



**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES  
KAGAWARAN NG KAPALIGIRAN AT LIKAS YAMAN**



**MEMORANDUM**

**FOR** : **The Directors**  
Legal Affairs Service  
Policy and Planning Service  
Climate Change Service

**All Bureau Directors**

**All Regional Executive Directors**

**FROM** : **The Director**  
Legislative Liaison Office

**SUBJECT** : **INVITATION TO COMMITTEE MEETING ON VARIOUS HOUSE BILLS AMENDING/REPEALING REPUBLIC ACT NO. 11203 OR THE "RICE TARIFFICATION LAW" FROM THE COMMITTEE ON AGRICULTURE AND FOOD OF THE HOUSE OF REPRESENTATIVES**

**DATE** : 25 April 2024

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In reference to the electronic letter received by our Office, the Committee on Agriculture and Food of the House of Representatives is inviting the Department to a meeting on **30 April 2024, Tuesday, 09:30 AM at Conference Rooms 1 & 2, Ramon V. Mitra Bldg., House of Representatives** to deliberate on the following legislative measures which seek to amend/repeal **Republic Act No. 11203 or the Rice Tariffication Law (RTL)**:

- **House Bill No. 212 - AN ACT AMENDING SECTION 13 OF REPUBLIC ACT NO. 11203, OTHERWISE KNOWN AS AN ACT LIBERALIZING THE IMPORTATION, EXPORTATION AND TRADING OF RICE, LIFTING FOR THE PURPOSE THE QUANTITATIVE IMPORT RESTRICTION ON RICE, AND FOR OTHER PURPOSES**, introduced by Reps. Horacio P. Suansing, Jr. and Mikaela Angela Suansing;
- **House Bill No. 1562 - AN ACT AUTHORIZING THE ADVANCE USE OF THE BUREAU OF CUSTOMS' EXCESS TARIFF REVENUES FROM RICE IMPORTATION, AND OTHER POSSIBLE SOURCES, AS A SPECIAL EMERGENCY FUND SETTING-UP THE RICE FARMER FINANCIAL ASSISTANCE AS DIRECT CASH TRANSFERS TO RICE FARMERS**, introduced by

Reps. Luis Raymund "LRay" F. Villafuerte, Jr., Miguel Luis R. Villafuerte, Tsuyoshi Anthony G. Horibata, and Nicholas V. Enciso, VIII;

- **House Bill No. 9030** - AN ACT PROVIDING FOR A NATIONAL RICE EMERGENCY RESPONSE AND APPROPRIATING FUNDS THEREFOR, introduced by Rep. Stella Luz A. Quimbo;
- **House Bill No. 9547** - AN ACT EXTENDING THE PERIOD OF IMPLEMENTATION OF THE RICE COMPETITIVENESS ENHANCEMENT FUND, AMENDING FOR THE PURPOSE REPUBLIC ACT (RA) NO. 8178, AS AMENDED BY RA NOS. 9496, 10848 AND 11203, OTHERWISE KNOWN AS THE "AGRICULTURAL TARIFFICATION ACT", introduced by Rep. Rosanna "Ria" V. Vergara; and
- **House Bill No. 404** - AN ACT REPEALING REPUBLIC ACT NO. 11203, OTHERWISE KNOWN AS THE "RICE TARIFFICATION LAW", introduced by Reps. Arlene D. Brosas, France L. Castro, and Raoul Dannel A. Manuel.

In this regard, may we request **comments/recommendations on the abovementioned bills**, in anticipation of the Committee meeting, as requested by the Committee. Kindly send them on or before **29 April 2024, at 5 PM** via email at [denrlo@denr.gov.ph](mailto:denrlo@denr.gov.ph). Further, kindly inform us of the name/s of the representative/s from your office who will participate in the meeting so we may include him/her/them as resource person/s.

Attached herewith are the Letter-Invitation and House bills for your reference.

  
**ROMIROSE B. PADIN**

cc: Undersecretary for Special Concerns and Legislative Affairs



## COMMITTEE ON AGRICULTURE & FOOD

3<sup>rd</sup> Flr., Ramon V. Mitra Building, Batasan Complex, Quezon City  
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23 April 2024

### SECRETARY ANTONIO LOYZAGA

Department of Environment and Natural Resources (DENR)

Dear Secretary Loyzaga:

The Committee on Agriculture and Food will conduct its initial deliberation on the following measures which seek to amend/replace Republic Act No. 11203 or the Rice Tariffication Law (RTL):

1. **House Bill No. 212** - AN ACT AMENDING SECTION 13 OF REPUBLIC ACT NO. 11203, OTHERWISE KNOWN AS AN ACT LIBERALIZING THE IMPORTATION, EXPORTATION AND TRADING OF RICE, LIFTING FOR THE PURPOSE THE QUANTITATIVE IMPORT RESTRICTION ON RICE, AND FOR OTHER PURPOSES, introduced by Reps. Horacio P. Suansing, Jr. and Mikaela Angela Suansing;
2. **House Bill No. 1562** - AN ACT AUTHORIZING THE ADVANCE USE OF THE BUREAU OF CUSTOMS' EXCESS TARIFF REVENUES FROM RICE IMPORTATION, AND OTHER POSSIBLE SOURCES, AS A SPECIAL EMERGENCY FUND SETTING-UP THE RICE FARMER FINANCIAL ASSISTANCE AS DIRECT CASH TRANSFERS TO RICE FARMERS, introduced by Reps. Luis Raymund "LRay" F. Villafuerte, Jr., Miguel Luis R. Vinafuerte, Tsuyoshi Anthony G. Horibata, and Nicholas V. Enciso, VIII;
3. **House Bill No. 9030** - AN ACT PROVIDING FOR A NATIONAL RICE EMERGENCY RESPONSE AND APPROPRIATING FUNDS THEREFOR, introduced by Rep. Stella Luz A. Quimbo;
4. **House Bill No. 9317** - AN ACT EXTENDING THE PERIOD OF IMPLEMENTATION OF THE RICE COMPETITIVENESS ENHANCEMENT FUND, AMENDING FOR THE PURPOSE REPUBLIC ACT (RA) NO. 8178, AS AMENDED BY RA NOS. 9496, 10848 AND 11203, OTHERWISE KNOWN AS THE "AGRICULTURAL TARIFFICATION ACT", introduced by Rep. Rosanna "Ria" V. Vergara; and
5. **House Bill No. 404** - AN ACT REPEALING REPUBLIC ACT NO. 11203, OTHERWISE KNOWN AS THE "RICE TARIFFICATION LAW", introduced by Reps. Arlene D. Brosas, France L. Castro, and Raoul Dannel A. Manuel.

In this regard, may we invite you to attend the meeting on **April 30, 2024 at 9:30 AM, Conference Rooms 1&2, Ramon V. Mitra Bldg., House of Representatives.**

Your presence will be highly appreciated as your inputs will greatly help the Committee in its deliberation. Attached are copies of the bills for your reference.

Thank you and best regards.

Very truly yours,

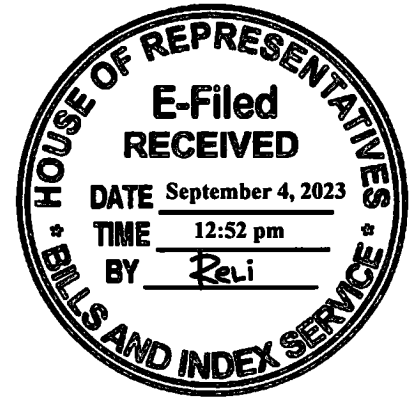
**REP. WILFRIDO MARK M. ENVERGA**  
*Chairperson*



Republic of the Philippines  
**House of Representatives**  
Quezon City, Metro Manila

Nineteenth Congress  
Second Regular Session

HOUSE BILL NO. 9030



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**Introduced by REPRESENTATIVE STELLA LUZ A. QUIMBO**

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**EXPLANATORY NOTE**

Rice is a key commodity in the Philippines, accounting for 13.1% of total household expenditures. For both macroeconomic and political reasons, it is important to keep rice prices stable and supply sufficient. Data from the Philippine Statistics Authority (PSA) showed modest price inflation of rice in 2021 at a national average of -0.65%. However, beginning January 2022 inflation in rice has steadily been increasing. In the July 2023 Inflation Report of the PSA, the inflation rate of rice stood at 4.2%, an increase from the 2.7% reported in January earlier this year. In actual peso terms, Regular Well-Milled Rice retailed at 48 pesos per kilo in NCR Markets in August 2023, when during the same month last year, it sold at 38 pesos per kilo, according to the Department of Agriculture (DA) Price Monitoring.

These concerns are exacerbated amidst the global El Niño, recently declared by the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA) in July of this year. Other rice-dependent nations within our region such as Vietnam and India have already made moves to anticipate an eventual shortage, the latter, by declaring export bans. However, with the continuous onslaught of devastating typhoons in our rice-producing areas, the Philippines needs to accelerate our efforts to ensure sufficient domestic supply to keep prices stable. Moreover, some local traders could be taking advantage of the situation by engaging in hoarding and price manipulation. Thus, there is a need to make available additional tools for the government to implement stopgap remedies during times of anticipated shortages or sustained price spikes.

The Philippine Rice Emergency Response Act serves as an additional measure the government may utilize to address extreme cases of the dwindling supply and soaring prices of rice. To address supply shortages especially when local production is limited, the government may encourage more importation by suspending rice tariff rates and allowing the National Food Authority to import for their buffer stocks. At the same time, to protect local

farmers and sustain farmgate prices during National Rice Emergencies, the unused appropriations for different government programs may be reallocated to provide cash assistance to farmers and other affected sectors. This is especially relevant considering that for 2022 alone, the total unused appropriations for rice programs within the Department of Agriculture amounted to 8.54 billion pesos. On the demand side, the bill provides for relief to consumers by facilitating the sale of rice at subsidized prices and allowing the provision of direct cash assistance through the Department of Social Welfare and Development. This bill allows for the expeditious use of unutilized funds to provide necessary relief for Filipino farmers, other participants in the rice supply chain, and consumers during extreme conditions. Finally, the bill imposes heftier penalties for hoarding and price manipulation.

As a short-term intervention, this bill seeks to give the government ample authority to address immediate concerns of a rice shortage, insulating the Filipino public of its adverse effects. In so doing, it gives the government enough breathing room in its quest to provide medium and long-term solutions such as productivity enhancement for farmers and provision of credit and logistical support.

In view of the foregoing, the passage of this bill is earnestly sought.

  
STELLA LUZ A. QUIMBO



Republic of the Philippines  
**House of Representatives**  
Quezon City, Metro Manila

Nineteenth Congress  
Second Regular Session

HOUSE BILL NO. 9030

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Introduced by **REPRESENTATIVE STELLA LUZ A. QUIMBO**

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**AN ACT PROVIDING FOR A NATIONAL RICE EMERGENCY  
RESPONSE AND APPROPRIATING FUNDS THEREFOR**

*Be it enacted by the Senate and House of Representatives of the Philippines in  
Congress assembled:*

**SECTION 1. *Short Title.*** — This Act shall be known as the “Philippine Rice  
Emergency Response Act.”

**SECTION 2. *Declaration of Policy.*** — It is the policy of the State to make the  
country’s agricultural sector viable, efficient, and globally competitive. The State adopts the  
use of tariffs in lieu of non-tariff import restrictions to protect local producers of agricultural  
products.

Consistent with the constitutional mandate of protecting Filipino firms against unfair  
trade, it is furthermore the policy of the State to employ anti-dumping and countervailing  
measures to protect local producers from unfair trade practices, rather than use quantitative  
import restrictions.

Towards this end, and in cognizance of the adverse impact of anti-competitive market  
forces during the agricultural crisis, the State shall likewise provide increased support to local  
farmers.

**SECTION 3. *State of National Rice Emergency.*** — The President of the Republic of  
the Philippines, in consultation with the Secretary of Agriculture, shall have the authority to  
declare a national rice emergency due to any of the following conditions, actually occurring  
or in anticipation thereof:

- (i) an extreme shortage in the supply of rice,
- (ii) a sustained increase in the price of rice; or
- (iii) an extraordinary increase in the price of rice.

Under a national rice emergency, the President shall be given authority to mobilize all government agencies to respond to the economic crisis.

Further, pursuant to Article VI, Section 23(2) of the Constitution, the President is hereby authorized to exercise powers that are necessary and proper to undertake and implement National Rice Emergency response interventions; Provided that the State of National Rice Emergency shall be in effect for a maximum of 6 months, in which case the State of National Rice Emergency shall automatically be lifted without any action needed on the part of the President or of Congress; Provided, further that the power herein delegated to the President may be withdrawn or terminated by Congress through a Joint Resolution before the lifting of the National Rice Emergency.

**SECTION 4. *National Rice Emergency Subsidies.*** — The President, through the Department of Agriculture (DA) and its attached agencies, and other government agencies including the Department of Social Welfare and Development (DSWD), shall provide rice subsidies, as it deems necessary, primarily to the following groups:

- a) To qualified rice farmers, cooperatives, associations, and other agricultural workers, of a subsidy per kilo of rice produced; Provided, that the computation of said subsidy be based on the latest reported farmgate price by the Philippine Statistics Authority prior to the declaration of a National Rice Emergency;
- b) To the poorest and affected households, of a rice emergency subsidy;
- c) To qualified traders and retailers; Provided, that there is a mandated price ceiling in place and the mandated price ceiling is lower than the wholesale price of rice resulting in operating losses.

The sources of funds for each subsidy shall be based on Section 9 of this act.

**SECTION 5. *Amendments to the Rice Competitiveness Enhancement Fund.*** — Section 13 of Republic Act (RA) No. 8178, as amended by RA 11203, is hereby further amended to read as follows:

“SECTION 13. Rice Competitiveness Enhancement Fund. - There is hereby created a Rice Competitiveness Enhancement Fund, herein referred to as the ‘Rice Fund’. The Rice Fund shall consist of an annual appropriation of Ten billion pesos (₱10,000,000,000.00) for the next six (6) years following the approval of this Act and shall be automatically credited to a Special Account in the General Fund of the National Treasury which shall be in place within ninety (90) days upon the effectivity of this Act.

