

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
3rd Regular Session

HOUSE BILL NO. 8788



INTRODUCED BY HONORABLE GAVINI "APOL" PANCHO

EXPLANATORY NOTE

It is the policy of the State to ensure that the people residing and sojourning in the Republic of the Philippines have access to adequate, quality, and affordable food.

The State also recognizes the contribution of the farmers and farmworkers in the Philippine economy. Accordingly, it is also the policy of the State to promote the welfare of the farmers in ensuring that they have government support in technology, research, finance, production, marketing, and other support services in accordance with Section 5, Article XIII of the 1987 Philippine Constitution.

Recognizing that "RICE" is the staple food of Filipinos, the National Grains Authority (NGA) was created by then President Ferdinand Marcos through the enactment of Presidential Decree No. 4 in 1972 in order to ensure the adequate production of rice products in the Philippines.

Thereafter, Presidential Decree No. 1770 "National Food Authority Act" enacted in 1981 renamed the National Grains Authority to what we know today as the National Food Authority (NFA), widening the NFA's authority to include the issuance of licenses for the importation of food products, including rice.

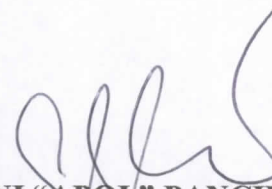
Subsequently, the Philippine government entered into the General Agreement on Tariffs and Trade (GATT) of 1994 and became officially a member of the World Trade Organization on January 1, 1995.

Despite the elimination of quantitative restrictions under the GATT, the Government was able to maintain quantitative restrictions in the importation of rice, through the NFA.

As the NFA's main concern is the adequacy in the supply of rice, and finding that the prices offered by local farmers for rice grains is considerably higher than what is offered internationally, the NFA is constrained to purchase the imported rice with lower price.

However, as mentioned in the "MISSION STATEMENT" of the NFA, one of its primary mission is to ensure reasonable rate of return to Filipino farmers. Thus, the NFA should also take into consideration the plight of our local farmers and help them in getting a fair price for their respective products, as a nod to their invaluable contribution to the Philippine economy.

Accordingly, policies, rules, regulations, and laws must be established to harmonize the seemingly conflicting mission and mandate of the NFA, *in ensuring adequate return to farmers to encourage and assist in improving rice production, while at the same time keeping an adequate supply of rice in the Philippines.*



GAVINI "APOL" PANCHO
Representative
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HOUSE BILL NO. **8788**

INTRODUCED BY HONORABLE GAVINI "APOL" PANTO

"AN ACT PROVIDING FOR THE MANDATORY PROCUREMENT OF THE NATIONAL FOOD AUTHORITY OF ALL PALAY PRODUCED BY THE LOCAL RICE FARMERS VIA DIRECT PURCHASE."

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

SECTION 1. Short Title – This Act Shall be known as the "AN ACT MANDATING THE NATIONAL FOOD AUTHORITY TO PROCURE RICE ONLY FROM THE LOCAL RICE FARMERS VIA DIRECT PURCHASE."

SECTION 2. Declaration of Policy –It is hereby declared that it is the policy of the State to:

- (a) Promote and ensure the availability of the sufficient supply of quality and affordable rice in the Philippine Market for the Filipino people; and
- (b) Promote the wellbeing of rice farmers, and ensure the availability of government support in technology, research, finance, production, marketing, and other support services.

SECTION 3. Definition of Terms. – For purpose of this Act the following terms are hereby defined as:

- (a) ***Rice*** – shall refer to the unhusked rice grain which is the staple food of Filipinos, regardless of the quality or variety thereof.
- (b) ***National Food Authority*** (NFA) – is the primary government agency tasked with the regulation of the importation of rice and corn, and is mandated to ensure the adequate supply of rice and corn in the Philippines.

- (c) **NFA Rice** – shall refer to rice bought by the NFA, and sold and/or distributed to retailers;
- (d) **Farmers** – shall refer to Filipino farmers engaged in the cultivation of rice or other agricultural product within the Philippine territory as their primary source of income.
- (e) **Direct Purchase** – shall refer to purchase of rice directly from the farmers without going through any mediator, intermediary, and/or reseller.
- (f) **Annual Budget** – shall refer to the total budget allocated by Congress under a General Appropriations Act to the NFA.
- (g) **Price difference** – the difference between the prices of NFA rice as against the lowest prevailing price of rice in the market, whether produced locally or abroad, shall be considered as a subsidy to the farmers and/or the Filipino consumers.
- (h) **Subsidized price** – the enforced price of NFA Rice bought from local farmers. The subsidized price shall always be equal or lower than the prevailing market price of rice.

SECTION 4. Purchase of rice from farmers. – the NFA shall use its annual budgetary allocation for rice purchase under the General Appropriations Act (GAA) *to purchase rice directly from farmers*, without going through any mediator, intermediary, and/or reseller to ensure that the farmers shall receive adequate payment for the rice products.

The direct purchase from the farmers is mandatory regardless of the moisture content and/or quality of rice.

The NFA shall issue a regulation within sixty (60) days from the effectivity of this law on how to implement “direct purchase” of rice from farmers.

SECTION 5. Subsidized price for NFA Rice. – NFA Rice shall have an enforced market retail price that is equal or lower than the lowest priced rice, *regardless of source*, in the market.

The price difference of rice as compared to the rice imported by the NFA shall be considered as a subsidy and shall not be passed onto retailers and consumers.

SECTION 6. Monitoring of subsidized price. – the NFA shall take measures to ensure that any price difference shall not be passed unto the consumers to maintain the affordability of NFA Rice.

SECTION 7. Separability Clause. If for any reason, any provision of part hereof is declared invalid, the other provisions not affected thereby shall remain in full force and effect.

SECTION 8. Repealing Clause. –Any provision of the law, presidential decree, executive orders, rules and regulations contrary to the provision of this Act is hereby repealed, amended or modified accordingly.

SECTION 9. Effectivity –This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation, whichever comes earlier.

Approved.