

**Office of the President
of the Philippines
Malacañang**

MEMORANDUM ORDER NO. 58

DIRECTING THE ABOLITION OF THE NORTHERN FOODS CORPORATION, AND FOR OTHER PURPOSES

WHEREAS, the Northern Foods Corporation (NFC) was registered with the Securities and Exchange Commission on 16 March 1984, as a subsidiary of the then Livelihood Corporation (eventually renamed as National Livelihood Development Corporation [NLDC]), for the purpose of doing business as a tomato paste processing center;

WHEREAS, pursuant to Memorandum Order No. 85 (s. 2015), the NLDC was abolished and all of its assets and liabilities were transferred to the Land Bank of the Philippines (LBP);

WHEREAS, since its incorporation, the NFC has been incurring annual net losses, except in the years 1989, 1995 and 2010; and

WHEREAS, pursuant to Section 5(a) of Republic Act (RA) No. 10149 or the "GOCC Governance Act of 2011," the Governance Commission for GOCCs (GCG) has recommended the abolition of the NFC upon determining that: (a) the functions or purposes for which the NFC was created are no longer consistent with the national development policy of the State; (b) the NFC is not producing the desired outcomes and not cost efficient and does not generate the level of social, physical and economic returns *vis-à-vis* the resource inputs; and (c) the NFC is engaged in activities best carried out by the private sector;

NOW, THEREFORE, I, SALVADOR C. MEDIALDEA, Executive Secretary, by authority of the President, **RODRIGO ROA DUTERTE**, do hereby order:

SECTION 1. Abolition of NFC. The NFC is hereby abolished.

SECTION 2. Liquidation of Assets and Settlement of Liabilities. The assets of the NFC shall be liquidated to settle the outstanding liabilities of the Corporation, in accordance with relevant laws, rules and regulations.

SECTION 3. Creation of a Technical Working Group. To implement the provisions of this Order, a Technical Working Group (TWG) is hereby created to be composed of representatives from the following:

- a. GCG;
- b. Department of Agriculture;
- c. Land Bank of the Philippines;
- d. Department of Budget and Management; and
- e. The Privatization and Management Office of the Department of Finance.

SECTION 4. Powers and Functions of the TWG. The TWG shall have the following powers, duties and functions:

- a. Settle the liabilities of the NFC, undertake steps necessary in the liquidation of its assets, and assist in the winding-up of its corporate affairs;
- b. Resolve issues on the transfer of equity investment in the NFC from the NLDC to the Land Bank of the Philippines in relation to Memorandum Order No. 85 (s. 2015);
- c. Implement the retirement plan for NFC personnel, subject to prior determination of its financial capacity to pay for the said benefit, in accordance with applicable laws, rules and regulations;
- d. Submit to the Office of the President a quarterly report on the disposition of the assets of the NFC, and the implementation of its abolition; and
- e. Perform such other actions as may be necessary to implement this Order.

SECTION 5. Separation Pay of Affected Officials and Personnel. The TWG is hereby authorized to grant separation pay to affected officials and personnel of the NFC with the following maximum rates:

Length of Government Service	Rate
First 20 years	1.00 x MBS* x no. of years
20 years and 1 day to 30 years	1.25 x MBS x no. of years
30 years and 1 day and above	1.50 x MBS x no. of years

*Monthly Basic Salary

The separation pay authorized herein shall be charged against the available corporate funds of the NFC, and such other funding sources that the Department of Budget and Management may identify, subject to existing budgeting, accounting and auditing laws, rules and regulations.

SECTION 6. Repeal. All other orders, issuances, rules and regulations, or parts thereof, which are inconsistent with the provisions of this Order are hereby repealed or modified accordingly.

SECTION 7. Separability. If any provision of this Order is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

SECTION 8. Effectivity. This Order shall take effect immediately upon publication in the Official Gazette or in a newspaper of general circulation.

DONE, in the City of Manila, this 1st day of December, in the year of our Lord, Two Thousand and Twenty One.

By authority of the President:

SALVADOR C. MEDIALDEA
Executive Secretary

