

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



HOUSE OF REPRESENTATIVES

House Bill No. 10608

Introduced by Representative VICTOR A. YAP

EXPLANATORY NOTE

In 1995, the Philippines joined the World Trade Organization (WTO) which imposed a quantitative restriction on the importation of rice for 22 years, with the aim of making Filipino rice farmers competitive. Having ended this agreement in 2017, Republic Act No. 11203 or the Rice Tarrification Law was passed removing this restriction and in turn imposing higher tariff rates on rice importation.

The Rice Tarrification Law was enacted to maintain the steady supply of rice in our rice-dependent society and control its prices against inflation. However, three years since its enactment, the Rice Tarrification Law while in theory provides sound policy, has yet to bring down the price of rice for consumers and has yet to benefit the local rice industry and its farmers.

Since the Rice Tariffication Law was enacted, farm-gate prices of *palay* have gone down to almost less than the cost of its production leaving local rice farmers without profit and most, heavily in debt. Without any intervention, the local rice production industry will inevitably collapse and with it, the agricultural sector of our country.

Thus, we propose this bill which intends to set and stabilize the prices of rice in consideration of regional production capacities and establish the predictability of rice prices to support and improve the local rice production industry. Furthermore, this bill will act as a safeguard in protection against market disruption and unfair and cartel-like trade practices. In addition, this bill intends to empower and build productive partnerships between private and public rice industry players with the overall objective of self-reliance, productivity, profitability and food security.

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

A handwritten signature in black ink, appearing to be "A. Yap", written over a horizontal line.

VICTOR A. YAP
Representative, 2nd District of Tarlac

HOUSE OF REPRESENTATIVES

House Bill No. 10608

Introduced by Representative Victor A. Yap

AN ACT
ESTABLISHING THE NATIONAL RICE PRICE MONITORING COUNCIL AND THE
REGIONAL RICE MONITORING BOARDS IN ALL REGIONS OF THE COUNTRY

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

Section 1. Short Title. - This Act shall be known as the "*National Rice Price Monitoring
Council Act.*"

Sec. 2. Declaration of Principles. – It shall be the policy of State to provide its citizens
adequate food supply and keep them hunger-free. It shall also be the policy of the State to protect
the producers of major agricultural commodities such as rice from the influx and oversupply of
importation. Towards this end, the State shall provide a national rice price monitoring council
and regional boards to act as the overall rice price collecting, monitoring and data repository
entity to ensure the stability and predictability of rice prices as a measure to protect the local rice
industry and its farmers.

Sec. 3. Purpose. - The objectives of this Act are:

- a) To create the Rice Price Monitoring Council composed of the national council and
regional monitoring boards in order to track and monitor the prices of rice in
consideration of various factors such as importation, supply, demand and capacities
of rice-producing provinces;
- b) To establish a benchmark on the price of rice at the national down to the regional
level to stabilize the prices of rice and maintain its predictability thus protecting the
rice industry in the long term;
- c) To prevent uncompetitive rice prices by setting the minimum rice price applicable per
region and providing the adequate monitoring and information dissemination
programs for rice farmers and the rice industry;

- d) To address the fragmented data and monitoring mechanisms of rice prices by various government agencies and instrumentalities, in all regions, provinces and localities in the country;
- e) To reconcile the reported wide price gaps between farm gate and retail rice prices in various regions and provinces by closely monitoring the rice market; and
- f) To empower rice farmers and the rice industry by providing accurate, up-to-date and technology-enabled rice price data and analytics in order to enhance rice productivity, marketing, and industry development;

Sec. 4. Creation of the National Rice Price Monitoring Council (NRPMC). – There is hereby created a National Rice Price Monitoring Council (NRPMC), hereinafter referred to as the Council, which shall be attached to the Department of Agriculture (DA) for policy and program coordination.

Sec. 5. Powers and Functions of the Council. – The Council shall have the following powers and functions:

- (a) To act as the national consultative and advisory body to the President of the Philippines and Congress on matters relating to rice prices;
- (b) To formulate policies and guidelines to stabilize rice prices, promote rice development, and enhance marketing and productivity improvement programs at the enterprise, industry and national levels;
- (c) To prescribe rules and guidelines for the determination of appropriate rice prices and productivity measures at the national, regional, and local levels;
- (d) To review regional rice prices set by the Regional Rice Price Monitoring Boards (RRPMB) to determine if these are in accordance with the prescribed guidelines and national development plans;
- (e) To undertake studies, researches and surveys necessary for the attainment of its functions and objectives, and to collect and compile data and periodically disseminate information on rice prices and other related information, including, but not limited to, national and regional rice supply, national and regional production costs and national, regional and local marketing and incentive programs;
- (f) To review plans and programs of the Regional Rice Price Monitoring Boards to determine whether these are consistent with national development plans;
- (g) To exercise technical and administrative supervision over Regional Rice Price Monitoring Boards;

1 (h) To call, from time to time, a national conference of representatives of government,
2 farmers, and the rice industry for the consideration of measures to promote
3 stabilization of rice prices and rice industry development; and

4 (i) To exercise such powers and functions as may be necessary to implement this Act.

