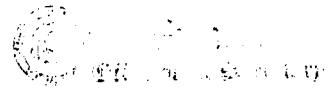


SEVENTEENTH CONGRESS OF THE]
REPUBLIC OF THE PHILIPPINES]
Second Regular Session]



'18 MAY 30 P2:52

SENATE

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J

S.B. No. 1839

Introduced by SEN. WIN T. GATCHALIAN

AN ACT
REPLACING THE QUANTITATIVE IMPORT RESTRICTIONS ON RICE WITH TARIFFS, LIFTING THE QUANTITATIVE EXPORT RESTRICTIONS ON RICE AND CORN, AND CREATING THE RICE COMPETITIVENESS ENHANCEMENT FUND, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8178, AS AMENDED, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

For more than two decades, the Philippine government has adopted a policy balancing the interests of Filipino rice farmers and Filipino consumers. Such policy is characterized by the imposition of quantitative restrictions on imported rice and the provision of subsidies to keep rice prices higher than the market-clearing price to compensate rice farmers from high production costs while keeping retail rice prices affordable enough to consumers.

While such policy regime helped increase domestic rice production, it is becoming unsustainable. Rice consumers are spending more on rice products while domestic rice farmers remain poor, marginalized and unprepared to compete in the global market.¹ Rice prices are higher to protect our domestic rice farmers, but farm facilities have not been upgraded to enhance overall

¹ SEPO Policy Brief on "Rice Tariffication: Why is it a necessary public policy?", Figure 4, 4, citing Moya et al. 2016 In: Briones et al. 2017, 2 and Figure 5, 4, citing FAO and BSP 2017 In: NEDA 2017, 4.

efficiency. The National Food Authority's coffers are hugely strained with debt amounting to Php152.646 billion in 2017 alone, but the average share of actual NFA palay procurement is only 1.89% of total production on the average from 2000 to 2017.² Domestic rice production has been growing but it could not keep up with the increase in population and rice consumption in the country.³ Rice remains to be a major staple food source for Filipino households but price movements of rice greatly impact the poorest 20% of Filipino households who spend as much as 30.60% of their total food expenditure on rice.⁴ In sum, our policy restricting rice importation has been artificially protecting our domestic rice producers and farmers, inflating rice prices to the detriment of the poorest 20% Filipino households and further burdening the national government's finances.

To address this situation, this proposed measure seeks to provide three major interventions, namely: (1) replacement of quantitative restrictions on rice with tariffs and lifting of export restrictions on rice and corn; (2) delegating to the President certain powers to safeguard the interests of the general public; and (3) creation of the rice competitiveness enhancement fund and formulation of a rice industry roadmap.

First, to enhance the food security situation in the country, to reduce household expenditure on rice, and to ensure that the rice industry will be globally competitive, this measure shall repeal laws or provisions of law that prescribe quantitative import and export restrictions or that grant government agencies, including the National Food Authority, the power to impose such restriction on rice importation and rice exportation. The quantitative restriction shall be replaced with a bound tariff rate system provided under the World Trade Organization (WTO) Agreement, thereby, removing unnecessary government intervention in the rice market. This intervention aims to eliminate market distortions created by such restrictions, thereby,

² DOF, PSA and NFA

³ Id., citing Briones 2017, 14-15.

⁴ PIDS based on FIES 2012 In: NEDA 2017, 5.

hopefully realizing a sufficient rice supply in the country, lowering farmgate prices to the benefit of Filipino consumers, giving domestic rice farmers with price advantage over rice importers,⁵ and generating additional government revenues. Also, as a result, removing export restrictions on rice and corn will put domestic rice farmers in a competitive playing field in the global market, and hopefully, will encourage domestic rice production.

Second, to ensure and facilitate immediate and necessary government intervention, this measure also gives the President the authority to adjust tariff rates on imported rice, to regulate rice exports and to impose a special rice safeguard. Such authority can be exercised only to ensure food security and to safeguard public welfare.

Lastly, as a social safety net measure, a Rice Competitiveness Enhancement Fund will be created to be sourced from tariff revenues collected. The Fund will be used for the (i) enhancement of productivity and income of rice farmers, (ii) modernization of farms and marketing processes, (iii) enrichment of rice research, development and extension programs, (iv) expansion of rice insurance coverage, (v) diversification to high-value commodities, (vi) promotion, establishment and accreditation of rice farm schools and cooperatives, (vii) skills and training development on rice crop production, rice farming techniques and other innovations, (viii) targeted scholarships on agriculture-related courses, and (ix) expansion of agricultural credit services. Moreover, this measure mandates the development and implementation of a rice industry roadmap which will spell out critical interventions necessary to assist the small rice farmers, especially those affected by tariffication, and will restructure the government's delivery of support services for the rice farming sector.

