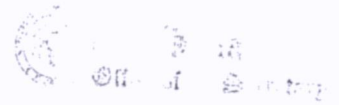


SEVENTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Third Regular Session)



SENATE

'18 SEP 11 P 6:02

COMMITTEE REPORT NO. 440

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Submitted Jointly by the Committees on Agriculture and Food; Finance; and
Ways and Means on SEP 11 2018

Re: Senate Bill No. 1998 (Prepared by the Committees)

Recommending its approval in substitution of S. Nos. 1476, 1689, 1839,
taking into consideration PSR Nos. 143, 146 and HBN 7735

Sponsor: Senator Cynthia A. Villar

Mr. President:

The Committee on Agriculture and Food jointly with the Committees on
Finance; Ways and Means to which were primarily and secondarily referred Senate
Bill No. 1476, introduced by Senators Ralph G. Recto, Leila M. De Lima, Joel
Villanueva, entitled:

**"AN ACT REPLACING QUANTITATIVE IMPORT RESTRICTIONS ON
RICE WITH TARIFFS AND CREATING THE RICE COMPETITIVENESS
ENHANCEMENT FUND, AMENDING FOR THE PURPOSE REPUBLIC ACT
NUMBER 8178, AS AMENDED, AND FOR OTHER PURPOSES"**

Senate Bill No. 1689, introduced by Senator Risa Hontiveros, entitled:

**"AN ACT IMPOSING TARIFFS ON IMPORTED RICE, CREATING THE RICE
INDUSTRY COMPETITIVENESS ENHANCEMENT FUND, AND FOR OTHER
PURPOSES"**

Senate Bill No. 1839, introduced by Senator Sherwin T. Gatchalian, entitled:

"AN ACT REPLACING THE QUANTITATIVE IMPORT RESTRICTIONS ON RICE WITH TARIFFS, LIFTING THE QUANTITATIVE EXPORT RESTRICTIONS ON RICE AND CORN, AND CREATING THE RICE COMPETITIVENESS ENHANCEMENT FUND, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8178, AS AMENDED, AND FOR OTHER PURPOSES"

Proposed Senate Resolution No. 143, introduced by Senator Grace L. Poe, entitled:

"RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGED NEED TO SUPPORT THE LIFTING OF QUANTITATIVE IMPORT RESTRICTIONS ON RICE TO BETTER ATTAIN NATIONAL FOOD SECURITY AND TO REVIEW FOR THIS PURPOSE REPUBLIC ACT NO. 8178, OTHERWISE KNOWN AS THE AGRICULTURAL TARIFFICATION ACT OF 1996"

Proposed Senate Resolution No. 146, introduced by Senator Ralph G. Recto, entitled:

"RESOLUTION DIRECTING THE SENATE COMMITTEE ON AGRICULTURE AND FOOD TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE PROPOSED RESCISSION OF THE QUANTITATIVE IMPORT RESTRICTIONS ON RICE, WITH THE END IN VIEW OF ENSURING ACCESSIBLE RICE SUPPLY IN THE COUNTRY AND PROTECTING THE INTERESTS AND WELFARE OF FILIPINO RICE FARMERS"

taking into consideration House Bill No. 7735, introduced by Representatives Panganiban, Unabia, Dalipe, et al, entitled:

"AN ACT REPLACING THE QUANTITATIVE IMPORT RESTRICTIONS ON RICE WITH TARIFFS AND CREATING THE RICE COMPETITIVENESS ENHANCEMENT FUND"

have considered the same and have the honor to report them back to the Senate with the recommendation that the attached bill, S. No. 1998, prepared by the Committees, entitled:

**"AN ACT
REPLACING THE QUANTITATIVE IMPORT RESTRICTIONS ON RICE WITH
TARIFFS, LIFTING THE QUANTITATIVE EXPORT RESTRICTIONS ON
RICE, AND CREATING THE RICE COMPETITIVENESS ENHANCEMENT
FUND, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8178, AS
AMENDED BY REPUBLIC ACT NO. 9496, AND AS FURTHER AMENDED BY
REPUBLIC ACT NO. 10848, AND FOR OTHER PURPOSES "**

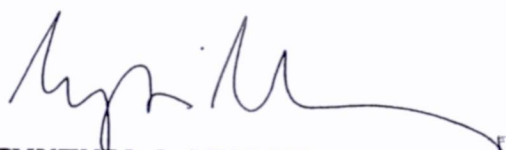
be approved in substitution of S. Nos. 1476, 1689, 1839, taking into consideration PSR Nos. 143, 146 and HBN 7735, with Senators Ralph G. Recto, Leila M. De Lima, Joel Villanueva, Risa Hontiveros, *Sherwin T. Gatchalian, Grace L. Poe* and Cynthia A. Villar as authors thereof.



RESPECTFULLY SUBMITTED:



LOREN B. LEGARDA
*Chairperson, Committee on Finance
Vice Chairperson, Committee on Ways
and Means
Member, Committee on Agriculture and
Food*



CYNTHIA A. VILLAR
*Chairperson, Committee on
Agriculture and Food
Vice Chair, Committee on Finance*



SONNY ANGARA
*Chairperson, Committee on Ways and Means
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Vice Chairpersons

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Means*

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Committee on Ways and Means
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Members

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FRANCIS PANGILINAN
Agriculture and Food; Finance; Ways and
Means

~~Antonio F. Trillanes IV~~ ~~Francis Pangilinan~~
RISA HONTIVEROS
Finance; Ways and Means

will interpellate & propose amendments.

Ex-Officio Members

RALPH G. RECTO
President Pro-tempore



JUAN MIGUEL F. ZUBIRI
Majority Leader



FRANKLIN M. DRILON
Minority Leader

HON. VICENTE C. SOTTO III
President
Senate of the Philippines

SEVENTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Third Regular Session)

SEP 11 2018

SENATE

18 SEP 11 P 6:02

Senate Bill No. 1998

(In substitution of Senate Bill Nos. 1476, 1689, 1839, taking into consideration P.S. Resolution Nos. 143, 146, and HBN 7735)

LSV

Prepared Jointly by the Committees on Agriculture and Food; Finance; Ways and Means with Senators Ralph G. Recto, Leila M. De Lima, Joel Villanueva, Risa Hontiveros, Sherwin T. Gatchalian, Grace L. Poe and Cynthia A. Villar as authors thereof.

149

AN ACT
REPLACING THE QUANTITATIVE IMPORT RESTRICTIONS ON RICE WITH TARIFFS, LIFTING THE QUANTITATIVE EXPORT RESTRICTIONS ON RICE, AND CREATING THE RICE COMPETITIVENESS ENHANCEMENT FUND, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8178, AS AMENDED BY REPUBLIC ACT NO. 9496, AND AS FURTHER AMENDED BY REPUBLIC ACT NO. 10848, AND FOR OTHER PURPOSES

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

1 **SECTION 1.** Section 2 of Republic Act No. 8178, as amended, otherwise known
2 as "An Act Replacing Quantitative Import Restrictions on Agricultural Products, Except
3 Rice, With Tariffs, Creating the Agricultural Competitiveness Enhancement Fund, and For
4 Other Purposes," is hereby amended, to read as follows:

5
6 "**SEC. 2. Declaration of Policy** – It is the policy of the State to **ENSURE FOOD**
7 **SECURITY AND TO** make the country's agricultural sector viable, efficient and
8 globally competitive. The State adopts the use of tariffs in lieu of non-tariff
9 import restrictions to protect local producers of agricultural products [~~except in~~
10 ~~the case of rice, which will continue to have quantitative import restrictions~~].

11 XXX"

1 **SEC. 2.** Section 3 of Republic Act No. 8178, as amended, is hereby amended to
2 read as follows:

3
4 "SEC. 3. Definition of Terms. The following definitions apply to the terms used
5 in this Act:

6
7 (a) "Agricultural products" shall have the same meaning as agricultural
8 products under Chapters 1-24 of [~~Presidential Decree No. 1464, otherwise~~
9 ~~known as the Tariff and Customs Code of the Philippines, as amended~~]

10 **SECTION 1611 OF REPUBLIC ACT NO. 10863, OTHERWISE KNOWN**
11 **AS THE CUSTOMS MODERNIZATION AND TARIFF ACT (CMTA).**

12
13 XXX

14
15 **(c) "ATIGA RATE" REFERS TO TARIFF RATE COMMITMENTS UNDER**
16 **THE ASEAN TRADE IN GOODS AGREEMENT (ATIGA) APPLICABLE TO**
17 **IMPORTATIONS ORIGINATING FROM ASEAN MEMBER STATES.**

18
19 (d) "Bound rate" refers to **THE AGREED** maximum [~~limits on~~] tariffs on
20 products committed by the Philippines to the World Trade Organization
21 (WTO) under the Uruguay Round Final Act, **AND UNDER THE ATIGA, IN**
22 **ACCORDANCE WITH ITS TARIFF SCHEDULE (ANNEX 2; TARIFFS**
23 **UNDER THE ASEAN TRADE IN GOODS AGREEMENT (ATIGA)**
24 **PHILIPPINES).**

25
26 (e) "BUFFER STOCK" REFERS TO THE NATIONAL FOOD
27 AUTHORITY'S (NFA) RICE INVENTORY AS RESERVED, EQUIVALENT
28 TO A VOLUME DETERMINED BASED ON THE COMPUTED NATIONAL
29 CONSUMPTION REQUIREMENT BY AN INTER-AGENCY COMMITTEE
30 TO BE CONSTITUTED BY THE NFA COUNCIL. THIS RESERVE
31 REQUIREMENT SHALL BE MAINTAINED AT ANY GIVEN TIME TO
32 ADDRESS CALAMITIES AND EMERGENCY SITUATIONS, AND FOR
33 PRICE STABILIZATION DURING THE TRADITIONAL LEAN MONTHS;
34

1 (f) "In-Quota Tariff Rate" refers to the tariff rates for minimum access
2 volumes committed by the Philippines to the World Trade Organization (WTO)
3 under the Uruguay Round Final Act.
4

5 (g) "OUT-QUOTA TARIFF RATE" REFERS TO THE HIGHER RATE OF
6 CUSTOMS DUTY THAT IS LEVIED ON THE QUANTITIES OF AN
7 IMPORTED AGRICULTURAL PRODUCT IN EXCESS OF THE MINIMUM
8 ACCESS VOLUME (MAV) OF THAT PARTICULAR PRODUCT.
9

10 (h) "Minimum Access Volume" refers to the volume of a specific agricultural
11 product that is allowed to be imported with a lower tariff as committed by the
12 Philippines to the World Trade Organization (WTO) under the Uruguay Round
13 Final Act.
14

15 (i) "MOST FAVOURED NATION (MFN) RATE" REFERS TO PHILIPPINE
16 TARIFF RATES THAT ARE APPLICABLE TO IMPORTS FROM ALL
17 SOURCES AS PRESCRIBED IN THE CUSTOMS MODERNIZATION AND
18 TARIFF ACT (CMTA).
19

20 (j) "Quantitative Import Restrictions" refers to non-tariff restrictions used to
21 limit the amount of imported commodities, including but not limited to
22 discretionary import licensing and import quotas, whether qualified or
23 absolute.
24

25 (k) "RICE" REFERS TO ALL PRODUCTS CLASSIFIED UNDER THE
26 HARMONIZED COMMODITY DESCRIPTION AND CODING SYSTEM
27 (HS) HEADING 10.06.
28

29 (l) "RICE SHORTAGE" IS A SITUATION WHERE THE QUANTITY
30 AVAILABLE OR SUPPLIED OF THE COMMODITY IN A MARKET FALLS
31 SHORT OF THE QUANTITY DEMANDED OR REQUIRED AT A GIVEN
32 TIME.
33

34 (m) "Tariff" refers to a tax levied on a commodity imported from another
35 country. It earns revenues for the government and regarded as instruments
36 to promote local industries by taxing their competitors. The benefit is

1 accorded to the local producers by the maintenance of a domestic price at a
2 level equal to the world price plus the tariff.

3
4 **(n) "TARIFF EQUIVALENT" REFERS TO THE RATE OF TARIFF THAT**
5 **ALLOWS THE SAME PROTECTION GIVEN BY EXISTING**
6 **QUANTITATIVE IMPORT RESTRICTIONS, REFLECTED BY THE**
7 **AVERAGE PRICE GAP BETWEEN DOMESTIC PRICES AND WORLD**
8 **PRICES; AND**

9
10 **(o) "Tariffication"** refers to the lifting of all existing quantitative restrictions
11 such as import quotas or prohibitions, imposed on agricultural products, and
12 replacing these restrictions with tariffs.

13
14 **SEC. 3.** Section 4 of Republic Act No. 8178, as amended, is hereby amended, to
15 read as follows:

16
17 "SEC. 4. *Repeal.* The following laws and all other laws or provisions of
18 law prescribing quantitative import restrictions or granting government
19 agencies the power to impose such restrictions on agricultural products~~],~~
20 ~~except rice,~~] are hereby repealed:

21
22 XXX"

23
24 **SEC. 4. REPEAL OF SECTION 5. - SECTION 5 OF REPUBLIC ACT NO. 8178**
25 **IS HEREBY REPEALED. HENCE, THE NFA SHALL NO LONGER ESTABLISH RULES**
26 **AND REGULATIONS GOVERNING THE IMPORTATION OF RICE AND ISSUE**
27 **IMPORT LICENSES OR PERMITS FOR THE PRIVATE SECTOR. LIKewise, THE**
28 **POWER OF THE NFA TO FIRST CERTIFY THE EXISTENCE OF A SHORTAGE**
29 **BEFORE IMPORTATION IS ALLOWED IS HEREBY REMOVED.**

30
31 **SEC. 5.** A new section 5 is hereby inserted, to read as follows:

32
33 **"SEC. 5. ISSUANCE OF SANITARY AND PHYTOSANITARY IMPORT**
34 **CLEARANCE FOR RICE. - ALL IMPORTERS OF RICE ARE REQUIRED TO SECURE**
35 **A SANITARY AND PHYTOSANITARY IMPORT CLEARANCE FROM THE BUREAU**

1 **OF PLANT INDUSTRY (BPI) PRIOR TO IMPORTATION IN ACCORDANCE WITH**
2 **EXISTING LAWS, RULES AND REGULATIONS."**

3
4 **SEC. 6.** Section 6 of Republic Act No. 8178, as amended, is hereby amended, to
5 read as follows:

6
7 "SEC. 6. *Tariffication.* – In lieu of quantitative **IMPORT** restrictions,
8 the maximum bound rates committed under the Uruguay Round Final Act
9 shall be imposed on the agricultural products whose quantitative **IMPORT**
10 restrictions are repealed by this Act, **AS AMENDED. XXX."**

11
12 **XXX"**

13
14 **FOR THE TARIFF EQUIVALENT OF THE QUANTITATIVE IMPORT**
15 **RESTRICTION ON RICE, THE BOUND RATE SHALL BE AS NOTIFIED BY THE**
16 **PHILIPPINES TO THE WTO AS FOLLOWS:**

- 17
18 **A. FOR THE MINIMUM ACCESS VOLUME COMMITTED BY THE**
19 **PHILIPPINES TO WTO, THE INDICATED RATES IN THE**
20 **APPLICABLE PROVISIONS OF THE WTO AGREEMENT ON**
21 **AGRICULTURE, SHALL APPLY;**
- 22
23 **B. FOR ASEAN MEMBER STATES THIRTY-FIVE PERCENT**
24 **(35%) OR THE IMPORT DUTY RATE COMMITMENT OF THE**
25 **PHILIPPINES FOR RICE IMPORTATION ORIGINATING**
26 **FROM THIS COUNTRIES, PURSUANT TO THE ASEAN TRADE**
27 **IN GOODS AGREEMENT (ATIGA); AND**
- 28
29 **C. FOR NON-ASEAN MEMBER STATES, FIFTY PERCENT (50%)**
30 **OR THE TARIFF EQUIVALENT CALCULATED IN**
31 **ACCORDANCE WITH PARAGRAPH 10 OF ANNEX 5,**
32 **SECTION B, OF THE WTO AGREEMENT ON AGRICULTURE**
33 **UPON THE EXPIRATION OF THE WAIVER RELATING TO THE**
34 **SPECIAL TREATMENT FOR RICE OF THE PHILIPPINES,**
35 **WHICHEVER IS HIGHER.**
- 36

1 **THE CALCULATED TARIFF EQUIVALENT SHALL BE DETERMINED BY**
2 **THE NEDA BOARD WITHIN 45 DAYS UPON THE EFFECTIVITY OF THIS ACT.**

