

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



24 MAR 11 P2:50

SENATE

Senate Bill No. 2601

RECEIVED BY

Introduced by Sen. CYNTHIA A. VILLAR

AN ACT
AMENDING SECTION 13 OF REPUBLIC ACT NO. 11203, OR "AN ACT
LIBERALIZING THE IMPORTATION, EXPORTATION AND TRADING OF RICE,
LIFTING FOR THE PURPOSE THE QUANTITATIVE IMPORT RESTRICTION ON
RICE, AND FOR OTHER PURPOSES"

EXPLANATORY NOTE

The Philippines is a primarily an agricultural nation. Our country is blessed with vast agricultural lands and rich natural resources. When properly utilized, various crops can be produced, resulting to an increased local production that generates income and thereby, making our nation self-sufficient.

For many generations, the agricultural sector has been a significant source of livelihood for Filipinos. In fact, it plays a major role in boosting the Philippine economy.

Thus, in 2019, the Rice Tariffication Law (RTL) was passed to make the agricultural sector globally competitive. It is a policy reform that removed the quantitative restrictions on rice and replaced it with tariffs, creating a rice fund in the amount of Php 10 Billion per year to directly benefit the farmers by addressing the issues of competitiveness and negative effects of inflow of cheaper rice imports of similar quality.

When RTL started, inbred palay production per hectare has been consistently going up from 3.66 ton per hectare in 2019, 3.95 tons in 2020 and in 2023, 4.19 tons, because of the distribution of high quality inbred seeds to farmers, by PhilRice.

Through the RTL, the Philippine Rice Research Institute (PhilRice) is mandated to lead the Rice Competitiveness Enhancement Fund (RCEF) Certified Seed Development, Propagation and Distribution Program and co-lead the RCEF Extension Program. The RCEF Rice Program has also synergized and strengthened the local farmers into seed producer cooperatives to support and participate in the nationwide high quality seed production and trade. It has established 756 PalaySikatan Technology Demonstration sites in 404 cities and municipalities located in 58 provinces under its extension service mandate.

Some of the target goals of PhilRice are to conduct in-depth research and development on better palay inbred varieties and to produce breeder, foundation, and registered seeds; and better distribution system and improve relationship with LGUs to optimize implementation efficiency.

At present, there are 164 inbred seed varieties and 15 new varieties developed by PhilRice under RCEF.

In addition, one of the key factors in enhancing farm productivity is through showcasing need-based and location-specific farming strategies and agricultural enterprise. The role of the private sector in providing extension services is very important. Thus, from September 2019 to December 2023, the Agricultural Training Institute (ATI) certified a total of 319 RCEF Learning Sites for Agriculture (LSAs); 235 of which received financial assistance.¹

With respect to the trainings conducted under the RCEF-Rice Extension Services Program (RESP), a total of 10,651 training activities benefitting 251, 971 participants were facilitated. Related thereto, under the Farmers' Field School (FFS) Production of High Quality Inbred Rice training of TESDA, from 2019 to January 2024, a total of 171,412 participants graduated.²

The Philippine Center for Postharvest Development and Mechanization (PhilMech) distributes Php5-Billion worth of farm machinery and equipment (FME) to qualified farmers' cooperatives and associations (FCAs) yearly. From 2019-2023, the total budget allocated for the RCEF Mechanization Program was 25 Billion Pesos. As of December 31, 2023, the cumulative obligated amount was Php 24.87 Billion or 83%. Of the total obligated, PhilMech's total disbursement was 15.86 Billion or 64%.³

Under the credit component, where Php 1 Billion is allotted yearly, since 2019, the Developmental Bank of the Philippines (DBP) and Land Bank of the Philippines (LBP) have received Php 2.5 Billion each. The total credit assistance given by DBP amounted to Php 2.2 Billion or 91%. This assistance has directly helped and impacted a total of 29,853 individual farmer beneficiaries.

On the other hand, LBP lent a total of Php 2.474 Billion to 14,831 farmer beneficiaries and 271 cooperatives or 98%.⁴

With these significant developments, the Rice Tariffication Law is a game-changer. Due to the tariffs collected on imported rice, the price of rice stabilized and it was instrumental to the significant drop in inflation. More importantly, it improved the lives of the farmers as due to mechanization, seed distribution, extension services, and cash assistance support, they have become more competitive and productive.