"xxx

**PROVIDED, FINALLY, THAT DURING A STATE OF NATIONAL RICE EMERGENCY, THE ENTIRE RICE FUND OF THAT FISCAL YEAR MAY BE USED FOR PROGRAMS THAT WILL RESPOND TO THE ECONOMIC CRISIS, SUBJECT TO THE APPROVAL OF THE DEPARTMENT OF AGRICULTURE, INCLUDING THE PROVISION OF CASH ASSISTANCE TO FARMERS AND OTHER AFFECTED SECTORS, REGARDLESS OF WHETHER TARIFF REVENUES FROM RICE IMPORTATION EXCEED TEN BILLION PESOS."**

**SECTION 6. *Limited Import Functions of the National Food Authority.*** — Section 8 of Republic Act (RA) No. 8178, as amended by RA 11203, is hereby further amended to read as follows:

**"SECTION 8. *Maintenance of Rice Buffer Stock.*** - The NFA shall, in accordance with the rules, regulations and procedures to be promulgated, maintain sufficient rice buffer stock to be sourced solely from local farmers, **PROVIDED THAT, DURING A STATE OF NATIONAL RICE EMERGENCY, THE NFA MAY ALSO IMPORT TO MAINTAIN SUFFICIENT RICE BUFFER STOCK, SUBJECT TO THE APPROVAL OF THE PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES.**

**SECTION 7. *Suspension of Rice Tariffs.*** — Section 7 of RA 8178, as amended by RA 11203, is hereby further amended to read as follows:

**"SECTION 7. Powers of the President.** - Consistent with the Philippine national interest and the objective of safeguarding Filipino farmers and consumers, the President is hereby empowered to act with full delegated authority subject to the provisions of the CMTA, in the following circumstances:

**"(a) xxx**

**(b) In the event of any imminent or forecasted shortage, or such other situation requiring government intervention, the President is empowered for a limited period and/or a specified volume, to allow the importation at a lower applied tariff rate to address the situation. Such order shall take effect immediately and can only be issued when Congress is not in session; ~~and~~ PROVIDED, THAT DURING A STATE OF NATIONAL RICE EMERGENCY, THE PRESIDENT, UPON CONSULTATION WITH THE SECRETARY OF AGRICULTURE AND THE SECRETARY OF FINANCE, MAY PROPOSE TO CONGRESS TO SUBJECT ALL RICE IMPORTS DURING THIS TIME TO REDUCED OR ZERO TARIFFS; PROVIDED FURTHER THAT RICE TARIFF COLLECTION TARGETS HAVE BEEN SUFFICIENTLY MET IN THE SAME FISCAL YEAR;**



**PROVIDED FURTHERMORE, THAT IN THE CASE OF ZERO TARIFFS, THE LANDED COST OF IMPORTED RICE MUST EXCEED THE DOMESTIC COST OF MILLED RICE. PROVIDED FINALLY, THAT IN THE EVENT CONGRESS FAILS TO ACT AFTER FIFTEEN (15) DAYS FROM RECEIPT OF THE PROPOSAL, THE SAME SHALL BE DEEMED APPROVED; AND**

“(c) xxx

“xxx”

**SECTION 8. *Reportorial Requirements and Creation of an Oversight Committee.***

— Within sixty (30) days after the Rice Emergency has been lifted, the Secretary of Agriculture shall submit a report to Congress and the Commission on Audit (COA) containing all acts performed pursuant to addressing the National Rice Emergency, including a report on the targets and actual accomplishments of government programs, strategies, plans, and efforts relative to the National Rice Emergency, and such other information which Congress and COA may require.

For this purpose, the Congress shall establish a Joint Congressional Oversight Committee composed of the Chairpersons of the Committee on Agriculture of both the Senate and the House of Representatives, five (5) members each from the Senate and the House representing the majority and two (2) members each from the Senate and the House representing the minority, to be designated by the leaders of the majority and minority in the respective chambers.

**SECTION 9. *Sources and Uses of Funds for National Rice Emergency Programs.***

— The subsidies under the National Rice Emergency program shall be sourced as follows:

- a) For cash assistance to qualified rice farmers, cooperatives, associations, and other agricultural workers, as well as qualified traders and retailers, the primary source of funding shall come from the appropriated Rice Fund for the current fiscal year and its unutilized allotments from the previous two fiscal years;
- b) For interventions of the National Food Authority, including importation for buffer stocking and the distribution of rice at subsidized prices, the primary funding shall be sourced from the unutilized funds from the current and previous two fiscal years of the National Rice Program;;
- c) For the development of the rice inflation subsidy program, the primary funding shall be sourced from unutilized funds from existing programs to be identified by the Department of Finance; Provided, that for 2023, the unutilized funds from the previous two fiscal years of the DSWD’s Unconditional Cash Transfer Program (UCT) shall be utilized for this purpose; Provided, finally, that the DSWD’s Assistance to Individuals in Crisis Situations (AICS) Program may be utilized to fund the rice inflation subsidy program.

Provided that, thereafter, any such sums as may be necessary for the continued implementation of this Act shall be charged against the current year's appropriations of the DA.

**SECTION 10. *Penalties for Acts of Rice Economic Sabotage.*** — Subject to the definitions as defined in Section 5 of RA 7581, any person who commits any act of illegal price manipulation of rice during a national rice emergency shall suffer the penalty of imprisonment for a period of not less than ten (10) years nor more than thirty (30) years, and shall be imposed a fine of not less than One Million Pesos (P1,000,000) nor more than One hundred million pesos (P100,000,000).

Provided, that whenever any violation of the provisions of this Act is committed by a juridical persons, its officials or employees, or in case of a foreign corporation or association, its agent or representative in the Philippines who are responsible for the violation shall be held liable therefor;

Provided, further that in case of aliens, in addition to the penalty provided in this Section, the offender shall, upon conviction and after service of sentence, be immediately deported without need of any further proceedings.

Provided, furthermore that any public official or employee who, by reason of his office, with or without consideration, conspires in the commission or knowingly conceals violations of any of the provisions of this Act shall likewise be principally responsible for the violation and shall suffer the additional penalty of permanent disqualification to hold public office.

Provided, finally, that the foregoing criminal penalties shall be without prejudice to the administrative sanctions which the implementing agency may impose under this Act or under any other law.

**SECTION 11. *Implementing Rules and Regulations.*** — Within thirty (30) days from the effectivity of this Act, the Department of Agriculture, in consultation with the National Economic and Development Authority, the Department of Social Welfare and Development Act, the Department of Trade and Industry, and the Department of Budget and Management shall promulgate the necessary rules and regulations for the effective implementation of this Act.

**SECTION 12. *Separability Clause.*** — If any provision of this Act is declared invalid or unconstitutional, the other provisions not affected thereby shall remain in full force and effect.

**SECTION 13. *Repealing Clause.*** — All laws, decrees, orders, rules, and regulations or parts thereof inconsistent with this Act are hereby repealed, amended, or modified accordingly.

