



Eighteenth Congress
First Regular Session

HOUSE BILL NO. 5734



Introduced by
REPRESENTATIVE LOREN B. LEGARDA

AN ACT
APPROPRIATING THE SUM OF SIX BILLION PESOS (P6,000,000,000.00) AS
SUPPLEMENTAL APPROPRIATIONS FOR F.Y. 2019 AND FOR OTHER
PURPOSES

EXPLANATORY NOTE

According to the Third Quarter Report of the Philippine Statistics Authority, palay production last July to September 2019 declined by 4.5% (3.05 million metric tons) from the 2018 output of 3.2 million metric tons. During these months, average farmgate price of palay is Php18.27 per kilogram, 13.1% lower than previous year's average price of Php21.02 while the rice wholesale price also decreased from previous year's level of Php41.78 to Php39.84 per kilogram.¹

The intensifying effects of climate change and influx of imported rice are few of the reasons for the alarming drop in palay prices. Just this year, 51 LGUs declared a state calamity due to droughts and dry spells caused by El Niño with an estimated Php7.9 billion worth of damages to agriculture, affecting 247,610 farmers in 10

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<https://psa.gov.ph/sites/default/files/Palay%20and%20Corn%20Quarterly%20Bulletin%2C%20October%202019.pdf>

provinces and 41 cities and municipalities.² As one of the pillars of economic development, the agriculture sector needs assistance during this time of distress, particularly the rice farmers and farm workers, to encourage them to continue farming.

This bill therefore seeks to appropriate Six Billion Pesos (Php6,000,000,000.00) to fund the Unconditional Cash Transfer (UCT) for rice farmers, which shall serve as an initial, supplementary, and transitional measure and compensation for the reduction or loss of farm income arising from the effects of climate change and influx of imported rice.

In view of the foregoing, the passage of this supplemental budget is urgently sought.


LOREN LEGARDA

² <https://business.inquirer.net/271553/nearly-p8-billion-worth-of-agri-yields-lost-to-el-nino-da>



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

1 **SECTION 1. Appropriations.** – The sum of Six Billion Pesos
2 (P6,000,000,000.00) is hereby appropriated to supplement the FY 2019 Budget under
3 the General Appropriations Act of 2019 (Republic Act No. 11260) for the purpose of
4 providing initial, unconditional cash transfers to rice farmers.

5 **SEC. 2. Use and Release of Funds.** – The amounts appropriated herein shall
6 be used to provide direct cash transfers to vulnerable rice farmers who are planting
7 one (1) hectare or less, as compensation for the reduction or loss of farm income
8 arising from the influx of imported rice. Releases from this Fund shall be made by the
9 Department of Budget and Management (DBM) directly to the Department of
10 Agriculture.

11 **SEC. 3. Availability of Appropriations.** – The appropriations authorized in this
12 Act shall be available for release and obligation for the purpose specified until
13 December 31, 2020.

1 **SEC. 4. *Submission of Reports.*** – The DBM and the implementing agency shall
2 submit, either in printed form or by way of electronic document, to the Senate
3 President, the Speaker of the House of Representatives, and the Commission on
4 Audit, the quarterly accountability reports on the utilization of funds. The DBM and the
5 DBM's web administrator or his/her equivalent shall be responsible for ensuring that
6 the said quarterly reports are likewise posted on the official website of the DBM and
7 the implementing agency.

8 Releases from the said Fund shall be subject to the submission of a special
9 budget pursuant to Section 35, Chapter 5, Book VI of Executive Order No. 292, series
10 of 1987.

11 **SEC. 5. *Separability Clause.*** – If for any reason, any section or provision of this
12 Act is declared to be unconstitutional or invalid, the other sections or provisions of this
13 Act which are not affected shall continue in full force and effect.

14 **SEC. 6. *Repealing Clause.*** – All provisions of existing laws, orders, rules and
15 regulations or parts thereof which are in conflict or inconsistent with the provisions of
16 this Act are hereby repealed, amended, or modified accordingly.

17 **SEC. 7. *Effectivity.*** – This Act shall take effect immediately upon its publication
18 in the Official Gazette or in at least two (2) newspapers of general circulation in the
19 Philippines.

20 *Approved,*