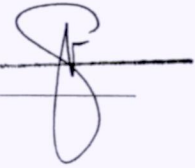


'19 SEP 16 P1:33

SENATE

S. No. 1047

RECEIVED BY: 

Introduced by Senator Ralph G. Recto

AN ACT
PROVIDING DIRECT FINANCIAL ASSISTANCE TO FILIPINO RICE FARMERS,
ESTABLISHING FOR THE PURPOSE THE *PANTAWID MAGSASAKANG*
***PILIPINO* PROGRAM, PROVIDING FUNDS THEREFOR, AND FOR OTHER**
PURPOSES

EXPLANATORY NOTE

The rescission of quantitative import restrictions on rice serves two fundamental purposes. First, it intends to reduce the prices of rice in the market and to make the food staple more accessible to the poor and low-income families. Second, it seeks to protect the interests of rice farmers by providing a means to raise the farmers' income and consequently, their competitiveness relative to rice farmers in other rice-producing countries. As Dr. Emil Q. Javier noted¹, attaining the first purpose is relatively straightforward but achieving the second is challenging and problematic.

The challenges and issues in improving agricultural incomes and competitiveness, while having been in existence prior to the effectivity of Republic Act No. 11203, nonetheless remain largely unaddressed. Provision of farm machineries would not immediately aid in reducing labor cost, improving yield volume and quality, nor optimizing farm operations, as the promise of efficiency might not offset the cost of owning, operating and maintaining farm machineries for small and at times economically nonviable farms and landholdings. Developing, propagating and promoting inbred *palay* seeds would not instantly lead to improvement in rice

¹ Javier, E. Q. (2019). "No rush in crafting IRR of the Rice Tariffication Act." Accessed from <https://business.mb.com.ph/2019/03/02/no-rush-in-crafting-irr-of-the-rice-tariffication-act> on 7 August 2019.

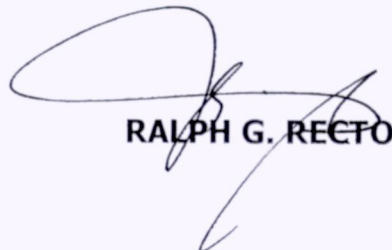
production volume because the system that will provide inbred seeds to rice farmers remains largely inadequate and extensively vulnerable to corruption. Extension of an additional credit line would not necessarily increase farmers' preference towards government credit over informal loans, because the issues regarding the tedious documentary and other requirements imposed upon farmer-lendees and the chronic problems concerning the economic equity, efficiency and viability of agricultural lands remain unresolved. Agricultural extension services can only be effective if such programs are appropriately combined with other government interventions such as extensive research, intensive market development, and accessible credit supply – most of which are, at present, insufficiently extended to rice farmers. Most importantly, these interventions would do little to address the single, most devastating impact of the rescission of quantitative rice import restrictions have on rice farmers: the drastic decline in farmers' income from rice production.

Hence, this bill seeks to provide direct financial assistance to rice farming households by instituting a *Pantawid Magsasakang Pilipino Program*. In this proposed measure, the allocation of tariff revenues collected in excess of P10 billion shall be provided to farmers in the form of a conditional cash transfer program. Moreover, it mandates the provision of rice insurance to protect rice crops against insurable risks. Lastly, it provides farmers with additional income through temporary employment in government projects.

These interventions are sought in cognizance of the short-term obligation to mitigate the abrupt reduction of farmer incomes caused by the rescission of quantitative rice import restrictions and the medium- to long-term need to keep farmers producing food staples, in line with the twin objectives of improving overall agricultural productivity and achieving food security.

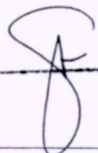
In view of the foregoing, the swift passage of the proposed measure is earnestly sought.

/mdg


RALPH G. RECTO

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SENATE
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AN ACT
PROVIDING DIRECT FINANCIAL ASSISTANCE TO FILIPINO RICE FARMERS,
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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 "*Pantawid Magsasakang*
2 *Pilipino Act.*"

3 Sec. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to
4 promote a just and dynamic social order through policies that provide adequate social
5 services, promote full employment, a rising standard of living, and an improved quality
6 of life for all.

7 Towards this end, and in line with the constitutional mandate to Congress to
8 give highest priority to the enactment of measures that protect and enhance the right
9 of all the people to human dignity, reduce social, economic, and political inequalities,
10 and remove cultural inequities by equitably diffusing wealth and political power for the
11 common good, the State shall formulate and implement programs and projects guided
12 by a national strategy to reduce poverty in the countryside and ensure the sufficiency
13 and accessibility of food products for all.

