

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
2nd Regular Session

HOUSE BILL NO. 10706



Introduced by
Representative AUGUSTINA DOMINIQUE "Ditse Tina" C. PANCHO

EXPLANATORY NOTE

Rice is more than the staple food of the Filipino people. It is a strategic national commodity that underpins food security, sustains rural livelihoods, supports economic stability, and contributes significantly to national development. The continued viability of the country's rice industry is therefore not merely an agricultural concern but a matter of public interest and national importance.

Within this context, Filipino rice farmers are the backbone of the nation's food security. Through their labor and perseverance, they sustain one of the country's most vital industries and ensure that rice—the staple food of every Filipino household—remains available on the tables of millions of families. However, despite their indispensable role in ensuring the country's food supply, Filipino rice farmers continue to face persistent economic uncertainty arising from unstable and often depressed farmgate prices. During periods of oversupply, increased importation, or market disruptions, many farmers are compelled to sell their harvest at prices that barely recover, and in many instances fall below, the actual cost of production. These conditions erode farm incomes, discourage continued investment in rice production, and threaten the long-term sustainability of the domestic rice industry.

In the past, fluctuations in domestic supply, importation, rising production costs, market inefficiencies, and speculative trading have consistently compelled many farmers to sell their harvest at prices that barely recover, and in many instances fall below, the actual cost of production. Such conditions not only undermine the livelihood of Filipino rice farmers but also discourage continued investment in domestic rice production, threaten the long-term sustainability of the rice industry, and ultimately place the country's food security at risk.

The Constitution mandates the State to promote agricultural development, protect the rights and welfare of farmers, and pursue policies that ensure equitable economic opportunities and national food security. While existing laws authorize various forms of government intervention in the rice sector, these measures have largely been temporary, fragmented, and reactive. Although procurement programs and other market interventions have provided short-term relief, there remains no permanent statutory framework that guarantees Filipino rice

farmers a fair and remunerative farmgate price while institutionalizing a sustainable mechanism for market stabilization.

This bill seeks to establish that framework.

It proposes the establishment of a Guaranteed Farmgate Price of Twenty-Five Pesos (₱25.00) per kilogram of dry palay to ensure that Filipino rice farmers receive fair and reasonable compensation for their produce. The guaranteed price is intended to serve as a minimum level of protection against unreasonable market fluctuations, speculative trading, and other market conditions that unduly prejudice agricultural producers, while preserving the operation of market forces by allowing palay to be purchased at prices higher than the guaranteed price whenever prevailing market conditions so warrant.

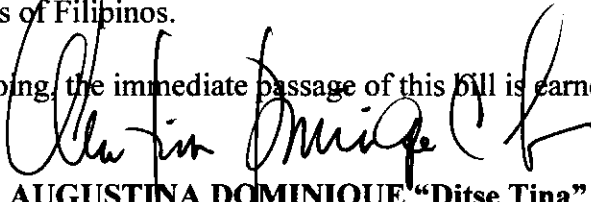
Recognizing that guaranteeing a fair farmgate price alone is insufficient to achieve long-term market stability, the measure likewise establishes a comprehensive institutional framework to ensure its effective implementation. It creates a National Palay Price Stabilization Mechanism anchored on timely government procurement, strategic buffer stocking, and evidence-based market intervention measures. It likewise establishes the National Palay Price Advisory Council to provide continuing technical advice and policy recommendations, creates a Special Palay Price Stabilization Fund to ensure sustained financial support, and institutionalizes mechanisms for periodic review, transparency, accountability, and legislative oversight.

The bill further recognizes that agricultural markets are dynamic and that government policies must remain responsive to changing economic conditions. Accordingly, while the Guaranteed Farmgate Price is initially established at Twenty-Five Pesos (₱25.00) per kilogram of dry palay, the measure provides for its periodic review based on objective economic indicators, including production costs, inflation, prevailing market conditions, and other relevant factors, thereby ensuring that government support remains equitable, responsive, and fiscally sustainable.

More importantly, this measure affirms the State's commitment to place Filipino rice farmers at the center of national food security policy. Protecting the livelihood of those who produce the country's staple food is indispensable to maintaining a stable, affordable, and sufficient domestic rice supply. By providing farmers with a fair and predictable return for their produce, the State encourages sustained agricultural productivity, strengthens rural economies, promotes investment in domestic rice production, and enhances the country's capacity to achieve long-term food security and economic resilience.