5 The Council shall be composed of the Secretary or any representative with the rank of
6 Undersecretary of the Department of Agriculture (DA) as ex-officio chairman, the Administrator
7 of the National Food Authority (NFA) as ex-officio vice-chairman, the Undersecretary of the
8 Department of Trade and Industry (DTI), the Commissioner of the Philippine Competition
9 Commission (PCC), and three (3) members each from the farmer, rice trader and rice miller
10 sectors who shall be appointed by the President of the Philippines upon recommendation of the
11 Secretary of Agriculture to be made on the basis of the list of nominees submitted by the farmer,
12 rice trader and rice miller sectors, respectively, and who shall serve for a term of five (5) years.
13 The Executive Director of the Council shall also be a member of the Council.

14 The Council shall be assisted by a Secretariat to be headed by an Executive Director and two (2)
15 Deputy Directors, who shall be appointed by the President of the Philippines, upon the
16 recommendation of the Secretary of Agriculture.

17 The Executive Director shall have the same rank, salary, benefits and other emoluments as that
18 of a Department Assistant Secretary, while the Deputy Directors shall have the same rank,
19 salary, benefits and other emoluments as that of a Bureau Director. The members of the Council
20 representing the farmers and rice industry sectors shall have the same rank, emoluments,
21 allowances and other benefits as those prescribed by law.

22 **Sec. 6. Creation of Regional Rice Price Monitoring Boards.** – There is hereby created
23 Regional Rice Price Monitoring Boards (RRPMB) hereinafter referred to as Regional Boards, in
24 all regions, including autonomous regions as may be established by law. The Council shall
25 determine the offices/headquarters of the respective Regional Boards.

26 The Regional Boards shall have the following powers and functions in their respective territorial
27 jurisdiction:

28 (a) To develop plans, programs and projects relative to monitoring and stabilizing rice
29 prices, promote rice development, and enhancing marketing and productivity
30 improvement programs for their respective regions;

31 (b) To set the Minimum Rice Price (MRP) applicable in their region, provinces or
32 localities therein, subject to guidelines issued by the Council;

(c) To undertake studies, researches and surveys necessary for the attainment of their functions, objectives and programs, and to collect and compile data and periodically disseminate information on rice prices and other related information;

(d) To coordinate with the other Regional Boards as may be necessary to attain the policy and intention of this Code;

(e) To receive, process and act on applications for exemption from prescribed minimum rice prices; and

(f) To exercise such other powers and functions as may be necessary to carry out their mandate under this Code.

Implementation of the plans, programs and projects of the Regional Boards shall be through the respective regional offices of the National Food Authority (NFA) within their territorial jurisdiction; Provided, however, That the Regional Boards shall have technical supervision over the regional office of the National Food Authority (NFA) with respect to the implementation of said plans, programs and projects.

Each Regional Board shall be composed of the Regional Director of the National Food Authority (NFA) as chairman, the Regional Director the Department of Trade and Industry (DTI) as vice-chairmen and three (3) members each from the farmer, rice trader and rice miller sectors who shall be appointed by the President of the Philippines, upon the recommendation of the Secretary of Agriculture, to be made on the basis of the list of nominees submitted by the farmer, rice trader and rice miller sectors, respectively, and who shall serve for a term of five (5) years.

Each Regional Board to be headed by its chairman shall be assisted by a Secretariat.

Sec. 7. Prohibition on buying below the minimum rice price (MRP). – It shall be unlawful for any individual or business entity to buy below the prescribed minimum rice price (MRP). When rice is sold per kilo, the aggregate price per kilo in a sack should not be less than the minimum rice price per sack.

Sec. 8. Penalties for Non-Compliance. – Depending on the degree of the violation, the following graduated scale shall be imposed on any buyer of rice that directly buy from the farmers, or who violates any provision of this Act or any order, rule or regulation issued pursuant to this Act:

1st offense: Warning and a fine of Twenty Thousand Pesos (Php20,000.00) but not more than Forty Thousand Pesos (Php40,000);

2nd offense: Suspension of business permit and a fine of Forty Thousand Pesos (Php40,000) but not more than Sixty Thousand Pesos (Php60,000.00);

1 3rd offense: Imprisonment for a period of not less than six (6) months and not more than
2 five (5) years; cancellation or revocation of business permit; and a fine
3 ranging from Sixty Thousand Pesos (Php60,000.00) to Two Million Pesos
4 (Php2,000,000.00)

5 Whenever any of the offenses described above is committed by a corporation or
6 association, the president and each of the directors or managers of the said corporation or
7 association who shall have knowingly permitted or failed to prevent the commission of such
8 offenses shall be held liable as principals thereof.

9 **Sec. 9. Separability Clause.** - If, for any reason, any section or provision of this Act is
10 held unconstitutional or invalid, the other sections or provisions hereof shall not be affected
11 thereby.

12 **Sec. 10. Repealing Clause.** - All laws, decrees, executive orders, proclamations, rules
13 and regulations and other issuances or parts thereof, inconsistent with the provisions of this Act
14 are hereby repealed or modified accordingly.

15 **Sec. 11. Effectivity Clause.** - This Act shall take effect fifteen (15) days after its
16 publication in the Official Gazette or two (2) newspaper of general circulation.

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18 **Approved,**