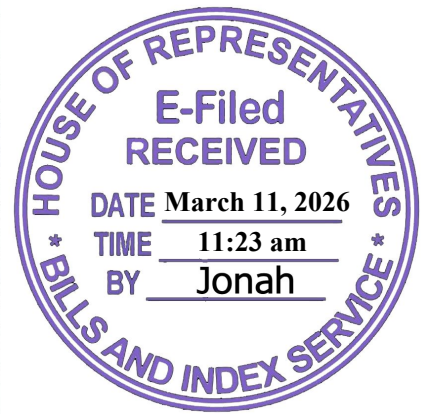


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

House Bill No. 8426



INTRODUCED BY REPRESENTATIVES RALPH WENDEL P. TULFO
AND JOCELYN P. TULFO

AN ACT
STRENGTHENING THE REGULATORY POWERS OF THE NATIONAL FOOD
AUTHORITY TO SUPPORT THE RICE INDUSTRY AND ENSURE CONSUMER
PROTECTION THROUGH ADEQUATE SUPPLY AND STABLE PRICE OF RICE,
AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8178, OTHERWISE
KNOWN AS THE "AGRICULTURAL TARIFFICATION ACT", AS AMENDED

EXPLANATORY NOTE

Republic Act No. 8178, otherwise known as the "Agricultural Tariffication Act", as amended, mandates the State to ensure food security and to make the country's agricultural sector viable, efficient, and globally competitive by adopting the use of tariffs in lieu of non-tariff import restrictions to protect local producers of agricultural products.

However, the amended "Rice Tariffication Law" has severely weakened the ability of the National Food Authority (NFA) to stabilize rice prices and supply, stripping it of key regulatory powers – including the authority to sell rice directly to the public. Before amendments to the "Agricultural Tariffication Act" took effect, the NFA could import rice to augment supply, allowing it to maintain a healthier buffer stock and intervene when prices surged. Once a crucial player in controlling market

prices through timely imports and public sales, the NFA is now reduced to a buffer-stocking agency, limited to buying rice from local farmers for emergency use.¹

This bill aims to maintain food security and promote rice industry sustainability through an integrated and responsive regulatory framework by enhancing the institutional capacity of the NFA to oversee rice supply and pricing mechanism, protect consumer welfare, and safeguard the interests of local rice farmers, consistent with equitable and strategic trade policy. Therefore, strengthening the regulatory powers of the NFA to support the rice industry and ensure consumer protection through adequate supply and stable price of rice.

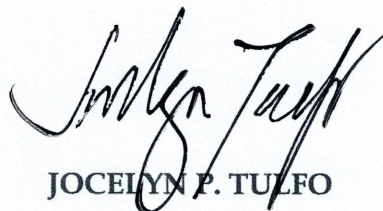
In view of the foregoing, the urgent passing of this bill is earnestly sought.



RALPH WENDEL P. TULFO

Representative

2nd District of Quezon City



JOCELYN P. TULFO

Representative

ACT-CIS Partylist

¹ DA Press Office, "Stripped powers leave NFA ineffective in stabilizing rice market", DEPARTMENT OF AGRICULTURE, 8 May 2025, <https://www.da.gov.ph/stripped-powers-leave-nfa-ineffective-in-stabilizing-rice-market/>

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AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8178, OTHERWISE
KNOWN AS THE "AGRICULTURAL TARIFFICATION ACT", AS AMENDED

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

1 **SECTION 1. *Short Title.*** – This Act shall be known as the "*Rice Industry and*
2 *Consumer Empowerment (RICE) Act*".

3
4 **SEC. 2. *Declaration of Policy.*** – It is hereby declared the policy of the State to
5 maintain food security and promote rice industry sustainability through an integrated
6 and responsive regulatory framework. Towards this end, the State shall enhance the
7 institutional capacity of the National Food Authority to oversee rice supply and
8 pricing mechanism, protect consumer welfare, and safeguard the interests of local rice
9 farmers, consistent with equitable and strategic trade policy.

10

1 SEC. 3. Section 3 of Republic Act No. 8178, as amended, is hereby further
2 amended to read as follows:

3
4 “SEC. 3. *Definition of Terms.* – The following definitions apply to the
5 terms used in this Act:

6
7 x x x

8
9 (e) “Buffer Stock” refers to the optimal level of rice inventory for [fifteen
10 ~~(15)~~ AT LEAST NINE (9) days that shall be maintained to sustain the disaster
11 relief programs of the government during natural or man-made calamities and
12 to address food security emergency situations on rice.