Ultimately, this measure is not merely a market intervention policy. It is a long-term investment in the Filipino farmer, recognizing that a resilient agricultural sector is fundamental to a resilient nation. By guaranteeing fair compensation, strengthening institutional support, and promoting a stable and sustainable rice industry, this bill advances the constitutional mandate to protect farmers, promote agricultural development, and secure the welfare of present and future generations of Filipinos.

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



AUGUSTINA DOMINIQUE "Ditse Tina" C. PANCHO
Representative, 2nd District of Bulacan

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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TWENTIETH CONGRESS
2nd Regular Session

HOUSE BILL NO. 10708

Introduced by
Representative AUGUSTINA DOMINIQUE "Ditse Tina" C. PANCHO

**"AN ACT PROTECTING FILIPINO RICE FARMERS THROUGH THE
ESTABLISHMENT OF A GUARANTEED FARMGATE PRICE FOR
PALAY, CREATING A NATIONAL PALAY PRICE STABILIZATION
MECHANISM, ESTABLISHING A SPECIAL PALAY PRICE
STABILIZATION FUND, AND FOR OTHER PURPOSES"**

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

SECTION 1. Short Title – This Act Shall be known as the **"FILIPINO RICE FARMERS PROTECTION ACT OF 2026."**

SECTION 2. Declaration of Policy – It is hereby declared that it is the policy of the State to recognize rice production as a matter of national interest and food security, and to protect the welfare of Filipino rice farmers by ensuring that they receive fair and remunerative returns for their produce. The State recognizes that a viable and productive rice industry is indispensable to the attainment of national food self-sufficiency, rural development, economic stability, and the long-term resilience of the country's agricultural sector.

Towards this end, the State shall adopt measures to stabilize farmgate prices of palay, protect farmers from unreasonable price fluctuations and unfair trading practices, encourage continued investments in domestic rice production, and promote an efficient, competitive, and sustainable rice industry that balances the interests of producers and consumers.

The State shall likewise establish mechanisms that ensure the orderly functioning of the palay market through appropriate government intervention whenever market conditions threaten the viability of domestic rice production or the livelihood of Filipino rice farmers. Such interventions shall be guided by the principles of food security, equitable economic development, market stability, and the sustainable growth of Philippine agriculture.

SECTION 3. Definition of Terms. – For purposes of this Act the following terms are hereby defined as:

(a) **Buffer Stock** refers to the rice inventory maintained by the National Food Authority (NFA) pursuant to its mandate under existing laws to ensure food security, stabilize

the supply and price of rice, and provide for emergency response, disaster relief, and other exigencies.

(b) **Dry Palay** refers to palay that has been dried to the moisture content and quality standards prescribed by the Department of Agriculture (DA) or the National Food Authority (NFA) for purposes of government procurement.

(c) **Farmgate Price** refers to the price received by the farmer at the first point of sale of palay, consistent with the pricing concepts and statistical methodology adopted by the Philippine Statistics Authority (PSA), exclusive of transportation, handling, storage, and other post-harvest costs.

(d) **Filipino Rice Farmer** refers to any Filipino individual, farmers' cooperative, farmers' association, or juridical entity lawfully engaged in the cultivation and production of palay within the Philippines.

(e) **Guaranteed Farmgate Price (GFP)** refers to the minimum purchase price for dry palay established under this Act to ensure fair and reasonable compensation for Filipino rice farmers and to protect them from unreasonable market price fluctuations.

(f) **Market Intervention** refers to the coordinated measures undertaken by the Government through the Department, the National Food Authority, and other authorized government agencies to stabilize domestic palay prices, protect the welfare of Filipino rice farmers, maintain adequate domestic rice supply, and promote national food security.

(g) **National Palay Price Advisory Council (NPPAC)** refers to the inter-agency advisory body created under this Act to provide technical advice and recommend policies relating to the implementation of this Act, including matters concerning farmgate pricing, market intervention, procurement, and price stabilization.

(h) **National Palay Price Stabilization Mechanism** refers to the integrated system of policies, programs, institutional arrangements, funding mechanisms, procurement activities, market intervention measures, and coordination processes established under this Act to ensure fair farmgate prices, stabilize the domestic rice market, and protect the welfare of Filipino rice farmers.

