

EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

H. B. No. 4913

Introduced by Rep. Vilma Santos-Recto
6th District of Batangas

AN ACT
PROVIDING DIRECT FINANCIAL ASSISTANCE TO FILIPINO RICE FARMERS,
ESTABLISHING FOR THE PURPOSE THE *PANTAWID MAGSASAKANG PILIPINO*
PROGRAM, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The rescission of quantitative import restrictions on rice serves two fundamental purposes. First, it intends to reduce the prices of rice in the market and to make the food staple more accessible to the poor and low-income families. Second, it seeks to protect the interests of rice farmers by providing a means to raise the farmers' income and consequently, their competitiveness relative to rice farmers in other rice-producing countries. As Dr. Emil Q. Javier noted¹, attaining the first purpose is relatively straightforward but achieving the second is challenging and problematic.

The challenges and issues in improving agricultural incomes and competitiveness, while having been in existence prior to the effectivity of Republic Act No. 11203, nonetheless remain largely unaddressed. Provision of farm machineries would not immediately aid in reducing labor cost, improving yield volume and quality, nor optimizing farm operations, as the promise of efficiency might not offset the cost of owning, operating and maintaining farm machineries for small and at times economically nonviable farms and landholdings. Developing, propagating and promoting inbred *palay* seeds would not instantly lead to improvement in rice production volume because the system that will provide inbred seeds to rice farmers remains largely inadequate and extensively vulnerable to corruption.

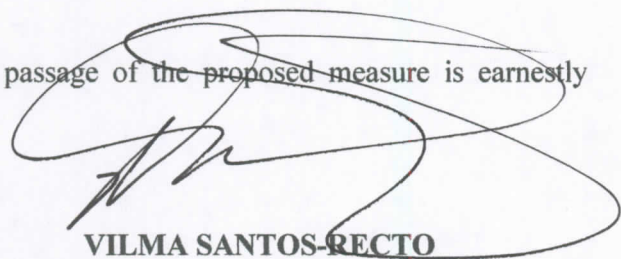
¹ Javier, E. Q. (2019). "No rush in crafting IRR of the Rice Tariffication Act." Accessed from <https://business.mb.com.ph/2019/03/02/no-rush-in-crafting-irr-of-the-rice-tariffication-act> on 7 August 2019.

Extension of an additional credit line would not necessarily increase farmers' preference towards government credit over informal loans, because the issues regarding the tedious documentary and other requirements imposed upon farmer-lendees and the chronic problems concerning the economic equity, efficiency and viability of agricultural lands remain unresolved. Agricultural extension services can only be effective if such programs are appropriately combined with other government interventions such as extensive research, intensive market development, and accessible credit supply – most of which are, at present, insufficiently extended to rice farmers. Most importantly, these interventions would do little to address the single, most devastating impact of the rescission of quantitative rice import restrictions have on rice farmers: the drastic decline in farmers' income from rice production.

Hence, this bill seeks to provide direct financial assistance to rice farming households by instituting a *Pantawid Magsasakang Pilipino Program*. In this proposed measure, the allocation of tariff revenues collected in excess of P10 billion shall be provided to farmers in the form of a conditional cash transfer program. Moreover, it mandates the provision of rice insurance to protect rice crops against insurable risks. Lastly, it provides farmers with additional income through temporary employment in government projects.

These interventions are sought in cognizance of the short-term obligation to mitigate the abrupt reduction of farmer incomes caused by the rescission of quantitative rice import restrictions and the medium- to long-term need to keep farmers producing food staples, in line with the twin objectives of improving overall agricultural productivity and achieving food security.

In view of the foregoing, the swift passage of the proposed measure is earnestly sought.



VILMA SANTOS-RECTO

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

1 Section 1. *Short Title.* – This Act shall be known as the “*Pantawid Magsasakang*
2 *Pilipino Act.*”

3 Sec. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to
4 promote a just and dynamic social order through policies that provide adequate social
5 services, promote full employment, a rising standard of living, and an improved quality of
6 life for all.

7 Towards this end, and in line with the constitutional mandate to Congress to give
8 highest priority to the enactment of measures that protect and enhance the right of all the
9 people to human dignity, reduce social, economic, and political inequalities, and remove
10 cultural inequities by equitably diffusing wealth and political power for the common good,
11 the State shall formulate and implement programs and projects guided by a national strategy
12 to reduce poverty in the countryside and ensure the sufficiency and accessibility of food
13 products for all.

