


24 MAR -4 P3:56

1 NINETEENTH CONGRESS OF THE)
2 REPUBLIC OF THE PHILIPPINES)
3 Second Regular Session)

RECEIVED BY: 

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5 SENATE
6 P.S. RES. NO. 947

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8 Introduced by SENATOR CYNTHIA A. VILLAR

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10 RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT
11 AN INQUIRY IN AID OF LEGISLATION ON THE ANOMALY IN THE SALE OF THE
12 STOCKS OF RICE BY THE NATIONAL FOOD AUTHORITY (NFA)
13

14 **WHEREAS**, the National Food Authority (NFA) plays a vital role in ensuring food
15 security and stability in the country by managing the supply and distribution of rice. It
16 focuses on the acquisition, maintenance, and distribution of rice for buffer stocking;

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18 **WHEREAS**, recent reports have surfaced regarding anomalies in the sale of
19 stocks of NFA rice, which undermines the trust and integrity of the Agency;

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21 **WHEREAS**, an electronic mail has been sent to the Committee regarding a
22 memorandum issued by Assistant Administrator for Operations, Engr. Lemuel R.
23 Pagayunan with a subject: "Report on Irregular Sale of NFA Stocks to Selected
24 Commercial Traders" addressed to Administrator Roderico R. Bioco, and Acting Special
25 Assistant Administrator, Engr. John Robert Hermano;

26
27 **WHEREAS**, the memorandum has shown that Admin. Bioco and Engr. Hermano
28 has issued memorandums on different occasions authorizing the issuance (in volume of
29 bags) of more or less 150,000 bags of rice even without the approval of the NFA Council;

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31 **WHEREAS**, Rice distribution in NFA is facilitated through various strategies,
32 involving the sale of rice at accredited market outlets such as accredited retailers,

33 government agencies, and private institutions, among others. Accredited retailers
34 includes Accredited Retailers Inside Markets, Accredited Retailers Outside Markets, as
35 well as all Bigasang Bayan Outlets, Barangay Bagsakan, Bigasan sa Parokya, and
36 Institutionalized Bigasan sa Palengke. Government agencies include the Department of
37 Social Welfare and Development (DSWD), Philippine National Red Cross (PNRC),
38 National Disaster and Risk Reduction Management Council (NDRRMC), Local
39 Government Units (LGUs), legislators, PAGCOR, DBM, BJMP, Military Camps
40 Commissary, E.O. 51 employees, and other government institutions, agencies, and
41 cooperatives. Lastly, Private institutions and other entities eligible for distribution includes
42 private company/corporation employees and cooperatives, KALAHI, Non-Governmental
43 Organizations (NGOs), NFA Creditors (PIK), Senior Citizens, and other private entities.
44 Additionally, distribution channels include NFA Rolling Stores and NFA Operated
45 Stationary Stores;

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47 **WHEREAS**, Admin. Bioco and Engr. Hermano has contracted G4 Rice Mill Corp.,
48 and NBK San Pedro Ricemill, through various representatives, to buy NFA's deteriorating
49 or aging stocks;

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51 **WHEREAS**, an information was received that according to laboratory results, the
52 stocks of rice sold to traders were not actually deteriorating but were fit for consumption
53 and subject to disposition in the natural course of NFA operations;

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55 **WHEREAS**, there were allegations that these sacks of milled rice were sold for
56 Php 25.00 per kilo without undergoing a bidding process and after purchasing the grains
57 in palay form at Php 23.00 per kilo;

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59 **WHEREAS**, the buying price of palay stands at Php 23.00 per kilo, with a break-
60 even price set at Php 36.50. Once converted into rice form plus overhead cost, the price
61 is set at Php 40.00 per kilo. Deducting the Php 25.00 selling price leaves a margin of Php
62 15.00. Thus, a subsidy of Php 15.00 pesos is required. With 150,000 sacks of rice, each

63 weighing 50 kilos, the total equals to 7,500,000 kilos of rice. Multiplying this by the subsidy
64 of Php 15.00 results in Php112,500,000.00 loss incurred by the government.

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66 **WHEREAS**, based on a report of GMA Integrated News published on 04 March
67 2024, 139 NFA officials¹ have been suspended pursuant to an Order issued by the Office
68 of the Ombudsman.

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70 **WHEREAS**, in accordance with **Section 21, Article VI of the Constitution** and
71 **Senate v. Ermita (G.R. No. 180643, 25 March 2008)**, the Senate, as a law-making body,
72 has the power to conduct inquiries and the appearance thereto is mandatory.

73

74 **WHEREAS**, it is imperative to address these anomalies promptly to uphold
75 transparency, accountability, and public confidence in the NFA's operations;

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77 **RESOLVED**, that the appropriate Senate Committee be directed to conduct an
78 inquiry in aid of legislation to determine the extent and nature of the anomalies in the sale
79 of stocks of NFA rice. The investigation should encompass all stages of the supply chain,
80 from procurement to distribution, and involve scrutiny of relevant documents,
81 transactions, and personnel involved with the firm commitment to uphold the highest
82 standards of transparency, accountability, and integrity in the management of NFA rice
83 stocks and to address any anomalies that threaten the organization's credibility and
84 mission to ensure food security for all Filipinos.

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86 **Adopted,**

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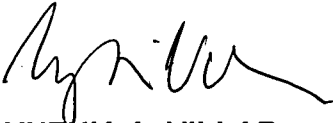
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CYNTHIA A. VILLAR
Senator

¹ GMA Integrated News, 04 March 2024, <https://www.gmanetwork.com/news/topstories/nation/899375/139-nfa-officials-employees-suspended-agri-chief-laurel-to-take-over/story/>