In sum, this bill seeks to reduce the food expenditure of ordinary Filipino households while providing well-functioning and sustainable social

⁵ Ibid, 4-5.

safety nets for affected rice farmers to mitigate the adverse effects of the liberalization of rice trade in the country by protecting their welfare and ensuring their continued productivity.



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AN ACT

REPLACING THE QUANTITATIVE IMPORT RESTRICTIONS ON RICE WITH TARIFFS, LIFTING THE QUANTITATIVE EXPORT RESTRICTIONS ON RICE AND CORN, AND CREATING THE RICE COMPETITIVENESS ENHANCEMENT FUND, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8178, AS AMENDED, AND FOR OTHER PURPOSES

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

1 **SECTION 1.** Section 2 of Republic Act No. 8178, as amended,
2 otherwise known as the "Agricultural Tariffication Act," is hereby further
3 amended, to read as follows:

4
5 "SEC. 2. *Declaration of Policy* – It is the policy of the State to
6 **ENSURE FOOD SECURITY AND TO** make the country's
7 agricultural sector viable, efficient and globally competitive. The
8 State adopts the use of tariffs in lieu of non-tariff import
9 restrictions to protect local producers of agricultural products
10 [except in the case of rice, which will continue to have
11 quantitative import restrictions].

12
13 XXX"

1
2 **SECTION 2.** Section 3 of Republic Act No. 8178, as amended, is
3 hereby further amended to read as follows:

4
5 “SEC. 3. Definition of Terms. The following definitions shall
6 apply to the terms used in this Act.

7
8 (a) "Agricultural products" shall have the same meaning as
9 agricultural products under Chapters 1-24 of [Presidential Decree
10 No. 1464, otherwise known as the Tariff and Customs Code of the
11 Philippines, as amended] **SECTION 1611 OF REPUBLIC ACT**
12 **NO. 10863, OTHERWISE KNOWN AS THE CUSTOMS**
13 **MODERNIZATION AND TARIFF ACT (CMTA).**

14
15 (b) "Applied Rate" refers to import duty that is actually used
16 by Customs authorities in the collection of Customs revenues.

17
18 (c) **"ATIGA RATE" REFERS TO TARIFF RATE**
19 **COMMITMENTS UNDER THE ASEAN TRADE IN GOODS**
20 **AGREEMENT (ATIGA) APPLICABLE TO IMPORTATIONS**
21 **ORIGINATING FROM ASEAN MEMBER STATES.**

22
23 [c](D) "Bound rate" refers to **THE AGREED** maximum
24 [limits on] tariffs on products [commitment] committed by the
25 Philippines to the World Trade Organization (WTO) under the
26 Uruguay Round Final Act, **AS LISTED IN ITS SCHEDULE OF**
27 **CONCESSIONS (SCHEDULE LXXV), AND TO THE**
28 **ASSOCIATION OF SOUTH EAST ASIAN NATIONS (ASEAN)**
29 **UNDER THE ATIGA, IN ACCORDANCE WITH ITS TARIFF**
30 **SCHEDULE (ANNEX 2: TARIFFS UNDER THE ASEAN TRADE**
31 **IN GOODS AGREEMENT (ATIGA) PHILIPPINES).**

1 [d](E) "In-Quota Tariff Rate" refers to the tariff rate for
2 minimum access volumes committed by the Philippines to the
3 World Trade organization (WTO) under the Uruguay Round Final
4 Act.

5
6 **(F) "OUT-QUOTA TARIFF RATE" REFERS TO THE**
7 **HIGHER RATE OF CUSTOMS DUTY THAT IS LEVIED ON THE**
8 **QUANTITIES OF AN IMPORTED AGRICULTURAL PRODUCT IN**
9 **EXCESS OF THE MINIMUM ACCESS VOLUME (MAV) OF THAT**
10 **PARTICULAR PRODUCT.**

11
12 [e](G) "Minimum Access Volume" refers to the volume of a
13 specific agricultural product that is allowed to be imported with a
14 lower tariff as committed by the Philippines to the World Trade
15 Organization (WTO) under the Uruguay Round Final Act.

