

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Twentieth Congress
First Regular Session



HOUSE BILL NO. 3732

Introduced by **Representative RAYMOND ADRIAN SALCEDA**

AN ACT
STRENGTHENING FOOD SECURITY BY AUTHORIZING THE USE OF LOCAL
GOVERNMENT UNITS' QUICK RESPONSE FUNDS AND CALAMITY FUNDS,
AND NATIONAL GOVERNMENT DISASTER-RELATED FUNDS, FOR THE
PURCHASE AND REDISTRIBUTION OF AGRICULTURAL COMMODITY
SURPLUSES TO PREVENT PRICE DEPRESSION, AMENDING FOR THE
PURPOSE SECTIONS 21 AND 22 OF REPUBLIC ACT NO. 10121, OTHERWISE
KNOWN AS THE "PHILIPPINE DISASTER RISK REDUCTION AND
MANAGEMENT ACT OF 2010," AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The State recognizes the paramount importance of food security as both a right of the people and a foundation of national stability. Article II, Section 15 of the 1987 Constitution declares that the State shall protect and promote the right to health of the people and instill health consciousness among them, while Article XIII, Section 11 mandates that the State shall make essential goods available to all at affordable costs. The International Covenant on Economic, Social and Cultural Rights, to which the Philippines is a party, further affirms the fundamental right of everyone to be free from hunger.

In agricultural economies such as ours, food security is inseparable from farmgate price stability. When the market faces periods of surplus production, farmgate prices often fall precipitously, inflicting economic distress upon farmers and fisherfolk. The lack of timely and adequate government intervention in such situations leads not only to wasted harvests but also to reduced future production as farmers are discouraged from planting again, thereby jeopardizing long-term food supply.

The experience of recent years underscores this vulnerability. Onion farmers in late 2022 were compelled to sell at distressed prices due to oversupply, only for the market to swing into shortage months later. Tomato growers in 2023 reported dumping harvests as low farmgate

prices could not cover even the cost of transport. Rice farmers have faced similar challenges in peak harvest months, when absence of sufficient procurement capacity depressed local prices.

At present, Republic Act No. 10121, or the “Philippine Disaster Risk Reduction and Management Act of 2010,” allows Local Government Units (LGUs) and the National Government to use their disaster-related funds for response and recovery. However, these funds are not expressly authorized for proactive, market-stabilizing interventions during periods of agricultural surplus, even when such interventions would prevent economic dislocation and safeguard food security.

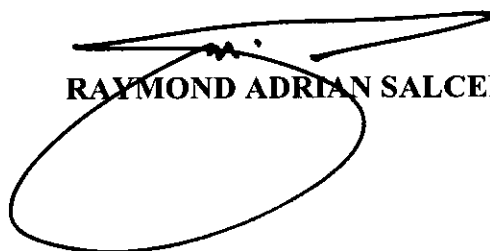
This bill amends Sections 21 and 22 of Republic Act No. 10121 to expressly authorize the use of Quick Response Funds (QRF) and calamity-related allocations – both at the local and national levels – for the purchase of agricultural commodity surpluses during periods of oversupply. These surpluses may be stored, processed, or distributed for buffer stocking, relief operations, supplementary feeding, support to food banks, people’s organizations, and other not-for-profit entities, for charitable purposes, or sold at cost to private sector entities willing to distribute them without profiteering.

By enabling LGUs and national agencies to purchase surplus commodities at fair and remunerative farmgate prices, the bill seeks to:

1. Protect farmers and fisherfolk from ruinous price collapses during surplus periods.
2. Reduce post-harvest losses and food wastage by redirecting edible surpluses to communities in need.
3. Build up government-managed buffer stocks to cushion the impact of future shortages or emergencies.
4. Expand the capacity of food banks, feeding programs, and charitable distribution channels.
5. Leverage existing disaster-related funding mechanisms for preventive economic and food security measures, rather than waiting for crises to fully unfold.

The proposed measure is consistent with the mandate of Republic Act No. 10121 to integrate risk reduction into development planning. Economic dislocation in the agriculture sector is itself a form of disaster for rural communities. Preventing it is as vital as responding to typhoons or floods.

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


RAYMOND ADRIAN SALCEDA

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Twentieth Congress
First Regular Session

HOUSE BILL NO. 3732

Introduced by **Representative RAYMOND ADRIAN SALCEDA**

AN ACT
STRENGTHENING FOOD SECURITY BY AUTHORIZING THE USE OF LOCAL
GOVERNMENT UNITS' QUICK RESPONSE FUNDS AND CALAMITY FUNDS,
AND NATIONAL GOVERNMENT DISASTER-RELATED FUNDS, FOR THE
PURCHASE AND REDISTRIBUTION OF AGRICULTURAL COMMODITY
SURPLUSES TO PREVENT PRICE DEPRESSION, AMENDING FOR THE
PURPOSE SECTIONS 21 AND 22 OF REPUBLIC ACT NO. 10121, OTHERWISE
KNOWN AS THE "PHILIPPINE DISASTER RISK REDUCTION AND
MANAGEMENT ACT OF 2010," AND FOR OTHER PURPOSES

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

SECTION 1. Section 21 of Republic Act No. 10121 is hereby amended to read as follows:

SEC. 21. *Local Disaster Risk Reduction and Management Fund (LDRRMF).* – Not less than five percent (5%) of the estimated revenue from regular sources shall be set aside as the LDRRMF to support disaster risk reduction and management activities such as, but not limited to, pre-disaster preparedness programs including training, purchase of life-saving rescue equipment, supplies and medicines, for post-disaster activities, and for the operations of Local Disaster Risk Reduction and Management Offices.

