



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

'14 JAN 22 P 2 :50

SENATE
S. No. 2079

RECEIVED BY: *J*

Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

Rice production in the Philippines has tripled from 5.32 million tons in 1970 to a peak of 16.82 million tons in 2008. A couple of strong typhoons caused a decline in palay production in 2010 to 15.77 million metric tons (MMT). In 2011, production rose to 16.68 MMT, an improvement over 2010 but still below the 2008 production level. The Philippines' area harvested to rice is much smaller compared to the major rice producing countries in Asia. This is the primary reason why we import rice.

It has been reported that rice prices are going up, rising by P2 per kilo in public markets in Bulacan and by P3 to P4 per kilo in Pampanga. The Kilusang Magbubukid ng Pilipinas (KMP) recently announced that the retail price of rice was pegged at P35 to P37 per kilo, up from P32 to P34 per kilo during the first round of price increases in early July of this year.

One big threat cited by the Department of Agriculture when it comes to rice production is the price of fertilizers. Thus, a state subsidy to rice farmers to purchase fertilizers is vital to the success of our farming industry. However, this needs to be done in a regulated, controlled, and Congress-reviewed environment.

The policy objectives of this bill are as follows: (1) support the livelihoods of rice farmers; (2) achieve national self-sufficiency in rice; (3) ensure that it is financially sustainable for the government; (4) curtail transaction costs and inefficiencies associated with distribution; and (5) minimize environmental

pollution due to the over-application of fertilizer. In light of the foregoing, the immediate passage of this bill is earnestly requested.

Miriam Defensor Santiago
MIRIAM DEFENSOR SANTIAGO



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1 AN ACT
2 INSTITUTING A FERTILIZER SUBSIDY PROGRAM
3 FOR RICE FARMERS

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

4 SECTION 1. *Short Title.* – This Act shall be known as the “Rice Fertilizer
5 Subsidy Act of 2013.”

6 SECTION 2. *National Rice Fertilizer Subsidy Program.* – The Department
7 of Agriculture (the “Department”) shall implement a National Rice Fertilizer
8 Subsidy Program which shall benefit qualified rice farmers.

9 SECTION 3. *Fertilizer Subsidy.* – The Department shall provide organic
10 fertilizer to qualified rice farmers with a fifty percent (50%) subsidy from the
11 procurement cost of such fertilizer.

12 SECTION 4. *Regional Database.* – The Department shall establish and
13 maintain a regional electronic database that contains the names, contact
14 information, and addresses of farmers who are qualified to avail of the fertilizer
15 subsidy under this program.

1 SECTION 5. *Program Safeguards.* – The following safeguards are required
2 for the implementation of this Act –

3 A. The beneficiaries shall be required to register with a government issued
4 identification card and whose farm should be verified to be rice-
5 producing;

6 B. The Department shall train the farmer-beneficiaries on the proper use of
7 the subsidized fertilizers;

8 C. The Department shall submit an annual report to the agriculture
9 committee of both houses of Congress on the implementation of this
10 program;

11 D. The report of qualified farmers and actual beneficiaries shall be
12 submitted to the Commission on Audit on a quarterly basis.

13 SECTION 6. *Requirements for Farmer Beneficiaries.* – The following are
14 required for farmer beneficiaries:

15 A. Application for Fertilizer Subsidy (AFS) which shall also serve as the
16 registration and database form;

17 B. Farm Plan and Budget (FPB) showing schedule of farm activities, e.g;
18 date of planting and harvest, etc.;

19 C. Location Sketch Plan (LSP)/Control Map (CM) showing landmarks and
20 names of adjoining lot owners; and

21 D. They should sell fifty percent (50%) of their harvest to the National Food
22 Authority (NFA) as stock buffer for food security.

1 SECTION 7. *Farm Eligibility.* – The following are the eligibility
2 requirements for rice farms:

3 A. The farm must not be part of a riverbed, lakebed, marshland, shoreline or
4 riverbank;

5 B. The farm must have an effective irrigation and drainage systems. Rain-
6 fed areas are eligible farms during wet cropping season subject to
7 planting cutoff date;

8 C. The farm must be accessible to regular means of transportation; and

9 D. The farm must be suitable for production purposes.

10 SECTION 8. *Program Report.* – The Department shall annually submit to
11 the agricultural committee of both Houses of Congress a report assessing the
12 fertilizer subsidy program. Each report required shall include, for the one-year
13 period ending on March 1 of the year in which the report is submitted –

14 A. the number of farmers that participated in the program;

15 B. information regarding the demographic characteristics of the farmers,
16 including their educational background;

17 C. a description of the steps taken by the Department to help the farmer-
18 beneficiaries;

19 D. the amount of rice harvest sold by the farmer-beneficiaries to the
20 National Food Authority; and

21 E. an assessment of the success or failure of the fertilizer subsidy program
22 on the standards of increasing rice production and improving the living
23 condition of the rice farmers.

1 SECTION 9. *Separability Clause.* – If any provision or part hereof, is held
2 invalid or unconstitutional, the remainder of the law or the provision not otherwise
3 affected shall remain valid and subsisting.

4 SECTION 10. *Repealing Clause.* – Any law, presidential decree or issuance,
5 executive order, letter of instruction, administrative order, rule or regulation
6 contrary to or is inconsistent with the provision of this Act is hereby repealed,
7 modified, or amended accordingly.

8 SECTION 11. *Effectivity Clause.* – This Act shall take effect fifteen (15)
9 days after its publication in at least two (2) newspapers of general circulation.

Approved,