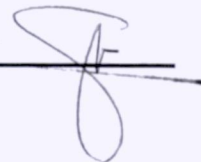


SENATE

'19 NOV 27 A11 :12

Senate Bill No. 1199

RECEIVED



Introduced by Senator Juan Miguel F. Zubiri

AN ACT

AUTHORIZING THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT (DSWD), IN COORDINATION WITH THE NATIONAL FOOD AUTHORITY (NFA), TO PURCHASE PALAY FROM LOCAL FARMERS USING THE RICE SUBSIDY AS PROVIDED UNDER THE PANTAWID PAMILYANG PILIPINO PROGRAM (4PS) IN THE GENERAL APPROPRIATIONS ACT (GAA) OF 2019 AND TO DISTRIBUTE RICE SUBSIDY IN THE FORM OF ACTUAL RICE, INSTEAD OF CASH ASSISTANCE, TO THE QUALIFIED BENEFICIARIES

EXPLANATORY NOTE

The government continues to pursue its vision of food security for all Filipinos by allotting P137.1 Billion for agriculture and agrarian reform to enhance agricultural productivity, support poor farmers and fisher folk, and strengthen the climate resilience communities, among others.

On February 2019, Republic Act No. 11203 entitled, "An Act Liberalizing the Importation, Exportation and Trading of Rice, Lifting for the Purpose the Quantitative Import Restriction on Rice, and For Other Purposes" was enacted to help support the local rice industry specifically by creating a "Rice Competitiveness Enhancement Fund" to be allocated and disbursed, for the following: (a) Rice Farm Machineries and Equipment, (b) Rice Seed Development, Propagation, and Promotion, (c) Expanded Rice Credit Assistance, and Rice Extension Services.

Despite the efforts made by the government to protect the local rice industry, large stocks of imported rice have depressed the buying price of local *palay* to levels way below the cost of production. The National Food Authority (NFA) reported that they have 209,525.15 MT of imported rice in their custody, as of August 22, 2019, and procured locally 360.657 bags of *palay* at fifty (50) kilos per bag or 209,525.15 MT. The warehouses of NFA are already full, and the problem of oversupply is expected to exacerbate during the period from October to December which is the peak *palay* harvest season. Latest government statistics for the average *palay* prices plunged to P16.28 per kilogram from P23.10 per kilogram for the same period last year which is the lowest *palay* price in seven (7) years. To provide immediate support and assistance to the local rice industry, President Rodrigo Roa Duterte has ordered the NFA to utilize their budget of P7 Billion to procure *palay* or unhusked rice from local farmers.

The 2019 General Appropriations Act (GAA) provides a total allocation of P33.9 billion for rice subsidies, the largest of which is given to the beneficiaries of the Department of Social Welfare and Development (DSWD) under the "Pantawid Pamilyang Pilipino Program (4Ps)." This allocation can be utilized to buy *palay* directly from local farmers to provide for a total of 4.1 million beneficiaries. The program grants the beneficiaries rice subsidy in the form of financial assistance in the amount of P600.00 per month, equivalent to twenty (20) kilos of rice, in addition to the cash assistance to the same beneficiaries of P300.00 per month or P3,600.00 per year under the 4Ps program. The DSWD confirmed that a balance currently of at least P6.97 billion remained undisbursed under the rice subsidy program. Under Section 8 of Republic Act No. 11203, the NFA is tasked to buy *palay* from local farmers "for the whole year" for the maintenance of a rice buffer stock and can be assigned to undertake direct local buying on behalf of the departments.

This bill seeks to help farmers by authorizing the Department of Social Welfare and Development (DSWD), in coordination with the National Food Authority (NFA), to purchase palay from local farmers in the provinces of Pangasinan, Ilocos Norte, Cagayan, Isabela, Nueva Vizcaya, Oriental Mindoro, Occidental Mindoro, Tarlac, Nueva Ecija, Zamboanga del Sur and Iloilo using the rice subsidy as provided under the Pantawid Pamilyang Pilipino Program (4Ps) in the General Appropriations Act (GAA) of 2019 and to distribute rice subsidy in the form of actual rice, instead of cash assistance, to the qualified beneficiaries.

