

THIRTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

SENATE
OFFICE OF THE SECRETARY

5 FEB 22 P 1:30

SENATE

RECEIVED BY: 

S. B. No. 1927

Introduced by SENATOR JINGGOY EJERCITO ESTRADA

EXPLANATORY NOTE

Rice is the staple food of every Filipino and is at the core of the country's agricultural development thrust. In view of the central role that this staple food plays with the life of every Filipino, it underscores the need to provide for contingency measures to ensure the adequate supply of rice for all.

This legislative measure thus provides for a mechanism whereby a national rice reserve will be maintained in order to cushion the impact of a rice shortage during periods of national emergency.

Immediate passage of this bill is thus earnestly recommended.


JINGGOY EJERCITO ESTRADA
Senator

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**AN ACT
ESTABLISHING AN EMERGENCY RICE RESERVE
AND FOR OTHER PURPOSES**

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

SECTION 1. Title. This Act shall be known as the “**Emergency Rice Reserve Act of 2005**”.

SEC. 2. Declaration of Policy. – It is hereby declared the policy of the State to ensure an adequate supply of rice at reasonable and affordable prices for the people in times of calamities.

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

- (a) **Calamities** are fortuitous events which include acts of God such as but not limited to typhoons, floods, droughts, earthquake, fires, volcanic

eruptions, lahar flows, and acts of man such as political and/or civil disturbances, and wide-spread civil unrest; and

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

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

- (1) Maintain and manage a government rice reserve equivalent to fifteen (15) days of the national rice consumption for the current year and determine the location and distribution of such stocks into depots nationwide.
- (2) Procure stock from small farmers and farmer's 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 Emergency Rice Reserve.* The NFA shall ensure that rice stocks are refilled in accordance with the provisions of this Act.

SEC. 6. *Appropriation.*- There shall be appropriated from the funds of the National Treasury, a seed money of P4 billion for its initial operations and constituted into a revolving fund held in trust by NFA used for funding replenishment and as a depository for funds obtained from the sale/monetization of food security stocks. Thereafter, all such amounts as may be necessary for the continued operation of said Fund which shall include the maintenance and/or increase of the Food Security Rice Reserve, shall be automatically appropriated in the General Appropriations Act as approved by Congress.

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

SEC. 8. *Implementing Rules and Regulations.*- The NFA shall, within sixty (60) days from the effectivity of this Act, issue the implementing rules and regulations of this Act.

SEC. 9. *Separability Clause.*- If any provision of this Act shall be deemed unconstitutional or invalid, the other provisions not affected thereby shall remain in force and effect.

SEC. 10. *Repealing Clause.* -All Acts, Presidential Decrees, Executive Orders and Administrative Orders, Rules and Regulations and other such issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 11. *Effectivity Clause.*- This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved,