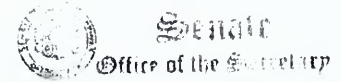


NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



'22 JUL 14 P 4 :00

SENATE

S.B. No. 642

RECEIVED BY: \_\_\_\_\_

---

Introduced by **SENATOR IMEE R. MARCOS**

---

**AN ACT**  
**AMENDING REPUBLIC ACT NO. 8178 OR THE**  
**"AGRICULTURAL TARIFFICATION ACT OF 1996," AS AMENDED**

EXPLANATORY NOTE

The passage of the Rice Tariffication Act last February 2019 resulted in a decline of rice retail price from PhP 40.57 per kilo in 2018 to PhP 37.60 per kilo in 2021. However, large scale rice importation has resulted in a decrease of the farmgate price of dry palay, from PhP 20.06 per kilo in 2018 to PhP 16.76 per kilo in 2021 and PhP 17.23 per kilo in April 2022. This is despite the increase in the cost of rice production associated with higher fertilizer and petroleum prices.

While the Philippines' compliance with its World Trade Organization (WTO) obligation to impose a bound tariff rate system through the Rice Tariffication Act is important, recent experience asserts government's role in managing, regulating, and even intervening in national rice supplies to guarantee food security and farmers' income. As a fundamental Filipino staple, the crucial, political, and economic role that rice plays in Filipino society can neither be overstated or left unregulated.

This bill seeks firstly to expand the function of the national rice buffer to cover both natural catastrophes and commodity crises. It explicitly defines the power of the President to automatically undertake safeguards and other measures in the event of both a rice shortage, as predicted to happen in the near future, and the rice surplus, as endured through February 2019. Financial assistance is also sought for farmers displaced by wholesale importation and other impacts of agricultural modernization.

For the abovementioned urgent reasons, the passage of this bill is sought.

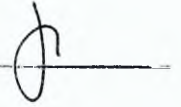
**IMEE R. MARCOS**

'22 JUL 14 P 4 :00

**SENATE**

S.B. No. **642**

RECEIVED BY: \_\_\_\_\_



---

Introduced by **SENATOR IMEE R. MARCOS**

---

**AN ACT  
AMENDING REPUBLIC ACT NO. 8178 OR THE  
"AGRICULTURAL TARIFFICATION ACT OF 1996," AS AMENDED**

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

1           **SECTION 1.** Section 3 (e) of R.A. No. 8178 is hereby amended to read as  
2 follows:

3  
4           "SEC. 3 (e) 'Buffer Stock' refers to the optimal level of rice  
5 inventory that shall be maintained at **ALL TIMES FOR USE**  
6 **DURING EMERGENCIES, IN ORDER** [~~any given time to be~~  
7 ~~used for emergency situations and~~] to sustain the disaster relief  
8 programs of the government during natural or man-made  
9 calamities, **AS WELL AS DURING COMMODITY MARKET**  
10 **CRISES, FOR THE PURPOSE OF STABILIZING PRICES IN**  
11 **THE COMMUNITY MARKET AND ENSURING FOOD**  
12 **SECURITY;"**

13   xxx."

14           **SEC. 2.** Section 7 (a) of R.A. No. 8178 is hereby amended to read as follows:  
15

16           "Sec. 7. *Powers of the President.* – Consistent with the Philippine  
17 national interest and the objective of safeguarding Filipino  
18 farmers and consumers, the President is hereby empowered to  
19 act with full delegated authority subject to the provisions of the  
20 CMTA in the following circumstances:

1           "(a) The President may increase, reduce, revise, or adjust  
2 existing rates of import duty up to the bound rate committed by  
3 the Philippines under the WTO Agreement on Agriculture and  
4 under the ATIGA, including any necessary change in classification  
5 applicable to the importation of rice: Provided, That the power  
6 herein delegated to the President shall only be exercised when  
7 Congress is not in session: Provided, further. That any order  
8 issued by the President adjusting the applied tariff rates shall  
9 take effect fifteen (15) days after publication;

