

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

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 404



Introduced by Honorable Representatives
ARLENE D. BROSAS (Gabriela Women's Party),
FRANCE L. CASTRO (ACT Teachers Partylist),
and **RAOUL DANNIEL A. MANUEL (Kabataan Partylist)**

**AN ACT REPEALING REPUBLIC ACT NO. 11203,
ENTITLED, "AN ACT LIBERALIZING THE IMPORTATION, EXPORTATION AND
TRADING OF RICE, LIFTING FOR THE PURPOSE THE QUANTITATIVE IMPORT
RESTRICTION ON RICE, AND FOR OTHER PURPOSES"**

EXPLANATORY NOTE

In 2018, prior to the enactment of the Rice Tariffication Law, the local rice industry was a P386-billion productive sector in the country, or around one-fifth of the total gross value added in agriculture, and involved 3.8 million rice farmers cultivating 4.7 million hectares of land based on the Registry System for the Basic Sectors in Agriculture (RSBSA). The enactment of Republic Act 11203 or the Rice Tariffication Law, however, presents the single biggest threat to Filipino rice farmers, local rice production, consumers, and national food security based on self-sufficiency.

The former Duterte administration enacted the law, invoking it as a solution to the 2018 rice crisis when a kilo was over P50, and proponents of the law promised to pull them down to as low as P25 per kilo. Moreover, advocates of neoliberal policies such as liberalization repeatedly conjured that it was an overdue commitment to the World Trade Organization (WTO) to remove non-tariff measures such as the exclusive rights of the government via the National Food Authority (NFA) to import rice, its regulatory measure of procuring palay at a relatively higher farm gate price, liberalize or non-intervention in the local production through limited or token subsidies, and finally to allow the private sector totally profit in the trade and importation of rice.

Its immediate impact in 2020, after near two years of implementation:

	2018	2019	2020
Volume of production (million metric tons)	19.07	18.8	19.30
Value of production (billion P)	385	305	300.12
Ave. farm gate price per kilo (P)	20.19	16.22	15.55
Estimated losses based on 2018 farm gate prices and annual volume of production (billion P)		75	90
Volume of imported rice (million metric tons)	2.002	3.118	2.219
Retail price of regular-milled rice per kilo (P)	41.53	38.63	37.22

From February 2019 to 2020, rice farmers lost P165 billion (P75 billion plus P90 billion) due to depressed farm gate prices, and 3.8 million rice farmers suffered an average loss of P23,600. Farm gate prices continue to fall down, basically due to the influx of imported rice. Retail prices of regular-milled rice remained high or higher than the P27 per kilo of rice offered by the NFA, and the promise of P25 per kilo by the proponents was never realized.

Local rice farmers across the country have expressed their dissent against the law for many years due to clear and present reasons. Opposition to the law, during its deliberation, is now vindicated, and the promise of cheaper and affordable rice for poor families remains a blatant lie. Instead of fundamentally achieving national food security based on self-sufficiency, the Duterte administration pushed through with its band-aid solution policy of importation to beef up the national supply but failed to pull down retail prices. It even further lowered tariffs through Executive Order No. 135 in May 2021, from 40% to 34% for the Most Favored Nations (MFN).

From various reports of peasant organizations, farm gate prices of palay had plummeted to P10-15 per kilo in October 2020. It was recorded at P10-14 per kilo in the provinces of Nueva Ecija, Tarlac, Bulacan, Pangasinan, Isabela, Ilocos Sur, Mindoro, Bicol, Negros Occidental, Capiz, and Antique. Meanwhile, P11-15 per kilo in Agusan del Sur, Davao de Oro, Davao del Norte, South Cotabato, North Cotabato, Lanao del Norte, and Caraga. Farmers went bankrupt

for 2 to 3 croppings and blamed the Rice Tariffication Law. In 2021, the farm gate prices were far from P20 per kilo, the minimum level demanded by farmers. In Nueva Ecija, farmers lost around P20,000 to P30,000 per hectare due to low farm gate prices. The buying price dictated by the local traders did not even account for the mounting cost of production, usually triggered by costs of farm inputs, fuel for irrigation and transportation, and post-harvest services.

In the past years, rice farmers pleaded for production subsidies to at least cover their cost of production and losses. The P10-billion Rice Competitiveness Enhancement Fund (RCEF) provision of the law was a token, and a failure, as only a measly P1 billion was allotted for direct utilization of farmers in the form of credit, equipment, and seeds. Aiming to salvage the P386-billion sector with a budget of 0.25% of its value was a fallacy.

With the retail prices of rice remaining costly for poor families amid runaway inflation rates and oil prices, the significance of NFA subsidized retailing appears starkly. The price of regular-milled rice in 2021 was P42.12, and currently available in the market ranges from P38 to P50 per kilo. All are relatively higher than the P27 per kilo that the poor families usually buy to preserve the shrinking household incomes.

The removal of the NFA's function, primarily to stabilize farm gate and retail prices, was a backward step from achieving national food security and self-sufficiency. At present, those billions of pesos of losses endured by the rice farmers have been deemed profits of the private sector because the government has lost its regulatory instrument. In the name of liberalization, the majority poor population in the country, the farmers, and poor consumers were thrown into worsened states of bankruptcy, indebtedness, and hunger. The major agricultural sector has been undermined, affecting the rural population and the 10 million poor families who rely on NFA cheaper rice.

Peasant organizations branded the Republic Act 11203 or Rice Tariffication Law as worse than many times of natural calamities because this was man-made, unjust, and undemocratic. Its impact has now reached beyond the stakeholders but the general population. Congress must rectify it, and the first decisive measure is to repeal it.

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



ARLENE D. BROSAS
Gabriela Women's Party



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**AN ACT REPEALING REPUBLIC ACT NO. 11203,
OTHERWISE KNOWN AS THE "RICE TARIFFICATION LAW"**

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

Section 1. Republic Act No. 11203, otherwise known as the "Rice Tariffication Law," is hereby repealed.

Section 2. All laws, jurisprudence, executive orders, executive issuances or letters of instruction, or any part thereof that are inconsistent with or contrary to the provisions of this Act are hereby deemed repealed, amended or modified accordingly.

Section 3. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) national newspapers of general circulation.

Approved,