13
14 x x x

15
16 SEC. 4. Section 5 of Republic Act No. 8178, as amended, is hereby further
17 amended to read as follows:

18
19 “ SEC. 5. *Strengthening the Regulatory Function of the Department of*
20 *Agriculture (DA).* – The DA, through the National Food Authority (NFA), is
21 hereby authorized to:

- 22
23 (a) Require the registration and maintain a national database of all grain
24 warehouses, storage facilities, silos, and controlled-temperature cold
25 storages;
26 (b) Conduct regular inspections of grain warehouse and agricultural facilities
27 to ensure compliance with palay and rice and supply standards and
28 regulations;

1 (B-1) ORDER THE SEIZURE, WHENEVER THERE IS CORNERING,
2 HOARDING, PROFITEERING ACTIVITIES AS DEFINED BY EXISTING
3 LAWS OF RICE AND OTHER GRAINS AND THEIR SUBSTITUTES
4 AND/OR BY-PRODUCTS THEREOF, INCLUDING THE FACILITIES
5 USED IN THE SAID CORNERING, HOARDING OR PROFITEERING
6 ACTIVITIES, OR WHENEVER THERE IS SCARCITY OF SUPPLY OF
7 RICE IN THE MARKET OR UNWARRANTED INCREASE IN THE PRICE
8 THEREOF, ORDER THE SEIZURE OF THE HOARDED COMMODITY
9 AND ITS PUBLIC SALE IN SUCH QUANTITY AS MAY BE NEEDED TO
10 STABILIZE THE SUPPLY IN THE AREA OF SCARCITY AND RESTORE
11 PRICES TO NORMAL LEVELS;

12
13 TO ENFORCE THIS PROVISION, THE NFA ADMINISTRATOR, OR THE
14 DULY AUTHORIZED REPRESENTATIVE, IS AUTHORIZED TO IMPOSE
15 ADMINISTRATIVE FINES AND PENALTIES; TO CONDUCT
16 INVESTIGATIONS; TO REQUIRE BY SUBPOENA OR SUBPOENA DUCES
17 TECUM THE ATTENDANCE AND TESTIMONY OF WITNESSES, THE
18 PRODUCTION OF BOOKS, PAPERS, DOCUMENTS, EXHIBITS,
19 RECORDS, EVIDENCE; TO ADMINISTER OATH; AND TO EFFECT THE
20 SAID SEIZURES;

21
22 (B-2) REGISTER, LICENSE, AND PRESCRIBE AND COLLECT FEES,
23 CHARGES AND/OR SURCHARGES IN LICENSING AND
24 REGULATING THE OPERATIONS OF THE FOLLOWING:

- 25
26 i. GRAINS WAREHOUSES OR ANY PERSONS ENGAGED IN
27 STORAGE OF RICE AND OTHER GRAINS AND THEIR
28 SUBSTITUTES AND/OR BY-PRODUCTS THEREOF;
29

1 ii. PERSONS, NATURAL OR JURIDICAL, ENGAGED OR
2 INTENDING TO ENGAGE IN THE BUSINESS OF PROVIDING
3 GOODS AND SERVICES IN SUPPORT OF THE DIFFERENT
4 ACTIVITIES INVOLVED IN THE PRODUCTION, PROCESSING,
5 TRANSPORTATING, MARKETING AND TRADING OF RICE,
6 CORN AND OTHER GRAINS OT THEIR SUBSTITUTES;

7
8 iii. PERSONS, NATURAL OR JURIDICAL, ENGAGED OR
9 INTENDING TO ENGAGE IN THE WHOLESALE AND/OR
10 RETAIL BUSINESS OF RICE, CORN AND OTHER GRAINS OR
11 THEIR SUBSTITUTES; AND

12
13 iv. PERSONS, NATURAL OR JUDICIAL, ENGAGED IN THE
14 PROCESSING OR MANUFACTURE OF GOODS WHERE RICE,
15 CORN OR OTHER GRAINS OR THEIR SUBSTITUTES ARE USED
16 AS INGREDIENTS IN THE MANUFACTURE OR STARCH, OIL
17 AND ANIMAL FEEDS OR OTHER SIMILAR COMMODITIES
18 AND THEIR BY-PRODUCTS OR END-PRODUCTS; AND

19
20 (c) Collect and analyze data on rice trade activities in cooperation with the
21 Philippine Statistics Authority (PSA), the Bureau of Customs (BOC), the
22 National Food Authority (NFA), and other government agencies for
23 informed policy and operational decisions.

