

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Eighteenth Congress
First Regular Session



HOUSE BILL NO. **5669**

Introduced by **Representative JOEY SARTE SALCEDA**

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

EXPLANATORY NOTE

Congress is deeply concerned with the loss of farmers' incomes due to plummeting palay 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 among which are:

- overdue farm modernization
- high cost of inputs
- lack of post-harvest facilities especially drying facilities
- lack of access to affordable credit
- lack of farmers' training especially in coping with climate change

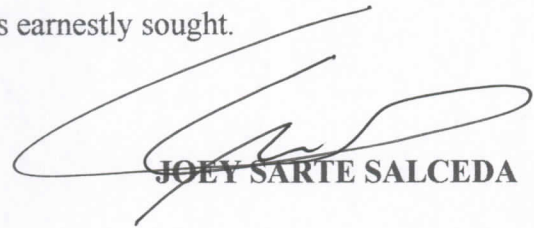
The Rice Tariffication Law is designed to utilize revenues derived from tariffs on rice imports to fund programs that will modernize rice farming and address other factors that make palay farming costly. However, these programs have gestation periods that go beyond a single cropping season. Meantime, 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. The 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.

Passing this bill is most urgent. But admittedly, this short-term intervention will all come to naught if we fail to unite and support our rice farmers, help them increase their productivity and

competitiveness and take our national and local agriculture officials to task in implementing our food security programs.

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



JOEY SARTE SALCEDA

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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.

SEC. 2. *Conditional Cash Transfers to Rice Farmers.* – The amount appropriated herein shall be used to compensate rice farmers at Seven Thousand Pesos (P7,000.00) each for their loss due to the fall in palay prices at the farmgate. The fund distribution shall be guided by the following inclusive parameters:

- (a) areas where palay prices have plunged below P17/kilo at the farmgate;
- (b) areas where palay farmers cultivate lands two hectares and below; and
- (c) major rice producing provinces

Provided, they 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.

SEC. 3. *Use and Release of Funds.* – The amount 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 the guidelines necessary for the proper implementation of the cash transfer program for the benefit of small rice farmers.

SEC. 4. *Applicability of General and Special Provisions in the FY 2019 General Appropriations Act.* – The amount herein appropriated shall be used for the purpose indicated and subject to the relevant special and general provisions under Republic Act No. 11260 or the FY 2019 General Appropriations Act (GAA).

SEC. 5. *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.

SEC. 6. *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.

SEC. 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.

SEC. 8. *Effectivity.* – This Act shall take effect immediately upon its publication.

Approved.