

REPUBLIC OF THE PHILIPPINES  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
**First Regular Session**

House Bill No. 2899



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Introduced by **MAGDALO Party-List Representative**  
**HON. MANUEL DG. CABOCHAN III**

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**EXPLANATORY NOTE**

Rapidly dwindling rice buffer stock of the National Food Authority has been a major issue in the past years. There was much commotion in the highest echelons of the National Government and great alarm to the general public, rice after all was an invaluable part of everyday Filipino sustenance.

Such shortages spell trouble during times of great natural disasters when the demand for food, especially rice, is more pronounced. Disaster-stricken areas are highly susceptible to these shortages and may lead to public disorder. The government must prevent such events from happening.

This proposed measure shall ensure that the NFA maintains fifteen days equivalent of the national rice consumption, procure rice stocks from small farmers and farmers cooperatives, and release to the market the rice reserve at the declaration of a state of calamity with a release price based on prevailing market price immediately prior to the occurrence of the calamity.'

In view of the foregoing, approval of this measure is earnestly sought.

  
**MANUEL DG. CABOCHAN III**  
*Representative*  
Magdalo Para sa Pilipino Party-List

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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:*

1           **SEC. 1. Title.**-This Act shall be known as the “*Strategic Food Security Rice Reserve*  
2 *Act.*”  
3

4           **SEC.2. Declaration of Policy.**-It shall be the policy of the State to ensure an adequate  
5 supply of rice at reasonable and affordable prices for the people during calamities.  
6

7           **SEC.3. Definition of Terms.**- As used in this Act, the following terms shall mean:  
8

9           (a) *Calamities* are fortuitous events which include acts of God such as but not limited  
10 to typhoon, floods, droughts, earthquakes, fires, volcanic eruptions, lahar flows,  
11 and acts of man such as political and/or civil disturbance, and wide-spread civil  
12 unrest.  
13

14           (b) *Government Food Security Rice Reserve* is the inventory of rice and/or palay by  
15 the National Food Authority (NFA), equivalent to the fifteen (15)-day average  
16 national daily rice consumption to be maintained as a matter of national policy.  
17

18           **SEC.4. Administration.**- In order for the National Food Authority (NFA) to  
19 effectively perform the functions and responsibilities provided for this Act, it shall:  
20

21           (1) Maintain and manage a government rice reserve equivalent to fifteen (15) days of  
22 the national rice consumption for the current year and determine the location and  
23 distribution of such stocks into depots nationwide.  
24

25           (2) Procure stock from small farmers and farmers’ cooperatives and import only  
26 under abnormal conditions determined through consultation with all affected  
27 sectors unless directed otherwise by the President: *Provided*, that, the quality of  
28 imported rice shall be regular milled rice, thirty-five percent (35%) broken, or  
29 better; *Provided*, further, that, in case all or part of the initial reserve is imported,  
30 NFA will have the option to release the imported stocks at a price that will allow it



1 to procure locally its equivalent volume in palay form to maintain the fifteen (15)  
2 day rice reserve.  
3

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

11 **SEC.5. Refill of Rice Reserve.-** The NFA shall ensure that rice stocks are refilled in  
12 accordance with the provision of this Act.  
13

14 **SEC.6. Strengthening Farmers' Cooperative.-** Net proceeds from the importation of  
15 the rice reserve shall be used to strengthen farmer' cooperatives in their grains marketing  
16 activities.  
17

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

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

29 **SEC.7. Appropriation.-**There shall be appropriated from the funds of the National  
30 Treasury, a seed money of P3.70 billion pesos for the initial operations of the Food Security  
31 Fund which shall be constituted into a revolving fund held in trust by the NFA which shall be  
32 used for funding replenishment and as a depository for funds obtained from the  
33 sale/monetization of food security stocks. Thereafter, all such amounts as may be necessary  
34 for the continued operation of said Fund, which shall include the maintenance and/or increase  
35 of the Food Security Rice Reserve, shall be automatically appropriated in the General  
36 Appropriations Act as approved by Congress.  
37

38 **SEC.8. Monitoring.-**The NFA shall regularly review and assess the national palay  
39 and rice situation and, on the bases of the data and information collected, prepare a report to  
40 be submitted to the Office of the President and to both Committees on Agriculture of  
41 Congress.  
42

43 **SEC.9. Implementing Rules and Regulations.-** The NFA Administrator shall, within  
44 sixty (60) days from the effectivity of this Act, issue the implementing rules and regulations  
45 of this Act. Copies of such rules and regulations shall be submitted to both Committees of  
46 Agriculture and Food of the Senate and the House of Representatives, within fifteen (15)  
47 days from the issuance of the same.  
48

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

4  
5           **SEC.11. Repealing Clause.**- All Acts, Presidential Decrees, Executive Orders and  
6 Administrative Orders, Rules and Regulations and other such issuances or parts thereof  
7 which are inconsistent with the provisions of this Act are hereby repealed or modified  
8 accordingly.

9  
10           **SEC. 12.Effectivity.** - This Act shall take effect after fifteen (15) days from its  
11 publication in the Official Gazette or in two (2) newspaper of general circulation.

*Approved,*