¹ ATI Rice Competitiveness Enhancement Fund – Rice Extension Services Program Cumulative Accomplishments as of January 31, 2024, Agricultural Training Institute.

² *Id.*

³ Report Update of Philippine Center for Postharvest Development and Mechanization on RCEF as of December 2023.

⁴ Status Report of Landbank on the Expanded Rice Credit Assistance under the Rice Competitiveness Enhancement Fund (As of 31 December 2024).

However, the target set at the start has not been fully realized and would take further support to rice farmers to make our country rice sufficient and to better their lives.

In view of the foregoing, the extension of the Rice Tariffication Law for six (6) years is necessary and the passage of this bill is earnestly sought.



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

1 **SECTION 1.** Section 13 of Republic Act No. 8178, as amended by Republic Act
2 No. 11203, is hereby amended to read as follows:

3 "Sec. 13. *Rice Competitiveness Enhancement Fund.* - There is hereby created
4 a Rice Competitiveness Enhancement Fund, herein referred to as the 'Rice
5 Fund'. The Rice Fund shall consist of an annual appropriation of Ten billion
6 pesos (₱10,000,000,000.00) [~~for the next six (6) years following the approval~~
7 ~~of this Act]~~ **UNTIL THE YEAR 2031** and shall be automatically credited to a
8 Special Account in the General Fund of the National Treasury which shall be in
9 place within ninety (90) days upon the effectivity of this Act.

10 X x x

11 "*Provided, furthermore,* That if the annual tariff revenues from rice importation
12 exceeds Ten billion pesos (₱10,000,000,000.00) in any given year [~~within the~~
13 ~~six (6) year period following the effectivity of this Act]~~ **UNTIL THE YEAR**
14 **2031**, the excess tariff revenues shall be [~~earmarked by Congress and included~~

1 in the General Appropriations Act (GAA) of the following year] **USED FOR THE**
2 **FOLLOWING:**

3 ~~“(a) Rice Farmer Financial Assistance—A portion of the excess rice tariff~~
4 ~~revenues shall be released to the DA and shall be used for providing~~
5 ~~direct financial assistance to rice farmers who are farming two (2)~~
6 ~~hectares and below regardless of whether they continue farming rice or~~
7 ~~not as compensation for the projected reduction or loss of farm income~~
8 ~~arising from the tariffication of the quantitative import restrictions on~~
9 ~~rice;~~

10 ~~“(b) Titling of Agricultural Rice Lands—A portion of the excess rice tariff~~
11 ~~revenues shall be released to the Department of Agrarian Reform (DAR),~~
12 ~~Department of Environment and Natural Resources (DENR) and Land~~
13 ~~Registration Authority (LRA), and shall be used for the subdivision and~~
14 ~~titling of agricultural rice lands or parts thereof awarded to farmer-~~
15 ~~beneficiaries under the Comprehensive Agrarian Reform Program (CARP)~~
16 ~~and other similar programs of the government;~~

17 ~~“(c) Expanded Crop Insurance Program on Rice—A portion of the excess~~
18 ~~tariff revenues shall be released to the Philippine Crop Insurance~~
19 ~~Corporation (PCIC) and shall be used for the provision of crop insurance~~
20 ~~to qualified rice farmer beneficiaries under its existing agricultural~~
21 ~~insurance programs; and~~

22 ~~“(d) Crop Diversification Program—A portion of the excess tariff~~
23 ~~revenues shall be released to the DA and shall be used for productivity-~~
24 ~~enhancement programs for rice farmers seeking to diversify production~~
25 ~~towards other crops].~~

26 **(a) RICE FARMER FINANCIAL ASSISTANCE – DIRECT CASH**
27 **ASSISTANCE SHALL BE PROVIDED TO RICE FARMERS TILLING TWO**
28 **(2) HECTARES AND BELOW, ESTIMATED AT 2,400,000.00 MILLION**
29 **FARMERS.**

