

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila

**TWENTIETH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 3470**



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Introduced by Representative Jan Rurik D. Padiernos, GP (Galing sa Pusong) Party-List

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#### **EXPLANATORY NOTE**

The Constitution declares that the State must promote agricultural development and protect Filipino farmers from unfair competition. It also requires the State to give farmers adequate support for production and marketing.

The Rice Tariffication Law (Republic Act No. 11203, as amended) removed import limits on rice and replaced them with tariffs. It also created the Rice Competitiveness Enhancement Fund (RCEF) to boost productivity through mechanization, quality seeds, credit, and training. The goal of these reforms was to stabilize prices, secure supply, and enhance the competitiveness of Filipino farmers.

However, farmer groups have pointed out problems that continue to hurt the agriculture sector. Large volumes of imported rice still arrive during peak harvest seasons. This resulted to pushing farmgate prices below production cost. Support from RCEF is often delayed, and many farmers are unable to access direct assistance. Weak enforcement has also allowed hoarding, price manipulation, and other unfair market practices to persist. The National Food Authority (NFA), whose powers were greatly reduced under the law, can no longer fully perform its role in market stabilization and food security. This leaves farmers more susceptible to sudden price drops, while consumers continue to face price spikes.

This bill addresses these gaps by restoring timely protection for farmers, strengthening market safeguards, and ensuring that government interventions deliver benefits where they are needed most.

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

A handwritten signature in black ink, appearing to read 'J. Padiernos'.

**ATTY. JAN RURIK D. PADIERNOS**  
GP (Galing sa Pusong) Party-List

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**AN ACT**  
**FURTHER PROMOTING THE WELFARE OF THE LOCAL FARMERS BY**  
**AMENDING REPUBLIC ACT NO. 8178, OTHERWISE KNOWN AS THE**  
**“AGRICULTURAL TARIFFICATION ACT,” AS AMENDED BY REPUBLIC ACT**  
**NOS. 11203 AND 12078**

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

**SECTION 1.** A new section designated as Section 8-A under Republic Act No. 8178, as amended by Republic Act No. 11203 and Republic Act No. 12078, is hereby inserted to read as follows:

**“SECTION 8-A. SEASONAL SAFEGUARD ON RICE IMPORTS. — NO RICE IMPORT SHIPMENTS SHALL BE RELEASED FOR DOMESTIC CIRCULATION WITHIN SIXTY (60) DAYS BEFORE OR AFTER THE START OF THE MAIN OR SECONDARY HARVEST SEASON IN ANY GIVEN REGION, AS DETERMINED BY THE DEPARTMENT OF AGRICULTURE (DA). THIS RESTRICTION SHALL NOT APPLY IN CASES OF A DECLARED NATIONAL FOOD SECURITY EMERGENCY.**

**THE DA SHALL PUBLISH THE OFFICIAL HARVEST PERIOD SCHEDULE FOR EACH REGION AT THE BEGINNING OF EVERY CALENDAR YEAR ON THE DA WEBSITE. EXCEPTIONS TO THIS PROVISION (SUCH AS IN CASES OF FOOD SECURITY EMERGENCIES) SHALL BE MADE AT THE DISCRETION OF THE DA, WITH THE PRIOR PUBLICATION OF SUCH EXCEPTIONS ON THE DA WEBSITE.”**

**SEC. 2.** Section 16 of Republic Act No. 8178, as amended, is hereby further amended to read as follows:

**“SEC. 16. Rice Competitiveness Enhancement Fund. —** There is hereby created a Rice Competitiveness Enhancement Fund, which shall be sourced from all tariffs collected from the importation of rice. The RCEF shall consist of an annual appropriation of Thirty billion pesos (P30,000,000,000.00) 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 established within ninety (90) days from the effectivity of this Act.

