

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 1978

HOUSE OF REPRESENTATIVES	
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REGISTRATION UNIT BILLS AND INDEX SERVICE	

Introduced by Representatives
Estrellita B. Suansing and Horacio P. Suansing, Jr.

EXPLANATORY NOTE

This bill seeks to affirm the right of every Filipino to have sufficient food on their tables. Pursuant thereto, government agencies and corporations directly responsible for food production should collectively double their efforts to enhance the country's capacity in rice production, at the same time being responsive to the globalization of the agricultural market.

In line with the bill's objective, the programs and functions of the National Food Authority (NFA) shall be realigned to make rice accessible to every Filipino at all times, even in times of emergencies or calamities. Reorienting the NFA to focus on maintaining buffer stock requirements for the country is one effective way of addressing the challenge. NFA, as the bill's envisioned primary agency responsible for buffer-stock requirements shall review on an annual or regular basis the stock requirements on the national and local levels. In accord thereto, the NFA shall devise a system of regularly monitoring these buffer stock levels for anticipatory reasons.

Moreover, the NFA may enter into contracts for the procurement of rice for the government, provided that the volume of said procurement shall not be more than the strategic 30-day rice buffer stock requirement for the country.

The strengthening of the rice industry as a whole shall be the focal point as the regulation of the same should be properly managed and handled by no-nonsense government agencies, thereby keeping at a minimum unlawful smuggling and "unaccounted for" rice supply.

Corollary to this, private sector participation shall also be tapped in the aspects of rice importation, subject to appropriate quotas. Production and post-harvest facilities may also be entered into by the private sector to bolster the promise of carrying out the legislative policy of this bill.


Aside from other powers and functions, the NFA would be tasked to coordinate with the Bureau of Agricultural Statistics in the generation of marketing information, as well as its dissemination, to apprise the public of prevailing market situation.

Since some of the regulatory and developmental functions of the NFA would be transferred to the Department of Agriculture, it is very important to note that the fixing of prices of rice, corn and other food grains should always be undertaken, while taking into account the prevailing world market prices and the best interest of the country's farmers.

The enactment of this bill would benefit all the rice, corn and other food grains farmers nationwide.

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


ESTRELLITA B. SUANSING
1st District, Nueva Ecija


HORACIO P. SUANSING, JR.
2nd District, Sultan Kudarat

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- This bill is a re-file of House Bill No. 2397 filed during the 16th Congress.

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House Bill No. **1978**

Introduced by Representatives
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AN ACT
TO STRENGTHEN AND REORIENT THE MANDATE OF THE NATIONAL FOOD
AUTHORITY (NFA) IN ORDER TO ENSURE FOOD SUFFICIENCY, FOR THIS
PURPOSE RATIONALIZING ITS FUNCTIONS, AND FOR OTHER PURPOSES

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

1 **SECTION 1. Short Title.** – This Act shall be known as the “National Food
2 Authority Rationalization Act.”

3 **SECTION 2. Declaration of Policy.** – Affirming the right of every Filipino
4 to have access to sufficient food, it is hereby declared the policy of the State to make
5 all government agencies and corporations directly responsible for food production
6 oriented toward the attainment of food security and sufficiency, the enhancement of
7 competitiveness and transparency in the rice economy and to be more responsive to
8 the increasing globalization of the agricultural market.

9 **SECTION 3. Policy Goals and Objectives.** – To carry out the foregoing
10 policy, the mandate, programs and functions of the National Food Authority (NFA)
11 shall be reoriented and realigned towards the achievement of the following
12 objectives:

- 13 a. Ensure available adequate and accessible supply of rice and other food
14 grains during lean periods and in times of calamity and emergency;
- 15 b. Promote regulation aimed at enhancing competitiveness, transparency
16 and responsibility in the food grains marketing industry; and
- 17 c. Encourage private sector participation in the importation of rice and in
18 production and post-harvest facilities.

19 **SECTION 4. Reorientation of the National Food Authority.** – The
20 functions of the NFA shall evolve to focus primarily in maintaining the buffer stock
21 requirements of the country. All other developmental and regulatory functions of the
22 NFA shall be transferred to appropriate government agencies or local government
23 units unless otherwise provided by this Act.

SECTION 5. Buffer Stock Management. – The NFA shall be the primary agency responsible for the management of the buffer stock requirements of the country. For this purpose, the NFA shall review on an annual basis the buffer stock requirements of the country at the national and local levels and shall devise a system of regularly monitoring the buffer stock levels. For the purpose of ensuring that desirable buffer stock level of the country is met and maintained, the NFA may enter into contracts for the procurement of rice for the government: *Provided*, That the volume of rice procurement shall not be more than the strategic 30-day rice buffer stock requirement of the country.

