

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS

First Regular Session
House Bill No. **2743**



Introduced by Representative Julius Cesar "Jay" V. Vergara

EXPLANATORY NOTE

This bill seeks to provide for the mandatory labeling of milled rice for commercial distribution and impose penalties for violation thereof.

Title III, Chapter IV of Republic Act (RA) No. 7394 or the *Consumer Act of the Philippines*, provides policies on labeling and marketing of consumer products. Under the said law, the Department of Trade and Industry shall enforce the provisions on labeling and packaging except with food, drugs, cosmetics, devices, and hazardous substances, which are handled by concerned departments.

In the case of agricultural products such as rice and corn, the National Food Authority (NFA) was mandated to establish and enforce the national grains standards in collaboration with various sectors under Presidential Decree No. 4, Series of 1972, or the development of the rice and corn industry, and the creation of the National Grains Authority, RA 7394, and RA 10611, or the *Food Safety Act of 2013*. Hence, the NFA developed the Philippine Grains Standardization Program which prescribed the standard specifications on the quality, packaging, labeling, including test and analysis of rice and corn, and other grain commodities. Under the program, all persons engaged in the wholesaling and distribution of rice must strictly observe the proper use of packaging materials, labels, and price tags on their products.

However, in 2019, the enactment of RA 11203 lifted the quantitative restriction on rice import and repealed the regulatory and enforcement powers of the NFA. Said law transferred the food safety functions of the NFA to the Bureau of Plant Industry, whose primary task is to safeguard the plant industry.

On the other hand, under RA 8435 or the *Agriculture and Fisheries Modernization Act of 1997*, the Bureau of Agriculture and Fisheries Standards (BAFS) of the Department of Agriculture was tasked to formulate and enforce standards of quality in the processing, preservation, packaging, labeling, importation, exportation, distribution, and advertising of fresh and primary agricultural and fisheries products. In 2019, the BAFS developed the Philippine National Standard for Grains-Grading

and Classification of Paddy and Milled rice. This standard provides specific guidance to promote product quality and safety, ensure efficiency, and strengthen competitiveness in rice post-production and marketing, including the minimum requirements for labeling of milled rice. Also, the *Food Safety Act of 2013* vests upon the BAFS the responsibility to develop, adopt, amend or revise food safety standards and codes of practice for primary and post-harvest foods for the use of the DA in developing food safety regulations.

The overlapping functions among different agencies regarding food safety and labeling resulted in severe confusion in the rice trading community. Despite existing standards on rice labeling, compliance remains voluntary. Wholesalers and distributors commonly ignore rice labeling policies because they are vague, and do not identify which government agency covers the implementation.

Strengthening national policies in standard food labeling is paramount to maintain standards of quality, safety, identity, and origin, particularly when it involves the staple food for daily consumption. Providing clear, valid, and reliable information could help consumers make smart choices. This will also promote locally-produced rice, which was recorded as having the least pesticide among rice produced in other Southeast Asian countries, according to a study conducted by the International Rice Research Institute. Demand for local rice will increase and in turn, rice traders will be encouraged to source their supply from local farmers. More importantly, this measure aims to protect consumers, and prevent and penalize unfair, deceptive, and fraudulent rice trading practices such as mixing of local with imported rice or misbranding poor quality rice as high-grade to command higher prices.

By providing adequate and specific measures on rice labeling, the proper implementing government agency is identified, responsible business conduct is encouraged, and consumer protection is achieved.

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



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- 1 (a) Name of product;
2
3 (b) Grade of milled rice;
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5 (c) Degree of milling;
6
7 (d) Date of milling;
8
9 (e) Net weight;
10
11 (f) Type/s of seed/s processed with corresponding composition percentages;
12
13 (g) Place of origin; and
14
15 (h) Name and place of business of the wholesaler or distributor.
16

17 The required information provided in this Act must appear on the label in a
18 permanent, conspicuous, and legible print that is easily identifiable and in distinct
19 contrast with other words, design or statements in the rice package.
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21 Unpacked milled rice for retail which is displayed in wooden or fiberglass
22 containers in any place of commerce shall be labeled in accordance with the standards
23 provided in this Act. The label shall be printed in bold letters and figures near the
24 price tag, and conspicuously displayed on the rice containers.
25

26 **SEC. 5. *Sworn Declaration.*** – Before being allowed to distribute the milled rice
27 in commerce, all wholesalers or distributors are required to submit to the Bureau of
28 Agriculture and Fisheries Standards (BAFS) a sworn affidavit attesting to the
29 truthfulness of the required information on the label of milled rice. The BAFS shall
30 issue a labeling standard certification mark to the wholesaler or distributor upon
31 evaluation and determination of compliance with the standards provided herein.
32

33 **SEC. 6. *Prohibited Acts.*** – It is unlawful for any person engaged in the business
34 of wholesale, distribution or retail of milled rice to display, sell, or distribute the milled
35 rice without a label or if the label in the packaging or container of the milled rice does
36 not conform to the provisions of this Act.
37

38 It shall likewise be unlawful for any person engaged in the business of
39 wholesale, distribution or retail of milled rice to provide or cause to provide false or
40 grossly inaccurate information on the label.
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42 **SEC. 7. *Penalties.*** – Any person who violates Section 6 of this Act shall be
43 punished with imprisonment of not less than one (1) year but not more than five (5)
44 years, or a fine of not less than Two Hundred Thousand Pesos (P200,000.00) but not
45 more than One Million Pesos (P1,000,000.00), or both, at the discretion of the court.

1 If the offender is an alien, the offender shall be deported after service of
2 sentence and payment of fine without further deportation proceedings.

3
4 If the violation is committed by a juridical person, the board of directors,
5 officers and all persons directly responsible for the violation shall suffer the penalty
6 imposed under this section.

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8 SEC. 8. *Transitory Provision.* - Within six (6) months after the effectivity of
9 this Act, all persons or entities engaged in the business of wholesale, distribution or
10 retail of milled rice, shall label all their existing inventories of milled rice in accordance
11 with the standards as provided in this Act. Thereafter, all inventories of milled rice
12 which do not conform to the new labeling standards provided in this Act shall be
13 considered as mislabeled subject to the penalties provided in Section 7 of this Act.

14
15 SEC. 9. *Implementing Agency.* - The BAFS of the Department of Agriculture
16 shall, pursuant to its existing functions provided under RA No. 8435, otherwise
17 known as the "Agriculture and Fisheries Modernization Act of 1997," adopt and enforce
18 the rice labeling standards provided under this Act. The BAFS shall review every three
19 (3) years and revise, if necessary, such standards to supplement the labeling
20 requirements for the effective implementation of this Act.

21
22 SEC. 10. *Implementing Rules and Regulations.* - Within sixty (60) days from
23 the effectivity of this Act, the Secretary of Agriculture shall, in coordination with the
24 Secretary of Trade and Industry, issue the necessary rules and regulations for the
25 effective implementation of this Act.

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27 SEC. 11. *Repealing Clause.* - All existing laws, orders, decrees, rules and
28 regulations or parts thereof inconsistent with the provisions of this Act are hereby
29 repealed or modified accordingly.

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31 SEC. 12. *Effectivity.* - This Act shall take effect fifteen (15) days after its
32 publication in the *Official Gazette* or in a newspaper of general circulation.

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34 Approved,
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