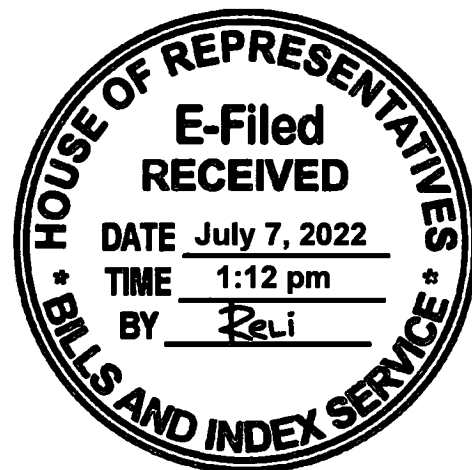
**SECTION 14. *Effectivity.*** — This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

NINETEENTH CONGRESS  
First Regular Session

HOUSE BILL NO. 1562



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Introduced by HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.,  
HON. MIGUEL LUIS R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G.  
HORIBATA AND HON. NICOLAS ENCISO VIII

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**EXPLANATORY NOTE**

Republic Act No. 11203, otherwise known as "An Act Liberalizing the Importation and Trading of Rice, Lifting for the Purpose the Quantitative Restriction on Rice and for Other Purposes" was signed into law as a safety measure to cushion the adverse impact of the influx of imported rice to rice farmers and the rice industry. Section 13 of R.A. No. 11203 establishes the Rice Competitiveness Enhancement Fund (RCEF) with an annual appropriation of P10 billion for the next six (6) years.

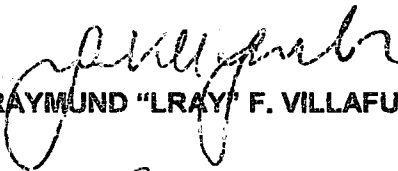
The law specifically allocates the P10 billion RCEF as follows: a) 50% or P5 billion for the procurement of rice farm machineries and equipment to be distributed as grant in kind to eligible farmers associations, rice cooperatives and local government units for the purpose of improving farm mechanization; b) 30% or P3 billion for the development, propagation and promotion of inbred rice seeds; c) 10% or P1 billion for expanded rice credit assistance with minimal interest rates; and d) 10% or P1 billion for rice extension services.

Despite the on-going implementation of the identified interventions provided under Section 13 of R.A. No. 11203, the sudden impact of the influx of imported rice exhibited the following: a) the average retail price of regular milled rice has been declining, with the inflation rate for regular milled rice recorded at -9.7% b) episodes of farm-gate prices of palay have plummeted to as low as P7 to P10 per kilo in major rice-producing provinces; c) while the price of rice dropped by 14.50%, the price of palay dropped more considerably; and d) the significant drop of farm-gate price of palay consequently resulted in huge income losses for rice farmers and the industry which is now estimated to around P50 billion at current prices.

Based on the foregoing, this bill proposes to immediately set-up the Rice Farmer Financial Assistance as supplementary and transitional safety measure to serve as compensation to rice farmers who are farming two (2) hectares and below for the reduction or loss of their farm income arising from the tariff cation of the quantitative import restriction on rice

The fund source shall be the excess tariff revenue from the Bureau of Customs collected from rice importation exceeding P10 billion. The Rice Farmer Financial Assistance shall be distributed as direct cash transfers to affected rice farmers in RCEF rice-producing provinces.

In view of the foregoing, the immediate passage of this bill is earnestly sought.

  
LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

  
MIGUEL LUIS R. VILLAFUERTE

  
TSUYOSHI ANTHONY G. HORIBATA

  
NICOLAS ENCISO VIII

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

NINETEENTH CONGRESS  
First Regular Session

HOUSE BILL NO. 1562

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Introduced by HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.,  
HON. MIGUEL LUIS R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G.  
HORIBATA AND HON. NICOLAS ENCISO VIII

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**AN ACT**  
**AUTHORIZING THE ADVANCE USE OF THE BUREAU OF CUSTOMS' EXCESS**  
**TARIFF REVENUES FROM RICE IMPORTATION, AND OTHER POSSIBLE**  
**SOURCES, AS A SPECIAL EMERGENCY FUND SETTING-UP THE RICE**  
**FARMER FINANCIAL ASSISTANCE AS DIRECT CASH TRANSFERS TO RICE**  
**FARMERS**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

**SECTION 1. *Emergency Fund for Farmers.*** – The Bureau of Custom's excess tariff revenues from rice importation and other possible sources are authorized as a special emergency fund for setting-up the Rice Farmer Financial Assistance which shall be direct cash transfers to rice farmers.

The distribution of direct cash assistance shall be in accordance with the procedure, guidelines, and distribution system to be determined by the Department of Agriculture (DA). In the exercise of oversight powers of Congress, the DA shall report on a monthly basis to the House of Representatives and the Senate regarding all pertinent matters relative to the utilization of the Fund.

**SECTION 2. *Separability Clause.*** – If any portion or provision of this Act or the application thereof shall be declared invalid or unconstitutional, the validity of other parts or provisions not affected thereby shall continue to be in full force and effect.

**SECTION 3. *Repealing Clause.*** – All laws, decrees, executive issuances, rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

**SECTION 4. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspaper of general circulation.

*Approved,*

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

NINETEENTH CONGRESS  
First Regular Session

House Bill No. 212



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Introduced by Representatives

**MIKAELA ANGELA B. SUANSING and HORACIO P. SUANSING, JR.**

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**AN ACT**

**AMENDING SECTION 13 OF REPUBLIC ACT NO. 11203, OTHERWISE KNOWN AS AN ACT LIBERALIZING THE IMPORTATION, EXPORTATION AND TRADING OF RICE, LIFTING FOR THE PURPOSE THE QUANTITATIVE IMPORT RESTRICTION ON RICE, AND FOR OTHER PURPOSES**

**EXPLANATORY NOTE**

The Rice Competitiveness Enhancement Fund (commonly known as “RCEF”, referred to in RA 11203 as “Rice Fund”) was designed to reduce palay production costs by 30%, to increase yield by 50% and to double farmer incomes in 6 years to boost Filipino farmers’ competitiveness amidst the liberalization of the Philippines’ rice trade in 2019. To this end, RCEF has been receiving an annual appropriation of PhP 10 billion, which is allocated across four (4) component programs (mechanization, seeds, training and credit) and is jointly implemented by eight (8) agencies led by the Department of Agriculture.