3
4 **SEC. 7.** A new Section 7 is hereby inserted, to read as follows:

5
6 **"SEC. 7. POWERS OF THE PRESIDENT. - THE PRESIDENT MAY**
7 **EXERCISE HIS POWERS, AS WARRANTED UNDER CHAPTER 2 TITLE**
8 **XVI OF THE CMTA, EVEN WHEN CONGRESS IS IN SESSION, IN THE**
9 **FOLLOWING CASES:**

10
11 **A. IN CASE OF IMPENDING RICE SHORTAGES AS DETERMINED BY**
12 **AN INTER-AGENCY TECHNICAL COMMITTEE AND CONFIRMED**
13 **BY THE NFA COUNCIL WHEN A LOWER APPLIED TARIFF RATE ON**
14 **A SPECIFIED VOLUME OF IMPORTATION OF RICE FOR A LIMITED**
15 **PERIOD OF TIME IS NECESSARY; AND**

16
17 **B. IN CASE THE TARIFF EQUIVALENT REFERRED TO UNDER**
18 **SECTION 6C EXCEEDS 100% IN WHICH CASE SECTION 1608**
19 **(A.1) OF THE CMTA SHALL ALSO NOT APPLY.**

20
21 **ANY ORDER ISSUED BY THE PRESIDENT ADJUSTING THE**
22 **TARIFF RATES AND/OR THE SPECIFIED VOLUME SHALL TAKE**
23 **EFFECT IMMEDIATELY."**

24
25 **SEC. 8.** A new Section 8 is hereby inserted, to read as follows:

26
27 **"SEC. 8. DIRECT IMPORTATION BY THE NATIONAL FOOD**
28 **AUTHORITY (NFA). - THE NFA SHALL ONLY UNDERTAKE DIRECT**
29 **IMPORTATION OF RICE, IN ACCORDANCE WITH THE RULES AND**
30 **PROCEDURES TO BE DETERMINED BY THE NFA COUNCIL, ONLY WHEN**
31 **LOCAL PRODUCTION IS NOT SUFFICIENT FOR THE PURPOSE OF**
32 **MAINTAINING THE REQUIRED BUFFER STOCK TO ENSURE RICE**
33 **SECURITY.**

34
35 **SEC. 9.** A new Section 9 is hereby inserted, to read as follows:

1 **"SEC. 9. LIFTING OF THE RICE EXPORT RESTRICTION. -**
2 **EXPORTATION OF RICE BY CERTIFIED AND LICENSED EXPORTERS SHALL**
3 **BE ALLOWED BASED ON RULES AND REGULATIONS AND GUIDELINES**
4 **FORMULATED BY THE NFA AND APPROVED AND CLEARED BY THE NFA**
5 **COUNCIL. THE NFA SHALL DETERMINE FEES AND CHARGES OF RICE**
6 **EXPORTS WHICH SHALL LIKEWISE BE APPROVED BY THE NFA COUNCIL**
7 **AND SHALL COLLECT TAXES AND CHARGES FROM SUCH EXPORTS.**

8
9 **SEC. 10.** A new Section 10 is hereby inserted, to read as follows:

10
11 **"SEC. 10. SPECIAL RICE SAFEGUARD. - IN ORDER TO PROTECT THE**
12 **PHILIPPINE RICE INDUSTRY FROM SUDDEN OR EXTREME PRICE**
13 **FLUCTUATIONS, A SPECIAL SAFEGUARD DUTY ON RICE SHALL BE**
14 **IMPOSED IN ACCORDANCE WITH RA 8800, OTHERWISE KNOWN AS THE**
15 **SAFEGUARD MEASURES ACT AND IT'S IMPLEMENTING RULES AND**
16 **REGULATIONS.**

17
18 **SEC. 11.** Section 7 of Republic Act No. 8178, as amended, is hereby
19 renumbered to become Section 11.

20
21 **SEC. 12.** Section 8 of Republic Act No. 8178, as amended by RA 10848, is
22 hereby renumbered to become Section 12 and is further hereby amended, to read
23 as follows:

24
25 **"SEC. 12. Agricultural Competitiveness Enhancement Fund. –** To implement
26 the policy enunciated in this Act, there is hereby created the Agricultural
27 Competitiveness Enhancement Fund, herein referred to as the Fund. The Fund shall
28 consist of all duties collected from the importation of agricultural products, **EXCEPT**
29 **RICE**, under the MAV mechanism, including unused balances and collections from
30 repayments from loan beneficiaries including interests, if any. The FUND shall be
31 automatically credited to the Special Account 183 in the General Fund of the National
32 Treasury; provided, that fund release shall not be subject to any ceiling by the
33 Department of Budget and Management (DBM).

