



Republic of the Philippines  
**House of Representatives**  
Quezon City, Metro Manila



Twentieth Congress  
First Regular Session

HOUSE BILL NO. 138

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**Introduced by Representative Arnan C. Panaligan**

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**EXPLANATORY NOTE**

This bill seeks to authorize the National Food Authority to sell directly the rice buffer stock to consumers, authorized retailers and distribution outlets, amending for the purpose Republic Act No. 8178, as amended, otherwise known as the “*Agricultural Tariffication Act*”.

Section 5, Article XIII of the 1987 Constitution states that “*The State shall recognize the right of farmers, farmworkers, and landowners, as well as cooperatives, and other independent farmers’ organizations to participate in the planning, organization, and management of the program, and shall provide support to agriculture through appropriate technology and research, and adequate financial, production, marketing, and other support services.*”

To promote the integrated growth and development of the grains industry, Presidential Decree (PD) No. 4, otherwise known as the “*National Grains Authority Act*” created the National Grains Authority (NGA). It served as the regulatory and trading body of rice and corn trade and the distribution of government low-priced rice with the aim of leading the country towards rice self-sufficiency. In 1981, PD 1770 reconstituted the NGA into the National Food Authority (NFA) that expanded the functions of the agency and created the program of the Department of Agriculture such as the KADIWA chain of stores.

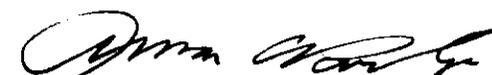
On February 14, 2019, Republic Act No. 11203, entitled “*An Act Liberalizing the Importation, Exportation, and Trading of Rice, Lifting for the Purpose the Quantitative Import Restriction on Rice, and for Other Purposes*”, was enacted and the NFA became a buffer stocking agency. Its power is limited to acquisition, maintenance, and distribution of rice buffer stock only during emergency or calamity situations.

Despite the efforts of the government to lower and stabilize the price of rice in the market, the implementation of RA 11203, which removed the trading function of the NFA, only contributed to significant and uncontrolled increases in the price of rice. This led to the enactment of RA 12078, which increased the NFA's buffer stock requirement from nine (9) days of national consumption to fifteen (15) days and strengthened the oversight functions of the Department of Agriculture.

With the continuing increase and unstable price of rice, contrary to the objective of the Rice Liberalization Program to stabilize the rice supply and lower the price in the market, demands for the NFA to safeguard the sufficient rice supply and lower the price of rice for the consumers arise. Reviving the trading power to sell directly its rice buffer stock to the consumers will enable the NFA to procure more rice supply from local farmers, ensuring that local farmers will be protected with competitive pricing from imported rice. Likewise, allowing the NFA to sell the rice will ensure the regular restocking of rice buffer stock and avoid potential spoilage.

Hence, authorizing the NFA to sell directly its rice buffer stock to consumers through authorized retailers and distribution outlets, including farmers cooperatives and associations and other multi-purpose cooperatives, will be beneficial for both local farmers and consumers fostering sufficient and stable rice supply and lowering the price of rice in the market.

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

  
ARNAN C. PANALIGAN



1           “~~In [both-cases]~~ **CASE OF PALAY**, disposal through sale  
2           shall be through public auction. **IN CASE OF RICE, NFA SHALL**  
3           **SELL DIRECTLY THE RICE TO CONSUMERS THROUGH**  
4           **AUTHORIZED RETAILERS AND DISTRIBUTION**  
5           **OUTLETS, INCLUDING FARMERS COOPERATIVES AND**  
6           **ASSOCIATIONS AND OTHER MULTI-PURPOSE**  
7           **COOPERATIVES.”**

8           SEC. 2. All laws, decrees, executive orders, rules and regulations, or parts  
9           thereof inconsistent with the provisions of this Act are hereby repealed or modified  
10          accordingly.

11          SEC. 3. This Act shall take effect fifteen (15) days after its publication in  
12          the *Official Gazette* or in a newspaper of general circulation.

13          Approved,