

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

TWENTIETH CONGRESS
First Regular Session



HOUSE BILL No. 7737

Introduced by Honorable Representative
SARAH JANE I. ELAGO (Gabriela Women's Party)
RENEE LOUISE M. CO (Kabataan Partylist)
ANTONIO L. TINIO (ACT Teachers Partylist)

**THE RICE FARMERS' PRODUCTION SUBSIDY FOR SELF-SUFFICIENCY
ACT OF 2026**

EXPLANATORY NOTE

It is undisputed that rice production and its primary productive force, the Filipino rice farmers, are among the country's most significant concerns or sectors. Primarily, producing the staple food of the population, or 111 million Filipinos, consuming 373 grams of rice daily, or a family of five, nearly 2 kilograms per day in 2022, according to the Philippine Statistics Authority (PSA). Moreover, cereals, predominantly rice, are the main sources of calories and protein for the ordinary Filipino, thus a major source of energy for his or her daily work. Thus, rice farmers cultivating rice is a pillar of economic stability, human development, and social welfare. But existing government policies and programs appear detrimental, thus, in a way, undermine food security, self-sufficiency, and self-reliance.

According to PhilRice, the estimated gross returns, production cost, and net returns of rice farmers from 2018 to 2024 per hectare, in peso,

Gross Returns to Net Daily Returns of Rice Farmers (2018-204, P/ha.)

Year	Gross Returns	Production Cost	Net Returns	Net Returns Monthly (if 3 months)	Net Returns Daily (90 days)
2018	79,670	46,694	32,976	10,992	122
2019	68,561	46,319	22,242	7,414	82
2020	68,519	47,027	21,492	7,164	80
2021	69,600	49,920	19,680	6,560	73
2022	65,209	54,373	10,836	3,612	40
2023	82,847	55,814	27,033	9,011	100

2024	95,906	59,695	36,211	12,070	134
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Thus, it is empirical for a rice farmer family to raise more than P50,000 as capital, hope to harvest 72 to 82 cavans per hectare, and sell at farm gate prices around P18 to 23.30 per kilogram (based on the Gross Returns and computed cost of production per kilogram, PhilRice and PSA), just to have a household income of P40 to P134 daily. Therefore, as a matter of policy, given that this is official government data, a Filipino rice farmer who relies solely on rice production for their income is considered poor, living below the poverty threshold of P11,998 per month (PhilRice, 2022), or about P400 per day. This is unsurprising, as in 2023, the Philippine Statistics Authority (PSA) identified the farming sector as among the three sectors with the highest poverty incidence, with 27% of workers living at or below P13,873 per month, or P462 per day.

Moreover, it should be deliberated upon the farm gate prices being used to compute such cost and returns, amid widespread rice farmers' grievances on low farm gate prices.

Farm gate prices (P/kg, PSA)

	2022	2023	2024
Farm gate prices on PSA Openstat database of 14% moisture content	17.44	19.88	23.48
Farm gate prices used on Cost and Returns	17.99	19.81	23.30
Differences	0.55	-0.07	-0.18

There may be an inconsequential difference, probably due to rounding or other reasons, but what is clear is that these prices were for those stocks with 14% moisture content, or dried. If put side by side with the National Food Authority's buying price since April 2024, at P23-30 for 13-14% moisture content, and P17-23/kg for 22-29.9% moisture content, there was sufficient basis that the farm gate prices being endured by poor rice farmers across the country, or those who do not have the capacity and access to facilities to dry up their stocks actually sold their stocks at 23 to 26% lower than the government data.

This was supported by the March 2025 statement of the NFA (NFA urges farmers to maximize profits by drying *palay*, selling to agency), that drying costs P1/kg, and fresh or wet *palay* were usually priced P5 (or 22%-25%) lower than P20-22/kg set by private traders. If these were to be factored in in government, the cost and returns, the gross returns could be lower, consequently the net returns, or the monthly net returns in 2024, could only be P5,037 or P56 daily – already a standard for a slave-like condition in this so-called modern era.

While policy-makers and even PhilRice swiftly classify “Labor and Power Costs” as composing the majority of the cost of production, such as 44% of P59,695/ha. in 2024, hired labor was only 22%, operator (own) labor at 6%, and family labor at 3%.

Share to cost of production (% , PSA)

Item	2022	2023	2024
Fertilizers	20.46	15.83	12.56
Seeds	6.1	6.5	7.2
Reaper's share	4.9	6.0	6.5
Pesticides	4.6	4.8	4.5
Rental (animal, machinery)	2.7	2.6	2.4
Fuel and Oil	1.6	1.9	2.1
Harvester's share	1.4	1.7	1.9
Tresher's share	1.6	1.6	1.6

The costs of farm inputs such as seeds, fertilizers, pesticides, and fuel account for around 27%–34% of total production costs, while farm equipment and machinery account for about 12%–15%. Taken together, these items comprise approximately 41%–46% of the total cost of production.