34
35 XXX"

36

1 **SEC. 13.** A new Section 13 is hereby inserted to read as follows:
2

3 **"SEC. 13. RICE COMPETITIVENESS ENHANCEMENT FUND. - THERE IS**
4 **HEREBY CREATED A RICE COMPETITIVENESS ENHANCEMENT FUND, HEREIN**
5 **REFERRED TO AS THE 'RICE FUND.' THE RICE FUND SHALL CONSIST OF**
6 **INITIAL APPROPRIATION OF TEN BILLION PESOS (P10,000,000,000.00) AND**
7 **ALL DUTIES COLLECTED FROM THE IMPORTATION OF RICE UNDER THIS ACT**
8 **AND SHALL BE AUTOMATICALLY CREDITED TO A SPECIAL ACCOUNT IN THE**
9 **GENERAL FUND OF THE NATIONAL TREASURY WHICH SHALL BE IN PLACE**
10 **WITHIN NINETY (90) DAYS UPON THE EFFECTIVITY OF THIS ACT.**

11
12 **FUNDING FOR THE SUCCEEDING YEARS SHALL COME FROM THE**
13 **TARIFF REVENUES FOR RICE IMPORTATION, UNTIL SUCH TIME THAT**
14 **THERE IS ENOUGH COLLECTION FROM TARIFF IN THE FUND, AND THE**
15 **RICE PRODUCTION COMPETITIVENESS IN THE PHILIPPINES SHALL HAVE**
16 **BEEN ACHIEVED, A YEARLY APPROPRIATION OF TEN BILLION (PHP**
17 **10,000,000,000.00) PESOS SHALL BE PROVIDED FOR IN THE GENERAL**
18 **APPROPRIATIONS ACT (GAA) AND SHALL BE CONTINUOUSLY USED FOR**
19 **THE PURPOSE FOR WHICH IT WAS EARMARKED AND SET ASIDE.**

20
21 **THE AMOUNT COLLECTED/ALLOCATED SHALL BE RELEASED**
22 **DIRECTLY TO THE IMPLEMENTING AGENCY AS PROVIDED FOR IN THIS**
23 **LAW.**

24
25 **THE FUND RELEASES SHALL NOT BE SUBJECT TO ANY CEILING BY**
26 **THE DEPARTMENT OF BUDGET AND MANAGEMENT.**

27
28 **ANY PROGRAM UNDERTAKEN IN ACCORDANCE WITH THIS ACT**
29 **SHALL ONLY BE DEEMED COMPLEMENTARY TO AND SHALL NOT BE A**
30 **REPLACEMENT FOR ALL AND EXISTING PROGRAMS FOR RICE AND RICE**
31 **FARMERS ALREADY IMPLEMENTED BY THE DEPARTMENT OF**
32 **AGRICULTURE.**

33
34 **SUBJECT TO THE USUAL ACCOUNTING AND AUDITING RULES AND**
35 **REGULATIONS, THE RICE FUND SHALL BE ALLOCATED AND DISBURSED TO**
36 **RICE PRODUCING AREAS, AS FOLLOWS:**

1
2 **A. FIFTY PERCENT (50%) OF THE RICE FUND SHALL BE**
3 **UTILIZED AS GRANT IN KIND TO ELIGIBLE FARMERS**
4 **ASSOCIATIONS, AND REGISTERED RICE COOPERATIVES**
5 **AND LOCAL GOVERNMENT UNITS, IN THE FORM OF RICE**
6 **FARM EQUIPMENTS, SUCH AS TILLERS, TRACTORS,**
7 **SEEDERS, THRESHERS, RICE PLANTERS, HARVESTERS,**
8 **IRRIGATION PUMPS, SMALL SOLAR IRRIGATION,**
9 **REAPERS, DRIERS, MILLERS, AND THE LIKE, FOR**
10 **PURPOSES OF IMPROVING FARM MECHANIZATION, TO BE**
11 **IMPLEMENTED BY PHILMECH;**
12

13 **LIKEWISE TO ASSIST IN THE PROMOTION THE LOCAL**
14 **MANUFACTURERS OF FARM MACHINERIES AND**
15 **EQUIPMENT, AT LEAST 40 PERCENT (40%) OF THE**
16 **MACHINES TO BE PROCURED ON THE FIRST YEAR SHALL**
17 **BE LOCALLY MADE; ON THE SECOND YEAR OF**
18 **IMPLEMENTATION, THE PROCUREMENT FROM**
19 **ACCREDITED LOCAL MANUFACTURERS SHALL INCREASE**
20 **TO FIFTY PERCENT (50%); ON THE THIRD YEAR, UP TO**
21 **SIXTY PERCENT (60%); ON THE FOURTH YEAR EIGHTY**
22 **PERCENT (80%), AND 100 PERCENT (100%) ON THE**
23 **FIFTH YEAR AND BEYOND.**
24

25 **B. THIRTY PERCENT (30%) OF THE RICE FUND SHALL BE**
26 **USED FOR THE DEVELOPMENT, PROPAGATION AND**
27 **PROMOTION OF INBRED RICE SEEDS TO RICE FARMERS**
28 **AND THE ORGANIZATION OF RICE FARMERS INTO SEED**
29 **GROWERS ASSOCIATIONS AND/OR COOPERATIVES TO**
30 **ENGAGE IN SEED PRODUCTION AND SALE OF IMPROVED**
31 **SEED VARIETIES, TO BE IMPLEMENTED BY PHILRICE;**
32

33 **C. TEN PERCENT (10%) OF THE RICE FUND SHALL BE MADE**
34 **AVAILABLE IN THE FORM OF CREDIT WITH MINIMAL**
35 **INTEREST TO RICE FARMERS AND COOPERATIVES TO BE**

1 AND MANAGED EQUALLY BY LANDBANK AND THE
2 DEVELOPMENT BANK OF THE PHILIPPINES;
3

4 D. TEN PERCENT (10%) OF THE FUND SHALL BE FOR THE
5 EXTENSION SERVICES DIVIDED BETWEEN PHILMECH,
6 PHILRICE, AGRICULTURAL TRAINING INSTITUTE (ATI)
7 AND TESDA TO TEACH SKILLS ON RICE CROP
8 PRODUCTION, MODERN RICE FARMING TECHNIQUES,
9 SEED PRODUCTION, FARM MECHANIZATION, AND
10 KNOWLEDGE/TECHNOLOGY TRANSFER THRU FARM
11 SCHOOLS NATIONWIDE.
12

13 PROVIDED, HOWEVER, THAT PREFERENTIAL ATTENTION SHOULD BE
14 GIVEN TO RICE FARMERS ADVERSELY AFFECTED BY THE TARIFFICATION
15 OF THE QUANTITATIVE RESTRICTION ON RICE; AND IN ACCORDANCE
16 WITH THE THRUST AND PRIORITIES OF REPUBLIC ACT NO. 8435, AS
17 AMENDED, OTHERWISE KNOWN AS THE AGRICULTURE AND FISHERIES
18 MODERNIZATION ACT AND THE PHILIPPINE DEVELOPMENT PLAN (PDP).
19

20 THE CONGRESSIONAL OVERSIGHT COMMITTEE ON AGRICULTURAL
21 AND FISHERIES MODERNIZATION (COCAF) SHALL CONDUCT A
22 PERIODIC REVIEW OF THE USE OF THE RICE FUND."
23

24 **SEC. 14.** A new section 14, is hereby inserted, to read as follows:
25

26 **"SEC. 14. BENEFICIARIES AND RELEASE OF FUNDS. - THE**
27 **BENEFICIARIES OF THE RICE FUND SHALL BE THOSE FARMERS AND**
28 **FARMWORKERS AND THEIR DEPENDENTS LISTED IN THE REGISTRY**
29 **SYSTEM FOR BASIC SECTORS IN AGRICULTURE (RSBSA). WITHIN**
30 **ONE HUNDRED EIGHTY (180) DAYS FROM THE EFFECTIVITY OF THIS**
31 **ACT, THE DEPARTMENT OF AGRICULTURE, IN CONSULTATION WITH**
32 **FARMERS' COOPERATIVES AND ORGANIZATIONS AND LOCAL**
33 **GOVERNMENT UNIT (LGUs), SHALL VALIDATE AND UPDATE THE**
34 **EXISTING RSBSA TO ENSURE THAT THOSE LISTED ARE LEGITIMATE**
35 **FARMERS AND FARMWORKERS."**

