

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 3471



Introduced by Representative Jan Rurik D. Padiernos, GP (Galing sa Pusong) Party-List

EXPLANATORY NOTE

Agriculture plays a vital role in the Philippine economy, but Filipino farmers and fisherfolk still face many challenges, such as low prices for their products, exploitation by middlemen, and limited access to regular buyers. Despite various laws aimed at improving the situation, like the Price Act and Rice Tariffication Law, these issues persist. Middlemen still exploit farmers, and there is not enough support for post-harvest storage, which leads to wasted produce and higher prices.

At the same time, both urban and rural consumers face higher food prices due to problems in transportation, market manipulation, and the lack of government-run stores that could offer affordable options.


This bill seeks to create the National Agri-Fair Price Authority (NAFPA), a government-owned organization that will buy agricultural products directly from Filipino farmers and cooperatives at fair prices and sell them through government-run "People's Markets".

The National Agri-Fair Price Authority (NAFPA) is envisioned to tackle persistent problems in the agricultural sector, particularly in ensuring fair pricing and reducing post-harvest losses. By minimizing the role of middlemen, NAFPA will help farmers receive a just price for their produce. It will also invest in cold storage facilities and improve logistics to prevent spoilage, especially for rice and other perishable goods. Through direct market access and fair pricing mechanisms, the agency seeks to boost farmers' incomes while also making food more affordable for consumers by selling products directly and guarding against sudden price hikes.

This bill also incorporates the expertise of private sector professionals from key industries such as finance, retail, and agriculture, ensuring that the National Agri-Fair Price Authority (NAFPA) operates with the highest level of efficiency and accountability, while maximizing benefits for all stakeholders involved.

The passage of this bill presents a critical opportunity to address long-standing issues of unfair pricing, post-harvest waste, and soaring food prices. By implementing the provisions of this measure, we can strengthen food security, provide sustainable support to our farmers, and make essential agricultural products more affordable for all Filipinos.

Approval of this bill is earnestly sought.


ATTY. JAN RURIK D. PADIERNOS
GP (Galing sa Pusong) Party-List

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 3471

Introduced by Representative Jan Rurik D. Padiernos, GP (Galing sa Pusong) Party-List

AN ACT
ESTABLISHING THE NATIONAL AGRI-FAIR PRICE AUTHORITY (NAFPA), A
GOVERNMENT-OWNED AND CONTROLLED CORPORATION TO PURCHASE
AGRICULTURAL PRODUCTS AT FAIR MARKET VALUE AND OPERATE
GOVERNMENT SUPERMARKETS TO ENSURE FOOD SECURITY AND
AFFORDABLE PRICES, APPROPRIATING FUNDS THEREFOR, AND FOR
OTHER PURPOSES

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

SECTION 1. *Short Title.* - This Act shall be known as the "*National Agri-Fair Price Authority Act of 2025*".

SEC. 2. *Declaration of Policy.* - It is the declared policy of the State to uphold the constitutional right of farmers and consumers to equitable economic opportunities, fair pricing, and food security. Pursuant to Article XIII, Section 5 of the 1987 Constitution, the State recognizes the vital role of farmers, fisherfolk, and other rural workers and shall promote their rights to a decent livelihood and fair return for their labor.

In this regard, the establishment of the National Agri-Fair Price Authority (NAFPA) will:

- (a) Provide a stable market for agricultural products, ensuring fair compensation for farmers;
- (b) Ensure affordable food prices for consumers by directly addressing market inefficiencies; and
- (c) Enhance rural livelihoods and strengthen food security through integrated procurement, distribution, and retail systems.

This Act supports the goals of the Sagip Saka Act by streamlining procurement processes and integrating agricultural products into the formal retail sector while addressing food security challenges.

SEC. 3. *Creation of the National Agri-Fair Price Authority (NAFPA) and its Key Functions.* - NAFPA is hereby established as a government-owned and controlled corporation (GOCC) under the administrative supervision of the Department of Agriculture, pursuant to

R.A. No. 10149 (GOCC Governance Act of 2011). It shall enjoy fiscal autonomy and full corporate powers necessary to achieve its mandate.

Key Functions:

- a. **Procurement at Fair Market Value** – NAFPA will procure agricultural products directly from Department of Agriculture accredited farmers, fisherfolk, cooperatives, and agribusinesses using a pricing system based on regional and national market prices as published by the Philippine Statistics Authority (PSA) and Bureau of Agricultural and Fisheries Standards (BAFS).
- b. **Operation of People’s Markets** – NAFPA will operate retail outlets offering agricultural products with minimal mark-up to cover logistics, spoilage, and operating costs, ensuring that consumers have access to affordable food. These outlets will serve as government supermarkets.
- c. **Infrastructure Investments** – NAFPA will invest in climate-resilient infrastructure such as modular cold storage, farm-to-market roads, and transport fleets.
- d. **Policy Integration and Price Controls** – NAFPA will work with the Department of Trade and Industry (DTI), National Economic and Development Authority (NEDA), Bangko Sentral ng Pilipinas (BSP), and Local Price Coordinating Councils to monitor and control agricultural prices and implement interventions during price surges or shortages.

