



DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
KAGAWARAN NG KAPALIGIRAN AT LIKAS NA 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 11203 OR THE "RICE TARIFFICATION LAW" FROM THE COMMITTEE ON AGRICULTURE AND FOOD OF THE HOUSE OF REPRESENTATIVES**

DATE : 03 May 2024

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 series of meetings from 06 May 2024 to 08 May 2024, Monday-Wednesday, 09:30 AM at Speaker De Venecia Hall, South Wing Annex (SWA) House of Representatives, Batasan Hills, Quezon City 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 **06 May 2024, at 5 PM** via email at 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, Matrix of the Bill, and the draft Substitute Bill for your reference.


ROMIROSE B. PADIN

cc: Undersecretary for Special Concerns and Legislative Affairs



COMMITTEE ON AGRICULTURE & FOOD

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03 May 2024

SECRETARY ANTONIA YULO- LOYZAGA
Department of Environment and Natural Resources (DENR)

Dear Secretary Loyzaga:

The Committee on Agriculture and Food will conduct a series of meetings to deliberate on the proposed substitute bill amending Republic Act No. 11203 or the Rice Tariffication Law (RTL), on the following dates:

- 1. May 6, 2024 (Monday)**
9:30 AM
Speaker De Venecia Hall, South Wing Annex
House of Representatives, Batasan Hills, Quezon City
- 2. May 7, 2024 (Tuesday)**
9:30 AM
Speaker Villar Hall, South Wing Annex
House of Representatives, Batasan Hills, Quezon City
- 3. May 8, 2024 (Wednesday)**
9:30 AM
Conference Rooms 3 & 4, G/F Ramon V. Mitra Building
House of Representatives, Batasan Hills, Quezon City

Your presence will be highly appreciated as your inputs will greatly help the Committee in its deliberation. Attached are copies of the matrix and proposed substitute bill.

Thank you and best regards.

Very truly yours,

A handwritten signature in black ink, appearing to read "W. Enverga", written over a horizontal line.

REP. WILFRIDO MARK M. ENVERGA
Chairperson

DEPARTMENT OF AGRICULTURE – MATRIX ON RA 11203 (as of May 3, 2024)

R.A. No. 11203	DA's Proposed Amendment	Rationale/Justification
<p>AN ACT LIBERALIZING THE IMPORTATION, EXPORTATION AND TRADING OF RICE, LIFTING FOR THE PURPOSE THE QUANTITATIVE IMPORT RESTRICTION ON RICE, AND FOR OTHER PURPOSES</p>		
<p><i>Be it enacted by the Senate and House of Representatives of the Philippine Congress Assembled:</i></p>		
<p>SECTION 1. Section 2 of Republic Act (R. A.) No. 8178. as amended, is hereby further amended to read as follows:</p> <p>"SEC. 2. <i>Declaration of Policy</i> - — It is the policy of the State to ensure food security and 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.</p>		
<p>SEC. 2. Section 3 of R. A. No. 8178. as amended is hereby further amended to read as follows:</p> <p>"SEC. 3. <i>Definition of Terms</i>. - The following definitions apply to the terms used in this Act:</p> <p>"(a) 'Agricultural products' shall refer to specific commodities classified under Chapters 1-24 of the Harmonized Commodity Description and Coding System (HS) adopted and used in</p>		

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R.A. No. 11203	DA's Proposed Amendment	Rationale/Justification
<p>Section 1611 of R. A. No. 10863, otherwise known as the "Customs Modernization and Tariff Act" (CMTA);</p> <p>"x xx</p> <p>"(c) 'ATIGA Rate' refers to tariff rate commitments under the ASEAN Trade in Goods Agreement (ATIGA) applicable to importations originating from Association of Southeast Asian Nations (ASEAN) member States;</p> <p>"(d) 'Bound rate' refers to the agreed maximum tariffs on products committed by the Philippines to the World Trade Organization (WTO) under the Uruguay Round Final Act, and under the ATIGA, in accordance with its tariff schedule (Annex 2: Tariffs under the ASEAN Trade in Goods Agreement (ATIGA)-PHILIPPINES);</p> <p>"(e) 'Buffer Stock' refers to the optimal level of rice inventory that shall be maintained at any given time to be used for emergency situations and to sustain the disaster relief programs of the government during natural or man-made calamities;</p> <p>"(f) 'In-Quota Tariff Rate' refers to the tariff rates for minimum access volumes committed by the Philippines to the</p>	<p>"(c) 'ATIGA Rate' refers to tariff rate commitments under the ASEAN Trade in Goods Agreement (ATIGA) applicable to importations originating from Association of Southeast Asian Nations (ASEAN) member States;</p>	

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<p>WTO under the Uruguay Round Final Act:</p> <p>"(g) 'Out-Quota Tariff Rate' refers to the higher rate of customs duty that is levied on the quantities of an imported agricultural product in excess of its minimum access volume (MAV);</p> <p>"(h) 'Minimum Access Volume' refers to the volume of a specific agricultural product that is allowed to be imported with a lower tariff as committed by the Philippines to the WTO under the Uruguay Round Final Act;</p> <p>"(i) 'Most Favoured Nation (MFN) Rate' refers to Philippine tariff rates that are applicable to imports from all sources as prescribed in the CMTA;</p> <p>"(j) 'Quantitative Import Restrictions' refer to non-tariff restrictions used to limit the amount of imported commodities, including, but not limited to discretionary import licensing and import quotas, whether qualified or absolute;</p> <p>"(k) 'Rice' refers to all products classified under the Harmonized Commodity Description and Coding System (HS) heading 10.06;</p>	<p>"(g) 'Out-Quota Tariff Rate' refers to the higher rate of customs duty that is levied on the quantities of an imported agricultural product in excess of its minimum access volume (MAV);</p>	

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<p>"(l) 'Rice Shortage' is a situation where the quantity available or the supply of the commodity in a market falls short of the quantity demanded or required at a given time;</p> <p>"(m) 'Tariff' refers to a tax levied on a commodity imported from another country. It earns revenues for the government and regarded as instruments to promote local industries by taxing their competitors. The benefit is accorded to the local producers by the maintenance of a domestic price at a level equal to the world price plus the tariff;</p> <p>"(n) 'Tariff Equivalent' refers to the rate of tariff that provides comparable protection under existing quantitative import restrictions, reflected by the average price gap between domestic prices and world prices; and</p> <p>"(o) 'Tariffication' refers to the lifting of all existing quantitative restrictions such as import quotas or prohibitions, imposed on agricultural products, and replacing these restrictions with tariffs."</p>		
<p>SEC. 3. Section 4 of R. A. No. 8178, as amended, hereby further amended to read as follows:</p>	<p>SEC. 3. Section 4 of RA No. 8178, as amended is hereby further amended to read as follows:</p>	<p>Under RA 8800, which is based on the Agreement on Safeguards under the World Trade Organization (WTO), a</p>

DEPARTMENT OF AGRICULTURE – MATRIX ON RA 11203 (as of May 3, 2024)

R.A. No. 11203	DA's Proposed Amendment	Rationale/Justification
<p>"SEC. 4. Repeal. - The following laws and all other laws or provisions of law prescribing quantitative import restrictions or granting government agencies the power to impose such restrictions on agricultural products or hindering the liberalization of the importation, exportation and trading of rice are hereby repealed.</p> <p>XX</p> <p>(8) Subparagraphs ,i v, vi, vi, xi, xi, xiii, xiv, xv, xvi, xvi, xvi, xi, xi, xxi, and xxv of Section 6(a) of Presidential Decree (P.D.) No. ,4 as amended.</p>	<p>"SEC. 4. Repeal – The following laws and all other laws or provisions of law prescribing quantitative import restrictions or granting government agencies the power to impose such restrictions on agricultural products or hindering the liberalization of the importation, exportation and trading of rice are hereby repealed, EXCEPT AS PROVIDED UNDER REPUBLIC ACT 8800 OR THE SAFEGUARD MEASURES ACT.</p>	<p>general safeguard duty can be imposed on imports on top of regular duties in the event of an import surge that causes serious injury to a domestic sector. In case the imposition of a safeguard duty is not able to arrest the import surge, a temporary reimposition of quantitative restrictions on imports is also authorized.</p> <p>Section 8 of RA 8800, which discusses provisional safeguard measures imposed by a department Secretary, provides: <i>"Such [safeguard] measure shall take the form of a tariff increase, either ad valorem or specific, or both, to be paid through a cash bond set at a level sufficient to redress or prevent injury to the domestic injury provided, however, that in the case of agricultural products where the tariff increase may not be sufficient to redress or to prevent serious injury to the domestic producers or producers, a quantitative restriction may be set."</i></p> <p>Section 13 of RA 8800, which talks about definitive measures following an investigation by the Tariff Commission, in turn provides that among the measures that can be taken is <i>"[a]modification or imposition of any quantitative restriction on the importation of the product into the</i></p>

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R.A. No. 11203	DA's Proposed Amendment	Rationale/Justification
		<p>Philippines”.</p> <p>However, the repeal provision in Article 4 of the RTL unilaterally removed the prerogative given to the government by RA 8800 and WTO rules to impose quantitative restrictions to address serious import surges, especially those than coincide with harvest periods, or where imports continue to flood local markets despite the imposition of safeguard duties.</p> <p>The provisions of RA 8800 include strict guidelines for validating the occurrence of an import surge, the existence of serious injury or threat thereof to a domestic sector, and a causal link between the import surge and injury to a sector. Hence, the temporary imposition of quantitative restrictions cannot be done arbitrarily nor can they be abused. However, the government must be able to legally avail of this trade remedy if and when it is needed and justified.</p>
<p>XX</p> <p>(8) Subparagraphs ,i v, vi, vi, xi, xi, xiii, xiv, xv, xvi, xvi, xi, xi, xxi, and xxv of Section 6(a) of Presidential Decree (P.D.) No. ,4 as amended.</p>	<p>Section [XX]: Restoration of Warehouse Registration and Monitoring Functions to the National Food Authority (NFA)</p> <p>The NFA shall exercise its authority to oversee and ensure compliance with all pertinent standards and regulations, leveraging its established expertise</p>	<p>The proposed restoration of warehouse registration and monitoring functions to the National Food Authority (NFA) is predicated on the need for an integrated and centralized system for the oversight of the nation's essential grains reserves. The NFA's historical experience, established infrastructure, and proven</p>

