

# Awareness and Implications of the Rice Tariffication Law (Republic Act 11203) among Irrigation Association Members in Dipolog City, Philippines

## Article History:

Received: 14 September 2024

Accepted: 18 September 2024

Published: 09 October 2024

Yvone L. Sadoy<sup>1</sup>, Renato F. Malate<sup>1</sup>, Lea A. Amador<sup>1</sup>, Rassel O. Lanioso<sup>1</sup>, Maria Juliet B. Sanlitan<sup>1</sup>, Ed Jo Albert B. Padrones<sup>2</sup>, Jay A. Roslinda<sup>3</sup>, Ludito V. Ramirez<sup>4</sup>, Crismar V. Hoylar<sup>5</sup>

<sup>1</sup>College of Business Administration, Jose Rizal Memorial State University-Katipunan Campus, Zamboanga del Norte, Philippines

<sup>2</sup>College of Agriculture and Forestry, Jose Rizal Memorial State University-Katipunan Campus, Zamboanga del Norte, Philippines

<sup>3</sup>College of Business Administration, Jose Rizal Memorial State University- Dapitan Campus, Sta. Cruz, Dapitan City Philippines

<sup>4</sup>College of Arts and Sciences, Southern Leyte State University, Sogod, Southern Leyte, Philippines

<sup>5</sup>School of Arts and Sciences, Biliran Province State University, Biliran, Philippines

## Abstract

The Rice Tariffication Law, enacted in the Philippines in 2019, aimed to reduce rice prices for consumers while supporting rice growers through various assistance measures. This study assessed the awareness and implications of the Rice Tariffication Law (Republic Act 11203) among irrigated rice farmers in selected barangays of Dipolog City, Philippines. Interviews with 82 farmers revealed that although 71% were aware of the law, their understanding of its objectives (71%) and key provisions (70%-77%) was limited. Nevertheless, all participants received government assistance in the form of farm mechanization, fertilizers, financial aid, and seeds. Farmers unanimously acknowledged both the positive and negative effects of the law. Statistical analysis showed a significant difference in the average income per hectare of rice farmers before and after the law's implementation. The study recommends educational initiatives, particularly through institutions like Jose Rizal Memorial State University, to enhance farmers' understanding and dissemination of the law's objectives and key provisions.

**Keywords:** Rice Tariffication Law, awareness, perceived positive effects, perceived negative effects



Copyright © 2024. The Author/s. Published by VMC Analytik's Multidisciplinary Journal News Publishing Services. Awareness and Implications of the Rice Tariffication Law (Republic Act 11203) among Irrigation Association Members in Dipolog City, Philippines © 2024 by Yvone L. Sadoy, Renato F. Malate<sup>1</sup>, Lea A. Amador, Rassel O. Lanios, Maria Juliet B. Sanlitan, Ed Jo Albert B. Padrones, Jay A. Roslinda, Ludito V. Ramirez, Crismar V. Hoylar is licensed under [Creative Commons Attribution \(CC BY 4.0\)](https://creativecommons.org/licenses/by/4.0/).

## INTRODUCTION

Rice, a staple food grain, is a crucial source of fiber, energy, minerals, vitamins, and other biomolecules, offering numerous health benefits, as evidenced in pre-clinical and clinical studies (Sen et al., 2020). Due to its therapeutic properties, rice is increasingly used in pharmaceuticals, food additives, and supplements. In the Philippines, rice has been the primary staple food. However, the ongoing population growth (1.3% in 2020) and the reduction of agricultural land due to its conversion into residential, commercial, and industrial areas have created significant challenges in rice supply and pricing, thereby impacting the economy. These factors have led to a substantial increase in annual rice imports, with a 108% rise in volume (2.01 million metric tons) and a 154% rise in value (Php 45.79 billion) in 2018 (PSA, 2019). Despite the increased

imports, rice supply has struggled to meet demand, causing prices to soar as high as P70 per kilo in 2018. Considering that 17.6 million Filipinos live below the poverty line and over half (64%) face food insecurity (Lenahan, 2020), any policy affecting rice supply and pricing has profound implications.

In 2019, Republic Act 11203, known as the Rice Tariffication Law, was signed by President Duterte. This law aligns with World Trade Organization principles by replacing quantitative import restrictions with a 35% tariff on rice imported from ASEAN members (Balie et al., 2020). The law also eliminated the National Food Authority's role in rice importation and increased government revenue through tariffs. While it succeeded in reducing rice prices for consumers by nearly half by early 2020, it negatively impacted rice growers, who faced lower paddy prices. To address this,

the government introduced the Rice Competitive Enhancement Fund (RCEF), designed to modernize rice farms, improve productivity and efficiency, enhance farm mechanization, promote the use of improved rice seeds, provide credit, and develop modern rice farming techniques (Balie et al., 2020). This fund is financed by tariff revenues.