14 Sec. 3. *Pantawid Magsasakang Pilipino Program.* – The Pantawid Magsasakang
15 Pilipino Program, hereinafter referred to as the Program, is hereby established as a national
16 strategy for rural poverty reduction and program for ensuring food security and sufficiency
17 that provides conditional cash transfer to poor rice farming households to mitigate the decline

1 of rice farming incomes that may have been caused by the enforcement of the liberalization
2 of importation, exportation and trade of rice.

3 The provision of conditional cash transfer under the Program shall be complementary
4 and supplementary to other similar undertakings of the government and shall not be a
5 replacement for any existing programs for rice and rice farmers already implemented by any
6 government agency.

7 Sec. 4. *Selection of Qualified Household Beneficiaries.* – On a nationwide basis, the
8 Department of Social Welfare and Development (DSWD) shall, in consultation with the
9 Department of Agriculture (DA) and the Department of Agrarian Reform (DAR), select
10 qualified rice farming household-beneficiaries of the program using a standardized targeting
11 system. The DSWD shall conduct regular revalidation of beneficiary targeting at least once
12 every three (3) years.

13 Sec. 5. *Eligible Beneficiaries.* – To be eligible to receive cash grants under the
14 Program, rice farming households or farmers must meet the following criteria:

15 (a) Classified as poor or near-poor based on a standardized targeting system and the
16 poverty threshold issued by the Philippine Statistics Authority at the time of selection; and

17 (b) Willing to comply with the conditions specified in Section 8 of this Act.

18 Sec. 6. *Conditional Cash Transfer to Rice Farming Household-Beneficiaries.* – The
19 Advisory Council created under Republic Act No. 11310, otherwise known as the “*Pantawid*
20 *Pamilyang Pilipino Program (4PS)* Act,” shall determine the amount of cash grants to be
21 extended to rice farming household-beneficiaries based on the following factors:

22 (a) The amount of the annual tariff revenues from rice importation in excess of Ten
23 billion pesos (P10,000,000,000.00), based on the collection recorded in the second fiscal year
24 preceding the current fiscal year;

25 (b) The number of eligible rice farming household-beneficiaries as identified by the
26 standardized targeting system as provided in Section 7 of this Act;

27 (c) The administrative and financial cost of providing cash grants to qualified rice
28 farming household-beneficiaries; and

29 (d) Other factors that affect the level of available funding or the cost of
30 implementation of this Act.

31 Sec. 7. *Coverage in the Rice Insurance Program.* – All qualified rice farming
32 household-beneficiaries of the Program as identified by the standardized targeting system
33 shall automatically be covered by the Rice Insurance Program of the Philippine Crop
34 Insurance Corporation (PCIC): *Provided, That* the insurance premium for rice insurance shall

1 be fully subsidized by the National Government: *Provided, further*, That the amount of
2 premium payment for rice insurance for qualified rice farming household-beneficiaries shall
3 not be deducted from the appropriations provided under Section 17 of this Act: *Provided*,
4 *finally*, That the provision of subsidized rice insurance to qualified rice farming household-
5 beneficiaries shall be complementary and supplementary to the conditional cash transfer
6 program as provided in this Act.

7 Sec. 8. *Conditions for Entitlement.* – All qualified rice farming household-
8 beneficiaries shall comply with the following requirement for continued program eligibility:

9 (a) The qualified rice farming household-beneficiaries must continue to engage in
10 *palay* production;

11 (b) The responsible person/s from qualified rice farming household-beneficiaries who
12 actually engage/s in rice production must register with the DA under the Registry System for
13 Basic Sectors in Agriculture;

14 (c) The qualified rice farming household-beneficiaries must propagate and use inbred
15 *palay* seeds to be developed, bred, registered, certified and distributed by the Philippine Rice
16 Research Institute as provided under Republic Act No. 11203;

17 (d) The qualified rice farming household-beneficiaries must apply for subsidized
18 insurance coverage as provided in Section 7 of this Act no later than thirty (30) days from the
19 date of planting; and

20 (e) At least one (1) responsible person from qualified rice farming household-
21 beneficiaries must attend at least one (1) training program to be conducted by Philippine
22 Center for Postharvest Development and Mechanization, Agricultural Training Institute, or
23 Technical Education and Skills Development Authority in their respective municipality.