16
17 **(H) "MOST FAVOURED NATION (MFN) RATE" REFERS**
18 **TO PHILIPPINE TARIFF RATES THAT ARE APPLICABLE TO**
19 **IMPORTS FROM ALL SOURCES AS PRESCRIBED IN THE**
20 **CUSTOMS MODERNIZATION AND TARIFF ACT (CMTA).**

21
22 [f](I) "Quantitative Import Restrictions" refers to non-tariff
23 restrictions used to limit the amount of imported commodities,
24 including but not limited to discretionary import licensing and
25 import quotas, whether qualified or absolute.

26
27 **(J) "RICE" REFERS TO ALL PRODUCTS CLASSIFIED**
28 **UNDER THE HARMONIZED COMMODITY DESCRIPTION AND**
29 **CODING SYSTEM (HS) HEADING 10.06.**

30
31 [g](K) "Tariff" refers to a tax levied on a commodity imported
32 from another country. It earns revenues for the government and
33 is regarded as an instrument to promote local industries by

1 taxing their competitors. The benefit is accorded to the local
2 producers by the maintenance of a domestic price at a level equal
3 to the world price plus the tariff.

4
5 **(L) "TARIFF EQUIVALENT" REFERS TO THE RATE OF**
6 **TARIFF THAT ALLOWS THE SAME PROTECTION GIVEN BY**
7 **EXISTING QUANTITATIVE IMPORT RESTRICTIONS,**
8 **REFLECTED BY THE AVERAGE PRICE GAP BETWEEN**
9 **DOMESTIC PRICES AND WORLD PRICES; AND**

10
11 [h](M) "Tariffication" refers to the lifting of all existing
12 quantitative restrictions such as import quotas or prohibitions,
13 imposed on agricultural products, and replacing these restrictions
14 with tariffs.

15
16 **SECTION 3.** Section 4 of Republic Act No. 8178, as amended, is
17 hereby amended, to read as follows:

18
19 **"SEC. 4. Repeal.** The following laws, and all other laws or
20 provisions of law prescribing quantitative import restrictions or
21 granting government agencies the power to impose such
22 restrictions on agricultural products [except rice,] are hereby
23 repealed:

24 X X X"

25
26 **SECTION 4. SECTION 5 OF REPUBLIC ACT NO. 8178, AS**
27 **AMENDED, IS HEREBY REPEALED, AND A NEW SECTION 5 IS HEREBY**
28 **INSERTED, TO READ AS FOLLOWS:**

29
30 **"SEC. 5. LIFTING OF THE RICE AND CORN EXPORT**
31 **RESTRICTION. ALL LAWS, REGULATIONS, AND ISSUANCES**
32 **RESTRICTING OR LIMITING THE EXPORT OF RICE AND**
33 **CORN ARE HEREBY REPEALED, INCLUDING, BUT NOT**

1 **LIMITED TO, SECTION 6 (A) (XIII) OF PRESIDENTIAL DECREE**
2 **NO. 4 OF 1972, AS AMENDED.”**

3
4 **SECTION 5.** Section 6 of Republic Act No. 8178, as amended, is
5 hereby amended, to read as follows:

6
7 “SEC. 6. Tariffication. – In lieu of quantitative restrictions,
8 the maximum bound rates committed under the Uruguay Round
9 Final Act shall be imposed on the agricultural products whose
10 quantitative restrictions are repealed by this Act. The President
11 shall issue the corresponding tariffs beginning 1996 up to year
12 2000: Provided, that the schedule of the initial and final applied
13 rates shall be consistent with the country’s tariff binding
14 commitments.

15
16 In case of shortages or abnormal price increases in
17 agricultural products, whose quantitative restrictions are lifted
18 under this Act, the President may propose to Congress, revisions,
19 modifications or adjustments of the Minimum Access Volume
20 (MAV): Provided, however, that in the event Congress fails to act
21 after fifteen (15) days from receipt of the proposal, the same shall
22 be deemed approved.

23
24 **IN LIEU OF THE QUANTITATIVE RESTRICTION ON**
25 **RICE, THE BOUND RATES SHALL BE IMPOSED AS NOTIFIED**
26 **BY THE PHILIPPINES TO THE WTO OR TO THE**
27 **COORDINATING COUNCIL FOR IMPLEMENTATION OF THE**
28 **ATIGA.”**

29
30 **SECTION 6.** A new Section 7 is hereby inserted, to read as follows:

31
32 **“SEC. 7. ISSUANCE OF SANITARY AND PHYTOSANITARY**
33 **IMPORT CLEARANCE FOR RICE. ALL IMPORTERS OF RICE**

1 ARE REQUIRED TO SECURE A SANITARY AND
2 PHYTOSANITARY IMPORT CLEARANCE FROM THE BUREAU
3 OF PLANT INDUSTRY (BPI) PRIOR TO IMPORTATION IN
4 ACCORDANCE WITH EXISTING LAWS, RULES AND
5 REGULATIONS.”
6

7 SECTION 7. Section 7 of Republic Act No. 8178, as amended, is
8 hereby renumbered as Section 8, and a new Section 9 is hereby inserted to
9 read as follows:
10

11 “SEC. 9. MINIMUM ACCESS VOLUME FOR RICE. - UPON
12 THE EFFECTIVITY OF THIS ACT, THE MINIMUM ACCESS
13 VOLUME (MAV) WILL REVERT TO ITS 2012 LEVEL AT
14 350,000 METRIC TONS (MT) AS INDICATED IN THE
15 PHILIPPINES’ COMMITMENT TO THE WORLD TRADE
16 ORGANIZATION (WTO).
17

18 (A) THE BOUND RATE FOR RICE IMPORTED INTO
19 THE PHILIPPINES SHALL BE SET AT:

20 (1) FORTY PERCENT (40%) MFN RATE FOR
21 IMPORTATION WITHIN THE 350,000 MT MAV
22 FROM NON-ASEAN WTO MEMBER COUNTRIES;
23 AND

24 (2) ONE HUNDRED EIGHTY (180%) MFN OUT
25 QUOTA TARIFF RATE.
26

27 (B) THE BOUND RATE FOR IMPORTED RICE
28 ORIGINATING FROM ASEAN MEMBER STATES SHALL
29 BE BASED ON THE IMPORT DUTY RATE
30 COMMITMENTS OF THE PHILIPPINES IN THE ASEAN
31 TRADE IN GOODS AGREEMENT (ATIGA).
32

33 SECTION 8. A new Section 10 is hereby inserted, to read as follows:

1
2 **"SEC. 10. DELEGATED AUTHORITY TO THE**
3 **PRESIDENT. TO ATTAIN THE OBJECTIVES OF THIS ACT,**
4 **THE PRESIDENT IS HEREBY VESTED WITH THE FOLLOWING**
5 **AUTHORITY:**
6

7 **(A) ADJUSTMENT OF APPLIED RATE ON IMPORTED RICE**
8 **UNDER CERTAIN CIRCUMSTANCES. - IN THE**
9 **INTEREST OF THE GENERAL WELFARE AND**
10 **NATIONAL SECURITY, THE PRESIDENT, UPON THE**
11 **RECOMMENDATION OF THE NEDA BOARD, MAY**
12 **INCREASE, REDUCE, REVISE OR ADJUST EXISTING**
13 **RATES OF IMPORT DUTY ON RICE, WHICH IN NO**
14 **CASE SHALL EXCEED THE BOUND TARIFF SET**
15 **UNDER THIS ACT, AND/OR MAKE ANY NECESSARY**
16 **CHANGE/S IN THE CLASSIFICATION APPLICABLE**
17 **TO THE IMPORTATION OF RICE.**

18
19 **EXCEPT AS OTHERWISE PROVIDED UNDER THIS**
20 **ACT, ANY ORDER ISSUED BY THE PRESIDENT**
21 **ADJUSTING THE APPLIED TARIFF RATES SHALL**
22 **TAKE EFFECT FIFTEEN (15) DAYS AFTER**
23 **PUBLICATION. IN THE EVENT OF ANY IMMINENT**
24 **OR FORECASTED SHORTAGE, OR SUCH OTHER**
25 **SITUATION REQUIRING IMMEDIATE GOVERNMENT**
26 **INTERVENTION, THE ORDER ISSUED BY THE**
27 **PRESIDENT ALLOWING THE IMPORTATION OF RICE**
28 **AT A LOWER APPLIED TARIFF RATE FOR A**
29 **LIMITED PERIOD OF TIME AND/OR A SPECIFIED**
30 **VOLUME, SHALL TAKE EFFECT IMMEDIATELY;**

31
32 **(B) REGULATION OF RICE EXPORTS - WHENEVER**
33 **THERE IS A CRITICAL SHORTAGE IN THE SUPPLY**

1 OF RICE AS CERTIFIED BY THE NFA COUNCIL, THE
2 PRESIDENT MAY TEMPORARILY REGULATE THE
3 EXPORT OF RICE FOR A LIMITED PERIOD OF TIME,
4 WHICH IN NO CASE SHALL EXCEED SIX (6)
5 MONTHS.