Moreover, local government units (LGUs) are encouraged to purchase rice from local farmers to provide for the rice needs of their hospitals, jails, and other local institutions, as well as feeding programs and calamity-program interventions.

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



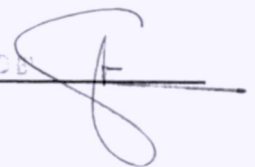
SEN. JUAN MIGUEL F. ZUBIRI

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AN ACT

AUTHORIZING THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT (DSWD), IN COORDINATION WITH THE NATIONAL FOOD AUTHORITY (NFA), TO PURCHASE PALAY FROM LOCAL FARMERS USING THE RICE SUBSIDY AS PROVIDED UNDER THE PANTAWID PAMILYANG PILIPINO PROGRAM (4PS) IN THE GENERAL APPROPRIATIONS ACT (GAA) OF 2019 AND TO DISTRIBUTE RICE SUBSIDY IN THE FORM OF ACTUAL RICE, INSTEAD OF CASH ASSISTANCE, TO THE QUALIFIED BENEFICIARIES

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 "Mandatory Palay
2 Purchase Act."

3 **SEC. 2. Declaration of Policy.** - It is hereby declared the policy of the State to
4 address the plight of farmers in view of the decreasing buying price of local palay to levels
5 way below the cost of production. Towards this end, the government shall provide
6 mechanism to help the farmers by purchasing the produce of farmers and shall encourage
7 other government agencies to buy directly from the local farmers the rice needed for the
8 institutions under their jurisdiction such as hospitals, jails, and other institutions.

9 **SEC. 3. Source of Palay.** – The palay to be distributed to 4Ps beneficiaries shall
10 be primarily purchased from, but not limited to, the local farmers from following provinces:
11 Pangasinan, Ilocos Norte, Cagayan, Isabela, Nueva Viscaya, Mindoro Oriental, Mindoro
12 Occidental, Tarlac, Nueva Ecija, Zamboanga del Sur and Iloilo.

13 **SEC. 4. Mandate of the Department of Social Welfare and Development**
14 **(DSWD).** – The DSWD is hereby mandated to buy palay from the local farmers from the

1 covered provinces and distribute rice subsidy in the form of actual rice, instead of cash
2 assistance to qualified beneficiaries. For this purpose, the DSWD shall be authorized to
3 use the rice subsidy as provided under the Pantawid Pamilyang Pilipino Program (4PS) in
4 the General Appropriations Act (GAA) of 2019.

5 **SEC. 5. *Local Government Units (LGUs).*** – The Local Government Units (LGUs)
6 having jurisdiction over the covered provinces are encouraged to purchase the rice
7 requirement of their local hospitals, jails, and other institutions from local farmers.

8 **SEC. 6. *Funding.*** - The funds needed to implement this Act shall be sourced solely
9 from the rice subsidy budget provided under the Pantawid Pamilyang Pilipino Program
10 (4PS) in the 2019 GAA.

11 **SEC. 7. *Implementing Rules and Regulations.*** – Within fifteen (15) days from
12 the effectivity of this Act, the DSWD and the concerned LGUs, in coordination with the
13 NFA, shall issue the necessary rules, regulations, procedures, and guidelines for the
14 effective implementation of this Act

15 **SEC. 8. *Separability Clause.*** — In case any provision or any part thereof is
16 declared unconstitutional, the other provisions not so declared and affected shall remain
17 in force and effect.

18 **SEC. 9. *Repealing Clause.*** – All laws, presidential decrees, proclamations,
19 executive orders rules and regulations or parts thereof, inconsistent with the provisions
20 of this Act are hereby repealed or amended accordingly.

21 **SEC. 10. *Effectivity.*** — This Act shall take effect fifteen (15) days following its
22 complete publication in at least two (2) newspapers of general circulation.

Approved,