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**MONCADA, TARLAC**

EXCERPT FROM THE MINUTES OF THE 40<sup>th</sup> REGULAR SESSION OF THE 11<sup>th</sup> SANGGUNIANG BAYAN OF MONCADA, TARLAC FOR CY 2023 HELD ON THE 18<sup>th</sup> DAY OF DECEMBER 2023 AT THE SB SESSION HALL, NEW SB-ABC-SK BUILDING.

**PRESENT:**

<b>HON. RAMON BENITO M. AQUINO</b>	<b>..VICE MAYOR / PRESIDING OFFICER</b>
<b>HON. JANIUS M. YASAY</b>	<b>..MEMBER</b>
<b>HON. RODOLFO C. ESPEJO, JR.</b>	<b>..MEMBER</b>
<b>HON. ALBERTO C. MARZAN, JR., MD</b>	<b>..MEMBER</b>
<b>HON. THELMAFLOR A. ESPEJO</b>	<b>..MEMBER</b>
<b>HON. CELESTE A. AYSON</b>	<b>..MEMBER</b>
<b>HON. GEORGE MICHAEL P. AGUILAR</b>	<b>..MEMBER</b>
<b>HON. CONSTANTE NESTOR A. FAVIS</b>	<b>..MEMBER</b>
<b>HON. DEAN MICHAEL V. DUQUE</b>	<b>..MEMBER</b>
<b>HON. BERNADINE C. FERRER</b>	<b>..LNB PRESIDENT</b>
<b>HON. JAYVEE B. NATIVIDAD</b>	<b>..MFSK PRESIDENT</b>

**ABSENT:**

NONE

**MUNICIPAL ORDINANCE NO. 28**  
Series of 2023

**INSTITUTIONALIZING THE PALAY MARKETING ASSISTANCE FOR LEGISLATORS AND LOCAL GOVERNMENT UNITS (PALLGU) IN MONCADA, TARLAC**

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Principal Sponsor: Coun. Celeste A. Ayson  
Chairperson, Committee on Agriculture and Food Security

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**WHEREAS**, the National Food Authority (NFA) and the Local Government Unit of Moncada entered into a Memorandum of Agreement (MOA) to support the Palay Marketing Assistance Program for Legislators and Local Government Units (PALLGU);

**WHEREAS**, the PALLGU aims to enhance the palay buying capability of the NFA and ensure the optimal level of buffer stocks for food security;

**WHEREAS**, the NFA and the LGU of Moncada agreed on the terms and conditions set forth in the MOA for the continuous implementation of the PALLGU in Moncada, Tarlac;

**NOW, THEREFORE**, on motion by Coun. Celeste A. Ayson, duly seconded;

**BE IT ENACTED** by the Sangguniang Bayan of Moncada, Tarlac in session assembled, that:





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### SECTION 1. Title and Purpose

This Ordinance shall be known as the **"Palay Marketing Assistance for Legislators and Local Government Units (PALLGU) Ordinance of Moncada, Tarlac."** The purpose of this ordinance is to institutionalize the implementation of the PALLGU as stipulated in the Memorandum of Agreement between the NFA and the LGU of Moncada, a copy of which shall form part and integral element of this Ordinance under Annex A.

### SECTION 2. Definitions

For the purposes of this ordinance, the following acronyms are defined as follows:

- a. "NFA" refers to the National Food Authority, a government agency created by virtue of Presidential Decree No. 4 issued pursuant to Proclamation No. 1081 as amended by Presidential Decree Nos. 1485 and 1770
- b. "LGU" refers to the Local Government Unit of Moncada.
- c. "PALLGU" refers to the Palay Marketing Assistance for Legislators and Local Government Units.

### SECTION 3. Implementation of the PALLGU

The LGU of Moncada shall uphold and implement the terms and conditions outlined in the MOA between the NFA and the LGU. The responsibilities of both parties, as stipulated in the MOA, shall be adhered to and executed accordingly.

### SECTION 4. Roles and Responsibilities

The roles and responsibilities of the NFA and the LGU of Moncada in the implementation of the PALLGU shall be as outlined in Article I of the MOA, specifically detailing the obligations, procedures, and cooperation required for the successful execution of the program.

### SECTION 5. Funding and Resources

The LGU of Moncada shall regularly allocate necessary funds and resources to support the implementation of the PALLGU in accordance with the terms specified in the MOA. The funds appropriated for this purpose shall be included in the LGU annual budget and subject to proper accounting and auditing procedures.

### SECTION 6. Authority of the Mayor

The Municipal Mayor is hereby given authority to enter into a continuous agreement or contract with the National Food Authority for the purpose of implementing the PALLGU program in Moncada, Tarlac.

### SECTION 7. Separability Clause

If any provision of this ordinance is declared invalid or unconstitutional, the remaining provisions not affected thereby shall remain in full force and effect.

### SECTION 8. Repealing Clause

All ordinances or parts thereof that are inconsistent with the provisions of this ordinance are hereby repealed or modified accordingly.