6
7 (C) *IMPOSITION OF A SPECIAL RICE SAFEGUARD. IN*
8 *EXTREME PRICE FLUCTUATIONS AND/OR*
9 *UNEXPECTED SURGES IN THE VOLUME OF*
10 *IMPORTED RICE, THE PRESIDENT MAY,*
11 *FOLLOWING A RECOMMENDATION FROM THE*
12 *DEPARTMENT OF AGRICULTURE, IN*
13 *CONSULTATION WITH THE NFA COUNCIL, IMPOSE*
14 *TEMPORARY REGULATIONS OR RESTRICTIONS ON*
15 *THE VOLUME OF IMPORTED RICE FOR A*
16 *TEMPORARY PERIOD THROUGH THE IMPOSITION*
17 *OF A RICE SAFEGUARD TARIFF SUFFICIENT IN*
18 *LEVEL TO ADDRESS THE SITUATION.*

19
20 *WITHIN NINETY (90) DAYS UPON THE EFFECTIVITY*
21 *OF THIS ACT, THE DEPARTMENT OF AGRICULTURE*
22 *SHALL ISSUE SUCH RULES AND REGULATIONS AS*
23 *MAY BE NECESSARY TO IMPLEMENT THIS SPECIAL*
24 *RICE SAFEGUARD PROVISION.”*

25
26 **SECTION 9.** Section 8 of Republic Act No. 8178, as amended by RA
27 10848 of 2016, is the new Section 11, and is hereby amended, to read as
28 follows:

29
30 *“SEC. 11. Agricultural Competitiveness Enhancement Fund.*

31 To implement the policy enunciated in this Act, there is hereby
32 created the Agricultural Competitiveness Enhancement Fund,
33 hereinafter referred to as the Fund. The Fund shall consist of all

1 duties collected from the importation of agricultural products,
2 **EXCEPT RICE**, under the MAV mechanism, including unused
3 balances and collections from repayments from loan beneficiaries
4 including interests, if any. The Fund shall be automatically
5 credited to Special Account 183 in the General Fund of the
6 National Treasury: provided, that fund release shall not be
7 subject to any ceiling by the Department of Budget and
8 Management (DBM).

9
10 XXX”

11
12 **SECTION 10.** A new Section 12 is hereby inserted, to read as follows:
13

14 **“SEC. 12. RICE COMPETITIVENESS ENHANCEMENT**
15 **FUND. THE RICE COMPETITIVENESS ENHANCEMENT FUND,**
16 **HEREIN REFERRED TO AS THE ‘RICE FUND,’ IS HEREBY**
17 **CREATED FOR THE PURPOSE PROVIDED HEREIN. THE RICE**
18 **FUND SHALL CONSIST OF ALL DUTIES COLLECTED FROM**
19 **THE IMPORTATION OF RICE UNDER THIS ACT AND SHALL**
20 **BE AUTOMATICALLY CREDITED TO A SPECIAL ACCOUNT IN**
21 **THE GENERAL FUND OF THE NATIONAL TREASURY WHICH**
22 **SHALL BE IN PLACE WITHIN NINETY (90) DAYS UPON THE**
23 **EFFECTIVITY OF THIS ACT.**

24
25 **UNLESS OTHERWISE EXTENDED BY LAW, THE RICE**
26 **FUND SHALL BE IN PLACE FOR THE FIRST TEN (10) YEARS**
27 **UPON THE IMPLEMENTATION OF THIS ACT, AFTER WHICH**
28 **THE EARMARKING OF THE AMOUNT COLLECTED FOR THE**
29 **PURPOSE OF WHICH IT IS INTENDED SHALL TERMINATE.**
30 **HOWEVER, ANY REMAINING BALANCES AT THE DATE OF**
31 **THE EXPIRATION OF THE EARMARKING FOR THE FUND**
32 **SHALL NOT REVERT TO THE GENERAL FUND BUT SHALL**

