

**Voluntary Report** – Voluntary - Public Distribution

**Date:** December 30, 2024

**Report Number:** RP2024-0047

**Report Name:** Amended Rice Tariffication Law Signed Extending Rice Competitiveness Enhancement Fund to 2031

**Country:** Philippines

**Post:** Manila

**Report Category:** Policy and Program Announcements, Grain and Feed

**Prepared By:** Tricia Joy F. Arroyo

**Approved By:** Michael Ward

**Report Highlights:**

Philippine President Ferdinand Marcos Jr. signed Republic Act (R.A.) No. 12078 on December 9, 2024, which extended the implementation of the Rice Competitiveness Enhancement Fund (RCEF) until 2031. The amendment increased the annual RCEF budget from Php 10 to 30 billion (Bn), providing funding for rice industry supporting programs. The law, likewise, provides that the Philippines Department of Agriculture (DA) may import rice during a food security emergency related to rice due to a supply shortage, or an extraordinary increase in prices, provided that the available supply of locally produced rice is inadequate.

## Background

On December 9, 2024, Philippine President Ferdinand Marcos Jr. signed [Republic Act \(R.A.\) No. 12078](#), which amended [R.A. No. 11203](#) or the Rice Tariffication Law (RTL). RTL was signed into law in 2019 to provide amendments to [R.A. 8178](#) or the Agricultural Tariffication Act (ATA) of 1996. The amended RTL (R.A. 12078, 2024) strengthened the regulatory functions of DA by authorizing DA to require the registration and inspection of all grain warehouses and facilities, and reestablishing DA's ability to stabilize the market by purchasing local and imported rice during rice supply shortages, or sharp rice price hikes. The amended RTL, likewise, extended and increased RCEF from Php 10 to 30 billion (Bn) until 2031 to fund rice industry supporting programs, geared towards increasing the competitiveness of the rice sector.

## Salient Points

The highlights of the amended RTL are as follows:

- RCEF, a component of RTL, was extended and increased from Php 10 to 30 Bn until 2031. Through the amended RTL, the distribution of RCEF on rice industry supporting programs are appropriated as follows:

Program	Amount
Rice Farm Machinery and Equipment	Php 9 Bn
Rice Seed Development, Propagation, and Promotion (for high quality inbred rice seeds)	Php 6 Bn
Other Priority Programs, Activities, and Projects: (a) Rice training and extension services (b) Financial assistance to rice farmers tilling up to two (2) hectares of rice land, who are listed in the Registry System for Basic Sectors in Agriculture (RSBSA) (c) Expanded rice credit assistance, in the form of credit facility with minimal interest rates and with minimum collateral requirements to rice farmers and cooperatives (d) Composting facilities for biodegradable wastes (e) Pest and disease management (f) Solar-powered water irrigation or water impounding irrigation project (g) Soil health improvement (h) Farming support programs of DA and the National Irrigation Administration (NIA) on contract farming program	Php 15 Bn
Total	Php 30 Bn

The Presidential Communications Office (PCO) identified that the amended RTL is intended to [make the country's rice industry more competitive](#), providing additional funding for priority projects such as training and extension services, financial assistance to rice farmers tilling up to two hectares of land, expanded rice credit assistance, composting facilities for biodegradable wastes, pest and disease management, soil health improvement, farming support programs on contract farming, and establishment of solar-powered irrigation systems. PCO, likewise, noted that the amended RTL will also help reduce post-harvest losses by preventing up to 375,000 tons of milled rice from being wasted annually, which could help feed an additional 3.4 million Filipinos each year for the next six years.

DA proposed the addition of the [new components of RCEF](#) (such as funding for pest and disease management, solar irrigation and water impounding projects, and post-harvest machinery and facilities) to provide additional government support to rice farmers. DA underscored that the amended RTL will help [address the country's rice supply shortage](#).

Prior to the amended RTL, RCEF was appropriated for rice farm machinery and equipment at Php 5 Bn; rice seed development, propagation and promotion of inbred rice seeds at Php 3 Bn; expanded rice credit assistance at Php 1 Bn; and rice extension services at Php 1 Bn. RCEF was initially scheduled to end in 2024.

- DA, through the Bureau of Plant Industry (DA-BPI), is authorized to require the registration and maintenance of a national database of all grain warehouses, storage facilities, silos, and controlled-temperature cold storages. DA-BPI is also authorized to conduct regular inspections of grain warehouses and agricultural facilities to ensure compliance with palay (unmilled rice) and rice quality and supply standards and regulations.
- Upon the recommendation of the National Price Coordinating Council (NPCC), the DA Secretary shall declare a food security emergency related to rice due to a supply shortage, or an extraordinary increase in prices. NPCC is tasked to devise a formula for determining the existence of rice supply shortage, or sharp price hikes. When such conditions occur, DA is authorized to replenish the rice buffer stock of the National Food Authority (NFA) through purchases of locally produced rice from farmers or farmers cooperatives and associations, or import rice when the available supply of locally produced rice is inadequate. The DA Secretary is authorized to designate the importing entity within DA, with the exception of NFA.
- The President is empowered, for a limited period and/or a specified volume, to authorize rice importation at a lower applied tariff rate to address imminent or forecasted rice supply shortage, or any other situation requiring government intervention. The President's Order shall take effect immediately and can only be issued when Congress is not in session.

- In the event of excessive supply of imported or locally produced rice that result in an extraordinary decrease in local rice prices, the President may suspend or prohibit further importation, for a limited period and/or a specified volume, until both rice supply and prices stabilize.
- The allocated amounts shall be reviewed on the third year of the effectivity of the amended RTL. The Congressional Oversight Committee on Agricultural and Fisheries Modernization (COCAFM) shall conduct a periodic review of the use of RCEF. The Philippine Institute for Development Studies (PIDS), meanwhile, is tasked to conduct an independent baseline study, including a mid-term and end-term evaluation of the amended RTL, which shall be submitted to COCAFM.

**Effectivity Date**

The amended RTL took effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation, consistent with Section 9 of R.A. No. 12078, as signed by Philippine President Ferdinand Marcos Jr. on December 9, 2024.

**Attachments:**

No Attachments.