The LDRRMF shall be used to fund activities formulated in the Local Disaster Risk Reduction and Management Plan as provided in this Act. Any unexpended LDRRMF shall accrue to a special trust fund which shall be used solely for disaster risk reduction and management activities within the next three (3) years. Thereafter, any balance shall revert to the general fund subject to the auditing rules and regulations of the Commission on Audit.

Not less than thirty percent (30%) of the LDRRMF shall be allocated as a Quick Response Fund (QRF) which shall serve as a standby fund for relief, response, and early recovery programs.

FOR PURPOSES OF MITIGATION, PREVENTION, AND FOOD SECURITY, THE LDRRMF, INCLUDING ITS QRF PORTION, MAY BE USED FOR THE PURCHASE OF AGRICULTURAL COMMODITY SURPLUSES DURING PERIODS OF SURPLUS PRODUCTION, UPON DETERMINATION BY THE DEPARTMENT OF AGRICULTURE AND THE CONCERNED LOCAL GOVERNMENT UNIT THAT SUCH SURPLUS THREATENS TO DEPRESS FARMGATE PRICES TO ECONOMICALLY UNSUSTAINABLE LEVELS.

PURCHASES UNDER THIS SECTION SHALL BE AT FARMGATE PRICES NOT LOWER THAN THE AVERAGE PRODUCTION COST PLUS A REASONABLE MARGIN AS DETERMINED BY THE DEPARTMENT OF AGRICULTURE IN CONSULTATION WITH FARMER AND FISHERFOLK ORGANIZATIONS AND COOPERATIVES, AND SHALL, AS FAR AS PRACTICABLE, BE PROCURED DIRECTLY FROM PRIMARY PRODUCERS OR THEIR COOPERATIVES.

AGRICULTURAL COMMODITIES PURCHASED PURSUANT HERETO MAY BE STORED, PROCESSED, OR DISTRIBUTED FOR BUFFER STOCKING; RELIEF DISTRIBUTION; SUPPLEMENTARY FEEDING INCLUDING IN SCHOOLS AND CHILD DEVELOPMENT CENTERS; SUPPORT TO FOOD BANKS, PEOPLE'S ORGANIZATIONS, AND OTHER INTERESTED PARTIES OPERATING ON A NOT-FOR-PROFIT BASIS; FOR CHARITABLE PURPOSES; OR SOLD AT COST TO PRIVATE SECTOR ENTITIES FOR FURTHER PROCESSING, RESALE, OR DISTRIBUTION, PROVIDED THAT SUCH AT-COST SALES SHALL NOT RESULT IN RESALE AT EXCESSIVE PROFIT AND SHALL BE SUBJECT TO GUIDELINES TO BE ISSUED UNDER THIS ACT.

SEC. 2. Section 22 of Republic Act No. 10121 is hereby amended to read as follows:

SEC. 22. National Disaster Risk Reduction and Management Fund (NDRRMF). – The NDRRMF shall be used to support disaster risk reduction, preparedness, response, recovery, and reconstruction activities, including support to agencies with Quick Response Funds.

THE NATIONAL GOVERNMENT, THROUGH THE DEPARTMENT OF AGRICULTURE, THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT, THE NATIONAL FOOD AUTHORITY, AND OTHER RELEVANT AGENCIES, MAY USE THE

NDRRMF OR THEIR RESPECTIVE QUICK RESPONSE FUNDS OR DISASTER-RELATED ALLOCATIONS FOR THE PURCHASE OF AGRICULTURAL COMMODITY SURPLUSES DURING PERIODS OF SURPLUS PRODUCTION, UNDER THE SAME CONDITIONS AND SAFEGUARDS PROVIDED IN SECTION 21 HEREOF.

COMMODITIES PURCHASED UNDER THIS SECTION MAY BE UTILIZED FOR BUFFER STOCKING, RELIEF, SUPPLEMENTARY FEEDING, SUPPORT TO FOOD BANKS, PEOPLE'S ORGANIZATIONS, AND OTHER NOT-FOR-PROFIT PURPOSES, OR SOLD AT COST TO PRIVATE SECTOR ENTITIES CONSISTENT WITH GUIDELINES TO BE ISSUED UNDER THIS ACT.

SEC. 3. *Implementing Rules and Regulations.* – Within sixty (60) days from the effectivity of this Act, the Department of Agriculture, the National Disaster Risk Reduction and Management Council, the Department of the Interior and Local Government, the Department of Budget and Management, and the Commission on Audit shall jointly promulgate the rules to implement the provisions of this Act.

SEC. 4. *Separability Clause.* – If any portion or provision of this Act is declared invalid or unconstitutional, other provisions hereof shall remain in full force and effect.

SEC. 5. *Repealing Clause.* – All laws, rules, and regulations inconsistent with this Act are repealed or modified accordingly.

SEC. 6. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,