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

(a) Rice Farm Machineries and Equipment – ~~Nine billion pesos (P9,000,000,000.00)~~ **EIGHT BILLION PESOS (P8,000,000,000.00)** of the RCEF 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 LGUs, according to their choice, in the form of rice farm equipment, such as tillers, tractors, seeders, threshers, rice planters, harvesters, irrigation pumps, small solar irrigation, reapers, dryers, millers and postharvest and processing facilities such as warehouses, grain storage facilities, and drying facilities: Provided, That the PHilMech shall procure from accredited manufacturers and local 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 and ensure their maximum utilization:

Provided, further, That Four hundred twenty-five million pesos (P425,000,000.00) of the allocation for rice farm machineries and equipment under this subparagraph shall be allotted for the promotion, establishment, support, and development of Fabrication, Repair, and Maintenance Centers (FARM-Cs) of farm machinery, equipment, and tools, including grants to be given every year to at least two (2) FARM-Cs in each RCEF rice-producing province. The PHilMech shall continuously collaborate with existing and emerging FARM-Cs nationwide. For this purpose, FARM-Cs shall set up machine shops and fabrication hubs in rural areas which will repair the existing agricultural equipment of farmers cooperatives, associations, and LGUs given under the RCEF.

(b) Rice Seed Development, Propagation, and Promotion. – ~~Six billion pesos (P6,000,000,000.00)~~ **Four billion pesos (P4,000,000,000.00)** of the RCEF shall be released to and implemented by the Philippine Rice Research Institute (PhilRice) and used for the development, propagation, distribution, 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) DIRECT FARMER SUPPORT – NINE BILLION PESOS (P9,000,000,000.00) OF THE RCEF SHALL BE ALLOCATED FOR DIRECT CASH ASSISTANCE, FULLY SUBSIDIZED CROP INSURANCE, AND LOW-INTEREST PRODUCTION CREDIT FOR REGISTERED RICE FARMERS. THE DEPARTMENT OF AGRICULTURE (DA) SHALL PRIORITIZE FARMERS TILLING UP TO TWO (2) HECTARES AND LISTED IN THE REGISTRY SYSTEM FOR BASIC SECTORS IN AGRICULTURE (RSBSA). AT LEAST FIFTY PERCENT (50%) OF THE CASH ASSISTANCE PORTION SHALL BE RELEASED AUTOMATICALLY WITHIN THIRTY (30) DAYS WHENEVER THE AVERAGE FARMGATE PRICE OF PALAY FALLS BELOW THE PREVAILING COST OF PRODUCTION, AS DETERMINED BY THE DA.**

**(D) POST-HARVEST FACILITIES – SIX BILLION FIVE HUNDRED MILLION PESOS (P6,500,000,000.00) OF THE RCEF SHALL BE ALLOCATED FOR THE CONSTRUCTION, REPAIR, AND MAINTENANCE OF DRYING, MILLING, AND STORAGE FACILITIES, PRIORITIZING FARMER COOPERATIVES AND ASSOCIATIONS IN HIGH-PRODUCTION AND HIGH-POVERTY INCIDENCE PROVINCES.**

~~(c) Other Priority Programs, Activities, and Projects.— Notwithstanding any law to the contrary, the President is hereby authorized to allocate the amount of Fifteen billion pesos (P15,000,000,000.00) to programs, activities, and projects that will most effectively promote farmers productivity, supply resiliency, and address food security emergency situations on rice due to supply shortage or extraordinary increase in prices, in the following order of priority: xxx~~

~~(1) Rice training and extension services provided by PhilMech, PhilRice, the Agricultural Training Institute (ATI), and the Technical Education and Skills Development Authority (TESDA);~~

~~(2) Financial assistance to rice farmers tilling up to two (2) hectares of rice land which shall be released to the DA Office of the Secretary (DA-OSEC) for direct cash distribution to qualified farmers. The DA-OSEC shall devise a mechanism for the distribution of cash assistance which will ensure that all farmers tilling up to two (2) hectares of rice land listed in the Registry System for Basic Sectors in Agriculture (RSBSA) shall directly receive the cash assistance. The BOC is hereby mandated to directly remit the said funds to the DA;~~