1

2 **SEC. 15.** A new Section 15 is hereby inserted, to read as follows:

3

4 **"SEC. 15. RICE INDUSTRY ROADMAP. - UPON THE ENACTMENT OF**
5 **THIS ACT, THE DEPARTMENT OF AGRICULTURE, TOGETHER WITH THE**
6 **NATIONAL ECONOMIC DEVELOPMENT AUTHORITY, DEPARTMENT OF**
7 **SCIENCE AND TECHNOLOGY, NATIONAL IRRIGATION ADMINISTRATION,**
8 **LAND BANK OF THE PHILIPPINES, DEPARTMENT OF EDUCATION, TESDA**
9 **AND OTHER RELEVANT AGENCIES, SHALL BE GIVEN A MAXIMUM OF ONE**
10 **HUNDRED EIGHTY (180) DAYS TO FINALIZE THE RICE ROADMAP TO**
11 **RESTRUCTURE THE GOVERNMENT'S DELIVERY OF SUPPORT SERVICES**
12 **FOR THE AGRICULTURAL RICE SECTOR.**

13 **THE FOLLOWING PRINCIPLES SHALL GOVERN THE DEVELOPMENT AND**
14 **IMPLEMENTATION OF THE ROADMAP FOR THE RICE INDUSTRY:**

15 **1) ENHANCE SUSTAINABLE INVESTMENTS IN THE RICE INDUSTRY AND**
16 **IN SUPPORT INFRASTRUCTURE AND POST-HARVEST FACILITIES;**

17 **2) IMPROVE THE FARMERS' PRODUCTIVITY, EFFICIENCY AND**
18 **PROFITABILITY, ESPECIALLY FOR SMALL FARMERS AND LANDLESS**
19 **FARMWORKERS;**

20 **3) STRENGTHEN RESEARCH AND DEVELOPMENT PROGRAMS THAT WILL**
21 **ENHANCE RESILIENCY OF THE RICE INDUSTRY;**

22 **4) PRESERVE AND ENHANCE THE CAPACITY OF THE FUTURE**
23 **GENERATION IN RICE PRODUCTION;**

24 **5) PROVIDE TECHNOLOGY-ORIENTED, ACCESSIBLE AND FARMER**
25 **SPECIFIC SUPPORT SERVICES THAT COVER THE WHOLE VALUE CHAIN; AND**

26 **6) SET UP RESPONSIBLE AND EFFECTIVE GOVERNANCE MECHANISMS."**

27

28 **SEC. 16.** A new Section 16 is hereby inserted, to read as follows:

29

30 **"SEC. 16. NATIONAL SINGLE WINDOW (NSW) PROGRAM. - TO ENSURE**
31 **THE COLLECTION OF TARIFF AS PROVIDED HEREIN, AND TO REPLACE THE**
32 **TEN BILLION PESOS YEARLY ALLOCATION FROM THE GAA, AS PROVIDED IN**
33 **SECTION 13, THE NATIONAL SINGLE WINDOW (NSW) PROGRAM OF THE**
34 **BUREAU OF CUSTOMS, SHALL BE IMPLEMENTED WITHIN ONE HUNDRED AND**

1 **EIGHTY DAYS FROM THE EFFECTIVITY OF THIS ACT IN ACCORDANCE WITH**
2 **EXECUTIVE ORDER 482."**

3

4 **SEC. 17. *Separability Clause.*** – If any portion of this Act is declared invalid or
5 unconstitutional, the portions or provisions which are not affected shall continue to be in
6 full force and effect.

7

8 **SEC. 18. *Repealing Clause.*** – All laws, decrees, executive issuances, rules and
9 regulations inconsistent with this Act are hereby repealed or modified accordingly.

10

11 **SEC. 19. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
12 publication in the Official Gazette or in a newspaper of general circulation.

13

14 *Approved,*