

Evidences

Study #2652

Contributing Projects:

- P656 - 1.1.2 Improved Quantitative Strategic Foresight Modeling Tools and Applications

Part I: Public communications

Type: OICR: Outcome Impact Case Report

Status: On-going

Year: 2019

Title: PIM research informs agricultural policies aimed at ensuring the long-term success of the 2018 Rice Tariffication Act in the Philippines

Short outcome/impact statement:

With PIM support, IFPRI collaborated with the National Economic and Development Authority (NEDA) to inform policies for food security and adaptation to climate change in the Philippines. A first outcome was the adoption of the Rice Tariffication Act in 2018. In 2019, the government followed IFPRI and NEDA recommendations on how to compensate rice farmers negatively affected by the tariffication policy by launching the Rice Farmer Financial Assistance and a plan to increased rice productivity and crop diversification.

Outcome story for communications use:

The National Economic and Development Authority (NEDA) provides advice to policymakers in Congress and in the Executive Branch. As part of a longstanding collaboration initially supported by CCAFS and PIM, IFPRI and NEDA studied the impact of climate change on food production, food prices, and food security ([1], [2]) and assessed the effectiveness of alternative adaptation strategies. Analyses showing that the removal of rice subsidies and the replacement of quantitative restrictions on rice imports with tariffs would boost economic growth contributed to the government's decision to go ahead with a rice tariffication reform, which was passed by the House and Senate in 2018 and became law in 2019, with wide media coverage ([3], [4]).

IFPRI and NEDA continued to work together to assess agricultural policy options to complement the rice tariffication law ([5], [6], [7]). They stressed the need to use a portion of the tariff revenue to support small scale farmers for up to two years through cash transfers to compensate them for the decline in the price of unmilled rice resulting from the removal of quantitative restrictions on rice imports. In addition, a significant portion of rice farmers located in low-productivity zones have little or no chance of improving their competitiveness, which is why IFPRI and NEDA recommended incentives for these farmers to shift to more profitable, high-value crops.

Based on these recommendations, in December 2019 the Department of Agriculture launched the Rice Farmer Financial Assistance – an unconditional cash transfer which will benefit 600,000 rice farmers whose farm size ranges from one-half hectare to two hectares ([8], [9]) – and a plan to increased rice productivity and crop diversification [10].

Links to any communications materials relating to this outcome:

- <https://tinyurl.com/y89lsqem>
- <https://www.ifpri.org/country/philippines>

Part II: CGIAR system level reporting

Link to Common Results Reporting Indicator of Policies : Yes

Policies contribution:

- 456 - With PIM support, the Department of Agriculture is crafting a policy to help farmers with low rice productivity either diversify their production or completely shift to more profitable, high-value crops. (<https://tinyurl.com/2gtly6v6>)
- 213 - Rice Tariffication Law (Philippines) (<https://tinyurl.com/2nlzfk3a>)
- 455 - The Rice Farmer Financial Assistance is an unconditional cash transfer to 600,000 small rice farmers adversely affected by the 2019 Rice Tariffication Act, which was implemented following PIM recommendations. (<https://tinyurl.com/2z4q4t5o>)

Stage of maturity of change reported: Stage 2

Links to the Strategic Results Framework:

Sub-IDOs:

- Diversified enterprise opportunities
- Conducive agricultural policy environment

Is this OICR linked to some SRF 2022/2030 target?: Yes

SRF 2022/2030 targets:

- Increased rate of yield for major food staples from current 1%/year
- # of people, of which 50% are women, assisted to exit poverty

Description of activity / study: <Not Defined>

Geographic scope:

- National

Country(ies):

- Philippines

Comments: <Not Defined>

Key Contributors:

Contributing CRPs/Platforms:

- PIM - Policies, Institutions, and Markets

Contributing Flagships:

- F1: Technological Innovation and Sustainable Intensification

Contributing Regional programs: <Not Defined>

Contributing external partners:

- NEDA - National Economic and Development Authority (Philippines)

CGIAR innovation(s) or findings that have resulted in this outcome or impact:

The analytical framework used for the study links (1) general circulation models that generate climate change scenarios; (2) biophysical crop modeling; (3) partial equilibrium economic modeling of the agricultural sector incorporating a Philippines module within IFPRI's International Model for Policy Analysis of Agricultural Commodities and Trade (IMPACT); and (4) economywide analysis using a dynamic computable general equilibrium model of the Philippines developed for the study.