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	<p>and nationwide network to uphold the national interest in rice buffer stocking and food security.</p> <p>Furthermore, the NFA is hereby empowered to:</p> <ol style="list-style-type: none"> 1. Require the registration of all grains warehouses and maintain a national database of such registrations. 2. Inspect warehouses as necessary to ensure compliance with standards related to rice quality and supply. 3. Collect and analyze data on rice trade activities for informed policy and operational decisions. <p>Provided, however, that in restoring these functions to the NFA, the existing human and financial resources, as well as the operational capabilities of the BPI and FDC in food safety regulation and enforcement, shall be duly considered to ensure that their regulatory mandates are carried out effectively and without disruption.</p>	<p>competency in managing grain stocks make it the optimal agency to oversee these critical functions.</p> <p>As a steward of national food security, the NFA possesses the requisite knowledge and logistical networks to enforce standards, maintain quality control, and ensure transparency in rice stockpiling and distribution. The direct oversight of warehouses and trade agents by the NFA will streamline processes, reduce bureaucratic fragmentation, and enhance the government's capacity to respond promptly to market fluctuations and emergencies.</p> <p>Further, the consolidation of these functions under the NFA's umbrella will allow for better coordination with local and national agencies to address issues such as hoarding, price manipulation, and supply chain inefficiencies, which are detrimental to both consumers and legitimate market players.</p> <p>This restoration also aligns with international best practices, where dedicated agencies oversee key aspects of national commodity markets to protect against disruptive market behaviors and to assure consistent food availability. It reflects a commitment to</p>

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R.A. No. 11203	DA's Proposed Amendment	Rationale/Justification
	<p>Section (XX). Reinstatement of Price Stabilization and Supply Regulation Functions to the National Food Authority (NFA)</p> <p>The NFA shall:</p> <ol style="list-style-type: none"> 1. Act as the primary agency responsible for ensuring the stability of rice supply and prices in the domestic market. 2. Implement policy and operational measures that effectively stabilize rice supply and prices, especially during periods of shortage, surplus, or significant price fluctuations. 3. Manage the country's rice buffer stocks strategically to address immediate and forecasted needs and to intervene in the market when necessary to stabilize prices. 4. Coordinate with relevant government agencies to monitor rice supply and demand dynamics and to prevent 	<p>bolstering the agricultural sector's resilience, particularly for rice, which is a staple food in the Philippines and a significant agricultural product.</p> <p>By reinstating these functions to the NFA, the Philippines will ensure a coherent approach to rice stock management and food security, which is crucial for the well-being of the Filipino people and the stability of the agricultural economy."</p> <p>In recognition of the crucial role of the National Food Authority (NFA) in ensuring the stability of rice supply and prices in the country, and in accordance with the principles laid down in the amended Presidential Decree No. 4, enacted in 1972, the functions related to the stabilization of rice supply and prices are hereby restored to the NFA.</p> <p>The National Food Authority (NFA) has historically played a pivotal role in the stabilization of rice prices and the regulation of rice supply within the Philippines. Its broad network and expertise have been instrumental in managing the balance between price affordability for consumers and fair market value for producers. In light of fluctuating global markets, unpredictable weather patterns affecting</p>

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	<p>hoarding, profiteering, and other practices that could destabilize market conditions.</p> <p>5. Engage in focus/targeted rice trading activities as may be necessary to fulfil its mandate, subject to existing laws and regulations on government procurement and trading.</p>	<p>harvests, and the socio-economic imperatives of food security, there is a compelling need to re-equip the NFA with the mandate to stabilize prices and regulate the rice supply chain.</p> <p>Restoration of these functions is not only about reverting to previous practices but adapting a time-tested framework to contemporary realities. The resurgence of these functions under the NFA's remit will ensure that the Philippines can effectively mitigate the risks of supply shocks, price volatility, and safeguard the livelihoods of millions of Filipinos dependent on rice for sustenance and income.</p> <p>Moreover, the global experience has shown that targeted interventions by dedicated agencies can alleviate the effects of market imperfections, especially in essential commodity markets like rice. The NFA's re-empowerment is a strategic response to the need for a resilient agricultural sector, capable of withstanding the pressures of domestic and international economic uncertainties.</p> <p>This restoration aligns with the country's commitment to achieving self-sufficiency and long-term food security, as outlined in national development plans and international commitments. It</p>

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		<p>also resonates with the state's obligation to protect its most vulnerable populations from the volatilities of an increasingly interconnected global food system</p>
<p>SEC. 4. A new Section 5 is hereby inserted after Section 4 of R. A. No. 8178, as amended, to read as follows:</p> <p>"SEC. 5. Issuance of Sanitary and Phytosanitary Import Clearance for Rice for the Sole Purpose of Ensuring Food Safety. - All importers of rice are required to secure a Sanitary and Phytosanitary Import Clearance (SPSIC) from the Bureau of Plant Industry (BPI) prior to importation in accordance with existing laws, rules and regulations: Provided, That the clearance shall not provide for import volume and timing restrictions: Provided, further, That failure on the part of the BPI to release the SPSIC without informing the rice importer of any error, deficiency, omission, or additional documentary requirement shall mean automatic approval of the SPSIC applied for within seven (7) days after submission of the complete requirements.</p> <p>"The imported rice should arrive before the expiration of the SPSIC from the</p>	<p>SEC. 4. A new Section 5 6 is hereby inserted after THE NEW SECTION 5 Section 4 of R. A. No. 8178, as amended, to read as follows:</p> <p>"SEC. 5. <i>Issuance of Sanitary and Phytosanitary Import Clearance for Rice for the Sole Purpose of Ensuring Food Safety.</i> - All importers of rice are required to secure a Sanitary and Phytosanitary Import Clearance (SPSIC) from the Bureau of Plant Industry (BPI) prior to importation in accordance with existing laws, rules and regulations: <i>Provided</i>, That the clearance shall not provide for import volume and — timing restrictions: <i>Provided, further</i>, That failure on the part of the BPI to release the SPSIC without informing the rice importer of any error, deficiency, omission, or additional documentary requirement shall mean automatic approval of the SPSIC applied for within seven (7) days after submission of the complete requirements.</p> <p>"The imported rice should arrive before the expiration of the SPSIC from the BPI DATE INDICATED IN THE SPSIC</p>	<p>It is suggested to remove the term "and timing" to allow tighter control of arrivals during harvest season.</p>

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R.A. No. 11203	DA's Proposed Amendment	Rationale/Justification
<p>BPI.</p> <p>"The food safety regulatory function of the NFA under Item (i), Section 16 of R. A. No. 10611, otherwise known as the 'Food Safety Act of 2013'.lawphil is hereby transferred to the BPI."</p>	<p>ISSUED BY THE BPI, AFTER WHICH THE SPSIC SHAL BE CONSIDERED EXPIRED.</p> <p>"THE BPI SHALL IMPOSE APPROPRIATE FEES AND MEASURE IN CASES OF LOW AND NON-UTILIZATION OF ISSUED SPSIC TO ENSURE TIMELY ARRIVAL OF IMPORTED RICE."</p> <p>"The food safety regulatory function of the NFA under Item (i), Section 16 of R. A. No. 10611, otherwise known as the 'Food Safety Act of 2013', is hereby transferred to the BPI</p> <p>"SEC. 6. STRENGTHENING THE REGULATORY FUNCTION OF THE DEPARTMENT OF AGRICULTURE-</p> <p>A. THE BPI SHALL HAVE THE AUTHORITY TO INSPECT IN RELATION TO SANITARY AND PHYTOSANITARY STANDARDS AND FOOD SAFETY OF THE WAREHOUSES WHERE THE LOCAL MARKET PLAYERS (I.E. PADDY TRADERS, MILLERS, WHOLESALERS, AND RETAILERS) AND IMPORTERS STORE OR KEEP THEIR MILLED RICE;</p> <p>B. THE DA INSPECTORATE AND ENFORCEMENT SHALL HAVE THE</p>	<p><i>On Strengthening the Regulatory Function DA</i></p> <p>There is a need to strengthen the regulatory function of the BPI relative to sanitary and phytosanitary standards and food safety.</p> <p>After the regulatory functions of the NFA were removed, the BPI remained limited in its manpower to do the inspections and implementation of food safety functions.</p> <p>In addition, the BPI is continuously encouraging Food Business Operators (FBOs), rice retailers included, to have their businesses undergo training in order to be licensed/registered. These licensed FBOs, warehouses, etc. should then be mapped by the DA ICTS in order for DA to have a real-time inventory of rice nationwide.</p> <p><i>On Conduct of Regular Inspection.</i></p>

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R.A. No. 11203	DA's Proposed Amendment	Rationale/Justification
	<p align="center">AUTHORITY TO ASSIST BPI IN CONDUCTING REGULAR AND UNSCHEDULED INSPECTIONS OF AGRICULTURAL FACILITIES, FARMS, AND RELATED ENTITIES TO ENSURE COMPLIANCE WITH HEALTH, SAFETY AND ENVIRONMENTAL STANDARDS.</p>	<p>Expanding the inspection capabilities of the BPI and the DA Inspectorate is fundamental to maintaining high standards of food safety and regulatory compliance within the agricultural sector, ultimately safeguarding public health and supporting the stability and fairness of the agricultural market</p>
<p>SEC. 5. Section 6 of R. A. No. 8178, as amended, is hereby further amended to read as follows:</p> <p>"SEC. 6. <i>Tariffication.</i> - In lieu of quantitative import restrictions, the maximum bound rates committed under the Uruguay Round Final Act shall be imposed on the agricultural products whose quantitative import restrictions are repealed by this Act. xxx.</p> <p>"x xx</p> <p>"For the tariff equivalent of the quantitative import restrictions on rice, the bound rate shall be as notified by the Philippines to the WTO as follows:</p> <p>"(a) For the minimum access volume committed by the Philippines to WTO. the in-quota tariff rate indicated in the applicable provisions of the WTO</p>		

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R.A. No. 11203	DA's Proposed Amendment	Rationale/Justification
<p>Agreement on Agriculture shall apply;</p> <p>"(b) For rice imports originating from ASEAN member states, the import duty rate under the ATIGA shall apply; and</p> <p>"(c) For rice imports originating from non-ASEAN WTO member states, the out-quota tariff rate is one hundred eighty percent (180%) or the tariff equivalent calculated in accordance with Paragraph 10 of Annex 5, Section b, of the WTO Agreement on Agriculture upon the expiration of the waiver relating to the special treatment for rice of the Philippines, whichever is higher, shall apply.</p> <p>"The calculated tariff equivalent shall be determined by the Tariff Commission and approved by the National Economic Development Authority (NEDA) Board within forty-five (45) days upon the effectivity of this Act."</p>		
<p>SEC. 6. A new Section 7 is hereby inserted after Section 6 of R. A. No. 8178, as amended, to read as follows:</p> <p>"SEC. 7. Powers of the President. -</p>		

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R.A. No. 11203	DA's Proposed Amendment	Rationale/Justification
<p>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:</p> <p>"(a) The President may increase, reduce, revise, or adjust existing rates of import duty up to the bound rate committed by the Philippines under the WTO Agreement on Agriculture and under the ATIGA, including any necessary change in classification applicable to the importation of rice: Provided, That the power herein delegated to the President shall only be exercised when Congress is not in session: Provided, further, That any order issued by the President adjusting the applied tariff rates shall take effect fifteen (15) days after publication;</p> <p>"(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</p>		