Furthermore, rice farmers have endured the devastating impacts of the climate crisis, which have resulted in hundreds of billions of pesos in damages over the past decade. In 2020, the Philippine Statistics Authority (PSA) reported that the agriculture sector suffered P290 billion in damages due to extreme natural events and disasters from 2010 to 2019. In addition, the Department of Agriculture declared that around one million metric tons of palay were lost last year due to El Niño, typhoons, pests, and volcanic eruptions, amounting to approximately P14.5 billion based on production costs.

The government must give utmost consideration to the fact that these macroeconomic losses are largely shouldered by Filipino rice farmers, who bear the burden of sustaining their livelihoods and food supply. In doing so, they help uphold national food security and self-sufficiency.

Adding insult to injury, the enactment of Republic Act No. 11203, or the Rice Liberalization Law, in February 2019 under the Duterte administration, further worsened the plight of rice farmers.

Comparing 2024 to the pre-Rice Liberalization Law era:

	2018	2024	Growth Rate (%)
Farm gate Price (P/kg)	20.06	23.48	17
Urea (P/50kg bag)	1,031	1,625	58
Complete (P/50kg bag)	1,112	1,585	43
Ammosul (P/50kg bag)	600	819	36
Ammophos (P/50kg bag)	936	1,446	54
Cost of Production (P/ha)	46,694	59,695	28
Gross Returns (P/ha)	79,670	95,907	20

Retail Price Well-Milled Rice (P/kg)	47.23	55.58	18
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This is evident even in existing government data. Compared with the pre-Rice Liberalization Law period, the increase in production costs has far exceeded the nominal growth in farmgate prices and gross returns, effectively resulting in losses for rice farmers. The costs of farm inputs have risen at galloping inflation rates, averaging more than 10% annually (10%–14%). Moreover, despite record-high volumes of imported rice, the law failed to reduce retail prices. Instead, rice prices have continued to increase.

Consequently, the law has clearly failed to achieve its declared objectives and to protect the interests of both rice farmers and poor consumers. The continued refusal to repeal it is unreasonable and unjustifiable. Congress must decisively repeal this law, especially as the rice self-sufficiency ratio—the ratio of local production to total supply, including imports—has steadily declined from 95% in 2016 to 77%, 79%, 73%, and 72% in 2021, 2022, 2023, and 2024, respectively.

While addressing the crisis in rice production is complex, rice farmers consistently bear the burden of rising costs every cropping season. There is overwhelming evidence—and little room for debate—regarding the vital role of rice production in ensuring food security through self-sufficiency and self-reliance, as well as the crucial social role of farmers. There is also an urgent need to ensure the viability of rice production, promote social justice for farmers who are vulnerable to climate-related disasters, and pursue the sensible repeal of the Rice Liberalization Law.

It is both rational and feasible to ease the burden on rice farmers by providing production subsidies or cash assistance, along with access to farm equipment and machinery. These measures can help address low productivity caused by limited capital and inadequate means of production. It is long overdue for Congress to stand with Filipino rice farmers, correct the grave errors of past administrations, and establish a lasting legacy of genuine governance and public service.

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

REP. SARAH JANE I. ELAGO
Gabriela Women's Party

REP. RENEE LOUISE M. CO
Kabataan Partylist

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**THE RICE FARMERS' PRODUCTION SUBSIDY FOR SELF-SUFFICIENCY
ACT OF 2026**

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

CHAPTER I

Title, State Policies and Objectives

SECTION 1. Title. – This Act shall be known as *The Rice Farmers' Production Subsidy for Self-Sufficiency Act of 2026*.

SECTION 2. State Policies and Principles. – It is the declared policy of the state that food security is based on the principle of promoting food self-sufficiency and self-reliance, and serves as a pillar of the Filipino people's fundamental right to adequate food, rice farmers' right to livelihood, and adequate standard of living. Upon this principle, it is the policy of the State to give the highest priority to the development of the national rice industry and, in line with such prioritization, to allocate the public resources and funds necessary to enhance to the fullest the productive capability of the rice industry, provide adequate production subsidy, increase the income of rice farmers and improve their living conditions, and ensure the availability, accessibility and affordability of rice to the consuming population.

The State recognizes the indispensable role of our rice farmers in attaining food self-sufficiency and self-reliance. It is therefore the policy of the State to uphold their rights and

welfare and to promote and protect their livelihood, which serves as the primary source of the staple food of the population.