Despite the measures implemented to support farmers, there is a lack of studies assessing farmers' awareness and perceptions of the law's implications, particularly among irrigated rice farmers in Dipolog City. This study aims to address that gap by examining the awareness and implications of the Rice Tariffication Law on these farmers.

Dipolog City spans 241 square kilometers and had a population of 138,141 as of 2020. It includes 21 barangays, covering 13,598 hectares, with 1,600 hectares dedicated to rice farming (1,100 hectares irrigated and 500 hectares rainfed).

## LITERATURES

Overview of Philippine Rice Industry. The Philippines became self-sufficient in rice in the 1970s and was an exporter of rice to neighboring countries such as Indonesia, China, and Myanmar. However, with the rapid increase in population and limited land resources to produce the total rice requirement, the country slowly turned into a net rice importer. According to Simeon (2019) as cited by Tobias (2019), the Philippines is the second largest rice importer in the world next to China. In 2017, the country imports rice mainly from Vietnam (52%) and Thailand (29%) (Santiago, 2019). In 2018 Philippines produced a total of 10,352, 878 metric tons of rice. Central Luzon topped the rice production besting Western Visayas and Ilocos Region and other rice producer's region (PSA, 2018).

The Rice Tariffication Law. The Rice Tariffication Law is also known as the Rice Liberalization Act or Republic Act No. 11203, which amends the Agricultural Tariffication Act of 1996 that imposed tariff to agricultural imports except for rice was signed into law by President Duterte in

2019. Primarily, the law aims to lift the quantitative restriction (QR) on rice imports and replace it with a general tariff. The Agricultural Tariffication Act of 1996 served as the Philippine government's compliance to our obligation to WTO, lifting QRs and imposing tariff to agricultural products (Tobias, 2019).

The objectives of the Rice Tariffication Law according to Tobias (2019) are the following: Fulfill the international commitment when we joined the World Trade Organization in 1995. Replace the QR on rice with another form of protection that is more transparent and generate revenues to support the sector – or a tariff, ensure the availability of rice in the domestic market for the accessibility of greater majority of the population by allowing more private traders (big or small) to participate in importing rice, lower domestic rice prices to levels that would be affordable to greater majority of the population, make domestic market function effectively and efficiently with much reduced/no government intervention, provide farmers equivalent protection with the imposition of 35% or higher tariff rates on rice imports and preferential assistance to rice farmers, adversely affected by tariffication, provide opportunity for farmers to earn more in the world market, and the law also lifted the restriction on rice exports to encourage farmers to produce much better quality heirloom/ traditional rice geared to exports.

Tariffication, Lifting of Quantitative Restriction on Imports and Exports and the Power of the President. Tariffs are set at 35% tariff rate on all rice imports from ASEAN countries, and a 40% tariff on all imports from non-ASEAN countries removal of the QR will also increase imports and depress "palay" prices. Upon the recommendation of the NEDA and as advised by the National Food Authority Council (NFAC), the President "may increase, reduce, revise or adjust existing rates of import duty up to the bound rate" of rice tariffs. In case of imminent of forecast shortage," the draft IRR provides that the President may allow the importation of rice at a lower applied tariff "for a limited period and/ or specified volume to address the situation (Tobias, 2019).

Creation of the Rice Competitiveness Enhancement Fund (RCEF). The RCEF will be allocated to rice producing areas earmarked as follows: 50% will go to the Philippine Postharvest Development and Modernization (PhilMech) to provide farmers with rice farm machineries and equipment; 30% will be released to the Philippine Rice Research Institute (PhilRice) to be used for the development, propagation and promotion of inbred rice seeds to rice farmers and the organization of rice farmers into seed grower's associations engaged in seed production and trade; 10% will be made available in the form of credit facility with minimal interest rates and with minimum collateral requirements to rice farmers and cooperatives to be managed by the Land Bank of the Philippines and the Development Bank of the Philippines; and 10% will be set aside to fund extension services by PhilMech, Agricultural Training Institute (ATI), and the Technical Education and Skills Development Authority (TESDA) for teaching skills on rice crop production, modern rice farming techniques, seed production, farm mechanization, and knowledge/ technology transfer through farm schools nationwide (Tobias, 2019).

Rice Industry Road Map. The Department of Agriculture (DA), together with relevant agencies, will have to formulate a Rice Industry Roadmap to spell out the critical interventions that need to be put in place to assist the small rice farmers, especially those that will be most affected by the tariffication. DA Secretary Emmanuel Piñol issued Special Order No. 358 which created a National Rice Roadmap Team (Tobias, 2019).

Issuance of Sanitary and Phytosanitary Import Clearance for Rice for the Sole Purpose and National Single Window Program. The law allows unlimited importation of rice as long as private sector traders secure a phytosanitary permit from the Bureau of Plant Industry and pay the 35% tariffs for shipments from neighbors in Southeast Asia. This covers even rice importation for the purposes of donation during calamities and emergency situations. In these instances, the agency/ office/

organization or private entities, if they are based in the Philippines, will be required to secure phytosanitary import clearances (SPSIC 2019). And a proposed measure that setting up of a single window system for rice by the Bureau of Customs to address rice smuggling (Tobias, 2019).

Rice Tariffication and Inflation. The newly approved Rice Tariffication Law, approved by Congress on November 2018 will remove the National Food Authority's (NFA) power to import and distribute cheaper rice. With Senator Cynthia Villar as the principal author, the measure was prepared jointly by the Committees of Agriculture and Food, on Ways and Means, and on Finance. It is in substitution of Senate Bill Nos. 1476, 1689, 1839, taking into consideration Proposed Senate Resolutions Nos. 143, 146, and House Bill No. 7735, with Senators Ralph Recto, Leila De Lima, Joel Villanueva, Risa Hontiveros, Grace Poe, Sherwin Gatchalian, and Cynthia Villar as authors. The law was prompted because the surging inflation of rice price during the last quarter of 2018 after the rice stocks of NFA ran out. Further, according to Philippine Statistics Authority (PSA) data, rice was the number one contributor to inflation last September 2018, while food items in the consumption basket accounted for more than half of the inflation rate in the same month. Consumers bought regular - milled rice at an average price of Php 37.89/kg (US\$ 0.72/kg) and well - milled rice at Php 41.93/kg (US\$ 0.80/kg). Price of the rice have continued to go up since then. Farmers enjoyed the highest buying price for "palay" which was recorded at Php 22.00/kg. The rise in rice prices, both at the farm - gate and retail levels, contributed significantly to inflation. As Filipinos continue to struggle with inflation, the government found ways to temper rising inflation. One way of doing it is by passing the Rice Tariffication Bill (Tobias, 2019).

Effects of Rice Tariffication. According to Tobias (2019), the Rice Tariffication Law is seen to have a positive and negative effect on the rice industry. The positive effects are; a) lower retail price for consumers, b) address the rice shortage, c) lower inflation rates and d)

interventions to support rice farmers. The negative effects are: 1) New Law Lacks Safety Nets for Filipino, 2) Potential displacement of farmers NFA employees, accredited NFA retailers, rice millers and rice by – product producers. Aside from the obvious displacement of rice farmers, NFA employees and some 90,000 accredited NFA rice retailers nationwide, the deregulation of rice imports goes beyond the industry, some of the businesses and industries that will be affected by liberalization rice imports includes the following: a) Millers, b) Animal Feeds and Beer Industry, c) Biomass, Construction Industry, and 3) Enable Cartels of the Rice Trade and Will Throw Poor Sectors Into a Worsened State of Hunger.

## METHODOLOGY

This study employed a descriptive-quantitative research method, utilizing a structured questionnaire to collect data from 82 rice farmers who are members of the Dipolog Polanco Irrigators Association Inc. in Dipolog City, Philippines. The questionnaire was designed to assess the farmers' awareness of the Rice Tariffication Law, including its objectives, key provisions, and the perceived positive and negative effects on their livelihood. The data were analyzed using descriptive statistics, such as frequency distributions and percentages, to profile the respondents' demographics and their perceptions of the Rice Tariffication Law. Additionally, a t-test was conducted to examine significant differences in the farmers' income levels before and after the law's implementation.

Purposive sampling was used to select the respondents, ensuring that the sample was representative of the target population. Participants were chosen based on their membership in the Dipolog Polanco Irrigators Association Inc., which provided a convenient and accessible pool of rice farmers for the study.

The advantages of this descriptive-quantitative approach include its ability to capture both descriptive and quantitative aspects of the

farmers' experiences and perceptions, offering a comprehensive understanding of the Rice Tariffication Law's impact on rice farmers in Dipolog City.

