

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
3rd Regular Session

House Bill No. **11061**



**INTRODUCED BY REPRESENTATIVES ERWIN T. TULFO, JOCELYN P. TULFO
EDVIC G. YAP, ERIC GO YAP AND RALPH WENDEL P. TULFO**

AN ACT
**PROVIDING FOR THE DISTRIBUTION OF IMPORTED RICE AT KADIWA
STORES,CENTERS AND OUTLETS, AMENDING FOR THE PURPOSE
REPUBLIC ACT NO. 8178, AS AMENDED BY REPUBLIC ACT NO. 11203,
OTHERWISE KNOWN AS THE “AGRICULTURAL TARIFFICATION ACT”**

EXPLANATORY NOTE

Rice remains a staple food in the Philippines, and its accessibility and affordability directly affect the well-being of millions of Filipinos, particularly the marginalized sectors. The country has experienced fluctuating rice prices due to various factors, including global market volatility, inflation, and local production shortfalls.

In June 2024, Executive Order No. 62 was issued by President Ferdinand R. Marcos Jr., reducing the rice tariff to 15%. This measure is expected to lower the import cost of rice, making it more affordable for consumers. However, while the reduction in tariffs provides immediate relief, there is still a need to ensure that the benefits of lower import prices reach the most vulnerable sectors of society. Without a robust mechanism for distribution, the effects of tariff reductions may not be felt by those who need it most.

The Kadiwa Program of the Department of Agriculture, which provides affordable basic commodities to Filipinos through authorized and licensed stores, centers, and outlets, is a direct government initiative aimed at addressing food insecurity and helping vulnerable communities. By expanding the Kadiwa distribution system to include rice imported through government-to-government agreements, we ensure that the full benefits of reduced rice tariffs and lower import prices are passed on to consumers, particularly those in low-income households.

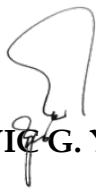
This proposed bill seeks to amend Republic Act No. 8178, as amended by Republic Act No. 11203, otherwise known as the “Agricultural Tariffication Act,” by incorporating an additional provision on the distribution of imported rice to Kadiwa outlets at the actual import price. This means that rice purchased by the government from other countries through government-to-government agreements shall be sold at Kadiwa outlets at the actual price at which it was imported, with no additional mark-ups or profit margins. In this way, Filipinos will benefit from the lower import cost of rice.

By institutionalizing this mechanism, the government takes a proactive stance in supporting low-income households, promoting national food security, and addressing the adverse effects of inflation on the purchasing power of ordinary Filipinos.

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



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

SECTION 1. *Declaration of Policy* - It is hereby declared the policy of the State to ensure food security, especially for low-income and vulnerable sectors, by facilitating the affordable distribution of rice. In pursuit of this policy, the government shall utilize government-to-government rice importation to maintain a stable supply of affordable rice, which shall be distributed at licensed Kadiwa stores, centers, and outlets at the actual importation price, ensuring access to rice for all Filipinos.

SECTION 2. Republic Act No. 8178, as amended by Republic Act No. 11203, is hereby further amended by way of inserting a new Section 17 to read, as follows:

“Section 17. Government-to-Government Rice Importation and Kadiwa Distribution. - The Department of Agriculture (DA), through the National Food Authority (NFA) or other appropriate agencies, is hereby mandated to facilitate government-to-government rice importation to ensure food security and rice price stability.

Rice imported through government-to-government agreements shall be distributed directly to authorized and licensed Kadiwa stores, centers, and outlets at the actual price of the rice under said agreements.

The DA shall utilize the funds of the Department of Social Welfare and Development (DSWD), the NFA, and other agencies mandated by law to procure rice from foreign governments. The funds shall be allocated for the direct purchase of imported rice and its distribution through Kadiwa outlets, which shall prioritize low-income households and other vulnerable sectors.

The distribution of rice at Kadiwa outlets shall be subject to guidelines set by the DA, ensuring transparency, accountability, and accessibility, and shall aim to make rice available at prices reflective of the actual import cost, excluding any additional mark-up or profit margins. *Provided, That the distribution and sale of imported rice in Kadiwa outlets shall not undermine, reduce, or neglect the support for local farmers and domestic rice production. Provided, further, That the government shall take all necessary measures to ensure that local farmers are not adversely affected by the availability of imported rice in Kadiwa stores. Provided, finally, that local farmers shall have fair access to domestic rice markets including Kadiwa stores and their produce shall be prioritized in national and local distribution channels."*

SECTION 3. *Implementing Rules and Regulations.* - The Department of Agriculture, in consultation with the Department of Social Welfare and Development, the National Food Authority, and other relevant government agencies, shall promulgate the necessary rules and regulations within ninety (90) days from the effectivity of this Act for its effective implementation.

SECTION 4. *Appropriations.* - The amounts necessary to carry out the provisions of this Act shall be sourced from the current appropriations of the Department of Agriculture, the Department of Social Welfare and Development, the National Food Authority, and other relevant government agencies, or from such other sources as may be identified by the Department of Budget and Management (DBM).

SECTION 5. *Repealing Clause.* - All laws, decrees, executive orders, rules and regulations or parts thereof inconsistent with or contrary to the provisions of this Act are hereby repealed or modified accordingly.

SECTION 6. *Separability Clause.* - If any part or provision of this Act is held unconstitutional or invalid, other parts or provisions thereof which are not affected shall continue to remain in full force and effect.

SECTION 7. *Effectivity.* - This Act shall take effect after fifteen (15) days following completion of its publication in at least two (2) newspapers of general circulation.

Approved,