

SENATE

S. No. 284



Introduced by **Senator Francis G. Escudero**

AN ACT
PROMOTING RICE SECURITY BY ENSURING THE ADEQUATE SUPPLY AND
STABLE PRICE OF RICE AND STRENGTHENING THE MANDATE OF THE
NATIONAL FOOD AUTHORITY, AMENDING FOR THE PURPOSE REPUBLIC
ACT NUMBER 8178, OTHERWISE KNOWN AS THE "AGRICULTURAL
TARIFFICATION ACT," AS AMENDED

EXPLANATORY NOTE

Rice is the staple crop of the Philippines, with each Filipino consuming around 136 kilograms each year. Given its central role in the Filipino diet, regulation is needed to protect families from the price fluctuations of this essential commodity.

This need was recognized as early as 1972, with the establishment of the National Food Authority (NFA). However, the passage of Republic Act No. 11203—or the Rice Tariffication Law—significantly reduced the NFA’s role in regulating the supply of rice while opening the market to importation.

The recently enacted R.A. 12078 partially addressed these concerns by providing mechanisms such as the declaration of a state of food emergency by the Department of Agriculture. However, persistent price instability highlights the need for stronger oversight and intervention.

As similarly espoused in House Bill No. 1—filed in the House of Representatives by Speaker Ferdinand Martin Romualdez and Representatives Romualdez and Acidre in the Twentieth Congress—the proposed Rice Industry and Consumer Empowerment (RICE) Act seeks to further empower the Department of Agriculture and the National Food Authority.

It will set a more flexible buffer stock requirement of at least nine days, authorize the seizure of hoarded rice, require the registration of warehouses and traders, establish a rice buffer fund, set floor prices for palay to protect farmers, authorize emergency imports when necessary, and impose strict penalties against practices that distort supply and pricing.

To be clear, this bill will not restore the quantitative restrictions abolished by the Rice Tariffication Law. Rather, it will enable targeted state intervention to protect public welfare, support farmers, and ensure food security.

In view of the foregoing, this bill is respectfully submitted for Congress' immediate consideration and approval.

Respectfully submitted.



FRANCIS G. ESCUDERO

SENATE

RECEIVED



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

1 Section 1. *Short Title.* — This Act shall be known as the "*Rice Industry and*
2 *Consumer Empowerment (RICE) Act.*"

3 Sec. 2. Section 3 of Republic Act No. 8178, as amended, is hereby further
4 amended to read as follows:

5 "Sec. 3. *Definition of Terms.* — The following definitions apply to
6 the terms used in this Act:

7 "x x x;

8 (e) 'Buffer Stock' refers to the optimal level of rice inventory for
9 [~~fifteen (15)~~] **AT LEAST NINE (9)** days that shall be maintained to
10 sustain the disaster relief programs of the government during natural or
11 man-made calamities and to address food security emergency situations
12 on rice.

13 "x x x."

14

1 Sec. 3. Section 5 of Republic Act No. 8178, as amended, is hereby further
2 amended to read as follows:

3 "Sec. 5. *Strengthening the Regulatory Function of the*
4 *Department of Agriculture (DA).* – The DA, through the Bureau of Plant
5 Industry (BPI), is hereby authorized to:

6 "x x x;

7 "(b) Conduct regular inspection of grain warehouses and
8 agricultural facilities to ensure compliance with palay and rice quality
9 and supply standards and regulations; [~~and~~]

10 **"(C) ORDER THE SEIZURE, WHENEVER THERE IS**
11 **CORNERING, HOARDING, PROFITEERING ACTIVITIES AS**
12 **DEFINED IN REPUBLIC ACT NO. 12022, OTHERWISE KNOWN**
13 **AS THE "ANTI-AGRICULTURAL SABOTAGE ACT," AND OTHER**
14 **LAWS, OF RICE AND OTHER GRAINS, THEIR SUBSTITUTES OR**
15 **BY-PRODUCTS, INCLUDING THE FACILITIES UNSED IN THE**
16 **AFOREMENTIONED ACTIVITIES, OR, WHENEVER THERE IS**
17 **SCARCITY OF SUPPLY IN THE RICE MARKET OR**
18 **UNWARRANTED INCREASE IN THE PRICE THEREOF, ORDER**
19 **THE SEIZURE OF THE HOARDED COMMODITY AND ITS PUBLIC**
20 **SALE IN SUCH QUANTITY AS MAY BE NEEDED TO STABILIZE**
21 **THE SUPPLY IN THE AREA OF SCARCITY AND RESTORE PRICES**
22 **TO NORMAL LEVELS.**