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#### SECTION 9. Amendments

Amendments to this ordinance and the memorandum of agreement may be made by the Sangguniang Bayan of Moncada as deemed necessary and by mutual consent of both parties concerned.

#### SECTION 10. Effectivity

This ordinance shall take effect immediately upon its approval and publication or posting as required by law.

**ENACTED**, this 18<sup>th</sup> day of December, 2023 at Moncada, Tarlac.

X-----X  
**I HEREBY CERTIFY** to the correctness of the foregoing Ordinance which was enacted on Third and Final Reading by the 11<sup>th</sup> Sangguniang Bayan of Moncada during its Regular Session held on the aforementioned date and place.

*VS*  
**VICTOR SANDINO S. MOLINA**  
Secretary, Sangguniang Bayan

**ATTESTED AND CERTIFIED  
TO BE DULY ENACTED:**

*RAMON BENITO M. AQUINO*  
**RAMON BENITO M. AQUINO**  
Vice Mayor & Presiding Officer

**APPROVED BY THE MAYOR, THIS 21<sup>st</sup> DAY OF Dec., 2023.**

*ESTELITA M. AQUINO*  
**ESTELITA M. AQUINO**  
Municipal Mayor





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ANNEX A



**MEMORANDUM OF AGREEMENT**

KNOW ALL MEN BY THESE PRESENTS:

THIS MEMORANDUM OF AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, and entered into by and between:

The **NATIONAL FOOD AUTHORITY (NFA)**, a government agency created by virtue of Presidential Decree No. 4 issued pursuant to Proclamation No. 1081 as amended by Presidential Decree Nos. 1485 and 1770 with principal office and place of business at Visayas Ave., Quezon City, Philippines, represented herein by the **Regional Manager II of NFA Region 3, ALWIN M. UY** and hereinafter referred to as "NFA",

and

The **LOCAL GOVERNMENT OF MONCADA**, duly registered under the laws of the Republic of the Philippines with principal office at Office Address of the LGU, represented herein by, **HON. ESTELITA M. AQUINO**, hereinafter referred to as "LGU",

**WITNESSETH, that:**

**WHEREAS**, under Republic Act 11203 or the Rice Trade Liberalization Law, the NFA is mandated to maintain sufficient rice buffer stocks to be sourced solely from local farmers;

**WHEREAS**, the rice buffer stocks shall be for food security which will address the needs in times of emergency situations and shall sustain the disaster relief programs of the government during calamities, whether natural and/or man-made;

**WHEREAS**, the NFA shall acquire the buffer stocks under its current palay procurement program which is funded under the 2023 appropriations for palay procurement;

**WHEREAS**, the NFA seeks the assistance of Legislators and Local Government Units (LGU) in order to boost the agency's palay buying capability and therefore ensure the optimal level of buffer stocks at all times;

**WHEREAS**, the LGU intends to provide assistance in the form of a premium amount in addition to the NFA's buying price;

**WHEREAS**, the premium amount will strengthen the NFA's palay buying price, making it more competitive with the current buying prices of private palay traders;

**WHEREAS**, the provision of the premium amount in addition to the NFA's buying price shall be known as the **Palay Marketing Assistance Program for Legislators and Local Government Units (PALLGU)**;

**NOW, THEREFORE**, in consideration of the foregoing premises, both parties mutually agree and bind themselves voluntarily to the following terms and conditions:





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**Article I**  
**RESPONSIBILITIES OF THE PARTIES**

1. The NFA shall:
  - a. upon receipt of the submitted master list of designated PALLGU beneficiaries, shall countercheck/validate the list to:
    - i. ensure that the palay to be procured are from Individual Farmers, and Farmers Organizations registered in the list of the Registry System for Basic Sectors in Agriculture (RSBSA) of the Department of Agriculture;
    - ii. submit to DA the names of all designated PALLGU farmer-beneficiaries by the LGU who are not included in the RSBSA for its updating, subject to the submission of required documents;
  - b. ensure that designated farmer-beneficiaries who intend to sell to NFA shall be accommodated on the date of their scheduled delivery under ideal circumstances;
  - c. upon the request of the LGU, schedule deployment of a mobile procurement team to conduct palay procurement at designated pick-up points within the municipality;
  - d. instruct the Mobile Team Leader to coordinate with the LGU's designated focal person or authorized representative with regards to the schedule of mobile procurement for preparation of necessary logistics such as trucks, cereal procurement fund, manpower, etc.
  - e. provide all necessary logistics during conduct of mobile palay procurement activities at designated pick-up points within the municipality;
  - f. purchase the palay from the designated PALLGU farmer-beneficiaries in accordance with the latest buying price, existing SOPs, policies, and other guidelines of the agency's palay procurement program, which shall be made as an integral part of this MOA;
  - g. issue the following documents as basis of the LGU for payment to the farmer-beneficiaries who delivered their palay produce to NFA:
    - i. Certificate of Palay Delivery duly signed by the Mobile Team Leader/ Warehouse Supervisor;
    - ii. "Certified True Copy" of the Warehouse Stock Receipt (WSR) issued by the Mobile Team Leader/ Warehouse Supervisor;
    - iii. submit regularly to the LGU a weekly progress report of PALLGU-transaction payments, disclosing the names of farmer-beneficiaries who actually delivered under the PALLGU with their corresponding actual volume of deliveries;
  - h. assist the LGU in the liquidation of the PALLGU premium by submitting the required documents.
2. The LGU shall:
  - a. identify the qualified farmer-beneficiaries of the PALLGU who are registered in the list of the Registry System for Basic Sectors in Agriculture (RSBSA) of the Department of Agriculture;
  - b. prepare the master list of Individual Farmers and Farmers Organizations who shall be designated as the sources of palay to be procured by the NFA, including their location, landholdings, and volume of palay to be sold;





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- c. submit the final master list of designated PALLGU farmer-beneficiaries to the NFA within five (5) working days after signing of this Agreement;
- d. assign and appoint an LGU official or employee who will serve as the focal person or authorized representative who shall oversee the implementation of the Program and shall be in-charge with the coordination with NFA as to the following:
  - i. schedule of conduct of mobile palay procurement
  - ii. assignment of pick-up points
  - iii. logistics to be provided by NFA during its mobile palay procurement activities
- e. ensure safety and security of NFA personnel and their logistics during conduct of its mobile palay procurement within its municipality;
- f. administer pay-out of the premium amount to the farmer-beneficiaries who sold their palay to NFA upon presentation of necessary documents;
- g. require NFA to submit a weekly progress report of the PALLGU, disclosing the names of the farmer-beneficiaries who delivered under the PALLGU with their corresponding actual volume of deliveries.

**Article II**  
**QUALITY OF PALAY**

1. For the PALLGU, the NFA shall only buy palay with the following parameters:

PALAY CLASSIFICATION	PURITY	DISCOLORED AND DAMAGED	MOISTURE CONTENT
PD1A	95%-100%	0%-7%	14%
PD1B	90%-94.9%	0%-7%	14%
PD3A	95%-100%	7.1%-13%	14%
PD3B	90%-94.9%	7.1%-13%	14%

**Article III**  
**BUYING PRICE**

1. The NFA shall procure the palay produce of the PALLGU beneficiaries at the current buying price per kilogram plus the PALLGU premium, which should not be less than PHP 2.00/kg, broken down as follows:

PALAY CLASSIFICATION	NFA BUYING PRICE/kg	PALLGU PREMIUM/kg	TOTAL BUYING PRICE/kg
PD1A	P19.000	P2.000	P21.000
PD1B	P18.012	P2.000	P20.012
PD3A	P17.765	P2.000	P19.765
PD3B	P16.853	P2.000	P18.853

The NFA, shall also buy wet palay under the program with moisture content beyond 14% but not exceeding 30%, with corresponding prices based on its Equivalent Net Weight Factor (ENWF) Table, but limited only to its drying capacity;





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**Article IV  
OTHER PROVISIONS**

1. The maximum number of palay deliveries per farmer shall be set at one hundred (100) bags of 50 kilograms but not less than fifty (50) bags at 50 kg/ bag.
2. All deliveries exceeding the maximum total palay deliveries of 5,000 net kilos (100 bags @ 50kg) per farmer shall fall under NFA regular palay procurement program.
3. All palay farmers not included in the LGU Master list shall fall under the NFA regular palay procurement program.
4. The NFA shall be solely responsible for the maintenance, processing, and disposition of the actual stocks procured under the PALLGU.
5. The NFA and the LGU may, from time to time or as the need arises, make the necessary amendments to this MOA for the effective enforcement of the terms and conditions hereof:
  - a. Any proposal for the amendment of this MOA shall be communicated by the requesting party, and an agreement thereof shall be signed by the parties' authorized representatives.
  - b. Agreed and duly signed amendments shall be deemed incorporated in this MOA and shall be valid and enforceable without the need of executing another MOA.

**Article V  
GROUNDS FOR TERMINATION**

1. Rescission or termination of this MOA shall be made through a written notice to the other party and shall be effective after (60) days from the latter's receipt of such notice which shall include the following grounds for termination:
  - a. If, upon verification, the appointed officer of the LGU, found discrepancies and non-compliance of the NFA and its personnel to the set requirements agreed upon by both parties, which may lead to improper utilization of funds, such as illegitimate farmers availing of the said program.
  - b. Failure of NFA to submit the required reports as stated in the MOA without valid reason or explanation.
  - c. Failure of both parties to comply with the terms and conditions stipulated in this MOA.

**Article VI  
EFFECTIVITY**

1. This agreement shall take effect on the date of actual remittance of the LGU of the premium to NFA as evidenced by a check or a bank statement and shall be valid until \_\_\_\_\_, unless sooner terminated for a cause.

