



Republic of the Philippines
PROVINCE OF LEYTE
Provincial Capitol
Tacloban City

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Sangguniang Panlalawigan
Province of Leyte
RECEIVED
AUG 30 2026

PROVINCIAL LEGAL OFFICE

2nd INDORSEMENT

August 30, 2026

Date: _____
By: _____

Item No.: 14

Date: 03 2026 NOV

PROVINCE OF LEYTE
LEGAL OFFICE

RELEASED

By: _____ Time: _____
Date: 10-30-26

Respectfully returned to the Sangguniang Panlalawigan of Leyte, through SP Secretary, the attached Ordinance No. 26-267 of the Sangguniang Bayan of Burauen, Leyte.

REVIEW/RECOMMENDATION/LEGAL OPINION:

This office is of the opinion that the subject Ordinance is generally in accordance to its power under Section 447(a)¹ of the Local Government Code of 1991 (R.A 7160), pursuant to RA 11321². Hence, we recommend for the declaration of its validity.

We hope to have assisted you with this request. Please note that the opinion rendered by this Office are based on the facts available and may vary or change when additional facts and documents are presented or changed. This opinion is likewise without prejudice to the opinions rendered by higher and competent authorities and/or the courts.

ATTY. JOSE RAYMUND A. ACOL
Provincial Legal Officer

¹;(a) The sangguniang bayan, as the legislative body of the municipality, shall enact ordinances, approve resolutions and appropriate funds for the general welfare of the municipality and its inhabitants pursuant to Section 16 of this Code and in the proper exercise of the corporate powers of the municipality as provided for under Section 22 of this Code,

² Sagip Saka Act

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-o0o-

OFFICE OF THE SANGGUNIANG PANLALAWIGAN

1ST INDORSEMENT
24 August 2026

PROVINCE OF LEYTE
LEGAL OFFICE

RECEIVED

By: 
Date: 8/28/26 Time: 9:00

The Provincial Legal Office is respectfully requested to review and submit recommendations on the herein enclosed **Municipal Ordinance No. 26-267 of the Municipality of Burauen, Leyte, entitled: An Ordinance establishing the Food Security and Resiliency (FSR) Rice Program of the Municipality of Burauen to support local farmers through palay procurement, palay price support, palay drying and milling operations, creating a special revolving fund therefor, and for other purposes.**



FLORINDA JILL S. UYVICO
Secretary to the Sanggunian



MUNICIPAL ORDINANCE NO. 26-267

"An Ordinance Establishing the Food Security and Resiliency (FSR) Rice Program of the Municipality of Burauen to Support Local Farmers Through Palay Procurement, Palay Price Support, Palay Drying and Milling Operations, Creating a Special Revolving Fund Therefor, and for Other Purposes"

BURAUE, LEYTE



OFFICE OF THE SANGGUNIAN BAYAN

August 14, 2026

THE HONORABLE MEMBERS
Sangguniang Panlalawigan
Province of Leyte

Sangguniang Panlalawigan
Province of Leyte
RECEIVED

Date: AUG 14 2026
By: Jenni Vi

ATTENTION: FLORINDA JILL S. UYVICO
Secretary to the Sanggunian
Province of Leyte
Palo, Leyte

Ladies/Gentlemen:

We transmit herewith 12 copies of Municipal Ordinance No. 26-267, Series of 2026 of the Sangguniang Bayan of Burauen, Leyte, entitled "*An Ordinance Establishing the Food Security and Resiliency (FSR) Rice Program of the Municipality of Burauen to Support Local Farmers Through Palay Procurement, Palay Price Support, Palay Drying and Milling Operations, Creating a Special Revolving Fund Therefor, and for Other Purposes*", for review and approval of the body.

Thank you and please acknowledge receipt hereof.

Respectfully yours,


ATTY. RUDEJANE S. TAN
Secretary to the Sanggunian



Republic of the Philippines
Province of Leyte
Municipality of Burauen



Sangguniang Panlalawigan
Province of Leyte

RECEIVED

Date: AUG 14 2026
By: [Signature]

OFFICE OF THE SANGGUNIANG BAYAN

MUNICIPAL ORDINANCE NO. 26-267

Series of 2026

AN ORDINANCE ESTABLISHING THE FOOD SECURITY AND RESILIENCY (FSR) RICE PROGRAM OF THE MUNICIPALITY OF BURAUEN TO SUPPORT LOCAL FARMERS THROUGH PALAY PROCUREMENT, PALAY PRICE SUPPORT, PALAY DRYING AND MILLING OPERATIONS, CREATING A SPECIAL REVOLVING FUND THEREFOR, AND FOR OTHER PURPOSES

*Authored by: Hon. Andres Rey L. Cagara
Chairman, Committee on Agriculture and Fisheries*

Co-Authored by:

*Hon. Juanito E. Renomeron, Hon. George Bensen S. Tan, Atty. Leo S. Apostol, Hon. Cheeryl Y. Ducentes, Hon. Hermenia C. Camasin, Hon. Sean T. Cordero, Hon. Ma. Hazel E. Relatorres, and
Hon. Justine Merp G. Andrade*

WHEREAS, Section 16 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, empowers local government units to exercise such powers as are necessary, appropriate, or incidental to the promotion of the general welfare, including measures that enhance economic prosperity, social justice, and the well-being of their constituents;

WHEREAS, Section 17(b)(2)(i) Republic Act No. 7160, mandates local government units to provide agricultural extension and on-site support services, including programs aimed at improving agricultural production, productivity, and distribution systems within their respective jurisdictions;

WHEREAS, Section 22(d) of the same Code, provides that local government units shall enjoy the full autonomy in the management of their economic enterprises, and undertake activities necessary to promote agricultural development, food security, and the general welfare of their constituents;

WHEREAS, Section 2 of Republic Act No. 8435, otherwise known as the Agriculture and Fisheries Modernization Act (AFMA) of 1997, declares it a State policy to ensure food security and promote self-sufficiency in staple food commodities, particularly rice, through adequate government support and sustained agricultural development;

WHEREAS, Republic Act No. 11321, otherwise known as the Sagip Saka Act, encourages direct procurement of agricultural and fisheries products between government and farmers, farmers' cooperatives, and associations to improve market access, and strengthen food security;

WHEREAS, Republic Act No. 7607, otherwise known as the Magna Carta of Small Farmers, recognizes the rights and welfare of small farmers and provides support mechanisms to improve productivity, market opportunities, and rural livelihoods;

WHEREAS, Republic Act No. 10611, otherwise known as the Food Safety Act of 2013, promotes the protection of public health through an integrated food safety framework covering the entire food supply chain;

WHEREAS, Republic Act No. 10121, otherwise known as the Philippine Disaster Risk Reduction and Management Act of 2010, encourages local government units to establish systems that strengthen disaster preparedness and ensure the availability of food supplies during emergencies and calamities;

WHEREAS, the Municipality of Burauen recognizes the recurring challenges faced by local rice farmers, including unstable farmgate prices, limited market opportunities, and post-harvest

constraints, and acknowledges the need for a sustainable local mechanism that supports farmer welfare while strengthening food security and agricultural development;

NOW, THEREFORE, upon the motion duly made and seconded, be it enacted by the Sangguniang Bayan of Burauen, Leyte, in session assembled:

SECTION 1. TITLE.