<http://ebrary.ifpri.org/cdm/ref/collection/p15738coll5/id/6518>

Innovations: <Not Defined>

Elaboration of Outcome/Impact Statement:

The National Economic and Development Authority (NEDA) provides advice to policymakers in Congress and in the Executive Branch. As part of a long-standing collaboration initially supported by CCAFS and PIM, IFPRI and NEDA studied the impact of climate change on food production, food prices, and food security ([1], [2]) and assessed the effectiveness of alternative adaptation strategies. Analyses showing that the removal of rice subsidies and the replacement of quantitative restrictions on rice imports with tariffs would boost economic growth contributed to the government's decision to go ahead with a rice tariffication reform, which was passed by the House and Senate in 2018 and became law in 2019, with wide media coverage ([3], [4]).

IFPRI and NEDA continued to work together to assess agricultural policy options to complement the rice tariffication law. They produced a joint policy note on rice trade liberalization [5] and a technical report on the removal of quantitative restrictions on rice imports [6], which were disseminated to stakeholders by NEDA. More information on the study can be found in an IFPRI Discussion Paper titled "Exploring transformational adaptation strategy through rice policy reform in the Philippines" [7].

These outputs included two key recommendations to ensure the long-term success of the rice tariffication law: using revenues from the newly introduced tariffs to implement cash transfers to small scale rice farmers negatively affected by the initial drop in the price of unmilled rice resulting from the new tariffication policy, and encouraging crop diversification and investments in increased productivity.

Based on these recommendations, in December 2019 the Department of Agriculture launched the Rice Farmer Financial Assistance – an unconditional cash transfer which will benefit 600,000 rice farmers whose farm size ranges from one-half hectare to two hectares ([8], [9]) – and a plan to increased rice productivity and crop diversification [10].

References cited:

- [1] Rosegrant, M. W., Sombilla, M. A., eds. 2018. The future of Philippine agriculture under a changing climate: Policies, investments and scenarios. Singapore: Yusof Ishak Institute, CGIAR Research Program on Policies, Institutions, and Markets (PIM), CGIAR Research Program on Climate Change, Agriculture and Food Security (CCAFS). <http://ebrary.ifpri.org/cdm/ref/collection/p15738coll5/id/6518>
- [2] Blog post on NEDA website about launch of book "The future of Philippine agriculture under a changing climate: Policies, investments and scenarios". 2018.
<http://www.neda.gov.ph/%E2%80%8Bneda-ifpri-launch-book-on-ph-agriculture-climate-change/>
- [3] Press article "NEDA leads crafting of rice tariffication law's IRR". February 19, 2019.
<http://www.neda.gov.ph/neda-leads-crafting-of-rice-tariffication-laws-irr/>
- [4] Press article "Rice liberalization to boost GDP (NEDA)". July 5, 2019.
<https://www.philstar.com/business/2019/07/05/1932026/rice-liberalization-boost-gdp-neda>
- [5] Perez, N., Pradesha, A. 2019. Philippine rice trade liberalization: Impacts on agriculture and the economy, and alternative policy actions. NEDA-IFPRI Policy Studies June 2019. Washington, DC: International Food Policy Research Institute (IFPRI).
<http://ebrary.ifpri.org/cdm/ref/collection/p15738coll2/id/133371>
- [6] International Food Policy Research Institute (IFPRI) and NEDA. 2019. Ex-ante impact evaluation of the removal of quantitative restrictions on Philippine rice. Confidential Technical Report for the government.
- [7] Pradesha, A., Robinson, S., Rosegrant, M. W., Perez, N., Thomas, T. S. 2019. Exploring transformational adaptation strategy through rice policy reform in the Philippines. IFPRI Discussion Paper 1865. Washington, DC: International Food Policy Research Institute (IFPRI).
<https://doi.org/10.2499/p15738coll2.133404>
- [8] Press article "DA to provide unconditional cash transfer to rice farmers". December 17, 2019.
<https://pia.gov.ph/news/articles/1031721>
- [9] Press article "DA Cash transfers to rice farmers to start Dec 23". December 16, 2019.
<https://www.bworldonline.com/da-cash-transfers-to-rice-farmers-to-start-dec-23/>
- [10] Press article "Crop diversification and the rice industry's future". December 12, 2019.
<http://tinyurl.com/vo5jfk>

Quantification: <Not Defined>**Gender, Youth, Capacity Development and Climate Change:****Gender relevance:** 0 - Not Targeted**Youth relevance:** 0 - Not Targeted**CapDev relevance:** 1 - Significant

Main achievements with specific **CapDev** relevance: The long-term collaboration between IFPRI and NEDA has led to effective knowledge exchange.

Climate Change relevance: 1 - Significant

Describe main achievements with specific **Climate Change** relevance: Climate change was the focus of the research that led to discussions around the rice trade policy, which in turn informed the Rice Tariffication Law.

Other cross-cutting dimensions: NA**Other cross-cutting dimensions description:** <Not Defined>**Outcome Impact Case Report link:** [Study #2652](#)

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