10  
11           (b) In the event of any imminent or forecasted shortage, or such  
12 other situation requiring government intervention, the President  
13 is empowered for a limited period and/or a specified volume, to  
14 allow the importation at a lower applied tariff rate to address the  
15 situation. Such order shall take effect immediately and can only  
16 be issued when Congress is not in session;

17  
18           **HOWEVER, WHEN THERE IS AN EXCESSIVE SUPPLY OF**  
19 **IMPORTED OR LOCAL RICE RESULTING IN A CRASH IN**  
20 **LOCAL RICE PRICES, THE PRESIDENT MAY SIMILARLY**  
21 **STOP OR PROHIBIT FURTHER IMPORTATION FOR A**  
22 **LIMITED PERIOD AND FOR SPECIFIED VOLUME UNTIL**  
23 **SUCH TIME AS BOTH RICE SUPPLY AND PRICES**  
24 **STABILIZE; and**

25  
26           (c) In case the calculated out-quota tariff rate referred to under  
27 Section 6 (c) of this Act exceeds one hundred percent (100%),  
28 the provision of Paragraph 1, Section 1608(a) of the CMTA shall  
29 also not apply.

30  
31           The power herein delegated to the President may be withdrawn  
32 or terminated by Congress through a Joint Resolution."

33  
34           **SEC. 3.** Section 8 of R.A. No. 8178 is hereby amended to read as follows:

35  
36           "SEC. 8. *Maintenance of Rice Buffer Stock.* – The NFA shall, in  
37 accordance with the **IMPLEMENTING** rules, regulations, and  
38 procedures to be promulgated, maintain **AND MANAGE AN**

1           **OPTIONAL** [~~sufficient~~] rice buffer stock [~~to be sourced solely~~  
2           ~~from local farmers~~].”  
3

4           **SEC. 4.** Sections 13 (a) and (d) of R.A. 8178 is hereby amended to  
5 read as follows:  
6

7           “(a) Rice Farmer Financial Assistance – A portion of the excess  
8 rice tariff revenues shall be released to the DA and shall be used  
9 for providing direct financial assistance to rice farmers who are  
10 farming two (2) hectares and below regardless of whether they  
11 continue farming rice or not as compensation for the projected  
12 reduction or loss of farm income arising from the tariffication of  
13 the quantitative import restrictions on rice. **FARMWORKERS  
14 DISPLACED BY FARM MECHANIZATION AND OTHER  
15 MODERNIZATION SCHEMES, LISTED IN THE REGISTRY  
16 SYSTEM FOR BASIC SECTORS IN AGRICULTURE (RSBSA)  
17 ARE ALSO ENTITLED TO DIRECT FINANCIAL  
18 ASSISTANCE;**  
19

20   xxx  
21

22           (d) Crop Diversification Program – [~~A portion of the excess tariff~~  
23           ~~revenues shall be released to the DA and shall be used for~~  
24           ~~productivity enhancement]~~ **TWENTY PERCENT (20%) OF  
25 THE RICE FUND SHALL BE MADE AVAILABLE FOR  
26 PRODUCTION-ENHANCEMENT** programs for rice farmers  
27 seeking to diversify production [~~towards~~] **TO** other crops[.],  
28           **POULTRY, LIVESTOCK, AND AQUACULTURE.”**  
29

30           **SEC. 5.** Sections 14 of R.A. 8178 is hereby amended to read as follows:  
31

32           “Sec. 14. *Beneficiaries of the Rice Fund.* – The beneficiaries of  
33 the Rice Fund shall be those farmers and farmworkers and their  
34 dependents listed in the Registry System for Basic Sectors in  
35 Agriculture (RSBSA), and rice cooperatives and associations  
36 accredited by the DA **AND OTHER KEY STAKEHOLDERS OF  
37 THE RICE VALUE CHAIN, INCLUDING INPUT SUPPLIERS,  
38 SERVICE PROVIDERS, RICE MILLERS, AND RICE-BASED**



1 **FOOD MANUFACTURERS.** Within one hundred eighty (180)  
2 days from the effectivity of this Act, the DA, in consultation with  
3 farmers' cooperatives and organizations and LGUs, shall validate  
4 and update the masterlist of eligible beneficiaries to ensure that  
5 those listed are legitimate farmers, farmworkers and rice  
6 cooperatives and associations.

