

7 JUN 30 P3 20

SENATE  
S. No. 183

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Introduced by Senator Biazon

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### EXPLANATORY NOTE

The theory of *inter-linked transactions* between the landlord and the tenant demonstrates the many things that the landlord was to the farmer - owner of the land he tilled, creditor, source of non-labor inputs, buyer of his outputs, and employer of extra non-farm labor. In a sense the landlord provided the tenant with his only link to markets. The bundling together of all these transactions also remedied the problem of credit risk and transactions costs. In the absence of anything better, the landlord-tenant relationship was an improvement over subsistence production with no opportunity for exchange.

Agrarian reform addressed the distributive inequities of the tenancy system. However, with the exit of landlords from rural markets, the farmer finds himself without access to credit, to market opportunities and to many other things. Government intervention in rural markets has to address the urgent need to institutionalize ways of packaging factor inputs in agriculture to bring about innovative, efficient and competitive modes of production and marketing. Otherwise, support services like extension, information, and infrastructure will not be sufficient to overcome the perceived production risks that deter the farmer from venturing into higher value crops.

This bill rationalizes and restructures the existing government organizations in order to establish harmony and coordination between policy-making and implementation, and market-development programs geared towards supporting the farmer as he transforms himself into an entrepreneur.

The National Agricultural Marketing Council will serve as the policy-making body for agricultural trading, with the Regional Agricultural Marketing Councils as its branch offices. The following attached agencies are also created to serve proprietary roles in market development and intervention:

- (a) The National Agricultural Trading Corporation (NATCOR), to function as the market development and intervention arm of the council;
- (b) The Public Warehousing Corporation, to operate Commodity Exchange Centers (CECs); establish terminal markets all over the country, and maintain the country's buffer stocks of food grain and other food commodities;

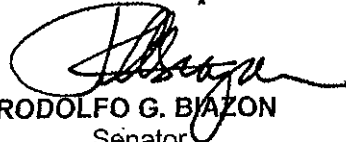
- (a) The Agricultural Credit and Guarantee Corporation of the Philippines (AGCREDOR) to provide credit assistance and guarantee cover on project loans and inventory financing for commodities deposited in the warehouses of the Public Warehousing Corporation's warehouses.

The above agencies will absorb the functions and resources of the Agribusiness Group, the National Agribusiness Corporation, the Agricultural Credit Policy Council, the Quedan and Rural Credit and Guarantee Corporation of the Philippines and the National Food Authority.

Under the proposed set-up, the specialized functions are clearly identified, delineated and distributed among the appropriate agencies so as to avoid conflict of interest situations that have so often hamstrung past policy making and implementation. Moreover, the separation of policy-making and enforcement from proprietary functions paves the way for the eventual transfer of the latter functions to the private sector, with competitive markets geared for efficiency.

It has been said that the poverty in many underdeveloped economies stems from the massive waste of resources that result from the inadequacies of market mechanisms. In the Philippine countryside, the government must confront the challenge to develop the market institutions that will put a stop to the massive waste of resources, bring productive inputs together, pave the way for more innovative modes of production and deliver our products to national, regional and international markets.

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

  
RODOLFO G. BIAZON  
Senator

7 JUN 30 P3:29

SENATE  
S. No. 183

RECEIVED BY: [Signature]

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Introduced by Senator Biazon

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**AN ACT**  
**TO PROMOTE THE AGRICULTURE INDUSTRY, STABILIZE PRICES OF AGRICULTURAL PRODUCTS AND ENHANCE FOOD SECURITY THROUGH THE EFFECTIVE PRODUCTION, PROCESSING, MARKETING AND DISTRIBUTION OF AGRICULTURAL PRODUCTS, RATIONALIZING AND RESTRUCTURING FOR THE PURPOSE, ALL EXISTING GOVERNMENT ORGANIZATIONS IN AGRICULTURAL PRODUCTION, DISTRIBUTION, MARKETING AND OTHER SUPPORT PROGRAMS, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES**