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R.A. No. 11203	DA's Proposed Amendment	Rationale/Justification
<p>immediately and can only be issued when Congress is not in session; and</p> <p>"(c) In case the calculated out-quota tariff rate referred to under Section 6(c) of this Act exceeds one hundred percent (100%), the provision of Paragraph 1, Section 1608(a) of the CMTA shall also not apply.</p> <p>"The power herein delegated to the President may be withdrawn or terminated by Congress through a Joint Resolution."</p>		
<p>SEC. 7. A new Section 7-A is hereby inserted after the new Section 7 of R. A. No. 8178, as amended, to read as follows:</p> <p>"SEC. 7-A. Trade Negotiation Authority. - In the interest of the Philippine rice industry and Philippine consumers, and upon the recommendation of the NEDA and the Department of Agriculture (DA), the President may enter into trade negotiations or renegotiations of the Philippine international trade commitments on rice."</p>		
<p>SEC. 8. A new Section 8 is hereby inserted after the new Section 7-A of R. A. No. 8178. as amended, to read as follows:</p> <p>"SEC. 8. Maintenance of Rice Buffer Stock. - The NFA shall, in accordance</p>	<p>SEC. 8. A new Section 8 is hereby inserted after the new Section 7-A of R. A. No. 8178. as amended, to read as follows:</p> <p>"SEC. 8. <i>Maintenance of Rice Buffer Stock.</i> -The NFA shall, in accordance with the</p>	<p>It is suggested that NFA be allowed to</p>

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<p>with the rules, regulations and procedures to be promulgated, maintain sufficient rice buffer stock to be sourced solely from local farmers."</p>	<p>rules, regulations and procedures to be promulgated, maintain sufficient rice buffer stock to be sourced from farmers AND/OR FARMERS ORGANIZATIONS/ ASSOCIATIONS/COOPERATIVES.</p> <p>FURTHERMORE, THE NFA SHALL BE AUTHORIZED TO PURCHASE LOCAL MILLED RICE AS NECESSARY TO FULFIL ITS MANDATE, SUBJECT TO EXISTING LAWS, GOVERNMENT RULES AND REGULATIONS.</p> <p>IN CASE THESE ALTERNATIVE SUPPLY ARRANGEMENTS ARE NOT SUFFICIENT, THE NFA SHALL BE GIVEN THE OPTION TO PURCHASE XX PERCENT OF THE RICE BROUGHT IN BY ACCREDITED IMPORTERS AT THE CIF LANDED PRICE DECLARED BY THE IMPORTER BASED ON CUSTOM DOCUMENTS. SUCH PROPORTION BEING ADEQUATE AND SUFFICIENT TO ADDRESS THE MINIMUM BUFFER STOCK REQUIREMENTS OR IN CASE OF EXTRAORDINARY CIRCUMSTANCES, AS MUCH AS TO ADDRESS THE NEEDED BUFFER STOCK REQUIREMENTS.</p> <p>AS A FINAL RECOURSE, THE NFA SHALL BE GRANTED THE AUTHORITY TO DIRECTLY IMPORT RICE, SUBJECT TO EXPLICIT AUTHORIZATION FROM THE SECRETARY OF THE DEPARTMENT OF</p>	<p>secure its buffer stocks through alternative schemes, aside from direct procurement from local farmers.</p> <p>NFA may be unable to accumulate sufficient buffer stocks if trader prices are above the agency's buying price. However, RTL bars NFA from importing rice. In these instances, the agency should be allowed to secure any buffer stock shortfall through biddings or other supply arrangements, but only with local farmers and/or their accredited organizations. Another option would be rice buffer stock being sourced from other countries through government-to-government arrangement.</p>

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R.A. No. 11203	DA's Proposed Amendment	Rationale/Justification
	<p>AGRICULTURE. THIS AUTHORITY IS TO BE EXERCISED SOLELY IN CIRCUMSTANCES WHERE DOMESTIC SUPPLY DEFICITS NECESSITATE SUCH IMPORTS TO STABILIZE THE NATIONAL RICE SUPPLY AND MAINTAIN THE OPTIMAL BUFFER STOCK.</p> <p>NOTWITHSTANDING THE FOREGOING, PRIORITY SHALL BE UNEQUIVOCALLY GIVEN TO LOCAL PRODUCTION.</p>	
<p>SEC. 9. A new Section 9 is hereby inserted after the new Section 8 of R. A. No. 8178. as amended, to read as follows:</p> <p>"SEC. 9. Lifting of Quantitative Export Restrictions on Rice — Any and all laws, rules, regulations, guidelines, and other issuances imposing quantitative export restrictions on rice are hereby repealed. The exportation of rice shall be allowed in accordance with the established redes, regulations and guidelines."</p>	<p>SEC. 9. A new Section 9 is hereby inserted after the new Section 8 of R. A. No. 8178. as amended, to read as follows:</p> <p>"SEC. 9. Lifting of Quantitative Export Restrictions on Rice — Any and all laws, rules, regulations, guidelines, and other issuances imposing quantitative export restrictions on rice are hereby repealed EXCEPT IN CASES OF FOOD SECURITY EMERGENCIES AS DETERMINED BY THE SECRETARY OF AGRICULTURE. The exportation of rice shall be allowed in accordance with the established redes, regulations and guidelines."</p>	<p>It is proposed to integrate the "food security emergencies" as an exemption to this provision. Given that an overarching goal of the DA is to achieve food security, it is deemed necessary to allow intervention for such periods of declared food security emergencies.</p>
<p>SEC. 10. A new Section 10 is hereby inserted after the new Section 9 of R. A. No. 8178, as amended, to read as follows:</p> <p>"SEC. 10. Special Rice Safeguard. - In order to protect the Philippine rice industry from sudden or extreme price fluctuations, a</p>		

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<p>special safeguard duty on rice shall be imposed in accordance with R.A. No. 8800, otherwise known as the 'Safeguard Measures Act' and its implementing rules and regulations."</p>		
<p>SEC. 11. Section 7 of R. A. No. 8178. as amended, is hereby renumbered as Section 11 and is amended to read as:</p> <p>"SEC. 11. <i>Mechanism for the Implementation of Minimum Access Volume (MAV).</i> - An equitable and transparent mechanism for allocating the MAV of agricultural products whose quantitative restrictions are herein lifted, shall be developed and established, having the least government intervention, addressing the requirements of each geographical area, and without entailing any cost to importers/users of these products to the detriment of local consumers and other end-users.</p> <p>"In the case of rice, its MAV will revert to its 2012 level at three hundred fifty thousand metric tons (350,000 MT) as indicated in the Philippine commitment to the WTO.</p> <p>"x xx."</p>		
<p>SEC. 12. Section 8 of R. A. No. 8178. as amended, is hereby renumbered as Section 12 and is amended to read as follows:</p> <p>"SEC. 12. <i>Agricultural Competitiveness</i></p>		

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<p><i>Enhancement Fund.</i> - To implement the policy enunciated in this Act, there is hereby created the Agricultural Competitiveness Enhancement Fund, herein referred to as the Fund. The Fund shall consist of all duties collected from the importation of agricultural products, except rice, under the MAV mechanism, including unused balances and collections from repayments from loan beneficiaries including interests, if any. The Fund shall be automatically credited to Special Account 183 in the General Fund of the National Treasury: <i>Provided</i>, That fund releases shall not be subject to any ceiling by the Department of Budget and Management (DBM).</p> <p>"x xx."</p>		
<p>SEC. 13. A new Section 13 is hereby inserted after the renumbered Section 12 of R. A. No. 8178, as amended, to read as follows:</p> <p>"SEC. 13. <i>Rice Competitiveness Enhancement Fund.</i> - 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</p>	<p>SEC. 13. A new Section 13 is hereby inserted after the renumbered Section 12 of R. A. No. 8178, as amended, to read as follows:</p> <p>"SEC. 13. <i>Rice Competitiveness Enhancement Fund.</i> - There is hereby created a Rice Competitiveness Enhancement Fund, herein referred to as the 'Rice Fund'. THAT THE SAID RICE FUND SHALL BE EXTENDED FOR ANOTHER FIVE (5) YEARS UPON</p>	<p>It is suggested that the RCEF implementation be extended at least until 2030 to sustain its impact on</p>

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<p>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.</p> <p>"At the end of the sixth (6th) year, a mandatory review shall be conducted by the Congressional Oversight Committee on Agricultural and Fisheries Modernization (COCAFm) to determine whether the Rice Fund and its use as provided for under this Act shall be continued, amended, or terminated. The COCAFm shall utilize the increase or decrease in farmers' incomes as a primary benchmark in determining the effectiveness of the interventions under the program and its possible extension.</p> <p>"The Secretary of Agriculture shall be accountable and responsible for the Rice</p>	<p>APPROVAL OF THIS ACT. The Rice Fund shall consist of an annual appropriation of FIFTEEN BILLION PESOS (15,000,000,000.00) for the next six (6) FIVE (5) years following the approval of this Act and shall be automatically credited to a Special Account in the General Fund of the National Treasury shall be in place within ninety (90) days upon the effectivity of this Act.</p> <p>"THE PRESIDENT, THROUGH THE RECOMMENDATION OF THE SECRETARY OF AGRICULTURE, AFTER THE RECOMMENDATION OF THE PROGRAM STEERING COMMITTEE, IN REFERENCE TO PARAGRAPH 5 OF THIS SECTION, MAY REALLOCATE THE RICE FUND COMPONENT.</p> <p>"At the end of the sixth (6th) FIFTH (5TH) year, a mandatory review shall be conducted by the Congressional Oversight Committee on Agricultural and Fisheries Modernization (COCAFm) to determine whether the Rice Fund and its use as provided for under this Act shall be continued, amended, or terminated. The COCAFm shall utilize the increase or decrease in farmers' incomes as a primary benchmark in determining the effectiveness of the interventions under the program and its possible extension.</p>	<p>enhancing the livelihood of our rice farmers, ensuring food security, and attaining a globally competitive rice industry.</p>

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<p>Fund in coordination with other government agencies concerned. <i>lâwphil</i></p> <p>"The amount allocated shall be released directly to the implementing agencies as provided for in this Act based on the objectives and plans of the rice industry roadmap: <i>Provided</i>, That the unutilized portion of the Rice Fund allocated to the implementing agencies shall not revert to the General Fund but shall continue to be used for the purpose for which it was set aside. Fund releases charged against the Rice Fund shall not be subject to any ceiling by the Department of Budget and Management (DBM).</p> <p>"Any program undertaken in accordance with this Act shall only be deemed complementary and supplementary to and shall not be a replacement of any existing programs for rice and rice farmers already implemented by the DA and other agencies concerned.</p> <p>"Subject to the usual accounting and auditing rules and regulations, the Rice Fund shall be allocated and disbursed to rice producing areas, as follows:</p> <p align="center">"(a) Rice Farm Machineries and Equipment – Fifty percent (50%) of the Rice</p>	<p>"The Secretary of Agriculture shall be accountable and responsible for the Rice Fund in coordination with other government agencies concerned.</p> <p>"The amount allocated shall be released directly to the implementing agencies as provided for in this Act based on the objectives and plans of the rice industry roadmap: <i>Provided</i>, That the unutilized portion of the Rice Fund allocated to the implementing agencies shall not revert to the General Fund but shall continue to be used for the purpose for which it was set aside. Fund releases charged against the Rice Fund shall not be subject to any ceiling by the Department of Budget and Management (DBM).</p> <p>"Any program undertaken in accordance with this Act shall only be deemed complementary and supplementary to and shall not be a replacement of any existing programs for rice and rice farmers already implemented by the DA and other agencies concerned.</p> <p>"Subject to the usual accounting and auditing rules and regulations, the Rice Fund shall be allocated and disbursed to rice producing areas, as follows:</p> <p align="center">"(a) Rice Farm Machineries and</p>	