SEC. 4. *Capitalization and Funding.* - NAFPA shall be capitalized at Fifty Billion Pesos (₱50,000,000,000.00), with an initial release of Ten Billion Pesos (₱10,000,000,000.00) to cover operational set-up, procurement, infrastructure, and pilot retail rollout.

Additional funding may come from a combination of the following sources:

- a. **Official Development Assistance (ODA)** to support infrastructure development and related projects.
- b. **Public-Private Partnerships (PPP)**, where private sector entities will contribute funding in exchange for long-term operational agreements.
- c. **Annual Budget Appropriations** requested through the National Expenditure Program (NEP) as part of the government’s regular budget cycle.
- d. **Government Bonds** issued through the Bureau of the Treasury to raise additional capital for large-scale infrastructure and procurement activities.

SEC. 5. *Composition of Board of Directors.* - National Agri-Fair Price Authority (NAFPA) shall be governed by a Board of Directors composed of nine (9) members, who shall serve for a term of three (3) years, with the possibility of reappointment for a maximum of two (2) consecutive terms.

Board Composition:

1. Secretary of Agriculture (Chairperson)
2. Secretary of Trade and Industry (Vice Chairperson)
3. Secretary of Finance
4. Secretary of Social Welfare and Development
5. One (1) representative from accredited national farmer or fisherfolk federations or associations
6. One (1) representative from agricultural cooperatives
7. One (1) representative from the retail or supermarket sector
8. One (1) representative from the financial or banking sector
9. One (1) representative from agribusiness or agricultural technology sector

All private sector representatives must be Filipino citizens, of good moral character, and have at least ten (10) years of proven experience and leadership in their respective fields. Appointments shall be made by the President of the Philippines.

To ensure effective governance, the Board of Directors shall also establish the following committees:

1. Audit and Risk Committee
2. Pricing and Market Policy Committee
3. PPP and Procurement Committee
4. Social Impact and Inclusion Committee

These committees shall support the Board in overseeing the operations and ensuring that NAFPA achieves its goals efficiently and in accordance with national priorities.

Quorum shall be a majority of Board members, including at least one private sector representative.

SEC. 6. Roles and Responsibilities of the Board of Directors - The Board of Directors is responsible for the overall direction and governance of NAFPA.

The key roles of the Board include:

- a. **Policy Setting:** The Board shall set the strategic direction for NAFPA and determine the overall pricing guidelines and policies that guide the procurement, distribution, and retail operations of agricultural products.
- b. **Financial Oversight:** The Board is responsible for ensuring financial accountability and approving major expenditures and investments necessary for the operations of NAFPA, including the capital and infrastructure investments.
- c. **Performance Monitoring:** The Board shall regularly monitor NAFPA's performance against key performance indicators (KPIs) aligned with the Philippine Development Plan (PDP) and other relevant national frameworks.
- d. **Stakeholder Coordination:** The Board will work with relevant agencies such as the Department of Agriculture (DA), Department of Trade and Industry (DTI), and other key stakeholders to ensure that NAFPA's operations are well-coordinated with national and local government programs.

The responsibilities of the Board include the following:

- a. **Strategic Policy and Pricing Guidelines:** Approve the policies on fair market pricing and retail guidelines for agricultural products to ensure fair prices for both farmers and consumers.
- b. **Expenditure Approvals:** Ensure that major expenditures for NAFPA's operations are appropriate and aligned with its goals, including funding for procurement, infrastructure, and retail operations.
- c. **Audit and Risk Management:** The Board must ensure that NAFPA adheres to transparent financial management practices and mitigate risks that could affect its operations, including price volatility and inefficiencies.
- d. **Annual Reporting:** The Board will be responsible for submitting an annual report to Congress, detailing NAFPA's progress, financial status, and impact on food security and farmer welfare.

SEC. 7. *Incentives and Exemptions.* - NAFPA shall be exempt from the following:

- a. Customs duties and VAT on imported equipment necessary for operations;
- b. Corporate income tax for the first five (5) years; and
- c. Local business permit fees, at the discretion of LGUs under the Local Government Code

SEC. 8. *Partnership with Local Government Units.* - NAFPA shall coordinate with LGUs to:

- a. Identify procurement areas and retail locations;
- b. Facilitate land use, lease arrangements, and right-of-way; and
- c. Establish Barangay Food Councils to support operations and community engagement

SEC. 9. *Penalties.* - Any person found guilty for violation of any of the provision of this Act shall be punishable under Republic Act No. 7581, otherwise known as the Price Act and under Republic Act No. 3019, otherwise known as the Anti-Graft and Corrupt Practices Act.

SEC. 10. *Implementing Rules and Regulations.* - Within sixty (60) days of effectivity, the Department of Agriculture shall convene an inter-agency committee to draft the IRR in consultation with relevant stakeholders, ensuring the smooth implementation of NAFPA's provisions.

SEC. 11. *Separability Clause.* - If any provision of this Act is declared unconstitutional, the remaining provisions shall remain in full force and effect.

SEC. 12. *Repealing Clause.* - All laws, rules, and regulations inconsistent with this Act are hereby repealed or amended accordingly.

SEC. 13. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,