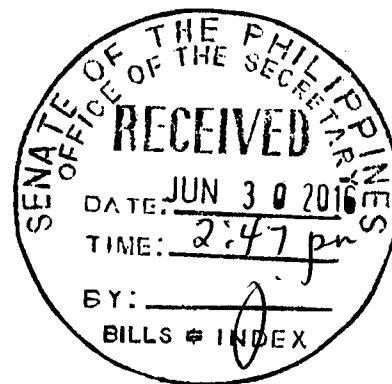


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



SENATE

S.B. No. 53

Introduced by Senator Francis N. Pangilinan

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

EXPLANATORY NOTE

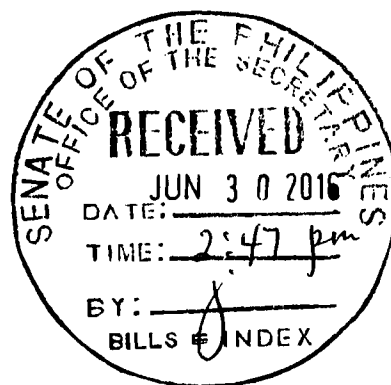
Rice is the most important staple crop of the Philippines. Every Filipino consumes about 114 kilograms of rice annually. It is, therefore, crucial that rice is made accessible and affordable to every Filipino consumer particularly during times of emergencies and disasters.

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.


FRANCIS N. PANGILINAN
Senator

SEVENTEENTH CONGRESS OF THE)
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SENATE
S.B. No. 53

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

*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.

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

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

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

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

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

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

30 **SEC. 7. Appropriation.** - There shall be appropriated from the funds of the National
31 Treasury, a seed money of ₱ 3.70 billion for the initial operations of the Food Security
32 Fund which shall be constituted into a revolving fund held in trust by the NFA which

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

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

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

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

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

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

Approved,