This Ordinance shall be known as the "**Burauen BUGAS (Buying and Upscaling Grains through Agricultural Support) Ordinance of 2026**".

SECTION 2. DECLARATION OF POLICY

It is hereby declared the policy of the Municipality of Burauen to:

- (a) Ensure food security and rice availability;
- (b) Protect local farmers against depressed palay farmgate prices;
- (c) Provide a reliable market for locally produced palay;
- (d) Encourage value-adding agricultural enterprises;
- (e) Maintain municipal rice reserves for emergencies and disasters;
- (f) Provide affordable rice to vulnerable sectors;
- (g) Promote agricultural productivity and farmer welfare;
- (h) Strengthen cooperatives, associations, and organized farmer groups;
- (i) Reduce excessive dependence on middlemen and exploitative market practices.

SECTION 3. OBJECTIVES.

The Program shall pursue the following objectives:

- 1. Stabilize palay prices during harvest seasons;
- 2. Increase farmer income through direct procurement;
- 3. Increase rice production;
- 4. Ensure sustainable palay drying and rice milling operations;
- 5. Maintain a municipal palay/rice buffer stock;
- 6. Provide affordable and quality rice to constituents;
- 7. Support emergency food assistance programs;
- 8. Promote local agricultural economic development.

SECTION 4. DEFINITION OF TERMS.

For purposes of this Ordinance, the following terms are defined as follows:

- a. **Board** - refers to the Municipal Food Security and Resiliency Rice program Board as stated in Article X of this ordinance.
- b. **Buffer Stock** - refers to palay or rice inventory maintained by the Municipality for food security and emergency purposes.
- c. **Burauen BUGAS** - an acronym for Buying and Upscaling Grains through Agricultural Support, the official name of the Municipal Food Security and Resiliency Rice Program established under this Ordinance.

d. **Burauen Rice Processing Center (BRPC)**- refers to a facility owned, managed, and operated by the Municipality through the Office of Municipal Agricultural and Biosystems Engineer, serving as the primary post-harvest and value-adding center for palay procurement, processing, and other related post-harvest activities.

e. **Cooperatives** – duly registered cooperatives under the Philippine Cooperative Code of 2008 (Republic Act No. 9520) by the Cooperative Development Authority (CDA), whose members are engaged in rice farming or related agricultural activities.

f. **Custom Hiring** - refers to the service provided by the LGU where farmers pay a fee for the use of the mechanical dryer and/or rice mill.

g. **Farmer Associations** – organized groups of farmers engaged in agricultural production and duly registered with the Department of Labor and Employment (DOLE).

h. **Irrigators' Associations/ Organization (IAs)** – organizations of farmers managing, operating, or benefiting from irrigation systems and duly recognized or accredited by the National Irrigation Administration (NIA) or registered under Securities and Exchange Commission (SEC) or other competent government authorities.

i. **MABE** - refers to the Office of the Municipal Agricultural and Biosystems Engineer referring to the department in LGU Burauen which is mandated by Republic Act 7160, Section 482.

j. **Municipal Agricultural and Biosystem Engineer** - refers to the head of Office of the Municipal Agricultural and Biosystems Engineer.

k. **Municipal Food Security and Resiliency Rice Program** - refers to all activities such as palay procurement, palay drying, rice milling, price stabilization, and other related activities authorized under this Ordinance.

l. **Municipality** - refers to the Local Government Unit of Burauen, Leyte.

m. **Palay** - refers to unhusked rice grains harvested from rice plants prior to milling.

n. **Priority Beneficiaries**- refers to those entitled to preferential access of the rice, procurement of palay and other operations including but not limited to indigent households, senior citizens, persons with disabilities, solo parents, vulnerable sectors, and also other eligible beneficiaries as may be determined in accordance with this Ordinance.

o. **Program** - refers to the Municipal Food Security and Resiliency Rice Program established under this Ordinance.

p. **Revolving Fund** - refers to the Special Revolving Fund with an initial LGU capitalization, used exclusively for the implementation of this Program.

q. **Rice Milling** - refers to the process of converting palay (unhusked rice) into milled rice through the use of equipment in the Burauen Rice Processing Center.

r. **RSBSA-Registered Farmers** – natural persons engaged in rice farming whose information is duly registered and validated under the Registry System for Basic Sectors in Agriculture (RSBSA) of the Department of Agriculture and who are residents of the Municipality.

s. **Support Price** - refers to the procurement price established by this Ordinance to protect farmers from unusually low market prices.

ARTICLE II

CREATION OF THE PROGRAM

SECTION 5. CREATION OF THE MUNICIPAL FOOD SECURITY AND RESILIENCY RICE PROGRAM.

The Municipality hereby establishes the Municipal Food Security and Resiliency Rice Program. The Program shall undertake the following activities:

- a. Provision of seeds and fertilizers to the farmers.
- b. Procurement of palay;
- c. Palay drying operations;
- d. Rice milling operations;
- e. Rice storage and warehousing;
- f. Rice marketing and distribution;
- g. Buffer stock maintenance;
- h. Price Support of Palay.
- i. Disaster response support.

The Office of the Municipal Agricultural and Biosystems Engineer shall spearhead the implementation of the program as mandated in this ordinance.

SECTION 6. NATURE OF THE PROGRAM.

The Program is established as a social service and general welfare initiative and shall serve as a public service, food security, agricultural development and farmer welfare intervention of the Local Government Unit of Burauen.

It shall not primarily operate for profit. Any surplus generated shall be returned to the Revolving Fund subject to accounting and auditing rules.

ARTICLE III SPECIAL REVOLVING FUND

SECTION 7. CREATION OF SPECIAL REVOLVING FUND.

A Special Revolving Fund is hereby established under the Trust Fund of the Municipality for the implementation of the Municipal Food Security and Resiliency Rice Program. The initial capitalization of the Fund shall be Two Million Pesos (₱2,000,000.00), subject to augmentation through future appropriations, grants, donations, assistance from national government agencies, and other lawful sources as may be authorized by law.

All proceeds, collections, revenues, and income generated from the sale of milled rice, custom hiring services, and other authorized Program operations shall accrue to and form part of the Special Revolving Fund.

The Special Revolving Fund shall be maintained as a separate account in the books of the Municipality and shall be used exclusively for the implementation, operation, maintenance, expansion, and sustainability of the Program, including but not limited to the purposes authorized under Section 9 of this Ordinance.

Collections and income deposited into the Special Revolving Fund shall remain available for Program operations and may be utilized, disbursed, and replenished in accordance with applicable budgeting,

accounting, treasury, and auditing laws, rules, and regulations, including the Local Government Code of 1991, Commission on Audit (COA) regulations, and other relevant government issuances.

