

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, PRESC...

LETTER OF INSTRUCTIONS NO. 1024, May 22, 1980

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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:

- 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;
- 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;
- 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;
- 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, determine and other negotiable warehouse receipts or quedans for corn and/or other feedgrains and/or other food commodities as may be included in the program and said quedans shall be printed and serially numbered on security note paper and shall contain the name and address of the businessman, the variety, classification, moisture content and quality of the commodities deposited, the warranties of the warehouseman prescribed by existing laws and the charges and authorized liens on the stocks in deposit;

- That the Board shall establish the criteria under which marketing credit may be extended under this program by any banking institution to qualified farmers and businessmen as compliance to the Agrarian Reform Credit required under Presidential Decree No. 717;

- That the Board shall promulgate such rules and regulations and exercise such other powers and authorities as may be incidental to, appropriate and necessary for the attainment of the objective under this instruction;

- That the Budget Minister shall immediately release to the Board the sum of Fifty Million Pesos P50 M which represents the unreleased balance of the Ninety-Five Million Pesos (P95 M) so provided in Letter of Instruction No. 696;

- That Corporate Funds out of guarantee fee collections, investment earnings and other income shall be budgeted by the Board for the payment of salaries and wages, purchase of office equipment and materials, and for operating and capital expenditures, subject to the usual accounting and auditing requirements;

- That the Board shall have the power to adopt, alter and use a corporate seal which shall be judicially noticed; to enter into, make, perform and carry out contracts; to sue and be sued; to lease or own real and personal property, and to sell or otherwise dispose of the same;

- That the Board shall be constituted as a body corporate which, for policy and program coordination, shall be attached to the national Grains Authority with the same compensation structure as the Agriculture, Trading and Promotional Sector provided for under Letter of Implementation No. 103, dated October 1, 1979; and

- That the Administration of the Board shall be headed by an Executive Director who shall be assisted by a Deputy Executive director, both of whom shall be appointed by the Board. The Board shall establish such staff and line units and appoint such officials and employees, as may be necessary for its proper functioning and efficient operations.

All laws, Acts, Executive Orders, Letters of Instruction, rules and regulations or parts thereof inconsistent with this Order are hereby repealed, amended or modified accordingly.

This Letter of Instruction shall take effect immediately.

Done in the City of Manila, this 22nd day of May, in the year of Our Lord, nineteen hundred and eighty.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

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