

[LETTER OF INSTRUCTIONS NO. 1024, May 22, 1980]

AUTHORIZING THE QUEDAN GUARANTEE FUND BOARD CREATED UNDER LETTER OF INSTRUCTION NO. 704 TO INCLUDE OTHER GRAINS AND OTHER FOOD COMMODITIES IN ITS QUEDAN FINANCING PROGRAM, PRESCRIBING SPECIFIC POWERS AND RESPONSIBILITIES AND FOR OTHER PURPOSES.

TO : The Minister, Ministry of the Budget
 The Governor, Central Bank of the Philippines
 The Administrator, National Grains Authority
 The Chairman, Quedan Guarantee Fund Board

WHEREAS, Letters of Instruction Nos. 696 and 704, dated May 24 and June 9, 1970 respectively, provided for the implementation of the Grains Quedan Financing Program in order to encourage Banking Institutions to channel their loanable funds to grains businessmen thereby augment the latter's operating capital and trigger extensive private procurement of palay produce, stabilize ex-farm prices and hasten the uplift of income level in the rural areas;

WHEREAS, since the Grains Quedan Financing Program has proven its effectiveness in its limited coverage to palay only, there is now a felt need to expand the program to include corn, feedgrains and other food commodities;

WHEREAS, to more effectively pursue the objectives of this important financing program, it becomes necessary to bestow upon the Quedan Guarantee Fund Board and the National Grains Authority complementary powers and responsibilities.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree:

1. That the Guarantee Fund set up under Letter of Instruction No. 704 shall guarantee not only the existence of palay deposit but also corn and/or other feedgrains, such as but not limited to sorghum, soybean, mongo and peanuts, covered by Quedan and/or Trust receipts collateralized by grains businessmen with the banks up to an amount equivalent to 70% of outstanding loan;
2. That other food commodities, as may be jointly recommended by the National Grains Authority and Food Terminal, Inc., shall similarly be placed within the purview of the guarantee herein provided;
3. That the National Grains Authority shall likewise undertake to purchase not only palay stocks but also corn, other feedgrains, and/or other food commodities equivalent to the outstanding loan covered by Quedan subject to the terms and conditions that may be determined by the Quedan Guarantee Fund Board;
4. That the National Grains Authority shall be authorized to cause the printing of negotiable warehouse receipts or quedans for palay in 500 cavans denomination or other denominations as The Board may, from time to time,