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<p>Fund shall be released to and implemented by the Philippine Center for Postharvest Development and Mechanization (PHilMech) as grant in kind to eligible farmers associations, registered rice cooperatives and local government units (LGUs), in the form of rice farm equipment, such as tillers, tractors, seeders, threshers, rice planters, harvesters, irrigation pumps, small solar irrigation, reapers, driers, millers, and the like, for purposes of improving farm mechanization: <i>Provided</i>, That the PHilMech shall, whenever feasible, procure from accredited local manufacturers to assist in the promotion of locally manufactured farm machineries and equipment;</p> <p>"(b) Rice Seed Development, Propagation and Promotion – Thirty percent (30%) of the Rice Fund shall be released to and implemented by the Philippine Rice Research Institute (PhilRice) and shall be used for the development, propagation and promotion of inbred rice seeds to rice farmers and the organization of rice farmers into seed growers associations and/or cooperatives engaged in seed production and trade:</p>	<p>Equipment Fifty Percent (50%) of the Rice Fund shall be released to and implemented by the Philippine Center for Postharvest Development and Mechanization (PHilMech) as grant in kind to eligible farmers associations, registered rice cooperatives, and local government units (LGUs), in the form of rice farm equipment, such as tillers, tractors, seeders, threshers, rice planters, harvesters, irrigation pumps, small solar irrigation, reapers, driers, millers, and the like, for purposes of improving farm mechanization:</p> <p><i>Provided</i>, That the PHilMech shall, whenever feasible, procure from accredited local manufacturers to assist in the promotion of locally manufactured farm machineries and equipment.</p> <p>PROVIDED FURTHER, THE SCOPE OF THE RCEF MECHANIZATION COMPONENT IS EXPANDED TO INCLUDE THE CONSTRUCTION AND ENHANCEMENT OF POSTHARVEST AND PROCESSING FACILITIES. THIS INCLUDES, BUT IS NOT LIMITED TO, WAREHOUSES, GRAIN STORAGE FACILITIES, DRYING FACILITIES, AND PROCESSING FACILITIES.</p> <p>"(b) Rice Seed Development, Propagation and Promotion – Thirty</p>	<p>The expansion of the RCEF mechanization component to include these facilities is aligned with broader agricultural development goals, contributing to increased productivity, higher quality produce, economic resilience, and enhanced competitiveness of the rice sector.</p> <p>On Seeds Component:</p>

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<p>"(c) Expanded Rice Credit Assistance – Ten percent (10%) of the Rice Fund shall be made available in the form of credit facility with minimal interest rate-s and with minimum collateral requirements to rice farmers and cooperatives, to be managed equally by the Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP); and</p> <p>"(d) Rice Extension Services – Ten percent (10%) of the Rice Fund shall be made available for the extension services provided by PHilMech. PhilRice. Agricultural Training Institute (ATI) and Technical Education and Skills Development Authority (TESDA) for teaching skills on rice crop production, modern rice farming techniques, seed production, farm mechanization, and knowledge/technology transfer through farm schools nationwide as follows: seventy percent (70%) to TESDA, ten percent (10%)</p>	<p>percent (30%) of the Rice Fund shall be released to and be implemented by the Philippine Rice Research Institute (PhilRice) and which shall be used for the development, propagation, promotion AND DISTRIBUTION of inbred PREFERRED rice seeds to CLUSTERED rice farmers. FURTHERMORE, THE RICE FUND SHALL ALSO BE USED BY PHILRICE FOR THE CONTINUEDand the organization of rice seed growers associations and/or cooperatives engaged in seed production and trade.</p> <p>“THE PREFERRED RICE SEEDS TO BE DISTRIBUTED SHALL DEPEND ON FARMER’S CHOICE OF EITHER INBRED SEEDS AND/OR LOCALLY PRODUCED PUBLIC HYBRID RICE SEEDS.”</p> <p>FURTHER, A SPECIFIED PORTION OF THE RCEF SEED IS HEREBY ALLOCATED TO THE BPI FOR THE PURPOSE OF ENHANCING THE SEED CERTIFICATION SYSTEM CRITICAL TO PROVIDING FARMERS WITH HIGH-QUALITY SEEDS.</p> <p>"(c) Expanded Rice Credit Assistance – Ten percent (10%) SIX PERCENT (6%) of the Rice Fund shall be made available in the form of credit facility with minimal interest rate-s and with minimum collateral requirements to rice farmers</p>	<p>Provision of higher-yielding seed varieties (hybrid rice seeds) is also recommended not just on inbred rice seeds. When compared to inbred rice, farmers planting hybrid rice seeds were found to have significantly higher yield and profitability. Notably, studies have found that hybrid seeds have remarkable performance during the dry season. Thus, it is suggested that the distribution of hybrid rice seeds be included as part of the Seed Component. Similarly, it is suggested that hybrid rice seeds be considered with support services under the Extension Services and Credit Assistance Components to provide farmers the opportunity to select the preferred seeds for planting.</p>

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<p>each to ATI, PhilRice and PHilMech.</p>	<p>and cooperatives, to be managed equally by the Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP)</p> <p><u>FURTHER, THE CREDIT ASSISTANCE COMPONENT OF RCEF SHALL OPERATE AS A REVOLVING FUND, WITH THE PRINCIPAL AND INTEREST PAYMENTS ON LOANS MADE FROM THE FUND TO BE RE-DEPOSITED INTO THE FUND AND MADE AVAILABLE FOR NEW LOANS TO ELIGIBLE BENEFICIARIES.</u></p> <p><u>"(d) Rice Extension Services — Ten percent (10%) SIX PERCENT (6%) of the Rice Fund shall be made available for the extension services provided by PHilMech, PhilRice AND Agricultural Training Institute (ATI) and Technical Education and Skills Development Authority (TESDA) for teaching skills on rice crop production, modern rice farming techniques, seed production, farm mechanization, and knowledge/technology transfer through farm schools nationwide as follows: seventy percent (70%) to TESDA, ten percent (10%) each to ATI, PhilRice and PHilMech <u>FIFTY PERCENT (50%) TO ATI, TWENTY FIVE PERCENT (25%) TO PHILMECH, AND TWENTY FIVE PERCENT (25%) TO PHILRICE.</u></u></p>	<p>On Training and Extension Component:</p> <p>It is suggested to remove the TESDA as one of the implementing agencies under this component. The RTL allocated the bulk of the extension services budget (70%) to TESDA, which is not a DA-attached agency. It is the Agricultural Training Institute (ATI), which has the primary responsibility for designing and undertaking agricultural training and extension programs for farmers and the rice industry as a whole. The ATI can always mobilize other agencies -- such as TESDA -- to implement specific programs and tasks in accordance with its overall training and extension strategy and program, and not the other way around.</p>

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<p><i>"Provided,</i> That the percentage allocation will be reviewed on the third year of the effectivity of this Act for possible revisions should intervention priorities change.</p> <p><i>"Provided, further;</i> That preferential attention should be given to rice farmers, cooperatives and associations adversely affected by the tariffication of the quantitative import restriction on rice in accordance with the thrust and priorities of R. A. No. 8435, as amended, otherwise known as the 'Agriculture and Fisheries Modernization Act' and the Philippine Development Plan (PDP). The increase or decrease of farmers' incomes shall be the primary benchmark in granting these interventions.</p> <p><i>"Provided, furthermore,</i> That if the annual tariff revenues from rice importation exceeds Ten billion pesos (P10,000,000,000.00) in any given year within the six (6) year period following the effectivity of this Act, the excess tariff revenues shall be earmarked by Congress and included in the General Appropriations Act (GAA) of the following year:</p> <p>(a) Rice Farmer Financial Assistance – A portion of the excess rice tariff revenues shall be released to the DA and shall be</p>	<p align="center">"PROVIDED, THAT THE KNOWLEDGE AND TECHNOLOGY TRANSFER THROUGH FARM SCHOOLS SHALL GIVE PREFERENCE TO FARMERS WHO HAVE NOT ATTENDED TRAININGS IN THE PAST TWO YEARS;</p> <p align="center">“(E) SOIL HEALTH IMPROVEMENT – FOUR PERCENT (4%) OF THE RICE FUND SHALL BE RELEASED TO AND IMPLEMENTED BY THE BUREAU OF SOILS AND WATER MANAGEMENT (BSWM) AND SHALL BE USED TO ADDRESS THE MICRONUTRIENT DEFICIENCIES THAT LIMITS THE EFFECTIVENESS OF OTHER PRODUCTION SUPPORT SERVICES.</p>	<p>Training should be oriented to farmers who have not attended trainings in the past two years. Also, with the expansion of rice extension services component, it is suggested to include institutional development to empower clustered farmers. This activity includes capacitating them on the management of post-harvest facility operations, financial management, and other soft skills to strengthen their operations.</p> <p>Also, we recommend that the conduct of the Farmers' Field School (FFS) be synchronized with the rice planting calendar so that a seamless transition between theoretical learning and practical field activities be made by the farmers.</p> <p>On additional component – Soil Health Improvement Component. It is suggested to include this 5th component that is related to the soil health or fertility rejuvenation at the national level. In order to address the micronutrient deficiencies that limits the effectiveness of other production support services. The BSWM can lead in the implementation of this program, which could have an allocation of 6% of the total Rice Fund.</p>

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<p>used for providing direct financial assistance to rice farmers who are farming two (2) hectares and below regardless of whether they continue farming rice or not as compensation for the projected reduction or loss of farm income arising from the tariffication of the quantitative import restrictions on rice;</p> <p>"(b) Titling of Agricultural Rice Lands – A portion of the excess rice tariff revenues shall be released to the Department of Agrarian Reform (DAR), Department of Environment and Natural Resources (DENR) and Land Registration Authority (LRA). and shall be used for the subdivision and titling of agricultural rice lands or parts thereof awarded to farmer-beneficiaries under the Comprehensive Agrarian Reform Program (CARP) and other similar programs of the government:</p> <p>"(c) Expanded Crop Insurance Program on Rice – A portion of the excess tariff revenues shall be released to the Philippine Crop Insurance Corporation (PCIC) and shall be used for the provision of crop insurance to qualified rice farmer-beneficiaries under « its existing agricultural insurance programs; and</p>	<p>F. PEST AND DISEASE MANAGEMENT - TWO PERCENT (2%) THE RCEF THROUGH BPI AND DA-RFO REGIONAL CROP PROTECTION CENTER SHALL INTEGRATE COMPREHENSIVE PEST AND DISEASE MANAGEMENT STRATEGIES TO PROTECT AND ENHANCE RICE PRODUCTION.</p> <p>"(G) RID-PMO - TWO PERCENT (2%) - ALLOCATED TO THE RID-PMO, THIS FUNDING SHALL SUPPORT A RANGE OF ACTIVITIES INCLUDING, BUT NOT LIMITED TO, OVERALL COORDINATION, REGULAR MONITORING, AND MANAGEMENT OF A COMPREHENSIVE DATABASE. IT WILL ALSO FUND THE CONDUCT OF ANNUAL, MID-TERM, AND END-OF-TERM REVIEWS AND EVALUATIONS OF THE RICE FUND. ADDITIONALLY, THIS ALLOCATION WILL FACILITATE THE EMPOWERMENT OF</p>	<p>On additional component – Pest and Disease Management Component. Recognizing that pest and diseases contribute to about_% in yield losses, an integrated approach in managing it is needed to attain the optimum production of palay. There is a need for the development and broad dissemination of IPM practices, prioritizing sustainable and environmentally friendly approaches, including biological controls agents</p> <p>The implementation of pest and disease management will be a cooperative effort involving the Department of Agriculture (DA), the Bureau of Plant Industry (BPI), the Philippine Rice Research Institute (PhilRice), and local government units, ensuring a unified and effective approach across all rice-producing regions.</p> <p>On additional component – Rice Industry Development Program Management Office</p> <p>This provision aims to ensure the integration of programs, projects, and activities within the wider spectrum of the Masagana Rice Industry Development Program (MRIDP) framework.</p> <p>It aims to strengthen the governance structure of the RCEF by promoting</p>