(i) **Palay** refers to unhusked rice (*Oryza sativa* L.) in either fresh or dry form.

(j) **Special Palay Price Stabilization Fund (SPPSF)** refers to the special fund created under this Act to finance the implementation of the National Palay Price Stabilization Mechanism.

SECTION 4. Government Market Intervention and Procurement Mechanism. -

Whenever the prevailing average farmgate price of dry palay falls below the Guaranteed Minimum Farmgate Price established under this Act, the DA, through the NFA, shall immediately implement appropriate market intervention measures to stabilize prices and protect the livelihood of Filipino rice farmers. Such interventions may include, but shall not be limited to:

(a) the direct procurement of palay from registered Filipino rice farmers at not less than the Guaranteed Minimum Farmgate Price;

(b) the establishment of additional buying stations and mobile procurement centers in major rice-producing areas to ensure timely and accessible government procurement;

(c) the provision of post-harvest, drying, storage, transport, and logistics support to minimize marketing losses and improve farmers' access to government procurement programs;

(d) the maintenance of adequate buffer stocks consistent with national food security objectives; and

(e) such other market stabilization measures as may be necessary to ensure fair compensation to farmers and the orderly functioning of the domestic rice market.

The Department of Agriculture and the National Food Authority shall ensure that all market intervention measures are implemented in a transparent, timely, and efficient manner and shall prioritize assistance to smallholder rice farmers and agricultural cooperatives.

SECTION 5. National Palay Price Advisory Council – There is hereby created a **National Palay Price Advisory Council (NPPAC)** under the administrative supervision of the DA, which shall serve as the principal inter-agency technical and advisory body on matters relating to the implementation of this Act. The Council shall be composed of:

(a) The Secretary of Agriculture, as Chairperson;

(b) The Administrator of the National Food Authority, as Vice Chairperson;

(c) The Secretary of the Department of Trade and Industry (DTI), or his/her duly authorized representative;

(d) The Secretary of the Department of Finance (DOF), or his/her duly authorized representative;

(e) The Secretary of the Department of Economy, Planning, and Development (DEPDev), or his/her duly authorized representative;

(f) The National Statistician of the Philippine Statistics Authority (PSA), or his/her duly authorized representative;

(g) The President of the Philippine Crop Insurance Corporation (PCIC), or his/her duly authorized representative;

(h) The Administrator of the National Irrigation Administration (NIA), or his/her duly authorized representative;

(i) The Executive Director of the Philippine Rice Research Institute (PhilRice);

(j) The Chairperson of the Senate Committee on Agriculture, Food and Agrarian Reform;

(k) The Chairperson of the House Committee on Agriculture and Food;

(l) One (1) representative from the University of the Philippines Los Baños (UPLB);

(m) Three (3) representatives from nationally recognized rice farmers' organizations;

(n) One (1) representative from the agricultural cooperative sector; and

(o) One (1) representative from the rice milling industry.

The Council may invite representatives from other government agencies, state universities and colleges, research institutions, local government units, civil society organizations, and the private sector whenever their participation is necessary.

Functions

The Council shall:

(a) continuously monitor domestic palay production, production costs, farmgate prices, and prevailing market conditions;

(b) recommend to the Secretary of Agriculture appropriate adjustments to the Guaranteed Minimum Farmgate Price in accordance with Section 5 of this Act;

(c) recommend appropriate market intervention measures to stabilize palay prices and safeguard the livelihood of Filipino rice farmers;

(d) assess the effectiveness of government procurement, buffer stocking, and other market intervention mechanisms implemented under this Act;

(e) recommend legislative, policy, and administrative reforms to further strengthen the domestic rice industry; and

(f) perform such other functions as may be necessary to carry out the objectives of this Act.

Meetings

The Council shall convene at least once every quarter and may hold special meetings upon the call of the Chairperson or upon the written request of at least one-third (1/3) of its members whenever extraordinary market conditions, supply disruptions, or other circumstances affecting the domestic rice industry so require.

Secretariat

The NFA shall serve as the permanent Secretariat of the Council and shall provide the necessary technical, administrative, research, and logistical support for the performance of its functions. The Secretariat shall prepare the agenda and minutes of meetings, maintain the records of the Council, undertake technical studies and policy analyses, coordinate with member agencies, and perform such other functions as may be directed by the Council.

Annual Report

The DA, through the NPPAC, shall prepare and submit to the President of the Philippines, the Senate President, and the Speaker of the House of Representatives, not later than 31 March of every year, an Annual Palay Price Stabilization Report covering the implementation of this Act during the immediately preceding calendar year.

The Annual Report shall include, but shall not be limited to, the following:

- (a) prevailing national and regional farmgate prices of palay;
- (b) domestic palay production, procurement volumes, government buffer stock levels, and other relevant market indicators;
- (c) the financial status and utilization of the Special Palay Price Stabilization Fund;
- (d) market intervention measures undertaken pursuant to this Act and an assessment of their effectiveness;
- (e) the impact of the Guaranteed Minimum Farmgate Price on farmers' income, domestic rice production, and national food security;
- (f) prevailing production costs, economic conditions, and other factors considered in determining the adequacy of the Guaranteed Minimum Farmgate Price;
- (g) recommendations, if any, for adjustments to the Guaranteed Minimum Farmgate Price pursuant to Section 5 of this Act;
- (h) legislative, policy, administrative, and budgetary recommendations to further strengthen the implementation of this Act; and
- (i) such other information as may be necessary to assess the effectiveness of this Act and promote the long-term sustainability of the Philippine rice industry.

The Senate Committee on Agriculture, Food and Agrarian Reform, and the House of Representatives Committee on Agriculture and Food may, in the exercise of their oversight functions, conduct periodic reviews or public hearings on the implementation of this Act and consider such legislative measures as may be necessary to further strengthen the protection of Filipino rice farmers and promote national food security.

The Annual Palay Price Stabilization Report shall be made publicly available through the official websites of the Department of Agriculture and the National Food Authority, subject to existing laws, rules, and regulations on data privacy, confidentiality, and national security.

SECTION 6. Special Palay Price Stabilization Fund. – There is hereby created a **Special Palay Price Stabilization Fund (SPSF)**, hereinafter referred to as the **Fund**, which shall serve as a continuing fund exclusively for the implementation of this Act. The Fund shall be administered by the NFA under the policy direction and supervision of the DA, and shall be utilized solely for the stabilization of farmgate prices of palay and the protection of the livelihood of Filipino rice farmers.

The Fund shall be sourced from the following:

- (a) appropriations authorized by Congress under the annual General Appropriations Act;
- (b) proceeds from the sale or disposition of rice and other agricultural commodities procured pursuant to this Act;
- (c) grants, donations, technical assistance, and official development assistance (ODA) from domestic and foreign sources, subject to existing laws, rules, and regulations;
- (d) income derived from investments and other lawful financial instruments;
- (e) transfers from existing agricultural support funds, when authorized by law; and
- (f) such other lawful sources as may hereafter be authorized by law.

The Fund shall be used exclusively for the following purposes:

- (a) procurement of palay from Filipino rice farmers at not less than the Guaranteed Minimum Farmgate Price established under this Act;
- (b) implementation of market intervention measures necessary to stabilize domestic palay prices;
- (c) establishment, operation, and maintenance of government buying stations, mobile procurement centers, warehouses, drying facilities, and other post-harvest infrastructure;
- (d) maintenance of strategic rice buffer stocks in support of national food security;
- (e) provision of transportation, logistics, storage, and other support services necessary to facilitate government procurement operations;
- (f) development and maintenance of market monitoring, price surveillance, and agricultural information systems;
- (g) research, policy studies, capability development, and technical support activities necessary to implement this Act;
- (h) administrative, operational, and Secretariat support for the NPPAC; and
- (i) such other activities as may be necessary to carry out the objectives of this Act.

The Fund shall be maintained as a **special account** by the NFA and shall be subject to existing budgeting, accounting, procurement, and auditing laws, rules, and regulations. The utilization of the Fund shall be governed by the principles of transparency, accountability, efficiency, and fiscal responsibility.

The DA shall exercise overall policy oversight over the Fund. The NFA shall submit an annual financial and operational report on the utilization of the Fund to the Secretary of Agriculture, which shall form part of the Annual Report submitted by the NPPAC pursuant to this Act.

No portion of the Fund shall be used for purposes other than those expressly authorized herein.

SECTION 7. Periodic Review and Adjustment of the Guaranteed Minimum Farmgate Price. – The DA, upon the recommendation of the NPPAC created under this Act, shall conduct a comprehensive review of the Guaranteed Minimum Farmgate Price at least once every two (2) years, or more frequently whenever extraordinary circumstances substantially affect the cost of rice production or the stability of the domestic rice market.