However, there have been reports that, despite RCEF’s implementation, farmers’ yields have not improved, production costs have not declined, while farmgate prices of domestically produced *palay* have remained low.<sup>1</sup> Moreover, the findings of a study by Suansing, M. (2021) substantiate these issues. Suansing found that, on average, the cost savings and yield changes realized by farmers from RCEF’s Mechanization Program and Seed Program are not sufficient to offset the decrease in their gross incomes due to two factors: decrease in palay prices and decrease in yield. On average, the decline in gross income reported by RCEF beneficiaries between the two dry seasons was 2.1 times the average cost savings they derived from the combined effect of RCEF’s Mechanization Program and Seed Program (PhP -3,827/ha vs. PhP

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*Note: This amendments proposed in this bill are primarily based on Rep. Mikaela Suansing’s Masters Thesis entitled “Improving the Implementation of the Philippine Government’s Rice Competitiveness Enhancement Fund (RCEF)”. April 2021, Harvard University.*

<sup>1</sup> Montemayor, R. (2021, February 23). *Rice tariffication: A litany of broken promises*. Retrieved from <https://business.inquirer.net/318323/rice-tariffication-a-litany-of-broken-promises>; Mirafior, M.B. (2020, August 11). *Rice farmers disappointed RCEF failed to lower costs*. Retrieved from <https://mb.com.ph/2020/08/11/rice-farmers-disappointed-rcef-failed-to-lower-costs/>; Ofraeo, R.E. (2020, February 13). *One year after rice tariffication: Farmers hurting, angry at new law*. Retrieved from <https://businessmirror.com.ph/2020/02/13/one-year-after-rice-tariffication-farmers-hurting-angry-at-new-law/>

1,789/ha). Similarly, the average loss they reported between the two wet seasons was 2.6 times their average RCEF-derived cost savings (PhP 4,690/ha vs. PhP 1,789/ha). This indicates that the cost savings from these two RCEF component programs thus far were not enough to offset farmers' losses.

In recognition of the fact that the livelihood of Filipino rice farmers and the long-term sustainability of the Philippine rice sector depend on RCEF's success, this bill seeks to amend Section 13 of RA 11203, also known as the Rice Tariffication Law (RTL), in order to maximize RCEF's efficacy in improving the productivity and incomes of Filipino rice farmers. Five key amendments are sought:

***Key Amendment 1: Institute RCEF as a program that would receive annual appropriations to perpetuity; that is, RCEF will not only be a 6-year program as currently provided in the RTL***

The government should continually provide support to our farmers to ensure the sustainability and competitiveness of the Philippine rice sector, as well as ensure food security. While the amount appropriated to the Rice Fund and/or the amounts allocated to each individual RCEF component program can be changed, the Rice Fund itself should be instituted and its receipt of annual appropriations should be guaranteed to perpetuity.

***Key Amendment 2: Increase the annual appropriation for RCEF from the current PhP 10 billion to PhP 15 billion***

The additional PhP 5 billion will be sourced annually from the tariff revenues from rice importation. Based on the data shared by the Bureau of Customs, tariff revenues for both FY 2020 and 2021 have exceeded PhP 15 billion (i.e. PhP 15.5 billion in 2020. PhP 18.9 billion in 2021). Tariff revenues in FY 2022 are also expected to surpass PhP 15 billion as PhP 8.4 billion have already been collected as of May 2022. The current trend in tariff revenues indicate that the proposed PhP 5 billion increase in the annual appropriation for RCEF can be sustained.

***Key Amendment 3: institute an annual allocation of PhP 5 billion from RCEF towards providing subsidies for other essential farm inputs, such as fertilizers and other chemicals***

Between May 2021 and May 2022, the price of fertilizer has more than doubled. Data from the Fertilizer and Pesticide Authority showed that the price of granular urea increased from PhP 1,115.52/bag to PhP 3,002.17/bag while complete fertilizer increased from PhP 1,094.48/bag to PhP 2,212.15/bag. Based on a survey of rice farmers (with irrigated farms) in Nueva Ecija, expenditure on fertilizers comprises 39% of their total expense throughout the cropping season while expenditure on other chemicals comprises 8%. This shows that subsidies for these other essential farm inputs are much needed, as low usage of fertilizers has already reduced the country's palay yield in the first semester of 2022 by about 6.8%<sup>2</sup>.

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<sup>2</sup> CNN Philippines Staff. (2022, June 24). *Outgoing DA chief: Marcos must realign funds for fertilizer subsidy amid food crisis*. Retrieved from <https://www.cnnphilippines.com/news/2022/6/24/Outgoing-DA-chief-Marcos-must-realign-funds-for-fertilizer-subsidy-amid-food-crisis.html>



While the Department of Agriculture has provided fertilizer subsidies in the past, it has been on an ad hoc basis. That is, subsidies have been provided during some cropping seasons but not others, and amounts allocated towards subsidies have varied greatly depending on fund availability. Thus, this bill seeks to institute the provision of fertilizer subsidies to rice farmers as an annual program, with a guaranteed PhP 5 billion allocation from the Rice Fund.

***Key Amendment 4: Increase the annual allocation for Rice Farm Machineries and Equipment from the current PhP 5 billion to PhP 5.5 billion; Decrease the annual allocation for Expanded Rice Credit Assistance from the current PhP 1 billion to PhP 500 million***

Findings of a study by Suansing, M. (2021) indicate that ERCA-RCEF (credit) may have a very low coverage rate. Between 2019 and January 2021, only 0.1% of the farmers in scope for the study have availed of credit. This implies that the PhP 1 billion currently allocated for ERCA-RCEF may be underutilized.

Taking this into account, this bill proposes to reallocate PhP 500 million from the Credit Program towards the Mechanization Program. Funding in the Mechanization Program much needed as it is still far from its goal of providing farmers who avail all prescribed farm technologies an extra income of PhP 5,000/ha. Suansing, M. (2021) found that, on average, Mechanization Program beneficiaries have only realized cost savings of PhP 814/ha. PHIMech would need to provide farmers cooperatives and associations (FCA) with a more complete set of machineries (i.e. for more stages of palay production, particularly harvest and post-harvest technologies) in order to realize the large cost savings RCEF aims to effect -- and this endeavor requires substantial funding.

***Key Amendment 5: Enhance the reporting, monitoring and coordination mechanisms between the Congressional Oversight Committee on Agricultural and Fisheries Modernization (COCAFAM) and the RCEF implementing agencies***

Suansing, M. (2021) found that convergence and synergies across RCEF's component programs have not been achieved thus far (e.g. the targeting of beneficiaries is not yet harmonized across component programs, no unified metrics), and this has undermined the efficacy of RCEF as a whole. There have also been substantial delays in program implementation, particularly in the Mechanization Program and in the Rice Extension Services Program (training).<sup>3</sup>

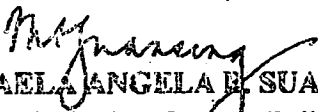
While the RTL currently provides for a mandatory review of RCEF to be conducted by COCAFAM at the end of the 6<sup>th</sup> year of the RTL and also provides for "a periodic review", this bill proposes for the establishment of more regular reporting and review channels to facilitate coordination and feedback. It proposes the conduct of a yearly review of the amounts allocated towards the different RCEF component programs, that


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<sup>3</sup> Miraflores, M.B. (2020, July 27). *Do not obligate, disburse 65% of RCEF for this year*. Retrieved from <https://mb.com.ph/2020/07/27/dont-obligate-disburse-65-of-rcef-for-this-year/>

government agencies involved in the management and implementation of the Rice Fund shall submit annual reports to the COCAF, and that COCAF shall conduct an annual review of the use of the Rice Fund.

The goals of RCEF need to be achieved because the livelihood of Filipino rice farmers and the long-term sustainability of the Philippine rice sector depend on RCEF's success. The urgency of the situation becomes more pronounced against the backdrop of the country's decreasing rice self-sufficiency rate (95% in 2017 vs. 79.8% in 2019). In view of the foregoing, the immediate approval of this bill is earnestly sought.

  
MIKAELA ANGELA B. SUANSING  
1<sup>st</sup> District of Nueva Ecija

  
HORACIO P. SUANSING, JR.  
2<sup>nd</sup> District of Sultan Kudarat

**Republic of the Philippines**  
**HOUSE OF REPRESENTATIVES**  
**Quezon City**

**NINETEENTH CONGRESS**  
**First Regular Session**

House Bill No. 212

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**Introduced by Representatives**  
**MIKAELA ANGELA B. SUANSING and HORACIO P. SUANSING, JR.**

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**AN ACT**  
**AMENDING SECTION 13 OF REPUBLIC ACT NO. 11203, OTHERWISE KNOWN**  
**AS AN ACT LIBERALIZING THE IMPORTATION, EXPORTATION AND**  
**TRADING OF RICE, LIFTING FOR THE PURPOSE THE QUANTITATIVE**  
**IMPORT RESTRICTION ON RICE, AND FOR OTHER PURPOSES**

*Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:*

1 **SECTION 1.** Section 13 of Republic Act No. 11203 is hereby amended to read as follows:

2 "SEC. 13. *Rice Competitiveness Enhancement Fund.* – There is hereby created  
3 a Rice Competitiveness Enhancement Fund, herein referred to as the 'Rice  
4 Fund'. The Rice Fund shall consist of an annual appropriation of [Ten billion  
5 pesos (P10,000,000,000.00)] **FIFTEEN BILLION PESOS**  
6 **(P15,000,000,000.00)** [for the next six (6) years] following the approval of this  
7 Act and shall be automatically credited to a Special Account in the General  
8 Fund of the National Treasury which shall be in place within ninety (90) days  
9 upon the effectivity of this Act.

10 [At the end of the sixth (6th) year, a mandatory review shall be conducted by  
11 the Congressional Oversight Committee on Agricultural and Fisheries  
12 Modernization (COCAFMI) to determine whether the Rice Fund and its use as  
13 provided for under this Act shall be continued, amended, or terminated. The  
14 COCAFMI shall utilize the increase or decrease in farmers' incomes as a primary  
15 benchmark in determining the effectiveness of the interventions under the  
16 program and its possible extension.]

17 X X X

18 X X X

19 X X X

1 "Subject to the usual accounting and auditing rules and regulations, the Rice  
2 Fund shall be allocated and disbursed to rice producing areas, as follows:

3 "(a) Rice Farm Machineries and Equipment – [Fifty percent (50%)]  
4 **FIVE BILLION FIVE HUNDRED MILLION PESOS**  
5 **(P5,500,000,000.00)** of the Rice Fund shall be released to and  
6 implemented by the Philippine Center for Postharvest Development and  
7 Mechanization (PHilMech) as grant in kind to eligible farmers  
8 associations, registered rice cooperatives and local government units  
9 (LGUs), in the form of rice farm equipment, such as tillers, tractors,  
10 seeders, threshers, rice planters, harvesters, irrigation pumps, small solar  
11 irrigation, reapers, driers, millers, and the like, for purposes of  
12 improving farm mechanization: *Provided*, That the PHilMech shall,  
13 whenever feasible, procure from accredited local manufacturers to assist  
14 in the promotion of locally manufactured farm machineries and  
15 equipment;

16 **"(B) SUBSIDIES FOR OTHER ESSENTIAL FARM INPUTS –**  
17 **FIVE BILLION PESOS (P5,000,000,000.00) OF THE RICE FUND**  
18 **SHALL BE RELEASED TO AND IMPLEMENTED BY THE**  
19 **DEPARTMENT OF AGRICULTURE (DA) TO PROVIDE**  
20 **BENEFICIARIES OF THE RICE FUND WITH SUBSIDIES FOR**  
21 **OTHER ESSENTIAL FARM INPUTS, SUCH AS FERTILIZERS**  
22 **AND OTHER CHEMICALS;**

23 **"[(b)] (C) Rice Seed Development, Propagation and Promotion –**  
24 **[Thirty percent (30%)] THREE BILLION PESOS**  
25 **(P3,000,000,000.00)** of the Rice Fund shall be released to and  
26 implemented by the Philippine Rice Research Institute (PhilRice) and  
27 shall be used for the development, propagation and promotion of inbred  
28 rice seeds to rice farmers and the organization of rice farmers into seed  
29 growers associations and/or cooperatives engaged in seed production  
30 and trade;

31 **"[(c)] (D) Expanded Rice Credit Assistance – [Ten percent (10%)]**  
32 **FIVE HUNDRED MILLION PESOS (P500,000,000.00)** of the Rice  
33 Fund shall be made available in the form of credit facility with minimal  
34 interest rates and with minimum collateral requirements to rice farmers  
35 and cooperatives, to be managed equally by the Land Bank of the  
36 Philippines (LBP) and the Development Bank of the Philippines (DBP);  
37 and;

38 **"[(d)] (E) Rice Extension Services – [Ten percent (10%)] ONE**  
39 **BILLION PESOS (P1,000,000,000.00)** of the Rice Fund shall be made  
40 available for the extension services provided by PHilMech, PhilRice,  
41 Agricultural Training Institute (ATI) and Technical Education and  
42 Skills Development Authority (TESDA) for teaching skills on rice crop  
43 production, modern rice farming techniques, seed production, farm  
44 mechanization, and knowledge/technology transfer through farm

1 schools nationwide as follows: seventy percent (70%) to TESDA, ten  
2 percent (10%) each to ATI, PhilRice and PhilMech.

3 *“Provided, That the [percentage allocation] AMOUNTS ALLOCATED will*  
4 *be reviewed BY THE CONGRESSIONAL OVERSIGHT COMMITTEE*  
5 *ON AGRICULTURAL AND FISHERIES MODERNIZATION*  
6 *(COCAF~~M~~) on the third year of the effectivity of this Act, AND EVERY*  
7 *YEAR THEREAFTER, for possible revisions should intervention priorities*  
8 *change.*

9 X X X

10 *“Provided furthermore, That if the annual tariff revenues from rice importation*  
11 *exceeds [Ten billion pesos (P10,000,000,000.00)] FIFTEEN BILLION*  
12 *PESOS (P15,000,000,000.00) in any given year [within the six (6) year period]*  
13 *following the effectivity of this Act, the excess tariff revenues shall be*  
14 *earmarked by Congress and included in the General Appropriations Act (GAA)*  
15 *of the following year:*

16 (a) X X X

17 (b) X X X

18 (c) X X X

19 (d) X X X

20 **“THE DEPARTMENT OF FINANCE, THE BUREAU OF CUSTOMS**  
21 **AND THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL**  
22 **SUBMIT TO THE CONGRESSIONAL OVERSIGHT COMMITTEE ON**  
23 **AGRICULTURAL AND FISHERIES MODERNIZATION (COCAF~~M~~)**  
24 **AN ANNUAL REPORT ON THE TARIFFS COLLECTED FROM RICE**  
25 **IMPORTS AND THE AMOUNT APPROPRIATED TO THE RICE**  
26 **FUND.**

27 **“THE DA, PHILMECH, PHILRICE, LBP, DBP, TESDA, AND ATI**  
28 **SHALL SUBMIT TO THE COCAF~~M~~ AN ANNUAL REPORT ON THE**  
29 **USE OF THE RICE FUND.**