24 The DSWD may suspend any or all of the conditions for entitlement during
25 calamities, armed conflict, state of war or lawless violence, and other similar fortuitous
26 events.

27 Sec. 9. *Noncompliance with the Conditions for Entitlement.* – The responsible person
28 of a reported qualified household-beneficiary who fails to comply with the conditions set
29 forth in Section 8 of this Act shall be notified in writing. Further payment of cash grants shall
30 be suspended after four (4) months of noncompliance and the erring household-beneficiary
31 shall be subject to case management process of the DSWD.

32 The qualified rice farming household-beneficiary has one (1) year, reckoned from the
33 date of receipt of the written notification, to satisfy the conditions enumerated under Section

8 of this Act, after which the erring household-beneficiary shall be removed from the Program.

Sec. 10. *Mode of Cash Transfer.* – The DSWD shall provide beneficiaries with direct and secured access to cash grants through any number of Authorized Government Depository Banks (AGDBs). For localities not adequately served by an AGDB, the DSWD may contract the services of rural banks, thrift banks, cooperative banks and other duly-accredited financial institutions engaged in money remittance services.

Sec. 11. *Cash-for-Work for Rice Farmers Program.* – To provide additional income for rice farming household-beneficiaries, the DSWD may, in coordination with government agencies concerned, facilitate short-term intervention to provide temporary employment to members of qualified rice farming households. Projects that may be incorporated under the Cash-for-Work Program shall include, but not be limited to:

(a) irrigation programs and projects of the DA and the National Irrigation Administration;

(b) public works programs and projects of the Department of Public Works and Highways;

(c) water supply and sanitation projects of the Department of the Interior and Local Government and local water districts;

(d) disaster preparedness, mitigation, relief, rehabilitation, and risk reduction projects of the Office of the Civil Defense, National Disaster Risk Reduction and Management Council, and other similar agencies of government; and

(e) other similar programs and projects of national government agencies, government-owned or -controlled corporations, and local government units.

The DSWD shall determine the payment rate of cash-for-work employment: *Provided*, That such payment shall be in no case lower than seventy percent (70%) of the prevailing daily wage rate set by the National Wages and Productivity Commission.

The DSWD shall utilize the mode of cash transfer as provided in Section 10 of this Act to transfer payment for services rendered by members of qualified rice farming households under the Cash-for-Work for Rice Farmers Program.

Sec. 12. *Lead Agency.* – The DSWD shall serve as the central planning, coordinating, implementing and monitoring body of the Program. In the implementation of this Act, the DSWD shall perform the following functions:

1 (a) Selection and application of appropriate, effective, and cost-efficient methods in
2 identification and selection of qualified rice farming household-beneficiaries in coordination
3 with DA and DAR;

4 (b) Identification and selection of target rice farming household-beneficiaries based
5 on a uniform, objective and transparent selection process;

6 (c) Coordination with various national and local government agencies, including
7 non-government and private sector organizations, to ensure full implementation of the
8 provisions of this Act;

9 (d) Establishment of participatory system and methodologies to monitor and evaluate
10 the compliance of household-beneficiaries and the implementation of the Program;

11 (e) Provision of recommendation measures, rules and regulations to the Advisory
12 Council in order to improve the delivery of commitments made in this Act;

13 (f) Determination of program coverage based on a standardized targeting system;

14 (g) Provision of seminar-workshop and training programs to educate qualified rice
15 farming household-beneficiaries about the conditions and other actions pertinent to this Act;

16 (h) Synchronization and harmonization of the implementation of the Program with
17 other similar or related programs of the government;

18 (i) Submission of an annual report to Congress on matters pertinent to the operations
19 and financial status of the Program; and

20 (j) Performance of other functions as may be necessary or incidental to the proper
21 implementation of the provisions of this Act.

