

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

TWENTIETH CONGRESS
Second Regular Session

House Bill No. **11291**



Introduced by **Representative ERIC G. YAP**

EXPLANATORY NOTE

This bill seeks to restore the National Food Authority's (NFA) authority to perform market regulation and price stabilization functions. It amends Republic Act (RA) No. 8178, otherwise known as the "*Agricultural Tariffication Act*", and authorizes the NFA to procure palay directly from local farmers at competitive support prices and regulate rice warehouses and grain business operators to deter hoarding, price manipulation, and the circulation of smuggled rice.

Agriculture remains a vital pillar of the Philippine economy, yet Filipino rice farmers continue to face depressed farmgate prices, rising production costs, and increasing competition from imported rice. While RA No. 11203, otherwise known as the "*Rice Tariffication Law*", liberalized rice importation to stabilize consumer prices, its implementation has also diminished the regulatory functions of the NFA. Consequently, many small-scale farmers remain vulnerable to market volatility, while consumers continue to experience fluctuations in rice prices.

The bill expands direct input subsidies under the Rice Competitiveness Enhancement Fund, supports crop insurance and community-based post-harvest facilities, and ensures the meaningful participation of farmers' organizations and civil society organizations in the formulation of rice industry policies. It further authorizes the Department of Agriculture to suspend the issuance of rice import clearances during peak harvest periods, following mandatory consultation with farmer representatives, to prevent the artificial depression of farmgate prices.

Restoring the NFA's regulatory mandate and expanding direct support to farmers shall contribute to a more resilient, competitive, and sustainable rice industry.

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


HON. ERIC G. YAP

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AN ACT

RESTORING THE REGULATORY AND STABILIZATION FUNCTIONS OF THE NATIONAL FOOD AUTHORITY, STRENGTHENING DIRECT FARMER SUBSIDIES, AND ENSURING THE ACTIVE PARTICIPATION OF CIVIL SOCIETY AND PEOPLE'S ORGANIZATIONS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8178, OTHERWISE KNOWN AS THE "AGRICULTURAL TARIFFICATION ACT", AS AMENDED, AND FOR OTHER PURPOSES

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

Section 1. Section 3 of Republic Act (RA) No. 8178, otherwise known as the "*Agricultural Tariffication Act*", 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 NINETY (90) 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

"(P) **FOOD SOVEREIGNTY REFERS TO THE RIGHT OF THE STATE TO DEFINE ITS OWN AGRICULTURAL AND FOOD POLICIES, PRIORITIZING LOCAL PRODUCTION AND THE WELFARE OF SMALL-SCALE FARMERS TO ENSURE A STABLE AND INDEPENDENT FOOD SUPPLY;**

“(Q) PEOPLE’S ORGANIZATIONS (POs) REFERS TO SELF-HELP GROUPS BELONGING TO THE SECTOR OF FARMERS, LANDLESS RURAL WORKERS, AND AGRICULTURAL LABORERS, WHICH ARE DULY REGISTERED AND ORGANIZED FOR THE PROTECTION OF THEIR INTERESTS; AND

“(R) CIVIL SOCIETY ORGANIZATIONS (CSOs) REFERS TO NONPROFIT ORGANIZATIONS, NON-GOVERNMENTAL ORGANIZATIONS (NGOs), AND ADVOCACY GROUPS ENGAGED IN AGRICULTURAL DEVELOPMENT AND POVERTY ALLEVIATION.”

SEC. 2. A new Section 6-A is hereby inserted after Section 6 of the same Act, as amended, to read as follows:

“SEC. 6-A. Powers and Functions of the National Food Authority. – THE NATIONAL FOOD AUTHORITY (NFA) SHALL REGAIN ITS MANDATE FOR PRICE STABILIZATION AND MARKET REGULATION. TO ENSURE THE AVAILABILITY AND AFFORDABILITY OF RICE, THE NFA IS HEREBY AUTHORIZED TO:

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

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

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

SEC. 3. Section 7 of the same Act, as amended, is hereby further amended to read as follows:

“SEC. 7. Issuance of Sanitary and Phytosanitary Import Clearance for Rice for the Sole Purpose of Ensuring Food Safety. – x x x

