

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



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SENATE
S. No. 1203

RECEIVED BY:

Introduced by Senator Robinhood Padilla

AN ACT
AMENDING SECTION 13 OF REPUBLIC ACT NO. 8178, AS AMENDED BY
REPUBLIC ACT NO. 9496, ENTITLED "AN ACT REPLACING QUANTITATIVE
IMPORT RESTRICTIONS ON AGRICULTURAL PRODUCTS, EXCEPT RICE,
WITH TARIFFS, CREATING THE AGRICULTURAL COMPETITIVENESS
ENHANCEMENT FUND, AND FOR OTHER PURPOSES," REPUBLIC ACT NO.
11203, ENTITLED "AN ACT LIBERALIZING THE IMPORTATION,
EXPORTATION AND TRADING OF RICE, LIFTING FOR THE PURPOSE THE
QUANTITATIVE IMPORT RESTRICTION ON RICE, AND FOR OTHER
PURPOSES"

EXPLANATORY NOTE

Republic Act (RA) 11203 or the Rice Tariffication Law was passed by the Duterte administration in 2019 in the hopes to break the 'stranglehold of inefficiency' in the domestic rice industry. Essentially, this landmark legislation repealed the regulatory and import functions of the National Food Authority (NFA) and converted the quantitative restrictions into ordinary customs duties or tariffication. One of its salient provisions includes the creation of the Rice Competitiveness Enhancement Fund (RCEF) to improve rice farmers' competitiveness and income amidst the liberalization of the Philippine rice trade policy.

The RCEF which is appropriated with P10 Billion for six (6) years aims to fund programs for farm mechanization, seed development, propagation and promotion, credit assistance, and extension services.

In this representation's hope to expand the purpose of said fund, this measure is being proposed to increase the amount earmarked for RCEF from P10 Billion to P15 Billion annually. This representation likewise proposes to earmark 10% of the increased amount for scholarship, health, and other similar benefits for the rice fund beneficiaries in order to support the equally important social needs of our farmers. Furthermore, the bill seeks to allocate at least P75 Million for scholarships in agriculture-related courses in order to encourage the further study of Agriculture with the end view of revitalizing the sector.

In order to achieve our goal of strengthening the agriculture sector's competitiveness and capacities, the passage of this measure is earnestly sought.



ROBINHOOD PADILLA
Senator

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

1 Section 1. Section 13 of R. A. No. 8178, as amended, is hereby further amended
2 to read as follows:

3 "Sec. 13. *Rice Competitiveness Enhancement Fund.* - There is hereby
4 created a Rice Competitiveness Enhancement Fund, herein referred to
5 as the 'Rice Fund'. The Rice Fund shall consist of an annual
6 appropriation of [~~Ten billion pesos (P10,000,000,000.00)~~] **FIFTEEN**
7 **BILLION PESOS (P15,000,000,000.00)** for the next six (6) years
8 following the approval of this Act and shall be automatically credited to
9 a Special Account in the General Fund of the National Treasury which
10 shall be in place within ninety (90) days upon the effectivity of this Act.

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12 xxx

1 "(a) Rice Farm Machineries and Equipment – Fifty percent (50%)
2 of the Rice Fund shall be released to and implemented by the
3 Philippine Center for Postharvest Development and
4 Mechanization (PHilMech) as grant in kind to eligible farmers
5 associations, registered rice cooperatives and local government
6 units (LGUs), in the form of rice farm equipment, such as tillers,
7 tractors, seeders, threshers, rice planters, harvesters, irrigation
8 pumps, small solar irrigation, reapers, driers, millers, and the
9 like, for purposes of improving farm mechanization: *Provided*,
10 That the PHilMech shall, whenever feasible, procure from
11 accredited local manufacturers to assist in the promotion of
12 locally manufactured farm machineries and equipment;

13 "(b) Rice Seed Development, Propagation and Promotion –
14 ~~[Thirty percent (30%)]~~ **TWENTY PERCENT (20%)** of the Rice
15 Fund shall be released to and implemented by the Philippine Rice
16 Research Institute (PhilRice) and shall be used for the
17 development, propagation and promotion of inbred rice seeds to
18 rice farmers and the organization of rice farmers into seed
19 growers associations and/or cooperatives engaged in seed
20 production and trade:

21 "(c) Expanded Rice Credit Assistance – Ten percent (10%) of
22 the Rice Fund shall be made available in the form of credit
23 facility with minimal interest rate-s and with minimum collateral
24 requirements to rice farmers and cooperatives, to be managed
25 equally by the Land Bank of the Philippines (LBP) and the
26 Development Bank of the Philippines (DBP); ~~[and]~~

27 "(d) Rice Extension Services – Ten percent (10%) of the Rice
28 Fund shall be made available for the extension services provided
29 by PHilMech. PhilRice. Agricultural Training Institute (ATI) and
30 Technical Education and Skills Development Authority (TESDA)
31 for teaching skills on rice crop production, modern rice farming
32 techniques, seed production, farm mechanization, and

1 knowledge/technology transfer through farm schools
2 nationwide as follows: seventy percent (70%) to TESDA, ten
3 percent (10%) each to ATI, PhilRice and PhilMech[-] ; **AND**
4 **(E) SCHOLARSHIP AND HEALTH SERVICES — TEN**
5 **PERCENT (10%) SHALL BE MADE AVAILABLE FOR**
6 **SCHOLARSHIP, HEALTH, AND OTHER SIMILAR**
7 **BENEFITS FOR FARMER BENEFICIARIES, AS MAY BE**
8 **DETERMINED BY THE DA, AS PROVIDED IN SECTION 14:**
9 ***PROVIDED, THAT AT LEAST FIVE PERCENT (5%) OF***
10 **THIS AMOUNT SHALL BE RELEASED FOR SCHOLARSHIP**
11 **IN AGRICULTURE-RELATED COURSES.”**

12 *Sec. 2. Separability Clause.* — If any portion or provision of this Act is declared
13 unconstitutional, the remainder of this Act or any provisions not affected thereby shall
14 remain in force and effect.

15 *Sec. 3. Repealing Clause.* — Any law, presidential decree or issuance, executive
16 order, letter of instruction, rule or regulation inconsistent with the provisions of this
17 Act is hereby repealed or modified accordingly.

18 *Sec. 4. Effectivity.* — This Act shall take effect after fifteen (15) days following
19 its complete publication in the Official Gazette or a newspaper of general circulation.

Approved,