30 *“The COCAF~~M~~ shall conduct [a periodic] AN ANNUAL review of the use of*  
31 *the Rice Fund. THE COCAF~~M~~ SHALL UTILIZE THE INCREASE OR*  
32 *DECREASE IN FARMERS’ INCOMES AS A PRIMARY BENCHMARK*  
33 *IN DETERMINING THE EFFECTIVENESS OF THE*  
34 *INTERVENTIONS UNDER THE RICE FUND.”*

35 **SEC. 2. *Separability Clause.* – If any portion of this Act is declared invalid or unconstitutional,**  
36 **the portions or provisions which are not affected shall continue to be in full force and effect.**

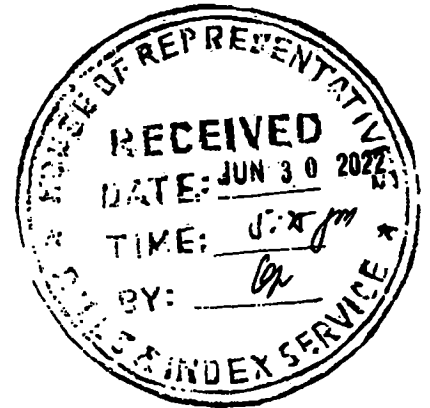
37 **SEC. 3. *Repealing Clause.* – All laws, decrees, executive issuances, rules and regulations**  
38 **inconsistent with this Act are hereby repealed or modified accordingly.**

- 1 **SEC. 4. *Effectivity.*** – This Act shall take effect fifteen (15) days from its publication in the
- 2 *Official Gazette* or in a newspaper of general circulation.
- 3 **Approved,**

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Batasan Hills, Quezon City

NINETEENTH CONGRESS  
First Regular Session

HOUSE BILL NO. 404



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Introduced by Honorable Representatives  
**ARLENE D. BROSAS** (Gabriela Women's Party),  
**FRANCE L. CASTRO** (ACT Teachers Partylist),  
and **RAOUL DANNIEL A. MANUEL** (Kabataan Partylist)

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**AN ACT REPEALING REPUBLIC ACT NO. 11203,  
ENTITLED, "AN ACT LIBERALIZING THE IMPORTATION, EXPORTATION AND  
TRADING OF RICE, LIFTING FOR THE PURPOSE THE QUANTITATIVE IMPORT  
RESTRICTION ON RICE, AND FOR OTHER PURPOSES"**

**EXPLANATORY NOTE**

In 2018, prior to the enactment of the Rice Tariffication Law, the local rice industry was a P386-billion productive sector in the country, or around one-fifth of the total gross value added in agriculture, and involved 3.8 million rice farmers cultivating 4.7 million hectares of land based on the Registry System for the Basic Sectors in Agriculture (RSBSA). The enactment of Republic Act 11203 or the Rice Tariffication Law, however, presents the single biggest threat to Filipino rice farmers, local rice production, consumers, and national food security based on self-sufficiency.

The former Duterte administration enacted the law, invoking it as a solution to the 2018 rice crisis when a kilo was over P50, and proponents of the law promised to pull them down to as low as P25 per kilo. Moreover, advocates of neoliberal policies such as liberalization repeatedly conjured that it was an overdue commitment to the World Trade Organization (WTO) to remove non-tariff measures such as the exclusive rights of the government via the National Food Authority (NFA) to import rice, its regulatory measure of procuring palay at a relatively higher farm gate price, liberalize or non-intervention in the local production through limited or token subsidies, and finally to allow the private sector totally profit in the trade and importation of rice.

Its immediate impact in 2020, after near two years of implementation:

	2018	2019	2020
Volume of production (million metric tons)	19.07	18.8	19.30
Value of production (billion P)	385	305	300.12
Ave. farm gate price per kilo (P)	20.19	16.22	15.55
Estimated losses based on 2018 farm gate prices and annual volume of production (billion P)		75	90
Volume of imported rice (million metric tons)	2.002	3.118	2.219
Retail price of regular-milled rice per kilo (P)	41.53	38.63	37.22

From February 2019 to 2020, rice farmers lost P165 billion (P75 billion plus P90 billion) due to depressed farm gate prices, and 3.8 million rice farmers suffered an average loss of P23,600. Farm gate prices continue to fall down, basically due to the influx of imported rice. Retail prices of regular-milled rice remained high or higher than the P27 per kilo of rice offered by the NFA, and the promise of P25 per kilo by the proponents was never realized.

Local rice farmers across the country have expressed their dissent against the law for many years due to clear and present reasons. Opposition to the law, during its deliberation, is now vindicated, and the promise of cheaper and affordable rice for poor families remains a blatant lie. Instead of fundamentally achieving national food security based on self-sufficiency, the Duterte administration pushed through with its band-aid solution policy of importation to beef up the national supply but failed to pull down retail prices. It even further lowered tariffs through Executive Order No. 135 in May 2021, from 40% to 34% for the Most Favored Nations (MFN).

From various reports of peasant organizations, farm gate prices of palay had plummeted to P10-15 per kilo in October 2020. It was recorded at P10-14 per kilo in the provinces of Nueva Ecija, Tarlac, Bulacan, Pangasinan, Isabela, Ilocos Sur, Mindoro, Bicol, Negros Occidental, Capiz, and Antique. Meanwhile, P11-15 per kilo in Agusan del Sur, Davao de Oro, Davao del Norte, South Cotabato, North Cotabato, Lanao del Norte, and Caraga. Farmers went bankrupt



for 2 to 3 croppings and blamed the Rice Tariffication Law. In 2021, the farm gate prices were far from P20 per kilo, the minimum level demanded by farmers. In Nueva Ecija, farmers lost around P20,000 to P30,000 per hectare due to low farm gate prices. The buying price dictated by the local traders did not even account for the mounting cost of production, usually triggered by costs of farm inputs, fuel for irrigation and transportation, and post-harvest services.


In the past years, rice farmers pleaded for production subsidies to at least cover their cost of production and losses. The P10-billion Rice Competitiveness Enhancement Fund (RCEF) provision of the law was a token, and a failure, as only a measly P1 billion was allotted for direct utilization of farmers in the form of credit, equipment, and seeds. Aiming to salvage the P386-billion sector with a budget of 0.25% of its value was a fallacy.

With the retail prices of rice remaining costly for poor families amid runaway inflation rates and oil prices, the significance of NFA subsidized retailing appears starkly. The price of regular-milled rice in 2021 was P42.12, and currently available in the market ranges from P38 to P50 per kilo. All are relatively higher than the P27 per kilo that the poor families usually buy to preserve the shrinking household incomes.


The removal of the NFA's function, primarily to stabilize farm gate and retail prices, was a backward step from achieving national food security and self-sufficiency. At present, those billions of pesos of losses endured by the rice farmers have been deemed profits of the private sector because the government has lost its regulatory instrument. In the name of liberalization, the majority poor population in the country, the farmers, and poor consumers were thrown into worsened states of bankruptcy, indebtedness, and hunger. The major agricultural sector has been undermined, affecting the rural population and the 10 million poor families who rely on NFA cheaper rice.