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<p>"(d) Crop Diversification Program – A portion of the excess tariff revenues shall be released to the DA and shall be used for productivity-enhancement programs for rice farmers seeking to diversify production towards other crops.</p> <p>"The Congressional Oversight Committee on Agricultural and Fisheries Modernization (COCAFAM) shall conduct a periodic review of the use of the Rice Fund."</p>	<p>RICE CLUSTERS, AIMING TO ENHANCE THEIR OPERATIONAL CAPABILITIES AND STRENGTHEN THEIR ROLE IN THE NATIONAL RICE STRATEGY."</p> <p>"Provided, That the percentage allocation will be reviewed <u>BY THE CONGRESSIONAL OVERSIGHT COMMITTEE ON AGRICULTURAL AND FISHERIES MODERNIZATION (COCAFAM)</u> on the third year of the effectivity of this Act, <u>AND EVERY YEAR THEREAFTER</u></p> <p>"Provided, further, That preferential attention should be given to rice farmers, cooperatives and associations adversely affected by the tariffication of the quantitative import restriction on rice in accordance with the thrust and priorities of R. A. No. 8435, as amended, otherwise known as the 'Agriculture and Fisheries Modernization Act' and the Philippine Development Plan (PDP). The increase or decrease of farmers' incomes shall be the primary benchmark in granting these interventions.</p> <p>"Provided, furthermore, That if the annual tariff revenues from rice importation exceeds Ten billion pesos (P10,000,000,000.00) FIFTEEN BILLION PESOS (P15,000,000,000.00) in any given</p>	<p>synergy among agencies and stakeholders, thereby bolstering the effectiveness and impact of the whole rice industry development programs.</p> <p>From HB 212 (Cong Suansing)</p>

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	<p>year within the six (6) FIVE (5) year period following the effectivity of this Act, the excess tariff revenues shall be earmarked by Congress and included in the General Appropriations Act (GAA) of the following year:—USED FOR ANY OF THE FOLLOWING UPON DETERMINATION OF THE DEPARTMENT OF AGRICULTURE SECRETARY, TO WIT:</p> <p>"(a) Rice Farmer Financial Assistance – A portion of the excess rice tariff revenues shall be released to the DA and shall be used for providing direct financial assistance to rice farmers who are farming two (2) hectares and below regardless of whether they continue farming rice or not as compensation for the projected reduction or loss of farm income arising from the tariffication of the quantitative import restrictions on rice;</p> <p>"(b) Titling of Agricultural Rice Lands— A portion of the excess rice tariff revenues shall be released to the Department of Agrarian Reform (DAR), Department of Environment and Natural Resources (DENR) and Land Registration Authority (LRA). and shall be used for the subdivision and titling of agricultural rice lands or parts thereof awarded to farmer-beneficiaries under the Comprehensive Agrarian Reform Program (CARP) and other</p>	

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	<p>similar programs of the government:</p> <p>"(c) Expanded Crop Insurance Program on Rice – A portion of the excess tariff revenues shall be released to the Philippine Crop Insurance Corporation (PCIC) and shall be used for the provision of crop insurance to qualified rice farmer-beneficiaries under its existing agricultural insurance programs; and</p> <p>"(B) Crop Diversification Program – A portion of the excess tariff revenues shall be used for productivity-enhancement programs for rice farmers seeking to diversify production towards other crops. THESE PROGRAMS INCLUDE, BUT NOT LIMITED TO, THE FOLLOWING;</p> <p>“B.1 RICE-BASED CROP DIVERSIFICATION TRAININGS;</p> <p>“B.2 POSTHARVEST MACHINERIES/FACILITIES - SHALL BE USED TO PROCURE OTHER FARM EQUIPMENT AND CATER POSTHARVEST FACILITIES NOT COVERED BY SEC 13 (A) OF THIS ACT; AND</p> <p>“B.3 SEEDS AND FERTILIZERS ASSISTANCE PROGRAM - SHALL BE USED TO</p>	<p>On Crop Diversification Program: It is suggested that rice-based crop diversification trainings also be provided to supplement the provision of postharvest machineries/equipment that is intended for crop diversification. The additional funds for the trainings can be provided to relevant implementing agencies that handle the Rice Extension Service Component as well, depending on the focus of the crop diversification to be adopted by the farmers.</p> <p>Likewise, provisions of other farm equipment and catering to postharvest facilities are being suggested to enable its availability to rice-based farmers.</p> <p>Since the Rice Fund's primary goal is to protect the Filipino rice farmers from competing with the imported rice, it will also help them if additional inputs, like seeds and fertilizers, can be provided. Thus, it is suggested to include Seeds</p>

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	<p>PROCURE SEEDS AND FERTILIZERS, WHICH SHALL BE PROVIDED TO RICE FARMERS AS WELL AS OTHER RICE-BASED FARMERS SEEKING TO DIVERSIFY PRODUCTION TOWARDS OTHER CROPS;</p> <p>(C) SOLAR POWER IRRIGATION – A PORTION OF THE EXCESS TARIFF REVENUES SHALL BE USED TO DEVELOP AND CONSTRUCT SOLAR-POWERED WATER PUMPING SYSTEMS; AND</p> <p>(D) SMALL WATER IMPOUNDING SYSTEM – A PORTION OF THE EXCESS TARIFF REVENUES SHALL BE USED TO ENSURE ADEQUATE WATER SUPPLY IN RICE AREAS THROUGH WATER IMPOUNDING AND WATERSHED REHABILITATION AND DEVELOPMENT.”</p> <p><u>IN THE EVENT THAT THE TARIFF REVENUE FALLS SHORT OF PHP 15,000,000,000.00, THE DBM SHALL AUTOMATICALLY AUGMENT THE FUNDING REQUIREMENT OF RCEF.</u></p> <p><u>THE DEPARTMENT OF FINANCE, THE BUREAU OF CUSTOMS AND THE</u></p>	<p>and Fertilizers Assistance Program in using the excess tariff collection. The high cost of fertilizers, which deters farmers from either planting the crop or not applying the required amount of nutrients, is frequently held responsible for the reported drop in local rice production. Adding this program will help farmers from battling with the increasing global prices of fertilizers.</p> <p>Rice-based farmers are farmers who apply mix of farming practices that comprises of rice as the major crop, followed by the subsequent cultivation of other crops. Inter-cropping of rice and other compatible crops are also widely practiced in a rice-based cropping system</p> <p>The provision for automatic augmentation by the DBM is a strategic measure to ensure that the critical objectives of the RCEF are not hindered by financial shortfalls. This stability is vital for the continuous improvement of the rice sector's competitiveness, supporting national food security and economic stability.</p>

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	<p>DEPARTMENT OF BUDGET AND MANAGEMENT SHALL SUBMIT TO THE COCAFAM AN ANNUAL REPORT ON THE TARIFFS COLLECTED FROM RICE IMPORTS AND THE AMOUNT APPROPRIATED TO THE RICE FUND.</p> <p>“THE DA, PHILMECH, PHILRICE, LBP, DBP, AND ATI SHALL SUBMIT TO THE COCAFAM THROUGH THE RID-PMO AN ANNUAL REPORT ON THE USE OF THE RICE FUND.”</p> <p>"The Congressional Oversight Committee on Agricultural and Fisheries Modernization (COCAFAM) shall conduct a periodic review of the use of the Rice Fund."</p>	<p>From HB 212 (Cong Suansing)</p>
<p>NEW SECTION (To be inserted)</p>	<p>SEC. XX. CREATION OF RICE INDUSTRY DEVELOPMENT-PROGRAM MANAGEMENT OFFICE. – TO ENSURE THE HOLISTIC APPROACH, COLLABORATION/CONVERGENCE OF RICE CONCERNED AGENCIES AND INDUSTRY PLAYERS; AND EFFECTIVE IMPLEMENTATION AND ENSURE COMPLEMENTATION OF “RICE PROGRAMS”, A PROGRAM MANAGEMENT OFFICE SHALL BE ESTABLISHED.</p> <p>THE RID-PMO IS HEREBY AUTHORIZED TO HIRE PERSONNEL IN ITS MAIN OFFICE AND REGIONAL FIELD OFFICES. IT SHALL</p>	<p>The creation of the RID-PMO is an essential step towards enhancing the structural and operational framework of the rice industry, ensuring that interventions are well-coordinated and effectively implemented, thereby contributing significantly to the national goal of rice self-sufficiency and industry competitiveness.</p> <p>The establishment of the RID-PMO is critical for several reasons:</p> <p>1. Central Coordination: The RID-PMO ensures effective collaboration and alignment across various stakeholders,</p>

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R.A. No. 11203	DA's Proposed Amendment	Rationale/Justification
	<p>ALSO SERVE AS THE RCEF PLANNING AND ADMINISTRATIVE SECRETARIAT FOR THE IMPLEMENTATION OF THIS ACT.</p>	<p>preventing overlap and maximizing the impact of rice-related initiatives. 2.Streamlined Implementation: With the capability to hire specialized personnel, the RID-PMO enables precise management and tailored regional support, ensuring that interventions are responsive to local agricultural contexts. 3.Administrative Efficiency: As the secretariat for the Rice Competitiveness Enhancement Fund (RCEF), the RID-PMO guarantees efficient and strategic use of resources, ensuring programs are executed on time and within budget. 4.Enhanced Collaboration: The office fosters a cooperative framework between government and private sectors, crucial for innovative and sustainable industry advancements. 5.Ongoing Oversight: Regular monitoring and evaluations by the RID-PMO ensure that programs adapt to changing needs and challenges, maintaining their effectiveness and relevance.</p>
<p>SEC. 14. A new Section 14 is hereby inserted after the newSection 13 of R. A. No. 8178, as amended, to read as follows:</p> <p>"SEC. 14. Beneficiaries of the Rice Fund. - The beneficiaries of the Rice Fund shall be those farmers and farmworkers and their dependents listed in the Registry System for Basic Sectors in Agriculture (RSBSA), and rice cooperatives and associations</p>		

