

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Third Regular Session

House Bill No. 8034



Introduced by **MAGDALO Party-List Representative**
HON. GARY C. ALEJANO

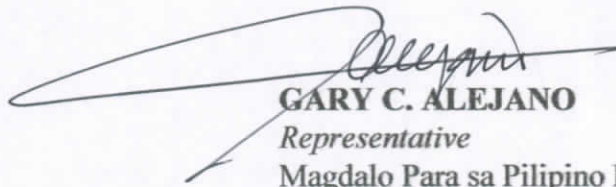
EXPLANATORY NOTE

Just this year, news broke out of the rapidly dwindling rice buffer stock of the National Food Authority. There was much commotion in the highest echelons of the National Government and great alarm to the general public, rice after all was an invaluable part of everyday Filipino sustenance.

Such shortages spell trouble during times of great natural disasters when the demand for food, especially rice, is more pronounced. Disaster-stricken areas are highly susceptible to these shortages and may lead to public disorder—the government must prevent such events from happening.

This proposed measure shall ensure that the NFA maintains fifteen days equivalent of the national rice consumption, procure rice stocks from small farmers and farmers cooperatives, and release to the market the rice reserve at the declaration of a state of calamity with a release price based on prevailing market price immediately prior to the occurrence of the calamity.'

In view of the foregoing, approval of this measure is earnestly sought.


GARY C. ALEJANO
Representative
Magdalo Para sa Pilipino Party-List

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AN ACT
ESTABLISHING A STRATEGIC FOOD SECURITY RICE RESERVE AND FOR
OTHER PURPOSES

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

1 **SEC. 1. Title.-** This Act shall be known as the “*Strategic Food Security Rice Reserve Act*
2 *of 2018*.”

3
4 **SEC.2. Declaration of Policy.-** It shall be the policy of the State to ensure an adequate
5 supply of rice at reasonable and affordable prices for the people during calamities.

6
7 **SEC.3. Definition of Terms.-** As used in this Act, the following terms shall mean:

8
9 (a) *Calamities* are fortuitous events which include acts of God such as but not limited to
10 typhoon, floods, droughts, earthquakes, fires, volcanic eruptions, lahar flows, and acts
11 of man such as political and/or civil disturbance, and wide-spread civil unrest.

12
13 (b) *Government Food Security Rice Reserve* is the inventory of rice and/or palay by the
14 National Food Authority (NFA), equivalent to the fifteen (15)-day average national
15 daily rice consumption to be maintained as a matter of national policy.

16
17 **SEC.4. Administration.-** In order for the National Food Authority (NFA) to effectively
18 perform the functions and responsibilities provided for this Act, it shall:

19
20 (1) Maintain and manage a government rice reserve equivalent to fifteen (15) days of the
21 national rice consumption for the current year and determine the location and
22 distribution of such stocks into depots nationwide.

23
24 (2) Procure stock from small farmers and farmers’ cooperatives and import only under
25 abnormal conditions determined through consultation with all affected sectors unless
26 directed otherwise by the President: *Provided, that*, the quality of imported rice shall
27 be regular milled rice, thirty-five percent (35%) broken, or better; *Provided, further*,
28 that, in case all or part of the initial reserve is imported, NFA will have the option to
29 release the imported stocks at a price that will allow it to procure locally its
30 equivalent volume in palay form to maintain the fifteen (15) day rice reserve.

31
32 (3) Release to the market said government rice reserve upon the declaration of a state of
33 calamity by the President of the Republic of the Philippines: *Provided, that*, such
34 declaration shall specifically state that NFA rice reserve is to be released to the
35 market upon the recommendation of the Secretary of the Department of Agriculture:

1 *Provided*, further, that, the release price of said rice shall be based on the prevailing
2 market price immediately prior to the occurrence of the calamity.

3
4 **SEC.5. Refill of Rice Reserve.-** The NFA shall ensure that rice stocks are refilled in
5 accordance with the provision of this Act.

6
7 **SEC.6. Strengthening Farmers' Cooperative.-** Net proceeds from the importation of the
8 rice reserve shall be used to strengthen farmer' cooperatives in their grains marketing activities.

9
10 Agri-based cooperatives shall be strengthened in order to undertake the farm business,
11 agri-business such as, but not limited to, production and postharvest facilities, processing and
12 marketing service.

13
14 The Cooperative Development Authority (CDA) in coordination with the local
15 government units, and other government agencies and in cooperation with people and non-
16 government organizations (NGOs) shall initiate the transformation of agri-based cooperatives
17 into entrepreneurs. The government will play the catalytic and supportive role without
18 intervention into the internal affairs of the cooperatives while ensuring that they will adhere to
19 sound business principles.

20
21 **SEC.7. Appropriation.-** There shall be appropriated from the funds of the National
22 Treasury, a seed money of P3.70 billion pesos for the initial operations of the Food Security
23 Fund which shall be constituted into a revolving fund held in trust by the NFA which shall be
24 used for funding replenishment and as a depository for funds obtained from the
25 sale/monetization of food security stocks. Thereafter, all such amounts as may be necessary for
26 the continued operation of said Fund, which shall include the maintenance and/or increase of the
27 Food Security Rice Reserve, shall be automatically appropriated in the General Appropriations
28 Act as approved by Congress.

29
30 **SEC.8. Monitoring.-** The NFA shall regularly review and assess the national palay and
31 rice situation and, on the bases of the data and information collected, prepare a report to be
32 submitted to the Office of the President and to both Committees on Agriculture of Congress.

33
34 **SEC.9. Implementing Rules and Regulations.-** The NFA Administrator shall, within
35 sixty (60) days from the effectivity of this Act, issue the implementing rules and regulations of
36 this Act. Copies of such rules and regulations shall be submitted to both Committees of
37 Agriculture and Food of the Senate and the House of Representatives, within fifteen (15) days
38 from the issuance of the same.

39
40 **SEC.10. Separability Clause.-** If any provision of this Act shall be deemed
41 unconstitutional or invalid, the other provisions not affected thereby shall remain in force and
42 effect.

43
44 **SEC.11. Repealing Clause.-** All Acts, Presidential Decrees, Executive Orders and
45 Administrative Orders, Rules and Regulations and other such issuances or parts thereof which
46 are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

47
48 **SEC. 12. Effectivity.** - This Act shall take effect after fifteen (15) days from its
49 publication in the Official Gazette or in two (2) newspaper of general circulation.

Approved,