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REPUBLIC OF THE PHILIPPINES)
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SENATE

P.S. Resolution No. 380

Introduced by **Senator Cynthia A. Villar**

RESOLUTION DIRECTING THE SENATE COMMITTEE ON AGRICULTURE AND FOOD TO CONDUCT AN INQUIRY IN AID OF LEGISLATION, ON THE PRESENCE OF IMPORTED RICE WITHOUT THE NECESSARY IMPORT PERMIT AT THE VARIOUS PORTS IN THE COUNTRY AND THE TIMING AND MANNER OF RICE PROCUREMENT BY THE NATIONAL FOOD AUTHORITY (NFA)

WHEREAS, I received a letter from the Samahang Industriya ng Agricultura or SINAG which contains information that around 130,000 MT (2.6 million bags) of imported rice-without the necessary import permits, remained docked at various ports of the country since March of this year ;

WHEREAS, at the prevailing rate of Php 1,750.00 per bag, these imported rice is valued at no less than Php 4.55 billion;

WHEREAS, SINAG is asking the Senate to look into this in support of the local rice farmers and the rice buying public in general.

WHEREAS, The Agricultural Smuggling Act or RA 10845 passed in May 2016, considers large-scale smuggling of agricultural products as economic sabotage. It is committed by engaging in any of the following activities which involve at least P1 million worth of sugar, corn, pork, poultry, garlic, onion, carrots, fish, and cruciferous vegetables, in their raw state, or which have undergone the simple processes of preparation and preservation for the market, or a minimum of P10 million worth of rice, as valued by Bureau of Customs (BoC):

WHEREAS, Quantitative Restriction (QR) on rice will be lifted by June 30, 2017, and some unscrupulous individuals may take this opportunity to smuggle and distort local rice supply and prices to the detriment of the local farmers.

WHEREAS, through the QR, the Philippines imposes a high tariff of 35% on imported rice, the volume of which has been restricted to 805,200 metric tons (MT).

WHEREAS, importing outside the QR is even more expensive as inbound shipments would be levied a duty of 40 to 50 percent.

WHEREAS, there are conflicting memoranda from two ranking officials of the Bureau of Customs on rice importation is somehow creating confusion among local customs officials. Commissioner Nicanor Faeldon issued a memorandum on March 7, 2017 informing all district port and sub-port collectors that rice importation under the Minimum Access Volume Program of the National Food Authority of NFA ended on February 28, 2017. He likewise directed all collectors to seize all rice importation from countries other than India and Pakistan. While Deputy Commissioner Natalio Ecarma issued another memorandum on March 17 informing all collectors that rice importation under the MAV Program had been extended until March 31, 2017 regardless of the country of origin. (1)

WHEREAS, the State-run National Food Authority (NFA) continues to insist on the need for an immediate government-to-government importation of 250,000 metric tons (MT) of rice inspite of a bumper harvest from local farmers. The NFA is seeking to import rice before June to ensure that stocks are in place during the lean season of July to September. NFA administrator Jason Aquino said there is a need to replenish the agency's rice inventory to serve as buffer stock in preparation for the lean months. (2).

WHEREAS, Rice policy has always been political. Its success requires a proper balancing of the interests of both producers and consumers. When the interests of both rice farmers and consumers are taken into account reasonably well and market forces are allowed to function, we arrive at the golden solution. Stable price for the staple is achieved, making most farmers happy and the general population of consumers satisfied. (3).

WHEREAS, According to a former NFA Official, as of March 1, 2017, the country's rice stocks stood at 2.18 million tons, 19 percent lower compared to the same period last year, with the NFA stocks amounting to just 396,970 metric tons, 63 percent lower compared to a year ago. Commercial rice stocks amounted to 626,300 metric tons, 11 percent lower from a year ago. (4).

WHEREAS, as of May 16, 2017, After several deferments, the government is now pushing through with rice importation through a government to private sector (G2P) scheme for buffer stocks in preparation for the coming of the lean months. While the volume to be imported is yet to be determined, the interagency National Food Authority


Council has approved the importation and is shifting to G2P from the earlier planned government-to-government scheme. The private suppliers from other countries may now be allowed to participate in the bidding, making the whole process covered by the Government Procurement Reform Act, unlike the current G2G scheme. (5).

WHEREAS, The Kilusang Magbubukid ng Pilipinas (KMP), Secretary General Antonio Flores said that the government's continued rice importation policy will be a bane to millions of rice farmers. Rice importation is not the solution. It is actually one of the major hindrances to the development of the domestic rice industry. This assertion came as the Department of Agriculture (DA) pressed the National Food Authority (NFA) to proceed with the immediate importation of 250,000 metric tons (MT) of rice that will serve as the country's buffer stock in time for the 'lean months.' Aside from the 250,000 MT of rice targeted for importation, the NFA said the government buy another 490,800 MT of rice for buffer stock. The problem lies within the policy of importation, the continued operation of rice cartel syndicates and lacking government support and subsidy to local rice farmers. The KMP believed that the previous administration failed to achieve food self-sufficiency despite several target adjustments mainly due to importation. (6).

WHEREAS, Congress through relevant legislation must improve the performance of government agencies in the crafting of policies, monitoring the enforcement of laws to prevent illegal activities and continuously support both the interest of the Filipino rice farmers and the consumers.

WHEREFORE, BE IT RESOLVED BY THE PHILIPPINE SENATE, to direct the proper Senate Committee to conduct an inquiry in aid of legislation on the reported imported rice shipment at the different ports of the country without an import permit and to ensure that the interest of the Filipino farmers, the buying public and the country's food security are protected, by the policy decisions of government agencies.

Adopted,


CYNTHIA A. VILLAR
Senator

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