23 **"TO ENFORCE THIS PROVISION, THE ADMINISTRATOR**
24 **OF THE NATIONAL FOOD AUTHORITY (NFA), OR HIS OR HER**
25 **DULY AUTHORIZED REPRESENTATIVE, IS HEREBY**
26 **AUTHORIZED TO IMPOSE ADMINISTRATIVE FINES AND**
27 **PENALTIES; TO CONDUCT INVESTIGATIONS; TO ISSUE**
28 ***SUBPOENA* OR *SUBPOENA DUCES TECUM* TO COMPEL THE**
29 **ATTENDANCE AND TESTIMONY OF WITNESSES, AND THE**
30 **PRODUCTION OF BOOKS, PAPERS, DOCUMENTS, EXHIBITS,**

1 **RECORDS, OR EVIDENCE; TO ADMINISTER OATH; AND TO**
2 **EFFECT THE SAID SEIZURES.**

3 **“(D) REGISTER, LICENSE, AND PRESCRIBE AND COLLECT**
4 **FEES, CHARGES, PENALTIES OR SURCHARGES IN LICENSING**
5 **AND REGULATING THE OPERATIONS OF THE FOLLOWING:**

6 **“(I) GRAINS WAREHOUSES OR ANY PERSON**
7 **ENGAGED IN STORAGE OF RICE AND OTHER GRAINS,**
8 **THEIR SUBSTITUTES OR BY-PRODUCTS;**

9 **“(II) PERSONS, NATURAL OR JURIDICAL,**
10 **ENGAGED OR INTENDING TO ENGAGE IN THE BUSINESS**
11 **OR PROVIDING GOODS AND SERVICES IN SUPPORT OF**
12 **THE DIFFERENT ACTIVITIES INVOLVED IN THE**
13 **PRODUCTION, PROCESSING, TREANSPORTING,**
14 **MARKETING, AND TRADING OF RICE, CORN, OTHER**
15 **GRAINS OR THEIR SUBSTITUTES;**

16 **“(III) PERSONS, NATURAL OR JURIDICAL,**
17 **ENGAGED OR INTENDING TO ENGAGE IN THE BUSINESS**
18 **OF WHOLESALE OR RETAIL TRADE OF RICE, CORN,**
19 **OTHER GRAINS OR THEIR SUBSTITUTES; AND**

20 **“(IV) PERSONS, NATURAL OR JURIDICAL,**
21 **ENGAGED IN THE PROCESSING OR MANUFACTURE OF**
22 **GOODS WHERE RICE, CORN, OTHER GRAINS OR THEIR**
23 **SUBSTITUTES ARE USED AS INGREDIENTS IN THE**
24 **MANUFACTURE OF STARCH, OIL, ANIMAL FEED, OR**
25 **OTHER SIMILAR COMMODITIES OR END PRODUCTS.**

26 **“[(e)] (E) Collect and analyze data on rice trade activities, in**
27 **cooperation with the Philippine Statistics Authority (PSA), the Bureau of**
28 **Customs (BOC), the [National Food Authority (NFA)] **NFA**, and other**
29 **government agencies for informed policy and operational decisions.**

1 “The DA-BPI shall exercise the aforementioned powers in addition
2 to its existing powers related to sanitary and phytosanitary and food
3 safety standards. Upon the request of the DA-BPI, the local government
4 units (LGUs), the Philippine National Police, the National Bureau of
5 Investigation, or other law enforcement agencies shall provide prompt
6 response and assistance in the implementation of this section.

7 **“THE NFA MAY AUGMENT ITS PERSONNEL OR PLANTILLA
8 POSITIONS TO CORRESPOND TO ITS ADDITIONAL POWERS
9 AND FUNCTIONS.”**

10 Sec. 4. Section 6 of Republic Act No. 8178, as amended, is hereby further
11 amended to read as follows:

12 “Sec. 6. *Powers of the DA on Rice Price Stabilization and Supply*
13 *Regulation.* - The DA Secretary, upon the recommendation of the
14 National Price Coordinating Council (NPCC), shall declare a food security
15 emergency on rice due to supply shortage or extraordinary increase in
16 prices.

17 The NPCC shall devise a formula for determining the existence of
18 a rice supply shortage or an extraordinary increase in rice prices. When
19 such conditions occur, the DA may:

20 “x x x;

21 (c) Import rice when the available supply, of locally produced rice
22 is inadequate **TO MAINTAIN STABLE SUPPLY AND PRICE OF**
23 **RICE.** The DA Secretary is authorized to designate the importing entity
24 within the DA[~~, with the exception of the NFA~~]: *Provided,* That the
25 designated importing entity shall import **THE TYPE OF rice TO BE**
26 **DETERMINED BY THE DA SECRETARY** at the least cost available
27 among government-to-government options, which shall include direct
28 contracts between the Philippine government and a foreign government,
29 including instrumentalities and State-owned enterprises of such foreign
30 government.

1 "X X X."

2 Sec. 5. Section 11 of Republic Act No. 8178, as amended, is hereby further
3 amended to read as follows:

4 "Sec. 11. *Maintenance and Disposal of Rice Buffer Stock.* - The
5 NFA shall, in accordance with rules, regulations, and procedures,
6 maintain an optimal rice buffer stock to be sourced exclusively from local
7 farmers, **FARMER COOPERATIVES, AND FARMERS'**
8 **ASSOCIATION IN PALAY FORM: PROVIDED, THAT IF NEED**
9 **ARISES, PROCUREMENT MAY BE UNDERTAKEN IN THE FORM**
10 **OF MILLED RICE WITHIN THE PRESCRIBED QUALITY**
11 **STANDARDS: PROVIDED, FURTHER, THAT AS FAR AS**
12 **PRACTICABLE, THE PROCUREMENT OF MILLED RICE SHALL**
13 **FOLLOW THIS ORDER OF PREFERENCE: (A) RECIPIENTS OF DA**
14 **RICE PROCESSING SYSTEM, (B) REGISTERED FARMER**
15 **COOPERATIVES, AND (C) RICE MILLS OWNED OR OPERATED**
16 **BY LOCAL GOVERNMENT UNITS (LGUS).**

17 "The NFA shall dispose of its rice buffer stock [~~one (1) month~~
18 ~~before the aging period starts, following the first in, first out method~~]
19 **OBSERVING GOOD WAREHOUSE AND STOCK MANAGEMENT**
20 **PRACTICES, WITH THE EFFORT TO PREVENT THE RICE BUFFER**
21 **STOCK FROM AGING.**

22 "The aging process begins three (3) months from storage for
23 **MILLED** rice and six (6) months from storage for **RICE IN** palay
24 **FORM.**

25 "In [~~both~~] **ALL** cases[~~, disposal through sale shall be through~~
26 ~~public auction~~] **AND IN ADDITION TO ITS EXISTING MANDATE,**
27 **THE NFA SHALL ISSUE THE GUIDELINES FOR THE**
28 **DISPOSITION OF RICE STOCKS THROUGH THE FOLLOWING**
29 **MODALITIES:**

1 “(A) SALE OF RICE TO ACCREDITED NFA RETAILERS AND
2 THEIR SUBSEQUENT SALE TO THE PUBLIC, WHICH SHALL BE
3 GOVERNMENT BY THE NFA SELLING PRICE BULLETIN;

4 “(B) SALE TO GOVERNMENT AGENCIES AND NON-
5 GOVERNMENT ENTITIES INCLUDING, BUT NOT LIMITED TO,
6 THE FOOD TERMINAL, INC. (FTI), LGUS, THE PUBLIC THROUGH
7 KADIWA OUTLETS, ACCREDITED NFA RICE RETAILERS, AND
8 FARMERS AND FARMER COOPERATIVES AND ASSOCIATIONS
9 THAT SOLD THEIR PALAY TO THE NFA;

10 “(C) SALE THROUGH PUBLIC AUCTION; OR

11 “(D) SUCH OTHER MEANS OF DISPOSITION AS MAY BE
12 ALLOWED UNDER THE LAW.

13 “IN ACCORDANCE WITH GOOD WAREHOUSE AND STOCK
14 MANAGEMENT PRACTICES, THE NFA SHALL DISPOSE, ON A
15 MONTHLY BASIS, A MAXIMUM OF TWENTY FIVE PERCENT
16 (25%) OF ITS TOTAL EXISTING BUFFER STOCK UNLESS
17 DIRECTED BY THE NFA COUNCIL TO DISPOSE A LARGER
18 PORTION THEREOF.”