In conducting such review, the DA shall consider, among others, the following factors:

- (a) the average cost of palay production, including expenditures for seeds, fertilizer, farm inputs, fuel, irrigation, labor, machinery, drying, storage, transportation, and financing;
- (b) prevailing inflation rates and changes in the purchasing power of farmers;
- (c) domestic and international market conditions affecting the rice industry;
- (d) the impact of importation, supply disruptions, natural disasters, climate-related events, pests, and plant diseases on domestic rice production;
- (e) productivity improvements and technological developments in rice farming;
- (f) the need to ensure a reasonable and sustainable return on investment for Filipino rice farmers while maintaining national food security and protecting consumers from unreasonable increases in rice prices; and
- (g) such other economic, agricultural, or market indicators as may be necessary to promote a stable, competitive, and sustainable rice industry.

Any recommendation to adjust the Guaranteed Minimum Farmgate Price shall be supported by appropriate economic and technical studies and shall be subject to public consultation with farmers' organizations, agricultural cooperatives, the private sector, and other relevant stakeholders.

The DA shall publish the results of its review, together with the basis for any recommended adjustment, to ensure transparency and public accountability.

The Guaranteed Minimum Farmgate Price established under this Act shall in no case be reduced below Twenty-Five Pesos (₱25.00) per kilogram of dry palay. Future adjustments shall be prospective in application and shall only increase the Guaranteed Minimum Farmgate Price whenever warranted by the factors enumerated in this Section.

SECTION 8. Implementing Rules and Regulations. – Within **ninety (90) days** from the effectivity of this Act, the DA, in consultation with the NFA, the DTI, the DEPDev,

the DOF, the PSA, the PhilRice, the NIA, representatives of nationally recognized rice farmers' organizations, agricultural cooperatives, the rice milling industry, and other relevant government agencies and stakeholders, shall promulgate the necessary **Implementing Rules and Regulations (IRR)** for the effective implementation of this Act.

The IRR shall, among others, provide for:

(a) the procedures for the implementation and enforcement of the Guaranteed Minimum Farmgate Price;

(b) the standards for determining the quality, grading, moisture content, and classification of palay for purposes of government procurement;

(c) the procedures governing government procurement, market intervention, and buffer stock management;

(d) the administration, utilization, accounting, monitoring, and auditing of the Special Palay Price Stabilization Fund;

(e) the organization, functions, and operating procedures of the NPPAC and its Secretariat;

(f) the procedures for the periodic review and adjustment of the Guaranteed Minimum Farmgate Price pursuant to this Act;

(g) the establishment of monitoring, reporting, transparency, and public information mechanisms to ensure accountability in the implementation of this Act;

(h) the mechanisms for coordination among national government agencies, local government units, farmers' organizations, agricultural cooperatives, and other stakeholders; and

(i) such other rules, procedures, and guidelines as may be necessary to effectively carry out the provisions and objectives of this Act.

(j) In the formulation of the IRR, the DA shall ensure meaningful consultation with affected stakeholders and shall be guided by the principles of transparency, accountability, inclusiveness, evidence-based policymaking, market stability, food security, and the protection of the welfare of Filipino rice farmers.

SECTION 9. Separability Clause. If for any reason, any provision of part hereof is declared invalid, the other provisions not affected thereby shall remain in full force and effect.

SECTION 10. Repealing Clause. – All laws, presidential decrees, executive orders, rules and regulations, or parts thereof that are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

Nothing in this Act shall be construed to repeal, diminish, or impair the powers and functions of the DA, the NFA, or any other government agency under existing laws, except insofar as such powers and functions are expressly modified by this Act. Existing laws, policies, programs, rules, and regulations relating to food security, rice production, agricultural

development, price stabilization, and consumer protection shall continue to apply insofar as they are not inconsistent with the provisions of this Act.

SECTION 11. Effectivity --This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation, whichever comes earlier, in accordance with existing laws.

Upon the effectivity of this Act, the DA, the NFA, and all other agencies concerned shall immediately undertake the necessary preparatory measures for its implementation pending the promulgation of the Implementing Rules and Regulations, provided that such measures are not inconsistent with the provisions of this Act.

Approved.