1 CONTINUE TO BE USED FOR THE PURPOSE FOR WHICH IT
2 WAS EARMARKED AND SET ASIDE.

3
4 THE AMOUNT COLLECTED SHALL BE ALLOCATED AND
5 DIVIDED AMONG THE PROVINCES PRODUCING PALAY IN
6 ACCORDANCE WITH THE VOLUME OF PALAY PRODUCTION.
7 THE DEPARTMENT OF BUDGET AND MANAGEMENT, IN
8 CONSULTATION WITH THE DEPARTMENT OF AGRICULTURE,
9 SHALL ISSUE RULES AND REGULATIONS GOVERNING THE
10 ALLOCATION AND DISBURSEMENT OF THIS FUND, NOT
11 LATER THAN ONE HUNDRED TWENTY (120) DAYS FROM THE
12 EFFECTIVITY OF THIS ACT.

13
14 THE SECRETARY OF THE DEPARTMENT OF
15 AGRICULTURE SHALL BE THE ADMINISTRATOR OF THE
16 RICE FUND. THE DEPARTMENT OF AGRICULTURE, IN
17 CONSULTATION WITH THE PHILIPPINE COUNCIL FOR
18 AGRICULTURE AND FISHERIES AND THE NATIONAL
19 ECONOMIC DEVELOPMENT AUTHORITY, SHALL
20 PROMULGATE THE POLICIES AND GUIDELINES NECESSARY
21 FOR THE PLANNING, ADMINISTRATION, COORDINATION AND
22 MONITORING OF THE UTILIZATION OF THE RICE FUND.”

23
24 FUND RELEASES SHALL NOT BE SUBJECT TO ANY
25 CEILING BY THE DEPARTMENT OF BUDGET AND
26 MANAGEMENT.

27
28 ANY PROGRAM UNDERTAKEN IN ACCORDANCE WITH
29 THIS ACT SHALL ONLY BE DEEMED COMPLEMENTARY TO
30 AND SHALL NOT BE A REPLACEMENT FOR ALL AND
31 EXISTING PROGRAMS FOR RICE AND RICE FARMERS
32 ALREADY IMPLEMENTED BY THE DEPARTMENT OF
33 AGRICULTURE.

1
2 **SUBJECT TO THE USUAL ACCOUNTING AND AUDITING**
3 **RULES AND REGULATIONS AND THE AVAILABILITY OF**
4 **FUNDS, THE RICE FUND SHALL BE ALLOCATED AND**
5 **DISBURSED AS FOLLOWS:**
6

7 **A. UP TO FIFTEEN PERCENT (15%) OF THE RICE FUND**
8 **SHALL BE UTILIZED FOR PROGRAMS THAT WILL**
9 **PROVIDE HIGH-YIELDING RICE SEED VARIETIES**
10 **THRU INNOVATIVE MECHANISMS SUCH AS ROLL**
11 **OVER SCHEMES TO INCREASE PRODUCTIVITY;**
12

13 **B. UP TO TEN PERCENT (10%) OF THE RICE FUND**
14 **SHALL BE USED FOR RESEARCH, DEVELOPMENT**
15 **AND EXTENSION SERVICES TO RICE FARMERS;**
16

17 **C. UP TO FIFTEEN PERCENT (15%) OF THE RICE FUND**
18 **SHALL BE MADE AVAILABLE AS CREDIT SUBSIDY**
19 **AND/OR GRANTS IN KIND TO SERVICE INDIVIDUAL**
20 **ELIGIBLE SMALL-SCALE RICE FARMERS AND**
21 **REGISTERED RICE COOPERATIVES IN THE FORM**
22 **OF SMALL FARM EQUIPMENT, SUCH AS**
23 **HARVESTERS, IRRIGATION PUMPS, HAND-HELD**
24 **TRACTORS, MILLERS, REAPERS, AND THE LIKE AS**
25 **IDENTIFIED BY DA OR OTHER RELEVANT AGENCIES**
26 **FOR PURPOSES OF IMPROVING MECHANIZATION**
27 **AND COMPETITIVENESS;**
28

29 **D. UP TO FIFTEEN PERCENT (15%) OF THE RICE FUND**
30 **SHALL BE USED FOR RICE CROP INSURANCE TO**
31 **PROTECT FARMERS AGAINST LOSSES ARISING**
32 **FROM PEST AND DISEASES AND CLIMATE AND**
33 **DISASTER RISKS, TO BE PROVIDED BY THE**