Peasant organizations branded the Republic Act 11203 or Rice Tariffication Law as worse than many times of natural calamities because this was man-made, unjust, and undemocratic. Its impact has now reached beyond the stakeholders but the general population. Congress must rectify it, and the first decisive measure is to repeal it.

In view of the foregoing, the approval of this bill is earnestly sought.



ARLENE D. BROSAS.  
Gabriela Women's Party



FRANCE L. CASTRO  
Act Teachers Partylist



RAOUL DANNIEL A. MANUEL  
Kabataan Partylist

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Batasan Hills, Quezon City

**NINETEENTH CONGRESS**  
First Regular Session

HOUSE BILL NO. 401

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Introduced by Honorable Representatives  
**ARLENE D. BROSAS (Gabriela Women's Party),**  
**FRANCE L. CASTRO (ACT Teachers Partylist),**  
and **RAOUL DANNIEL A. MANUEL (Kabataan Partylist)**

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**AN ACT REPEALING REPUBLIC ACT NO. 11203,  
OTHERWISE KNOWN AS THE "RICE TARIFFICATION LAW"**

*Be it enacted by the Senate and the House of Representatives of the Republic of the Philippines in Congress assembled:*

**Section 1.** Republic Act No. 11203, otherwise known as the "Rice Tariffication Law," is hereby repealed.

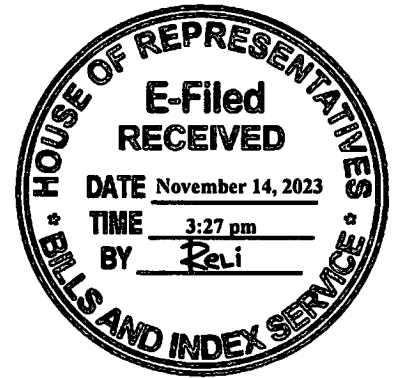
**Section 2.** All laws, jurisprudence, executive orders, executive issuances or letters of instruction, or any part thereof that are inconsistent with or contrary to the provisions of this Act are hereby deemed repealed, amended or modified accordingly.

**Section 3.** This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) national newspapers of general circulation.

Approved,



Republic of the Philippines  
**House of Representatives**  
Quezon City, Metro Manila



Nineteenth Congress  
Second Regular Session

HOUSE BILL NO. 9547

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**Introduced by Representative Rosanna V. Vergara**

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**EXPLANATORY NOTE**

This bill seeks to extend the period of implementation of the Rice Competitiveness Enhancement Fund by amending Republic Act (RA) No. 8178, as amended by RA Nos. 9496, 10848 and 11203, otherwise known as the "*Agricultural Tariffication Act*".

The rice tariffication law (RTL) has deregulated rice imports and replaced the system of quantitative restrictions. Alongside tariffication is the establishment of the Rice Competitiveness Enhancement Fund (RCEF), which is funded out of the rice tariff revenues for six (6) years for the benefit of rice farmers. At the end of the 6<sup>th</sup> year, a mandatory review shall be conducted to determine if there is a need to continue, amend, or terminate the RCEF.

The RCEF under RA 11203 guarantees an annual appropriation of Ten billion pesos (P10,000,000,000.00) for six years that shall be allocated and disbursed to rice producing areas in the following categories: rice farm machineries and equipment (50%), rice seed development, propagation and promotion (30%), expanded rice credit assistance (10%) and rice extension services (10%).

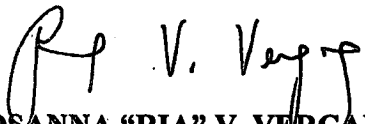
The tariffs collected from rice imports are reinvested back into the local rice industry through the annual P10-billion RCEF. The fund earmarks resources for the modernization of the agriculture sector and provides farmers with greater direct access to credit, high-quality seeds, agricultural machinery, and skills training on modern farming technologies. Rice farmers have also received P8.2 billion direct and unconditional cash aid from the 2019 to 2021 rice tariff collections in excess of P10 billion under the Rice Farmers Financial Assistance program.

The benefits that RCEF has contributed to the country's rice sector are clear. The rice farmers and other rice industry stakeholders have greatly benefitted in the form of rice farm machineries and equipment, rice seed, credit assistance and direct and unconditional cash aid.

Thus, the extension of the period of implementation of RCEF is necessary.

Further, the extension of RCEF will support the needs of the farmers to become more competitive in the global rice industry. The technology and modernization of rice farming will greatly benefit rice farmers to be more competitive with the quality and price of the rice they produce compared with imported rice.

In view of the foregoing, the approval of this bill is earnestly sought.

  
ROSANNA "RIA" V. VERGARA



Republic of the Philippines  
**House of Representatives**  
Quezon City, Metro Manila

Nineteenth Congress  
Second Regular Session

HOUSE BILL NO. 9547

---

Introduced by Representative Rosanna "RIA" V. Vergara

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**AN ACT**

**EXTENDING THE PERIOD OF IMPLEMENTATION OF THE RICE COMPETITIVENESS ENHANCEMENT FUND, AMENDING FOR THE PURPOSE REPUBLIC ACT (RA) NO. 8178, AS AMENDED BY RA NOS. 9496, 10848 AND 11203, OTHERWISE KNOWN AS THE "AGRICULTURAL TARIFFICATION ACT"**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

SECTION 1. Section 13 of Republic Act No. 8178, as amended, is hereby further amended to read as follows:

"SEC. 13. *Rice Competitiveness Enhancement Fund*. — There is hereby created a Rice Competitiveness Enhancement Fund, herein referred to as the '*Rice Fund*'. The Rice Fund shall consist of an annual appropriation of Ten billion pesos (P10,000,000,000.00) for the next [~~six-(6)~~] TWELVE (12) years following the approval of this Act and shall be automatically credited to a Special Account in the General Fund of the National Treasury which shall be in place within ninety (90) days upon the effectivity of this Act.

"At the end of the [~~sixth-(6th)~~] TWELFTH (12<sup>TH</sup>) year, a mandatory review shall be conducted by the Congressional Oversight Committee on Agricultural and Fisheries Modernization (COCAFAM) to determine whether the Rice Fund and its use as provided for under this Act shall be continued, amended, or terminated. The COCAFAM shall utilize the increase or decrease in

1 farmers' incomes as a primary benchmark in determining the effectiveness of the  
2 interventions under the program and its possible extension.

3 " xxx.

4 "xxx.

5 "Provided furthermore, That if the annual tariff revenues from rice  
6 importation exceeds Ten billion pesos (₱10,000,000,000.00) in any given year  
7 within the [~~six~~(6)] TWELVE (12) year period following the effectivity of this  
8 Act, the excess tariff revenues shall be earmarked by Congress and included in  
9 the General Appropriations Act (GAA) of the following year:

10 "(a) xxx

11 "xxx."

12 SEC. 2. All laws, decrees, executive orders, rules and regulations which are  
13 inconsistent with the provisions of this Act are hereby repealed, amended or modified  
14 accordingly.

15 SEC.3. This Act shall take effect fifteen (15) days after its publication in the *Official*  
16 *Gazette* or in a newspaper of general circulation.

17 Approved,