## RESULTS AND DISCUSSION

4.1 The Profile of the Rice Farmers. Table 1 below presents the profile of the 82 rice farmers interviewed from the Dipolog Polanco Irrigators Association in Dipolog City. The farmers surveyed were almost evenly divided between landowners (46%) and tenants (54%). Among the tenants, the majority (75%) were engaged in rental agreements, while a smaller portion (25%) participated in share cropping arrangements. Most of the farmers were over 50 years old (77%) and had been farming for more than 30 years (72%). This profile is consistent with the findings of Vertudez et al. (2020), where the majority of rice farmer respondents were over 50 years old and had 31-40 years of farming experience.

The land areas of the farms were nearly evenly split between those farming approximately one hectare and those farming more than one hectare. Specifically, 57% of the 82 farmers had a rice farm area of 0.99 hectares or less, while 49% had arable land ranging from one to four hectares. In the last cropping season, the average rice harvest ranged from 80 bags (4 metric tons) to 100 bags (5 metric tons) per hectare. These findings are similar to those of Palis (2020), where the average farm size was 1.3 hectares, and the average harvest was 4.37 metric tons per hectare.

Table 1  
*The Profile of the Rice Farmers*

Description	No. of Responses	Percent (%)
<b>Tenure Status</b>		
Tenant	44	54
Owner	38	46
<b>Specified sharing if tenant</b>		
Rental payment	33	75
10% sharing for the tenant	11	25
Total	82	100
<b>Specified sharing if tenant</b>		
Rental payment	33	75
10% sharing for the tenant	11	25
Total	44	100
<b>Age</b>		
40-50 yrs old	19	23
51-60 yrs old	39	49
More than 60 years old	24	28
Total	82	100
<b>Number of years in farming</b>		
Less than 20 years	6	7
20-29 years	25	31
30-39 years	32	39
More than 40 years	19	23
Total	82	100
<b>Area of rice farm:</b>		
3 - 4 has.	1	1
2 - 2.9 has	7	9
1.9 - 1.0 ha.	27	33
0.99 - 0.10 ha.	47	57
Total	82	100
<b>Average production (bags/ha/cropping) (50kls. /bag)</b>		
80 - 100 bags	72	88
101 - 120 bags	8	10
121 - 140 bags	1	1
140 and above	1	1
Total	82	100

4.2 The Degree of Awareness of Rice Farmers about the Rice Tariffication Law's Objectives. Figure 1 illustrates the degree of awareness among rice farmers regarding the Rice Tariffication Law and its objectives. While more farmers were aware of the law itself than those who were not, a larger proportion were unaware of its objectives compared to those who were informed. This suggests that although many farmers are aware of the law, they lack an understanding of its objectives. These findings align with the study by Vertudez et al. (2020) on selected rice farmers in Nueva Ecija, where the

majority (81%) were familiar with the law, yet many (69%) had little knowledge about its objectives and implementation.

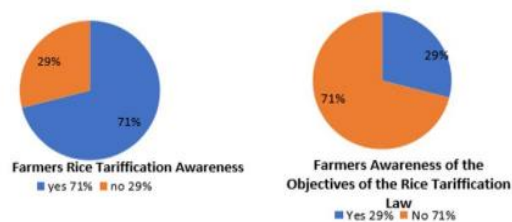


Figure 1  
*Percent Distribution of the Respondents on their Awareness About Rice Tariffication Law and its Objectives*

Among those who were aware of the law, the primary source of information was the media, particularly television, with only a few obtaining information from government agencies. Those who were unaware of the law cited difficulty in understanding it and a lack of information sources as the main reasons. This suggests that the government agency responsible for implementing the law's provisions and programs has not been effective in disseminating information or in clearly explaining the law's importance to rice farmers.

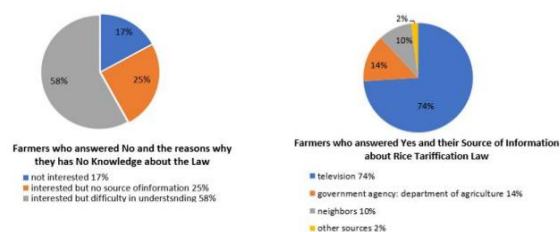


Figure 2  
*Percent Respondents on their Awareness About Rice Tariffication Law and its Objectives*

4.3 The Degree of Awareness of Rice Farmers about the Rice Tariffication Law's Key Provisions. Table 2 shows that although many respondents were aware of the Rice Tariffication Law, most did not understand its key provisions. This indicates a need for better education and communication to ensure that rice farmers fully comprehend the law, its key provisions, and how it will impact their livelihoods.

