



DEPARTMENT OF AGRICULTURE

Office of the Secretary
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NATIONAL FOOD AUTHORITY

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NFA Maintains Year Round Stability in Rice Price and Supply in '09

National Food Authority administrator Jessup P. Navarro said the agency performed well in 2009 particularly in the aspects of maintaining sufficient inventory of rice for food security and stabilizing year round supply and price of the basic staple.

Navarro noted the NFA has also sustained active domestic palay procurement the whole year despite the strong typhoons that occurred during the main harvest.

The weather disturbances somehow hindered the agency from achieving its targeted palay procurement volume of 8.9 million bags for the last quarter and buying only 4.4 million bags for the same period. However, NFA's rice inventory on a month-to-month basis surpassed its mandated 15-days food security buffer according to Navarro.

With sufficient inventory, the NFA was able to fill the slack in the supply of rice after typhoon Ondoy hit the country in late September and also destroyed rice stocks in possession of the private sector.

"NFA's rice distribution hit a high 111 percent in October and reached 3.4 million bags as against the 3.1 million bags target for the month," said Navarro. The timely infusion

of rice in areas worst hit by typhoons preempted what could have been a spiraling of prices of the staple during the period, he added.

By yearend, Navarro said the agency's actual rice distribution has reached 1.8 million metric tons or 36 million bags. This is equivalent to 74 percent of the 2.4 million metric tons or some 49 million bags target for the year.

"The volume of NFA rice distributed last year, manifested the continued consumers' preference for the good quality but low-priced government rice," according to Navarro.

On the average, NFA's market participation reached 14 percent nationwide. High market participation was recorded in thickly populated urban areas including Metro Manila and Central Visayas averaging 22 and 19 percent, respectively.

On domestic palay procurement, the agency was able to buy, meanwhile, as of end of December the NFA was able to buy some 9 million bags of palay, during the year. This was the second highest palay procurement recorded in the last 30 years next to the 13 million bags bought in 2008.

At the average support price of P17.70 per kilogram for palay including incentives for drying, transport and cooperative development or an effective P 885 per cavan, the NFA has paid some P 8 billion to farmers nationwide in 2009 financially benefiting them with better income aside from improving the agency's grains inventory for 2010.

NFA's rice inventory as of end of December was placed at 19.9 million bags sufficient for some 28 days food security requirements at a daily consumption rate of 726,000 bags per day.

For more information on NFA programs, the public may send their inquiries via the Text NFA Program through mobile number 0917-6210927. **### (NFA Public Affairs Department)**