SECTION 8. SOURCES OF FUND.

The Fund shall consist of:

- a. LGU capitalization;
- b. Rice sales proceeds;
- c. National government assistance;
- d. Provincial government assistance;
- e. Grants and donations;
- f. Other lawful sources.

SECTION 9. AUTHORIZED USES.

The Revolving Fund shall be used solely for:

- a. Palay procurement;
- b. Drying and Milling operations;
- c. Fuel and electricity;
- d. Labor and hauling;
- e. Packaging;
- f. Warehousing;
- g. Pest control;
- h. Equipment repair and maintenance;
- i. Quality testing;
- j. Buffer stock operations;
- k. Food security interventions.

ARTICLE IV

FARMER PRICE PROTECTION PROGRAM

SECTION 10. ESTABLISHMENT OF FARMER PRICE PROTECTION MECHANISM.

The Municipal Food Security and Resiliency Rice Program Board shall establish a Farmer Price Protection Mechanism to prevent severe losses among local farmers caused by depressed palay buying prices.

SECTION 11. SUPPORT BUYING ACTIVATION.

The Program may activate support buying whenever:

- a. Farmgate prices of palay substantially decline below prevailing production costs;
- b. Market disruptions occur;
- c. Excessive supply depresses prices;
- d. The Office of the Municipal Agricultural and Biosystems Engineer certifies the necessity of

intervention.

SECTION 12. DETERMINATION OF SUPPORT PRICE.

The MABE shall determine the support price for palay procurement and taking into consideration the following factors:

1. **Cost of Production** – including labor, seeds, fertilizers, machinery, fuel, irrigation, harvesting, hauling, production recovery rate and other farm inputs;
2. **Reasonable Profit Margin for Farmers** – to ensure that farmers receive a fair return on their investment and labor and are encouraged to continue rice production;
3. **Prevailing Farmgate, Wholesale, and Retail Market Prices** – within the municipality, province, region, and other relevant markets;
4. **National Government Support Prices and Market Interventions** – including procurement prices set by the National Food Authority (NFA) and other government agencies;
5. **Food Security Considerations** – ensuring adequate local rice supply, price stability, and accessibility of affordable rice to consumers;
6. **Supply and Demand Conditions** – including seasonal fluctuations, production forecasts, and market availability;
7. **Recommendations from Farmers' Organizations, Cooperatives, Irrigators' Associations, and the Office of the Municipal Agricultural and Biosystems Engineer** – to ensure participatory and responsive price-setting; and
8. **Other Relevant Factors Affecting Rice Production**, and as may be determined by the Board.

Provided, however, that the support price shall be periodically reviewed by the MABE and approved by the Board through a duly adopted Board Resolution and shall promote farmer welfare, encourage sustained rice production, protect consumers from unreasonable low buying price of Palay and ensure the sustainability of the Program.

SECTION 13. PRIORITY SELLERS.

Priority shall be given to:

- a. RSBSA-registered farmers;
- b. Farmer associations;
- c. Cooperatives;
- d. Irrigators' associations.

ARTICLE V

PROCUREMENT OPERATIONS

SECTION 14. PROCUREMENT AREA.

The Local Government Unit of Burauen through the Office of the Municipal Agricultural and Biosystems Engineer shall prioritize palay produced within the Municipality of Burauen.

Procurement of Palay from neighboring municipalities may be allowed only when local supply is insufficient and allowed by the Municipal Food Security and Resiliency Rice Program Board through a resolution.

SECTION 15. PROCUREMENT REQUIREMENTS

The following documents shall be required for palay procurement under this Ordinance:

A. Individual RSBSA-Registered Farmers

1. Government-issued Identification Card;
2. RSBSA Stub, Card, or any proof of registration under the Registry System for Basic Sectors in Agriculture (RSBSA); and
3. Certification from the Barangay or National Irrigation Authority where the rice land is located.

B. Farmer Associations, Cooperatives, and Irrigators' Associations

1. Certificate of Registration issued by the appropriate registering government agency or Certificate of accreditation from NIA in case of Irrigators' Association that is not registered in DOLE.
2. Certificate of Accreditation or Recognition from the Sangguniang Bayan of Burauen;
3. Board resolution authorizing and designating its representative for the transaction of selling their palay with the Municipality; 4. Valid Permit or Business Permit issued by the Municipality of Burauen.

Provided that the Office of the Municipal Agricultural and Biosystems Engineer may conduct verification of eligibility and farming activity of the seller through available government records and databases.

SECTION 16. QUALITY STANDARDS.

Accepted palay shall conform to quality standards prescribed by the Office of the Municipal Agricultural and Biosystems Engineer.

The Municipality may reject palay that is:

1. Mold-infested or with visible fungal contamination;
2. Pre-germinated or sprouted;
3. Discolored, spotted, or otherwise damaged beyond acceptable limits;
4. From ratoon harvest, when declared unacceptable by the Program Board;
5. Infested with live insects, pests, or vermin;
6. Mixed with excessive foreign matter such as stones, soil, straw, weeds, chaff, or other impurities;
7. Emitting foul, sour, musty, or objectionable odor;
8. Excessively wet or with moisture content beyond the allowable limit prescribed by the Office of the Municipal Agricultural and Biosystems Engineer;
9. Adulterated, contaminated, or mixed with other grains or substances that affect quality; or
10. Otherwise found unfit for milling, storage, processing, or human consumption.

Provided that the Office of the Municipal Agricultural and Biosystems Engineer may issue guidelines on quality and grading standards through office issuances as may be necessary for the effective implementation of this Ordinance.

ARTICLE VI
RICE MILLING OPERATIONS

SECTION 17. MUNICIPAL RICE MILLING OPERATIONS AND MANAGEMENT

The Local Government Unit of Burauen, through the Office of the Municipal Agricultural and Biosystems Engineer, shall own, operate, manage, and maintain the Burauen Rice Processing Center (BRPC) as a core facility of the Municipal Food Security and Resiliency Rice Program.

The Burauen Rice Processing Center (BRPC) shall serve as the primary **post-harvest and value-adding facility** of the LGU for palay procured under the Municipal Food Security and Resiliency - Rice Program.

The Office of the Municipal Agricultural and Biosystems Engineer shall directly operate the rice milling facility using qualified municipal personnel and ensure that all milling operations are consistent with **National Food Authority (NFA) standards and Philippine Grain Standards** on rice quality, drying, milling recovery, and post-harvest handling; and maintain proper records of all procurement, milling, storage, and distribution activities.

The Burauen Rice Processing Center shall be operated as a **strategic food security infrastructure** of the municipality and shall prioritize the milling of palay procured under the Municipal Food Security and Resiliency Rice Program to ensure stable rice supply and fair pricing for constituents.

SECTION 18. DRYING, MILLING RECOVERY AND QUALITY STANDARDS

All milling operations of the Burauen Rice Processing Center shall strictly adhere to **National Food Authority (NFA) milling recovery standards, grain quality classification and post-harvest handling protocols**.

For this purpose, the following shall be observed:

1. **Drying Recovery**

All palay procured by the Burauen Rice Processing Center (BRPC) shall undergo proper drying operations prior to the milling process. The BRPC shall adopt a thirteen percent (13%) for weight reduction resulting from palay moisture removal. The quantity of dried palay shall be properly weighed, recorded and documented for the inventory and milling purposes.

2. **Milling Recovery Documentation**

The actual milling recovery rate shall be accurately measured, recorded, and documented for every milling cycle, indicating:

- Quantity of palay received (in kilograms or metric tons)
- Quantity of milled rice produced (classified into head rice, broken rice, and by-products)
- Computed milling recovery percentage
- Date of milling and batch identification

3. **Standard Milling Recovery Benchmark**

The Bureau Rice Processing Center shall adopt NFA-recommended milling recovery benchmarks, subject to rice variety and grain quality, to ensure transparency, efficiency, and accountability.

4. Quality Classification and Grading

All milled rice shall be classified in accordance with NFA grain classification standards, including but not limited to:

- Premium / Well-milled rice
- Regular milled rice
- Broken rice

5. Post-Harvest Loss Reduction Measures

The Office of the Municipal Agricultural and Biosystems Engineer shall implement post-harvest handling protocols to minimize losses through:

- Proper drying systems
- Clean storage facilities
- Controlled milling operations
- Moisture content monitoring prior to milling

6. Audit and Transparency

All milling records, recovery reports, and inventory logs shall be subject to regular inspection and audit by the Office of the Municipal Accountant and other auditing bodies and oversight committees to ensure transparency and accountability.

ARTICLE VII

BURAUEN RICE PROCESSING CENTER ADMINISTRATION, MANAGEMENT, AND PERSONNEL

SECTION 19. MANAGEMENT AND ADMINISTRATION OF THE BURAUEN RICE PROCESSING CENTER.

The Bureau Rice Processing Center (BRPC) shall be under the direct supervision, administration, and operational control of the Office of the Municipal Agricultural and Biosystems Engineer (MABE).

The Municipal Agricultural and Biosystems Engineer shall be responsible for the overall management, operation, maintenance, and development of the BRPC and shall ensure the efficient, transparent, safe, and sustainable implementation of all activities authorized under this Ordinance, including palay procurement, drying, milling, storage, inventory management, marketing, distribution, equipment maintenance, custom hiring services, and other related operations.

For this purpose, the MABE shall:

- a. Assign qualified and trained personnel to operate the rice mill, mechanical dryer, warehouse facilities, and other post-harvest equipment;
- b. Ensure that operators and technical personnel possess the necessary skills, training, and certifications, including relevant TESDA National Certifications (NC II), whenever applicable;
- c. Establish and implement standard operating procedures for procurement, drying, milling, warehousing, inventory management, distribution, and custom hiring services;

d. Ensure the regular inspection, preventive maintenance, repair, and proper utilization of all facilities, machinery, and equipment;

e. Maintain complete and accurate records of procurement, milling operations, inventory movements, custom hiring services, collections, and other transactions; and

f. Perform such other functions as may be necessary for the efficient and sustainable operation of the BRPC.

SECTION 20. DESIGNATION OF BRPC MANAGER.

The Municipal Agricultural and Biosystems Engineer shall designate a BRPC Manager from among qualified personnel of the MABE who shall exercise direct supervision over the day-to-day operations of the facility.

The BRPC Manager shall be responsible for:

- a. Supervising the daily operations of the BRPC;
- b. Monitoring procurement, drying, milling, storage, inventory, and distribution activities;
- c. Ensuring compliance with operational standards, food safety regulations, and quality control measures;
- d. Maintaining accurate operational records and reports;
- e. Supervising personnel assigned to the facility;
- f. Monitoring equipment utilization, performance, and maintenance requirements; and
- g. Performing such other duties as may be assigned by the Municipal Agricultural and Biosystems Engineer for the effective implementation of the Program.

SECTION 21. CREATION AND ASSIGNMENT OF PERSONNEL.

Subject to existing civil service, budgeting, and personnel laws, rules, and regulations, the Municipality may create, designate, assign, or hire personnel necessary for the efficient operation of the BRPC.

Such personnel may include, but shall not be limited to:

- a. BRPC Manager;
- b. Procurement and Purchasing Officer;
- c. Warehouse and Inventory Custodian;
- d. Weighing and Quality Control Personnel;
- e. Bookkeeper or Records Officer;
- f. Rice Mill Operator;
- g. Dryer Operator;
- h. Utility and Maintenance Personnel;
- i. Laborers, Haulers, and Casual Workers; and
- j. Other personnel as may be determined necessary by the Municipal Food Security and Resiliency Rice Program Board.

SECTION 22. DUTIES OF THE WAREHOUSE AND INVENTORY CUSTODIAN.

The designated Warehouse and Inventory Custodian shall be directly accountable for all palay, rice, milling by-products, packaging materials, and other inventories under the custody of the BRPC.

The Custodian shall maintain complete inventory records and shall ensure the proper receipt, storage, preservation, issuance, monitoring, and documentation of all stocks in accordance with applicable accounting, auditing, food safety, and inventory management regulations.

SECTION 23. EQUIPMENT OPERATION AND MAINTENANCE.

The MABE shall establish and implement a preventive maintenance program for all machinery, equipment, vehicles, warehouses, drying facilities, and other assets used in Program operations. Maintenance activities shall be properly documented, and all records shall be made available for inspection, monitoring, and audit by authorized government agencies and oversight bodies.

SECTION 24. TRAINING AND CAPACITY DEVELOPMENT.

The Municipal Government shall provide continuing education, technical training, skills enhancement, and capacity-building programs for personnel assigned to the BRPC to strengthen operational efficiency, food safety compliance, equipment management, post-harvest handling practices, and overall service delivery.

SECTION 25. PERFORMANCE STANDARDS. The Municipal Food Security and Resiliency Rice Program Board shall establish operational performance standards and key performance indicators for the BRPC, including targets on procurement efficiency, milling recovery, inventory management, post-harvest loss reduction, equipment utilization, service delivery, and financial sustainability.

SECTION 26. ACCOUNTABILITY OF PERSONNEL. All personnel assigned to the BRPC shall be accountable for the government funds, properties, inventories, records, equipment, and resources entrusted to them. Any loss, shortage, misuse, negligence, unauthorized disposition, falsification of records, or violation of applicable laws, rules, regulations, and provisions of this Ordinance shall subject the responsible personnel to appropriate administrative, civil, and criminal liability.

SECTION 27. UTILIZATION OF BRPC FACILITIES.

The facilities of the BRPC may be utilized for:

- a. Processing palay procured under the Municipal Food Security and Resiliency Rice Program;
- b. Maintaining municipal rice reserves and buffer stocks;
- c. Providing drying, milling, and other post-harvest services to local farmers through custom hiring arrangements; and
- d. Other food security, agricultural development, and post-harvest support activities authorized by the Municipal Food Security and Resiliency Rice Program Board.

Priority shall be given to the operational requirements of the Municipal Food Security and Resiliency Rice Program. Subject to facility availability and approved schedules, registered rice farmers, farmers' associations, irrigators' associations, and cooperatives within the Municipality of Burauen may avail themselves of custom hiring services.

SECTION 28. CUSTOM HIRING SERVICES AND FEES.

To maximize the utilization of municipal post-harvest facilities and provide affordable support services to local farmers, the BRPC may offer drying, milling, and other authorized post-harvest services through a custom hiring scheme.

The Municipal Food Security and Resiliency Rice Program Board shall determine, prescribe, review, and adjust the rates, fees, and charges for the use of BRPC facilities and services through a duly adopted Board Resolution.

In determining the applicable rates, the Board shall consider:

- a. Fuel, electricity, and utility costs;
- b. Equipment operation, repair, and maintenance requirements;
- c. Labor and operating expenses;
- d. Cost of spare parts, supplies, and consumables;
- e. Prevailing market rates for similar services;
- f. Sustainability and financial viability of facility operations;
- g. Affordability of services to local farmers; and
- h. Other relevant factors affecting service delivery.

All fees and charges collected from custom hiring services shall be officially receipted, deposited with the Municipal Treasurer, and accounted for in accordance with existing accounting, treasury, and auditing laws, rules, and regulations.

SECTION 29. SCHEDULING AND PRIORITIZATION OF SERVICES.

The MABE shall establish a fair, transparent, and efficient scheduling system for the utilization of BRPC facilities.

In scheduling custom hiring services, priority shall be given to:

- a. Farmers residing within the Municipality of Burauen;
- b. RSBSA-registered farmers;
- c. Farmers' associations, cooperatives, and irrigators' associations recognized or accredited by the Municipality; and
- d. Other agricultural producers as may be authorized by the Program Board. The Program Board may issue supplemental guidelines governing scheduling, prioritization, and facility utilization to ensure equitable access and efficient operations.

SECTION 30. USE OF INCOME FROM CUSTOM HIRING SERVICES.

Income generated from custom hiring services shall accrue to and form part of the Special Revolving Fund established under this Ordinance.

Such income shall be used exclusively for purposes authorized under this Ordinance, including but not limited to:

- a. Repair and maintenance of rice mills, dryers, warehouses, and other BRPC facilities;
- b. Purchase of fuel, lubricants, spare parts, and operating supplies;
- c. Payment of labor and operational expenses;

- d. Facility improvement and equipment upgrading;
- e. Quality control, inventory management, and food safety activities; and
- f. Other lawful expenditures necessary for the continued operation, improvement, and sustainability of the Program.

ARTICLE VIII
RICE PRICING AND DISTRIBUTION

SECTION 31. PRICING POLICY.

To ensure the program is non-revenue generating yet sustainable, the selling of the rice shall be calculated based on the "at-cost".

Formula

Selling Price = $\frac{\text{Purchase Price of Palay per kg}}{\text{Drying and Milling Recovery rate}}$ + Direct Costs

The selling price of rice produced, processed, and marketed under the Burauen Rice Processing Center (BRPC) and the program shall be determined using an at-cost pricing mechanism designed to ensure the sustainability of operations while maintaining affordability for consumers. The selling price shall be computed based on the actual and verifiable costs incurred in the procurement, processing, storage, and distribution of rice, subject to the limitations provided herein.

The following cost components shall be included in the computation of the selling price:

- a. **Palay Cost-** This shall refer to the actual purchase price paid by the BRPC for palay procured from farmers, farmers' associations, cooperatives, or other authorized suppliers. The purchase price shall be supported by duly approved purchase documents, receipts, or contracts and shall be expressed on a per-kilogram basis.
- b. **Drying Cost-** This shall refer to the actual cost incurred in reducing the moisture content of palay to the prescribed level suitable for storage and milling. Drying cost may include, but shall not be limited to, electricity consumption, fuel, labor directly attributable to drying operations, equipment operation expenses, and drying supplies. The cost shall be computed based on actual operational records and allocated proportionately to the volume of palay processed.
- c. **Milling Cost-** This shall refer to the actual cost incurred in converting dried palay into marketable rice. Milling costs shall include electricity, labor, machine operation expenses, lubricants, minor supplies, and other direct expenses necessary for milling operations. Milling cost shall be determined based on actual expenses incurred and allocated proportionately to the volume of rice produced.
- d. **Transportation Cost-** This shall refer to the actual and reasonable expenses incurred in transporting palay, rice, packaging materials, and other related commodities from the point of procurement to the processing facility, warehouse, trading post, distribution center, or point of sale. Transportation costs may include vehicle fuel, driver services, hauling charges, loading and unloading expenses, and vehicle maintenance directly attributable to transport activities.
- e. **Packaging Cost-** This shall refer to the actual cost of packaging materials and packaging operations necessary to prepare rice for storage, transport, and sale. Packaging cost may include sacks,

plastic bags, labels, seals, stitching materials, weighing materials, and labor directly related to packaging.

f. **Warehousing and Storage Cost-** This shall refer to the actual expenses incurred in the safe storage and preservation of palay and rice inventories. Warehousing costs may include warehouse utilities, pest and rodent control measures, sanitation and cleaning expenses, inventory management, security services, storage equipment maintenance, and other expenses directly related to the operation and upkeep of storage facilities.

g. **Maintenance and Repair Reserve-** To ensure the continued operation and serviceability of the drying, milling, and other processing facilities, a Maintenance and Repair Reserve may be added to the computed production cost. Such reserves shall not exceed five percent (5%) of the total cost of production and shall be used exclusively for preventive maintenance, repairs, replacement of worn-out parts, calibration of equipment, and other activities necessary to maintain operational efficiency. Under no circumstance shall the reserve be treated as profit or income.

The aggregate of the foregoing cost components shall constitute the Computed Cost of Rice. The final selling price shall be based on the Computed Cost of Rice adjusted by the actual drying and milling recovery rate, provided that the resulting selling price shall not exceed the prevailing market price of comparable rice varieties within the Municipality of Burauen and neighboring localities.

SECTION 32. CEILING PRICE.

Rice sold under the Program shall not exceed prevailing market prices except during extraordinary circumstances.

The Office of the Municipal Agricultural and Biosystems Engineer through its designated personnel is hereby authorized to dispose of/sell the rice produced by the Burauen Rice Processing Center through the Municipal Food Security and Resiliency Rice Program under the terms of this Ordinance, satisfying the requirements of Section 17 of Republic Act 7160 and Accounting and Auditing Rules and Regulations.

SECTION 33. PRIORITY BUYERS.

To promote food security, support local rice farmers, strengthen government feeding and relief programs, and ensure the sustainability of the Municipal Food Security and Resiliency Rice Program, priority in the sale and distribution of rice produced by the Burauen Rice Processing Center (BRPC) shall be given to the following:

a. **Indigent Households** - identified under the National Household Targeting System for Poverty Reduction (NHTS-PR), Listahanan, or other recognized government poverty databases shall be given priority access to affordable rice to help ensure household food security and nutritional adequacy

b. **Senior Citizens** - residing within the Municipality of Burauen, particularly those belonging to low-income households or vulnerable sectors, shall be prioritized in the purchase of rice under the Program.

c. **Persons with Disabilities (PWDs)** - duly registered within the Municipality and identified as needing food security assistance shall be entitled to priority access under the Program.

d. **Solo Parents-** recognized under existing laws and municipal records, especially those belonging to economically disadvantaged households, shall be prioritized in the distribution and sale of rice under the Program.

e. **Vulnerable and Marginalized Sectors** - Individuals, families, and communities affected by poverty, unemployment, disasters, emergencies, displacement, health crises, or other circumstances identified by the Municipal Social Welfare and Development Office (MSWDO) or the Municipal Food Security and Resiliency Rice Program Board shall be considered priority beneficiaries.

f. **Government Feeding, Nutrition, and Social Protection Programs**- Rice produced under the Program may be prioritized for use in school-based feeding programs, supplementary feeding programs, child development center feeding activities, nutrition interventions, and other government-led food assistance initiatives implemented by local or national government agencies.

g. **Disaster Response, Relief, and Humanitarian Operation** - The Program shall prioritize the allocation of rice for disaster preparedness, emergency response operations, relief assistance, humanitarian interventions, evacuation centers, and other emergency situations requiring immediate food support.

h. **Local Government Unit Programs, Projects, and Activities**- All departments, offices, and units of the Local Government Unit of Burauen requiring rice for official programs, projects, activities, trainings, seminars, community outreach programs, institutional feeding activities, disaster response operations, and other lawful government undertakings shall be given priority access to rice produced by the Burauen Rice Processing Center, subject to availability and applicable accounting, auditing, and procurement rules.

Whenever practicable and consistent with existing laws, all offices, departments, and units of the Local Government Unit of Burauen are encouraged to give preference to rice produced by the Burauen Rice Processing Center for official government functions, meetings, trainings, feeding programs, relief operations, and other government activities, provided that such preference promotes the objectives of this Ordinance and complies with applicable accounting, auditing, and procurement regulations.

i. **National Government Agencies and Government Instrumentalities** - National government agencies, government-owned and controlled corporations (GOCCs), state universities and colleges (SUCs), public schools, government hospitals, and other government instrumentalities operating within or serving the Municipality of Burauen may purchase or procure rice produced by the Burauen Rice Processing Center for official programs, projects, activities, institutional requirements, feeding initiatives, and disaster-response operations, subject to applicable government procurement laws, rules, and regulations.

j. **Cooperatives, Farmers' Organizations, and Community-Based Institutions** - Duly registered cooperatives, farmers' organizations, irrigators' associations, community-based organizations, and similar institutions engaged in food security, community development, and livelihood activities may be allowed to purchase rice under the Program, subject to guidelines established by the Municipal Food Security and Resiliency Rice Program Board.

k. **Other Residents of the Municipality** - After the requirements of the foregoing priority beneficiaries have been reasonably met, other residents of the Municipality of Burauen, including government employees, private sector workers, and members of the general public, may purchase rice under the Program subject to stock availability and purchase limits established by the Board.

The Municipal Food Security and Resiliency Rice Program Board may adopt additional guidelines on allocation, prioritization, purchase limits, and distribution procedures to ensure equitable access, proper inventory management, transparency, and the long-term sustainability of the Program.

SECTION 34. PURCHASE LIMITS. Maximum purchase shall be fifty (50) kilograms per household per month unless otherwise authorized during emergencies.

ARTICLE IX

BUFFER STOCK MANAGEMENT

SECTION 35. MUNICIPAL PALAY/RICE BUFFER STOCK.

The Local Government Unit of Burauen, through the Office of the Municipal Agricultural and Biosystems Engineer and the Burauen Rice Processing Center established under the Program, shall establish, maintain, and manage a Municipal Palay or Rice Buffer Stock System to ensure food availability, price stability, and emergency preparedness within the municipality.

The Municipal Palay/Rice Buffer Stock shall primarily consist of dried palay or milled rice under the Program and shall serve as a strategic reserve for the following purposes:

1. Disaster preparedness and emergency response operations;
2. Relief distribution during calamities, emergencies, and humanitarian crises;
3. Food security interventions for vulnerable sectors and communities;
4. Rice price stabilization during periods of supply shortage, market disruption, or abnormal price increases;
5. Institutional feeding programs and other authorized government food assistance initiatives;
6. Strategic reserve to ensure continuous local rice supply within the municipality.

The Office of the Municipal Agricultural and Biosystems Engineer together with the Office of the Municipal Disaster Risk Reduction Management shall determine and maintain an appropriate buffer stock volume based on:

- Local rice consumption demand;
- Disaster risk considerations;
- Procurement capacity;
- Warehouse and storage capability; and
- Food security requirements of the municipality.

The Municipal Palay/Rice Buffer Stock shall be stored, maintained, and managed in accordance with applicable food safety regulations, post-harvest standards, warehouse management protocols, and National Food Authority (NFA) storage and grain handling standards.

The Municipal Mayor, upon recommendation of the Office of the Municipal Agricultural and Biosystems Engineer and when justified by emergency conditions, supply shortages, or public interest considerations, may authorize the release, and distribution of buffer stock rice subject to existing accounting, auditing rules and regulations.

SECTION 36. INVENTORY ROTATION AND QUALITY MANAGEMENT.

All rice stocks maintained under the Municipal Palay/Rice Buffer Stock System shall be subject to a systematic inventory rotation and quality management system to preserve grain quality, maintain freshness, minimize spoilage, and reduce post-harvest losses.

The Office of the Municipal Agricultural and Biosystems Engineer, through the Bureau Rice Processing Center and authorized warehouse personnel, shall implement the following measures:

1. First-In, First-Out (FIFO) System

Rice inventory shall be released, distributed, or marketed using the "First-In, First-Out (FIFO)" method, whereby older rice stocks shall be prioritized before newly milled or newly procured stocks.

2. Regular Inventory Monitoring

Physical inventory inspection, stock assessment, and warehouse monitoring shall be conducted regularly to evaluate:

- stock quality and condition;
- moisture content;
- storage duration;
- pest infestation or contamination risks;
- inventory turnover status; and
- estimated shelf life of stored rice.

3. Proper Storage and Warehouse Management

Palay/Rice stocks shall be stored in clean, dry, ventilated, elevated, and pest-controlled facilities compliant with applicable food safety standards, post-harvest management practices, and National Food Authority (NFA) storage protocols.