24
25 The DA-BPI shall exercise the aforementioned powers in addition to its
26 existing powers related to sanitary and phytosanitary and food safety
27 standards.

28
29 Upon the request of the DA-BPI, the local government units (LGUs), the
30 Philippine National Police, the National Bureau of Investigation, or other law

1 enforcement agencies shall provide prompt response and assistance in the
2 implementation of this section.

3
4 NFA MAY AUGMENT ITS PERSONNEL OR PLANTILLA POSTIONS
5 CORRESPONDING TO ITS ADDITIONAL REGULATORY POWERS AND
6 DISTRIBUTION FUNCTIONS."

7
8 SEC. 5. Section 6 (c) of Republic Act No. 8178, as amended, is further amended
9 to read as follows:

10
11 *"SEC. 6. Powers of the DA on the Rice Price Stabilization and Supply Regulation.*

12 x x x

13
14 (c) Import rice when the available supply of locally produced rice is inadequate
15 TO MAINTAIN A STABLE SUPPLY AND PRICE CONDITION. The DA
16 Secretary is authorized to designate the importing entity within the DA [~~with~~
17 ~~the exception of the NFA~~]: *Provided, [t]* That the designate entity shall import
18 THE TYPE OF rice TO BE DETERMINED BY THE SECRETARY at the least cost
19 available among government-to-government options, which shall include
20 direct contracts between the Philippine government and foreign governments,
21 including instrumentalities and State-owned enterprises of such foreign
22 governments.

23
24 SEC. 6. Section 11 of Republic Act No. 8178, as amended, is further amended
25 to read as follows:

26
27 *"SEC. 11. Maintenance and Disposal Rice Buffer Stock. - The NFA shall, in*
28 *accordance with the rules, regulations, and procedures, maintain an optimal*
29 *rice buffer stock to be sourced [exclusively] from local farmers, FARMER*
30 *COOPERATIVES, AND FARMERS' ASSOCIATION IN PALAY FORM:*

1 PROVIDED, THAT IF NEED ARISES, PROCUREMENT MAY BE
2 UNDERTAKEN IN MILLED RICE FORM WITHIN THE PRESCRIBED
3 QUALITY STANDARDS, IN THE FOLLOWING ORDER OF PREFERENCE,
4 AS FAR AS PRACTICABLE, FROM: (A) RECIPIENTS OF DA RICE
5 PROCESSING SYSTEMS; (B) REGISTERED FARMERS COOPERATIVES;
6 AND (C) LOCAL GOVERNMENT UNIT (LGU) RICE MILLS.

7
8 The NFA shall dispose of its rice buffer stock [~~one (1) month before the aging~~
9 ~~period starts, following the first in, first out method~~] OBSERVING GOOD
10 WAREHOUSE AND STOCK MANAGEMENT PRACTICES, WITH THE
11 EFFORT TO PREVENT THE STOCKS FROM AGING.

12
13 The aging process begins three (3) months from storage for MILLED rice and
14 six (6) months from storage for palay FORM.

15
16 In ~~{both}~~ ALL cases[,]
17 ~~{disposal through sale shall be through public auction}~~
18 AND IN ADDITION TO ITS EXISTING MANDATE TO RELEASE STOCKS IN
19 RESPONSE TO EMERGENCIES AND CALAMITIES, THE NFA SHALL
20 PROVIDE THE GUIDELINES ON THE DISPOSITION OF STOCKS
21 THROUGH:

22 (a) SALE OF RICE TO ACCREDITED NFA RETAILERS AND THEIR
23 SUBSEQUENT SALE TO THE PUBLIC SHALL BE GOVERNED BY THE
24 NFA SELLING PRICE BULLETIN;

25 (b) SALE TO GOVERNMENT AGENCIES OR ENTITIES SUCH AS THE
26 FOOD TERMINAL, INC. (FTI) AND LGUS, THE PUBLIC THROUGH
27 KADIWA OUTLETS, FARMERS AND FARMER COOPERATIVES AND
28 ASSOCIATIONS WHO SOLD THEIR PALAY TO NFA, AND
29 ACCREDITED NFA RICE RETAILERS;

30 (c) SALE BY PUBLIC AUCTION; OR

1 (d) SUCH OTHER MEANS OF DISPOSITION ALLOWED UNDER OTHER
2 LAWS ENSURING TRANSPARENCY, COMPETITIVENESS,
3 ACCOUNTABILITY, AND PUBLIC MONITORING.

4
5 FOR THIS PURPOSE, AND AS AN ESSENTIAL PART OF GOOD STOCK
6 MANAGEMENT, THE NFA SHALL DISPOSE MAXIMUM OF ONE-FOURTH
7 OF ITS TOTAL EXISTING BUFFER STOCK EVERY MONTH UNLESS
8 DIRECTED BY THE NFA COUNCIL TO DISPOSE A HIGHER VOLUME."

9
10 SEC. 7. New sections to be denominated as Section 11-A and Section 11- B are
11 hereby inserted after the Section 11 of Republic Act No. 8178, as amended, to read as
12 follows:

13
14 "SEC. 11-A. SETTING OF FLOOR PRICE FOR PALAY. - THE DA SHALL
15 HAVE THE POWER TO INTERVENE IN THE MARKET TO ENSURE
16 ADEQUACY OF SUPPLY AND STABILITY OF PRICES OF PALAY. THIS
17 INCLUDES THE AUTHORITY TO ESTABLISH AND IMPLEMENT
18 MECHANISMS FOR REASONABLE AND FLEXIBLE FLOOR PRICE OF
19 PALAY, ON NATIONAL, REGIONAL, AND PROVINCIAL LEVELS AT
20 WHICH THE RICE TRADERS MAY BUY FROM THE FARMERS, AND
21 TAKING INTO CONSIDERATION THE FOLLOWING:

- 22
23 i) COST OF PRODUCTION;
24 ii) PREVAILING MARKET PRICES;
25 iii) REASONABLE MARGINS FOR FRAMERS;
26 iv) WELFARE OF BOTH FARMERS AND CONSUMERS; AND
27 v) OTHER RELEVANT FACTORS AND CONDITIONS.

28
29 THE NFA SHALL UTILIZE ITS REINSTATED REGULATORY FUNCTION
30 TO ACHIEVE THESE OBJECTIVES.:"

1
2 "SEC. 11-B. PENALTIES. - ANY PERSON WHO VIOLATES THE FLOOR
3 PRICE POLICY OR ANY RULE OR REGULATION ISSUED THEREUNDER
4 SHALL BE SUBJECT TO:

- 5
6 i) REVOCATION OR SUSPENSION OF LICENSE, TRADING PERMIT,
7 OR ACCREDITATION; AND
8 ii) A FINE NOT EXCEEDING ₱2,000,000.00 OR IMPRISONMENT OF
9 NOT MORE THAN TWO (2) YEARS, OR BOTH, AT THE
10 DISCRETION OF THE COURT.

11
12 "IF THE OFFENDER IS A CORPORATION OR ASSOCIATION, THE
13 PENALTY SHALL BE IMPOSED UPON ITS RESPONSIBLE OFFICERS SUCH
14 AS THE PRESIDENT, GENERAL MANAGER, OR MANAGING PARTNER.

15
16 "IF THE VIOLATOR IS AN ALIEN, SUCH ALIEN SHALL BE DEPORTED
17 UPON COMPLETION OF SENTENCE, WITHOUT FURTHER
18 PROCEEDINGS.

19
20 "ANY GOVERNMENT OFFICIAL OR EMPLOYEE FOUND TO HAVE
21 AIDED, ABETTED, OR CONNIVED IN SUCH VIOLATIONS SHALL BE
22 PERPETUALLY DISQUALIFIED FROM HOLDING ANY PUBLIC OFFICE, IN
23 ADDITION TO OTHER APPLICABLE PENALTIES."

24
25 **SEC. 8. *Implementing Rules and Regulations.*** - The Secretary of Agriculture,
26 in coordination with the NFA, shall promulgate such rules and regulations as may be
27 necessary to carry out the provisions of this Act, which rules and regulations shall
28 take effect fifteen (15) days following their publication in at least one newspaper of
29 general circulation.
30

1 **SEC. 9. *Repealing Clause.*** - All laws, decrees, executive issuances, rules and
2 regulations or portions thereof, which are not consistent with this Act, are hereby
3 repealed, amended or modified accordingly.

4
5 **SEC. 10. *Separability Clause.*** - If any portion of the provisions of this Act is
6 held unconstitutional or invalid, all other provisions not affected shall remain.

7
8 **SEC. 11. *Effectivity.*** - This Act shall take effect immediately upon publication
9 in the *Official Gazette* or in a newspaper of general circulation

10
11 Approved,