

## [ LETTER OF INSTRUCTION NO. 98, July 10, 1973 ]

TO: The Secretary of Agriculture and Natural Resources  
The Administrator, National Grains Authority,  
The President, Philippine National Bank  
The Chief, Philippine Constabulary

Pursuant to Proclamation No. 1081, dated September 21, 1972 and considering that there is an unusual bumper crop of corn in Mindanao, a massive corn procurement program is hereby ordered in order to protect the well-being of the farmers in Mindanao and stabilize corn prices in corn eating areas for the benefit of the consumers. Such program shall be directed by the Secretary of Agriculture and Natural Resources or his representative with the assistance of the Administrator, National Grains Authority, and the support of the President of Philippine National Bank and the Chief of the Philippine Constabulary.

The following guidelines will be followed in the implementation of this letter of instructions:

1. The NGA will—

- a) organize for action within 2 weeks so that by July 20, the procurement machinery in southern and northeastern Mindanao will be operational, and that by the end of July, it will be operational in other places in Mindanao.
- b) involve the provincial governments and the schools in seeing to it that the crop will be harvested on time.
- c) employ under appropriate agreements the capabilities of private corn industry (trading, storage, drying, shelling, and processing) operators.
- d) allow, up to a point, industrial users of corn to enter the market end buy.
- e) with the assistance of DANR personnel, enter into forward contracts with farmers and farmer groups for them to deliver to NGA shelled corn at P.50/kilo ex farm. This would enhance NGA's position in the market and enable it to influence more effectively buying price levels.
- f) buy-raill-distribute-and-sell to enable it to place incremental supply in the rice/corn consumer markets, and thereby diminish the demand for rice in these markets.
- g) arrange immediately at prevailing rates, for such facilities as are needed, including trucks, scales, dryers, shellers, warehousing space and milling.  
Labor will be hired and supplies (such as sacks and Wine) will immediately be procured on the basis of a canvass. (Instead of public bidding)
- h) establish main operational centers, with supportive collection points, at the following places;

1. Digos, Davao del Sur
2. Bansalan, Davao del Sur
3. Malay/Supod, Davao del Sur
4. Davao City