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

1 SECTION. 1. **Title** - This Act shall be known as the "**National**  
2 **Agricultural Marketing Act of 2007.**"

3 SECTION. 2. **Declaration of Policy** - It is hereby declared to be the  
4 policy of the State to ensure the general welfare of farmers, who constitute  
5 a majority of the national population, and are key to the production of  
6 sufficient food supplies all over the country. It shall also be the policy of the  
7 state to ensure the attainment of food security at all times as an essential  
8 element of national security and a critical element of national development. For  
9 purposes of this Act, food security shall be defined as the availability and stability  
10 of food supply in a manner accessible to every Filipino of any economic and  
11 social standing, given any change in the country's climatic, social, political and  
12 economic condition. The State recognizes that the goal of food security is best  
13 served through the operation of competitive markets that will provide sufficient

1 incentives to farmers and producers to increase the productivity levels of their  
2 farms.

3 For the above purposes, the state hereby rationalizes and restructures  
4 existing government structures and programs on the production, processing,  
5 marketing and distribution of agricultural products.

6 **SECTION. 3. *Creation of the National Agricultural Marketing Council***

7 - There is hereby created a policy-making and implementing body corporate  
8 called the *National Agricultural Marketing Council*, which shall have the general  
9 powers and attributes of a corporation as set forth in the Corporation Law and the  
10 particular mandate to perform the following functions, powers and  
11 responsibilities:

12 (a) To formulate policies, plans and programs on food production, post-  
13 harvest handling, storage, milling, distribution and credit support,  
14 including the coordination of its implementation among the various  
15 agencies and institutions of the government and the private sector;

16 (b) To ensure the best administration of market development programs for  
17 agricultural commodities and food products;

18 (c) To ensure an adequate flow of these products to consumers as well as  
19 a fair return to producers and prevent inefficient and wasteful methods  
20 of distribution;

21 (b) To foster the empowerment of agricultural producers into effective  
22 associations or corporations under their own control for greater unity of  
23 effort in marketing

24 (c) To promote the establishment and financing of a farm marketing  
25 systems of producer- owned and producer-controlled cooperative  
26 associations and other agencies,

- 1 (d) To set and review annually the government's buffer grain stock  
2 requirements at the national and local levels and to ensure that these  
3 requirements are achieved
- 4 (e) To effect, with the Regional Agricultural Marketing Councils and/or other  
5 government entities as implementing agents, the domestic procurement  
6 of the government's buffer grain stock through purchases of warehouse  
7 receipts or quedans of grain deposits in government, farmer-cooperatives  
8 and private warehouses and/or by buying grain produce directly from  
9 farmer cooperatives.
- 10 (f) To cause the direct importation of rice and allocation of import quotas  
11 among private entities, especially certified and licensed farmer  
12 cooperatives
- 13 (g) To promulgate the government's "stabilization price" for grains to assure  
14 farmers with a reasonable mark-up on their production cost and  
15 participation in the profits that may be realized from the sale of the  
16 government's buffer grain stock;
- 17 (h) To reorient the country's food production policies, plans and programs in  
18 such a way that the thrust of increasing the productivity of farmers is not  
19 only in terms of yield per unit area but more so in the aggregate income  
20 from farming enterprises;
- 21 (i) To promote and coordinate plans and programs of assistance to  
22 producers through input supplies, purchases, payments and other  
23 operations, including low or no interest loans in partnership with  
24 available financial sources or institutions;
- 25 (j) To institutionalize and actively promote the adoption of sustainable  
26 agricultural practices at all farm levels so that steady production of  
27 various food commodities to cope with the demands of a growing

1 population is achieved in a way that maintains the productivity of the soil  
2 and diminishes any adverse impact to the immediate environment; and  
3 (k) To undertake other tasks and activities as may be necessary to ensure  
4 the attainment of efficient agricultural marketing systems and food  
5 security.

