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OFFICE OF THE SECRETARY
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DEPARTMENT CIRCULAR

No. 04

Series of 2025

SUBJECT : IMPLEMENTING GUIDELINES ON THE RELEASE OF NFA MILLED RICE TO LGUs DURING THE DECLARATION OF FOOD SECURITY EMERGENCY ON RICE

I. TERMS OF REFERENCE

A. Rationale

Pursuant to Section 2 of Republic Act (RA) No. 12078,¹ the Secretary of Agriculture, upon the recommendation of the National Price Coordinating Council (NPCC), shall declare a food security emergency on rice due to supply shortage or extraordinary increase in prices.

During such situation, the Department of Agriculture (DA) may sell the existing National Food Authority (NFA) rice buffer stock in areas affected by the food security emergency. The sale shall be made only to government agencies or entities such as the Office of Civil Defense (OCD)-National Disaster Risk Reduction and Management Council (NDRRMC), Department of Social Welfare and Development (DSWD), the Local Government Units (LGUs), and the public through DA KADIWA outlets.

As necessary, the DA may direct the FTI and the NFA to closely coordinate with the concerned LGUs for the release of the NFA rice intended for sale in the affected areas, in accordance with applicable laws, regulations, and existing government directives, in order to ensure an effective response to the food security emergency on rice.

B. Objectives

These guidelines shall establish the policies and procedures in the effective and smooth release of NFA rice pursuant to the Secretary of Agriculture's Declaration of Food Security Emergency on Rice in order to:

- a. Address the recorded extraordinary increase in rice prices;
- b. Ensure the availability of affordable rice especially while the declaration of food security emergencies is in full-force/effect;

¹ Amendment to the Agricultural Tariffication Law.

- c. Reinforce food security in the areas with the most vulnerable populations; and
- d. Address the NPCC finding that on December 2024, the price levels of regular milled rice (RMR) and well milled rice (WMR) were respectively 19 percent and 20 percent higher compared to the period before the price spikes in July 2023;

C. Scope

These guidelines shall cover the general policies and procedures on the release of NFA milled rice stocks to LGUs while the declaration of food security emergency on rice remains in effect. It also covers the payment scheme, accounting procedures, and reporting and monitoring system.

D. Period of Implementation

These guidelines shall take effect immediately upon the declaration of a Food Security Emergency on Rice and shall remain in force until such declaration is formally lifted.

E. Beneficiary-Areas

The List of Areas affected by extraordinary increase in rice prices are identified in *Annex A*, together with the corresponding monthly rice allocations. This list may be expanded upon further determination of the DA.

F. Legal Bases

1. R.A. No. 11203, approved on 14 February 2019 and its Implementing Rules and Regulations under Joint Memorandum Circular No. 01-2019 dated 05 March 2019;
2. R.A. No. 12078, An Act Amending Republic Act No. 8178 or the "Agricultural Tariffication Act", as amended by Republic Act No. 11203 approved on December 06, 2024;
3. National Price Coordinating Council (NPCC) Resolution, recommending the declaration of a food security emergency on rice by the DA Secretary due to supply shortage and/or extraordinary increase in prices, to remain in force and in effect until lifted or withdrawn by the Secretary;
4. DA declaration of Food Security Emergency per Department Circular No.3 dated 03 February 2025; and
5. NFA Council Ad Referendum Resolution No. 1092-2025-B dated February 11, 2025 authorizing the release of NFA rice buffer stocks in view of the declaration of food security emergency on rice.

II. DEFINITION OF TERMS

1. **Food Security Emergency** - a declaration by the Secretary of Agriculture, made pursuant to the recommendation of the NPCC, arising from a supply shortage and/or extraordinary increase in the prices of rice.
2. **Buffer Stock** - optimal level of rice inventory for fifteen (15) days that shall be maintained to sustain the disaster relief programs of the government during natural or man-made calamities and to address food security emergency situations.
3. **Regular Rice** - well-milled rice not exceeding two (2) months old from the date of milling.
4. **About-to-Age Rice** - milled rice stocks in storage one (1) month before the aging process of three (3) months begins.
5. **Aging Rice** - milled rice stocks in storage for more than (3) months.
6. **Bundling/Tie-up Schemes** - a strategy of allocating the available NFA rice inventory based on age.

