

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SIXTEENTH CONGRESS
First Regular Session

House Bill No. **206**



Introduced by Honorable SALVACION S. PONCE ENRILE

EXPLANATORY NOTE

A Filipino is secured if he has sovereignty. This bill requires the Department of Agriculture (DA) to define and put together a Food Requirement Plan for Filipinos, ensuring that all Filipinos are able to eat from what is locally produced first before exporting our produce to the international market. As such, if there is a shortage in the total supply of rice, fish, livestock and poultry, vegetables and fruits needed to feed the total number of Filipinos, the Department of Trade and Industry shall be able to roll out a trade plan to source out the same from our trading partners.

Consequently, our export and import policies as a nation shall be adjusted to what is needed by our people first before we send our raw materials and produce to other nations. The measure also corrects the organizational dysfunction of the National Food Authority by decoupling its proprietary and regulatory functions. Under this measure, a new trading entity is created known as the National Strategic Food Supply and Reserve Corporation or NSFSRC. The regulatory function of the then NFA will be given to the Department of Agriculture

With the Food Requirement Plan, the DA is able to plan which province should produce what, enhance its competitiveness through infrastructure support, monitor, distribute and market the produce, ensuring supply chain management is enforced in order to identify gaps in terms of the food requirement per province.

This measure is based on the principle of food sovereignty, which is the "right of peoples, communities and countries to define their own agricultural, labor, fishing, food and land policies, which are ecologically, socially, economically and culturally appropriate to their unique circumstances. It includes the true right to food and to produce food, which means that all people have the right to safe, nutritious and culturally appropriate food and to food producing resources and the ability to sustain themselves and their societies." Food security on the other hand, refers to "the availability of food and one's access to it. A household is considered food-secure when its occupants do not live in hunger or fear of starvation."

The Philippines is an endowed country. It is surrounded by water, the soil is still relatively fertile; several agricultural research and development schools abound; an active poultry and livestock industry is evolving.

Passage of this measure is earnestly requested.

A handwritten signature in dark ink, appearing to read 'Salvacion S. Ponce Enrile', written in a cursive style.

SALVACION S. PONCE ENRILE

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AN ACT
PROVIDING FOR A SYSTEM OF DETERMINING THE MINIMUM FOOD
REQUIREMENTS OF FILIPINOS, REORGANIZING THE NATIONAL
FOOD AUTHORITY, ESTABLISHING THE NATIONAL STRATEGIC
FOOD SUPPLY AND RESERVE CORPORATION
AND FOR OTHER PURPOSES

*Be it enacted by the Senate and House of Representatives of the Philippines in
Congress assembled:*

SECTION 1. *Short Title.* – This Act shall be known and cited as the “*Food
for Filipinos First Act of 2013.*”

I. DECLARATION OF POLICY

SEC. 2. *Statement of Policy* – It is hereby declared the policy of the State to promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all.

**II. NON-CONVERSION OF DECLARED STRATEGIC AGRICULTURE
AND FISHERIES DEVELOPMENT ZONE AND CREATION OF LOCAL
PROTECTED FISHING ZONES IN COASTAL MUNICIPALITIES AND
CITIES**

SEC 3. *Non-conversion of Lands in Strategic Agriculture and Fisheries Development Zone within declared Network of Protected Areas for Agricultural and Agro-industrial Development.*- There shall be no conversion of lands already identified by the Department of Agriculture through the Bureau of Soils and Water Management in coordination with the National Mapping and Resource Information Authority and included under the Strategic Agriculture and Fisheries Development Zone (SAFDZ) as provided for under Republic Act No. 8435.

SEC. 4. *Identification, Delineation and Establishment of Local Protected Fishing Zones in Coastal Municipalities and Cities.* – In furtherance of Republic Act No. 8550 and within six months from the effectivity of this Act, all coastal municipalities and cities shall identify, delineate and establish Local Protected Fishing Zones or LPFZ within their respective jurisdictions, after conducting consultations with fisherfolk organizations within the affected barangays. The LPFZ must have a minimum area of ten hectares: *Provided That* in areas where the total area of municipal waters is fifteen hectares or less, the LPFZ shall comprise 20% of municipal waters.

The Department of Agriculture shall maintain a registry of LPFZ nationwide while the provincial government shall issue the necessary rules and regulations in LPFZ, determining the catch ceilings, maximum sustainable yield as well as closed seasons. These information shall be included in the National Food Requirement Plan (NFRP) of the province, which the provincial government shall submit to the Department of Agriculture as provided for under Section 6 of this Act.