6 SECTION. 4. **Governing Council.** - The powers, functions and affairs of  
7 the Council shall be exercised and directed by a governing council to be chaired  
8 by the Executive Secretary, with the Secretary of Agriculture as Vice Chair and  
9 with the following as members:

- 10 (a) The Secretary of the Department of Agrarian Reform;
- 11 (b) The Secretary of the Department of Finance;
- 12 (c) The Secretary of the Department of Trade and Industry;
- 13 (d) The Secretary of the Department of Public Works and Highways;
- 14 (e) The Secretary of the Department of the Interior and Local  
15 Government;
- 16 (f) The Secretary of the Department of Budget Management;
- 17 (g) The Secretary of the Department of Social Welfare and Development;
- 18 (h) The Secretary of the Department of Transportation and  
19 Communications; and
- 20 (i) The Secretary of the Department of Environment and Natural  
21 Resources.

22 The governing council shall meet regularly at least every month on any  
23 date to be determined by the Chair; *Provided*, That the Chair may convene  
24 special meetings to discuss urgent matters needing immediate resolution. The  
25 council members shall be entitled to *per diem* for every meeting actually attended  
26 by them and other remunerations as may be determined by them. It shall  
27 prescribe the rules and regulations to govern its deliberations and other official  
28 actions.

1           SECTION. 5. **Organization and Staff.** - The management of the day-to-  
2 day operations of the Council shall be vested in an executive director who shall  
3 be appointed with the rank of an undersecretary by the President of the  
4 Philippines.

5           The Council shall set up the organizational structure, staffing pattern,  
6 qualification standard, compensation scale, functions and authorities of their  
7 officers and employees pursuant to pertinent laws, rules and regulations being  
8 implemented by the Civil Service Commission and the Department of Budget  
9 and Management.

10          SECTION. 6. **Regional Agricultural Marketing Councils .** - To operate  
11 and serve as the branch offices of the National Agricultural Marketing Council at  
12 the regional level, there are hereby instituted Regional Agricultural Marketing  
13 Councils in all administrative regions of the country.

14          The Regional Agricultural Marketing Councils shall be under the  
15 administrative supervision and control of the National Agricultural Marketing  
16 Council and shall implement in the region the policies, plans and programs of the  
17 latter.

18          SECTION. 7. **Composition of the Regional Agricultural Marketing**  
19 **Council.** - The Regional Agricultural Marketing Council shall be composed of

20           (a) All the provincial governors of the region;

21           (b) The regional directors of the Department of Agriculture;

22           (c) A representative from the farming/fisheries sector;

23           (d) A representative from the agricultural marketing and trading sector;

24           and

25           (e) A representative from the consumer sector

26          All provincial governors with the Department of Agriculture Regional  
27 Director shall by majority vote choose the sectoral representatives from among  
28 nominees respectively submitted by recognized sectoral associations in the

1 region. Thereafter, the council members shall elect their Chair, Vice-Chair and  
2 other officers.

3 SECTION. 8. **Support Staff.** - The Regional Agricultural Marketing  
4 Council shall appoint, from among its members or qualified outsider, a regional  
5 director who shall manage and direct the day-to-day operations of the regional  
6 council.

7 The concomitant organizational structure and plantilla of personnel shall be  
8 set up by the regional council subject to the approval of the national council.

9 SECTION. 9. **Creation of the NATCOR** - There is hereby created a  
10 body corporate to be known as the National Agricultural Trading Corporation  
11 (NATCOR) an attached agency to the Council hereinafter referred to as the  
12 NATCOR which shall evolve the most efficient, dependable economical and  
13 equitable marketing systems for agricultural products.

14 SECTION. 10. **General Powers and Functions of the NATCOR.** The  
15 NATCOR shall have the following powers and functions:

- 16 (a) To formulate a medium term agricultural market development plan  
17 which shall be updated every year;
- 18 (b) To provide farmers and fisher folks an up-to-date market information  
19 by the establishment of an integrated and efficient nationwide  
20 information access system that will guide producers and other  
21 stakeholders to make decisions on what and how much to plant and  
22 where and when to market;
- 23 (c) To gather, analyze and disseminate market information on various  
24 foreign countries' food supply, domestic and export demand, local  
25 and export prices and other relevant data;
- 26 (d) To identify markets for Philippine agricultural products and assist in  
27 the planning of market centers, marketing channels and distribution



