

REPUBLIC OF THE PHILIPPINES  
HOUSE OF REPRESENTATIVES  
Quezon City

TWENTIETH CONGRESS  
*First Regular Session*

House Bill No. 1330



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Introduced by **HONORABLE RAMON JOLO B. REVILLA III,**  
**HONORABLE LANI MERCADO-REVILLA,** and  
**HONORABLE BRYAN B. REVILLA**

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**EXPLANATORY NOTE**

Rice, the staple food for the vast majority the Filipino population, remains to be a fundamental component of the Philippine food security. As such, ensuring its stable supply and fair pricing is not merely an economic issue, but also a public welfare concern.

Six years ago, Republic Act No. 11203 or the “Rice Tariffication Law” was enacted with the aim to increase supply and lower consumer prices by opening the market to more imports, replacing quantitative restrictions with tariffs. While this approach succeeded in increasing availability, it exposed the market to price volatility and highlighted the vulnerability of local farmers.

Further, it largely relegated the National Food Authority (NFA), originally envisioned as a key player in stabilizing rice prices and securing buffer stocks, to an emergency role. Without adequate regulatory authority, the agency has been unable to effectively intervene in cases of hoarding, artificial supply shortages,

or sudden price spikes – situations that ultimately hurt both producers and consumers.

Hence, this proposed measure seeks to recalibrate the NFA’s mandate by restoring and enhancing its regulatory and market intervention powers. The measure empowers the NFA to oversee warehousing practices, monitor trading activities, enforce penalties for illicit practices such as profiteering and hoarding, and maintain a buffer stock sourced from local farmers and cooperatives.

Moreover, the bill grants the Department of Agriculture the power to intervene in the market to ensure adequacy and stability of the prices of palay to protect farmers from market manipulation and unfair price setting. This would help guarantee that local producers receive fair value for their harvests, while consumers are shielded from unreasonable price increases and supply disruptions.

By granting the NFA the tools it needs to intervene when necessary, the State fulfills its obligation to promote the welfare of farmers, protect consumers, and secure national food reserves.

In view of the above, immediate passage of this measure is earnestly sought.



**RAMON JOLO B. REVILLA III**



**LANI MERCADO-REVILLA**



**BRYAN B. REVILLA**

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AN ACT  
STRENGTHENING THE REGULATORY POWERS OF THE  
NATIONAL FOOD AUTHORITY TO SUPPORT THE RICE INDUSTRY  
AND ENSURE CONSUMER PROTECTION THROUGH ADEQUATE  
SUPPLY AND STABLE PRICE OF RICE, AMENDING FOR THE  
PURPOSE REPUBLIC ACT NO. 8178, OTHERWISE KNOWN AS THE  
"AGRICULTURAL TARIFFICATION ACT", AS AMENDED

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

1           **SECTION 1. Short Title.** – This Act shall be known as the "*Rice Industry*  
2           *and Consumer Empowerment (RICE) Act*".

3           **SEC. 2. Declaration of Policy.** – It is hereby declared the policy of the  
4           State to maintain food security and promote rice industry sustainability through  
5           an integrated and responsive regulatory framework. Towards this end, the State  
6           shall enhance the institutional capacity of the National Food Authority to oversee  
7           rice supply and pricing mechanisms, protect consumer welfare, and safeguard the  
8           interests of local rice farmers, consistent with equitable and strategic trade policy.

1           **SEC. 3.** Section 3 of RA 8178, as amended, is hereby further amended to  
2 read as follows:

3           **"SEC. 3. Definition of Terms.** — The following definitions apply  
4 to the terms used in this Act:

5           x x x

6           (e) "Buffer Stock" refers to the optimal level of rice inventory for  
7 [~~fifteen (15)~~] **AT LEAST NINE (9)** days that shall be maintained to  
8 sustain the disaster relief programs of the government during natural or  
9 man-made calamities and to address food security emergency situations on  
10 rice.

