

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)

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SENATE

Senate Bill No. 2779



(In substitution of Senate Bill Nos. 642, 1203, 2601, 2672, 2708 taking into consideration Proposed Senate Resolution Nos. 503, 956, 1024, 1028, and House Bill No. 10381)

Prepared by the Committees on Agriculture, Food and Agrarian Reform; Finance; Public Information and Mass Media; and Ways and Means with Senators Imee R. Marcos, Robinhood C. Padilla, Cynthia A. Villar, Loren Legarda, and Risa Hontiveros as authors thereof

AN ACT AMENDING REPUBLIC ACT NO. 8178 OR THE "AGRICULTURAL TARIFFICATION ACT," AS AMENDED BY REPUBLIC ACT NO. 11203

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

1 **SECTION 1**. Section 3 (e) of Republic Act No. 8178 or the "Agricultural Tariffication Act," as amended by Republic Act No. 11203, is hereby amended to 2 read as follows: 3 "SEC. 3. Definition of Terms. – The following definitions 4 apply to the terms used in this Act: 5 6 "XXX "(e) 'Buffer Stock' refers to the optimal level of rice inventory 7 FOR FIFTEEN (15) DAYS DURING HARVEST SEASON 8 9 AND THIRTY (30) DAYS DURING LEAN SEASON that 10 shall be maintained [at any given time to be used for emergency situations and] to sustain the disaster relief 11

1	programs of the government during natural or man-made
2	calamities AND TO ADDRESS FOOD SECURITY
3	EMERGENCY SITUATIONS ON RICE.
4	"xxx."
5	SEC. 2. New Sections 5 and 6 are hereby inserted after Section 4 of Republic
6	Act No. 8178, as amended by Republic Act No. 11203 and the succeeding sections
7	shall be renumbered accordingly.
0	"SEC. 5. STRENGTHENING THE REGULATORY
8	
9	FUNCTION OF THE DEPARTMENT OF AGRICULTURE
10	(DA). – THE DA, THROUGH THE BUREAU OF PLANT
11	INDUSTRY (BPI), IS HEREBY AUTHORIZED TO:
42	W41 DECUIDE THE DECUCED ATION AND MAINTAIN A
12	"(1) REQUIRE THE REGISTRATION AND MAINTAIN A
13	NATIONAL DATABASE OF ALL GRAINS
14	WAREHOUSES;
4.5	W21 COMPLICE DECLINED INCRECTION OF CRAINS
15	"(2) CONDUCT REGULAR INSPECTION OF GRAINS
16	WAREHOUSES AND AGRICULTURAL FACILITIES TO
17	ENSURE COMPLIANCE WITH RICE QUALITY AND
18	SUPPLY STANDARDS AND REGULATIONS; AND
19	"(3) COLLECT AND ANALYZE DATA ON RICE TRADE
20	ACTIVITIES FOR INFORMED POLICY AND
21	OPERATIONAL DECISIONS.
22	"THE BPI SHALL EXERCISE THE AFOREMENTIONED
23	POWERS IN ADDITION TO ITS EXISTING POWERS
24	RELATED TO SANITARY AND PHYTOSANITARY AND
25	FOOD SAFETY STANDARDS.

"UPON THE REQUEST OF THE DA-BPI, THE LOCAL GOVERNMENT UNITS, THE PHILIPPINE NATIONAL POLICE, THE NATIONAL **BUREAU** INVESTIGATION, OR OTHER LAW ENFORCEMENT AGENCIES SHALL PROVIDE PROMPT RESPONSE AND ASSISTANCE IN THE IMPLEMENTATION OF THIS SECTION. "SEC. 6. POWERS OF DA ON PRICE STABILIZATION

"SEC. 6. POWERS OF DA ON PRICE STABILIZATION AND SUPPLY REGULATION ON RICE. — THE DA SECRETARY, UPON THE RECOMMENDATION OF THE NATIONAL PRICE COORDINATING COUNCIL, SHALL DECLARE A FOOD SECURITY EMERGENCY ON RICE DUE TO SUPPLY SHORTAGE OR EXTRAORDINARY INCREASE IN RICE PRICES.

