
NFA Council Powers and Functions

The NFA Council has been vested directly by law with the legal capacity and authority to exercise all corporate powers, conduct all business, and to hold all the properties of the NFA. As a collegial body, it is primarily responsible for the governance of the NFA. It is the NFA Council and not the NFA Management which is primarily liable to the State for the operations and performance of the NFA.

A. Discretionary powers which cannot be delegated

1. Certification of a shortage of rice and excess production and/or supply as requirement to import and export, respectively, except for rice importation under the Minimum Access Volume under the World Trade Organization.
2. Determination of buying prices of palay and corn and selling prices of rice, corn and other grains.
3. Determination of rates for the export of rice, corn and other grains and/or their substitutes and their by-products.
4. Determination of fees for the registration of retailers or rice, corn and other grains and their substitutes and manufacturers or processors of goods where rice or corn or other grains and/or substitutes are used.
5. Contract domestic as well as foreign indebtedness through a resolution, stating the purpose for which the indebtedness is to be incurred and citing the project study designed for the purpose, declare and authorize the NFA's execution or issuance of and establish the terms and conditions to be contained in such bonds, loan agreements, other evidences of indebtedness necessary thereof, such resolution shall become valid and effective upon approval by the President of the Philippines and upon prior recommendation of the Secretary of Finance.
6. Sell, lease, mortgage, pledge or otherwise dispose of the property, assets or undertaking of the NFA or any party thereof as the NFA may deem fit.
7. Invest its funds or other assets in such undertaking as it may deem wise and necessary such as but not limited to investments in any and all kinds of securities, stocks, bonds and other secured collaterals.
8. Create and establish subsidiary corporations to undertake the related and integrated business operations of the NFA.
9. Recommend fees, charges and/or surcharges for the approval of the President.
10. Determine the need to import or export rice and corn.
11. Establish or cause the establishment of branches or agencies domestic or foreign.
12. Establish Provident Fund.
13. Establish sinking fund subject to the approval of the Secretary of Finance in consultation with the Monetary Board.

14. Determine rates, fees, charges and/or surcharges to equalize the wholesale price or imported grains and their substitutes with the prevailing selling price of the equivalent commercial grain in the domestic market.
15. Dispose, allocate and utilize the Development and Stabilization Fund.

B. Duty to properly select and provide independent check on Management

1. Elect Administrator from among their ranks.
2. Appoint other officers of the NFA.
3. Elect and/or employ Executive Officers who are fit and proper to hold such offices with due regard to their qualifications, competence, experience and integrity

C. Mandate and responsibility for NFA's performance

1. Provide the corporate leadership of NFA subject to the rule of law, and the objectives set by the National Government through the Office of the President and the GCG.
2. Establish NFA's vision and mission, strategic objectives, policies and procedures, as well as defining the NFA's values and standards consistent with Charter Statements, Strategy Maps, Philippine Development Plan for Agriculture and other control mechanism mandated by best business practices.
3. Determine important policies that bear on the character of NFA to foster its long-term success, ensure its long-term viability and strength, and secure its sustained competitiveness.
4. Determine the organization structure of NFA, defining the duties and responsibilities of its Executive Officers and employees and adopting a compensation and benefit scheme that is consistent with the GOCC Compensation and Position Classification System (CPCS) developed by GCG and formally approved by the President of the Philippines.
5. Ensure that personnel selection and promotion shall be on the basis of merit and fitness and that all personnel action shall be in pursuit of the applicable laws, rules and regulations.
6. Provide sound written policies and strategic guidelines on NFA's operating budget and major capital expenditures, and prepare the annual and supplemental budgets of NFA.
7. Comply with all reportorial requirements, as required in the Charter, as well as applicable laws, rules and regulations.
8. Formally adopt and conduct annually the mandated Performance Evaluation System (PES) and the Performance Scorecard and timely and accurate report the results to the GCG.
9. Enhance NFA's relations with its Stakeholders.

D. Specific functions

1. Meet regularly, ideally at least once every month, to properly discharge its responsibilities, with independent views expressed during such meetings being given due consideration, and that all such meetings shall be properly documented or minuted.

2. Determine NFA's purpose and value, as well as adopt strategies and policies, including risk management policies and programs, in order to ensure that NFA survives and thrives despite financial crises and that its assets and reputation are adequately protected.
3. Monitor and evaluate on a regular basis the implementation of corporate strategies and policies, business plans and operating budgets, as well as Management's overall performance to ensure optimum results.
4. Adopt a competitive selection and promotion process, a professional development program, as well as a succession plan to ensure that the Officers of NFA have the necessary motivation, integrity, competence and professionalism.
5. Monitor and manage potential conflicts of interest of Council Members, Management, and shareholders, including misuse of corporate assets and abuse in related party transactions.
6. Implement a system of internal checks and balances, which may be applied in the first instance to the Council, and ensure that such systems are reviewed and updated on a regular basis.
7. Ensure the integrity of NFA's accounting and financial reporting systems, including independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
8. Identify and monitor, and provide appropriate technology and systems for the identification and monitoring of key risks and performance areas.
9. Adopt, implement and oversee the process of disclosure and communications, and conduct and maintain the affairs of the NFA within the scope of its authority, as prescribed in its Charter and applicable laws, rules and regulation.