

SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

SENATE

P. S. RES. NO. 629



Introduced by **SENATOR LEILA M. DE LIMA**¹⁸ FEB 14 11:54

RESOLUTION

**DIRECTING THE SENATE COMMITTEE ON AGRICULTURE AND FOOD
TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE
REPORTED SHORTAGE OF THE NATIONAL FOOD AUTHORITY'S (NFA)
RICE BUFFER STOCK LEADING TO A CONCOMITANT INCREASE IN
RICE PRICES IN THE COUNTRY**

RECEIVED BY 

WHEREAS, Article 2, Section 9 of the 1987 Constitution provides that “The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all”;

WHEREAS, it is the avowed policy of the State to promote food security, including sufficiency in our staple food, by providing adequate support to optimized production to meet local consumption and stabilize its price in our markets;

WHEREAS, Executive Order No. 1028 (s. 1985) vested in the National Food Authority (NFA) the mandate to implement the state policy on food security; specifically by its exclusive authority to import rice when necessary and when authorized by the President, and in the procurement of palay from farmer-producers at such floor or support prices as it may determine, for the purpose of stabilizing the price of palay or of maintaining a desirable buffer stock level;

WHEREAS, Executive Order No. 1 (s. 2016) transferred the supervisory authority over the NFA to the Office of the Cabinet Secretary;

WHEREAS, the Legislative-Executive Development Advisory Council (LEDAC) required the NFA to maintain a rice buffer stock, called the Strategic Rice Reserve, of fifteen days' worth at any given time and thirty days during lean months;

WHEREAS, on 6 February 2018, NFA Spokesperson Rebecca Olarte announced that the NFA's buffer stock is down to two days' worth or roughly 64,000

metric tons at the end of January, its lowest level in ten years.¹ As early as November 2017, the NFA sought authority to replenish its stocks through the importation of 250,000 metric tons of rice but the NFA Council deferred the approval of its request;²

WHEREAS, as a result of this dwindling inventory, the NFA stopped supplying rice to its accredited retailers thereby leading to an increase in commercial rice prices of about two pesos per kilo as reported by the Grains Retailers' Confederation of the Philippines Inc. (GRECON), with a warning that this may further increase to five pesos per kilo;³

WHEREAS, NFA rice retails at P27 for the regular milled variety and P32 per kilo for well-milled rice while commercial rice varieties of comparable quality currently sells for P36 up to P41 per kilo, a difference of P9 per kilo. With a market share of between six to ten percent, about 10 million Filipinos depend on the NFA for their rice supply;⁴

WHEREAS, Malacañang refutes reports that there exists a rice shortage in the country with Secretary to the Cabinet Leoncio Evasco Jr. saying that as much as 325,000 metric tons of the staple are being delivered to the country until the end of the month under the Minimum Access Volume (MAV) scheme. Together with household and commercial stock, the Philippines currently has roughly 2.7 million tons of rice which is good for 86 days;⁵

WHEREAS, in an article in the Philippine Daily Inquirer, Manolo Quezon surmised that the rice importation policy of the current administration is embroiled in politics, with NFA Council Chairman Secretary Evasco Jr. inclined to let the private sector do the importation while Special Assistant to the President Secretary

¹ Domingo, Ronnel. "NFA rice: Only 2 days' supply left". Philippine Daily Inquirer, 7 February 2018. Available online at <<http://newsinfo.inquirer.net/966778/nfa-rice-only-2-days-supply-left>>. Last accessed 8 February 2018.

² Simeon, Louise. "NFA Council defers 250,000 MT rice imports". Philippine Star, 25 January 2018. Available online at <<http://www.philstar.com/business/2018/01/25/1781009/nfa-council-defers-250000-mt-rice-imports>>. Last accessed 8 February 2018.

³ Simeon, Louise. "Minimum P5 rice price hike seen". Philippine Star, 8 February 2018. Available online at <<http://www.philstar.com/headlines/2018/02/08/1785658/minimum-p5-rice-price-hike-seen>>. Last accessed 8 February 2018.

⁴ National Food Authority press release. "NFA defends presence of subsidized rice in the market". 25 January 2018. Available at <<http://www.nfa.gov.ph/35-news/1061-nfa-defends-presence-of-subsidized-rice-in-the-market>>. Last accessed 8 February 2018.

⁵ CNN Philippines. "NFA Council: No need to panic, rice supply is coming". 8 February 2018. Available at <<http://cnnphilippines.com/news/2018/02/07/jun-evasco-nfa-rice-supply-arriving.html>>. Last accessed 8 February 2018.

Christopher “Bong” Go favoring the government-to-government importation scheme;⁶

WHEREAS, in light of the conflicting positions of the NFA and Malacañang officials on whether or not there is a rice shortage requiring government-to-government importation, there is a need for a legislative inquiry to clarify the conflicting positions of the Duterte Administration on this matter, and to ascertain that government action is dictated by sound policy and based on reliable data in order to eliminate irregularities, such as rice smuggling, that accompany replenishment of NFA stocks through government-to-government importation;

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, to direct the Senate Committee on Agriculture and Food to conduct an inquiry, in aid of legislation, into the reported shortage of NFA rice buffer stock, with the end in view of crafting legislation to shield the country’s rice supply from political interference and ensuring availability and affordability of rice to the poor.

Adopted,


LEILA M. DE LIMA
02/14/18

⁶ Quezon III, Manuel. “Still at square one.” Philippine Daily Inquirer, 7 February 2018. Available online at <<https://opinion.inquirer.net/110842/still-square-one>>. Last accessed 8 February 2018.