



Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

TWENTIETH CONGRESS  
Second Regular Session

HOUSE BILL NO. **10797**



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**Introduced by Representative JONATHAN KEITH T. FLORES**

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### **EXPLANATORY NOTE**

Rice is arguably the most vital food component in the Philippines. For millions of households, it is the heart of every Filipino meal and a defining symbol of the nation's life, culture, and identity.

The cultivation of rice sustains the livelihoods of millions of Filipino farmers and plays a crucial role in shaping the country's agricultural and economic progress. Hence, ensuring the availability, affordability, and stability of rice must remain a paramount policy objective of the National Government.

However, recurring challenges in production, distribution, and market regulation continue to affect both consumers and rice farmers. These have resulted in price volatility, reduced farm incomes, and increased vulnerability to supply disruptions.

Thus, the proposed Rice Industry and Consumer Empowerment (RICE) Act seeks to strengthen the government's capacity to ensure food security, protect consumers, and support the domestic rice industry.

The measure aims to enhance the institutional powers of the National Food Authority (NFA) to effectively regulate the rice supply chain, prevent hoarding and profiteering, and stabilize market prices. It further empowers the NFA to maintain sufficient buffer stocks sourced primarily from local farmers, establish a reasonable floor price for palay, and ensure transparent and accountable management of rice reserves.

By reinforcing the role of the NFA and providing a more responsive policy framework, this bill seeks to promote the welfare of both rice farmers and consumers, while ensuring a steady, affordable, and secure rice supply for all Filipinos.

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

**JONATHAN KEITH T. FLORES**  
2<sup>nd</sup> District of Bukidnon



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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

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

**SECTION 1. *Short Title.*** - This Act shall be known as the “Rice Industry and Consumer Empowerment (RICE) Act.”

**SEC. 2. *Declaration of Policy.*** - It is hereby declared the policy of the State to maintain food security and promote rice industry sustainability through an integrated and responsive regulatory framework. Towards this end, the State shall enhance the institutional capacity of the National Food Authority (NFA) to oversee rice supply and pricing mechanisms, protect consumer welfare, and safeguard the interests of local rice farmers, consistent with equitable and strategic trade policy.

**SEC. 3.** Section 3 of RA 8178, as amended, is hereby further amended to read as follows:

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

x x x

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

x x x.”

**SEC. 4.** Section 5 of RA 8178, as amended, is hereby further amended to read as follows:

“SEC. 5. *Strengthening the Regulatory Function of the Department of Agriculture (DA).* - The Department of Agriculture (DA), through the NFA, is hereby authorized to:

- (a) Require the registration and maintain a national database of all grain warehouses, storage facilities, silos, and controlled-temperature cold storages;
- (b) Conduct regular inspections of grain warehouses and agricultural facilities to ensure compliance with palay and rice and supply standards and regulations; [and]

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

**TO ENFORCE THIS PROVISION, THE NFA ADMINISTRATOR, OR THE DULY AUTHORIZED REPRESENTATIVE, IS AUTHORIZED TO IMPOSE ADMINISTRATIVE FINES AND PENALTIES; TO CONDUCT INVESTIGATIONS; TO REQUIRE BY *SUBPOENA* OR *SUBPOENA DUCES TECUM* THE ATTENDANCE AND TESTIMONY OF WITNESSES, THE PRODUCTION OF BOOKS, PAPERS, DOCUMENTS, EXHIBITS, RECORDS, EVIDENCE; TO ADMINISTER OATH; AND TO EFFECT THE SAID SEIZURES.**

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

- i. GRAINS WAREHOUSES OR ANY PERSONS ENGAGED IN STORAGE OF RICE AND OTHER GRAINS AND THEIR SUBSTITUTES AND/OR BY-PRODUCTS THEREOF;**
- ii. PERSONS, NATURAL OR JURIDICAL, ENGAGED OR INTENDING TO ENGAGE IN THE BUSINESS OF PROVIDING GOODS AND SERVICES IN SUPPORT OF THE DIFFERENT ACTIVITIES INVOLVED IN THE PRODUCTION, PROCESSING, TRANSPORTING, MARKETING AND TRADING OF RICE, CORN AND OTHER GRAINS OR THEIR SUBSTITUTES;**
- iii. PERSONS, NATURAL OR JURIDICAL, ENGAGED OR INTENDING TO ENGAGE IN THE WHOLESALE AND/OR RETAIL BUSINESS OF RICE, CORN AND OHER GRAINS OR THEIR SUBSTITUTES; AND**
- iv. PERSONS, NATURAL OR JUDICIAL, ENGAGED IN THE PROCESSING OR MANUFACTURE OF GOODS WHERE RICE, CORN OR OTHER GRAINS OR THEIR SUBSTITUTES ARE USED AS INGREDIENTS IN THE MANUFACTURE OF STARCH, OIL AND ANIMAL FEEDS OR OTHER SIMILAR COMMODITIES AND THEIR BY-PRODUCTS OR END-PRODUCTS;**

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

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

Upon the request of the DA-BPI, the local government units (LGUs), the Philippine National Police, the National Bureau of Investigation, or other law enforcement agencies shall provide prompt response and assistance in the implementation of this section.