11           x x x

12           **SEC. 4.** Section 5 of RA 8178, as amended, is hereby further amended to  
13 read as follows:

14           **"SEC. 5. Strengthening the Regulatory Function of the**  
15 **Department of Agriculture (DA).** – The DA, through the National Food  
16 Authority (NFA), is hereby authorized to:

- 17           a) Require the registration and maintain a national database of all grain  
18 warehouses, storage facilities, silos, and controlled-temperature cold  
19 storages;
- 20           b) Conduct regular inspections of grain warehouses and agricultural facilities  
21 to ensure compliance with palay and rice and supply standards and  
22 regulations; [and]

23           **(B-1) ORDER THE SEIZURE, WHENEVER THERE IS CORNERING,**  
24 **HOARDING, PROFITEERING ACTIVITIES AS DEFINED BY**  
25 **EXISTING LAWS OF RICE AND OTHER GRAINS AND THEIR**  
26 **SUBSTITUTES AND/OR BY PRODUCTS THEREOF, INCLUDING**

1 THE FACILITIES 5 USED IN THE SAID CORNERING, HOARDING  
2 OR PROFITEERING ACTIVITIES, OR WHENEVER THERE IS  
3 SCARCITY OF SUPPLY OF RICE IN THE MARKET OR  
4 UNWARRANTED INCREASE IN THE PRICE THEREOF, ORDER  
5 THE SEIZURE OF THE HOARDED COMMODITY AND ITS  
6 PUBLIC SALE IN SUCH QUANTITY AS MAY BE NEEDED TO  
7 STABILIZE THE SUPPLY IN THE AREA OF SCARCITY AND  
8 RESTORE PRICES TO NORMAL LEVELS;

9 TO ENFORCE THIS PROVISION, THE NFA ADMINISTRATOR, OR  
10 THE DULY AUTHORIZED REPRESENTATIVE, IS AUTHORIZED  
11 TO IMPOSE ADMINISTRATIVE FINES AND PENALTIES; TO  
12 CONDUCT INVESTIGATIONS; TO REQUIRE BY *SUBPOENA* OR  
13 *SUBPOENA DUCES TECUM* THE ATTENDANCE AND  
14 TESTIMONY OF WITNESSES, THE PRODUCTION OF BOOKS,  
15 PAPERS, DOCUMENTS, EXHIBITS, RECORDS, EVIDENCE; TO  
16 ADMINISTER OATH; AND TO EFFECT THE SAID SEIZURES.

17 (B-2) REGISTER, LICENSE, AND PRESCRIBE AND COLLECT  
18 FEES, CHARGES AND/OR SURCHARGES IN LICENSING 1  
19 AND REGULATING THE OPERATIONS OF THE FOLLOWING:

- 20 i. GRAINS WAREHOUSES OR ANY PERSONS ENGAGED IN  
21 STORAGE OF RICE AND OTHER GRAINS AND THEIR  
22 SUBSTITUTES AND/OR BY-PRODUCTS THEREOF;
- 23 ii. PERSONS, NATURAL OR JURIDICAL, ENGAGED OR  
24 INTENDING TO ENGAGE IN THE BUSINESS OF PROVIDING  
25 GOODS AND SERVICES IN SUPPORT OF THE DIFFERENT  
26 ACTIVITIES INVOLVED IN THE PRODUCTION,  
27 PROCESSING, TRANSPORTING, MARKETING AND

1           **TRADING OF RICE, CORN AND OTHER GRAINS OR THEIR**  
2           **SUBSTITUTES;**

3           **iii. PERSONS, NATURAL OR JURIDICAL, ENGAGED OR**  
4           **INTENDING TO ENGAGE IN THE WHOLESALE AND/OR**  
5           **RETAIL BUSINESS OF RICE, CORN AND OTHER GRAINS**  
6           **OR THEIR SUBSTITUTES; AND**

7           **iv. PERSONS, NATURAL OR JUDICIAL, ENGAGED IN THE**  
8           **PROCESSING OR MANUFACTURE OF GOODS WHERE**  
9           **RICE, CORN OR OTHER GRAINS OR THEIR SUBSTITUTES**  
10           **ARE USED AS INGREDIENTS IN THE MANUFACTURE OF**  
11           **STARCH, OIL AND ANIMAL FEEDS OR OTHER SIMILAR**  
12           **COMMODITIES AND THEIR BY-PRODUCTS OR END-**  
13           **PRODUCTS;**

14           c) Collect and analyze data on rice trade activities in cooperation with the  
15           Philippine Statistics Authority (PSA), the Bureau of Customs (BOC), the  
16           National Food Authority (NFA), and other government agencies for  
17           informed policy and' operational decisions.

18           The DA-BPI shall exercise the aforementioned powers in addition to its  
19           existing powers related to sanitary and phytosanitary and food safety  
20           standards.

21           Upon the request of the DA-BPI, the local government units (LGUs), the  
22           Philippine National Police, the National Bureau of Investigation, or other  
23           law enforcement agencies shall provide prompt response and assistance in  
24           the implementation of this section.

