

[PRESIDENTIAL DECREE NO. 1485, June 11, 1978]

FURTHER AMENDING CERTAIN PROVISIONS OF THE NATIONAL GRAINS INDUSTRY DEVELOPMENT ACT

WHEREAS, it is the declared policy of the State to promote the integrated growth and development of the grains industry so as to provide adequate and continuous food supply to the nation and contribute to the national economy;

WHEREAS, to carry out and implement the foregoing policy, Presidential Decree No. 4 dated September 26, 1972 was promulgated making the "Act to Develop the Rice and Corn Industry, Created the National Grains Authority and Provide Funds Therefor" otherwise known as the National Grains Industry Development Act, as part of the law of the land;

WHEREAS, it becomes necessary to adopt various measures calculated to promote zeal and enthusiasm in the production of rice, corn and other grains in order to attain self-sufficiency in such grains, hasten development of virgin and undeveloped lands and to provide more opportunities to small farmers towards their economic well-being;

WHEREAS, the Authority is being hampered by various technicalities and otherwise operational hindrances that diminish the impact of its campaign, and thereby undermine its efforts, to purge the industry of unscrupulous elements;

WHEREAS, recent developments and continuing scientific and technological studies on grains production, processing and marketing have revealed that the foregoing policy will be best attained and thereby facilitate a truly integrated development, planning, programming and implementation by vesting the Authority with supplementary responsibilities and powers and by amending certain provisions of said Act.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Republic of the Philippines, by virtue of the powers in me vested by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines and pursuant to Proclamation No. 1081, dated September 21, 1972 and General Order No. 1 dated September 22, 1972, as amended, do hereby adopt and make as part of the law of the land the amendments to the aforesaid National Grains Industry Development Act stated hereunder;

SECTION 1.—The heading and introductory paragraph to the aforementioned Act is hereby amended to read as follows:

"PROCLAIMING THE CREATION OF THE NATIONAL GRAINS AUTHORITY AND PROVIDING FUNDS THEREFOR.

"Pursuant to Proclamation No. 1081, dated September 21, 1972, I, FERDINAND E. MARCOS, President of the Republic of the Philippines and Commander-in-Chief of all the Armed Forces, by virtue of the powers vested in me by the Constitution of the Republic of the Philippines, do hereby declare as a law of the land, the creation of the *National Grains*

Authority which shall be under the Office of the President. The provisions of this Decree are contained herein below."

SECTION 2.—Section 1 is hereby amended to read as follows:

"**SECTION 1.**—*Title of the Act.*—This law shall be known as *the National Grains Authority Act.*"

SECTION 3.—Section 2 is hereby amended to read as follows:

"**SECTION 2.**—*Declaration of Policy.*—It shall be the policy of the State to promote the integrated growth and development of the grains industry (rice, corn, wheat, and other grains *and their substitutes such as but not limited to mongo, soybeans and cassava*) so that it can adequately function as in institution conscious of its social responsibilities and capable of providing adequate and continuous food supply to the nation and of contributing of its proper share to national economy."

SECTION 4. Section 3, paragraph, b) and f) are hereby amended to read as follows:

"**SECTION 3.**—*Policy, Goals and Objectives.*—

XXXXX XXXXX XXXXX XXXXX

b. Provide comprehensive guidance for the development of the industry in all its aspects, delineating and coordinating the respective roles of both government and private sectors and their respective components and earmarking adequate financing from credit *and other* resources to support the program; *Provided, however,* That credit *and other* resources contemplated in this Act for the development of the grains industry shall be complementary and supplementary to those earmarked under existing laws."

f. Adopt *all other* measures for the grains industry *as may be necessary to achieve the foregoing policy.*"

SECTION 5.—Section 4 is hereby amended to read as follows:

"**SECTION 4.**—*Policy Implementation.*—To execute the foregoing policy, there is hereby created a body corporate *with regulatory and supervisory powers* to be known as the *National Grains Authority*, hereinafter simply referred to as the *Authority*, which shall be governed by a Board of Directors, known as the *National Grains Authority Council*, hereinafter referred to as the Council. The powers and functions of the *Authority* shall be vested in the Council which shall have overall responsibility for formulating and coordinating a comprehensive program for the development of the grains industry. The Council shall be composed of the following:

Chairman:

Secretary of Agriculture

Members:

The Administrator, *National Grains Authority*

The Governor, Central Bank of the Philippines

The President of the Philippine National Bank

The Chairman of the Development Bank of the Philippines

Representative of the Office of the President

The Secretary of the Department of Trade

The Secretary of the Department of Industry

A Representative from the consuming sector

In the absence of the Chairman, the Administrator of the National Grains Authority shall act as the Chairman of the Council.

Within thirty days from the approval of this degree, the President of the Philippines shall constitute the Council.

The representative of the *consuming sector* shall not be less than thirty-five years of age, with sufficient education of proven honesty, integrity and recognized competence. *He* shall be appointed by the President of the Philippines to hold office for a term of four years unless sooner removed for cause or until *his* successor shall have been appointed and qualified.

The Council shall meet regularly *at least once a month on any date to be determined by the Chairman: Provided*, That the Chairman may convene special meetings to discuss any urgent matters needing immediate resolutions. The Council members shall be entitled to per diem of P400.00 for each meeting actually attended by them and other remunerations as may be determined by the Council.