30 **THE DEPARTMENT OF AGRICULTURE (DA) IS HEREBY**
31 **AUTHORIZED TO USE THE MONIES FROM THE SAID EXCESS TO**
32 **DIRECTLY PROVIDE CASH ASSISTANCE TO FARMERS WHO ARE**

1 TILLING TWO (2) HECTARES AND BELOW OF RICE LAND UNTIL THE
2 YEAR 2031;

3 (b) SMALL WATER IMPOUNDING PROJECT – IN ORDER TO
4 ENSURE THAT RICE AREAS WILL HAVE ADEQUATE WATER SUPPLY IN
5 THE FACE OF EL NIÑO AND SO THAT WATER RESOURCES WILL BE
6 EFFECTIVELY UTILIZED FOR THE IRRIGATION OF RICE LANDS ALL
7 YEAR-ROUND, AN ANNUAL APPROPRIATION OF TWO BILLION PESOS
8 (P2,000,000,000.00) FOR THE NEXT SIX (6) YEARS FOLLOWING THE
9 EFFECTIVITY OF THIS ACT SHALL BE ALLOCATED FOR SMALL WATER
10 IMPOUNDING PROJECTS (SWIP) AS EARTHEN DAMS, WITH
11 STRUCTURAL HEIGHTS OF NOT MORE THAN THIRTY (30) METERS
12 AND A VOLUME STORAGE NOT EXCEEDING FIFTY (50) MILLION
13 CUBIC METERS, TO HARVEST AND STORE RAINFALL AND RUN-OFF
14 FOR IMMEDIATE AND FUTURE USE TO SERVE AN AREA OF 25
15 HECTARES TO 150 HECTARES, WITH THE BUREAU OF SOILS AND
16 WATER MANAGEMENT (BSWM) AS THE IMPLEMENTING AGENCY;
17 AND

18 (c) COMPOSTING FACILITY FOR ORGANIC FERTILIZER – TO
19 ENCOURAGE ORGANIC FARMING AND THE USE OF READILY
20 AVAILABLE BIODEGRADABLE WASTE, ENSURE THE PRODUCTION OF
21 SAFE AND QUALITY RICE, PREVENT THE FURTHER DEGRADATION OF
22 SOIL, AND REDUCE DEPENDENCE ON CHEMICAL FERTILIZER, AN
23 ANNUAL APPROPRIATION OF TWO BILLION PESOS
24 (P2,000,000,000.00) FOR THE NEXT SIX (6) YEARS FOLLOWING THE
25 EFFECTIVITY OF THIS ACT SHALL BE ALLOCATED FOR THE
26 ESTABLISHMENT OF COMPOSTING FACILITIES TO BE PROVIDED BY
27 BSWM TO RICE FARMER COOPERATIVES AND ASSOCIATIONS.

28 THE BUREAU OF CUSTOMS (BOC) IS HEREBY MANDATED TO
29 DIRECTLY REMIT TO THE DA AND THE BSWM THE SAID EXCESS
30 FUNDS.

31 THE BOC, DA, AND BSWM SHALL, AT THE END OF EACH YEAR,
32 SUBMIT SEPARATE REPORTS TO CONGRESS, THROUGH THE SENATE

1 **COMMITTEE ON AGRICULTURE, FOOD AND AGRARIAN REFORM AND**
2 **THE HOUSE COMMITTEE ON AGRICULTURE AND FOOD, ON THE**
3 **REMITTANCE OF FUNDS AND THE ACTUAL FUND DISBURSEMENT FOR**
4 **THE YEAR.**

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

7 SEC. 2. ***Separability Clause.*** – If any provision of this Act is declared
8 unconstitutional, the remainder thereof not otherwise affected shall remain in full force
9 and effect.

10 SEC. 3. ***Repealing Clause.*** – Such other laws, presidential decrees, executive
11 orders, letters of instruction, proclamations or administrative regulations that are
12 inconsistent with the provisions of this Act are hereby repealed, amended, or modified
13 accordingly.

14 SEC. 4. ***Effectivity.*** – This Act shall take effect after fifteen (15) days following
15 the completion of its publication in the Official Gazette, or in a newspaper of general
16 circulation.

17 Approved,