25           **NFA MAY AUGMENT ITS PERSONNEL OR PLANTILLA**  
26           **POSITIONS CORRESPONDING TO ITS ADDITIONAL**  
27           **REGULATORY POWERS AND DISTRIBUTION FUNCTIONS."**

1           **SEC. 5.** Section 6 (c) of RA 8178, as amended, is further amended to read  
2 as follows:

3           "SEC. 6. Powers of the DA on the Rice Price Stabilization and Supply  
4 Regulation.

5                   x x x

6           (c) Import rice when the available supply of locally produced rice is  
7 inadequate **TO MAINTAIN A STABLE SUPPLY AND PRICE**  
8 **CONDITION.** The DA Secretary is authorized to designate the importing  
9 entity within the DA [~~with the exception of the NFA~~]*Provided*, [t]That the  
10 designated importing entity shall import **THE TYPE OF rice TO BE**  
11 **DETERMINED BY THE SECRETARY** at the least cost available  
12 among government-to-government options, which shall include direct  
13 contracts between the Philippine government and foreign governments,  
14 including instrumentalities and State-owned enterprises of such foreign  
15 governments.

16           **SEC. 6.** Section 11 of RA 8178, as amended, is further amended to read as  
17 follows:

18           "SEC. 11. Maintenance and Disposal Rice Buffer Stock. - The NFA shall,  
19 in accordance with the rules, regulations, and procedures, maintain an  
20 optimal rice buffer stock to be sourced [~~exclusively~~] from local farmers,  
21 **FARMER COOPERATIVES, AND FARMERS' ASSOCIATION IN**  
22 **PALAY FORM: PROVIDED, THAT IF NEED ARISES,**  
23 **PROCUREMENT MAY BE UNDERTAKEN IN MILLED RICE**  
24 **FORM WITHIN THE PRESCRIBED QUALITY STANDARDS, IN**  
25 **THE FOLLOWING ORDER OF PREFERENCE, AS FAR AS**  
26 **PRACTICABLE, FROM: (A) RECIPIENTS OF DA RICE**  
27 **PROCESSING SYSTEMS; (B) REGISTERED FARMERS**

1 **COOPERATIVES; AND (C) LOCAL GOVERNMENT UNIT (LGU)**  
2 **RICE MILLS.**

3 The NFA shall dispose of its rice buffer stock ~~{one (1) month before the~~  
4 ~~aging period starts, following the first in, first out method}~~ **OBSERVING**  
5 **GOOD WAREHOUSE AND STOCK MANAGEMENT**  
6 **PRACTICES, WITH THE EFFORT TO PREVENT THE STOCKS**  
7 **FROM AGING.**

8 The aging process begins three (3) months from storage for **MILLED** rice  
9 and six (6) months from storage for palay **FORM.**

10 In ~~{both}~~ **ALL** cases [,] ~~{disposal through sale shall be through public~~  
11 ~~auction}~~ **AND IN ADDITION TO ITS EXISTING MANDATE TO**  
12 **RELEASE STOCKS IN RESPONSE TO EMERGENCIES AND**  
13 **CALAMITIES, THE NFA SHALL PROVIDE THE GUIDELINES**  
14 **ON THE DISPOSITION OF STOCKS THROUGH:**

- 15 a) **SALE OF RICE TO ACCREDITED NFA RETAILERS AND 9**  
16 **THEIR SUBSEQUENT SALE TO THE PUBLIC SHALL BE**  
17 **10 GOVERNED BY THE NFA SELLING PRICE BULLETIN;**  
18 b) **SALE TO GOVERNMENT AGENCIES OR ENTITIES SUCH**  
19 **AS THE FOOD TERMINAL, INC. (FTI) AND LGUS, THE**  
20 **PUBLIC THROUGH KADIWA OUTLETS, FARMERS AND**  
21 **FARMER COOPERATIVES AND ASSOCIATIONS WHO**  
22 **SOLD THEIR PALAY TO NFA, AND ACCREDITED NFA**  
23 **RICE RETAILERS;**  
24 c) **SALE BY PUBLIC AUCTION; OR**  
25 d) **SUCH OTHER MEANS OF DISPOSITION ALLOWED**  
26 **UNDER OTHER LAWS ENSURING TRANSPARENCY,**

1                   **COMPETITIVENESS, ACCOUNTABILITY, AND PUBLIC**  
2                   **MONITORING.**

3                   **FOR THIS PURPOSE, AND AS AN ESSENTIAL PART OF GOOD**  
4                   **STOCK MANAGEMENT, THE NFA SHALL DISPOSE MAXIMUM**  
5                   **OF ONE-FOURTH OF ITS TOTAL EXISTING BUFFER STOCK**  
6                   **EVERY MONTH UNLESS DIRECTED BY THE NFA COUNCIL**  
7                   **TO DISPOSE A HIGHER VOLUME."**

8                   **SEC. 7.** New sections to be denominated as Section 11-A and Section 11-  
9                   B are hereby inserted after the Section 11 of RA 8178, as amended, to read as  
10                  follows:

11                  **"SEC. 11-A. SETTING OF FLOOR PRICE FOR PALAY - THE DA**  
12                  **SHALL HAVE THE POWER TO INTERVENE IN THE MARKET**  
13                  **TO ENSURE ADEQUACY OF SUPPLY AND STABILITY OF**  
14                  **PRICES OF PALAY. THIS INCLUDES THE AUTHORITY TO**  
15                  **ESTABLISH AND IMPLEMENT MECHANISMS FOR**  
16                  **REASONABLE AND FLEXIBLE FLOOR PRICE OF PALAY, ON**  
17                  **NATIONAL, REGIONAL, AND PROVINCIAL LEVELS AT**  
18                  **WHICH THE RICE TRADERS MAY BUY FROM THE FARMERS,**  
19                  **AND TAKING INTO CONSIDERATION THE FOLLOWING:**

- 20                    i.   **COST OF PRODUCTION;**  
21                    ii.   **PREVAILING MARKET PRICES;**  
22                    iii.   **REASONABLE MARGINS FOR FARMERS;**  
23                    iv.   **WELFARE OF BOTH FARMERS AND CONSUMERS;**  
24                    **AND**  
25                    v.   **OTHER RELEVANT FACTORS AND CONDITIONS.**

26                  **THE NFA SHALL UTILIZE ITS REINSTATED REGULATORY**  
27                  **FUNCTION TO ACHIEVE THESE OBJECTIVES."**

1           **"SEC. 11-B. PENALTIES. - ANY PERSON WHO VIOLATES THE**  
2           **FLOOR PRICE POLICY OR ANY RULE OR REGULATION**  
3           **ISSUED THEREUNDER SHALL BE SUBJECT TO:**

- 4           **i. REVOCATION OR SUSPENSION OF LICENSE,**  
5           **TRADING PERMIT, OR ACCREDITATION; AND**  
6           **ii. A FINE NOT EXCEEDING P2,000,000.00 OR**  
7           **IMPRISONMENT OF NOT MORE THAN TWO (2)**  
8           **YEARS, OR BOTH, AT THE DISCRETION OF THE**  
9           **COURT.**

10           **"IF THE OFFENDER IS A CORPORATION OR ASSOCIATION,**  
11           **THE PENALTY SHALL BE IMPOSED UPON ITS RESPONSIBLE**  
12           **OFFICERS SUCH AS THE PRESIDENT, GENERAL MANAGER,**  
13           **OR MANAGING PARTNER.**

14           **"IF THE VIOLATOR IS AN ALIEN, SUCH ALIEN SHALL BE**  
15           **DEPORTED UPON COMPLETION OF SENTENCE, WITHOUT**  
16           **FURTHER PROCEEDINGS.**

17           **"ANY GOVERNMENT OFFICIAL OR EMPLOYEE FOUND TO**  
18           **HAVE AIDED, ABETTED, OR CONNIVED IN SUCH**  
19           **VIOLATIONS SHALL BE PERPETUALLY DISQUALIFIED**  
20           **FROM HOLDING ANY PUBLIC OFFICE, IN ADDITION TO**  
21           **OTHER APPLICABLE PENALTIES."**

22           **SEC. 8. Implementing Rules and Regulations.** – The Secretary of  
23           Agriculture, in coordination with the National Food Authority, shall promulgate  
24           such rules and regulations as may be necessary to carry out the provisions of this  
25           Act, which rules and regulations shall take effect fifteen (15) days following their  
26           publication in at least one newspaper of general circulation.

1           **SEC. 9. Repealing Clause.** – All laws, decrees, executive issuances, rules  
2 and regulations or portions thereof, which are not consistent with this Act, are  
3 hereby repealed, amended or modified accordingly.

4           **SEC. 10. Separability Clause.** – If any portion of the provisions of this  
5 Act is held unconstitutional or invalid, all other provisions not affected shall  
6 remain.

7           **SEC. 11. Effectivity.** – This Act shall take effect immediately upon  
8 publication in the Official Gazette or in a newspaper of general circulation.

*Approved,*