If for any reason a member of the Council, who is a public official, is unable to attend a meeting, he shall be represented therein by the next ranking official or officer of the Office, Agency or organization he represents.

The Council shall adopt rules and regulations to govern its proceedings, call on any government agency or institution for assistance or support, and determine its official location and address.

SECTION 5.—Section 5, subsection (b), paragraph (i) is hereby amended to read as follows:

"(i) Determine the floor price for the grain crop which shall assure the farmer or producer a fair return on his investment; *Provided*, That the floor price for the grain crop of any season shall be the total sum of the season's anticipated cost of production per cavan, *plus a reasonable mark-up*, as determined by the Council; *Provided, Further*, That whatever agricultural minimum wage may be specified by law shall be included in the computation of the anticipated production cost even for work performed by operators and/or owners of farms; *Provided, Further*, That the *retail prices for milled rice, corn grits, sorghum and other grains and their substitutes and their by-products/end-products shall not be more*

than the prices set for these items by the Council; Provided, Further, That price ceilings shall be adjusted in direct relation to significant changes in the Consumer Price Index (CPI) periodically prepared by the Central Bank of the Philippines; Provided, Further, That the Authority shall give preference to producers cooperatives in the procurement of grains so as to promote the development of cooperatives and other farmer's associations such as but not limited to Area Marketing Cooperatives, Samahang Nayons, selda, etc., in the country; Provided, Furthermore, That the price support shall cover only such quantity of palay, corn or other grains as was actually produced by the farmer in his own farm; and Provided, Finally, That the Authority may, upon authorization by the Office of the President, incur subsidies to be borne by the National Government in the implementation of the floor and ceiling prices for rice and corn and other grains and their substitutes and/or their by-products/end products;

SECTION 6.—Section 6 as amended by P.D. No. 699 is hereby further amended to read as follows:

"SECTION 6.—*Administration—Powers, Organization, Management and Exemptions.*—The Powers, organization, management and exemptions of the *Authority* shall be as follows:

a. *Powers*—In order to effectively carry out its functions and responsibilities provided in this Act, the *Authority* shall have the following powers:

- i. To institute the negotiable warehouse receipt or *quedan* system in palay, corn and other grains not later than two (2) years after the approval of this Act. Pending the institution of said *quedan* system, however, the *Authority* shall implement the price support by procuring grains at the announced floor price in such quantities and in such places as may be necessary: *Provided, That no such grains shall be procured unless they are stored in a bonded warehouse under a bond of not less than thirty-three and one-third (33 1/3) per centum of the value of the stocks of said grains; Provided, However, That in areas where there are rebonded warehouses or adequate space in bonded warehouses the Authority shall start to purchase grains at the beginning of every harvest and for this purpose shall send its men and facilities to the places of harvest where the farmers can directly sell their harvested grains; Provided, Further, That the Authority shall take measures to expedite the establishment of bonded warehouses in areas where they are needed but do not exist; Provided, Finally, That such stocks shall be fully insured against loss due to fire.*
- ii. To maintain and manage a national buffer stock the quantity and locations of which shall be determined by the *Authority*.
- iii. To own, lease, operate or otherwise hold lands, buildings, equipment and such other immovable properties, as may be necessary to carry out its functions. (As amended by P.D. No. 699)

- iv. To enter into, make, perform and carry out contracts of every class and description necessary or incidental to the realization of its functions with other person, firm or corporation, private or public, *including loans or borrowings by the Authority from domestic or foreign sources*, or initiate contracts and/or agreement in behalf of the industry between the Philippine Government and any foreign government or institution;
- v. To oversee and *enforce* the provisions of Republic Act Numbered Three Thousand Eighteen;
- vi. To inspect palay, rice, corn, corngrits *and other grains and their substitutes and/or their by-products/end-products* stored by any person, partnerships, corporation or association, for purposes of taking inventory and record of such commodities, and to enter the premises thereof by the use of reasonable means;
- vii. To order the seizure, whenever there is cornering or hoarding, as may be defined by the *Authority* of rice and/or corn and/or other grains *and their substitutes and/or the by-products/end-products thereof, including facilities and equipments used in said cornering or hoarding*, or wherever there is a scarcity of supply of such commodity in the consumer market and/or an unwarranted increase in the price thereof, of the hoarded commodity and its public sale in such quantity as may be needed to stabilize the supply in the area of scarcity and restore prices to normal levels;
- viii. *To establish and enforce standards in grading, sampling and inspection, test and analysis, specification, nomenclature, units of measurement, code of practice and packaging, conservation and transport for grains and their substitutes and/or their by-products/end-products* and to effect a transition of standards in measurement of grains from volume to weight, and in metric system;
- ix. To coordinate the activities of all government agencies engaged in the study, research and promotion of measures designed *to enhance the integrated growth and development of the grains industry*; and to improve the processing and marketing standards of rice, corn and other grains, such as methods of drying, handling, hauling, storage, milling, packaging, distributing and shipping these grains and their by-products;
- x. To call upon and/or deputize any official of such government agencies as may be necessary to assist the Authority in carrying out its functions;
- xi. To register, license and supervise warehouses, *whether bonded or not*, and mills; and to prescribe, impose and collect fees, charges, and/or surcharges in licensing and regulating warehouses and mills;
- xii. *To establish rules and regulations governing the importation of rice, corn and other grains and their substitutes and/or by-products/end-products and to license, impose and collect fees and charges for said importation for the purpose of equalizing the selling price of such imported grains and their substitutes*