

Republic Act No. 11203
Rice Tariffication Law
November 28, 2018

The policy ensures food security and to make the country's agricultural sector viable, efficient and globally competitive. It amends the old Agricultural Tariffication Act of 1996 as it replaces the quantitative restriction, a form of non-tariff import restrictions, with the use of tariffs to protect local producers of agricultural products.

Salient Extension Provisions

Section 13. A new Section 13 is hereby inserted after the renumbered Section 12 of R. A. No. 8178, as amended, to read as follows:

"Sec. 13. *Rice Competitiveness Enhancement Fund.* - There is hereby created a Rice Competitiveness Enhancement Fund, herein referred to as the 'Rice Fund'. The Rice Fund shall consist of an annual appropriation of Ten billion pesos (₱10,000,000,000.00) for the next six (6) years following the approval of this Act and shall be automatically credited to a Special Account in the General Fund of the National Treasury which shall be in place within ninety (90)' days upon the effectivity of this Act.

"At the end of the sixth (6th) year, a mandatory review shall be conducted by the Congressional Oversight Committee on Agricultural and Fisheries Modernization (COCAFAM) to determine whether the Rice Fund and its use as provided for under this Act shall be continued, amended, or terminated. The COCAFAM shall utilize the increase or decrease in farmers' incomes as a primary benchmark in determining the effectiveness of the interventions under the program and its possible extension.

"The Secretary of Agriculture shall be accountable and responsible for the Rice Fund in coordination with other government agencies concerned.

"The amount allocated shall be released directly to the implementing agencies as provided for in this Act based on the objectives and plans of the rice industry roadmap: *Provided,* That the unutilized portion of the Rice Fund allocated to the implementing agencies shall not revert to the General Fund but shall continue to be used for the purpose for which it was set aside. Fund releases charged against the Rice Fund shall not be subject to any ceiling by the Department of Budget and Management (DBM).

"Any program undertaken in accordance with this Act shall only be deemed complementary and supplementary to and shall not be a replacement of any existing programs for rice and rice farmers already implemented by the DA and other agencies concerned.

"Subject to the usual accounting and auditing rules and regulations, the Rice Fund shall be allocated and disbursed to rice-producing areas, as follows:

"(a) Rice Farm Machineries and Equipment – Fifty percent (50%) of the Rice Fund shall be released to and implemented by the Philippine Center for Postharvest Development and Mechanization (PhilMech) as grant in kind to eligible farmers associations, registered rice cooperatives and local government units (LGUs), in the form of rice farm equipment, such as tillers, tractors, seeders, threshers, rice planters, harvesters, irrigation pumps, small solar irrigation, reapers, driers, millers, and the like, for purposes of improving farm mechanization: *Provided,* That the PhilMech shall, whenever feasible, procure from accredited local manufacturers to assist in the promotion of locally manufactured farm machinery and equipment;

"(b) Rice Seed Development, Propagation and Promotion – Thirty percent (30%) of the Rice Fund shall be released to and implemented by the Philippine Rice Research Institute (PhilRice) and shall be used for the development, propagation and promotion of inbred rice seeds to rice farmers and the organization of rice farmers into seed growers' associations and/or cooperatives engaged in seed production and trade:

"(c) Expanded Rice Credit Assistance – Ten percent (10%) of the Rice Fund shall be made available in the form of credit facility with minimal interest rates and with minimum collateral requirements to rice farmers and cooperatives, to be managed equally by the Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP); and

"(d) Rice Extension Services – Ten percent (10%) of the Rice Fund shall be made available for the extension services provided by PhilMech, PhilRice, Agricultural Training Institute (ATI) and Technical Education and Skills Development Authority (TESDA) for teaching skills on rice crop production, modern rice farming techniques, seed production, farm mechanization, and knowledge/technology transfer through farm schools nationwide as follows: seventy percent (70%) to TESDA, ten percent (10%) each to ATI, PhilRice and PhilMech.

"Provided, That the percentage allocation will be reviewed on the third year of the effectivity of this Act for possible revisions should intervention priorities change.

"Provided, further, that preferential attention should be given to rice farmers, cooperatives and associations adversely affected by the tariffication of the quantitative import restriction on rice in accordance with the thrust and priorities of R. A. No. 8435, as amended, otherwise known as the 'Agriculture and Fisheries Modernization Act' and the Philippine Development Plan (PDP). The increase or decrease of farmers' incomes shall be the primary benchmark in granting these interventions.

"Provided, furthermore, That if the annual tariff revenues from rice importation exceeds Ten billion pesos (₱10,000,000,000.00) in any given year within the six (6) year period following the effectivity of this Act, the excess tariff revenues shall be earmarked by Congress and included in the General Appropriations Act (GAA) of the following year:

"(a) Rice Farmer Financial Assistance – A portion of the excess rice tariff revenues shall be released to the DA and shall be used for providing direct financial assistance to rice farmers who are farming two (2) hectares and below regardless of whether they continue farming rice or not as compensation for the projected reduction or loss of farm income arising from the tariffication of the quantitative import restrictions on rice;

"(b) Titling of Agricultural Rice Lands – A portion of the excess rice tariff revenues shall be released to the Department of Agrarian Reform (DAR), Department of Environment and Natural Resources (DENR) and Land Registration Authority (LRA), and shall be used for the subdivision and titling of agricultural rice lands or parts thereof awarded to farmer-beneficiaries under the Comprehensive Agrarian Reform Program (CARP) and other similar programs of the government:

"(c) Expanded Crop Insurance Program on Rice – A portion of the excess tariff revenues shall be released to the Philippine Crop Insurance Corporation (PCIC) and shall be used for the provision of crop insurance to qualified rice farmer-beneficiaries under « its existing agricultural insurance programs; and

"(d) Crop Diversification Program – A portion of the excess tariff revenues shall be released to the DA and shall be used for productivity-enhancement programs for rice farmers seeking to diversify production towards other crops.

"The Congressional Oversight Committee on Agricultural and Fisheries Modernization (COCAFAM) shall conduct a periodic review of the use of the Rice Fund."

Section 14. A new Section 14 is hereby inserted after the new Section 13 of R. A. No. 8178, as amended, to read as follows:

"Sec. 14. *Beneficiaries of the Rice Fund.* - The beneficiaries of the Rice Fund shall be those farmers and farmworkers and their dependents listed in the Registry System for Basic Sectors in Agriculture (RSBSA), and rice cooperatives and associations accredited by the DA. Within one hundred eighty (180) days from the effectivity of this Act, the DA, in consultation with farmers' cooperatives and organizations and LGUs, shall validate and update the master list of eligible beneficiaries to ensure that those listed are legitimate farmers, farmworkers and rice cooperatives and associations.

"In order to focus on the targeted rice farmer-beneficiaries, cooperatives and associations for the Rice Fund, the list of rice-producing provinces and LGUs, as provided for by PhilRice as of 2015-2018, shall, be the basis and shall be added to the roadmap as an appendix."

Source:

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