Finally, it is the policy of the State to develop a national industry that is responsive to the welfare and interests of rice farmers and consumers and complements the holistic development of agriculture and the local rice industry.

SECTION 3. *Objectives.* – This Act has the following objectives:

- a) To substantially increase the annual national rice production towards self-sufficiency and self-reliance, by enabling rice farmers to sustain production and freeing them from the impediment of lack of production capital;
- b) To increase the income of rice farmers in the country, alleviate them from poverty, indebtedness due to increasing cost of production, losses due to low farmgate prices, damages caused by natural calamities, and other detrimental factors;
- c) To increase the generation of job opportunities and livelihood in the rice-producing areas;
- d) To contribute in decreasing the poverty incidence in the rural areas; and
- e) To generate rural development and contribute to the national economy, as a consequence of continued production, employment, and increased purchasing power of rural-based sectors.

CHAPTER II

Definition of Terms

SECTION 4. *Definition of terms.* - Unless the context provides otherwise, the following terms are used as defined in this Act:

- a) ***Farmers organizations*** refer to organizations consisting of farmers and farm workers who have associated or organized themselves for their common purpose and to advance their interests in the rice industry.
- b) ***Farm equipment and machinery*** in this Act refer to mechanized tools used during the stages of land preparation, planting, cultivation, harvesting, hauling, and drying, that do not require excessive capital outlay and high maintenance costs;
- c) ***Farm worker*** refers to a rice farmer who engages in the production, cultivation, and harvesting of *palay*, with no farmlands or whose farmlands are three (3) hectares and below, obliging him or her to work on other farmlands or other sources of livelihood.

- d) ***Food security*** refers to the situation when all people, at all times, have physical or available, social and economic, or affordable access to sufficient, safe, and nutritious food, based on local production, self-sufficiency, and self-reliance, and not on importation or foreign trade.
- e) ***Production subsidy*** refers to the sum of money granted from public funds to help rice farmers cope with the increasing cost of production and continue production.
- f) ***Rice farmer*** refers to a farmer and farm worker who engages in the production, cultivation, and harvesting of *palay*.

CHAPTER IV

Rice Farmers and Farm Workers Beneficiaries

SECTION 5. *Production subsidy program beneficiaries.* – This Act shall have rice farmers and farm workers as beneficiaries of its programs. However, for the attainment of the stated objectives of this Act, in implementing and dispensing its programs, the Department of Agriculture (DA) is hereby mandated to prioritize the poorest rice farmers and farm workers of the region and provinces as beneficiaries, based on the information stated in the succeeding provision.

SECTION 6. *Poorest rice farmers and farm workers as priority beneficiaries in the Production Subsidy Program.* - The DA shall:

- a) Give priority to the poorest rice farmers as beneficiaries, in dispensing the benefits of *Ayudang Pang-magsasaka* or Farm Inputs Subsidy Program components of this Act;
- b) Identify the rice farm workers as beneficiaries of the *Makinang Pang-magsasaka* or Farm Equipment and Machinery Provision Program of this Act;
- c) Organize the beneficiaries on barangay or cluster of barangay basis into farmers and farm workers organizations or associations which shall serve as conduits for the delivery of program services and as partners of the Department in implementing the production subsidy program.

SECTION 7. *Identifying the beneficiaries of the production subsidy program.* – Within ninety (90) days after the effectivity of this Act, the Philippine Statistics Authority (PSA), in coordination with the DA, shall conduct a census of all rice farmers in the country, and prioritize the beneficiaries based on the following information:

1. Smallest farm size;
2. Non-ownership of farm land;

3. Lowest average monthly income;
4. Non-irrigated farm land;
5. Highest average cost of production;
6. Average yield per hectare;
7. Lowest farm gate price; and
8. Scarcity of mechanized farm equipment (equipment-to-farmer ratio).

Coinciding, the PSA in coordination with the DA, shall conduct a census of all rice farm workers in the country, and farmers whose farm lands are three (3) hectares and below, who shall be the beneficiaries of the program stated in Section 12 of this Act.

The PSA shall isolate the data and information concerning the rice farmers and farm workers mentioned in the preceding section and reduce them into a report to be submitted to the DA within thirty (30) days after the conduct of the census. The report shall serve as the basis for the DA to identify and locate these beneficiaries for the production subsidy program of this Act.

SECTION 8. *DA function and appropriate office.* – The DA shall make and maintain a database of the information contained in the PSA report. The database shall serve as the basis for identifying beneficiaries, monitoring, and evaluation based on the objectives stated in this Act, and shall form part of the DA's periodic report to the Congressional Oversight Committee.

An appropriate office of the DA or an organization of personnel shall be identified or created to specialize in attending to the needs and concerns of the beneficiaries of this Act.

