

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 9020



Introduced by **Representative Wilbert T. Lee**

AN ACT
INSTITUTING A RICE INCENTIVIZATION, SELF-SUFFICIENCY, AND
ENTERPRISE (RISE) PROGRAM AND APPROPRIATING FUNDS THEREFOR

EXPLANATORY NOTE

Article XII, Section 1 of the 1987 Constitution states that “[t]he goals of the national economy are a more equitable distribution of opportunities, income, and wealth; a sustained increase in the amount of goods and services produced by the nation for the benefit of the people; and an expanding productivity as the key to raising the quality of life for all, especially the underprivileged.”

Agriculture-driven growth and food security are marred by shocks, including disruptions from COVID-19 pandemic, extreme weather, pests, and wars. These seriously affect our agricultural systems, driving up food prices and escalating hunger. A global food crisis that is pushing millions of people into extreme poverty and putting their lives in danger has been intensified by climate change and volatile global geopolitics.

Agriculture is an important contributor to the national economy as stated by the President in his address to the nation. The supply of essential crops, including rice has been unpredictable. Since the COVID-19 outbreak began, rice prices have already been high, and the anticipated shortage implies prices will probably stay high.

According to Fitch Solutions, a credit rating service, the global rice industry is expected to encounter its greatest supply-demand gap in 20 years as production of rice declines. Likewise, latest data from the Philippine government reveals that the retail price of rice in the country increased by four percentage points this month to 14%, pushing up food inflation as both domestic and international farmgate prices skyrocketed.


This alarming situation will undeniably cripple our farmers and all our efforts in increasing productivity will go in vain if we fail to protect them from the imminent rice crisis.

This humble Representation is in consonance with the call of our farmers to come up with alternative solutions to this crisis by establishing a Rice Incentivization, Self-Sufficiency, and Enterprise (RISE) Program. Its objective is to make palay production

profitable for farmers while ensuring that rice prices remain stable and affordable for the ordinary Filipino consumer through a subsidy that will be provided for the country's estimated 2.6 million rice farmers.

The government must push for radical interventions that can make the Philippine rice industry rise again. With this government scheme, we aim to ensure that farmers can sell palay at a price that will entice and incentivize them to increase their production from the establishment of a stabilization fund. Through this program, the country will have sufficient supply of rice and we will not rely solely on imports.

RISE Program is one of the key components in our proposed interventions in the realization of genuine reforms in the agricultural sector and broader food security solution. The swift passage of this measure is earnestly sought.



HON. WILBERT T. LEE
Representative
AGRI PARTYLIST

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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 “Cheaper Rice Act.”

2 **SEC. 2. *Rice Incentivization, Self-Sufficiency, and Enterprise (RISE) Program.***
3 The Department of Agriculture (DA) shall implement a price stabilization program for rice
4 with the primary objective to secure the prices for rice and to protect the farmer from price
5 declines and shocks.

6 **SEC. 3. *Guaranteed Minimum Price for Palay.*** The DA, in coordination with the
7 Department of Trade and Industry (DTI) and other relevant government agencies, shall
8 design the implementation of the RISE Program with the following scheme:

- 9 1. Develop a pricing structure that will cover the minimum guaranteed prices for
10 palay.
11 2. Provide estimates and design a system for payouts to farmers based on various
12 scenarios of price decline;
13 3. Establish a regular monitoring system to mitigate the impact of fluctuating
14 prices on palay and rice;
15 4. Create a price monitoring and review team that will monitor prices of rice and
16 propose strategies and interventions as needed.

17 **SEC. 4. *Creation of the Price Stabilization Fund.*** A price stabilization fund shall be
18 established to fund the payouts and subsidies for farmers in producing and buying palay
19 given that this agricultural commodity is highly volatile. The Department of Agriculture, in
20 consultation with appropriate government agencies, shall design the operation of this fund.

