



Republic of the Philippines
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Memorandum Circular

No. 42

Series of 2024

SUBJECT : UNDERTAKING OF BENEFICIARIES UNDER THE NATIONAL RICE PROGRAM IN SUPPORT OF THE NATIONAL GOVERNMENT RICE BUFFER STOCKING PROGRAM (NGRBSP)

1. RATIONALE

The Department of Agriculture (DA) implements the core strategies under the Masagana Rice Industry Development Program (2023-2028) through the National Rice Program (NRP) and its implementing units. Supplemented and complemented by the Rice Competitiveness Enhancement Fund (RCEF) through its implementing agencies, the Department continues to pursue its overarching goal of bolstering local rice production and enhancing sector competitiveness to elevate farmers' incomes, all in pursuit of the unified objective of achieving food security.

In achieving such goal, the NRP and RCEF offers comprehensive support to farmers, including but not limited to - provision of high-quality seeds, inorganic fertilizers, organic fertilizers, biofertilizers, soil ameliorants, farm machinery and equipment, and postharvest and processing facilities.

The farmer-beneficiaries of both NRP and/or RCEF receiving the above-cited assistance are encouraged to sell portion of their produce to the government, through the National Food Authority (NFA), in support of the government's grains buffer stocking program.

Thus, this undertaking will ensure the streamlined process to enhance the institutional market of the farmer-beneficiaries through the NFA as the source of the buffer stock.

2. PURPOSE

The Deed of Undertaking shall cover the beneficiary's commitment to make available and sell to the NFA, five (5) to ten (10) cavans (50 kg per cavan or its equivalent weight) of dried palay or its wet palay harvest for every hectare of land cultivated relative to the combination of assistance received by an individual farmer or by farmers groups.

3. OBJECTIVES

- a. To raise sustainable investments in the rice industry particularly on rice support infrastructure and post-harvest facilities; and
- b. To improve the productivity, efficiency and profitability of small rice farmers and landless farmworkers.

4. SCOPE AND COVERAGE

This Memorandum Circular applies to all farmer-beneficiaries under the NRP and RCEF, including individual rice farmers and collective groups such as :

- a. Small Water Irrigation System Associations (SWISAs);
- b. Agrarian Reform Beneficiary Organizations (ARBOs);
- c. Individual rice farmers; or
- d. Farmer Cooperative and Association (FCA)/Irrigators Association (IA) in case of cluster scheme.

This directive encompasses all aspect of rice production from seed to postharvest processing, which aims to integrate the efforts of the agricultural sector into the national strategy for food security, starting this wet cropping season of 2024.

5. ROLES AND RESPONSIBILITIES

- A. As the mandated agency to maintain the country's emergency buffer stock sourcing solely from local farmers and farmer cooperatives, the **NFA** shall issue implementing guidelines for this policy. It shall consider its existing services, facilities, and absorptive capacity to support the commitments of farmer-beneficiaries. Should the NFA achieve its target buffer stock, it reserves the right to waive certain requirements by issuing a certification.
- B. The **DA-Regional Field Offices**, the **NFA**, the **RCEF IAs**, and **other rice concerned agencies** are encouraged to form collaborative partnership to support the implementation of the National Government Rice Buffer Stocking Program.
- C. The **DA-RFOs** shall collaborate with their **NFA counterparts** to ensure policy implementation, monitor farmer-beneficiary compliance, and issue Certificates of Fulfillment upon successful adherence.
- D. The **Field Operations Service (FOS)** shall monitor full implementation of this policy by the RFOs, and shall assess, review and evaluate ways to improve the same.

6. RESPONSIBILITIES OF THE FARMER BENEFICIARIES

To ensure the realization of an improved rice buffer stocking program of the National Government, there is a need to secure commitment from the farmer-beneficiaries (individuals and groups) to sell a portion of their rice harvest to NFA.

Beneficiaries under the NRP and RCEF shall make available and sell to the National Government, through the NFA, (5) five to (10) ten cavans (50 kg per cavan or its equivalent weight) of their dried palay harvest for every hectare of cultivated rice land. This covers the proportionate equivalent number of bags of dried palay harvest per area in excess of a hectare of cultivated rice land.

Thus, the amount to be received by the farmer-beneficiary in selling their rice harvest to NFA must be a fair and reasonable amount, based on the Palay price support, and they shall also receive a buffer stocking incentive.

7. REQUIREMENTS AND CONDITIONS

To successfully implement this endeavor, the requirements and conditions below must be followed:

- a. The rice farmers must be enrolled/registered in the Registry for Basic Sectors in Agriculture or RSBSA;
- b. The farmer/FCA/IA is a beneficiary of any, all, or a combination of the following assistance under the NRP - provision of high-quality seeds, inorganic fertilizers, organic fertilizers, biofertilizers and soil ameliorants, farm machinery and equipment, and postharvest and processing facilities;
- c. Confirmed and registered farmer-beneficiaries, FCAs, or IAs are highly encouraged to execute the Deed of Undertaking (as mentioned in either **a or b of Section 7**). This agreement guarantees that the support provided is in line with the specific commitments and responsibilities previously agreed upon, thereby enhancing the effectiveness and mutual benefits of the assistance.
- d. The beneficiary has the option to sell either wet or dried palay harvest; and
- e. The palay shall be sold based on the Effective Buying Price of the NFA.

8. FUND SOURCE

The fund to be used for the program implementation shall be chargeable against the General Appropriations Act (GAA) of the respective agencies and subject to existing government accounting and auditing rules and regulations.

9. AMENDMENT CLAUSE

This Memorandum Circular may be reviewed, amended, or supplemented as the need arises and must be approved by the undersigned.

10. SEPARABILITY CLAUSE

If any clause, sentence, or provision of the Memorandum Circular shall be declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

11. REPEALING CLAUSE


All orders, issuances, rules and regulations inconsistent with or contrary to this Memorandum Circular are hereby repealed or revoked.

12. EFFECTIVITY

This Memorandum Circular shall take effect fifteen (15) days immediately following the completion of its publication and filing with the Office of the National Administrative Register of the UP Law Center.

This Memorandum Circular shall remain in force unless revoked by competent authority.

Done this 1st day of OCTOBER 2024.


FRANCISCO P. TIU LAUREL JR.
Secretary



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