III. SYSTEM OF DETERMINING THE NATIONAL FOOD REQUIREMENTS OF FILIPINOS

SEC. 5. *Determination of Food Requirements of Filipinos.* – The Departments of Agriculture and Trade and Industry shall formulate together the National Food Requirement Plan (NFRP) where the food requirements of Filipinos are identified and production delineated among provincial producers of specific food requirements: *Provided That*, a schedule of production is agreed upon among competing provinces based on specific timelines and weather patterns ensuring that shortfalls arising from weather disturbances in one location can be augmented by another: *Provided further*, That provinces classified as poor, based on its Human Development Index, would have the priority in the allocation of produce based on their defined requirements: *Provided finally* That any shortfall in the NFRP that cannot be supplied by the domestic market shall be sourced from trading partners in the region pursuant to an Agricultural Importation Inventory as established by the Department of Agriculture in consultation with the National Strategic Food Supply and Reserve Corporation (NSFSRC) as provided for in Section 14 of this Act .

SEC. 6. *Local Governments* – It shall be the responsibility of the provincial local chief executive to submit the Provincial Food Requirement Plan to the Department of Agriculture every March of the previous year so that the Department of Agriculture, in collaboration with the Department of Trade and Industry, can formulate the NFRP before the budget call for purposes of authorization and inclusion in the proposed budget of the succeeding year.

IV. AGRICULTURAL INFRASTRUCTURE INVENTORY

SEC. 7. *Agricultural Infrastructure Support Map (AISM).* – The Departments of Agriculture, Trade and Industry and Public Works and Highways shall map the infrastructure requirements of each province producing the food requirements as provided for under the NFRP. The AISM shall be the basis for the allocation of the Agricultural Infrastructure Support Fund, hereinafter referred to as AISF, among provinces and pursuant to such guidelines as provided for under the General Appropriations Act per fiscal year.

The infrastructure requirement as provided for in this Section shall cover, among others, farm-to-market and farm-to-port roads; irrigation system; post harvest facilities; cold storage facilities in every major port; food processing stations and food packaging centers.

SEC. 8. *Free Use by Accredited Farmers Cooperatives and Organizations of Irrigation Systems Constructed, Funded and Maintained by the National Government.*
- All irrigation system built by the National Government shall be free to all accredited farmers cooperatives and organizations in SAFDZs: *Provided That*, the National Irrigation Authority (NIA) shall make a national inventory of all irrigation systems and facilities three months after the effectivity of this Act and shall establish and maintain a public, online repository known as the National Irrigation Database (NID) which shall be updated annually, before planting season: *Provided further That*, the NID shall include municipal, provincial, regional and national information on: a) status of irrigation system, including the area and crop covered as well as the type of existing irrigation facilities; b) irrigation balances; c) listing of irrigation facilities for rehabilitation: *Provided finally That*: the NIA shall submit a copy of the NID to both chambers of Congress on April of every year, including an accomplishment report on the implementation of Republic Act No. 6978.

V. BENEFITS FOR SMALL FARMERS, AGRICULTURAL PRODUCERS IN SAFDZs, FISHERFOLKS IN LPFZ AND ACCESS TO CREDITS

SEC. 9. *Social Support and Protection for Farmers, Agricultural Producers and Fisherfolks.* – Every farmer and agricultural producer in SAFDZs and fisherfolks in LPFZ shall have access to agricultural scholarships covering two of his/her children: *Provided That*, the courses or trainings to be undertake are in the list of courses and trainings pre-approved by the Department of Agriculture as relevant and/or related to agriculture and agricultural production. The scholarship shall cover the cost of tuition fee and books plus a minimum subsistence allowance.

SEC. 10. *Courses Eligible for Agriculture Scholarship.* – The Department of Agriculture shall develop the list of degree and training courses eligible for agriculture scholarship in consultation with the Department of Science and Technology, the Commission on Higher Education, the Department of Labor and Employment and the Department of Social Welfare and Development and two representatives from national farmer's and fisherfolks organizations to be appointed by the President. The list shall be reviewed and updated every five years, beginning from the implementation of the law.

