


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SENATE
P.S. Res 143

RECEIVED BY: 

Introduced by Senator Poe

RESOLUTION

**DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY,
IN AID OF LEGISLATION, ON THE ALLEGED NEED TO SUPPORT THE
LIFTING OF QUANTITATIVE IMPORT RESTRICTIONS ON RICE TO BETTER
ATTAIN NATIONAL FOOD SECURITY AND TO REVIEW FOR THIS PURPOSE
REPUBLIC ACT NO. 8178, OTHERWISE KNOWN AS THE AGRICULTURAL
TARIFFICATION ACT OF 1996**

WHEREAS, Republic Act No. 8178, otherwise known as the Agricultural Tariffication Act of 1996, as amended, replaced quantitative import restrictions on agricultural products *except* rice, with tariffs;

WHEREAS, quantitative restrictions (QR) on rice means a 35 percent duty is imposed on imported rice under a minimum access volume (MAV) of 805,200 metric tons (MT), while a higher tariff of 50 percent is imposed on imported rice outside of the MAV limit;

WHEREAS, it was reported that in 2014, the Philippines requested the World Trade Organization to extend the use of QR on rice until 2017;¹

WHEREAS, former socio-economic planning secretary and National Economic and Development Authority director general Arsenio Balisacan, however, has been pushing for the lifting of the QR on rice to bring down the price of rice in the market;

WHEREAS, Secretary Balisacan attributed the cause of rising poverty rate in 2014 not to falling incomes, but to higher rice prices; according to him rice can comprise as much as 25 percent of the family budget of poor families;²

¹ See Lawrence Agcoaili, *Philippines lifts curbs on rice imports*, 3 September 2016, <http://www.philstar.com/business/2016/09/03/1619787/philippines-lifts-curbs-rice-imports> (accessed on 7 September 2016).

² Habito, *supra* note 2.

WHEREAS, expert economists have reported that the reason why rice in the Philippines is so expensive – more expensive than our Southeast Asian neighbors – is because of the quota system; they also claimed that removing the QR on rice will help lower the price of the single biggest item in the budget of the average poor Filipino family;³

WHEREAS, because the current system of QR artificially keeps the price of rice high, all in the name of trying to achieve 100 percent rice self-sufficiency at all cost, removing the quota will immediately lift many of our poorest families above the poverty line;⁴

WHEREAS, an irony of the quota system is that it benefits the more well-off, more productive rice farmers but not the worst-off among them,⁵ a state which makes the current QR system anti-poor;

WHEREAS, by simply trying to produce more and more rice at all costs, the government is crowding out opportunities for farmers to make a good living growing higher-value crops such as rubber, cacao, bananas, and oil palm;⁶

WHEREAS, food security and food self-sufficiency are two different concepts: Food security is about access to reliable, affordable, safe and nutritious food, whereas self-sufficiency – pursued at all cost – only inevitably drives local prices of rice higher and is prejudicial to the interests of the poor;

WHEREAS, abandoning the QR on rice will not only be pro poor, it will enable us to better attain food security;

WHEREAS, cabinet members recently announced plans to end the quantitative restriction on rice importation, which is seen as a move that would help lower the prices of a staple food among Filipinos;⁷

WHEREAS, to replace the current QR system on rice, policymakers should review the wisdom of R.A. No. 8178, and instead aim for a more balanced approach—one that is in line with our goal of attaining food security;

³ See, e.g., Cielito F. Habito, *Reinventing the Rice Policy*, INQUIRER.NET, 12 July 2016, <http://opinion.inquirer.net/95609/reinventing-rice-policy> ; Arsenio M. Balisacan and Majah-Leah V. Ravago, *The Rice Problem in the Philippines: Trends, Constraints, and Policy Imperatives* (2003), available at https://mpra.ub.uni-muenchen.de/24865/1/MPRA_paper_24865.pdf (accessed on 7 September 2016).

⁴ See generally Habito, *supra* note 2.

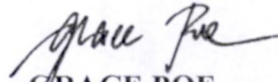
⁵ See Cielito F. Habito, *Ironies in Rice Self-Sufficiency*, INQUIRER.NET, 30 June 2015, <http://opinion.inquirer.net/86268/ironies-in-rice-self-sufficiency>.

⁶ See generally *id.*

⁷ Ben O. de Vera, *PH to Scrap Rice Import Quota Scheme*, INQUIRER.NET, 3 September 2016, <http://business.inquirer.net/214421/ph-to-scrap-rice-import-quota-scheme>

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, by the Senate of the Philippines, to direct the proper Senate committee to conduct an inquiry, in aid of legislation, on the alleged need to support the lifting of quantitative import restrictions on rice to better attain national food security and to review for this purpose Republic Act No. 8178, otherwise known as the Agricultural Tariffication Act of 1996.

Adopted,


GRACE POE