NATIONAL ADMINISTRATIVE REGISTER · FEBRUARY 28, 2003

RULES AND REGULATIONS GOVERNING THE PARTICIPATION OF FARMERS’ ORGANIZATIONS IN THE IMPORTATION OF RICE FOR YEAR 2003

NFA AMENDED LETTER CIRCULAR NO. AO-2K2-12-001, February 28, 2003

Read online (full-text search, related cases, audio case brief): https://batas.org/library/ae9ece12f18c/

Pursuant to the powers granted to the National Food Authority (NFA) under Presidential Decree No. 4, as amended, to establish rules and regulations governing the importation of rice, and by virtue of NFA Council Resolution No. 14-2K2 dated 23 October 2002, this Amended Letter-Circular is hereby issued for the information and compliance of all concerned.

A. General Principles for 2003 Rice Importation

Rice importations under this Circular shall be undertaken under a regime with Quantitative Restrictions in place. However, instead of NFA issuing import permits, all rice importations other than NFA's shall be covered by Letters of Credit (LCs) to be opened initially only with Land Bank of the Philippines (LBP), or such other financial instruments to be agreed upon by NFA, LBP and the Bureau of Customs (BOC).

With the aim of assisting palay-based farmers' organizations (those whose members are predominantly palay farmers) to become agri-entrepreneurs, the privilege to import non-NFA rice volumes is granted to them exclusively. Any unavailed volume, which the farmers' organization fail to import out of their allocation, shall be imported by NFA when necessary.

Any farmers' organization intending to avail of the privilege to engage in the business of importing rice in 2003 shall first secure a license from NFA as an importer. All importations shall be subject to payment of tariff and other fees that may be required. However, NFA shall not impose an equalization fee for the year 2003 importation.

B. Opening of Letters of Credit, or Use of Other Financial Instruments for Importation

Interested farmers' organizations licensed as rice importers shall open their LCs or other financial instruments with the LBP head office only. Other financial instruments may be allowed subject to NFA, LBP and BOC agreement.

- For the first quarter volume which is hereby set at 150,000 metric tons, the LCs or other financial instruments shall be opened with or coursed through the LBP head office up to March 31, 2003.

- For the second quarter volume, the LCs or other financial instrument shall be opened with or coursed through the LBP head office on April 1-30, 2003.

> Licensed farmers' organizations using LCs and other financial instruments must undertake the following minimum requirements:
>
> a. Submit an accomplished Import Entry Declaration (IED) to the LBP head office;

Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org

b. Deposit in advance with the LBP an amount corresponding to the duties to be paid for the importation, not later than March 31, 2003, for the first quarter volume; and not later than April 30, 2003, for the second quarter volume;

c. Provide NFA and BOC advance information (at least 10 days before the cargo arrives) on the quantity, quality (complete specifications), origin, supplier, price on C&F basis, expected date of arrival, name of carrier/vessel, and discharging port of the rice being imported, plus a copy of the sales contract; and

d. Use load port and discharge port surveyor/s to be chosen from a list prescribed by NFA.

Failure to undertake any of the above will subject the importer to 10% penalty of the landed cost of the cargo, which may be effected with the withholding (non-release) of the corresponding percentage of the imported rice.

C. Arrival of Importation

The first quarter volume should arrive on or before April 30, 2003. The second quarter volume should arrive on or before June 30, 2003. All legally imported rice that arrive beyond the dates prescribed above shall be subject to a penalty of fifty percent (50%) of the landed cost of the rice, payable to NFA. Half of the amount to be collected from the penalty shall be set aside in behalf of the BOC as (partial) payment to be applied to NFA's outstanding account.

Rice cargoes must be inspected both at the load port and discharge port by surveyor/s to be appointed by the importer from a list to be provided by NFA. The surveyor's services shall be for the account of the exporter and/or importer.

The discharge ports for the 2003 rice importation are the Port of Manila, the Manila International Container Port, the Port of Batangas, the Port of Cebu, and the Port of Cagayan de Oro.

D. Distribution of Importation

In the event that NFA is unable to domestically procure its required rice buffer stocks, it will source the needed volume from imports.

The volume of rice to be imported by farmers' organizations (i.e., those licensed as rice importers) for the first quarter of 2003 shall be limited to 150,000 metric tons. The volume for the succeeding quarter will be announced by NFA three (3) weeks prior to the first day of opening of LCs or other financial instruments for the quarter.

E. Priority of Importation

The balance of the first quarter volume, and the whole of the second quarter volume allowed for importation by FOs, shall be allocated using a system that will allow more FOs to participate under the program. The NFA reserves the right to change the allocation system without a notice.

Each licensed FO may import a maximum of Five Hundred Metric Tons (500 MT) per quarter, but not to exceed One Thousand Metric Tons (1,000 MT) for the whole year of 2003. Those which have already exceeded the maximum volume are no longer entitled to import for the current year.

F. Penalties

Aside from the penalties stipulated above, non-compliance with this circular shall subject the offender, upon conviction, to an imprisonment or fine, or both such fine and imprisonment at the discretion of the court, pursuant to Section 29 of Presidential Decree No. 4, as amended. The offender shall also be subject to administrative proceedings where the penalty of suspension and/or cancellation of its NFA license shall be imposed. The NFA

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

may issue a cease and desist order pending the termination of the administrative case.

If the violation is committed by a corporation, partnership, cooperative or association, the penalty shall be imposed upon the Chairman, President, Directors and/or Managers, as the case may be, or other officials thereof responsible for such violation.

Authorized representatives of licensed farmers' organizations opening LCs or other financial instruments with the LBP under this Amended Letter-Circular shall sign certifications that they have read and understood this Amended Letter-Circular, and are voluntarily binding themselves to abide by this Amended Letter-Circular and all other related rules and regulations regarding rice importation.

This Amended Letter-Circular shall take effect fifteen (15) days following its publication once in a newspaper of general circulation, and filing with the Office of the National Administrative Register of the UP Law Center.

Adopted: 28 Feb. 2003

(SGD.) ARTHUR C. YAP
Administrator

Study hands-free: podcast-style lessons with read-along highlighting - batas.org

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at https://batas.org

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.