"WHEN SUCH CONDITIONS OCCUR, THE DA MAY:

- "(1) SELL EXISTING NATIONAL FOOD AUTHORITY (NFA) RICE BUFFER STOCK IN AREAS WHERE THERE IS AN OCCURRENCE OF RICE SUPPLY SHORTAGE OR AN EXTRAORDINARY INCREASE IN RICE PRICES:
- "(2) REPLENISH THE USED NFA RICE BUFFER STOCK
 WITH LOCALLY PRODUCED RICE FROM FARMERS OR
 FARMERS' COOPERATIVES AND ASSOCIATIONS; OR
 - "(3) IMPORT RICE, SHOULD THERE BE NO AVAILABLE LOCALLY PRODUCED RICE. THE DA SECRETARY IS AUTHORIZED TO DESIGNATE THE IMPORTING ENTITY WITHIN THE DA, WITH THE EXCEPTION OF THE NFA.

1	"PROVIDED, THAT THE DA SHALL MAINTAIN A
2	BUFFER FUND OF THE ALLOCATION INTENDED FOR
3	CALAMITIES OR FOOD SECURITY EMERGENCIES ON
4	RICE TO BE USED ONLY TO REPLACE THE VOLUME OF
5	RICE INVENTORY CONSUMED FOR THE PURPOSE:
6	"PROVIDED, FURTHER, THAT ONLY AUTHORIZED
7	GOVERNMENT AGENCIES AND ENTITIES AND
8	KADIWA STORES, CENTERS OR OUTLETS SHALL
9	ADMINISTER THE SALE OF RICE PROVIDED UNDER
10	PARAGRAPH (1) OF THIS SECTION:
11	"PROVIDED, FINALLY, THAT THE PROCEEDS OF THE
12	SALE SHALL FORM PART OF THE BUFFER FUND."
13	SEC. 3. Section 7 of Republic Act No. 8178, as amended by Republic Act No.
14	11203 is hereby amended and the succeeding sections shall be renumbered
15	accordingly.
16	"Sec. [7] 9. Powers of the President. – xxx
17	(b) In the event of any imminent or forecasted shortage, or
18	such other situation requiring government intervention, the
19	President is empowered for a limited period and/or a specified
20	volume, to allow the importation at a lower applied tariff rate
21	to address the situation. Such order shall take effect
22	immediately and can only be issued when Congress is not in
23	session[; and] .
24	"WHEN THERE IS AN EXCESSIVE SUPPLY OF
25	IMPORTED OR LOCALLY PRODUCED RICE RESULTING
26	IN AN EYTDAODDINADY DECDEASE IN LOCAL DICE

1	PRICES, THE PRESIDENT MAY DISCONTINUE OR
2	PROHIBIT THE FURTHER IMPORTATION FOR A
3	LIMITED PERIOD AND A SPECIFIED VOLUME UNTIL
4	BOTH RICE SUPPLY AND PRICES STABILIZE; AND
5	"xxx."
6	SEC. 4. Section 8 of Republic Act No. 8178, as amended by Republic Act No.
7	11203 is hereby amended and the succeeding sections shall be renumbered
8	accordingly.
	accondingly.
9	"SEC. [8] 11. Maintenance AND DISPOSAL of Rice Buffer
10	Stock The NFA shall, in accordance with the rules,
11	regulations, and procedures [to be promulgated,] maintain
12	[sufficient] AN OPTIMAL rice buffer stock to be sourced
13	solely from local farmers.
14	"THE NFA SHALL DISPOSE OF ITS BUFFER STOCK,
15	THROUGH PUBLIC AUCTION, FOUR (4) WEEKS
16	BEFORE THE BUFFER STOCK EXPIRATION."
17	SEC. 5. Section 13 of Republic Act No. 8178, as amended by Republic Act No.
18	11203, is hereby amended and the succeeding sections shall be renumbered
19	accordingly.
20	"Sec. [13]16. Rice Competitiveness Enhancement Fund (RCEF) There is
21	hereby created a Rice Competitiveness Enhancement Fund, herein referred
22	to as the 'Rice Fund', WHICH SHALL BE SOURCED FROM ALL TARIFFS
23	COLLECTED FROM THE IMPORTATION OF RICE. The Rice Fund shall
24	consist of an annual appropriation of [Ten billion pesos (₱10,000,000,000.00)
25	for the next six (6) years] THIRTY BILLION PESOS

(Php30,000,000,000.00) UNTIL THE YEAR 2031 following the approval

of this Act and shall be automatically credited to a Special Account in the General Fund of the National Treasury which shall be in place within ninety (90) days upon the effectivity of this Act.

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"The amount allocated shall be released directly to the implementing agencies as provided for in this Act based on the objectives and plans of the rice industry roadmap: *Provided*, That the unutilized portion of the Rice Fund allocated to the implementing agencies AND COLLECTIONS FROM **REPAYMENTS** FROM LOAN **BENEFICIARIES** INTERESTS, IF ANY, shall not revert to the General Fund but shall continue to be used for the purpose for which it was set aside[.]: **PROVIDED**, FURTHER, THAT ANY EXCESS IN THE ANNUAL TARIFF COLLECTION OF THIRTY BILLION PESOS (Php30,000,000,000.00) SHALL BE ADDED TO THE RICE FUND AND ALLOCATED AND DISBURSED TO THE IMPLEMENTING AGENCIES FOLLOWING THE PROPORTION OF THE ALLOCATION PROVIDED IN THIS SECTION: PROVIDED, FURTHERMORE, THAT IF THE ANNUAL TARIFF COLLECTION FALLS BELOW THIRTY BILLION PESOS (Php30,000,000,000.00), THE **DEFICIENCY SHALL BE SOURCED FROM UNPROGRAMMED FUNDS** IN THE GENERAL APPROPRIATIONS ACT OF THE YEAR WHEN THE **DEFICIENCY OCCURS.** Fund releases charged against the Rice Fund shall not be subject to any ceiling by the Department of Budget and Management (DBM).

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"Subject to the usual accounting and auditing rules and regulations, the Rice Fund shall be allocated and disbursed to rice producing areas, as follows:

"(a) Rice Farm Machineries and Equipment – [fifty percent (50%)] NINE BILLION PESOS (Php 9,000,000,000.00) of the Rice Fund shall be released to and implemented by the Philippine Center for Postharvest Development and Mechanization (PhilMech) as grant in kind to eligible farmers associations, registered rice cooperatives and local government units (LGUs), in the form of rice farm equipment, such as tillers, tractors, seeders, threshers, rice planters, harvesters, irrigation pumps, small solar irrigation, reapers, drfifters, millers, and fthe like, for purposes of improving farm mechanization] POSTHARVEST, AND PROCESSING **FACILITIES SUCH AS** WAREHOUSES, **GRAIN STORAGE** FACILITIES, AND DRYING FACILITIES: Provided, That the PhilMech shall , whenever feasible, procure from accredited local manufacturers AND MACHINE FABRICATORS TO SPUR THE ESTABLISHMENT OF FARM-LEVEL FABRICATION, REPAIR AND MAINTENANCE OF FARM IMPLEMENTS AND EQUIPMENT AND to assist in the promotion of locally manufactured farm machineries and equipment

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"PROVIDED, FURTHER, THAT ONE HUNDRED EIGHTY MILLION PESOS (PHP180,000,000.00) OF THE ALLOCATION FOR RICE FARM MACHINERIES AND EQUIPMENT UNDER THIS SUBPARAGRAPH SHALL BE ALLOTTED FOR THE PROMOTION, ESTABLISHMENT, SUPPORT AND DEVELOPMENT OF SMALL-HOLD SHOPS ENGAGED IN FABRICATION, REPAIR AND MAINTENANCE OF FARM MACHINERY, EQUIPMENT AND TOOLS, INCLUDING GRANTS TO BE GIVEN PER YEAR TO AT LEAST TWO (2) FABRICATION, REPAIR AND MAINTENANCE CENTERS (FARM-C) IN EACH RCEF RICE-PRODUCING PROVINCE. THE PHILMECH SHALL CONTINUOUSLY COLLABORATE WITH EXISTING AND EMERGING SMALL-HOLD SHOPS NATIONWIDE IN THIS REGARD.

"(b) Rice Seed Development, Propagation, **DISTRIBUTION** and Promotion – [Thirty percent (30%)] **SIX BILLION PESOS**

(Php6,000,000,000.00) of the Rice Fund shall be released to and implemented by the Philippine Rice Research Institute (PhilRice) and shall be used for the development, propagation 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;

"(C) FINANCIAL ASSISTANCE TO RICE FARMERS TILLING TWO

(2) HECTARES AND BELOW- EIGHT BILLION PESOS

(Php8,000,000,000.00) OF THE RICE FUND SHALL BE RELEASED TO

THE DA-OFFICE OF THE SECRETARY (DA-OSEC) FOR DIRECT CASH

DISTRIBUTION TO FARMERS WHO ARE TILLING TWO (2) HECTARES

AND BELOW.

"THE DA-OSEC SHALL DEVISE A MECHANISM FOR THE DISTRIBUTION OF CASH ASSISTANCE IN A MANNER WHERE ALL THE FARMERS TILLING TWO (2) HECTARES AND BELOW LISTED IN THE REGISTRY SYSTEM FOR BASIC SECTORS IN AGRICULTURE (RSBSA) SHALL DIRECTLY RECEIVE THE CASH ASSISTANCE GIVEN THE YEARLY ALLOCATION OF EIGHT BILLION PESOS (Php8,000,000,000.00).

"THE BUREAU OF CUSTOMS (BOC) IS HEREBY MANDATED TO DIRECTLY REMIT THE SAID FUNDS TO THE DA.

"THE BOC AND THE DA SHALL, AT THE END OF EACH YEAR, SUBMIT SEPARATE REPORTS TO CONGRESS, ON THE ANNUAL REMITTANCE AND DISBURSEMENT OF FUNDS THROUGH THE SENATE COMMITTEE ON AGRICULTURE, FOOD AND AGRARIAN REFORM AND THE HOUSE COMMITTEE ON AGRICULTURE AND FOOD;

"[(ϵ)] (**D**) Expanded Rice Credit Assistance – [Ten percent (10%)] **TWO BILLION PESOS (Php2,000,000,000)** of the Rice Fund shall

be made available in the form of credit facility with minimal interest rates and with minimum collateral requirements to rice farmers and cooperatives, to be managed equally by the Landbank of the Philippines (LBP) and the Development Bank of the Philippines (DBP)[; and].

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"THE CREDIT ASSISTANCE COMPONENT OF THE RICE FUND SHALL OPERATE AS A REVOLVING FUND, WITH THE PRINCIPAL AND INTEREST PAYMENTS ON LOANS MADE FROM THE FUND TO BE RE-DEPOSITED INTO THE FUND AND MADE AVAILABLE FOR NEW LOANS TO ELIGIBLE BENEFICIARIES IN ACCORDANCE WITH BUDGETING, ACCOUNTING AND AUDITING AND OTHER PERTINENT LAWS, RULES AND REGULATIONS;

- "[(d)] (E) Rice TRAINING AND Extension Services [Ten percent (10%)] TWO BILLION TWO HUNDRED MILLION PESOS (Php2,200,000,000.00) of the Rice Fund shall be made available for the TRAINING AND extension services IN THE FOLLOWING MANNER:
- i. TECHNICAL EDUCATION AND SKILLS DEVELOPMENT
 AUTHORITY (TESDA) FOR FARM SCHOOLS- ONE BILLION PESOS
 (PHP1,000,000,000.00);
- ii. AGRICULTURAL TRAINING INSTITUTE (ATI) FOR EFFECTIVE
 AND EFFICIENT RICE PRODUCTION- FIVE HUNDRED MILLION
 PESOS (PHP500,000,000.00);
- 22 iii. PHILMECH- THREE HUNDRED MILLION PESOS
 23 (PHP300,000,000.00), WHICH SHALL INCLUDE THE TRAINING
 24 FOR THE ESTABLISHMENT OF THE FABRICATION, REPAIR AND
 25 MAINTENANCE CENTERS (FARM-C) NATIONWIDE;
- 26 iv. PHILRICE- TWO HUNDRED MILLION PESOS
 27 (PHP200,000,000.00); AND
- v. BUREAU OF SOILS AND WATER MANAGEMENT (BSWM)- TWO
 HUNDRED MILLION PESOS (PHP200,000,000.00), WHICH
 SHALL INCLUDE THE TRAINING AND CAPACITY-BUILDING OF

IRRIGATORS' ASSOCIATIONS (SWISA). [provided by PhilMech, PhilRice, Agricultural Training Institute (ATI) and Technical Education and Skills Development Authority (TESDA) for teaching skills on rice crop production, modern rice farming techniques, seed production, farm mechanization, and knowledge/technology transfer through farm schools nationwide as follows: seventy percent (70%) to TESDA, ten percent (10%) each to ATI, PhilRice and PhilMech.];

"(F) SOLAR-POWERED WATER IRRIGATION OR WATER IMPOUNDING IRRIGATION PROJECT - ONE BILLION FOUR HUNDRED MILLION PESOS (Php1,400,000,000.00) OF THE RICE FUND SHALL BE ALLOCATED TO THE BSWM FOR THE GRANT TO AND CONSTRUCTION OF SOLAR-POWERED WATER IRRIGATION OR WATER IMPOUNDING IRRIGATION PROJECTS FOR IRRIGATORS' ASSOCIATIONS OR THE SWISA THAT WILL MANAGE THESE IRRIGATION SYSTEMS, TOTALING TO AT LEAST ONE HUNDRED FORTY-FIVE (145) UNITS/LOCATIONS IN A YEAR, FOR A TOTAL OF AT LEAST EIGHT HUNDRED SEVENTY (870) UNITS FOR THE NEXT SIX (6) YEARS:

"PROVIDED, THAT THE UNITS SHALL BE CONSTRUCTED ON LOW-LYING AREAS OF RCEF RICE-PRODUCING MUNICIPALITIES IN THE REGIONS AS IDENTIFIED BY PHILRICE.

"THE BSWM SHALL DEVICE A MECHANISM FOR THE DISTRIBUTION OF THE FUNDS IN RCEF RICE-PRODUCING PROVINCES. THE BSWM SHALL STRENGTHEN THE SWISA TO ENSURE THE SUCCESSFUL IMPLEMENTATION OF THESE SOLAR-POWERED WATER IRRIGATION OR WATER IMPOUNDING IRRIGATION PROJECTS; AND

"(G) COMPOSTING FACILITIES FOR BIODEGRADABLE WASTES
- ONE BILLION FOUR HUNDRED MILLION PESOS
(Php1,400,000,000.00) OF THE RICE FUND SHALL BE ALLOCATED TO
THE BSWM FOR THE GRANT AND CONSTRUCTION OF COMPOSTING
FACILITIES FOR BIODEGRADABLE WASTES WHICH SHALL BE USED
TO ADDRESS THE MICRONUTRIENT DEFICIENCIES IN THE SOIL.

"*Provided*, That the percentage allocation will be reviewed on the third year of the effectivity of this Act for possible revisions should intervention priorities change.

"Provided, further, That preferential attention should be given to rice farmers, cooperatives and associations adversely affected by the tariffication of the quantitative import restriction on rice in accordance with the thrust and priorities of R. A. No. 8435, as amended, otherwise known as the "Agriculture and Fisheries Modernization Act" and the Philippine Development Plan (PDP). The increase or decrease of farmers' incomes shall be the primary benchmark in granting these interventions.