SEC. 11. *SUCs, TESDA and other Government Training Institutions.* – Agricultural and marine state universities and other government training institutions,

together with TESDA shall set aside 5% of its scholarships on agriculture, fishing and similar fields of specialization to children of farmers and fisherfolks in accordance with Section 9 of this Act: *Provided That*, the latter meet the regular entrance requirements for students.

Children of farmers who are not able to meet the qualification requirements of agricultural and marine state universities and colleges may have access to agriculture related training and certificate courses through TESDA or any government institution providing such trainings: *Provided That*, such trainings are included in the list of courses eligible for scholarship as defined in Section 11 of this Act.

SEC. 12. *A Nation's Gratitude for Senior Farmers and Fisherfolks.* – Farmers and fisherfolks aged sixty-five years old and above, doing work in SAFDZ and LPFZ respectively, shall have a monthly pension of Php1,000 per month from the National Government and Php500.00 a month from the provincial local government. The value of the monthly pension from the National Government shall be reviewed and adjusted for inflation every three years by the Department of Social Work and Welfare in consultation with the Departments of Agriculture, Finance, Budget and Management. The monthly pension shall be released by the Department of Social Work and Welfare every first Thursday of every month.

SEC. 13. *Special Credit Window for Small Farmers and Fisherfolks in Rural Banks.* - All rural banks shall create a special window extending micro-credit program for farmers in SAFDZs and fisherfolks in LPFZ. The funds allocated for the special credit window shall be equivalent to at least fifty percent of their agri-agra funds: *Provided That*, thirty percent of the loanable resources earmarked for the special credit window shall be made exclusively available to small women farmers: *Provided finally That*, funds allocated to the special credit window herein provided shall constitute compliance to Republic Act No. 10000, otherwise known as the Agri-Agra Reform Credit Act of 2009.

VI. MAKING LOCAL PRODUCE COMPETITIVE

SEC. 14. *Removal of Subsidies* – The Department of Agriculture shall harmonize subsidies, within the purview of the National Food Sovereignty Program, on export-oriented agriculture and transfer the same to grains and vegetable farmers and livestock growers.

SEC. 15. *Anti-Smuggling and Dumping Task Force in the Department of Agriculture.* - An Anti-Smuggling and Dumping Task Force is hereby created under the Department of Agriculture who shall effect seizure of smuggled and dumped agricultural products for distribution to provinces classified as poor per its Human Development Index.

VII. ESTABLISHMENT OF THE NATIONAL STRATEGIC FOOD SUPPLY AND RESERVE CORPORATION

SEC. 16. *Reorganization of the National Food Authority.* - To principally identify provinces based on their leading agricultural produce as well as ensure that adequate supply of key food requirement can be sourced out, in the event of a natural calamity, from other provinces by increasing its production and execute the foregoing policy, goals and objectives, there is hereby created a body corporate known as the National Strategic Food Reserve Corporation (NSFRC), which shall be attached to the Department of Agriculture.

SEC. 17. *Board of Directors.* - The powers and functions of the NSFRC shall be vested in a Board of Directors, which shall have the responsibility of formulating a comprehensive supply and reserve program of the food grains, fishing and vegetable industry.

The Board shall be composed of a Chairman, President, and three (3) Members who shall be Filipino citizens, at least thirty-five (35) years of age, with sufficient experience in agri-business and management, and of proven honesty, integrity and competence. Both the Chairman and the President shall be appointed by the President of the Philippines from nominees to be recommended by the Secretary of Agriculture within thirty (30) days from the creation of the NSFRC.

Within the same period, the Secretaries of the Agriculture, Social Welfare and Development, and Trade and Industry shall recommend fifteen (15) nominees from which the President of the Philippines shall choose the remaining three (3) members of the Board: *Provided That* two (2) of the three (3) members shall be selected from accredited farmers' organizations. The first member shall serve for a term of three (3) years, the second member for two (2) years, and the third member for one (1) year. Subsequent vacancies in the Board shall be filled up from a list to be submitted by the Secretaries consisting of three (3) nominees for each vacancy, from which the President of the Philippines shall choose a replacement to serve for a term of three (3) years.

Within thirty (30) days from the submission of the list of nominees, the President of the Philippines shall constitute the Board. The Board shall meet at least once a month on any date to be determined by the Chairman; *Provided, That* the Chairman may convene special meetings to discuss any matter needing immediate resolution. The Board shall be entitled to a per diem for each meeting actually attended by them and other remuneration as may be determined by the Board in accordance with existing policies of the government.

