

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

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7348



INTRODUCED BY **REPRESENTATIVE JOSEPH STO. NIÑO B. BERNOS**

EXPLANATORY NOTE

The country was left in a confused state when the National Food Authority reported that it has a shortage of rice supply under its custody. This announcement led to a panic that saw sharp increases in prices of rice in the market,¹ and led to speculations of a rice crisis that contravenes reports of the Department of Agriculture that the country is 96% rice self-sufficient.² Moreover, it is a disservice to the Filipino people to be misled into thinking that the supply of rice, a staple food in our diet, is insufficient to meet the needs of the country.

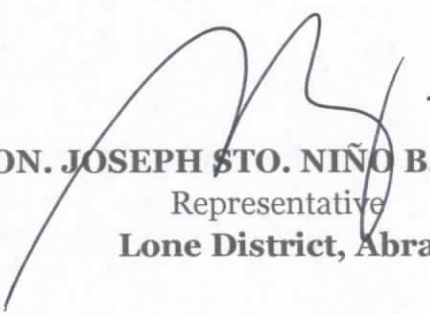
To rectify the situation, the NFA insists on buying *palay* or paddy rice at a higher price so that it can look for entice suppliers to transact with the NFA to restore the sufficiency levels of its rice supply. However, we can look at another way to have rice for the NFA at little or no cost that will also deter the illegal entry of imported rice into the country: seized smuggled rice will be donated or turned over to the National Food Authority to comfortably increase the supply that can be sold at lower prices than the commercial ones and to provide a supply for disaster relief operations. Section 1141 of Republic Act 10863, or the 'Customs Modernization and Tariff Act of 2016', mandates that goods subject to disposition may be donated to another government agency or sold at a public auction. Instead of making it optional for the Bureau of Customs to turn it over to other agencies, this bill makes it mandatory for the BOC to turn over seized smuggled rice to the NFA so as to provide a cheaper alternative for consumers to purchase in the market.

¹ Tamayo, B. E. (2018, February 28). Rice prices up due to NFA. *The Manila Times*. Retrieved March 1, 2018, from <http://www.manilatimes.net/rice-prices-due-nfa/383150/>

² Francisco, S. (2018, February 14). NFA Council to probe NFA ops, as DA seeks to prove rice 'shortage' handiwork of syndicates. *Interaksyon*. Retrieved March 1, 2018, from <http://www.interaksyon.com/nfa-council-to-probe-nfa-ops-as-da-seeks-to-prove-rice-shortage-handiwork-of-syndicates/>

It is the goal of this Bill to maximize available and viable resources to address food security problems and bureaucratic inefficiencies in the country, so as to discourage smugglers to illicitly import rice as they will gain no material benefit from their endeavors, and to ensure that the consuming public will benefit from an accessible supply of cheap but quality rice in the market.

In the light of the foregoing, the immediate passage of this Bill is earnestly sought.



HON. JOSEPH STO. NIÑO B. BERNOS
Representative
Lone District, Abra

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AN ACT
MANDATING THE TURNOVER OF SEIZED SMUGGLED RICE TO THE
NATIONAL FOOD AUTHORITY

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

SECTION 1. Policy Objective. It shall be the policy of the State to promote rice sufficiency in the country by stabilizing the rice supply of the National Food Authority. To this end, the State shall ensure that the smuggled rice seized by law enforcement authorities will be used to provide consumers a viable but cheaper alternative to commercial rice sold in the market and to provide ample supply of rice for relief operations after natural disasters.

Sec. 2. Use of Seized Smuggled Rice for Public Consumption. All amounts of unlawfully imported rice, through outright or technical means, seized accordingly and wholly accounted for by the Bureau of Customs, Philippine Coast Guard, and other relevant government agencies in accordance to existing procedures of the agencies, shall be turned over to the National Food Authority within fifteen (15) days after its seizure to be included in the agency's stock of rice.

Provided, that the said seized smuggled rice is certified to be in proper condition to be consumed by the public, as determined by the Bureau of Customs.

Provided further, that thirty percent (30%) of the seized smuggled rice shall be reserved for the purposes of providing rice for disaster relief operations of the Department of Social Welfare and Development.

Sec. 3. *Certification of Agency Heads.* To certify the legality of the turnover of the seized smuggled rice, the Commissioner of the Bureau of Customs and the Administrator of the National Food Authority shall have the non-delegable responsibility to issue a joint certification certifying the viability of the rice to be stored in the warehouses of National Food Authority.

Sec. 4. *Implementing Rules and Regulations.* The Bureau of Customs and National Food Authority shall formulate and issue the necessary guidelines for the proper implementation of this Act.

Sec. 5. *Repealing Clause.* Any law, decree, ordinance or administrative circular not consistent with any provision of this Act is hereby amended, repealed or modified accordingly.

Sec. 6. *Separability Clause.* If any provision of this Act is declared invalid or unconstitutional, the remaining provisions or parts shall remain in full force and effect.

Sec. 7. *Effectivity Clause.* This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved.