



Republic of the Philippines
Department of Social Welfare and Development

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REPRESENTATIVE JESUS N. SACDALAN

Chairperson

Committee on Government Enterprises and Privatization

House of Representatives

Quezon City

Dear **Chairperson Sacdalan:**

This refers to House Bill No. 3394 or "The National Food Service Corporation Act" filed by Representative Arthur C. Yap.

The Department of Social Welfare and Development poses its reservations on Section 13 of the bill which mandates the Department to provide funds to the National Food Service Corporation to cover the price difference between the selling price and the desired price of rice for pro-poor programs in general. Please note that at present, the Department merely purchases rice from the National Food Authority (NFA) for its disaster relief operations and its clients under residential care facilities. Mandating the Department to cover the price difference of rice will erode its budget which is intended for the programs and services for the poor, vulnerable and marginalized. Further, the discontinuation of the subsidy on rice will result to higher market price and will definitely impact the implementation of the Rice Subsidy Program for the Pantawid Pamilya beneficiaries.

Lastly, we believe that the proper agency which should resolve the price difference for the pro-poor programs of the government is the Department of Agriculture (DA) as lead agency which has supervision over the rice supply.

Thank you.

Very truly yours,

JUDY M. TAGUIWALO

Secretary