19 Sec. 6. A new Section 11-A is hereby inserted after Section 11 of Republic Act
20 No. 8178, as amended, to read as follows:

21 “**SEC. 11-A. *SETTING FLOOR PRICE FOR PALAY.* – TO**
22 **ENSURE THE ADEQUACY OF SUPPLY AND STABILITY OF PALAY**
23 **PRICES, THE DA SHALL HAVE THE AUTHORITY TO SET AND**
24 **ENFORCE NATIONAL, REGIONAL, OR PROVINCIAL FLOOR**
25 **PRICES OF PALAY BELOW WHICH RICE TRADERS SHALL BE**
26 **PROHIBITED FROM PURCHASING PALAY FROM FARMERS:**
27 ***PROVIDED,* THAT IN SETTING THE FLOOR PRICES OF PALAY,**
28 **THE DA SHALL TAKE INTO ACCOUNT THE FOLLOWING**
29 **FACTORS:**

- 1 **“(A) COST OF RICE PRODUCTION;**
2 **“(B) PREVAILING MARKET PRICES;**
3 **“(C) REASONABLE MARGINS FOR FARMERS;**
4 **“(D) WELFARE OF BOTH FARMERS AND CONSUMERS;**
5 **AND**
6 **“(E) OTHER RELEVANT FACTORS AND CONDITIONS.”**

7 Sec. 7. A new Section 11-B is hereby inserted after Section 11-A of Republic
8 Act No. 8178 to read as follows:

9 **“SEC. 11-B. *PENALTY.* – ANY PERSON WHO VIOLATES**
10 **THE FLOOR PRICE POLICY STIPULATED IN SECTION 11-A OR**
11 **ANY RULE OR REGULATION ISSUED THEREUNDER SHALL BE**
12 **PENALIZED AS FOLLOWS:**

13 **“(A) IMPRISONMENT OF NOT MORE THAN TWO (2)**
14 **YEARS, A FINE NOT EXCEEDING TWO MILLION PESOS**
15 **(P 2,000,000.00) OR BOTH, AT THE DISCRETION OF THE**
16 **COURT; AND**

17 **“(B) REVOCATION OR SUSPENSION OF LICENSE,**
18 **TRADING PERMIT, OR ACCREDITATION.**

19 **“IF THE OFFENDER IS A CORPORATION OR**
20 **ASSOCIATION, THE PENALTY SHALL BE IMPOSED UPON ITS**
21 **RESPONSIBLE OFFICERS SUCH AS THE PRESIDENT, GENERAL**
22 **MANAGER, OR MANAGING PARTNER.**

23 **“IF THE OFFENDER IS AN ALIEN, HE OR SHE SHALL BE**
24 **DEPORTED UPON COMPLETION OF HIS OR HER SENTENCE,**
25 **WITHOUT THE NEED FOR FURTHER PROCEEDINGS.**

26 **“ANY GOVERNMENT OFFICIAL OR EMPLOYEE FOUND TO**
27 **HAVE AIDED, ABETTED, OR CONNIVED TO VIOLATE SECTION**
28 **11-A OR ANY RULE OR REGULATION ISSUED THEREUNDER**

1 **SHALL BE PUNISHED WITH PERPETUAL DISQUALIFICATION**
2 **FROM HOLDING PUBLIC OFFICE, IN ADDITION TO OTHER**
3 **APPLICABLE PENALTIES.”**

4 *Sec. 8. Implementing Rules and Regulations.* — Within sixty (60) days from the
5 approval of this Act, the DA shall, in consultation with NFA, issue the rules and
6 regulations to effectively implement the provisions of this Act.

7 *Sec. 9. Repealing Clause.* — All laws, presidential decrees, executive orders,
8 rules and regulations contrary to or inconsistent with the provisions of this Act are
9 amended, repealed or modified accordingly.

10 *Sec. 10. Separability Clause.* — If, for any reason, any part or provision of this
11 Act is declared invalid or unconstitutional, the remaining parts or provisions not
12 affected shall remain in full force and effect.

13 *Sec. 11. Effectivity.* — This Act shall take effect fifteen (15) days after its
14 publication in the Official Gazette or in a newspaper of general circulation.

Approved,