**Table 2**  
*The percent distribution of respondents who were aware about the key provisions of the Rice Tariffication Law*

Key Provisions		No. of Responses	Percentage (%)
1. Tariffication, Lifting of quantitative restriction on inputs and exports and the power of the President.	Yes	19	23
	No	63	77
35% tariff rate on all imports rice from ASEAN countries			
Total		82	100
• 40% tariff on all inputs from Non – ASEAN countries	a. Yes	19	23
	b. No	63	77
Total		82	100
Removal of the QR will also increase imports and depress "palay" prices	Yes	19	23
	No	63	63
Total		82	100
The president may increase, reduce, revise, or adjust existing rules of import duty up to the board rates of rice tariffs	Yes	22	27
	No	60	73
Total		82	100
2. Creation of the Rice Competitiveness Enhancement Fund (RCEF)			
Fund will be created from tariff revenues of rice imports and will be used to directly support rice farmers and fund innovative undertakings of the government to further strengthen the rice industry	Yes	25	30
	No	57	70
Total		82	100
50% of the fund will go to the Postharvest Development and Modernization (PhilMech) to provide farmers with rice farm machineries and equipment	Yes	19	23
	No	63	77
Total		82	100
30% will be released to the Phil. Rice Research Institute (PhilRice) to be used for the development, propagation and promotion of the inbred rice seeds to the rice farmers	Yes	19	23
	No	63	77
Total		82	100
10% will be made available in the form of credit facility and cooperatives to be managed by the Land Bank of the Phils. and the Development Bank of the Phils.	Yes	19	23
	No	63	77
Total		82	100
10% will be set aside to fund extension services by the PhilMech, Agricultural Training Institute (ATI) and the Technical Education and Skills Development Authority (TESDA) for teaching skills on rice crop production, modern rice farming techniques, seed production, farm mechanization, and knowledge/technology transfer through school nationwide.	Yes	19	23
	No	63	77
Total		82	100
3. Rice Industry Map			
The Department of Agriculture (DA), together with relevant agencies will have to formulate a rice industry road map to spell out the critical interventions that need to put in place to assist the small rice farmers, especially those that will be most affected by the tariffication	Yes	19	23
	No	63	77
Total		82	100
4. Issuance of Sanitary and Phytosanitary Import Clearance for rice for the sale purpose and National Window Program			
• The law allows unlimited importation of rice as long as private sector traders secure a phytosanitary permit from the Bureau of Plant Industry and put the 35% tariff for shipment from neighbors in the Southeast Asia.	a. Yes	58	71
	b. No	24	29
Total		82	100

4. Issuance of Sanitary and Phytosanitary Import Clearance for rice for the sale purpose and National Window Program			
• The law allows unlimited importation of rice as long as private sector traders secure a phytosanitary permit from the Bureau of Plant Industry and put the 35% tariff for shipment from neighbors in the Southeast Asia.	a. Yes	58	71
	b. No	24	29
Total		82	100
• A proposed measure the setting of a single window system for rice by the Bureau of Customs to address rice smuggling			
a. Yes	24	29	
b. No	58	71	
Total		82	100

The Rice Tariffication Law includes precautionary measures to mitigate its adverse effects on rice farmers, providing technical and financial benefits as part of the program. Table 3 shows the percentage of farmers who received these forms of assistance. With few exceptions, nearly all farmers benefited from farm mechanization, technical support, fertilizer inputs, financial assistance, and seeds. These findings are consistent with the study by Vertudez et al. (2020), where the majority of rice farmers received certified seeds (92%), credit assistance (62%), and technical assistance (25%).

#### Assistance and Benefits Received by the Farmers as Stipulated in the Law

**Table 3**  
*Frequency distribution and percent of Rice Farmers who availed of the benefits and assistance under the law*

Distributed to Rice Farmers	Availed		Not Availed		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Mechanization	82	100	0	0	82	100
Technical Assistance	82	100	0	0	82	100
Fertilizer	82	100	0	0	82	100
Financial Assistance	78	95	4	5	82	100
Seeds	77	94	5	6	82	100

Perceived Positive and Negative Effects of the Rice Tariffication Law on Rice Farmers. The farmer-respondents were unanimous in their perceptions of both the positive and negative effects of the Rice Tariffication Law. As shown in Table 4, they all agreed that the law would benefit consumers through stable and reduced market prices, address rice shortages, and provide support interventions for rice growers. This is supported by the findings of Briones (2019), who observed that the immediate aftermath of the law led to a 15% decline in the retail price of well-milled rice from 2018 to 2019,

which had a positive effect on overall inflation (which declined by 0.8%) and the rice index (which declined by 9.7%).

