


THIRTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
Second Regular Session

6 JUN -7 P41

SENATE

Senate Bill No. 2349

RECEIVED BY: 

INTRODUCED BY SEN. MANNY VILLAR

EXPLANATORY NOTE


Rice and corn are traditionally the most important commodities in the country. They are the staple food for millions of Filipinos. The scarcity or a slight increase in the prices of these grains has significant economic effects in the poor sector of the society.

In this regard, the major thrust and direction of the government is geared to achieve food sufficiency and stabilization of the supply and prices of staple food. The necessity for government intercession occurs during the harvest season where prices decrease and in the lean months where it increases. However, the cost of attaining said goal requires a significant amount which necessitates effective and efficient management or resources.

The National Food Authority (NFA) is the government agency mandated to insure food security in times of calamities/emergencies and stabilization of supply and price of grains. This is achieved by its procurement operations where the agency procures and stocks significant volumes of grains in preparation for price fluctuations in the market.

This bill seeks to appropriate P5 billion pesos for a "Grains Price Stabilization Fund" intended to remedy the present situation and to assure the small farmers of a reasonable price for their produce and sustain NFA procurement operations and logistical support which includes appropriate infrastructure build-up like primary post-harvest facilities. Eventually, the facilities shall be turned-over to small farmer cooperatives.


The early passage of this bill is earnestly solicited.


MANNY VILLAR

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**AN ACT
CREATING THE GRAINS PRICE STABILIZATION FUND OF THE NATIONAL
FOOD AUTHORITY FOR ITS FOOD SECURITY AND STABILIZATION
PROGRAM, PROVIDING FUNDS THEREFORE AND FOR OTHER
PURPOSES**

*Enacted by the Senate and House of Representatives of the
Philippines in congress assembled:*

SECTION 1. Title.- This Act shall be known as the "Grains Price stabilization Fund Act".

SECTION 2. Definition of Terms.- As used in this Act, the following terms shall be construed to mean as follows:

1. "Rice" shall mean dehusked or unhusked kernel coming from a plant known in Botany as *Oryza Sativa* L. and/or all its grains, varieties and sub-varieties belonging to the family Gramineae;
2. "Corn or maize" shall mean and include corn or the cob, the shelled (corngrains) or the ground (corngrits) kernel coming from a plant known in Botany as *Zea Mays* L. as well as all its strains, varieties, varieties and sub-varieties belonging to the family Gramineae;
3. "Grains" shall mean dehusked, milled or unmilled seeds or fruits of various food plants, more specifically the cereal;
4. "Small farmers" refers to natural persons dependent on small scale subsistence farming as their primary source of income and whose sale, barter or exchange of agricultural products do not exceed a gross value of One Hundred Eighty Thousand Pesos (P180,000.00) per annum based on the 1992 constant prices (as defined in Republic Act No. 7606); and
5. "Agricultural commodities" shall mean those products or those goods such as palay and rice, corn, wheat, fish and marine products, livestock, poultry, vegetables and fruits in their raw or basic form.

SECTION 3. Declaration of Policy.- It shall be the policy of the State to promote the growth and development of the grains farmers.

Recognizing that rice and corn is the staple food of most if not all Filipinos, continued growth and productivity of the grains industry is critical in assuring the food security and growth for small grain farmers who comprise the majority of producers to be provided with reasonable profits and livelihood.

Pursuant to this policy, the state shall provide a mechanism to protect small grains farmers from severe price fluctuations. Their productivity shall be rewarded by assuring a reasonable price even during the main harvest season.

SECTION 4. Grain Price Stabilization Fund.- To implement the policy enunciated in this Act, there is hereby established the Grain Price Stabilization Fund hereinafter referred to as the Fund. The Fund shall be used by the NFA for its rice and corn procurement operations from small farmers. It can also be used by the NFA for the logistical support requirement of said activity. The Fund shall be in the amount of P5 Billion Pesos shall be deposited in a government financial institution. Interest earned shall accrue to the Fund: Provided however, that the National Government shall reimburse the trading losses incurred by the NFA in its yearly marketing operations.

SECTION 5. Funding.- All taxes and tariff collected from the importation of agricultural commodities in their new materials in their raw or basic form such as but not limited to wheat, rice, corn and savings from debt service shall form part of the Fund. The National Government shall remit to the Fund all collections from the above source until the Fund shall have reached P5 Billion Pesos.

SECTION 6. Implementing Rules of this Act.- Within sixty (60) days from the effectivity of this Act, the NFA, in consultation with the Department of Finance, shall issue the necessary rules and regulations to implement this Act.

SECTION 7. Repealing Clause.- All acts, executive orders, rules and regulations and other issuances or parts thereof which are inconsistent with the provisions on this Act hereby repealed accordingly.

SECTION 8. Separability Clause.- If any provision of this Act shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

SECTION 9. Effectivity.— This Act shall take effect fifteen (15) days following its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved.