



HOUSE OF REPRESENTATIVES

H. Jt. Res. No. 22

BY REPRESENTATIVES VILLAFUERTE, ROMUALDEZ (Y.M.), ROMUALDEZ (F.M.), GARBIN, ESTRELLA, NOEL, SAGARBARRIA, VERGARA, CABATBAT, DUJALI, DY (I.P.), LARA, SINGSON-MEEHAN, DY (F.M.C.), GERON AND ENVERGA, PER COMMITTEE REPORT NO. 71

JOINT RESOLUTION AUTHORIZING THE USE OF THE RICE SUBSIDY AS PROVIDED IN THE GENERAL APPROPRIATIONS ACT (GAA) FOR THE PURCHASE OF PALAY FROM LOCAL FARMERS, MANDATING FOR THE PURPOSE THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT (DSWD), DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT (DILG), DEPARTMENT OF NATIONAL DEFENSE (DND), DEPARTMENT OF TRANSPORTATION (DOTr), AND THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES (DENR), IN COORDINATION WITH THE DEPARTMENT OF AGRICULTURE (DA) AND THE NATIONAL FOOD AUTHORITY (NFA), TO DIRECTLY PURCHASE PALAY FROM LOCAL FARMERS AND DISTRIBUTE RICE SUBSIDY ALLOWANCE IN THE FORM OF ACTUAL RICE, INSTEAD OF CASH

WHEREAS, the government continues to pursue food security for all Filipinos by allotting One hundred thirty-seven billion one hundred million pesos (P137,100,000,000.00) to enhance agricultural productivity, support poor farmers and fisherfolk, and strengthen the climate resilience of communities, among others;

WHEREAS, in February 2019, Republic Act No. 11203 entitled, "An Act Liberalizing the Importation, Exportation and Trading of Rice, Lifting for the Purpose the Quantitative Import Restriction on Rice, and for Other Purposes" was enacted to help support the local rice industry specifically by creating a "Rice Competitiveness Enhancement Fund" to be allocated and disbursed, as follows: (a) Rice Farm Machineries and Equipment; (b) Rice Seed Development, Propagation, and Promotion; and (c) Expanded Rice Credit Assistance, and Rice Extension Services;

WHEREAS, despite the efforts made by the government to protect the local rice industry, large stocks of imported rice have depressed the buying price of local palay;

WHEREAS, the National Food Authority (NFA) reported that two hundred nine thousand five hundred twenty-five point fifteen metric tons (209,525.15MT) of imported rice in its custody as of August 22, 2019, and has procured locally five million eight hundred sixty-four thousand seven (5,864,007) bags of palay or two hundred ninety-three thousand two hundred point thirty-five metric tons (293,200.35MT) at fifty (50) kilos per bag. Currently, the warehouse of NFA is already full. The problem of oversupply is expected to exacerbate during the period from September to October which is the peak palay harvest season;

WHEREAS, the latest government statistics (September – October 2019) show that the average palay price has plunged to Sixteen pesos and twenty-eight centavos (P16.28) per kilogram from Twenty-three pesos and ten centavos (P23.10) per kilogram for the same period last year which was the lowest price for palay in seven (7) years;

WHEREAS, to provide immediate support and assistance to the local rice industry, President Rodrigo Roa Duterte has ordered the NFA to expend their budget of Seven billion pesos (P7,000,000,000.00) for procuring palay or unhusked rice from local farmers;

WHEREAS, the 2019 General Appropriations Act (GAA) provides a total allocation of Thirty-three billion nine hundred million pesos (P33,900,000,000.00) for rice subsidies, the largest of which is given to the beneficiaries of the Department of Social Welfare and Development (DSWD) under the *Pantawid Pamilyang*

Pilipino Program (4Ps), and that the remaining allocation for the rice subsidy programs of the DILG, DND, DOTr, and DENR shall also be utilized by the Department of Agriculture (DA), in coordination with the NFA, to buy palay directly from local farmers;

WHEREAS, the 4Ps grants beneficiaries rice subsidy in the amount of Six hundred pesos (P600.00) per month, which is equivalent to twenty (20) kilos of rice;

WHEREAS, under Section 8 of Republic Act No. 11203, the NFA is tasked to buy palay from local farmers all-year-round for the maintenance of a rice buffer stock and can be assigned to undertake direct local buying on behalf of the departments;

WHEREAS, local government units (LGUs) have to continually supply the rice requirement of their hospitals, jails, and other institutions, feeding programs and calamity programs using their own funds to purchase the commodity;

WHEREAS, LGUs are encouraged to coordinate with the DA and the NFA in the procurement of their rice requirements: Now, therefore, be it

1 *Resolved by the House of Representatives and the Senate of the*
2 *Philippines in Congress assembled, To authorize the use of the rice*
3 *subsidy as provided in the GAA for the purchase of palay from local*
4 *farmers, mandating for the purpose the DSWD, DILG, DND, DOTr,*
5 *and DENR, in coordination with the DA and NFA, to directly*
6 *purchase palay from local farmers and to distribute the rice subsidy*
7 *allowance to their respective target beneficiaries in the form of*
8 *actual rice, instead of cash, in accordance with the procedure,*
9 *guidelines, and distribution system to be determined by the*
10 *concerned departments and agencies, taking into consideration*
11 *actual levels of production and possible areas of priority, especially*
12 *in identified rice-producing provinces.*

Approved,