

SENATE

Joint Resolution No. _____

Introduced by Senator FRANCIS N. PANGILINAN

**JOINT RESOLUTION
AUTHORIZING THE USE OF THE RICE COMPETITIVENESS ENHANCEMENT
FUND (RCEF) AS PROVIDED UNDER THE UNPROGRAMMED
APPROPRIATIONS OF THE 2019 GENERAL APPROPRIATIONS ACT (GAA), THE
BUREAU OF CUSTOMS' TARIFF COLLECTIONS FROM IMPORTED RICE AS OF
31 AUGUST 2019, AND OTHER POSSIBLE SOURCES, AS A SPECIAL EMERGENCY
FUND FOR DIRECT CASH TRANSFERS TO RICE FARMERS**

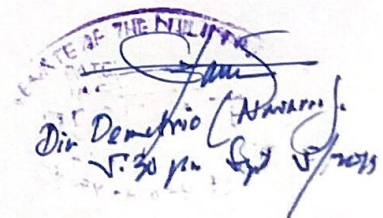
WHEREAS, on 14 February 2019, President Rodrigo Duterte signed into law Republic Act No. 11203 otherwise known as "*An Act Liberalizing the Importation, Exportation and Trading of Rice, Lifting for the Purpose the Quantitative Restriction on Rice, and for Other Purposes;*"

WHEREAS, Section 13 of said law creates the Rice Competitiveness Enhancement Fund (RCEF) in the amount of P10 billion as a safety net to cushion the rice farmers and the rice industry from the adverse impact of the influx of imported rice;

WHEREAS, Sec. 13 specifically allocates the P10 billion RCEF for (a) rice farm machineries and equipment; (b) rice seed development, propagation, and promotion; (c) expanded rice credit assistance; (d) and rice extension services. Should the annual tariff revenues exceed P10 billion in any given year within the six (6) year period, the excess tariff revenues shall be earmarked for rice farmer financial assistance, titling of agricultural rice land, expanded crop insurance program on rice, and crop diversification program;

WHEREAS, the amount of P10 billion was appropriated for RCEF under the unprogrammed appropriations of the 2019 GAA. As confirmed by the Department of Budget and Management (DBM) during the 3 September 2019 hearing of the Senate Committee on Agriculture and Food, a fund balance of P4 billion is available for release;

WHEREAS, during the same hearing, the Bureau of Customs (BOC) further confirmed that the amount of P9.19 billion was collected as tariff revenues from rice importation from 05 March 2019 to 31 August 2019;



Dir. Demetrio (Antonio) S. 30 pm Sep 5/2019

WHEREAS, barely five (5) months after the passage of the law, farm-gate prices of *palay* have plummeted to as low as P7 to 10 per kilo in certain provinces in Central Luzon;

WHEREAS, the large drop of farm-gate price of *palay* has resulted in huge income losses of rice farmers and the rice industry, which is now estimated to be around P60 billion pesos;

WHEREAS, according to the Philippine Statistics Authority's (PSA) 2015 Family Income and Expenditure Survey, our farmers are among the poorest, earning only P100,000 a year or P8,300 a month or P277 a day, which is way below the minimum wage. This is also below the poverty line level of P108,800 a year and below the average family income of P267,000 a year;

WHEREAS, their sad plight is further aggravated by NFA's inability to purchase *palay* from local rice farmers despite their annual budget of P7 billion for Rice Buffer Stocking Program, and the rampant smuggling by rice importers and traders through undervaluing in quality and quantity of rice imports;

WHEREAS, the Department of Agriculture (DA)'s proposed intervention, particularly the P15,000 Survival and Recovery (SURE) Loan Assistance extended by the Land Bank of the Philippines to those who are farming one hectare and below, is insufficient to compensate for their loss of income. Further, said loans will only benefit 100,000 out of the 2.11 million rice farmers affected by the influx of imported rice;

WHEREAS, the Philippine Institute of Development Studies (PIDS), in its policy paper entitled "*Options for Supporting Rice Farmers under a Post-QR Regime: Review and Assessment*," recommended a compensatory scheme of P19,000 per year or P4,750 per hectare harvested for farmers registered in the Registry System for Basic Sectors in Agriculture (RSBSA). Harvested area is capped at two (2) hectares per farmer and payment to be distributed twice a year, equivalent to two cropping seasons (dry season and wet season), and only farmers in irrigated lands are entitled to dry season payment;

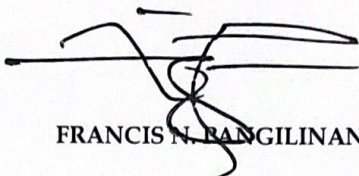
WHEREAS, to serve as a supplementary and transitional measure to cushion the impact of rice tariffication, and to encourage rice farmers to continue farming especially during this coming harvest season, financial assistance authorized under Sec. 13 (d)(a) of the law should immediately be provided;

WHEREAS, the continuous drop in farm-gate prices and the increase of rice imports, projected by PIDS to be around 4.4 million tons in 2022, is killing the livelihood of rice farmers. Without sufficient and immediate intervention from government, this generation of rice farmers, most of whom are old with an average age of 58, might be pushed to abandon farming altogether, which may result in the local rice industry's eventual demise and compromise our country's food security;

NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED by the Senate and the House of Representatives in Congress assembled, to authorize the use of the Rice Competitiveness Enhancement Fund (RCEF) as provided under the Unprogrammed Appropriations of the 2019 General Appropriations Act (GAA), the Bureau of Customs' tariff collections from imported rice as of 31 August 2019, and other

possible sources, as a special emergency fund for 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).

Adopted,



FRANCIS N. BANGILINAN