

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE RESOLUTION NO. 532



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

**A RESOLUTION 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**

WHEREAS, 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";

WHEREAS, 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;

WHEREAS, 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;

WHEREAS, The amount of P10 billion was appropriated for RCEF under the unprogrammed appropriations of the 2019 General Appropriations Act, and the Department of Agriculture since then has been rolling-out the mandated interventions as prescribed by law;

WHEREAS, 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;

WHEREAS, Section 13 of R.A. No. 11203 also provided for additional interventions should annual tariff revenues from rice importation exceed P10 billion in any given year within the next six (6) year period, whereby the excess tariff revenues shall be earmarked by Congress for rice farmer financial assistance, titling of agricultural rice land, expanded crop insurance program on rice, and crop diversification program;

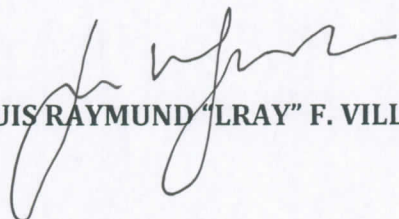
WHEREAS, The Bureau of Customs has collected tariff revenues from rice importation exceeding P10 billion as of October 2019;

WHEREAS, There is an urgent need 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;

WHEREAS, The Rice Farmer Financial Assistance shall be distributed as direct cash transfers to affected rice farmers in RCEF rice-producing provinces;

NOW, THEREFORE BE IT RESOLVED, By the Senate and the House of Representatives in Congress assembled, to authorize the use of the Bureau of Custom's excess tariff revenues from rice importation in 2019, and other possible sources, 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.

ADOPTED,



LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.