III. IMPLEMENTING GUIDELINES

A. LGU Confirmation and Rice Allocation Process

1. The FTI shall disseminate Letters-of-Invitation to Participate (*Annex B*) to affected areas identified in *Annex A*.
2. The FTI, shall directly coordinate with the concerned LGUs to determine the latter's intention to participate and avail of its monthly rice allocations through its confirmation on the *Annex B*.
3. The FTI shall then submit the List of Confirmed participating LGUs with their corresponding rice requirements to the NFA-Central Office (CO).
4. The FTI shall enter into a Memorandum of Agreement (MOA) with the confirmed participating LGUs, to define the duties and responsibilities of each party and the terms and conditions for all the rice purchases of the latter.
5. The FTI shall furnish the NFA-CO of copies of all MOAs entered into with the participating LGUs immediately upon its perfection.

B. Issuance and Withdrawal of Stocks

1. Immediately upon entering into a MOA with FTI, the participating LGU shall issue a Purchase Order (PO) to FTI for the quantity and specifications of rice it requires.

2. Upon receipt of the PO, the FTI shall evaluate the request of the LGU and confirm their order requirements with reference to their allocation as stated in *Annex A*.
3. The LGU shall send a written request to FTI for the withdrawal of stocks. Such request shall contain the volume of stocks to be withdrawn, and the name/s and contact number/s of the LGU duly authorized representative/ who will facilitate the withdrawal and sign pertinent NFA documents for or on behalf of the LGU.
4. Upon receipt of the LGU's request, the FTI shall send a letter to NFA-CO (*Annex C*), copy furnished the concerned LGU, on the request for the release of the indicated stocks.
5. The NFA-CO, through the Operations Coordination Department (OCD), shall issue a memorandum authorizing the concerned NFA-Regional Office (RO)/Branch Office (BO) to release the volume of stocks requested by the LGU.
6. The concerned NFA-RO/BO shall adopt release strategies such as but not limited to bundling and tie-up schemes based on age of the available rice inventory.
7. The NFA-RO/BO, in coordination with the LGU authorized representative/s, shall plan the withdrawal of rice stocks on a per schedule basis according to the proximity of the location of LGU to the NFA designated warehouses and availability of stocks in the area. The NFA-BO shall accordingly inform the concerned LGU representative/s of their schedules of withdrawal in writing (Original Formal Notice).
8. The LGU authorized representative/s must withdraw the stocks on the prescribed schedule or within seven (7) calendar days from the prescribed schedule (Grace Period).
9. Should there be request for any change/s in the withdrawal schedule, the concerned LGU representative/s shall inform the NFA in writing, copy furnished the FTI, within three (3) working days (the first working day shall be reckoned from the date of receipt of the Original Formal Notice) prior to the execution of the change/s in the withdrawal schedule.

The withdrawal schedule shall not be changed except upon a determination by the concerned parties that any of the following justifiable circumstances exist:

- a. Delays caused by an act of God or force majeure; and
- b. Other unforeseen and compelling constraints beyond the reasonable control of either party that may arise in the course of the implementation of this measure.

10. Prior to the withdrawal by the LGU, the NFA RO/BO shall confirm the authority of the LGU representative through the letter sent by the FTI on the request for the release of the indicated stocks (*Annex C*) accompanied by a presentation of the representative's competent proof of identity.
11. Upon withdrawal, the LGU authorized representative/s shall sign the Warehouse Stock Issue (WSI) to acknowledge quantity, quality and weight of the rice inspected, accepted and withdrawn. The buyer's copy of WSI shall be stamped with "***Received Rice in Good Quality Condition***".

The original copy of the WSI shall be retained at the issuing NFA-BO for liquidation purposes.

12. In case the withdrawal of stocks is not completed within the 7-day grace period, the LGU shall be charged with a storage fee starting on the eighth (8th) calendar day to be computed based on the prevailing storage fee in the area per day of delay on the unwithdrawn volume.
13. The withdrawal of stocks by the LGU's authorized representative/s from the designated/assigned NFA warehouse, including all incidental expenses thereto, shall be for the account of the concerned LGU.
14. The weight/quality/quantity/age of stocks as received and acknowledged by LGU authorized representative/s in the WSI shall be final and binding.
15. All rice stock issuances under these guidelines shall be properly documented following the usual Warehouse Stock Documentation System of NFA.

C. Payment Procedures



1. The LGU shall remit payment for the rice stocks directly to the FTI in accordance with the terms and conditions stipulated in the Memorandum of Agreement (MOA) executed between the LGU and the FTI.
2. Upon receipt of payment, the FTI shall issue an Official Receipt (OR) to the LGU and maintain a record of all transactions for reporting and audit purposes.
3. The FTI shall submit a Monthly Statement of Account to each participating LGU, detailing the volume of rice withdrawn, payments made, outstanding balances, and other relevant financial information.
4. The FTI shall consolidate all payments received from LGUs and submit a monthly liquidation report to the DA.

