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REPUBLIC OF THE PHILIPPINES )  
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SENATE

RECEIVED

P. S. Res. No. 720

Introduced by **SENATOR LEILA M. DE LIMA**

**RESOLUTION**  
**DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT**  
**AN INQUIRY, IN AID OF LEGISLATION, ON THE ISSUE OF RICE**  
**SMUGGLING AND PROCUREMENT POLICY SHIFTS ON RICE**  
**IMPORTATION, WITH THE END IN VIEW OF ENSURING THAT THE**  
**NATIONAL FOOD AUTHORITY IMPLEMENTS MECHANISMS AND**  
**POLICIES THAT ARE CONSISTENT AND DULY SAFEGUARDED**  
**AGAINST CORRUPTION**

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

6           WHEREAS, it is a declared policy of the state to achieve and maintain a  
7 adequate supply of food grains at mutually satisfactory price levels for both farmers  
8 and consumers. In furtherance of this policy, the National Food Authority (NFA) was  
9 given two distinct functions: (i) price stabilization and (ii) food security;

10           WHEREAS, Section 2 of Executive Order No. 1028, s. 1985 provides “(t)hat in  
11 order to ensure price and supply stability, the government, through the NFA, shall,  
12 whenever necessary, engage in the procurement of palay from farmer-producers at  
13 such floor or support prices as it may be determined, for the purpose of stabilizing the  
14 price of palay or of maintaining a desirable buffer stock level”<sup>1</sup>;

<sup>1</sup> Section 1.

1           WHEREAS, in furtherance of its legal mandate, the NFA is mandated to  
2 maintain in its warehouses rice stocks equivalent to 15 days of consumption for the  
3 entire country during the periods of November to June. For the rest of the months, or  
4 during the so-called “lean months,” the NFA is mandated to maintain a buffer stock  
5 which would last up to 30 days;

6           WHEREAS, Article 11(1) of the International Covenant on Economic, Social and  
7 Cultural Rights sets forth that, “(t)he State Parties to the present Covenant recognize  
8 the right of everyone to an adequate standard of living for himself and his family,  
9 including adequate food, clothing and housing, and to the continuous improvement of  
10 living conditions”;

11           WHEREAS, on 3 April 2018, in an article entitled “NFA rice reserve already  
12 wiped out”, the Philippine Daily Inquirer reported that the NFA’s distribution stock  
13 was already wiped out, while a nationwide inspection revealed there were no more  
14 NFA rice available in the market, the first time since 1972 that it had run out of  
15 subsidized rice;

16           WHEREAS, on 16 April 2018, in an article entitled “NFA's Aquino diverted E.  
17 Visayas rice to Bulacan rice traders – memo to Duterte”, Rappler reported that in a  
18 confidential memorandum to President Rodrigo Roa Duterte, Cabinet Secretary  
19 Leoncio Evasco Jr. accused NFA Chief Jason Aquino of selling 10.4 million kilograms  
20 of NFA rice meant for typhoon-prone Eastern Visayas to chosen Bulacan rice traders  
21 for P235 million without approval of the NFA Council between August and September  
22 2017;

23           WHEREAS, the same memo included the price bulletin dated 11 August 2017  
24 issued by Aquino, unilaterally lowering the price of the Imported Milled Rice (IMR)  
25 from P25.00 per kilogram to P22.50 per kilogram, thus incurring a P26 million  
26 disadvantage for the government;

27           WHEREAS, it is contrary to the mandate of the NFA to divert the buffer stock  
28 of Eastern Visayas Region for sale to rice traders of Region III, which is the rice granary  
29 of the country, in the middle of the lean season, leaving Eastern Visayas in grave  
30 danger with a day’s worth of rice buffer stock;

31           WHEREAS, on 24 March 2018, a Rappler article entitled “ Tug-of-war between  
32 Evasco, NFA’s Aquino continues”, referenced to a memo from NFA Administrator



1 Aquino to then Vietnam Ambassador Truong Trieu Dong to assure him that private  
2 importation is being delayed to make way for “the immediate conduct of Government-  
3 to-Government importation of rice which is scheduled this March”;

4 WHEREAS on 16 April 2018, in an article entitled “Mindanao naval forces seize  
5 P67.9M worth of smuggled rice”, CNN Philippines reported that Naval Forces Western  
6 Mindanao (NFWM) apprehended a foreign vessel loaded with P67.9 million worth of  
7 Vietnam rice in Zamboanga Sibugay province last 14 April 2018, with an investigation  
8 showing the vessel had 27,180 sacks of rice weighing 1,359 metric tons before it  
9 unloaded around 8,000 sacks to accompanying vessels MV Yssa Maine and MV  
10 Yousra;