22 Sec. 13. *Reporting.* – The DSWD shall publish, on an annual basis, a full report on the
23 implementation of the Program during the previous fiscal year. The report shall include, but
24 not be limited to, financial disclosures, the number of rice farming household-beneficiaries
25 included in the Program based on geographic, socioeconomic and cultural circumstances, and
26 recommendations to improve the implementation of the Program. This report shall be
27 submitted, either in printed form or by way of electronic document, to the Congress prior to
28 the submission of the President's annual budget. The Secretary of Social Welfare and
29 Development and the Agency's web administrator or the web administrator's equivalent shall
30 be responsible for ensuring that the said report is posted on the DSWD website.

31 Sec. 14. *Convergence of Programs and Services.* – Within the framework of a
32 national poverty alleviation strategy and a comprehensive food security program, the various
33 agencies of government implementing multi-stakeholder programs and services for rice
34 farmers shall guarantee that these programs and services complement and converge

1 seamlessly with the aim of ensuring that the targeted rice farming household-beneficiaries are
2 alleviated from poverty. Such convergence shall focus on the enhancement of operational
3 efficiency, ensuring the realization of program outcomes, and strengthening of inter-agency
4 partnerships. The government shall monitor the performance of these agencies to ensure the
5 sustainability of their respective programs.

6 Sec. 15. *Monitoring and Evaluation of the Program.* – The DSWD shall monitor and
7 evaluate the implementation and effectiveness of the Program and report its status at least
8 once every three (3) years in order to ensure the realization of the objectives declared in
9 Section 2 of this Act.

10 The Independent Monitoring Committee created under Republic Act No. 11310,
11 otherwise known as the “*Pantawid Pamilyang Pilipino Program (4PS) Act*,” shall be used to
12 complement the monitoring activities of the DSWD in the implementation of the Program.
13 The Independent Monitoring Committee shall submit a report of its monitoring activities
14 relative to the implementation of the Program to the Advisory Council.

15 Sec. 16. *Congressional Oversight.* – The Congressional Oversight Committee on
16 Agricultural and Fisheries Modernization (COCAFM) shall conduct a periodic review of the
17 Program, considering, among others, the report of the monitoring and evaluation activities of
18 the DSWD and the Independent Monitoring Committee as provided in Section 15 of this Act.

19 Sec. 17. *Appropriations.* – The amount necessary for the implementation of the
20 provisions of this Act shall be sourced from the annual tariff revenues from rice importation
21 in excess of Ten billion pesos (P10,000,000,000.00).

22 Sec. 18. *Prohibited Acts and Corresponding Penalties.* – Any person, whether acting
23 in conspiracy with public officials or not, who by act or omission, inserts or allows the
24 insertion of data or false information, or diverts or allows the diversion of information that
25 ought to be contained in the registry, or transfers or aids in the transfer of cash grant to
26 persons other than the qualified rice farming household-beneficiaries, shall be penalized with
27 a fine of not less than thirty thousand pesos (P30,000.00) nor more than one hundred
28 thousand pesos (P100,000.00) or imprisonment of not less than three (3) months nor more
29 than three (3) years, or both, at the discretion of the court: *Provided*, That if the offense is
30 committed by a corporation, trust, firm, partnership, association or any other entity, the
31 penalty shall be imposed upon the guilty officer or officers of such corporation, trust, firm,
32 partnership, association or entity: *Provided, further*, That in addition to the penalties that may
33 be imposed by the court, the offender punished under this section shall be subject to perpetual
34 disqualification to hold public office: *Provided, finally*, That if the offender punished under

1 this section is a public official or government employee, the accumulated leave credits and
2 retirement benefits, if any, shall be forfeited in favor of the State.

3 Sec. 19. *Implementing Rules and Regulations.* – Within thirty (30) days from
4 effectivity of this Act, the DSWD, DA, Department of Finance and Department of Budget
5 and Management shall, in coordination with other government agencies concerned and after
6 consultation with directly affected stakeholders, promulgate the rules and regulations to
7 effectively implement the provisions of this Act.

8 Sec. 20. *Separability Clause.* – If any portion of this Act is declared invalid or
9 unconstitutional, the portions or provisions which are not affected shall continue to be in full
10 force and effect.

11 Sec. 21. *Repealing Clause.* – All laws, acts, decrees, executive orders, issuances, and
12 rules and regulations or parts thereof which are contrary to and inconsistent with this Act are
13 hereby repealed, amended or modified accordingly.

14 Sec. 22. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication
15 in the *Official Gazette* or in a newspaper of general circulation.

Approved,