~~(3) Expanded Rice Credit Assistance which 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 Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP).~~

~~The credit assistance component of the RCEF shall operate as a revolving fund, with the principal and interest payments on loans made from the fund re-deposited into the fund and made available for new loans to eligible beneficiaries, in accordance with budgeting, accounting, auditing, and pertinent laws, rules, and regulations.~~

~~(4) Compositon facilities for biodegradable wastes which shall be used to address the micronutrient deficiencies in the soil;~~

~~(5) Pest and disease management;~~

~~(6) Solar-powered water irrigation or water impounding irrigation project;~~

~~(7) Soil health improvement; and~~

~~(8) Farming support programs of the DA and the National Irrigation Administration (NIA) on contract farming program.~~

**(E) OTHER PRIORITY PROGRAMS – TWO BILLION FIVE HUNDRED MILLION PESOS (P2,500,000,000.00) OF THE RCEF SHALL BE**

**ALLOCATED FOR OTHER PROGRAMS AND PROJECTS THAT PROMOTE FARMERS' PRODUCTIVITY, RICE SUPPLY RESILIENCY, AND ADDRESS FOOD SECURITY EMERGENCIES, INCLUDING BUT NOT LIMITED TO: RICE TRAINING AND EXTENSION SERVICES; PEST AND DISEASE MANAGEMENT; SOLAR-POWERED OR WATER IMPOUNDING IRRIGATION PROJECTS; SOIL HEALTH IMPROVEMENT; AND FARMING SUPPORT PROGRAMS OF THE DEPARTMENT OF AGRICULTURE (DA) AND THE NATIONAL IRRIGATION ADMINISTRATION (NIA) ON CONTRACT FARMING.**

The BOC and the DA shall, at the end of each year, submit separate reports on the annual remittance and disbursement of funds to the Senate Committee on Agriculture, Food and Agrarian Reform and disbursement of funds to the Senate Committee on Agriculture, Food and Agrarian Reform and the House Committee on Agriculture and Food: Provided, That the amounts herein allocated shall 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 Republic Act No. 8435, otherwise known as the "Agriculture and Fisheries Modernization Act of 1997", as amended, and the Philippine Development Plan (PDP). The increase or decrease of farmers' incomes shall be the primary benchmark in granting these interventions.

The Congressional Oversight Committee on Agricultural and Fisheries Modernization (COCAFAM) shall conduct a periodic review of the use of the RCEF.

The Philippine Institute for Development Studies (PIDS) shall conduct an independent baseline study, as well as mid-term and end-term evaluation of this Act, which shall be submitted to the COCAFAM."

**SEC. 3.** Section 17 of Republic Act No. 8178, as amended, is hereby further amended to read as follows:

*"SEC. 17. Beneficiaries of the RCEF.* – The beneficiaries of the RCEF shall be ~~those~~ **ALL**–farmers and farmworkers listed in the RSBSA and rice cooperatives and associations accredited by the DA. Within one hundred eighty (180) days from the effectivity of this Act ~~and every year thereafter,~~ the DA, in consultation with farmers' cooperatives and organizations and LGUs, shall validate and update the master list of eligible beneficiaries to ensure that those listed are legitimate farmers, farmworkers, and rice cooperatives and associations.

**THE DA SHALL MAINTAIN AN OPEN AND CONTINUOUS REGISTRATION SYSTEM TO ENSURE THAT ALL LEGITIMATE RICE FARMERS AND FARMWORKERS ARE PROMPTLY INCLUDED. NO ELIGIBLE FARMER OR FARMWORKER SHALL BE DENIED BENEFITS UNDER THIS FUND DUE TO DELAYS IN RSBSA REGISTRATION OR VALIDATION.**

In order to focus on the targeted rice farmer beneficiaries, cooperatives and associations for the Rice Fund, the list of rice producing provinces and LGUs, ~~as provided for by PhilRice as of 2015-2018~~. **SHALL BE DETERMINED AND UPDATED EVERY THREE (3) YEARS BY PHILRICE, IN CONSULTATION WITH THE DA AND FARMER ORGANIZATIONS,** ~~be the basis~~ and shall be added to the roadmap as an appendix.

**THE DA SHALL PUBLISH PERIODIC REPORTS ON RCEF UTILIZATION AND PROJECT IMPLEMENTATION, ACCESSIBLE TO THE PUBLIC THROUGH AN RCEF TRANSPARENCY PORTAL, UPDATED MONTHLY. THE COMMISSION ON AUDIT SHALL INCLUDE THE RCEF IN ITS ANNUAL AUDIT.”**

SEC. 4. A new designated as Section 18 under R.A. No. 8178, as amended , is hereby inserted to read as follows:

**“SEC. 18. EXPANDED ROLE OF THE NATIONAL FOOD AUTHORITY. — THE NATIONAL FOOD AUTHORITY (NFA) SHALL BE AUTHORIZED TO:**

**(A) PROCURE PALAY FROM FARMERS AND DULY REGISTERED FARMERS’ COOPERATIVES AND ASSOCIATIONS AT A SUPPORT PRICE DETERMINED ANNUALLY BY THE DEPARTMENT OF AGRICULTURE (DA) IN CONSULTATION WITH THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY (NEDA) AND FARMER REPRESENTATIVES.**

**(B) PRIORITIZE PROCUREMENT FROM SMALL FARMERS OWNING OR CULTIVATING NOT MORE THAN TWO (2) HECTARES, GIVING PREFERENCE TO THOSE DULY REGISTERED IN THE REGISTRY SYSTEM FOR BASIC SECTORS IN AGRICULTURE (RSBSA).**

**(C) MAINTAIN A BUFFER STOCK OF AT LEAST NINE (9) DAYS AND UP TO THIRTY (30) DAYS OF NATIONAL RICE CONSUMPTION, AS CIRCUMSTANCES REQUIRE, SOURCED PRIMARILY FROM DOMESTIC PROCUREMENT, FOR USE IN BOTH DISASTER RELIEF AND MARKET STABILIZATION.**

**(D) RELEASE RICE STOCKS TO THE MARKET WITHIN SEVEN (7) DAYS UPON CONFIRMATION BY THE DA OF ABNORMAL PRICE SPIKES IN THE DOMESTIC MARKET THREATENING PUBLIC WELFARE, IN ORDER TO STABILIZE PRICES AND ENSURE CONSUMER ACCESS TO AFFORDABLE RICE.**

**(E) IMPORT RICE ONLY IN CASES OF A DECLARED NATIONAL EMERGENCY OR SEVERE SHORTAGE IN DOMESTIC RICE SUPPLY, AS DETERMINED BY THE DA AND APPROVED BY THE PRESIDENT, UPON RECOMMENDATION OF NEDA AND IN CONSULTATION WITH THE DEPARTMENT OF FINANCE (DOF). THE VOLUME OF IMPORTS SHALL BE LIMITED TO THE AMOUNT NECESSARY TO ADDRESS THE SHORTAGE AND SHALL NOT UNDERMINE DOMESTIC PROCUREMENT.**

**THE NFA SHALL PUBLISH ON ITS OFFICIAL WEBSITE ALL PROCUREMENT PRICES, VOLUMES PURCHASED, BUFFER STOCK LEVELS, AND DETAILS OF RICE RELEASES, UPDATED MONTHLY, TO ENSURE TRANSPARENCY AND PUBLIC ACCOUNTABILITY.”**

**SEC. 5.** The subsequent Sections of R.A. No. 8178, as amended, shall be renumbered accordingly.

**SEC. 6.** If any provision of this Act is declared unconstitutional, the remaining provisions shall remain in full force and effect.

**SEC. 7.** All laws, decrees, executive orders, rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

**SEC. 8.** This Act shall take effect fifteen (15) days after its publication in the Official Gazette or a newspaper of general circulation.

Approved,