["Provided, furthermore, That if the annual tariff revenues from rice importation exceeds Ten Billion Pesos (P10,000,000,000.00) in any given year within the six (6) year period following the effectivity of this Act, the excess tariff revenues shall be earmarked by Congress and included in the General Appropriations Act (GAA) of the following year:

"(a) Rice Farmer Financial Assistance — A portion of the excess rice tariff revenues shall be released to the DA and shall be used for providing direct financial assistance to rice farmers who are farming two (2) hectares and below regardless of whether they continue farming rice or not as compensation for the projected reduction or loss of farm income arising from the tariffication of the quantitative import restrictions on rice;

"(b) Titling of Agricultural Rice Lands — A portion of the excess rice tariff revenues shall be released to the Department of Agrarian Reform (DAR), Department of Environment and Natural Resources (DENR) and Land Registration Authority (LRA), and shall be used for the subdivision

and titling of agricultural rice lands or parts thereof awarded to farmerbeneficiaries under the Comprehensive Agrarian Reform Program (CARP) and other similar programs of the government;

"(c) Expanded Crop Insurance Program on Rice — A portion of the excess tariff revenues shall be released to the Philippine Crop Insurance Corporation (PCIC) and shall be used for the provision of crop insurance to qualified rice farmer-beneficiaries under its existing agricultural insurance programs; and

"(d) Crop Diversification Program — A portion of the excess tariff revenues shall be released to the DA and shall be used for productivity enhancement programs for rice farmers seeking to diversify production towards other crops.]

"The Congressional Oversight Committee on Agricultural and Fisheries Modernization (COCAFM) shall conduct a periodic review of the use of the Rice Fund."

"THE PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES (PIDS) SHALL CONDUCT AN INDEPENDENT MID-TERM AND END-TERM EVALUATION OF THE RCEF TO ASSESS ITS EFFECTIVENESS, THE RESULT OF WHICH SHALL BE SUBMITTED TO THE COCAFM."

SEC. 6. Section 14 of Republic Act No. 8178, as amended by Republic Act No. 11203 is hereby amended and the succeeding sections shall be renumbered accordingly.

"Sec. [14]17. Beneficiaries of the Rice Fund. — The beneficiaries of the Rice Fund shall be those farmers and farmworkers [and their dependents] listed in the Registry System for Basic Sectors in Agriculture (RSBSA) and rice cooperatives and associations accredited by the DA. Within one hundred eighty (180) days from the effectivity of this Act, the DA, in consultation with farmers' cooperatives and organizations and LGUs, shall validate and update the masterlist of eligible beneficiaries, AND THEREAFTER DO

1	THE SAME ANNUALLY, to ensure that those listed are
2	legitimate farmers, farmworkers and rice cooperatives and
3	associations.
4	xxx"
5	SEC. 7. A new Section 19 shall be inserted after Section 15 of Republic Act
6	No. 8178, as amended by Republic Act No. 11203 and the succeeding sections shall
7	be renumbered accordingly:
8	"SEC. 19. CREATION OF RICE INDUSTRY DEVELOPMENT-
9	PROGRAM MANAGEMENT OFFICE (RID-PMO) THERE IS HEREBY
10	CREATED A RID-PMO FOR THE DA-RICE BANNER PROGRAM AND
11	THE RCEF-FUNDED RICE PROGRAM. THE RID-PMO'S ROLE IN THE
12	RCEF-FUNDED RICE PROGRAM SHALL BE LIMITED TO THE
13	MONITORING OF ITS EFFECTIVE IMPLEMENTATION."
14	"THE CREATION BY THE DA OF THE RID-PMO TO HANDLE
15	PROGRAMS AND PROJECTS RELATING TO THE RICE INDUSTRY
16	SHALL BE SUBJECT TO THE EVALUATION OF THE DBM IN
17	ACCORDANCE WITH APPLICABLE ORGANIZATIONAL STRUCTURE,
18	STAFFING PATTERN, POSITION. CLASSIFICATION AND
19	COMPENSATION STANDARDS, RULES, AND REGULATIONS."
20	SEC. 8. Separability Clause If any provision of this Act is declared
21	unconstitutional, the remainder thereof not otherwise affected shall remain in full
22	force and effect.
23	SEC. 9. Repealing Clause All laws, presidential decrees, executive

orders, letters of instruction, proclamations or administrative regulations that are

inconsistent with the provisions of this Act are hereby repealed, amended, or

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modified accordingly.

- SEC. 10. Effectivity. This Act shall take effect after fifteen (15) days
- 2 following its publication in the Official Gazette, or in a newspaper of general
- 3 circulation.

Approved,