1 **SEC. 5. *Price Stabilization Fund Management Committee.*** The Fund shall be
2 managed by a Price Stabilization Fund Management Committee (PSFMC) under the
3 Chairmanship of Rice Czar that shall be appointed by the President with the following
4 members:

- 5 a. Secretary of the Department of Trade and Industry (DTI), as Co-
6 Chairperson;
- 7 b. Secretary of the Department of Finance (DOF)
- 8 c. The CEO of the Land Bank of the Philippines (LBP);
- 9 d. Administrator of the National Food Authority (NFA)
- 10 e. Executive Director of Philippine Rice Research Institute (PhilRice)
- 11 f. Representative from group of Subsistence farmers of Rice.

12 **SEC. 6. *Objectives of the Fund.*** The objectives of the fund are as follows:

- 13 1. To guarantee profits for rice farmers despite price volatility;
- 14 2. To safeguard the welfare of the consumers by supplying such
15 commodities at reasonable prices through calibrated release of stock;
- 16 3. To encourage farm gate purchases directly from farmers or farmers'
17 associations by the government;
- 18 4. To encourage the entry of new farmers into the market by reducing
19 barriers associated with price risks;
- 20 5. To help increase a strategic buffer stock for the country that would
21 discourage hoarding and unscrupulous speculation.

22 **SEC. 7. *Qualified Beneficiaries.*** To be eligible for the premium subsidies,
23 beneficiaries must meet the following criteria:

- 24 a) A bona fide Filipino citizen who is a member of the agri-basic sector;
- 25 b) Must be a rice farmer, farm laborer/ worker or Agri-youth based on the Registry
26 System for Basic Sectors in Agriculture (RSBSA) Definitions of Members of the
27 Agriculture and Fisheries Sector.

28 Qualified farmers registered under the RSBSA shall be automatically included as
29 eligible beneficiaries of the RISE Program.

30 **SEC. 8. *Program Report.*** The DA shall annually submit to the agricultural committee
31 of both Houses of Congress a report assessing the RISE Program. Each report required shall
32 include, for the one-year period ending in March of the year in which the report is submitted:

- 33 a) The number of rice farmers that participated in the program;
- 34 b) Information regarding the demographic characteristics of the farmer-beneficiaries;
- 35 c) Description of the steps taken by the Department to help the farmer-beneficiaries;
- 36 d) Overall production performance by the farmer-beneficiaries;
- 37 e) Assessment of its impact in our National Food Security Plan;

1 f) Analyzation of risk exposures of the program.

2 **SEC. 9. *Appropriations.*** The amount necessary to carry out the provisions of this Act
3 may be sourced out from the following:

4 a) Subsidy from the General Appropriations Act (GAA);

5 b) Official development assistance to the Philippine Government;

6 c) Tariffs imposed on Rice.

7 **SEC. 10. *Implementing Rules and Regulations.*** The DA, in coordination with
8 relevant government agencies, shall issue rules, regulations, and guidelines necessary to carry
9 out the intent and purposes of this Act within six (6) months from date of effectivity.

10 **SEC. 11. *Mandatory Review on the Implementation of this Act.*** The Philippine
11 Institute for Development Studies (PIDS) shall submit to the Congress a report on the
12 implementation of this Program at the end of the second year from the date of effectivity of
13 this Act and every two (2) years thereafter.

14 **SEC. 12. *Separability Clause.*** Should any provision of this Act be found
15 unconstitutional by a court of law, such provision shall be severed from the remainder of this
16 Act, and such action shall not affect the enforceability of the remaining provisions of this
17 Act.

18 **SEC. 13. *Repealing Clause.*** All laws, decrees, letters of instruction, resolutions,
19 orders, or parts thereof which are inconsistent with the provisions of this Act are hereby
20 repealed, modified or amended accordingly.

21 **SEC 14. *Effectivity.*** This Act shall take effect fifteen (15) days following its
22 publication in the Official Gazette.

Approved,