

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 5685



Introduced by Rep. Wilfredo Mark M. Enverga

EXPLANATORY NOTE

The bill seeks to provide local palay farmers a short-term intervention measures to ease the plight of local palay farmers by supporting them and help them increase their productivity and competitiveness and take our national and local agriculture officials to task in implementing our food security programs.

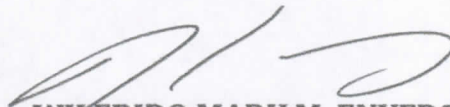
Local farmers are suffering from the declining palay farm gate prices. While the entry of a record volume of rice imports is a major cause of the decline in the buying price of palay, the high cost of palay production is very much a contributor to this income loss too. This high cost of production is due to a lot of factors such as overdue farm modernization, high cost of inputs, lack of post-harvest facilities especially drying facilities, lack of access to affordable credit and lack of farmers' training especially in coping with climate change.

Republic Act 11203 or The Rice Tariffication Law is designed to utilize revenues derived from tariffs on rice imports to fund programs that will modernize rice farming and address other factors that make palay farming costly. However, these programs have gestation periods that go beyond a single cropping season. Meantime, we face the possibility of farmers moving out of rice farming.

This proposed measure puts together an emergency fund of P8.4 billion in the form of **conditional** cash transfers, distributing P7,000 each to affected palay farmers. Farmers must belong to a cooperative which will hopefully step up and take advantage of the scale economies for farm equipment and other production subsidies that will be

distributed from the RCEF, product aggregation for marketing, and contest the market against existing rice cartels. Priority must be given in areas where palay prices have gone down way below P17/kilo, rice cultivated land size of two hectares and below and in major rice producing provinces. dThe enlisting of rice farmers can also be used as an opportunity to quickly update the Registry System for Basic Sectors in Agriculture (RSBSA) for a more effective targeting of the Department of Agriculture's programs and interventions.

In light of the foregoing, passage of this bill is urgently sought.



WILFRIDO MARK M. ENVERGA

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AN ACT APPROPRIATING THE SUM OF EIGHT BILLION FOUR HUNDRED MILLION PESOS (P 8,400,000,000.00) AS SUPPLEMENTAL APPROPRIATIONS FOR FY 2019 AND FOR OTHER PURPOSES

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

SECTION 1. Appropriations. - The sum of Eight Billion Four Hundred Million Pesos (P8,400,000,000.00) is hereby appropriated out of any funds in the National Treasury of the Philippines not otherwise appropriated, as supplemental appropriations for the FY 2019 Budget;

SECTION 2. Use of Funds. - The amount herein appropriated shall be used for the purposes indicated and subject to the applicable relevant special and general provisions of Republic Act No. 11260, or the FY 2019 General Appropriations Act (GAA), *Provided*, That the amount herein appropriated is for and as conditional cash transfers to rice farmers for losses they suffered due to the fall in palay farm gate prices: *Provided further*, the fund distribution shall be guided by the following inclusive parameters and conditions: That each rice farmer shall receive Seven Thousand Pesos (P7,000.00) as compensation; that only to those areas where palay prices have plunged below P17/kilo at the farmgate; areas where palay farmers cultivate lands up to two hectares; and only to major rice producing provinces: *Provided finally*, that the farmers commit to organize themselves into cooperatives that will continue to engage in building rice farming enterprises. The Department of Agriculture shall monitor compliance to this conditionality;

SECTION 3. Release of Funds. - The amount herein appropriated shall be released by the Department of Budget and Management to the Department of Social Welfare and Development (DSWD) in accordance with budgeting, accounting and auditing laws, rules and regulations. The DSWD, in coordination of the Department of Agriculture, shall issue guidelines necessary for the proper implementation of the cash transfer program for the benefit of small rice farmers;

SECTION 4. *Availability of Appropriations.* – The appropriations authorized in this Act shall be available for release and obligation for the purpose specified from the date of the effectivity of this Act until fully spent;

SECTION 5. *Transparency Provisions.* - The DSWD shall ensure that the details of the fund distribution are included as part of the information posted on their transparency seals;

SECTION 6. *Submission of Reports.* – The DSWD shall submit, either in printed form or by way of electronic document, to the House Committee on Appropriations, the Senate Committee on Finance and the Commission on Audit, accountability reports on the utilization of funds. The DSWD web administrator or his/her equivalent shall be responsible for ensuring that the said reports are likewise posted on the official website of the agency;

SECTION 7. *Separability Clause.* – If for any reason or reasons, any part or provision of this Act shall be declared as unconstitutional or invalid, the other parts of provisions hereof which are not affected thereby shall continue to be in full force and effect;

SECTION 8. *Repealing Clause.* – All provisions of existing laws, orders, rules and regulations or parts thereof which are in conflict or inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SECTION 9. *Effectivity.* – This Act shall take effect immediately upon its publication in the Official Gazette or in at least two (2) newspapers of general circulation in the Philippines.

Approved.