1 DEPARTMENT OF AGRICULTURE THRU THE
2 PHILIPPINE CROP INSURANCE CORPORATION
3 (PCIC);
4

5 E. UP TO FIFTEEN PERCENT (15%) OF THE RICE FUND
6 SHALL BE USED FOR A SPECIAL PROGRAM
7 EXPANDING CREDIT SERVICES TO COVER
8 POSTHARVEST FACILITIES AND EQUIPMENT,
9 LOGISTICS, STORAGE, TRANSPORTATION
10 VEHICLES FOR HAULING, AND TO INCLUDE
11 FINANCING MODERNIZATION PROJECTS FOR THE
12 RICE MARKETING SYSTEM AND FOR THE
13 STRENGTHENING OF THE RICE VALUE CHAIN.
14

15 THE LAND BANK SHALL MANAGE THE CREDIT
16 FACILITY FUNDED OUT OF THE FUND AND SHALL
17 DETERMINE THE ELIGIBILITY REQUIREMENTS AND
18 SET THE REQUIRED LOAN SECURITY OR
19 COLLATERAL AND REASONABLE INTEREST FOR
20 THE LOAN. FOR THIS PURPOSE, THE LAND BANK IS
21 HEREBY AUTHORIZED TO CHARGE A MANAGEMENT
22 FEE FROM THE FUND, WHICH IN NO CASE BE MORE
23 THAN A REASONABLE AMOUNT CHARGED UNDER
24 SIMILAR CIRCUMSTANCES;
25

26 F. UP TO TEN PERCENT (10%) OF THE RICE FUND
27 SHALL BE SET ASIDE FOR PROGRAMS PROVIDING
28 ASSISTANCE TO RICE FARMERS WHO WANT TO
29 DIVERSIFY TO OTHER HIGH VALUE COMMODITIES
30 AND ALTERNATIVE LIVELIHOOD;
31

32 G. UP TO FIVE PERCENT (5%) OF THE RICE FUND
33 SHALL BE USED FOR THE PROMOTION,

1 **REGISTRATION AND ACCREDITATION OF RICE**
2 **FARM SCHOOLS AND RICE COMMUNITY**
3 **COOPERATIVES;**

4
5 **H. UP TO FIVE PERCENT (5%) OF THE RICE FUND**
6 **SHALL BE USED FOR SKILLS AND TRAINING**
7 **DEVELOPMENT ON RICE CROP PRODUCTION, RICE**
8 **FARMING TECHNIQUES AND OTHER INNOVATIONS,**
9 **RICE AGRI-ENTREPRENEURSHIP, RICE FARM**
10 **TOURISM AND ALTERNATIVE LIVELIHOOD; AND**

11
12 **I. UP TO TEN PERCENT (10%) OF THE RICE FUND**
13 **SHALL BE USED FOR SCHOLARSHIP GRANTS TO**
14 **RICE FARMERS AND THEIR DEPENDENTS FOR**
15 **EDUCATION, TECHNICAL AND VOCATIONAL**
16 **TRAINING ON AGRICULTURE, AGRIBUSINESS,**
17 **AGRICULTURAL ENGINEERING, AGRICULTURAL**
18 **ECONOMICS, FORESTRY, HORTICULTURE, SOIL**
19 **SCIENCE, AGRICULTURAL RESEARCH AND OTHER**
20 **AGRICULTURAL-RELATED COURSES”.**

21
22 ***PROVIDED, THAT THE USE OF THE RICE FUND SHALL BE***
23 ***CONSISTENT WITH THE POLICIES AND PRIORITY THRUSTS***
24 ***UNDER REPUBLIC ACT NO. 8435, AS AMENDED,***
25 ***OTHERWISE KNOWN AS THE AGRICULTURE AND***
26 ***FISHERIES MODERNIZATION ACT AND THE PHILIPPINE***
27 ***DEVELOPMENT PLAN (PDP).***

28
29 **THE CONGRESSIONAL OVERSIGHT COMMITTEE ON**
30 **AGRICULTURAL AND FISHERIES MODERNIZATION**
31 **(COCAF) SHALL CONDUCT A PERIODIC REVIEW OF THE**
32 **USE OF THE RICE FUND.**

1 **SECTION 11.** A new section 13 is hereby inserted, to read as follows:

2
3 **SEC. 13. BENEFICIARIES AND RELEASE OF FUNDS.**
4 **THE BENEFICIARIES OF THE RICE FUND SHALL BE THOSE**
5 **FARMERS AND FARMWORKERS AND THEIR DEPENDENTS**
6 **LISTED IN THE REGISTRY SYSTEM FOR BASIC SECTORS IN**
7 **AGRICULTURE (RSBSA). WITHIN ONE HUNDRED EIGHTY**
8 **(180) DAYS FROM THE EFFECTIVITY OF THIS ACT, THE**
9 **DEPARTMENT OF AGRICULTURE, IN CONSULTATION WITH**
10 **FARMERS' COOPERATIVES AND ORGANIZATIONS AND**
11 **LOCAL GOVERNMENT UNIT's SHALL VALIDATE AND UPDATE**
12 **THE EXISTING RSBSA TO ENSURE THAT THOSE LISTED ARE**
13 **LEGITIMATE FARMERS AND FARMWORKERS.**

14
15 **SECTION 12.** A new Section 14 is hereby inserted, to read as
16 follows:

17 **SEC. 14. RICE INDUSTRY ROADMAP. UPON THE**
18 **ENACTMENT OF THIS ACT, THE DEPARTMENT OF**
19 **AGRICULTURE, TOGETHER WITH NATIONAL ECONOMIC**
20 **DEVELOPMENT AUTHORITY, DEPARTMENT OF TRADE &**
21 **INDUSTRY, DEPARTMENT OF SCIENCE AND TECHNOLOGY,**
22 **NATIONAL IRRIGATION ADMINISTRATION, LAND BANK OF**
23 **THE PHILIPPINES, DEPARTMENT OF EDUCATION,**
24 **COMMISSION ON HIGHER EDUCATION, AND OTHER**
25 **RELEVANT AGENCIES, SHALL BE GIVEN A MAXIMUM OF**
26 **ONE HUNDRED EIGHTY (180) DAYS TO FINALIZE THE RICE**
27 **ROADMAP TO RESTRUCTURE THE GOVERNMENT'S**
28 **DELIVERY OF SUPPORT SERVICES FOR THE SECTOR.**

29 **THE FOLLOWING PRINCIPLES SHALL GOVERN THE**
30 **DEVELOPMENT AND IMPLEMENTATION OF THE ROADMAP**
31 **FOR THE RICE INDUSTRY: 1) ENHANCE SUSTAINABLE**
32 **INVESTMENTS IN THE RICE INDUSTRY AND IN SUPPORT**

1 **INFRASTRUCTURE AND POST-HARVEST FACILITIES; 2)**
2 **IMPROVE THE FARMERS' PRODUCTIVITY, EFFICIENCY AND**
3 **PROFITABILITY, ESPECIALLY FOR SMALL FARMERS AND**
4 **LANDLESS FARMWORKERS; 3) STRENGTHEN RESEARCH**
5 **AND DEVELOPMENT PROGRAMS THAT WILL ENHANCE**
6 **RESILIENCY OF THE RICE INDUSTRY; 4) PRESERVE AND**
7 **ENHANCE THE CAPACITY OF THE FUTURE GENERATION IN**
8 **RICE PRODUCTION; 5) PROVIDE TECHNOLOGY-ORIENTED,**
9 **ACCESSIBLE AND FARMER SPECIFIC SUPPORT SERVICES**
10 **THAT COVER THE WHOLE VALUE CHAIN; AND 6) SET UP**
11 **RESPONSIBLE AND EFFECTIVE GOVERNANCE MECHANISMS.**

12 **SEC. 13.** The succeeding sections of Republic Act No. 8178, as
13 amended, otherwise known as the "Agricultural Tariffication Act" are hereby
14 renumbered accordingly.

15
16 **SEC. 14. *Separability Clause.*** – If any portion of this Act is declared
17 invalid or unconstitutional, the portions or provisions which are not affected
18 shall continue to be in full force and effect.

19
20 **SEC. 15. *Repealing Clause.*** – All laws, decrees, executive issuances,
21 rules and regulations inconsistent with this Act are hereby repealed or
22 modified accordingly.

23
24 **SEC. 16. *Effectivity.*** – This Act shall take effect fifteen (15) days after
25 its publication in the Official Gazette or in a newspaper of general
26 circulation.

27
28 *Approved,*