DEPARTMENT OF AGRICULTURE – MATRIX ON RA 11203 (as of May 3, 2024)

R.A. No. 11203	DA's Proposed Amendment	Rationale/Justification
<p>accredited by the DA. Within one hundred eighty (180) days from the effectivity of this Act, the DA. in consultation with farmers' cooperatives and organizations and LGUs, shall validate and update the masterlist of eligible beneficiaries to ensure that those listed are legitimate farmers, farmworkers and rice cooperatives and associations.</p> <p>"In order to focus on the targeted rice farmer beneficiaries, cooperatives and associations for the Rice Fund, the list of rice producing provinces and LGUs, as provided for by PhilRice as of 2015-2018. shall, be the basis and shall be added to the roadmap as an appendix."</p>		
<p>SEC. 15. A new Section 15 is hereby inserted after the new Section 14 of R. A. No. 8178. as amended, to read as follows:</p> <p>"SEC. 15. Rice Industry Roadmap. - Upon the effectivity of this Act, the DA, together with the NEDA. Department of Finance (DOF), DBM, DAR. National Irrigation Administration (NIA), TESDA, PCIC, National Anti-Poverty Commission (NAPC) Farmer Sectoral Council Representative and other government agencies concerned, including rice farmer representatives, shall be given a maximum of one hundred eighty (180) days to formulate and adopt the rice roadmap to restructure the government's</p>		

DEPARTMENT OF AGRICULTURE – MATRIX ON RA 11203 (as of May 3, 2024)

R.A. No. 11203	DA's Proposed Amendment	Rationale/Justification
<p>delivery of support services for the agricultural rice sector.</p> <p>"The following principles shall govern the development and implementation of the roadmap for the rice industry:</p> <p>"(a) Raise sustainable investments in the rice industry particularly on rice support infrastructure and post-harvest facilities;</p> <p>"(b) Improve the productivity, efficiency and profitability of small rice farmers and landless farmworkers;</p> <p>"(c) Strengthen research and development programs that will enhance the resiliency of the rice industry:</p> <p>"(d) Preserve and enhance the rice production capabilities of future generations;</p> <p>"(e) Provide accessible, targeted and technology-oriented support services that cover the entire value chain;</p> <p>"(f) Set up responsible, participatory and effective governance mechanisms; and</p> <p>"(g) Address impact of income loss caused by rice tariffication.</p>		

DEPARTMENT OF AGRICULTURE – MATRIX ON RA 11203 (as of May 3, 2024)

R.A. No. 11203	DA's Proposed Amendment	Rationale/Justification
<p>"The rice industry roadmap shall be implemented through a complementation of the DA's rice sector programs as funded by the GAA, and the Rice Fund created under this Act."</p>		
<p>SEC. 16. A new Section 16 is hereby inserted after the new Section 15 of R. A. No. 8178. as amended, to read as follows:</p> <p>"SEC. 16. <i>National Single Window Program.</i> - To ensure the accurate collection of tariff as provided in Section 6 of this Act, the National Single Window (NSW) program of the Bureau of Customs (BOC) shall be implemented within one hundred eighty (180) days from the effectivity of this Act in accordance with Executive Order No. 482."</p>		
<p>SEC. 17. <i>Implementing Rules and Regulations.</i> - Within forty-five (45) days from effectivity of this Act, the DA, NEDA and DBM shall, in coordination with DAR, DENR, NIA, LRA, PCIC, PHilMech, PhilRice, TESDA, LBP, DBP, ATI, and other government agencies concerned and after consultation with directly affected stakeholders, promulgate the rules and regulations to effectively implement the provisions of this Act.</p>	<p>SEC. 17. <i>Implementing Rules and Regulations.</i> - Within forty-five (45) NINETY (90) days of this Act, the DA, NEDA, and DBM shall, in coordination with DAR, DENR, NIA, LRA, PCIC, PHilMech, PhilRice, TESDA, LBP, DBP, ATI, and other government agencies concerned and after consultation with directly affected stakeholders, promulgate the rules and regulations to effectively implement the provisions of this Act.</p>	<p>This is to ensure that an IRR will be drafted after the enactment of the law.</p>
<p>SEC. 18. <i>Separability Clause.</i> - If any portion</p>		

DEPARTMENT OF AGRICULTURE – MATRIX ON RA 11203 (as of May 3, 2024)

R.A. No. 11203	DA's Proposed Amendment	Rationale/Justification
of this Act is declared invalid or unconstitutional, the portions or provisions which are not affected shall continue to be in full force and effect.		
SEC. 19. Repealing Clause. - All laws, decrees, executive issuances, rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.		
SEC. 20. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.		
Approved,		

AN ACT AMENDING THE REPUBLIC ACT NO. 11203, OR '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 House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section 3 of R.A. No. 11203 is hereby amended to read as follows:

SEC. 3. Section 4 of RA No. 8178, as amended is hereby further amended to read as follows:

"SEC. 4. Repeal – The following laws and all other laws or provisions of law prescribing quantitative import restrictions or granting government agencies the power to impose such restrictions on agricultural products or hindering the liberalization of the importation, exportation and trading of rice are hereby repealed, **EXCEPT AS PROVIDED UNDER REPUBLIC ACT 8800 OR THE SAFEGUARD MEASURES ACT.**

SEC. 2. The new Section 4 and Section 5 are hereby inserted after the Section 3 of R.A. No. 11203, to read as follows:

SEC. 4. RESTORATION OF WAREHOUSE REGISTRATION AND MONITORING FUNCTIONS TO THE NATIONAL FOOD AUTHORITY (NFA)

THE NFA SHALL EXERCISE ITS AUTHORITY TO OVERSEE AND ENSURE COMPLIANCE WITH ALL PERTINENT STANDARDS AND REGULATIONS, LEVERAGING ITS ESTABLISHED EXPERTISE AND NATIONWIDE NETWORK TO UPHOLD THE NATIONAL INTEREST IN RICE BUFFER STOCKING AND FOOD SECURITY.

FURTHERMORE, THE NFA IS HEREBY EMPOWERED TO:

- 1. REQUIRE THE REGISTRATION OF ALL GRAINS WAREHOUSES AND MAINTAIN A NATIONAL DATABASE OF SUCH REGISTRATIONS.**
- 2. INSPECT WAREHOUSES AS NECESSARY TO ENSURE COMPLIANCE WITH STANDARDS RELATED TO RICE QUALITY AND SUPPLY.**
- 3. COLLECT AND ANALYZE DATA ON RICE TRADE ACTIVITIES FOR INFORMED POLICY AND OPERATIONAL DECISIONS.**

1 **PROVIDED, HOWEVER, THAT IN RESTORING THESE FUNCTIONS TO**
2 **THE NFA, THE EXISTING HUMAN AND FINANCIAL RESOURCES, AS**
3 **WELL AS THE OPERATIONAL CAPABILITIES OF THE BPI AND FDC**
4 **IN FOOD SAFETY REGULATION AND ENFORCEMENT, SHALL BE**
5 **DULY CONSIDERED TO ENSURE THAT THEIR REGULATORY**
6 **MANDATES ARE CARRIED OUT EFFECTIVELY AND WITHOUT**
7 **DISRUPTION.**

8
9 **SEC. 5. REINSTATEMENT OF PRICE STABILIZATION AND SUPPLY**
10 **REGULATION FUNCTIONS TO THE NATIONAL FOOD AUTHORITY**
11 **(NFA)**

12 **THE NFA SHALL:**

- 13 **1. ACT AS THE PRIMARY AGENCY RESPONSIBLE FOR ENSURING**
14 **THE STABILITY OF RICE SUPPLY AND PRICES IN THE**
15 **DOMESTIC MARKET.**
- 16 **2. IMPLEMENT POLICY AND OPERATIONAL MEASURES THAT**
17 **EFFECTIVELY STABILIZE RICE SUPPLY AND PRICES,**
18 **ESPECIALLY DURING PERIODS OF SHORTAGE, SURPLUS, OR**
19 **SIGNIFICANT PRICE FLUCTUATIONS.**
- 20 **3. MANAGE THE COUNTRY'S RICE BUFFER STOCKS**
21 **STRATEGICALLY TO ADDRESS IMMEDIATE AND**
22 **FORECASTED NEEDS AND TO INTERVENE IN THE MARKET**
23 **WHEN NECESSARY TO STABILIZE PRICES.**
- 24 **4. COORDINATE WITH RELEVANT GOVERNMENT AGENCIES TO**
25 **MONITOR RICE SUPPLY AND DEMAND DYNAMICS AND TO**
26 **PREVENT HOARDING, PROFITEERING, AND OTHER**
27 **PRACTICES THAT COULD DESTABILIZE MARKET**
28 **CONDITIONS.**
- 29 **5. ENGAGE IN FOCUS/TARGETED RICE TRADING ACTIVITIES AS**
30 **MAY BE NECESSARY TO FULFIL ITS MANDATE, SUBJECT TO**
31 **EXISTING LAWS AND REGULATIONS ON GOVERNMENT**
32 **PROCUREMENT AND TRADING.**

33
34
35 **SEC. 3.** Section 4 of R.A. 11203 is hereby amended to read as follows:

36
37 **SEC.—4— 6.** A new Section 5 6 is hereby inserted after **THE NEW**
38 **SECTION 5** ~~Section 4~~ of R. A. No. 8178, as amended, to read as follows:

39
40 "SEC. 5. Issuance of Sanitary and Phytosanitary Import Clearance
41 for Rice for the Sole Purpose of Ensuring Food. Safety. - All
42 importers of rice are required to secure a Sanitary and
43 Phytosanitary Import Clearance (SPSIC) from the Bureau of Plant
44 Industry (BPI) prior to importation in accordance with existing
45 laws, rules and regulations: Provided, That the clearance shall not
46 provide for import volume ~~and—timing~~ restrictions: Provided,

1 further, That failure on the part of the BPI to release the SPSIC
2 without informing the rice importer of any error, deficiency,
3 omission, or additional documentary requirement shall mean
4 automatic approval of the SPSIC applied for within seven (7) days
5 after submission of the complete requirements.
6

7 "The imported rice should arrive before the ~~expiration of the SPSIC~~
8 ~~from the BPI DATE INDICATED IN THE SPSIC ISSUED BY THE~~
9 **BPI, AFTER WHICH THE SPSIC SHAL BE CONSIDERED**
10 **EXPIRED.**
11

12 **"THE BPI SHALL IMPOSE APPROPRIATE FEES AND MEASURE**
13 **IN CASES OF LOW AND NON-UTILIZATION OF ISSUED SPSIC**
14 **TO ENSURE TIMELY ARRIVAL OF IMPORTED RICE."**
15

16 "The food safety regulatory function of the NFA under Item (i),
17 Section 16 of R. A. No. 10611, otherwise known as the 'Food Safety
18 Act of 2013', is hereby transferred to the BPI."
19