1 networks to reduce marketing costs for producers and ultimately the  
2 cost to consumers;

3 (e) To foster and assist in the development of new or expansion of  
4 existing domestic and foreign markets through institutional  
5 arrangements like contract growing, market matching, market  
6 intelligence and other promotional activities for agricultural products;

7 (f) To provide farmers, fisher folks and other persons or firms access to  
8 existing public and private researches supporting food market  
9 development activities;

10 (g) To disseminate information on inspection, classification,  
11 standardization, and grading system for all agricultural products to  
12 enhance global competitiveness;

13 (h) To formulate as part of its market development thrust more efficient  
14 ways, systems, and facilities for harvesting, threshing or shelling,  
15 drying, storage, milling, packaging, post-harvest handling,  
16 transportation and/or shipping of agricultural products for purposes of  
17 reducing costs and ensuring stable consumer supply;

18 (i) To require as a tool for market information the annual registration and  
19 publication of a directory of all persons, natural or juridical,  
20 engaged or intending to engage in wholesaling, milling, processing,  
21 warehousing and transporting of agricultural products, including by-  
22 products thereof;

23 (j) To coordinate with the Department of Transportation and  
24 Communications towards establishing more efficient, regular,  
25 adequate, suitable and economical systems of transporting and/or  
26 shipping of food products for purposes of reducing marketing costs  
27 and ensuring availability of basic transport which is central to the  
28 whole chain of agricultural production and distribution; and

1 (k) To promulgate policies, plans, programs, rules and regulations,  
2 sanctions and penalties as may be necessary for the effective  
3 exercise of the powers and functions of the NATCOR.

4 SECTION. 11. **Strengthening of the Agricultural Marketing**  
5 **Information System.** - For the effective implementation of the policy  
6 enunciated in this Act, the Bureau of Agricultural Statistics shall be strengthened  
7 as the principal line agency of the Republic of the Philippines for agricultural  
8 statistics and marketing information. It shall serve the data requirements of the  
9 NATCOR.

10 SECTION. 12. **Cooperation with other Government Agencies and**  
11 **Private Business Organization** - All units and agencies of the government  
12 shall support and cooperate with the NATCOR in the implementation of its  
13 functions and programs. Likewise, private research organizations, purchasing  
14 and consuming organizations, boards of trade, chambers of commerce, other  
15 associations of business or trade organizations, transportation and storage  
16 agencies and organizations, or other persons or corporations engaged in the  
17 production, transportation, storing, processing marketing and distribution of  
18 agricultural products shall support the NATCOR in the implementation of its  
19 functions.

20 SECTION. 13. **Creation of the Public Warehousing Corporation** -  
21 There is hereby created a government-owned corporation to be known as  
22 the Public Warehousing Corporation, hereinafter called the Corporation,  
23 which shall be attached to the Council and have the following functions,  
24 powers and responsibilities:

25 (a) To establish and maintain warehouses and post-harvest facilities for  
26 foods, grain and other agricultural products in all areas of production in  
27 the country;

- 1 (b) To provide warehousing/storage services and post-harvest facility  
2 assistance for the farmers' grain and food agricultural  
3 stocks/inventories;
- 4 (c) To issue, pursuant to existing laws and regulations, corresponding  
5 warehouse receipts or *quedan* for the farmers' grain and food  
6 inventory deposits;
- 7 (d) To store and safe-keep the government's food or grain buffer/security  
8 stocks as directed by the Council;
- 9 (e) To lease out, sell, build, and transfer warehouses and/or post-harvest  
10 facilities to farmer-cooperatives and federations, subject to the  
11 approval of the Council;
- 12 (f) To establish and operate Commodity Exchange Centers (CEC); and
- 13 (g) To exercise the general powers and attributes of a corporation as  
14 set forth in the Corporation Law.

15 SECTION. 14. **Authorized Capital Stock of the Corporation** - The  
16 authorized capital stock of the Corporation shall be Five billion Pesos  
17 (P5,000,000,000) divided into five million (5,000,000) common shares of  
18 stock which shall be subscribed and paid for by the national government  
19 and government institutions.