SEC. 18. *Organization.* - Within ninety (90) days from the constitution of the Board, it shall approve the NSFRC's organizational structure, and salary and staffing pattern. For this purpose, the salary standardization law shall be applicable, except with respect to the authority of the Board to give performance incentives to employees of the NSFRC; *Provided, That* performance incentives may only be allowed if the NSFRC registers a profit and their yearly cost does not exceed the equivalent of 10% of the NSFRC's net income before taxes nor 100% of the gross pay of its employees.

The President shall have the authority to appoint, promote, transfer, assign, reassign, remove, suspend or otherwise discipline officers and employees of the NSFRC as may be delegated to him by the Board.

SEC. 19. *Management.* - The President shall direct and manage the affairs of the NSFRC subject to the policy formulations of the Board. The President shall receive the same salary and emoluments of a Department Secretary.

There shall be two (2) Executive Vice Presidents appointed by the Board for a term of three (3) years who shall assist the President in the performance of his functions. Either of the Executive Vice Presidents shall exercise the powers and functions of the President in his absence. The Executive Vice Presidents shall receive the same salary and emoluments of a Department Undersecretary.

The Executive Vice Presidents and Vice President shall be citizens of the Philippines, at least thirty-five (35) years of age, of proven honesty and integrity and of recognized managerial competence.

SEC. 20. *Powers and Functions.* - The NSFRC shall exercise the following, powers and functions:

a) To undertake the duty and tariff-free importation of rice for the government in order to maintain the appropriate volume of the Strategic Rice Reserve and Government Rice Buffer Stock by July 1 of each year;

b) To own, lease, acquire by purchase or otherwise, hold, sell or dispose of stocks or bonds or any interest in either or any obligation or evidence of indebtedness of any person, partnership, or corporation;

c) To issue debt instruments that are agri-agra eligible and guaranteed by the national government up to a maximum amount of Five Billion Pesos (P5,000,000,000), beyond which the approval of the President of the Philippines shall be required;

d) To own, lease, operate or otherwise hold land, buildings, equipment, facilities and such other properties as may be necessary to carry out its functions;

e) To establish its internal organization and fix the remuneration, emoluments, allowances and other benefits of its officers and employees;

f) To exercise the rights and powers of a domestic corporation; and Subject to the guidelines to be formulated by the Board, to negotiate with private or government entities in the business of trading, marketing, importing and exporting of commodities.

SEC. 21. *Capitalization.* - The NSFRC shall have a total authorized capitalization of Fifteen Billion Pesos (Php15,000,000,000.00) consisting of One Hundred Fifty Million (150,000,000) shares with par value of One Hundred Pesos (P100) per share. From this amount Twelve Billion Pesos (Php12,000,000,000.00)

shall be in the form of assets from the National Food Authority, hereinafter referred to as NFA, and Three Billion Pesos (Php3,000,000,000.00) shall be in the form of cash to be appropriated by the national government over a period not exceeding ten (10) years. The Department of Budget and Management (DBM) shall include annually during the three (3) year transition period the amount of Five Hundred Million (P500,000,000.00) in the President's Budget submitted to Congress.

SEC. 22. *Assets and Liabilities.* - All assets and liabilities of the NFA not transferred to the NSFRC shall be retained and administered, disposed of and liquidated by the NFA itself, which shall continue to exist as the NFA Board of Liquidators (BOL). The NFA-BOL shall receive budgetary support from the national government and be manned by personnel detailed from the NFSRC. It shall be deemed abolished upon full disposition of assets and liquidation of liabilities of the NFA within a period not to exceed three (3) years, after which all remaining assets and liabilities shall be deemed transferred to the national government.

Assets pertaining to the regulatory, developmental and research functions of the NFA shall be transferred to the Department of Agriculture.

VIII. FINAL PROVISIONS

SEC. 23. *Implementing Rules and Regulations* – The Secretary of Agriculture, in collaboration with the Secretary of Trade and Industry shall promulgate such rules and regulations as may be necessary to implement the provision of this Act within sixty (60) days after approval of this Act.

SEC. 24. *Repealing Clause* – All laws, decrees or executive issuances and any rules and regulations or any part thereof, which may be inconsistent with any of the provisions of this Act, are hereby deemed repealed, amended or modifies accordingly.

SEC. 25. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication in two (2) newspapers of general circulation.

Approved,