SECTION 6. Other Powers and Functions. – The NFA shall exercise the following responsibilities, powers and functions:

- a. To establish rules and regulations governing private sector importation of rice and collect fees and charges for said importation;
- b. To determine and allocate import quotas among private sector entities and farmer organizations licensed to engage in rice importation;
- c. To coordinate with the Bureau of Agricultural Statistics in the generation of marketing information and establish and maintain marketing information dissemination systems in order to keep the public informed on the prevailing market situation of food grains and their substitutes and/or their by-products/end products in different parts of the country; and
- d. To inspect food grains and their substitutes and/or their by-products, stored by any person, partnership, corporation, or association, for purposes of taking inventory kind record of such commodities, and to enter the premises thereof by use of reasonable means.

SECTION 7. Transfer of Mandate. – The following regulatory and developmental functions of the NFA are hereinafter transferred to the following:

- a. The registration, licensing and supervision of warehouses, whether bonded or not, and the prescription, imposition and collection of fees and charges relative thereto to the local government units (LGUs);
- b. The stabilization of prices of rice, corn and other food grains at the farmgate level to the Department of Agriculture, taking into account the prevailing world market prices and the best interest of the farmers;
- c. The stabilization of supply and prices of other food grains and other basic food items at the consumer level to the National Price Coordinating Council;
- d. The development of more sufficient ways, systems and facilities for harvesting, threshing, drying, storage, milling, packaging, post-harvest handling, and transporting of food grains to the Philippine Rice Research Institute;

- 1 e. The registration, licensing, and supervision of persons, natural or
2 juridical, who shall engage or are engaged in the business of providing
3 goods and services in support to the different activities involved in the
4 processing, transporting, marketing, and trading of food grains and
5 their substitutes and/or their by-products/end products, as well as
6 the imposition and collection of fees, charges, and surcharges in
7 licensing and regulating the operations of such persons to the
8 Department of Agriculture;
- 9 f. The formulation of plans and programs on food grains production,
10 storage, milling and distribution, as well as the coordination for its
11 implementation among various agencies of the government and the
12 private sector to the Bureau of Agriculture and Fisheries Product
13 Standardization; and
- 14 g. The establishment of appropriate post-production technology and
15 formulation of plans and programs aimed to reduce post-harvest losses
16 to the Bureau of Post Harvest Research and Extension.

17 **SECTION 8. Role of the Private Sector.** – The importation of rice shall
18 henceforth be open to the participation of and exclusively undertaken by private
19 sector entities and farmers organizations, subject to appropriate tariffs and quotas;
20 *Provided*, That the necessary registration and licensing processes and requirements
21 of the NFA have been complied with. For this purpose, the policy of open importation
22 and distribution by all interested private parties shall be fully implemented.

23 **SECTION 9. Transitory Provisions.** – Within one (1) year from the
24 effectivity of this Act, the NFA shall gradually phase out all its rice importation
25 activities to give way to the entry of the private sector entities, especially farmers
26 organizations, in rice importation: *Provided*, That the NFA shall have completely
27 ceased all its rice importation functions and activities four (4) years from the time of
28 the enactment of this Act. For this purpose, the NFA shall, within one hundred and
29 twenty (120) days from the enactment of this Act, establish the necessary rules and
30 regulations for the importation of rice by the private sector.

31 To effect a smooth transition, the NFA shall continue to exercise its
32 developmental and regulatory functions, until the concerned government agencies or
33 local government units shall have established their plans, programs, and rules and
34 regulations to implement their mandate identified in Section 6 above, which in no
35 case shall be longer than one (1) year from the effectivity of this Act.

36 **SECTION 10. Rules and Regulations.** – The NFA, in consultation with
37 relevant government agencies and LGUs, farmers organizations, and other
38 stakeholders, shall, within one hundred and twenty (120) days from the enactment
39 of this Act, formulate the necessary rules and regulations to effectively implement
40 the provisions of this Act.

41 **SECTION 11. Separability Clause.** – If any provision of this Act is held
42 invalid or unconstitutional, the other provisions not so declared shall remain in full
43 force and effect.

1 **SECTION 12. *Repealing Clause.*** – All laws, decrees, orders and rules and
2 regulations contrary to or inconsistent with the provisions of this Act are hereby
3 repealed or amended accordingly.

4 **SECTION 13. *Effectivity.*** – This Act shall take effect fifteen (15) days after
5 its publication in the *Official Gazette* or in a newspaper of general circulation.

6 Approved,