

MALACAÑAN PALACE
MANILA

EXECUTIVE ORDER NO. 721

ENCOURAGING LARGE CORPORATIONS TO PROVIDE FOR RICE
REQUIREMENTS OF THEIR EMPLOYEES

WHEREAS, there are global clouds on the horizon that are driving up the price of oil and food, particularly rice;

WHEREAS, on the issue of rice management, this is a global problem that this Administration has seen coming, and has worked to head off for some time now;

WHEREAS, this Administration's response is based on three fundamental needs:

1. To ensure supply of rice;
2. To make sure distribution of rice gets to the people who need it most, efficiently and cost-effectively;
3. To be vigilant that unscrupulous vendors do not divert subsidized rice and sell it as commercial rice.

NOW, THEREFORE, I, GLORIA M. ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution and the law, do hereby order that:

1. For a period of time to be recommended by the National Food Authority, hereinafter referred to as NFA, but in no case less than two years from the effectivity of this Order, the NFA shall encourage large corporations to provide for rice requirements of their employees in either of the following ways:
 - a. By engaging in the production of rice as herein-after provided;
 - b. By importing rice to meet requirements.
2. For purposes of this Order, large corporations shall refer to all corporations existing under Philippines laws with at least five hundred (500) employees, provided that said corporations report earnings over the last four years that will allow them to engage in the production or importation of rice for their employees' requirements without affecting their financial viability.

The NFA shall generate a list of the large corporations who shall be encouraged as stated above.

3. Those corporations with existing landholdings determined to be suitable for rice production by the NFA, and who decide to engage in such production shall be encouraged to engage in such production within a period of time deemed desirable by the NFA.



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Those without landholdings who decide to engage in such production may commence to do so at any time, and for this purpose, all such corporations may lease public agricultural lands or, subject to mutual agreement with the landowner, idle agricultural lands.

Those corporations who decide to import rice shall signify to the NFA their intention to do so and shall be governed in such importation by law.

For this purpose, large corporations may register with the NFA at any time during the effectivity of this Order.

4. All importations undertaken under this Order shall be coursed through the NFA, and shall be eligible for fiscal privileges within the authority of the NFA to provide. However, the NFA may charge reasonable fees for services rendered for such importation.
5. Any production or rice in excess of employees' consumption requirements, resulting from rice production activities which corporations shall engage in as encouraged by the NFA, shall be certified to by the NFA and may be sold in local markets.
6. The NFA, upon consultation with the Department of Agriculture, the Department of Agrarian Reform, the Department of Environment and Natural Resources, the Board of Investments, and the Department of Finance, shall develop a package of fiscal or non-fiscal incentives as may be allowed by law for the effective implementation of this Order.
7. Nothing in this Order shall prevent large corporations from tendering into any agreement or other forms of combinations among themselves for the purpose of engaging in the production and/or importation of rice, whenever the circumstances shall warrant.
8. Moral suasion, not compulsion, shall be applied on large corporations to carry out the purposes of this Order.
9. This Order shall take effect immediately.

DONE in the City of Manila, this 2nd day of May, in the year of Our Lord, two thousand and eight.

Gloria M. Heraso



By the President:

Eduardo R. Ermita

EDUARDO R. ERMITA
Executive Secretary



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