11 WHEREAS, in the same report, Presidential Spokesperson Harry Roque said  
12 that the Department of Agriculture advised the smuggled rice could be sold as cheap  
13 rice to beef up dwindling NFA stocks;

14 WHEREAS, Section 1 of Executive Order No. 1, s. 2016 gave the Cabinet  
15 Secretary the mandate of supervision over the NFA; however, on 17 April 2018, the  
16 NFA was transferred back to the Department of Agriculture, thus removing Sec.  
17 Evasco as chair of the Council and creating a new Palace committee to supervise the  
18 rice importation program;

19 WHEREAS, this transfer of supervisory functions came after Sec. Evasco has  
20 transmitted the confidential memorandum, cited in the 16 April 2018 Rappler report,  
21 outlining the alleged anomalies in the NFA which includes, among others, the dubious  
22 order of Aquino to pull out NFA representatives in the ports of entry of NFA, which  
23 according to Evasco is “grossly contrary” to NFA Council guidelines requiring the  
24 presence of an NFA employee during the arrival of imported rice as way to ensure  
25 transparency, an order which regional officials executed under protest as shown in the  
26 letters attached to the memorandum;

27 WHEREAS, on 18 April 2018, Rappler reported in an article entitled “Duterte  
28 OKs gov't-to-gov't rice importation” that authority has been given to import 250,000  
29 MT through government-to-government (G2G) mode to replenish the rice inventory.  
30 Meanwhile, the rice imported through Government to Private (G2P) importation, as  
31 previously approved by the Evasco-led Council who preferred to locally purchase rice,  
32 was due to arrive mid-May;

1           WHEREAS, the same article quoted Presidential Spokesperson Harry Roque  
2 saying, “(s)ubsequent importation is to be done by G2P or auction and importation  
3 will be implemented or supervised by the Executive Council Committee headed by the  
4 Office of the President;

5           WHEREAS, the Evasco-led Council had rejected Aquino’s previous requests for  
6 G2G approval since Filipino farmers had a good harvest at the time, and the Council  
7 preferred to buy rice locally. Further, G2G requires government to take out a loan from  
8 the Land Bank of the Philippines to purchase from another government, while private  
9 individuals shouldered the cost in the G2P importation;

10           WHEREAS, the Committee on Economic, Social and Cultural Rights in General  
11 Comment No. 12, elaborates on the three-fold obligation of the State Parties to  
12 implement the right to adequate at the national level – “the obligation to respect  
13 existing access to adequate food requires States parties not to take any measures that  
14 result in preventing such access, the obligation to protect requires measures by the  
15 State to ensure that enterprises or individuals do not deprive individuals of their access  
16 to adequate food, and the obligation to fulfil (facilitate) means the State must pro-  
17 actively engage in activities intended to strengthen people’s access to and utilization  
18 of resources and means to ensure their livelihood, including food security”;

19           WHEREAS, the NFA, being the government agency mandated to maintain food  
20 security, must be accountable for enforcing policies that uphold a competitive and  
21 transparent procurement process, promoting efficient distribution of rice among all  
22 regions and complying to prescribed buffer stock levels;

23           WHEREAS, rice importation must be done through a cost-efficient, legitimate  
24 scheme that puts public welfare at its forefront and ensures accountability from  
25 implementers, and any policies and mechanisms that are potentially inimical to public  
26 interest must be looked into;

27           WHEREAS, the Philippines primarily being an agricultural country and whose  
28 staple food is rice, it is an affront to those working in the agricultural sector, especially  
29 the farmers, to condone smuggling of agricultural produce and practices detrimental  
30 to their economy;

1           WHEREAS, in executing the mandate of the NFA, transparency and  
2   accountability must be at the cornerstone of all its actions, from procurement to  
3   allocation and distribution;

4           NOW, THEREFORE, BE IT RESOLVED BY THE SENATE, to direct the  
5   appropriate Senate Committee to conduct an inquiry, in aid of legislation, on the issue  
6   of rice smuggling and procurement policy shifts on rice importation, with the end in  
7   view of ensuring that the National Food Authority implements mechanisms and  
8   policies that ensures transparency and accountability, and duly safeguarded against  
9   corruption and abuse.

*Adopted,*

  
LEILA M. DE LIMA