

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

**Twentieth Congress
First Regular Session**

House Bill No. 9405



**Introduced by Honorable Representatives
DADAH KIRAM ISMULA (Akbayan Partylist)
JOSE MANUEL TADEO "CHEL" I. DIOKNO (Akbayan Partylist)
PERCIVAL V. CENDAÑA (Akbayan Partylist)
KAKA BAG-AO (Dinagat Islands)**

**AN ACT AMENDING REPUBLIC ACT NO. 8178, AS AMENDED, TO RESTORE
THE REGULATORY AND STABILIZATION FUNCTIONS OF THE NATIONAL
FOOD AUTHORITY, STRENGTHEN DIRECT FARMER SUBSIDIES, ENSURE
THE ACTIVE PARTICIPATION OF CIVIL SOCIETY AND PEOPLE'S
ORGANIZATIONS, AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

The enactment of Republic Act No. 11203, otherwise known as the Rice Tariffication Law (RTL), marked one of the most radical shifts in Philippine agricultural policy. By replacing quantitative restrictions with a purely tariff-based system, the State gambled on the theory that an open market would automatically lead to lower consumer prices and a more competitive local industry.

Six years into this experiment, however, the data suggest a catastrophic failure for our rural heartlands. While the law successfully generated significant tariff revenues, it did so at the expense of the Filipino farmer's survival. The "level playing field" promised by liberalization never materialized. Instead, local producers—burdened by high costs of fuel, fertilizer, and labor—were forced to compete against heavily subsidized imports from neighboring agrarian giants.

This bill is a corrective measure rooted in the 1987 Philippine Constitution. Article II, Section 21 declares that the State shall promote comprehensive rural development, while Article XIII, Section 5 mandates that the State shall recognize the right of farmers and farmworkers to participate in the planning and management of programs that affect them. The current RTL framework has effectively disenfranchised the farming sector by stripping the National Food Authority (NFA) of its stabilization

powers, leaving the price of our national staple entirely in the hands of private traders and cartels. This lack of state oversight is not merely a policy choice; it is a dereliction of the constitutional duty to protect the marginalized.

Three undeniable realities drive the necessity of this measure. First, the income gap: while the cost of production in the Philippines has soared to an average of ₱15.50 per kilogram, the farmgate price of palay often plummets to ₱16.00 or lower during harvest peaks¹. This razor-thin margin, or outright loss, has led to a cycle of perpetual debt, forcing many to abandon farming altogether. Second, the consumer paradox: liberalization promised cheaper rice, yet in 2024 and 2025 retail prices hit historic highs, reaching ₱55 to ₱60 per kilogram despite record-breaking import volumes². This proves that tariffication has not benefited the poor consumer; rather, it has shifted profit margins from producers to intermediaries. Third, national food sovereignty: relying on the global market for 20% to 25% of our national rice requirement is a threat to national security³. In an era of climate volatility and geopolitical tension, dependence on foreign rice makes the Filipino people vulnerable to international supply shocks.

This bill does not seek a total reversal of trade, but a balanced protectionist model. Among its key reforms, it restores the NFA's mandate to intervene when markets fail, reintroduces seasonal import safeguards, and ensures that the Rice Competitiveness Enhancement Fund (RCEF) provides immediate, direct relief in the form of input subsidies. Most importantly, it institutionalizes the voice of Civil Society Organizations (CSOs) and People's Organizations (POs). By making the NAPC-Farmers and Landless Rural Workers Sectoral Council a voting member in policy deliberations, we ensure that agricultural laws are made with the farmers, not just for them.

The survival of the Filipino farmer is the survival of the Filipino nation. To delay these amendments further is to invite the total collapse of our domestic rice industry.

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

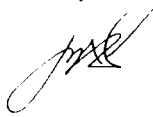
¹ Philippine Statistics Authority. (2024). Costs and returns of palay production; Updates on palay, rice, and corn prices. Quezon City, Philippines.

² Department of Agriculture - Agribusiness and Marketing Assistance Service. (2024). Bantay presyo: Price monitoring of agricultural commodities in Metro Manila markets. Quezon City, Philippines.

³ United States Department of Agriculture Foreign Agricultural Service. (2024). Grain: World markets and trade. Washington, D.C.



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

1 **SECTION 1. *Short Title.*** This Act shall be known as the "**Rice Farmer Protection**
2 **and Market Stabilization Act**" or "**Protek Palay Price Act**".
3

4 **SECTION 2.** Section 3 of Republic Act No. 8178, as amended is hereby further
5 amended to read as follows:

6 **"SEC. 3. *Definition of Terms.*** — x x x

7 (E) Buffer Stock refers to the optimal level of rice inventory for **NINETY (90)**
8 days that shall be maintained to sustain the disaster relief programs of the
9 government during natural or man-made calamities and to address food
10 security emergency situations on rice;

11 xxx

12 **(P) FOOD SOVEREIGNTY SHALL REFER TO THE RIGHT OF THE STATE**
13 **TO DEFINE ITS OWN AGRICULTURAL AND FOOD POLICIES,**
14 **PRIORITIZING LOCAL PRODUCTION AND THE WELFARE OF SMALL-**
15 **SCALE FARMERS TO ENSURE A STABLE AND INDEPENDENT FOOD**
16 **SUPPLY;**

1 (Q) PEOPLE'S ORGANIZATIONS (POs) SHALL REFER TO SELF-HELP
2 GROUPS BELONGING TO THE SECTOR OF FARMERS, LANDLESS
3 RURAL WORKERS, AND AGRICULTURAL LABORERS, WHICH ARE
4 DULY REGISTERED AND ORGANIZED FOR THE PROTECTION OF
5 THEIR INTERESTS; AND

6 (R) CIVIL SOCIETY ORGANIZATIONS (CSOs) SHALL REFER TO NON-
7 PROFIT ORGANIZATIONS, NON-GOVERNMENTAL ORGANIZATIONS
8 (NGOs), AND ADVOCACY GROUPS ENGAGED IN AGRICULTURAL
9 DEVELOPMENT AND POVERTY ALLEVIATION."