7  
8 x x x"  
9

10 **SEC. 6.** Sections 15 of R.A. 11203 is hereby amended to read as follows:  
11

12 "Sec. 15. *Rice Industry Roadmap.* – Upon the effectivity of this  
13 Act, the DA, together with the NEDA, Department of Finance  
14 (DOF), DBM, DAR, National Irrigation Administration (NIA),  
15 TESDA, PCIC, National Anti-Poverty Commission (NAPC) Farmer  
16 Sectoral Council Representative and other government agencies  
17 concerned, including rice farmer representatives, shall be given  
18 a maximum of one hundred eighty (180) days to formulate and  
19 adopt the rice roadmap to restructure the government's delivery  
20 of support services for the agricultural rice sector.

21  
22 "The following principles shall govern the development and  
23 implementation of the roadmap for the rice industry:  
24

25 **(A) SHIFT THE RICE TOWARDS THE IMMEDIATE ACCESS**  
26 **OF RICE FARMERS TO CAPITAL MARKETS, WITH THE**  
27 **END OF DOUBLING THEIR INCOME WITHIN FIVE (5)**  
28 **YEARS;**

29  
30 "[a] **(B)** Raise sustainable investments in the rice industry  
31 particularly ~~[on]~~ **WITH THE DEVELOPMENT OF [rice-support]**  
32 **RURAL** infrastructure **SUCH AS FARM TO MARKET,**  
33 **IRRIGATION,** and post-harvest facilities;  
34

35 "[b] **(C)** Improve the productivity, efficiency and profitability  
36 of small rice farmers and landless farmworkers;  
37

1 "[c] (D) Strengthen research, [and] development [programs  
2 that will enhance the resiliency of the rice industry] **AND**  
3 **EXTENSION SERVICES ALONG SUSTAINABLE FARMING**  
4 **TECHNOLOGIES;**

5  
6 **(E) PROVIDE AND PROMOTE BACKWARD AND FORWARD**  
7 **LINKAGES OF AGRICULTURE TO INDUSTRIES AND TO**  
8 **THE LOCAL MARKETS;**

9  
10 "[d] (F) Preserve and enhance the rice production capabilities  
11 of future generations;

12  
13 "[e] (G) Provide accessible, targeted and technology-oriented  
14 support services that cover the entire value chain;

15  
16 "[f] (H) Set up responsible, participatory and effective  
17 governance mechanisms; [and]

18  
19 "[g] (I) Address impact of income loss caused by rice  
20 tariffication[.];

21  
22 **(J) ENFORCE THE LAWS AGAINST LARGE-SCALE**  
23 **AGRICULTURAL SMUGGLING, ANTI-DUMPING OF**  
24 **FOREIGN AGRICULTURAL PRODUCTS AND RELATED**  
25 **GOVERNMENT REGULATIONS TO PREVENT DAMAGE TO**  
26 **THE LOCAL RICE INDUSTRY;**

27  
28 **(K) AGGRESSIVELY UNDERTAKE SOIL AND WATER**  
29 **RESOURCE DEVELOPMENT THROUGH REHABILITATION,**  
30 **REGENERATION AND CONSERVATION OF WATERSHEDS**  
31 **AND AQUIFER IN TANDEM WITH THE NATIONAL GRID**  
32 **CORPORATION OF THE PHILIPPINES (NCGP) OF THE**  
33 **DEPARTMENT OF ENVIRONMENT AND NATURAL**  
34 **RESOURCES (DENR) AND THE LOCAL GOVERNMENT**  
35 **UNITS (LGUS);**  
36

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14

**(L) PROMOTE DIVERSIFIED FARMING SYSTEMS IN ORDER TO DEVELOP ON-FARM AND OFF-FARM LIVELIHOOD SOURCES FOR FARMERS.**

x x x."

**SEC. 7. Separability Clause.** – If for any reason any part or provision of this Act shall be deemed unconstitutional or invalid, the other sections or provisions hereof shall not be affected and shall remain in force and effect.

**SEC. 8. Repealing Clause.** – All laws, decrees, executive issuances, rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

**SEC. 9. Effectivity.** – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

*Approved,*