20 SECTION. 15. **Governing Board** - The powers, functions and affairs  
21 of the Corporation shall be exercised and directed by a governing board  
22 composed of the following:

- 23 (a) Executive Director of the Council as Chair;
- 24 (b) General Manager of the Corporation as Vice-Chair;
- 25 (c) President of AGCRECOR as member;
- 26 (d) Director of NATCOR as member; and
- 27 (e) Director of the Bureau of Agricultural Statistics as member.

1           The Board shall meet regularly at least every month and convene  
2 special meetings to discuss urgent matters. The Board members shall  
3 receive *per diem* for each meeting actually officiated and other remuneration  
4 as may be determined by the Board. It shall prescribe the rules and  
5 regulations to govern its deliberations and other official actions.

6           **SECTION. 16. *Organization and Staff.*** - The management of the  
7 day-to-day operations of the Corporation shall be vested in a general  
8 manager who shall be appointed by the Council.

9           The governing board shall set up the organizational structure, staffing  
10 pattern, qualification standard, compensation scale, functions and authorities  
11 of their officers and employees pursuant to pertinent laws, rules and  
12 regulations being implemented by the Civil Service Commission and the  
13 Department of Budget and Management.

14           **SECTION. 17. *Commodity Exchange Centers (CEC)*** - The  
15 Corporation shall establish at all terminal markets in the country, especially  
16 in Metro Manila and cities in Luzon, Visayas and Mindanao, Commodity  
17 Exchange Centers which shall serve as central trading facilities for grains  
18 in the regions to provide ready market for farmers' produce and promote  
19 efficiency of grain distribution to consumers under a transparent marketing  
20 system which enhances the interest of farmers and consumers alike.  
21 Strategically located warehouses of the National Food Authority (NFA) shall  
22 be the sites and business offices of the Commodity Exchange Centers.  
23 NFA personnel, because of their expertise in warehousing and grain  
24 classification and grading, shall serve as the core staff for the operation of  
25 the CECs.

26           Initially, daily public bidding of grains shall be on the basis of "on the  
27 spot" commodity. Bidding shall later be on the basis of *quedans* or  
28 warehouse receipts for grain inventories deposited in the warehouses of

1 the Corporation, the CECs or private bonded warehouses. Trading on  
2 agricultural commodity "futures" shall be the final phase that the CECs shall  
3 work for to achieve. Similarly, the CECs shall initially cover grains only  
4 and later include other food and agricultural commodities.

5       SECTION. 18. - **Responsibility for Credit Assistance and**  
6 **Guarantee Cover** - The provision of credit assistance and guarantee cover  
7 on project loans and inventory financing for commodities owned and  
8 deposited by farmers, consumers, and traders in the warehouses of the  
9 Public Warehouse Corporations and franchised private bonded warehouses  
10 shall be the primordial responsibility of the Quedan and Rural Credit  
11 Guarantee Corporation, which is hereby attached to the Council and  
12 renamed as the Agricultural Credit and Guarantee Corporation of the  
13 Philippines, hereinafter referred to as AGCRECOR.

14       SECTION. 19. **Operating Guidelines** - The AGCRECOR shall adhere  
15 to the following operating guidelines:

16       (a) Provide production loans to farmers/fishers through their primary  
17 cooperatives or federations by direct lending, co-financing schemes,  
18 providing lending banks with especial time deposit, rediscounting  
19 lending banks' production loan receivables and similar mechanisms so  
20 as to reach out to as many rural clients as possible;

21       (b) Encourage lending institutions to extend project loans for production,  
22 warehouses, post-harvest machineries and equipment, land  
23 transportation and shipping, bulk and the like, by providing a guarantee  
24 cover on such loans;

25       (c) Provide guarantee cover on inventory loans for grain or food  
26 commodities owned and deposited by farmers, consumers and traders  
27 in the PWC warehouses, Commodity Exchange Centers and  
28 franchised private bonded warehouses;

- 1 (d) Extend loans directly for the aforementioned projects and food  
2 inventory when and where no lending banks are available or willing  
3 to provide the loans;
- 4 (e) Endeavor to provide soft-term loans by sourcing and coordinating  
5 grants, no-interest and low interest funds and blending them with  
6 commercially sourced funds;
- 7 (f) Submit for the Council's approval and funding, a credit plan and  
8 budget for the undertakings envisioned in paragraphs (a) and (d)  
9 above, detailing therein the per region loan volume targets, expected  
10 beneficiaries, repayments, arrearages and defaults on previous loans.  
11 Likewise, a separate plan shall be submitted in regard to the guarantee  
12 operation; and
- 13 (g) Remit back to the Council all repayments for current loans and  
14 recoveries on past due loans funded by the said Council.

15 SECTION. 20. ***Increase in Fund Base*** - To achieve the vital credit  
16 assistance and guarantee cover envisioned in this Act, the authorized  
17 capital stock of AGCRECOR is hereby increased to Five billion pesos  
18 (P5,000,000,000) divided into common shares of stock of the same par  
19 value and with the same government-private sector ownership structure  
20 spelled out under Republic Act No. 7393. At the start of the year and  
21 upon the endorsement of the Council, the Department of Budget and  
22 Management and the Department of Finance shall program and execute  
23 the national government's and government institutions' (LBP, DBP, SSS,  
24 GSIS, PAGCOR, PCSO, etc.) subscriptions and payment thereof for the  
25 government portion of the authorized capital stock of AGCRECOR until  
26 such government portion is fully completed within five (5) years.

27 Furthermore, to enhance credit assistance to farmers/fishers,  
28 cooperatives/federations and other food enterprises envisioned in this Act,

1 the national government through the Secretary of Finance shall guarantee  
2 the AGCRECOR's borrowings, duly approved and endorsed by the Council,  
3 from government or private, domestic or foreign, financial institutions.

4       SECTION. 21. ***Incentives for Banks' Credit Support*** - The  
5 guarantee obligation of AGCRECOR shall be "sovereign" in nature and  
6 deemed as the obligation of the national government in order to entice  
7 much greater credit support from the banking sector since such  
8 guaranteed loan receivables shall be considered as compliance with the  
9 Agri-Agra Law, have access to the rediscounting window of *Bangko Sentral*  
10 *ng Pilipinas* and exempted from the "single-borrower limit" and "risk asset  
11 ratio requirements".

12       SECTION. 22. ***Compliance with Agri-Agra Law*** - All banking  
13 institutions are hereby mandated to allocate at least fifteen percent (15%)  
14 of their loanable funds to the agricultural sector. Furthermore, the provisions  
15 of the Agri-Agra Law, Presidential Decree No. 717, as amended on substantial  
16 compliance through the purchase of government securities, are hereby  
17 repealed. Bank loans extended for grain inventories deposited in the  
18 warehouses of the Corporation, Commodities Exchange Centers and  
19 franchised private bonded warehouse operators shall be deemed as  
20 compliance with the Agri-Agra Law.

21       SECTION. 23. ***Devolution of the Agribusiness Group, the***  
22 ***National Agribusiness Corporation and the Agricultural Credit Policy***  
23 ***Council*** - The Agribusiness Group of the Department of Agriculture, the  
24 National Agribusiness Corporation and the Agricultural Credit Policy Council  
25 are hereby devolved as follows:

26       (a) The records of the Agribusiness Group shall be transferred to the  
27       NATCOR;

- 1 (b) The records, researches and reference materials of the Agricultural  
2 Credit Policy Council shall likewise be turned over to the NATCOR;
- 3 (c) All other properties, assets and unexpended appropriations or corporate  
4 operating budget of the National Agribusiness Corporation and the  
5 Agricultural Credit Policy Council shall be transferred to the Council;
- 6 (d) The Comprehensive Agricultural Loan Fund created under Executive Order  
7 No. 113, dated 24 December 1986 is hereby transferred to the  
8 Council; and
- 9 (e) Officials and employees of the said group and agencies shall be  
10 devolved into the NATCOR on the basis of merit and qualification.