10 **SECTION 3.** A new Section 6-A is hereby inserted after Section 6 of Republic Act No.
11 8178, as amended, to read as follows:

12 "SEC. 6-A. *Powers and Functions of the National Food Authority*
13 *(NFA).* — THE NFA SHALL REGAIN ITS MANDATE FOR PRICE
14 STABILIZATION AND MARKET REGULATION. TO ENSURE THE
15 AVAILABILITY AND AFFORDABILITY OF RICE, THE NFA IS HEREBY
16 AUTHORIZED TO:

17 (A) PURCHASE PALAY DIRECTLY FROM LOCAL FARMERS OR THEIR
18 COOPERATIVES AT A COMPETITIVE SUPPORT PRICE TO MAINTAIN A
19 NATIONAL BUFFER STOCK;

20 (B) SELL RICE IN THE MARKET AT A SUBSIDIZED PRICE ACCESSIBLE
21 TO MARGINALIZED CONSUMERS DURING PERIODS OF NATIONAL
22 EMERGENCY, HIGH INFLATION, OR SUPPLY SHORTAGES AS
23 DECLARED BY THE PRESIDENT; AND

24 (C) REGISTER, LICENSE, AND INSPECT ALL RICE WAREHOUSES AND
25 GRAIN BUSINESS OPERATORS TO PREVENT HOARDING, PRICE
26 MANIPULATION, AND THE PROLIFERATION OF SMUGGLED GOODS."

27 **SECTION 4.** Section 7 of Republic Act No. 8178, as amended is hereby further
28 amended to read as follows:

29 "SEC. 7. *Issuance of Sanitary and Phytosanitary (SPS) Import Clearance for*
30 *Rice for the Sole Purpose of Ensuring Food Safety.* — xxx

31 PROVIDED, THAT THE SECRETARY OF AGRICULTURE, IN
32 MANDATORY CONSULTATION WITH DULY ACCREDITED PEOPLE'S
33 ORGANIZATIONS (POs) AND THE NAPC FARMERS AND LANDLESS
34 RURAL WORKERS SECTORAL COUNCIL, MAY SUSPEND THE
35 ISSUANCE OF SPS IMPORT CLEARANCES DURING THE PEAK LOCAL
36 HARVEST MONTHS TO PREVENT THE ARTIFICIAL DEPRESSION OF
37 LOCAL FARMGATE PRICES."

SECTION 5. Section 13 of Republic Act No. 8178, as amended is hereby further amended to read as follows:

"SEC. 16. *Rice Competitiveness Enhancement Fund (RCEF).* — xxx

(B) Rice Seed Development, Propagation, **DISTRIBUTION** and Promotion. – Six billion pesos (P6,000,000,000.00) of the RCEF shall be released to and implemented by the Philippine Rice Research Institute (PhilRice) and shall be used for the development, propagation, **DISTRIBUTION** and promotion of inbred rice seeds to rice farmers, the organization of rice farmers into seed growers associations and/or cooperatives engaged in seed production and trade **AND UPGRADING SEED CERTIFICATION SERVICES;**

(C) DIRECT INPUT SUBSIDIES. — SIX BILLION (P6,000,000,000.00) OF THE RCEF SHALL BE UTILIZED FOR THE PROVISION OF DIRECT SUBSIDIES FOR FERTILIZERS, AND OTHER FARM INPUTS TO BE DISTRIBUTED TO REGISTERED FARMERS

(D) Other Priority Programs, Activities, and Projects. – Notwithstanding any law to the contrary, the President is hereby authorized to allocate the amount of **NINE** billion pesos (**P9,000,000,000.00**) to programs, activities, and projects that will most effectively promote farmers productivity, supply resiliency, and address food security emergency situations on rice due to supply shortage or extraordinary increase in prices, in the following order of priority:

(1) xxx

(9) MULTI-INDEX-BASED CROP INSURANCE PREMIUMS FOR SMALLHOLDER FARMERS; AND

(10) ESTABLISHMENT OF COMMUNITY-BASED POST-HARVEST FACILITIES MANAGED BY LOCAL POs.

xxx"

SECTION 6. Section 15 of Republic Act No. 8178, as amended is hereby further amended to read as follows:

"SEC. 15. *Rice Industry Roadmap.* — xxx

THE DEPARTMENT OF AGRICULTURE (DA) SHALL ENSURE THAT THE RICE INDUSTRY ROADMAP IS FORMULATED AND IMPLEMENTED WITH THE ACTIVE PARTICIPATION OF ACCREDITED CIVIL SOCIETY ORGANIZATIONS (CSOs) AND PEOPLE'S ORGANIZATIONS (POs). AT LEAST THREE (3) REPRESENTATIVES FROM THE NAPC-FARMERS AND LANDLESS RURAL WORKERS SECTORAL COUNCIL AND TWO (2) REPRESENTATIVES FROM NATIONAL FARMER FEDERATIONS SHALL

1 **BE INCLUDED AS VOTING MEMBERS IN THE RCEF OVERSIGHT**
2 **COMMITTEE."**

3 **SECTION 7. Separability Clause.** – If any portion of this Act is declared
4 unconstitutional, the remaining parts shall remain in full force and effect.

5 **SECTION 8. Repealing Clause.** – All laws, executive orders, or parts thereof
6 inconsistent with this Act are hereby repealed or modified accordingly.

7 **SECTION 9. Effectivity.** – This Act shall take effect fifteen (15) days after its
8 publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,