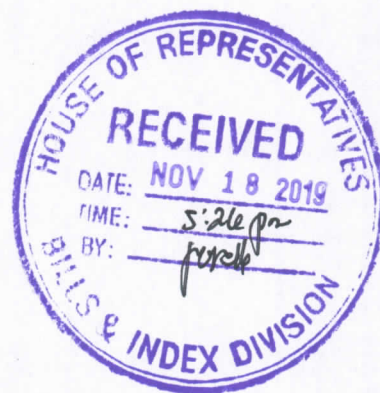


Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

EIGHTEENTH CONGRESS  
First Regular Session

HOUSE BILL NO. 5529



---

Introduced by HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

---

**EXPLANATORY NOTE**

President Rodrigo Roa Duterte signed into law Republic Act No. 11203 on 14 February 2019, otherwise known as "An Act Liberalizing the Importation and Trading of Rice, Lifting for the Purpose the Quantitative Restriction on Rice and for Other Purposes". As a safety measure to cushion the adverse impact of the influx of imported rice to rice farmers and the rice industry, Section 13 of R.A. No. 11203 establishes the Rice Competitiveness Enhancement Fund (RCEF) with an annual appropriation of P10 billion for the next six (6) years.

The law specifically allocates the P10 billion RCEF as follows: a) 50% or P5 billion for the procurement of rice farm machineries and equipment to be distributed as grant in kind to eligible farmers associations, rice cooperatives and local government units for the purpose of improving farm mechanization; b) 30% or P3 billion for the development, propagation and promotion of inbred rice seeds; c) 10% or P1 billion for expanded rice credit assistance with minimal interest rates; and d) 10% or P1 billion for rice extension services.

Despite the on-going implementation of the identified interventions provided under Section 13 of R.A. No. 11203, the sudden impact of the influx of imported rice exhibited the following: a) the average retail price of regular milled rice has been declining since April with the October 2019 inflation rate for regular milled rice recorded at -9.7% b) episodes of farm-gate prices of palay have plummeted to as low as P7 to P10 per kilo in major rice-producing provinces; c) while the price of rice dropped by 14.50%, the price of palay dropped more considerably by 26.49% in September 2019 vis-a-vis 2018 prices; and d) the significant drop of farm-gate price of palay consequently resulted in huge income losses for rice farmers and the industry which is now estimated to around P50 billion at current prices.

Based on the foregoing, this bill proposes to immediately set-up the Rice Farmer Financial Assistance as supplementary and transitional safety measure to serve as compensation to rice farmers who are farming two (2) hectares and below for the reduction or loss of their farm income arising from the tariffication of the quantitative import restriction on rice

The fund source shall be the excess tariff revenue from the Bureau of Customs which has already collected tariff revenues from rice importation exceeding P10 billion as of October 2019. The Rice Farmer Financial Assistance shall be distributed as direct cash transfers to affected rice farmers in RCEF rice-producing provinces.

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



LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.



Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
First Regular Session

HOUSE BILL NO. **5529**  
\_\_\_\_\_

---

Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**

---

**AN ACT AUTHORIZING THE ADVANCE USE OF  
THE BUREAU OF CUSTOMS' 2019 EXCESS TARIFF REVENUES FROM  
RICE IMPORTATION, AND OTHER POSSIBLE SOURCES, AS A SPECIAL  
EMERGENCY FUND SETTING-UP THE RICE FARMER FINANCIAL  
ASSISTANCE AS DIRECT CASH TRANSFERS TO RICE FARMERS**

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

**SECTION 1. Emergency Fund for Farmers.** The Bureau of Custom's excess tariff revenues from rice importation in 2019 and other possible sources are authorized as a special emergency fund for setting-up the Rice Farmer Financial Assistance which shall be direct cash transfers to rice farmers.

The distribution of direct cash assistance shall be in accordance with the procedure, guidelines, and distribution system to be determined by the Department of Agriculture (DA). In the exercise of oversight powers of Congress, the DA shall report on a monthly basis to the House of Representatives and the Senate regarding all pertinent matters relative to the utilization of the Fund.

**SECTION 2. Separability Clause.** If any portion or provision of this Act or the application thereof shall be declared invalid or unconstitutional, the validity of other parts or provisions not affected thereby shall continue to be in full force and effect.

**SECTION 3. *Repealing Clause.*** All laws, decrees, executive issuances, rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

**SECTION 4. *Effectivity Clause.*** This Act shall take effect fifteen (15) days after its publication in at least two (2) newspaper of general circulation.

*Approved,*