“The food safety regulatory function of the NFA under Item (i), Section 16 of R. A. No. 10611, otherwise known as the ‘Food Safety Act of 2013’, is hereby transferred to the BPI[.];

“PROVIDED, THAT THE SECRETARY OF AGRICULTURE, IN MANDATORY CONSULTATION WITH DULY ACCREDITED PEOPLE’S ORGANIZATIONS (POS) AND THE NAPC FARMERS AND LANDLESS RURAL WORKERS SECTORAL COUNCIL, MAY SUSPEND THE ISSUANCE OF SPSICs DURING THE PEAK LOCAL HARVEST MONTHS TO PREVENT THE ARTIFICIAL DEPRESSION OF LOCAL FARMGATE PRICES.”

SEC. 4. Section 8 of the same Act, as amended, is hereby further amended to read as follows:

“SEC. 8. Tariffication. – x x x

x x x

*“The calculated tariff equivalent shall be determined by the Tariff Commission and approved by the [National Economic Development Authority (NEDA)] **DEPARTMENT OF ECONOMY, PLANNING, AND DEVELOPMENT (DEPDEV)** Board within forty-five (45) days upon the effectivity of this Act”.*

SEC. 5. Section 10 of the same Act, as amended, is hereby further amended to read as follows:

*“SEC. 10. Trade Negotiation Authority. – In the interest of the Philippine rice industry and Philippine consumers, and upon the recommendation of the [NEDA] **DEPDEV** and the Department of Agriculture (DA), the President may enter into trade negotiations or renegotiations of the Philippine international trade commitments on rice.”*

SEC. 6. Section 14 of the same Act, as amended, is hereby further amended to read as follows:

“SEC. 14. Mechanism for the Implementation of Minimum Access Volume (MAV). – x x x

x x x

*“For this purpose and in accordance with the abovementioned guiding principles, the Cabinet Committee created by Memorandum Order No. 245 dated December 13, 1994 to oversee and manage the minimum access quotas committed by the Philippines under the General Agreement on Tariffs and Trade Uruguay Round with the inclusion of the [National Economic and Development Authority (NEDA)] **DEPDEV**, and in consultation with all concerned agricultural farmer/producer/processor/importer groups, shall submit to*

Congress within a period of sixty (60) days from the effectivity of this Act, the appropriate mechanism for the implementation of the minimum access volumes.”

SEC. 7. Section 15 of the same Act, as amended, is hereby further amended to read as follows:

“SEC. 15. *Rice Industry Roadmap*. – Upon the effectivity of this Act, the DA, together with the [NEDA] **DEPDEV**, Department of Finance (DOF), DBM, DAR, National Irrigation Administration (NIA), TESDA, PCIC, National Anti-Poverty Commission (NAPC) Farmer Sectoral Council Representative and other government agencies concerned, including rice farmer representatives, shall be given a maximum of one hundred eighty (180) days to formulate and adopt the rice roadmap to restructure the government’s delivery of support services for the agricultural rice sector.

x x x

“THE 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 BE INCLUDED AS VOTING MEMBERS IN THE RCED OVERSIGHT COMMITTEE.”

SEC. 8. Section 16 of the same Act, as amended, is hereby further amended to read as follows:

“SEC. 16. *Rice Competitiveness Enhancement Fund (RCEF)*. – x x x

“(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 high quality inbred rice seeds to rice farmers, [and] the organization of rice farmers into seed growers associations and/or cooperatives engaged in seed production and trade, **AND THE UPGRADE OF SEED CERTIFICATION SERVICES.**

“(C) DIRECT INPUT SUBSIDIES – SIX BILLION PESOS (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.**

“[(c)] (D) Other Priority Programs, Activities, and Projects – Notwithstanding any law to the contrary, the President is hereby authorized to allocate the amount of [Fifteen] **NINE** billion pesos [(P15,000,000,000.00)] **(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) x x x

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

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

x x x.”

SEC. 9. *Separability Clause.* – If any provision or part of this Act is held invalid or unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

SEC. 10. *Repealing Clause.* – All laws, decrees, orders, rules, and regulations inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 11. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,