4. Documentation and Traceability

All rice inventory shall be properly documented and recorded, including:

- source of palay;
- date of procurement and milling;
- quantity and classification;
- milling recovery records;
- warehouse location;
- release and distribution logs; and
- inventory balance reports.

5. Quality Preservation Measures

The LGU, through the Office of the Municipal Agricultural and Biosystems Engineer, shall adopt appropriate handling, packaging, transport, fumigation, sanitation, and warehouse management practices to preserve rice quality and reduce quantitative and qualitative losses.

6. Disposal of Unfit Stocks

Palay/Rice stocks found to be spoiled, contaminated, infested, damaged, or otherwise unfit for human consumption shall be immediately isolated and disposed of in accordance with existing food safety, environmental, accounting, and Commission on Audit (COA) regulations.

7. Transparency and Accountability

All buffer stock inventory records, warehouse reports, and inventory movement transactions shall be subject to regular inspection, monitoring, and audit by the appropriate municipal offices and oversight bodies to ensure transparency, accountability, and proper management of public resources.

The Municipal Palay/Rice Buffer Stock System shall form part of the Food Security and Resilience framework of the Local Government Unit of Burauen to ensure stable rice supply, disaster preparedness, and protection of the welfare of Burawanons.

ARTICLE X
PROGRAM MANAGEMENT SECTION

37. Creation of Municipal Food Security and Resiliency Rice Program Board.

The Board shall consist of:

Chairperson: Municipal Mayor

Vice Chairperson: Municipal Agricultural and Biosystems Engineer

Member:

- SB Member Committee Chairman on Agriculture and Fisheries
- Municipal Treasurer
- Municipal Accountant
- Municipal Social Welfare and Development Officer
- Municipal Disaster Risk Reduction Management Officer
- Municipal Planning and Development Coordinator
- LGU CSO Desk Officer
- Cooperative Development Specialist
- Municipal/LGU PESO
- MAFC Representative
- Representative from Farmers' Cooperative
- Representative from a Registered Rice Farmers' Association

SECTION 38. FUNCTIONS.

The Board shall:

- Oversee the implementation of this Ordinance;
- Approve support prices;
- Approve procurement schedules;
- Monitor fund utilization;
- Conduct annual program review;
- Recommend fund augmentation;
- Conduct quarterly Board Meetings, on a date to be determined by the Chairperson, with proper notice given to all members of the board and other concerned offices.

ARTICLE XI
ACCOUNTABILITY, TRANSPARENCY, AND AUDIT

SECTION 39. FUND CUSTODIANSHIP.

The Municipal Treasurer shall serve as the custodian of all collections and receipts of the Program.

The Office of the Municipal Agricultural and Biosystems Engineer (MABE) may designate a Special Disbursing Officer, subject to existing Commission on Audit (COA) rules and regulations, to facilitate authorized cash advances and payments necessary for the efficient implementation of Program operations.

Disbursements from the Special Revolving Fund shall be made only upon proper authorization and in accordance with applicable budgeting, accounting, treasury, and auditing laws, rules, and regulations.

All funds and disbursements shall be properly documented, recorded, liquidated, and audited in accordance with existing government accounting and auditing standards.

SECTION 40. INVENTORY CUSTODIANSHIP, CONTROL, AND MANAGEMENT.

The Office of the Municipal Agricultural and Biosystems Engineer (MABE), through the Bureau Rice Processing Center (BRPC), shall serve as the official custodian of all palay, rice, milling by-products, packaging materials, supplies, and other inventories acquired, produced, stored, or maintained under the Municipal Food Security and Resiliency Rice Program.

The MABE shall establish and maintain an inventory management and control system that shall ensure the proper receipt, recording, storage, safeguarding, monitoring, issuance, and disposition of all Program inventories in accordance with applicable accounting, auditing, food safety, and government property management laws, rules, and regulations.

For this purpose, the MABE shall:

- a. Maintain complete and updated inventory records, stock cards, warehouse logs, procurement records, milling records, and distribution records;
- b. Conduct regular physical inventory counts and inventory reconciliation of all stocks at least once every month and whenever necessary;
- c. Implement inventory control measures, including stock monitoring, traceability, quality inspection, and inventory rotation systems;
- d. Ensure that all inventories are properly stored, protected, and preserved in accordance with applicable food safety standards and warehouse management practices;
- e. Immediately report shortages, spoilage, losses, damage, infestation, pilferage, or other inventory irregularities to the Municipal Mayor, Municipal Treasurer, Municipal Accountant, and the Municipal Food Security and Resiliency Rice Program Board; and
- f. Prepare and submit inventory reports as may be required under this Ordinance and by applicable accounting and auditing regulations.

The MABE shall designate an Inventory Officer who shall be responsible for all stocks under their custody and shall be held accountable for any loss, shortage, misuse, or unauthorized disposition of government property in accordance with existing laws, rules, and regulations.

SECTION 41. ACCOUNTING AND FINANCIAL RECORDING.

The Municipal Accountant shall maintain a separate set of accounting records and subsidiary ledgers for the Municipal Food Security and Resiliency Rice Program and its Special Revolving Fund in

accordance with the Government Accounting Manual (GAM), Commission on Audit (COA) regulations, and other applicable accounting standards.

The accounting records shall include, but not be limited to:

- a. Revolving Fund balances;
- b. Palay procurement transactions;
- c. Rice production and milling operations;
- d. Inventory valuation and adjustments;
- e. Sales and collections;
- f. Operating expenses and disbursements;
- g. Assets, liabilities, and equity accounts related to the Program; and
- h. Other financial transactions necessary for proper accounting and reporting.

The Municipal Accountant shall regularly reconcile financial records with inventory reports, treasury records, and operational reports to ensure accuracy, transparency, and accountability in the implementation of the Program.

SECTION 42. QUARTERLY REPORTS.

The Municipal Agricultural and Biosystems Engineer (MABE), in coordination with the Municipal Treasurer and Municipal Accountant, shall prepare and submit quarterly accomplishment, financial, and inventory reports to the Board, and furnish copy to the Office of the Municipal Mayor and the office of the Sangguniang Bayan not later than fifteen (15) days after the end of each quarter.

The quarterly report shall include, among others:

- a. Total palay procured;
- b. Total rice milled and produced;
- c. Milling recovery rates;
- d. Inventory balances of palay, rice, and by-products;
- e. Total sales and collections;
- f. Fund balances and expenditures;
- g. Buffer stock status;
- h. Beneficiaries served;
- i. Price stabilization interventions undertaken;
- j. Significant operational issues and recommendations; and
- k. Other information deemed necessary by the Municipal Food Security and Resiliency Rice Program Board.

SECTION 43. ANNUAL AUDIT, REVIEW, AND PERFORMANCE EVALUATION.

The Municipal Food Security and Resiliency Rice Program shall be subject to annual inventory, financial, compliance, and performance audits in accordance with applicable laws, rules, and regulations.

