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Philippines eyes PHP18 billion for farm machinery and agricultural modernisation in 2027

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The Department of Agriculture proposes a co-investment financing model to expand farmers' access to agricultural machinery and accelerate mechanisation beyond rice production.



The Philippines' Department of Agriculture (DA) is targeting PHP15 billion to PHP18 billion in funding for agricultural machinery and modernisation in 2027. Agriculture Secretary Francisco P. Tiu Laurel Jr. said approximately PHP9 billion would come from the Rice Competitiveness Enhancement Fund (RCEF), with additional funding sourced from other departmental programmes.

Under a proposed co-investment model, the government would contribute 20–30 per cent of machinery costs, supplemented by loan financing, rather than distributing equipment entirely through grants. The department estimates that the arrangement could triple the number of farmers benefiting from mechanisation assistance. According to the Philippine Center for Postharvest Development and Mechanization (PHilMech), rice mechanisation levels have increased from 2.1 to 2.81 horsepower per hectare over six years, although an additional PHP50 billion is estimated to be required for full mechanisation of the rice sector.

The department also plans to extend mechanisation to livestock and vegetable production, including carrot and tomato harvesting. Its broader modernisation strategy includes promoting tractors that meet Tier 3 emissions standards, solar-powered irrigation and storage equipment, and exploring international partnerships in agricultural machinery and electric tractor technologies.