

**MEMORANDUM ORDER** 

No. <u>30</u> Series of 2022

SUBJECT:

IMPLEMENTING GUIDELINES FOR THE RICE COMPETITIVENESS

ENHANCEMENT FUND - RICE FARMERS FINANCIAL ASSISTANCE

PROGRAM FOR FY 2022-2024 PURSUANT TO R.A. 11598,

ADOPTING FOR THE PURPOSE THE APPLICABLE PROVISIONS OF

M.O. NO. 64 AND 67 SERIES OF 2021

**WHEREAS,** the Department of Agriculture issued Memoranda No. 64 and 67, both Series of 2021 which serve as the Implementing Guidelines for the Rice Competitiveness Enhancement Fund – Rice Farmers Financial Assistance (RCEF-RFFA) Program.

**WHEREAS,** Section 13 of Republic Act (RA) No. 11203, "An Act Liberalizing the Importation, Exportation and Trading of Rice, Lifting for the Purpose the Quantitative Import Restriction on Rice, and for Other Purposes", stipulates that a Rice Competitiveness Enhancement Fund (RCEF), otherwise known as the Rice Fund shall be created, consisting of an annual appropriation of Ten Billion Pesos (Php 10,000,000,000.00) for the next six (6) years following the approval of the said Act. The Rice Fund shall be used for rice farm machinery and equipment; rice seed development, propagation, and promotion; expanded rice credit assistance; and rice extension services to rice producing areas.

**WHEREAS,** Section 13 of same Act also states that if the annual tariff revenues from rice importation exceeds Ten Billion Pesos in any given year within the six (6) year period following the effectivity of the Act, the excess tariff revenues shall be earmarked by the Congress and included in the General Appropriations Act (GAA) of the following year for other intended purposes.

**WHEREAS**, the Bureau of Customs shall issue a certification, not later than April 15 of every fiscal year, on the annual tariff revenue from rice importation of the preceding year to the Department of Budget and Management, copy furnished the Department of Agriculture (DA), Department of Finance, and Bureau of Treasury, commencing upon the effectivity of the Act. This certification shall likewise include the amount in excess of Ten Billion Pesos (P10,000,000,000,000,00), if any, from the tariff revenue from rice importation the preceding year.

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**WHEREAS,** among the intended purposes of the excess tariff revenue is the Rice Farmers Financial Assistance. The fund is released to the DA and provided as financial assistance to rice farmers who are farming two (2) hectares and below as compensation for the projected reduction or loss of farm income arising from the tariffication of the quantitative import restrictions on rice.

**WHEREAS**, stipulations from Unprogrammed Appropriations under Special Provision No. 22: Use of Excess Tariff Collections from Rice Importation states that the excess of the Ten Billion Pesos (Php 10,000,000,000.00) collected by the Bureau of Customs (BOC) for the year 2020 under the Rice Tariffication Law, shall be released as cash assistance for rice farmers as compensation for the projected reduction or loss of farm income arising from the tariffication.

**WHEREAS,** a veto message from the President was released regarding these two Special Provisions regarding the identification of program beneficiaries wherein the above-mentioned provisions should be in accordance with RA 11203. Therefore, the subsidies shall be provided to rice farmers who are tilling two (2) hectares and below.

**WHEREAS,** Republic Act No. 11518 otherwise known as the GAA for Fiscal Year 2021 stated in Special Provision No. 3: Rice Farmers Financial Assistance Program, that an amount of Two Billion one hundred thirty-five million two hundred ninety-nine thousand Pesos (Php 2,135,299,000.00) is appropriated to the DA to provide direct cash transfers to rice farmers.

**WHEREAS,** Republic Act No. 11598 or the Cash Assistance for Filipino Farmers Act approved on December 10, 2021 by President Rodrigo R. Duterte, the government recognizes the urgency to assist the farmers in view of the declining palay prices and the crippling effect of COVID-19 pandemic. As such, it shall provide monetary assistance to the hardest hit segments of the country's small farmers in the form of giving cash to farmers.

**WHEREAS**, Section 3 of RA 11598 authorizes the DA to utilize the annual tariff revenues in excess of Ten Billion Pesos (Php 10,000,000,000.00) as provided in Section 13 of Republic Act No. 11203, on the RCEF, to directly provide cash assistance to farmers who are tilling (2) hectares and below of rice land until 2024. This means that the revenues to be collected in excess of the Ten Billion Pesos shall be solely devoted to cash assistance to the rice farmers.

**WHEREAS,** R.A. No. 11598 further states that the BOC is mandated to directly transfer the said excess funds to the Department.





**WHEREAS**, Memorandum Order No. 64, Series of 2021, "Implementing Guidelines for the Rice Competitiveness Enhancement Fund-Rice Farmers Financial Assistance Program (RCEF-RFFA)" provides that the said issuance can be amended or supplemented as deemed necessary.

**NOW THEREFORE** a supplemental guideline in the implementation of RCEF-RFFA Program on the prioritization of farmer-beneficiaries pursuant to RA 11598 is issued for adoption:

## Prioritization of Farmer-Beneficiaries for Cash Assistance

The criteria in the prioritization of farmers-beneficiaries are presented by tier taking into consideration the following: receipt of cash assistance from DA, registration in RSBSA, and rice area cultivated.

The prioritization criteria are as follows:

Tier	Prioritization Criteria
1	<ul> <li>Eligible beneficiaries who have not yet received any cash assistance from any of the following cash assistance programs: RFFA 2019, Financial Subsidy for Rice Farmers (FSRF) 2020, and RCEF-RFFA;</li> <li>Registered in the Registry System for Basic Sectors in Agriculture (RSBSA); and</li> <li>Must be farming rice areas of two (2.0) hectares and below.</li> </ul>
2	<ul> <li>Eligible beneficiaries who were able to receive cash assistance once from any of the following cash assistance programs: RFFA 2019, FSRF 2020, and RCEF-RFFA;</li> <li>Registered in the Registry System for Basic Sectors in Agriculture (RSBSA); and</li> <li>Must be farming rice areas of two (2.0) hectares and below.</li> </ul>
3	<ul> <li>Eligible beneficiaries who were able to receive cash assistance twice from any of the following cash assistance programs: RFFA 2019, FSRF 2020, and RCEF-RFFA;</li> <li>Registered in the Registry System for Basic Sectors in Agriculture (RSBSA); and</li> <li>Must be farming rice areas of two (2.0) hectares and below.</li> </ul>



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This Memorandum Order shall take effect immediately and supersedes Memorandum Order No. 21, Series of 2022.

Done this  $2n^{nd}$  day of n 2022.

WILLIAM D. DAR, Ph.D.

Secretary

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DEPARTMENT OF AGRICULTURE

in replying pls cite this code : For Signature: \$-03-22-0641 Received : 03/24/2022 08:50 AM

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