The Commission on Audit (COA), Local Finance Committee, Municipal Food Security and Resiliency Rice Program Board, and other authorized oversight bodies may conduct audits, inspections, validations, and evaluations of the Program to determine:

- a. Compliance with this Ordinance and other applicable laws;
- b. Accuracy of financial and inventory records;
- c. Proper utilization of funds and government resources;
- d. Efficiency and effectiveness of Program operations;
- e. Achievement of food security, farmer welfare, and price stabilization objectives; and
- f. Sustainability of the Program.

The results of such audits and evaluations shall be used as the basis for policy improvements, operational adjustments, and recommendations for future appropriations or program expansion.

SECTION 44. PUBLIC DISCLOSURE, TRANSPARENCY, AND CITIZEN ACCESS TO INFORMATION.

To promote transparency and public accountability, the Municipal Food Security and Resiliency Rice Program shall regularly disclose information regarding its operations, financial status, and accomplishments.

The Municipal Agricultural and Biosystems Engineer, in coordination with the Municipal Treasurer and Municipal Accountant, shall prepare a quarterly public disclosure report containing a summary of:

- a. Total palay procured;
- b. Total rice produced and distributed;
- c. Current inventory and buffer stock levels;
- d. Total sales, collections, and fund balances;
- e. Beneficiaries served;
- f. Procurement and support prices adopted by the Program;
- g. Major expenditures and operational accomplishments; and
- h. Other relevant information affecting the implementation of the Program.

The quarterly public disclosure report shall be posted on the official bulletin boards of the Municipal Government, the official website, official social media platforms, and other appropriate public information channels, subject to existing laws on transparency, accountability, and data privacy.

Nothing in this Section shall be construed to authorize the disclosure of confidential, personal, proprietary, or protected information prohibited by law.

ARTICLE XII

PROHIBITED ACTS AND PENALTIES

SECTION 45. PROHIBITED ACTS.

To ensure transparency, accountability, integrity, and the proper implementation of the Program, the following acts are hereby declared prohibited:

1. Falsification of Procurement and Program Records

- The falsification, tampering, alteration, fabrication, or misrepresentation of procurement documents, inventory reports, warehouse records, milling reports, payment vouchers, farmer registrations, delivery receipts, financial records, or any official document related to the implementation of this Ordinance.

2. Diversion or Unauthorized Withdrawal of Rice Stocks

- The unauthorized diversion, transfer, release, concealment, substitution, or withdrawal of palay, rice stocks, buffer stock inventory, milling by-products, or other agricultural commodities intended for the BUGAS Program.

3. Hoarding and Manipulation of Supply

- Hoarding, illegal withholding, manipulation of supply, artificial shortage creation, or unauthorized stockpiling of rice or palay intended to influence prices, distribution, or market availability within the municipality.

4. Sale or Use of Rice Stocks for Private Gain

- The sale, distribution, conversion, or use of rice stocks, buffer stocks, procurement supplies, milling outputs, or government resources for personal benefit, political activities, private business interests, or unauthorized purposes.

5. Misuse or Misappropriation of Public Funds

- The unauthorized use, diversion, disbursement, embezzlement, or misappropriation of funds, equipment, machinery, facilities, and resources allocated under the BUGAS Program and the Food Security and Resilience framework.

6. Procurement from Fictitious, Ineligible, or Unauthorized Suppliers

- Procurement of palay or agricultural commodities from fictitious farmers, fake cooperatives, ghost beneficiaries, unregistered suppliers, or unauthorized entities, including the use of fraudulent identities or falsified farmer records.

7. Collusion and Price Manipulation

- Collusion among suppliers, traders, contractors, personnel, or officials to manipulate procurement prices, bidding processes, inventory reporting, or rice distribution activities.

8. Unauthorized Disposal or Sale of Government Assets

- Unauthorized sale, lease, disposal, transfer, or use of rice milling equipment, warehouse facilities, transport vehicles, or any government-owned property under the BUGAS Program without proper authority and compliance with applicable laws and regulations.

9. Negligence Resulting in Loss or Spoilage

- Gross negligence, willful omission, or failure to implement proper storage, inventory management, quality control, and post-harvest handling measures resulting in avoidable spoilage, infestation, deterioration, or loss of rice stocks and public resources.

10. Obstruction of Audit, Inspection, and Monitoring Activities

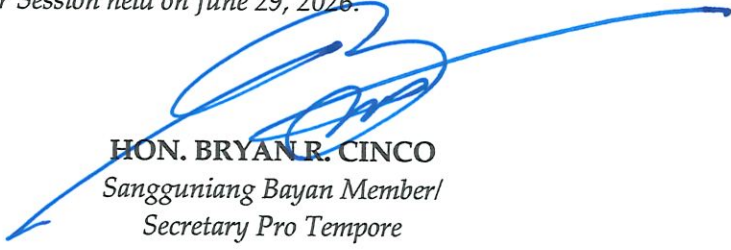
- Refusal to cooperate with authorized inspections, audits, inventory verification, monitoring activities, or withholding of official records and documents related to the implementation of this Ordinance.

rules and regulations, and other applicable government policies.

The imposition of administrative sanctions under this Ordinance shall not preclude the Municipality from pursuing civil actions for damages, recovery of public funds and properties, restitution, or criminal prosecution under applicable laws.

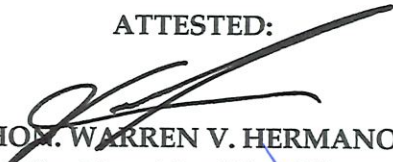
Any person, organization, cooperative, supplier, contractor, or participating entity adversely affected

I HEREBY CERTIFY that this Ordinance was approved by the Sangguniang Bayan of Burauen, Leyte, during its 52nd Regular Session held on June 29, 2026.


HON. BRYAN R. CINCO

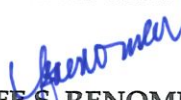
*Sangguniang Bayan Member/
Secretary Pro Tempore*

ATTESTED:


HON. WARREN V. HERMANO

Vice-Mayor/ Presiding Officer

APPROVED:


HON. FE S. RENOMERON

Municipal Mayor

Date: JUL 06 2026



OFFICE OF THE SANGGUNIANG BAYAN

CERTIFICATE OF POSTING

TO WHOM IT MAY CONCERN:

THIS IS TO CERTIFY that Municipal Ordinance No. 26-267, Series of 2026 of the Sangguniang Bayan of Burauen, Leyte, entitled, *"An Ordinance Establishing the Food Security and Resiliency (FSR) Rice Program of the Municipality of Burauen to Support Local Farmers Through Palay Procurement, Palay Price Support, Palay Drying and Milling Operations, Creating a Special Revolving Fund Therefor, and for Other Purposes"*, was approved on July 6, 2026, and has been posted in two (2) conspicuous and publicly accessible places of the municipality from July 8, 2026 to July 29, 2026 in compliance with Section 59, paragraph (b) of Republic Act No. 7160, otherwise known as the "Local Government Code of 1991".

Burauen, Leyte, August 10, 2026.


ATTY. RUDEJANE S. TAN
Secretary to the Sanggunian