20 **"SEC. 6. STRENGTHENING THE REGULATORY FUNCTION OF**
21 **THE DEPARTMENT OF AGRICULTURE -**
22

- 23 **A. THE BPI SHALL HAVE THE AUTHORITY TO INSPECT IN**
24 **RELATION TO SANITARY AND PHYTOSANITARY**
25 **STANDARDS AND FOOD SAFETY OF THE WAREHOUSES**
26 **WHERE THE LOCAL MARKET PLAYERS (I.E. PADDY**
27 **TRADERS, MILLERS, WHOLESALERS, AND RETAILERS)**
28 **AND IMPORTERS STORE OR KEEP THEIR MILLED RICE;**
29 **B. THE DA INSPECTORATE AND ENFORCEMENT SHALL**
30 **HAVE THE AUTHORITY TO ASSIST BPI IN CONDUCTING**
31 **REGULAR AND UNSCHEDULED INSPECTIONS OF**
32 **AGRICULTURAL FACILITIES, FARMS, AND RELATED**
33 **ENTITIES TO ENSURE COMPLIANCE WITH HEALTH,**
34 **SAFETY AND ENVIRONMENTAL STANDARDS.**
35

36 **SEC. 4.** Section 8 of R.A. 11203 is hereby amended to read as follows:

37 **SEC. 8 10.** A new Section 8 is hereby inserted after the new Section 7-A
38 of R.A. No. 8178. as amended, to read as follows:

39 **"SEC. 8. Maintenance of Rice Buffer Stock. - THE NATIONAL**
40 **FOOD AUTHORITY (NFA) SHALL, IN ACCORDANCE WITH THE**
41 **RULES, REGULATIONS, AND PROCEDURES TO BE**
42 **PROMULGATED, MAINTAIN SUFFICIENT RICE BUFFER STOCK**
43 **TO BE SOURCED FROM FARMERS AND/OR FARMERS**
44 **ORGANIZATIONS/ASSOCIATIONS/COOPERATIVES.**

1
2 **FURTHERMORE, THE NFA SHALL BE AUTHORIZED TO**
3 **PURCHASE LOCAL MILLED RICE AS NECESSARY TO FULFILL**
4 **ITS MANDATE, SUBJECT TO EXISTING LAWS, GOVERNMENT**
5 **RULES, AND REGULATIONS.**

6 **IN CASE THESE ALTERNATIVE SUPPLY ARRANGEMENTS ARE**
7 **NOT SUFFICIENT, THE NFA SHALL BE GIVEN THE OPTION TO**
8 **PURCHASE XX PERCENT OF THE RICE BROUGHT IN BY**
9 **ACCREDITED IMPORTERS AT THE CIF LANDED PRICE**
10 **DECLARED BY THE IMPORTER BASED ON CUSTOM**
11 **DOCUMENTS. SUCH PROPORTION BEING ADEQUATE AND**
12 **SUFFICIENT TO ADDRESS THE MINIMUM BUFFER STOCK**
13 **REQUIREMENTS OR IN CASE OF EXTRAORDINARY**
14 **CIRCUMSTANCES, AS MUCH AS TO ADDRESS THE NEEDED**
15 **BUFFER STOCK REQUIREMENTS.**

16 **AS A FINAL RECOURSE, THE NFA SHALL BE GRANTED THE**
17 **AUTHORITY TO DIRECTLY IMPORT RICE, SUBJECT TO**
18 **EXPLICIT AUTHORIZATION FROM THE SECRETARY OF THE**
19 **DEPARTMENT OF AGRICULTURE. THIS AUTHORITY IS TO BE**
20 **EXERCISED SOLELY IN CIRCUMSTANCES WHERE DOMESTIC**
21 **SUPPLY DEFICITS NECESSITATE SUCH IMPORTS TO**
22 **STABILIZE THE NATIONAL RICE SUPPLY AND MAINTAIN THE**
23 **OPTIMAL BUFFER STOCK.**

24 **NOTWITHSTANDING THE FOREGOING, PRIORITY SHALL BE**
25 **UNEQUIVOCALLY GIVEN TO LOCAL PRODUCTION.**

26
27 **SEC. 5.** Section 9 of R.A. 11203 is hereby amended to read as follows:

28 SEC. 9 11. A new Section 9 is hereby inserted after the new Section 8 of
29 R.A. No. 8178. as amended, to read as follows:

30
31 "SEC. 9. Lifting of Quantitative Export Restrictions on Rice — Any
32 and all laws, rules, regulations, guidelines, and other issuances
33 imposing quantitative export restrictions on rice are hereby
34 repealed **EXCEPT IN CASES OF FOOD SECURITY**
35 **EMERGENCIES AS DETERMINED BY THE SECRETARY OF**
36 **AGRICULTURE.** The exportation of rice shall be allowed in
37 accordance with the established redes, regulations and guidelines."

38 **SEC. 6.** Section 13 of R.A. 11203 is hereby amended to read as follows:

1
2 SEC. ~~13~~ 15. A new Section 13 is hereby inserted after the renumbered
3 Section 12 of R. A. No. 8178, as amended, to read as follows:
4

5 "SEC. 13. *Rice Competitiveness Enhancement Fund.* - There is
6 hereby created a Rice Competitiveness Enhancement Fund, herein
7 referred to as the 'Rice Fund'. **THAT THE RICE FUND SHALL BE**
8 **EXTENDED FOR ANOTHER FIVE (5) YEARS UPON APPROVAL**
9 **OF THIS ACT.** The Rice Fund shall consist of an annual
10 appropriation of **FIFTEEN BILLION PESOS (15, 000,000,000.00)**
11 for the next ~~six (6)~~ **FIVE (5)** years following the approval of this Act
12 and shall be automatically credited to a Special Account in the
13 General Fund of the National Treasury shall be in place within
14 ninety (90) days upon the effectivity of this Act.
15

16 **THE PRESIDENT, THROUGH THE RECOMMENDATION OF THE**
17 **SECRETARY OF AGRICULTURE, AFTER THE**
18 **RECOMMENDATION OF THE PROGRAM STEERING**
19 **COMMITTEE, IN REFERENCE TO PARAGRAPH 5 OF THIS**
20 **SECTION, MAY REALLOCATE THE RICE FUND COMPONENT.**
21

22 "At the end of the ~~sixth (6th)~~ **FIFTH (5TH)** year, a mandatory review
23 shall be conducted by the Congressional Oversight Committee on
24 Agricultural and Fisheries Modernization (COCAFAM) to determine
25 whether the Rice Fund and its use as provided for under this Act
26 shall be continued, amended, or terminated. The COCAFAM shall
27 utilize the increase or decrease in farmers' incomes as a primary
28 benchmark in determining the effectiveness of the interventions
29 under the program and its possible extension.
30

31 "The Secretary of Agriculture shall be accountable and responsible
32 for the Rice Fund in coordination with other government agencies
33 concerned.
34

35 "The amount allocated shall be released directly to the
36 implementing agencies as provided for in this Act based on the
37 objectives and plans of the rice industry roadmap: *Provided*, That
38 the unutilized portion of the Rice Fund allocated to the
39 implementing agencies shall not revert to the General Fund but
40 shall continue to be used for the purpose for which it was set
41 aside. Fund releases charged against the Rice Fund shall not be
42 subject to any ceiling by the Department of Budget and
43 Management (DBM).
44

1 "Any program undertaken in accordance with this Act shall only be
2 deemed complementary and supplementary to and shall not be a
3 replacement of any existing programs for rice and rice farmers
4 already implemented by the DA and other agencies concerned.
5

6 "Subject to the usual accounting and auditing rules and
7 regulations, the Rice Fund shall be allocated and disbursed to rice
8 producing areas, as follows:
9

10 "(a) Rice Farm Machineries and Equipment - Fifty Percent
11 (50%) of the Rice Fund shall be released to and implemented by
12 the Philippine Center for Postharvest Development and
13 Mechanization (PHilMech) as grant in kind to eligible farmers
14 associations, registered rice cooperatives, ~~and~~ local government
15 units (LGUs), in the form of rice farm equipment, such as tillers,
16 tractors, seeders, threshers, rice planters, harvesters, irrigation
17 pumps, small solar irrigation, reapers, driers, millers, and the like,
18 for purposes of improving farm mechanization:
19

20 *Provided*, That the PHilMech shall, whenever feasible, procure from
21 accredited local manufacturers to assist in the promotion of locally
22 manufactured farm machineries and equipment.
23

24 **PROVIDED FURTHER, THE SCOPE OF THE RCEF**
25 **MECHANIZATION COMPONENT IS EXPANDED TO INCLUDE**
26 **THE CONSTRUCTION AND ENHANCEMENT OF POSTHARVEST**
27 **AND PROCESSING FACILITIES. THIS INCLUDES, BUT IS NOT**
28 **LIMITED TO, WAREHOUSES, GRAIN STORAGE FACILITIES,**
29 **DRYING FACILITIES, AND PROCESSING FACILITIES.**

30
31 "(b) Rice Seed Development, Propagation and Promotion -
32 Thirty percent (30%) of the Rice Fund shall be released to and be
33 implemented by the Philippine Rice Research Institute (PhilRice)
34 and which shall be used for the development, propagation,
35 promotion **AND DISTRIBUTION** of ~~inbred~~ **PREFERRED** rice seeds
36 to **CLUSTERED** rice farmers. **FURTHERMORE, THE RICE FUND**
37 **SHALL ALSO BE USED BY PHILRICE FOR THE CONTINUED**
38 ~~and the~~ organization of rice seed growers associations and/or
39 cooperatives engaged in seed production and trade.
40

41 **"THE PREFERRED RICE SEEDS TO BE DISTRIBUTED SHALL**
42 **DEPEND ON FARMER'S CHOICE OF EITHER INBRED SEEDS**
43 **AND/OR LOCALLY PRODUCED PUBLIC HYBRID RICE SEEDS.**
44

1 **FURTHER, A SPECIFIED PORTION OF THE RCEF SEED IS**
2 **HEREBY ALLOCATED TO THE BPI FOR THE PURPOSE OF**
3 **ENHANCING THE SEED CERTIFICATION SYSTEM CRITICAL**
4 **TO PROVIDING FARMERS WITH HIGH-QUALITY SEEDS.**

5
6 "(c) Expanded Rice Credit Assistance - ~~Ten percent (10%)~~
7 **SIX PERCENT (6%)** of the Rice Fund shall be made available in
8 the form of credit facility with minimal interest rate-s and with
9 minimum collateral requirements to rice farmers and cooperatives,
10 to be managed equally by the Land Bank of the Philippines (LBP)
11 and the Development Bank of the Philippines (DBP)
12

13 **FURTHER, THE CREDIT ASSISTANCE COMPONENT OF RCEF**
14 **SHALL OPERATE AS A REVOLVING FUND, WITH THE**
15 **PRINCIPAL AND INTEREST PAYMENTS ON LOANS MADE**
16 **FROM THE FUND TO BE RE-DEPOSITED INTO THE FUND AND**
17 **MADE AVAILABLE FOR NEW LOANS TO ELIGIBLE**
18 **BENEFICIARIES.**

