

ADMINISTRATIVE ORDER NO. 248

REQUIRING ALL AGENCIES OF THE NATIONAL GOVERNMENT,
INCLUDING STATE COLLEGES AND UNIVERSITIES,
GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS AND
THEIR SUBSIDIARIES, AND LOCAL GOVERNMENT UNITS TO
PURCHASE RICE SUPPLY REQUIREMENTS FROM THE NATIONAL
FOOD AUTHORITY

WHEREAS, the National Food Authority (NFA) is mandated by law to procure palay and corn from the farmers to stabilize the supply and price of the said commodities, as well as to prevent an abnormally low price of the same;

WHEREAS, the NFA has an abnormally huge inventory of rice and corn, which it has not been able to convert into cash to generate funds for the procurement of palay and corn from the farmers, as well as to pay off its maturing obligations;

WHEREAS, there is an imperative need to address this emergency and the imminent crisis in the rural areas as a result of depressed farm-gate prices of palay and corn, which in turn is caused by NFA's limited finances for procurement;

WHEREAS, it is in consonance with public interest and necessity that NFA's rice stocks, which were purchased with government funds, be monetized and thus could be utilized in stabilizing the farm-gate prices of palay and corn;

WHEREAS, it is to the national interest that government agencies, branches, subdivisions, instrumentalities, including government-owned or controlled corporations, with rice requirements purchased out of government funds be required to purchase their rice requirements from the NFA;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, pursuant to the powers vested in me by law, do hereby order:

1. All agencies of the national government, including state colleges and universities, government-owned or controlled corporations and their subsidiaries, and local government units, are hereby ordered to purchase all their rice supply requirements for their operational needs from the National Food Authority at the price of P400.00 per cavan of well milled rice.
2. Government agencies with valid outstanding written agreement with private parties for the supply of their rice requirements shall, if legally feasible and allowed under such written agreements, suspend or defer the

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implementation thereof, during the effectivity of this Order. In case the contracts do not allow deferment or suspension, the government agencies concerned are hereby instructed to negotiate for the deferment/suspension of the contract for the duration of this Order. Such contracts, however, may be extended for a period of 4 consecutive months.

3. The funds to be used to purchase the said rice requirements shall be sourced from the existing funds allotted by the government agency for its rice supply requirements.

4. The selling price of NFA well-milled rice of P400.00 per cavan shall be applicable only to the rice requirements to be purchased in compliance with this Order and for no other purpose.

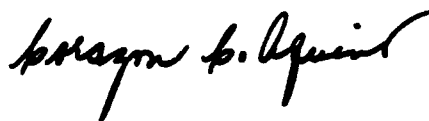
5. Any purchase of the rice requirements made by government agencies, state colleges and universities, government-owned or controlled corporations including their subsidiaries, and local government units from sources other than the NFA, shall not be passed in audit by the Commission on Audit.

6. This Order shall be effective from December 1, 1991 to March 31, 1992 only unless further extended.

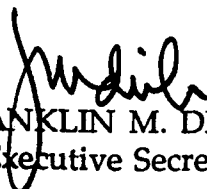
7. The NFA shall formulate the necessary guidelines in order to implement this Order.

This Order shall take effect immediately upon publication in a newspaper of general circulation.

Done in the City of Manila, this 30th day of October, in the year of Our Lord, nineteen hundred and ninety-one.



By the President:



FRANKLIN M. DRILON
Executive Secretary