However, the respondents also expressed concerns about the negative effects of the law, as shown in Table 5. They feared that the law would be detrimental to rice farmers, particularly due to the lack of government regulations and the reduction in income caused by lower farm gate prices and competition from cheaper imported rice. This concern is supported by the study of Vertudez et al. (2020), where 63% of rice farmers believed, they would struggle to compete with cheaper imported rice. Briones (2019) also found that the importation of cheaper rice led to a steep 30% drop in the farm gate price, from Php 23 per kg in 2018 to Php 16 per kg in 2019.

**Table 4**  
*The Percent Distribution of Respondents to the Perceived Positive Effects\* of the Rice Tariffication Law*

Perceived Positive Effects	No. of Responses	Percentage
<b>1. Address the rice shortage</b>		
Statements: Possible savings for the consumers as it allows no limit in terms of the volume of imports which will eventually stabilize prices	Yes 82 No 0	100 0
<b>Total</b>	<b>82</b>	<b>100</b>
<b>2. Address the urgent need to improve availability of rice in the country, prevent artificial rice shortages, reduce the price in the market and curtail corruption and cartel domination in the rice industry</b>	Yes 82 No 0	100 0
<b>Total</b>	<b>82</b>	<b>100</b>
<b>3. Lower inflation rate</b>		
The law will reduce government's role in the rice importation and lead to more rice imports by the private sectors.	Yes 82 No 0	100 0
<b>Total</b>	<b>82</b>	<b>100</b>
<b>4. Interventions to support rice farmers.</b>		
RCEF will provide key interventions to support farmers and enhance their competitiveness and profitability, including farm machinery and equipment.	Yes 82 No 0	100 0
<b>Total</b>	<b>82</b>	<b>100</b>

\*Source: Tobias, Annette M. (2019). *The Philippine Rice Tariffication Law: Implications and Issues* (<https://ap.iftc.org.tw/article/1372>)

**Table 5**  
*The Percent Distribution of the Respondents to the Perceived Negative Effects\* of the Rice Tariffication Law*

Perceived Negative Effects	No. of Responses	Percentage
<b>1. The law lacks safety nets for Filipino farmers</b>		
Statements: Farmer groups clamour that the new law will make them compete with the cheap rice imports, making them more penniless.	Yes 82 No 0	100 0
<b>Total</b>	<b>82</b>	<b>100</b>
<b>The lack of government regulations worries stakeholders and measures should be in place to ensure that Filipino farmers will not suffer with the rice tariffication and that "safety nets" are available for farmers.</b>	Yes 82 No 0	100 0
<b>Total</b>	<b>82</b>	<b>100</b>
<b>2. Potential displacement of farmers, NFA employees, accredited NFA retailers, rice millers, and rice by-product producers</b>		
There are around 6,600 registered millers all over the country who employed 55,00 workers that will be affected by the rice tariffication law.	Yes 82 No 0	100 0
<b>Total</b>	<b>82</b>	<b>100</b>
<b>A by-product of the rice milling process, the rice brans used for making animal and aqua manure feeds.</b>	Yes 82 No 0	100 0
<b>Total</b>	<b>82</b>	<b>100</b>
<b>A drop in local rice output will also mean a decrease in rice hull, which is used as fuel for biomass furnaces used in the provinces to provide electricity.</b>	Yes 82 No 0	100 0
<b>Total</b>	<b>82</b>	<b>100</b>
<b>3. Enable cartels of the rice trade and will throw poor sectors into a worsened state of hunger.</b>	Yes 82 No 0	100 0
There is no guarantee that the retail prices will be lower in the long run with the unhampered importation.		
<b>Total</b>	<b>82</b>	<b>100</b>
<b>Relaying on rice imports makes the country vulnerable to higher world market prices as well as to the rice production and expert decisions of other countries.</b>	Yes 82 No 0	100 0
<b>Total</b>	<b>82</b>	<b>100</b>
<b>4. Lower farm gate price of palay resulting to decreased income of farmers.</b>	Yes 82 No 0	100 0
Importation of cheap rice resulted to palay prices at farm gate level affecting profitability of rice farmers.		
<b>Total</b>	<b>82</b>	<b>100</b>
<b>Wholesalers and millers prefer imported rice than local rice because of its cheap price.</b>	Yes 82 No 0	100 0
<b>Total</b>	<b>82</b>	<b>100</b>

\*Some negative effects were obtained from Tobias, Annette M. (2019). *The Philippine Rice Tariffication Law: Implications and Issues* (<https://ap.iftc.org.tw/article/1372>)