11 SECTION. 24. ***Devolution of the Personnel, Properties, Assets,***  
12 ***Records, and Unexpended Appropriation of the National Food***  
13 ***Authority (NFA)*** - The present warehouses, post-harvest facilities and  
14 equipment, trucks, and utility vehicles of the National Food Authority shall  
15 be transferred as the initial government equity to the Public Warehousing  
16 Corporation. All personnel attendant to the said grain facilities shall likewise  
17 be transferred to the Corporation.

18 All other personnel, properties, assets, records and unexpended  
19 appropriations of the National Food Authority are transferred to the  
20 National Agricultural Marketing Council and National Agricultural Trading  
21 Corporation in a manner that the said Council shall decide. This shall  
22 include imported rice and corn already in the country and such other stocks  
23 that may arrive pursuant to the current importation thereof. Said stocks shall  
24 be disposed of in accordance with the new policy of the Council.

25 SECTION. 25. ***Outstanding Obligations of the NFA*** - All obligations  
26 of the National Food Authority upon the approval of this Act shall be  
27 transferred to and absorbed by the national government: *Provided*, That  
28 those incurred in the current importation shall be paid by the Council up to



1 the extent of the rice/corn inventory still on hand and transferred to the  
2 Council.

3 SECTION. 26. **Options of Devolved Personnel** - All personnel  
4 herein devolved and those otherwise not absorbed may opt to retire, if  
5 qualified for retirement, or be laid off and gratuity shall be given as follows:

6 (a) Not more than 20 years of service, 1.5 months gross pay per year of  
7 service; and

8 (b) More than 20 years of service, 2 months gross pay per year of  
9 service.

10 Those with pending administrative and/or criminal cases shall be paid  
11 only after exoneration, otherwise they shall forfeit whatever benefits are due  
12 to them.

13 SECTION. 27. **Appropriations for the National Agricultural**  
14 **Marketing Council** - The sum needed for the operation and maintenance of  
15 the Council, including the credit funds to support food production and other  
16 undertakings, shall form part of the appropriations, in the annual General  
17 Appropriations Act.

18 SECTION. 28. **Appropriation for the National Agricultural Trading**  
19 **Corporation.** - For the initial operation of the NATCOR, the amount of Two  
20 Hundred Million Pesos (P200,000,000) is hereby appropriated from the  
21 current appropriations of the Department of Agriculture or the National  
22 Food Authority. Thereafter, such sum as may be needed for its operations  
23 and maintenance, including the amount needed for strengthening the  
24 Bureau of Agricultural Statistics, shall be included as part of the  
25 appropriations in the annual General Appropriations Act.

26 SECTION. 29. **Appropriations for the Public Warehousing**  
27 **Corporation** - For its initial operation, the amount of Five Hundred Million  
28 Pesos (P500,000,000) is hereby appropriated for the Corporation from the

1 current appropriations of the Department of Agriculture or the National  
2 Food Authority. Thereafter, such amount needed for their continuous  
3 operation and maintenance shall be included as part of the appropriations  
4 in the annual General Appropriations Act.

5 SECTION. 30. **Appropriations for the Regional Agricultural**  
6 **Marketing Council** - The National Agricultural Marketing Council shall, out  
7 of its financial resources, appropriate such amount as would be necessary  
8 for the start-up and continuous operation of each Regional Agricultural  
9 Marketing Councils.

10 SECTION. 31. **Repealing Clause** - All laws, decrees, executive  
11 issuances, rules and regulations inconsistent with this Act are hereby  
12 repealed or modified accordingly.

13 SECTION. 32. **Separability Clause** - The provisions of this Act are  
14 hereby declared to be separable, and in the event one or more of such  
15 provisions are held unconstitutional, the validity of the other provisions shall  
16 not be affected thereby.

17 SECTION. 33. **Effectivity Clause.** - This Act shall take effect  
18 immediately after its complete publication in at least two (2) newspapers of  
19 general circulation.

Approved,