CHAPTER VI

Rice Farmers' Production Subsidy Program

SECTION 9. *Rice Farmers' Production Subsidy Program.* – This shall be the principal program of this Act, which is a production subsidy program in nature, for the attainment of the stated objectives, and to benefit the rice farmers and farm workers identified in Section 7. This is composed of the *Ayudang Pang-Magsasaka* or Farm Inputs Subsidy Program and the *Makinang Pang-Magsasaka* or Farm Equipment and Machinery Provision Program.

SECTION 10. *Ayudang Pang-Magsasaka or Farm Inputs Subsidy Program.* – An accessible and direct distribution program of cash assistance as a production subsidy is hereby established for the rice farmers beneficiaries, as identified in Section 7 of this Act. This shall be used exclusively for the purchase and utilization of farm inputs for rice production.

For this purpose, the amount of One Hundred Fifty Billion Pesos (P150B) is hereby appropriated and constituted into a Fund which shall be called the *Ayudang Pang-Magsasaka* or Farm Inputs Subsidy Fund, or simply the *Ayudang Pang-Magsasaka* Fund as referred to in this Act.

SECTION 11. *Ayudang Pang-Magsasaka Allotment and Schedule of Distribution.* – Of the aforementioned fund, sixty-percent (60%) or Ninety Billion Pesos (P90,000,000,000) for the cropping season of June to August; and, forty-percent (40%) or Sixty Billion Pesos (P60,000,000,000) shall be distributed for the cropping season of November to March of the succeeding year; with each beneficiary to receive Fifty Thousand Pesos (P50,000) per cropping season. The DA shall ensure that the distribution of *Ayudang Pang-Magsasaka* be made thirty (30) days before the start of the cropping season.

SECTION 12. *Makinang Pang-Magsasaka or Farm Equipment and Machinery Provision Program.* – The DA shall institutionalize a distribution program of sets of farm equipment and machinery to barangays or clusters of barangays with rice farm lands, and shall be managed by the farm worker organization or association, whose members were identified in Section 7 of this Act. The DA shall identify the clusters of barangays to be served by the set of farm equipment and machinery, as guided by the effective rice lands hectarage or the number of rice farmers per machinery ratio.

For this purpose, the amount of Fifty Billion Pesos (P50,000,000,000) is hereby appropriated and constituted into a Fund which shall be called the *Makinang Pang-Magsasaka* or Farm Equipment and Machinery Provision Fund, or simply the *Makinang Pang-Magsasaka Fund* as referred to in this Act.

The set of farm equipment and machinery may include, but not limited to, hand tractor or four-wheeled tractor with implements, power tiller, seeder, transplanter, reaper, thresher, mobile dryer and small water irrigation system, and others satisfying the definition in Section 4 of this Act.

CHAPTER XVI

Appropriations

SECTION 13. *Appropriation.* – The amount of One Hundred Billion (P200,000,000,000) is hereby appropriated to fund the programs stated in this Act. Such amount shall be apportioned as follows:

- a) One Hundred Fifty Billion Pesos (P150,000,000,000) for the *Ayudang Pang-Magsasaka* or Farm Inputs Subsidy Program;
- b) Fifty Billion Pesos (P50,000,000,000) for the *Makinang Pang-Magsasaka* or Farm Equipment and Machinery Provision Program.

SECTION 14. *Exemption from the election ban.* – The programs of this Act shall be exempt from the election ban on public works.

CHAPTER XIX

Congressional Oversight Committee

SECTION 15. *Congressional Oversight Committee.* – A Congressional Oversight Committee is hereby created to oversee and monitor the implementation of this Act. It shall be composed of the Chairpersons and Vice-chairpersons of the Committees on Agriculture and Food, and Poverty Alleviation of the House of Representatives and Chairpersons and Vice-chairpersons of the Committees on Agriculture and Food and Economic Affairs of the Senate.

The Chairperson of the Congressional Oversight Committee shall be rotated among the chairpersons of the member-committees.

The Congressional Oversight Committee shall meet twice a year.

CHAPTER XIX

Miscellaneous Provisions

SECTION 16. *Implementing Rules and Regulations.* – The DA shall issue the Implementing Rules and Regulations of this Act within forty-five (45) days after its effectivity.

SECTION 17. *Repealing clause.* – All laws, decrees, executive orders, rules and regulations, and other issuances not consistent with this Act are hereby repealed or amended as to inconsistent parts.

SECTION 18. *Separability clause.* – If any provision or part of this Act is declared void, the remaining parts shall remain in force and effect.

SECTION 19. *Effectivity clause.* – This Act shall take effect immediately after fifteen (15) days from its publication in the Official Gazette.

Approved,