Test of Significant Difference in the Average Income per Hectare Before and After the Implementation of the Law. One of the major concerns of rice farmers is the detrimental effect of the law on their income, which has resulted from lower farm gate prices and competition with cheaper imported rice. Table 6 shows the average income per hectare before and after the implementation of the law. The average income per hectare for rice farmers decreased by 25% after the law was enacted, indicating a negative impact in terms of reduced income. In a study on the welfare impacts of rice tariffication, Briones (2019) found that farm gate prices of palay dropped from Php23 per kg in 2018 to Php16 per kg in 2019, a steep 30% decline in just one year. According to him, while cheap imports benefited net rice consumers by lowering retail prices, they also drove down farm gate prices, adversely affecting net rice producers. Similarly, Balie et al. (2020) found that the law reduced both consumer and producer rice prices, impacting the households of consumers and producers alike. However,

rice growers who are net sellers were negatively affected.

Table 6  
*Average Income per hectare before and after the implementation of the RT Law*

Barangay	Before RT Law	After RT Law
	Total Income (Php)	Total Income (Php)
Galas	1,998,900.00	1,445,800.00
Gulayon	1,131,300.00	843,300.00
Olingan	1,904,700.00	1,403,800.00
Punta	1,610,000.00	1,281,800.00
Total Income	6,644,900.00	4,974,700.00
Average Income per hectare*	81,382.73	60,927.13
Percent Increase (decrease)		(25%)

\*Average income per hectare: Total income divided by 81.65 hectares

Table 7 presents the test for a significant difference in the average income per hectare before and after the implementation of the law at a 0.05 level of significance. The table shows that there is a significant difference in the average income per hectare before and after the law's implementation ( $p$ -value < 0.05). As indicated in the table, the mean difference is positive, signifying that the income per hectare before the law was higher than the income after its implementation. This implies that the average income of the farmers decreased following the law's enactment. Furthermore, the farmers' income was negatively affected, supporting the rice farmers' concerns regarding reduced income due to lower farm gate prices and increased competition from cheaper imported rice as a result of the law.

Table 7  
*Paired Sample T-test on the Difference in the Average Income per Hectare Before and After the Implementation of the Law*

Variables	Mean	Degree of Freedom	P-Value
Income per Hectare Before and After the Implementation of the Law	417 550	3	.008

**Conclusions and Recommendation.** The majority of rice farmers, who have been farming for over 30 years and typically cultivate small areas of less than 2 hectares, achieve an average harvest of 4 to 5 metric tons per hectare. Despite their extensive experience, they often lack information about the objectives

and key provisions of relevant agricultural laws, relying primarily on media, particularly television, for updates. Government assistance, as mandated by these laws, has been provided in various forms, including farm mechanization, technical support, fertilizer, financial aid, and seeds. Farmers acknowledge both the positive and negative impacts of these laws. However, the implementation of these regulations has significantly affected the average income per hectare for rice farmers.

It is recommended that educational institutions, such as Jose Rizal Memorial State University, in coordination with the Local Government Unit and other relevant government agencies, conduct extension programs to disseminate the objectives and key provisions of the Rice Tariffication Law. This initiative aims to increase farmers' awareness of the law. The extension and information campaign should also include alternative livelihood training and seminars for rice farmers and their households to provide additional sources of income to compensate for the decrease in earnings caused by the law.

**Acknowledgement.** The authors are immensely grateful to the Dipolog City Irrigators' Association, Inc. in Zamboanga del Norte for their invaluable support, and to the Visayas-Mindanao Consortium Journal Publication, Inc. for their significant initiative.

## REFERENCES

- Abe, J. (June 2020). *The Future of Big Data Analytics for the Philippines' Rice Industry Using the Integration of Mind Mapping and Future Wheel in Scenario Building*. Technology Management Center. University of the Philippines. Diliman.
- Alvarez, S.A., Jacoba, F., Antonio, O.C. A., Gabriel, A.G., & Herezo, M. C. (2022). *Food Sufficiency, Tariffication Policy, and Business Strategy: A New Business Model for the Rice Milling Industry in the Philippines*. *Management and Economics Journal*, 6(2). DOI:



<https://doi.org/10.18860/mec-j.v6i2.17020>

Agricultural Indicators Systems: Agricultural Exports and Imports, Phil. Statistics Authority (2019). Retrieved on October 22, 2021 at [https://psa.gov.ph/sites/default/files/ais\\_Agri\\_exports%20%26%20imports%202019\\_0.pdf](https://psa.gov.ph/sites/default/files/ais_Agri_exports%20%26%20imports%202019_0.pdf).

