

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

HOUSE OF REPRESENTATIVES	
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**SEVENTEENTH CONGRESS**  
First Regular Session  
**HOUSE BILL NO. 2841**

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**Introduced by REP. TEDDY BRAWNER BAGUILAT**

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

**EXPLANATORY NOTE**

Rice is the most important staple crop of the Philippines. Every Filipino consumes about 114 kilograms of rice annually. It is, therefore, crucial that rice is made accessible and affordable to every Filipino consumer particularly during times of emergencies and disasters.

With the objective of ensuring steady and ample supply of rice at affordable prices, this bill proposes to establish a strategic food security rice reserve. A minimum rice reserve equivalent to the fifteen (15) day national rice consumption is to be established, maintained, and controlled by the Government through the National Food Authority (NFA), the agency mandated to ensure food security in the country and the stability in the supply and price of rice.

The passage of this bill is, therefore, earnestly sought.

  
**TEDDY BRAWNER BAGUILAT**  
Ifugao Lone District

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

1     **SECTION 1. Title.** - This Act shall be known as the "*Strategic Food Security Rice*  
2     *Reserve Act of 2016*".

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

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

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

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

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

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

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

(3) Release to the market said government rice reserve upon the declaration of a state of calamity by the President of the Republic of the Philippines: *Provided*, that, such declaration shall specifically state that NFA rice reserve is to be released to the market upon the recommendation of the Secretary of the Department of Agriculture: *Provided*, further, that, the release price of said rice shall be based on the prevailing market price immediately prior to the occurrence of the calamity.

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

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

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

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

**SEC. 7. Appropriation.** - There shall be appropriated from the funds of the National Treasury, a seed money of ₱ 3.70 billion for the initial operations of the Food Security

1 Fund which shall be constituted into a revolving fund held in trust by the NFA which  
2 shall be used for funding replenishment and as a depository for funds obtained from the  
3 sale/monetization of food security stocks. Thereafter, all such amounts as may be  
4 necessary for the continued operation of said Fund, which shall include the  
5 maintenance and/or increase of the Food Security Rice Reserve, shall be automatically  
6 appropriated in the General Appropriations Act as approved by Congress.

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

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

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

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

23 **SEC. 12. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days after its  
24 complete publication in the Official Gazette or in two (2) newspapers of general  
25 circulation.

Approved,