


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

SENATE  
OFFICE OF THE SECRETARY

10 JUL -7 P4:43

SENATE

Senate Bill No. 741

RECEIVED BY: 

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INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

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#### EXPLANATORY NOTE

This bill seeks to establish a strategic food security and rice reserve. A minimum rice reserve equivalent to the 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 assure the food security of the country especially during times of emergencies and calamities, and stabilizing the supply and price of grains. With a fifteen (15) day buffer stock, the government can unload or distribute anytime there is a noted gap in the supply of rice in the market in any part of the country to effectively stabilize the price of this staple.

In view of the foregoing and with the primordial objective of assuring a steady and ample supply of rice at affordable prices to our people, especially in times of disaster and calamities, the passage of this bill is strongly recommended.

  
JINGGOY EJERCITO ESTRADA  
Senator

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AN ACT  
ESTABLISHING A STRATEGIC FOOD SECURITY 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 "**Strategic Food  
Security Rice Reserve Act of 2010.**"

**SEC. 2. Declaration of Policy.** - It shall be 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. Definition 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, earthquakes, fires, volcanic eruptions,  
lahar flows, and acts of man such as political and/or civil disturbances, and wide-  
spread civil unrest.

(b) *Government Food Security Rice Reserve* is the inventory 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. Administration.** - 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 Rice Reserve.** The NFA shall ensure that rice stocks are refilled in accordance with the provisions of this Act.

**SEC. 6. Strengthening Farmers Cooperatives.** Net proceeds from the importation of the rice reserve shall be used to strengthen farmer's cooperatives in their grains marketing activities:

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

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

**SEC. 7. Appropriation.** - There shall be appropriated from the funds of the National Treasury, a seed money of P3.70 billion for the initial operations of the Food Security Fund which shall be constituted into a revolving fund held in trust by the NFA which shall be 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. 8. Monitoring.** - The NFA shall regularly review and assess the national palay and rice situation, and, on the basis 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. 9. Implementing Rules and Regulations.** - The NFA Administrator shall, within sixty (60) days from the effectivity of this Act, issue the implementing rules and regulations of this Act. Copies of such rules and regulations shall be submitted to both Committees of Agriculture and Food of the Senate and House of Representatives, within fifteen (15) days from issuance of the same.

**SEC. 10. 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. 11. 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. 12. Effectivity Clause.** - This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

*Approved,*