Balie, J., Minot, N., & Valera, H.G. (August 2020). Distributional Impact of the Rice Tariffication Policy in the Philippines. Retrieved on October 22, 2021 at [https://www.researchgate.net/publication/344072018\\_Distributional\\_Impact\\_of\\_the\\_Rice\\_Tariffication\\_Policy\\_in\\_the\\_Philippines](https://www.researchgate.net/publication/344072018_Distributional_Impact_of_the_Rice_Tariffication_Policy_in_the_Philippines). DOI: <http://dx.doi.org/10.2499/p15738coll2.133994>

Briones, R. M. (2019). Welfare Impacts of Rice Tarrification. Philippine Institute for Development Studies. Retrieved on October 29, 2021 at <https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1916.pdf>

Lenahan, D. (2020). 7 FACTS ABOUT POVERTY IN THE PHILIPPINES, retrieved on October 22, 2020 at <https://borgenproject.org/poverty-in-the-philippines-2/>.

Dipolog, Province of Zamboanga del Norte (2020). Retrieved on October 22, 2021 at <https://www.philatlas.com/mindanao/r09/zamboanga-del-norte/dipolog.html>

Hilado, A. R., Hugo, J. S., Kodama, H. D., Lebite, J. P., & Fronda, J. G. (2023). Rice Value Chain Analysis: Rice Seed Production as a Profitable Agribusiness in Nueva Ecija. *International Journal of Advanced Engineering, Management and Science*, 9(6). <https://i.ihspublishing.com/index.php/ijaems/article/view/122>. DOI: <https://dx.doi.org/10.22161/ijaems.96.3>

House of Representatives. An Act liberalizing the importation, exportation, and trading of rice, lifting for the purpose the quantitative import restriction on rice, and for other purposes. Retrieved on September 18, 2019 at <https://bit.ly/2I9lK97>

Palis, F. (2020). Aging Filipino Rice Farmers and Their Aspirations for their Children. *Philippine Journal of Science*. Retrieved on October 29, 2021 at [https://philjournalsci.dost.gov.ph/images/pdf/pjs\\_pdf/vol149no2/aging\\_filipino\\_rice\\_farmers\\_.pdf](https://philjournalsci.dost.gov.ph/images/pdf/pjs_pdf/vol149no2/aging_filipino_rice_farmers_.pdf)

Payla, J.N. (2017). Philippine Palay Production Survey. Retrieved on October 29, 2021 at [https://www.researchgate.net/publication/335601429\\_Philippines\\_Palay\\_Production\\_Survey](https://www.researchgate.net/publication/335601429_Philippines_Palay_Production_Survey)

PhilRice, 2012. "Proceedings of the Policy Seminar on Philippine Rice Trade Policy and Rice Security: Future Directions" [https://www.philrice.gov.ph/wpcontent/uploads/2014/09/Proceedings\\_TradeLib\\_Seminar\\_2015.pdf](https://www.philrice.gov.ph/wpcontent/uploads/2014/09/Proceedings_TradeLib_Seminar_2015.pdf) Accessed: April 14, 2019

PSA (2018). Available at <https://bit.ly/2wLTlKd>

Santiago, D. (2019). Philippines Rice Imports by Country. Retrieved on October 23, 2019 at <https://bit.ly/2VzEdU9>

Senate of the Philippines 18th Congress (2018). Senate approves Rice Tariffication Bill. Retrieved on October 27, 2019, at <https://bit.ly/39e6y6E>

Sen, S., Chakraborty, R., & Kalita, P. (2020). Rice - not just a staple food: A comprehensive review on its phytochemicals and therapeutic potential. *Trends in Food Science & Technology*. <https://doi.org/10.1016/j.tifs.2020.01.022>

Tobias, A.M. (2019). The Philippine Rice Tariffication Law: Implications and

Issues. Retrieved on October 14,2019 at  
<https://ap.fftc.org.tw/article/1372>

Vertudez, MF., Musa, CD., Cosilet, MA.,  
Salagubang, R., & Balaria, F. (2020).  
Impact of Rice Tariffication Law in  
selected Rice Farmers in Nueva Ecija,  
Philippines. Retrieved on October 10,2021  
at  
[https://ijaems.com/upload\\_images/issue\\_files/7IJAEMS-10320209-ImpactofRice.pdf](https://ijaems.com/upload_images/issue_files/7IJAEMS-10320209-ImpactofRice.pdf). DOI:  
<https://dx.doi.org/10.22161/ijaems.63.7>