14 Sec. 3. *Pantawid Magsasakang Pilipino Program.* – The Pantawid Magsasakang
15 Pilipino Program, hereinafter referred to as the Program, is hereby established as a
16 national strategy for rural poverty reduction and program for ensuring food security
17 and sufficiency that provides conditional cash transfer to poor rice farming households

1 to mitigate the decline of rice farming incomes that may have been caused by the
2 enforcement of the liberalization of importation, exportation and trade of rice.

3 The provision of conditional cash transfer under the Program shall be
4 complementary and supplementary to other similar undertaking of the government
5 and shall not be a replacement for any existing programs for rice and rice farmers
6 already implemented by any government agency.

7 *Sec. 4. Selection of Qualified Household Beneficiaries.* – On a nationwide basis,
8 the Department of Social Welfare and Development (DSWD) shall, in consultation with
9 the Department of Agriculture (DA) and the Department of Agrarian Reform (DAR),
10 select qualified rice farming household-beneficiaries of the program using a
11 standardized targeting system. The DSWD shall conduct regular revalidation of
12 beneficiary targeting at least once every three (3) years.

13 *Sec. 5. Eligible Beneficiaries.* – To be eligible to receive cash grants under the
14 Program, rice farming households or farmers must meet the following criteria:

15 (a) Classified as poor or near-poor based on a standardized targeting system
16 and the poverty threshold issued by the Philippine Statistics Authority at the time of
17 selection; and

18 (b) Willing to comply with the conditions specified in Section 8 of this Act.

19 *Sec. 6. Conditional Cash Transfer to Rice Farming Household-Beneficiaries.* –
20 The Advisory Council created under Republic Act No. 11310, otherwise known as the
21 "*Pantawid Pamilyang Pilipino Program (4PS) Act,*" shall determine the amount of cash
22 grants to be extended to rice farming household-beneficiaries based on the following
23 factors:

24 (a) The amount of the annual tariff revenues from rice importation in excess
25 of Ten billion pesos (P10,000,000,000.00), based on the collection recorded in the
26 second fiscal year preceding the current fiscal year;

27 (b) The number of eligible rice farming household-beneficiaries as identified by
28 the standardized targeting system as provided in Section 7 of this Act;

29 (c) The administrative and financial cost of providing cash grants to qualified
30 rice farming household-beneficiaries; and

31 (d) Other factors that affect the level of available funding or the cost of
32 implementation of this Act.

1 Sec. 7. *Coverage in the Rice Insurance Program.* – All qualified rice farming
2 household-beneficiaries of the Program as identified by the standardized targeting
3 system shall automatically be covered by the Rice Insurance Program of the Philippine
4 Crop Insurance Corporation (PCIC): *Provided,* That the insurance premium for rice
5 insurance shall be fully subsidized by the National Government: *Provided, further,* That
6 the amount of premium payment for rice insurance for qualified rice farming
7 household-beneficiaries shall not be deducted from the appropriations provided under
8 Section 17 of this Act: *Provided, finally,* That the provision of subsidized rice insurance
9 to qualified rice farming household-beneficiaries shall be complementary and
10 supplementary to the conditional cash transfer program as provided in this Act.

11 Sec. 8. *Conditions for Entitlement.* – All qualified rice farming household-
12 beneficiaries shall comply with the following requirement for continued program
13 eligibility:

14 (a) The qualified rice farming household-beneficiaries must continue to engage
15 in *palay* production;

16 (b) The responsible person/s from qualified rice farming household-
17 beneficiaries who actually engage/s in rice production must register with the DA under
18 the Registry System for Basic Sectors in Agriculture;

19 (c) The qualified rice farming household-beneficiaries must propagate and use
20 inbred *palay* seeds to be developed, bred, registered, certified and distributed by the
21 Philippine Rice Research Institute as provided under Republic Act No. 11203;

22 (d) The qualified rice farming household-beneficiaries must apply for subsidized
23 insurance coverage as provided in Section 7 of this Act no later than thirty (30) days
24 from the date of planting; and

25 (e) At least one (1) responsible person from qualified rice farming household-
26 beneficiaries must attend at least one (1) training program to be conducted by
27 Philippine Center for Postharvest Development and Mechanization, Agricultural
28 Training Institute, or Technical Education and Skills Development Authority in their
29 respective municipality.

30 The DSWD may suspend any or all of the conditions for entitlement during
31 calamities, armed conflict, state of war or lawless violence, and other similar fortuitous
32 events.

1 Sec. 9. *Noncompliance with the Conditions for Entitlement.* – The responsible
2 person of a reported qualified household-beneficiary who fails to comply with the
3 conditions set forth in Section 8 of this Act shall be notified in writing. Further payment
4 of cash grants shall be suspended after four (4) months of noncompliance and the
5 erring household-beneficiary shall be subject to case management process of the
6 DSWD.

7 The qualified rice farming household-beneficiary has one (1) year, reckoned
8 from the date of receipt of the written notification, to satisfy the conditions
9 enumerated under Section 8 of this Act, after which the erring household-beneficiary
10 shall be removed from the Program.

11 Sec. 10. *Mode of Cash Transfer.* – The DSWD shall provide beneficiaries with
12 direct and secured access to cash grants through any number of Authorized
13 Government Depository Banks (AGDBs). For localities not adequately served by an
14 AGDB, the DSWD may contract the services of rural banks, thrift banks, cooperative
15 banks and other duly-accredited financial institutions engaged in money remittance
16 services.

17 Sec. 11. *Cash-for-Work for Rice Farmers Program.* – To provide additional
18 income for rice farming household-beneficiaries, the DSWD may, in coordination with
19 government agencies concerned, facilitate short-term intervention to provide
20 temporary employment to members of qualified rice farming households. Projects
21 that may be incorporated under the Cash-for-Work Program shall include, but not be
22 limited to:

23 (a) irrigation programs and projects of the DA and the National Irrigation
24 Administration;

25 (b) public works programs and projects of the Department of Public Works and
26 Highways;

27 (c) water supply and sanitation projects of the Department of the Interior and
28 Local Government and local water districts;

29 (d) disaster preparedness, mitigation, relief, rehabilitation, and risk reduction
30 projects of the Office of the Civil Defense, National Disaster Risk Reduction and
31 Management Council, and other similar agencies of government; and

1 (e) other similar programs and projects of national government agencies,
2 government-owned or -controlled corporations, and local government units.

3 The DSWD shall determine the payment rate of cash-for-work employment:
4 *Provided, That* such payment shall be in no case lower than seventy percent (70%) of
5 the prevailing daily wage rate set by the National Wages and Productivity Commission.

6 The DSWD shall utilize the mode of cash transfer as provided in Section 10 of
7 this Act to transfer payment for services rendered by members of qualified rice farming
8 households under the Cash-for-Work for Rice Farmers Program.

9 Sec. 12. *Lead Agency.* – The DSWD shall serve as the central planning,
10 coordinating, implementing and monitoring body of the Program. In the
11 implementation of this Act, the DSWD shall perform the following functions:

12 (a) Selection and application of appropriate, effective, and cost-efficient
13 methods in identification and selection of qualified rice farming household-
14 beneficiaries in coordination with DA and DAR;

15 (b) Identification and selection of target rice farming household-beneficiaries
16 based on a uniform, objective and transparent selection process;

17 (c) Coordination with various national and local government agencies,
18 including non-government and private sector organizations, to ensure full
19 implementation of the provisions of this Act;

20 (d) Establishment of participatory system and methodologies to monitor and
21 evaluate the compliance of household-beneficiaries and the implementation of the
22 Program;

23 (e) Provision of recommendation measures, rules and regulations to the
24 Advisory Council in order to improve the delivery of commitments made in this Act;

25 (f) Determination of program coverage based on a standardized targeting
26 system;

27 (g) Provision of seminar-workshop and training programs to educate qualified
28 rice farming household-beneficiaries about the conditions and other actions pertinent
29 to this Act;

30 (h) Synchronization and harmonization of the implementation of the Program
31 with other similar or related programs of the government;

1 (i) Submission of an annual report to Congress on matters pertinent to the
2 operations and financial status of the Program; and

3 (j) Performance of other functions as may be necessary or incidental to the
4 proper implementation of the provisions of this Act.