**NFA MAY AUGMENT ITS PERSONNEL OR PLANTILLA POSITIONS CORRESPONDING TO ITS ADDITIONAL REGULATORY POWERS AND DISTRIBUTION FUNCTIONS.”**

**SEC. 5.** Section 6 (c) of RA 8178, as amended, is further amended to read as follows:

“SEC. 6. *Powers of the DA on the Rice Price Stabilization and Supply Regulation.*

X X X

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

**SEC. 6.** Section 11 of RA 8178, as amended, is further amended to read as follows:

**SEC. 11. *Maintenance and Disposal Rice Buffer Stock.*** - The NFA shall, in accordance with the rules, regulations, and procedures, maintain an optimal rice buffer stock to be sourced [~~exclusively~~] from local farmers, **FARMER COOPERATIVES, AND FARMERS' ASSOCIATION IN PALAY FORM: PROVIDED, THAT IF NEED ARISES, PROCUREMENT MAY BE UNDERTAKEN IN MILLED RICE FORM WITHIN THE PRESCRIBED QUALITY STANDARDS, IN THE FOLLOWING ORDER OF PREFERENCE, AS FAR AS PRACTICABLE, FROM: (A) RECIPIENTS OF DA RICE PROCESSING SYSTEMS; (B) REGISTERED FARMERS COOPERATIVES; AND (C) LOCAL GOVERNMENT UNIT (LGU) RICE MILLS.**

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

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

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

- (a) SALE OF RICE TO ACCREDITED NFA RETAILERS AND THEIR SUBSEQUENT SALE TO THE PUBLIC SHALL BE GOVERNED BY THE NFA SELLING PRICE BULLETIN;
- (b) SALE TO GOVERNMENT AGENCIES OR ENTITIES SUCH AS THE FOOD TERMINAL, INC. (FTI) AND LGUS, THE PUBLIC THROUGH KADIWA OUTLETS, FARMERS AND FARMER COOPERATIVES AND ASSOCIATIONS WHO SOLD THEIR PALAY TO NFA, AND ACCREDITED NFA RICE RETAILERS;
- (c) SALE BY PUBLIC AUCTION; OR
- (d) SUCH OTHER MEANS OF DISPOSITION ALLOWED UNDER OTHER LAWS ENSURING TRANSPARENCY, COMPETITIVENESS, ACCOUNTABILITY, AND PUBLIC MONITORING.

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

SEC. 7. New sections to be denominated as Section 11-A and Section 11-B are hereby inserted after the Section 1 of RA 8178, as amended, to read as follows:

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

- i. COST OF PRODUCTION;
- ii. PREVAILING MARKET PRICES;
- iii. REASONABLE MARGINS FOR FARMERS;
- iv. WELFARE OF BOTH FARMERS AND CONSUMERS; AND
- v. OTHER RELEVANT FACTORS AND CONDITIONS

**THE NFA SHALL UTILIZE ITS REINSTATED REGULATORY FUNCTION TO ACHIEVE THESE OBJECTIVES.”**

**“SEC. 11-B. PENALTIES. - ANY PERSON WHO VIOLATES THE FLOOR PRICE POLICY OR ANY RULE OR REGULATION ISSUED THEREUNDER SHALL BE SUBJECT TO:**

- i. REVOCATION OR SUSPENSION OF LICENSE, TRADING PERMIT, OR ACCREDITATION; AND

- ii. **A FINE NOT EXCEEDING P2,000,000.00 OR IMPRISONMENT OF NOT MORE THAN TWO (2) YEARS, OR BOTH, AT THE DISCRETION OF THE COURT.**

**“IF THE OFFENDER IS A CORPORATION OR ASSOCIATION, THE PENALTY SHALL BE IMPOSED UPON ITS RESPONSIBLE OFFICERS SUCH AS THE PRESIDENT, GENERAL MANAGER, OR MANAGING PARTNER.**

**“IF THE VIOLATOR IS AN ALIEN, SUCH ALIEN SHALL BE DEPORTED UPON COMPLETION OF SENTENCE, WITHOUT FURTHER PROCEEDINGS.**

**“ANY GOVERNMENT OFFICIAL OR EMPLOYEE FOUND TO HAVE AIDED, ABETTED, OR CONNIVED IN SUCH VIOLATIONS SHALL BE PERPETUALLY DISQUALIFIED FROM HOLDING ANY PUBLIC OFFICE, IN ADDITION TO OTHER APPLICABLE PENALTIES.”**

**SEC. 8. *Implementing Rules and Regulations.*** - The Secretary of Agriculture, in coordination with the National Food Authority, shall promulgate such rules and regulations as may be necessary to carry out the provisions of this act, which rules and regulations shall take effect fifteen (15) days following their publication in at least one newspaper of general circulation.

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

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

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

*Approved,*