19
20 "(d) Rice Extension Services — ~~Ten percent (10%)~~ **SIX**
21 **PERCENT (6%)** of the Rice Fund shall be made available for the
22 extension services provided by PHilMech, PhilRice **AND**
23 Agricultural Training Institute (ATI) ~~and Technical Education and~~
24 ~~Skills Development Authority (TESDA)~~ for teaching skills on rice
25 crop production, modern rice farming techniques, seed production,
26 farm mechanization, and knowledge/technology transfer through
27 farm schools nationwide as follows: ~~seventy percent (70%) to~~
28 ~~TESDA, ten percent (10%) each to ATI, PhilRice and PHilMech~~
29 **FIFTY PERCENT (50%) TO ATI, TWENTY FIVE PERCENT (25%)**
30 **TO PHILMECH, AND TWENTY FIVE PERCENT (25%) TO**
31 **PHILRICE.**

32
33 **"PROVIDED, THAT THE KNOWLEDGE AND TECHNOLOGY**
34 **TRANSFER THROUGH FARM SCHOOLS SHALL GIVE**
35 **PREFERENCE TO FARMERS WHO HAVE NOT ATTENDED**
36 **TRAININGS IN THE PAST TWO YEARS;**

37
38 **"(E) SOIL HEALTH IMPROVEMENT - SIX PERCENT (6%)**
39 **OF THE RICE FUND SHALL BE RELEASED TO AND**
40 **IMPLEMENTED BY THE BUREAU OF SOILS AND WATER**
41 **MANAGEMENT (BSWM) AND SHALL BE USED TO ADDRESS**
42 **THE MICRONUTRIENT DEFICIENCIES THAT LIMITS THE**
43 **EFFECTIVENESS OF OTHER PRODUCTION SUPPORT**
44 **SERVICES.**
45

1 **"(F) PEST AND DISEASE MANAGEMENT - TWO PERCENT**
2 **(2%) THE RCEF THROUGH BPI AND DA-RFO REGIONAL CROP**
3 **PROTECTION CENTER SHALL INTEGRATE COMPREHENSIVE**
4 **PEST AND DISEASE MANAGEMENT STRATEGIES TO PROTECT**
5 **AND ENHANCE RICE PRODUCTION.**

6
7 **"(G) RID-PMO - TWO PERCENT (2%) - ALLOCATED TO**
8 **THE RID-PMO, THIS FUNDING SHALL SUPPORT A RANGE OF**
9 **ACTIVITIES INCLUDING, BUT NOT LIMITED TO, OVERALL**
10 **COORDINATION, REGULAR MONITORING, AND MANAGEMENT**
11 **OF A COMPREHENSIVE DATABASE. IT WILL ALSO FUND THE**
12 **CONDUCT OF ANNUAL, MID-TERM, AND END-OF-TERM**
13 **REVIEWS AND EVALUATIONS OF THE RICE FUND.**
14 **ADDITIONALLY, THIS ALLOCATION WILL FACILITATE THE**
15 **EMPOWERMENT OF RICE CLUSTERS, AIMING TO ENHANCE**
16 **THEIR OPERATIONAL CAPABILITIES AND STRENGTHEN**
17 **THEIR ROLE IN THE NATIONAL RICE STRATEGY."**

18
19 **"Provided, That the percentage allocation will be reviewed BY THE**
20 **CONGRESSIONAL OVERSIGHT COMMITTEE ON**
21 **AGRICULTURAL AND FISHERIES MODERNIZATION (COCAFV)**
22 **on the third year of the effectivity of this Act, AND EVERY YEAR**
23 **THEREAFTER**

24
25 **"Provided, further, That preferential attention should be given to**
26 **rice farmers, cooperatives and associations adversely affected by**
27 **the tariffication of the quantitative import restriction on rice in**
28 **accordance with the thrust and priorities of R. A. No. 8435, as**
29 **amended, otherwise known as the 'Agriculture and Fisheries**
30 **Modernization Act' and the Philippine Development Plan (PDP). The**
31 **increase or decrease of farmers' incomes shall be the primary**
32 **benchmark in granting these interventions.**

33
34 **"Provided, furthermore, That if the annual tariff revenues from rice**
35 **importation exceeds ~~Ten billion pesos (P10,000,000,000.00)~~**
36 **FIFTEEN BILLION PESOS (P15,000,000,000.00) in any given**
37 **year within the ~~six (6)~~ year period following the effectivity of this**
38 **Act, the excess tariff revenues shall be ~~earmarked by Congress and~~**
39 **~~included in the General Appropriations Act (GAA) of the following~~**
40 **year:—USED FOR ANY OF THE FOLLOWING UPON**
41 **DETERMINATION OF THE DEPARTMENT OF AGRICULTURE**
42 **SECRETARY, TO WIT:**

43
44 **"(a) Rice Farmer Financial Assistance – A portion of the excess**
45 **rice tariff revenues shall be released to the DA and shall be used**
46 **for providing direct financial assistance to rice farmers who are**

1 farming two (2) hectares and below regardless of whether they
2 continue farming rice or not as compensation for the projected
3 reduction or loss of farm income arising from the tariffication of
4 the quantitative import restrictions on rice;

5 ~~"(b) Titling of Agricultural Rice Lands—A portion of the excess~~
6 ~~rice tariff revenues shall be released to the Department of Agrarian~~
7 ~~Reform (DAR), Department of Environment and Natural Resources~~
8 ~~(DENR) and Land Registration Authority (LRA), and shall be used~~
9 ~~for the subdivision and titling of agricultural rice lands or parts~~
10 ~~thereof awarded to farmer beneficiaries under the Comprehensive~~
11 ~~Agrarian Reform Program (CARP) and other similar programs of~~
12 ~~the government:~~

13 ~~"(c) Expanded Crop Insurance Program on Rice—A portion of~~
14 ~~the excess tariff revenues shall be released to the Philippine Crop~~
15 ~~Insurance Corporation (PCIC) and shall be used for the provision~~
16 ~~of crop insurance to qualified rice farmer beneficiaries under its~~
17 ~~existing agricultural insurance programs; and~~

18
19 **"(B) Crop Diversification Program – A portion of the excess**
20 **tariff revenues shall be used for productivity-enhancement**
21 **programs for rice farmers seeking to diversify production towards**
22 **other crops. THESE PROGRAMS INCLUDE, BUT NOT LIMITED**
23 **TO, THE FOLLOWING;**

24
25 **"B.1 RICE-BASED CROP DIVERSIFICATION TRAININGS;**

26
27 **"B.2 POSTHARVEST MACHINERIES/FACILITIES -SHALL**
28 **BE USED TO PROCURE OTHER FARM EQUIPMENT AND**
29 **CATER POSTHARVEST FACILITIES NOT COVERED BY**
30 **SEC 13 (A) OF THIS ACT; AND**

31
32 **"B.3 SEEDS AND FERTILIZERS ASSISTANCE PROGRAM –**
33 **SHALL BE USED TO PROCURE SEEDS AND FERTILIZERS,**
34 **WHICH SHALL BE PROVIDED TO RICE FARMERS AS**
35 **WELL AS OTHER RICE-BASED FARMERS SEEKING TO**
36 **DIVERSIFY PRODUCTION TOWARDS OTHER CROPS;**

37
38 **(C) SOLAR POWER IRRIGATION – A PORTION OF THE**
39 **EXCESS TARIFF REVENUES SHALL BE USED TO DEVELOP**
40 **AND CONSTRUCT SOLAR-POWERED WATER PUMPING**
41 **SYSTEMS; AND**

42

1 (D) SMALL WATER IMPOUNDING SYSTEM - A PORTION
2 OF THE EXCESS TARIFF REVENUES SHALL BE USED TO
3 ENSURE ADEQUATE WATER SUPPLY IN RICE AREAS
4 THROUGH WATER IMPOUNDING AND WATERSHED
5 REHABILITATION AND DEVELOPMENT.”
6

7 IN THE EVENT THAT THE TARIFF REVENUE FALLS SHORT OF
8 PHP 15,000,000,000.00, THE DBM SHALL AUTOMATICALLY
9 AUGMENT THE FUNDING REQUIREMENT OF RCEF.
10

11 “THE DEPARTMENT OF FINANCE, THE BUREAU OF CUSTOMS
12 AND THE DEPARTMENT OF BUDGET AND MANAGEMENT
13 SHALL SUBMIT TO THE COCAFAM AN ANNUAL REPORT ON
14 THE TARIFFS COLLECTED FROM RICE IMPORTS AND THE
15 AMOUNT APPROPRIATED TO THE RICE FUND.
16

17 “THE DA, PHILMECH, PHILRICE, LBP, DBP, AND ATI SHALL
18 SUBMIT TO THE COCAFAM THROUGH THE RID-PMO AN
19 ANNUAL REPORT ON THE USE OF THE RICE FUND.
20

21 "The Congressional Oversight Committee on Agricultural and
22 Fisheries Modernization (COCAFAM) shall conduct a periodic review
23 of the use of the Rice Fund.”
24

25 **SEC. 7.** A new Section is hereby inserted after the renumbered Section 13 of
26 R.A. No. 11203, to read as follows:
27

28
29 **SEC. 16. CREATION OF RICE INDUSTRY DEVELOPMENT-PROGRAM**
30 **MANAGEMENT OFFICE. - TO ENSURE THE HOLISTIC APPROACH,**
31 **COLLABORATION/CONVERGENCE OF RICE CONCERNED AGENCIES**
32 **AND INDUSTRY PLAYERS; AND EFFECTIVE IMPLEMENTATION AND**
33 **ENSURE COMPLEMENTATION OF “RICE PROGRAMS”, A PROGRAM**
34 **MANAGEMENT OFFICE SHALL BE ESTABLISHED.**
35

36 **THE RID-PMO IS HEREBY AUTHORIZED TO HIRE PERSONNEL IN**
37 **ITS MAIN OFFICE AND REGIONAL FIELD OFFICES. IT SHALL ALSO**
38 **SERVE AS THE RCEF PLANNING AND ADMINISTRATIVE**
39 **SECRETARIAT FOR THE IMPLEMENTATION OF THIS ACT.**
40

41 **SEC. 8.** Section 17 of R.A. 11203 is hereby amended to read as follows:
42

43 **SEC. 17 20.** Implementing Rules and Regulations. - Within ~~forty-five (45)~~
NINETY (90) days of this Act, the DA, NEDA, and DBM shall, in

1 coordination with DAR, DENR, NIA, LRA, PCIC, PHilMech, PhilRice,
2 TESDA, LBP, DBP, ATI, and other government agencies concerned and
3 after consultation with directly affected stakeholders, promulgate the
4 rules and regulations to effectively implement the provisions of this Act.

5
6 **SEC. 9. Separability Clause.** - If any portion of this Act is declared invalid or
7 unconstitutional, the portions or provisions which are not affected shall
8 continue to be in full force and effect.

9
10 **SEC. 10. Repealing Clause.** - All laws, decrees, executive issuances, rules and
11 regulations inconsistent with this Act are hereby repealed or modified
12 accordingly.

13
14 **SEC. 11. Effectivity.** - This Act shall take effect fifteen (15) days after its
15 publication in the Official Gazette or in a newspaper of general circulation.

16
17 Approved,