5 Sec. 13. *Reporting.* – The DSWD shall publish, on an annual basis, a full report
6 on the implementation of the Program during the previous fiscal year. The report shall
7 include, but not be limited to, financial disclosures, the number of rice farming
8 household-beneficiaries included in the Program based on geographic, socioeconomic
9 and cultural circumstances, and recommendations to improve the implementation of
10 the Program. This report shall be submitted, either in printed form or by way of
11 electronic document, to the Congress prior to the submission of the President’s annual
12 budget. The Secretary of Social Welfare and Development and the Agency’s web
13 administrator or the web administrator’s equivalent shall be responsible for ensuring
14 that the said report is posted on the DSWD website.

15 Sec. 14. *Convergence of Programs and Services.* – Within the framework of a
16 national poverty alleviation strategy and a comprehensive food security program, the
17 various agencies of government implementing multi-stakeholder programs and
18 services for rice farmers shall guarantee that these programs and services complement
19 and converge seamlessly with the aim of ensuring that the targeted rice farming
20 household-beneficiaries are alleviated from poverty. Such convergence shall focus on
21 the enhancement of operational efficiency, ensuring the realization of program
22 outcomes, and strengthening of inter-agency partnerships. The government shall
23 monitor the performance of these agencies to ensure the sustainability of their
24 respective programs.

25 Sec. 15. *Monitoring and Evaluation of the Program.* – The DSWD shall monitor
26 and evaluate the implementation and effectiveness of the Program and report its
27 status at least once every three (3) years in order to ensure the realization of the
28 objectives declared in Section 2 of this Act.

29 The Independent Monitoring Committee created under Republic Act No. 11310,
30 otherwise known as the “*Pantawid Pamilyang Pilipino Program (4PS) Act,*” shall be
31 used to complement the monitoring activities of the DSWD in the implementation of
32 the Program. The Independent Monitoring Committee shall submit a report of its

1 monitoring activities relative to the implementation of the Program to the Advisory
2 Council.

3 Sec. 16. *Congressional Oversight.* – The Congressional Oversight Committee on
4 Agricultural and Fisheries Modernization (COCAFAM) shall conduct a periodic review of
5 the Program, considering, among others, the report of the monitoring and evaluation
6 activities of the DSWD and the Independent Monitoring Committee as provided in
7 Section 15 of this Act.

8 Sec. 17. *Appropriations.* – The amount necessary for the implementation of the
9 provisions of this Act shall be sourced from the annual tariff revenues from rice
10 importation in excess of Ten billion pesos (P10,000,000,000.00).

11 Sec. 18. *Prohibited Acts and Corresponding Penalties.* – Any person, whether
12 acting in conspiracy with public officials or not, who by act or omission, inserts or
13 allows the insertion of data or false information, or diverts or allows the diversion of
14 information that ought to be contained in the registry, or transfers or aids in the
15 transfer of cash grant to persons other than the qualified rice farming household-
16 beneficiaries, shall be penalized with a fine of not less than thirty thousand pesos
17 (P30,000.00) nor more than one hundred thousand pesos (P100,000.00) or
18 imprisonment of not less than three (3) months nor more than three (3) years, or
19 both, at the discretion of the court: *Provided,* That if the offense is committed by a
20 corporation, trust, firm, partnership, association or any other entity, the penalty shall
21 be imposed upon the guilty officer or officers of such corporation, trust, firm,
22 partnership, association or entity: *Provided, further,* That in addition to the penalties
23 that may be imposed by the court, the offender punished under this section shall be
24 subject to perpetual disqualification to hold public office: *Provided, finally,* That if the
25 offender punished under this section is a public official or government employee, the
26 accumulated leave credits and retirement benefits, if any, shall be forfeited in favor of
27 the State.

28 Sec. 19. *Implementing Rules and Regulations.* – Within thirty (30) days from
29 effectivity of this Act, the DSWD, DA, Department of Finance and Department of
30 Budget and Management shall, in coordination with other government agencies
31 concerned and after consultation with directly affected stakeholders, promulgate the
32 rules and regulations to effectively implement the provisions of this Act.

1 Sec. 20. *Separability Clause.* – If any portion of this Act is declared invalid or
2 unconstitutional, the portions or provisions which are not affected shall continue to be
3 in full force and effect.

4 Sec. 21. *Repealing Clause.* – All laws, acts, decrees, executive orders,
5 issuances, and rules and regulations or parts thereof which are contrary to and
6 inconsistent with this Act are hereby repealed, amended or modified accordingly.

7 Sec. 22. *Effectivity.* – This Act shall take effect fifteen (15) days after its
8 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,