BOA shall, at a minimum, task the Livestock Sales Broker with the development and operation of a database and farm registry and facilitation of the sale of meat and poultry from the farm to the local market. The database and farm registry shall serve as a reference for buyers and shall include information related to all producing farms within the Republic of Palau.

(b) The BOA shall ensure the Livestock Sales Broker consults with the Palau Livestock Association in the creation and operation of the database and farm registry, and in the performance of other duties, as the BOA deems necessary.

(c) This position of Livestock Sales Broker shall be for a period of six (6) years from the date of the establishment of the Palau Livestock Fund, or longer, as the BOA deems necessary.

Source
RPPL 10-37 § 2, modified.

§ 413. Veterinarian.

(a) The BOA shall, at a minimum, task the Veterinarian with the development and implementation of the inspection and grading system for meats and poultry produced in the Republic of Palau, as provided for in section 411.

(b) This position of Veterinarian shall be for a period of six (6) years from the date of the establishment of the Palau Livestock Fund, or longer, as the BOA deems necessary.

Source
RPPL 10-37 § 2, modified.

**Chapter 5
Palau Livestock Fund**

- § 501. Fund established.
- § 502. Administration of fund.
- § 503. Start-up Funds.
- § 504. Operational Funds; reimbursement.
- § 505. Records and reporting.

§ 501. Fund established.

(a) There is hereby established within the National Treasury a Palau Livestock Fund (“Fund”) to be administered by the Bureau of Agriculture, or other national agency furthering similar objectives, (“BOA”) with the Fund to be held separate and apart from other funds of the National Treasury.

(b) The Fund shall exist for a period of six (6) years beginning on the date of establishment. In the event the Palau Livestock Association (“PLA”) winds-up, ceases to be in existence, becomes ineligible to receive money, or upon the expiration of six (6) years, the monies remaining in the Fund shall be deposited into the general fund as defined in section 303 of Title 40 of the Palau National Code, and the Fund shall close.

(c) The BOA shall account for and maintain the monies received from appropriation for the purpose provided under section 503 and separate and apart from the account and maintenance of monies received under section 1307 of Title 40 of the Palau National Code used for the purpose as provided for under section 504.

Source

RPPL 10-37 § 3, modified.

Notes

RPPL 10-37 § 4 reads: Appropriation. The amount of \$25,000 is hereby authorized to be appropriated and is hereby appropriated to the Palau Livestock Fund, established under Chapter 5 of Title 9 of the Palau National Code, and be administered as provided for therein. This amount shall come from local revenues and shall be non-lapsing.

§ 502. Administration of the fund.

(a) The BOA shall be responsible for the general administration of the Fund.

- (b) In the administration of the Fund, the BOA shall:
- (1) require the PLA to submit annual budget proposals for Operational Funds subject to the review and approval of the BOA, prior to the disbursement of such money to the PLA;
 - (2) require the PLA to submit a budget proposal for Start-up Funds subject to the review and approval of the BOA, prior to the disbursement of such money to the PLA;
 - (3) require the PLA to submit a comprehensive six (6) year strategic plan for agriculture and aquaculture infrastructure development, prior to the disbursement of money to the PLA;
 - (4) require the PLA to submit an annual performance report to the BOA;
 - (5) approve any plans of the PLA that are in accordance with the rules and regulations as promulgated pursuant to this section, or provide recommendations as needed for compliance with the rules and regulations and approval of the plans;
 - (6) require the PLA to maintain records and submit semi-annual expenditure reports that account for, in detail, the expenditure of all Start-up Funds and Operational Funds received and review such reports; and
 - (7) require the PLA to maintain and submit records that account for, in detail, the sale of goods and review such records semi-annually.
- (c) The BOA shall promulgate rules and regulations governing the use and procedures for use of the Funds within sixty (60) days of the establishment of the Fund.

Source

RPPL 10-37 § 3, modified.

§ 503. Start-up Funds.

- (a) The BOA shall administer the twenty five thousand (\$25,000) appropriated amount (“Start-up Funds”) as provided in this section.
- (b) The purpose of the Start-up Funds is to fund start-up costs of the PLA as approved by

the BOA, including the purchase of materials and tools needed to begin operations.

Source

RPPL 10-37 § 3, modified.

§ 504. Operational Funds; reimbursement.

(a) The Fund shall receive monies as provided for in section 1307 of Title 40 of the Palau National Code (“Operation Funds”).

(b) The purpose of the Operational Funds are for the financing of the PLA’s operational costs, such as the purchase of livestock, feed, tools, or to fund employee training.

(c) The BOA shall require, as a condition for receipt of Operation Funds from the Fund, the PLA to earmark and deposit five percent (5%) of total revenue generated annually from the sale of goods until such time the PLA has reimbursed the total amount of Operation Funds received from the Fund or the Fund closes. Nothing in this subsection shall be interpreted as a limitation to the provision of Operational Funds to the PLA as provided for in this chapter.

Source

RPPL 10-37 § 3, modified.

§ 505. Records and reporting.

The BOA shall maintain the records received from the PLA and submit to the President of the Republic of Palau and the Olbiil Era Kelulau an annual report summarizing the expenditures and sales of the PLA within sixty (60) days of the close of each fiscal year.

Source

RPPL 10-37 § 3.