

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL No. 4778



Introduced by Honorable Representative
SARAH JANE I. ELAGO (Gabriela Women's Party)

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

EXPLANATORY NOTE

Before the enactment of the Republic Act (R.A.) No. 11203, or the Rice Tariffication Law (RTL), the Philippine rice industry stood as a Php 386-billion agricultural backbone, comprising 3.8 million rice farmers cultivating 4.7 million hectares of land. In 2018, it accounted for nearly one-fifth of the total gross value added in the agricultural sector. However, with the full liberalization of rice importation beginning in 2019, this critical sector has suffered immense and endured harm.

R.A. 11203 removed the National Food Authority's (NFA) power to regulate rice importation, stabilize farm gate and retail prices, and directly procure palay at favorable prices to farmers. In doing so, the government abdicated its responsibility to protect the country's rice producers, and its capacity to regulate the food supply, allowing the private sector to dominate the rice trade. The policy was rationalized on promises of cheaper retail rice, targeting a price of Php 25 per kilo – yet this promise was never fulfilled. Instead, what followed was a wave of bankruptcy, displacement, and deepening landlessness among rice farmers.

From 2019 to 2021, the influx of cheap imported rice brought only a temporary and shallow decline in retail prices while causing widespread, severe and lasting damage to domestic production. Farm gate prices dropped to as low as Php 10 per kilo, while input costs continued to soar. Farmers incurred average losses of Php 20,000 to Php 30,000 per hectare, with many driven out of rice farming altogether. Between 2018 and 2023, the average net return of rice farmers fell by Php 6,268 per hectare. Meanwhile, the average palay production stagnated at 19 million

metric tons annually since 2017 – despite billions in government allocations supposedly meant to enhance productivity.

The continuation of Rice Liberalization Law under the Marcos Jr. administration has only exacerbated the crisis. Despite the campaign rhetoric suggesting openness to suspending the law, the administration expanded its implementation through successive executive orders. Executive Order Nos. 10 and 50 extended the lowered rice tariffs initiated under the previous administration, and EO No. 62 further slashed tariffs from 35% to 15% until 2028. These measures facilitated record-breaking import volumes – 4.8 million metric tons in 2024 alone, with a projected 5.4 million metric tons in 2025 – cementing the Philippines' infamous status as the world's top rice importer.

Contrary to economic expectations, this deluge of imports has not resulted in sustainable retail price reductions. Instead, monopolistic traders have captured increasing market shares and profits. The number of rice importers has shrunk, while the top 10 now control 40% of the trade. Commercial traders now control over half of the country's rice stocks, while farmers receive only 15% of the final retail price – Php 6.50 out of Php 42.80 per kilo or compared to the 44% (Php 18.90) captured by wholesalers.

The government's response has consisted mainly of superficial adjustments under R.A. 12078 which introduced mechanisms such as a food security emergency declaration and subsidized "BBM rice" priced at Php 20 per kilo. However, these are band-aid solutions to persistent problems. These measures lack a comprehensive strategy for strengthening local rice production. Moreover, the Rice Competitiveness Enhancement Fund (RCEF) – even though expanded to P30 billion – remains insufficient and misallocated, with half now under the President's discretionary control and very little reaching farmers as direct support.

Despite an average of Php 22 billion annually from the General Appropriations Act and another Php 22 billion from rice tariff collections, palay production has failed to improve. Meanwhile, the government has incurred Php 24 billion in revenue losses from tariff reductions as of April 2025 or almost equivalent to the combined tariff losses from 2019 to 2023.

This situation has resulted in widespread economic dislocation and landlessness among rice farmers. The chronic depression of farm gate prices, lack of meaningful subsidies, and land conversion pressures have led to a mass exodus from rice farming. Many smallholders, unable to recover from repeated losses, are forced to lease or sell their land, abandon farming altogether, or seek livelihoods elsewhere. The dispossession of rice farmers is not only a socio-economic crisis but also a national food security emergency.

Peasant organizations have repeatedly likened R.A. 11203 to a man-made calamity – one that has devastated rural communities far more tragically than natural disasters. The law has functioned as a legislative tool for dismantling the domestic rice industry and crushing farmers who feed the nation.

In view of the foregoing, the repeal of R.A. 11203 is a matter of national urgency. This bill seeks to restore the government's regulatory role in ensuring food security, and to reorient agricultural policy toward strengthening local production, protecting smallholder farmers, and reclaiming our national food sovereignty.

The immediate passage of this measure 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. Republic Act No. 11203 (An Act Liberalizing the Importation, Exportation and Trading of Rice, Lifting for the Purpose the Quantitative Import Restriction on Rice, and for Other Purposes), 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,