D. Other Provisions

1. The monthly allocation does not constitute a guaranteed quantity/volume for issuance by the NFA.
2. Any unwithdrawn allocation remaining after the lifting of the Food Security Emergency on Rice shall be automatically forfeited, without need of further notice, and shall revert to the NFA for buffer stocking or disposition in accordance with existing policies and regulations.

This Circular shall take effect immediately upon filing with the Office of the National Administrative Register at the University of the Philippines Law Center.

Done this 18th day of FEBRUARY 2025.


FRANCISCO P. TIU LAUREL JR.
Secretary 



DA-CO-OSEC-DC20250218-00003

**LIST OF AREAS COVERED BY THE DECLARATION OF FOOD SECURITY
EMERGENCY ON RICE**

AREA	MONTHLY ALLOCATION IN BAGS	AREA	MONTHLY ALLOCATION IN BAGS
REGION IV	47,000	REGION IX	21,000
Batangas City	4,000	Zamboanga City	9,000
Laguna	3,000	Pagadian, Dipolog & Other Cities	12,000
Palawan	10,000		
Mindoro (San Jose, Calapan and other municipalities)	30,000	REGION X	20,000
		Cagayan De Oro	20,000
REGION V	38,600	REGION XI	19,000
Camarines Sur	25,000	Davao City	5,000
Camarines Norte	10,000	Davao del Norte (Tagum, Mati, Panabo)	14,000
Sorsogon	2,800		
Masbate	800	REGION XII	36,000
		General Santos City	10,000
REGION VI	58,000	Sultan Kudarat, Tacorong, Kidapawan, Koronadal, Cotabato City	26,000
Iloilo (Iloilo City, Bacolod City, Negros Occidental City and Municipalities)	50,000		
Bacolod	8,000	NCR	293,000
		Cavite (5,000 x 7 Cities)	35,000
REGION VII	50,000	Cavite (3,000 x 16 Municipalities)	48,000
Cebu and other municipalities	50,000	Rizal	60,000
		Metro Manila	150,000
REGION VIII	18,000	BARMM	5,000
<i>Samar</i>	<i>6,000</i>		
Calbayog	2,000	CARAGA	20,000
Catbalogan	2,000	Surigao City	10,000
Borongan	2,000	Butuan City	10,000
<i>Leyte</i>	<i>12,000</i>		
Tacloban	3,000		
Ormoc	3,000		
Catarman	2,000		
Maasin	2,000		
Baybay	2,000		
Sub-total	211,600	Sub-total	414,000
		GRAND TOTAL	625,600

LETTER OF INVITATION TO PARTICIPATE

(Date) _____

Dear _____:

We are pleased to notify you that, in view of the declaration by the Department of Agriculture's (DA) of a Food Security Emergency on Rice due to extraordinary increase in rice prices, a monthly allocation of ____ bags of NFA rice can be availed of, for sale by the Provincial Government or Municipality (choose the appropriate option).

Relative to this, please confirm your intention to participate and avail of your monthly rice allocations by returning to this Office the reply slip below, within **three (3) working days** from the receipt of this letter.

Further, please be advised to provide the concerned National Food Authority Branch Office (NFA-BO) in your area with your reply slip (*Copy 2*) for their initial information.

For additional information, please get in touch with Ms./Mr. _____, through this phone number, _____, or by sending an email to _____.

Thank you.

Respectfully yours,

FTI Head

REPLY SLIP

Copy 1: FTI

Interested, Preferred Schedule of 1ST Withdrawal _____

Not interested and will not participate

Name & Signature of Authorized Representative

REPLY SLIP

Copy 2: NFA

Interested, Preferred Schedule of 1ST Withdrawal _____

Not interested and will not participate

Name & Signature of Authorized Representative

Food Terminal Incorporated (FTI)

(Date) _____

DR. LARRY R. LACSON
Administrator
National Food Authority
Visayas Avenue, Diliman,
Quezon City

Dear **Administrator Lacson:**

The undersigned respectfully request for the release of _____ bags (50/kg/sack) to _____ *(Name of LGU)* in line with the declaration by the Department of Agriculture's (DA) of a Food Security Emergency on Rice due to extraordinary increase in rice prices.

For this purpose, _____ *(Name of Authorized Representative)* with contact numbers at _____ shall facilitate the withdrawal of the requested rice stocks from the NFA warehouse nearest the aforementioned LGU, and shall sign pertinent NFA documents for or on behalf of the LGU.

Thank you for your usual support.

Respectfully yours,

(FTI Head/ Authorized Representative)