

SENATE

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P.S.R. No. 868

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Introduced by Senators Francis N. Pangilinan and Paolo Benigno Aquino IV

**RESOLUTION DIRECTING THE SENATE COMMITTEE ON AGRICULTURE AND
FOOD TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE RICE CRISIS
IN ZAMBOANGA CITY AND THE CONTINUOUS HIKE OF RICE PRICES IN THE
COUNTRY**

WHEREAS, on 20 August 2018, Zamboanga City was placed under a state of calamity in light of the dwindling supply and soaring prices of rice, which reached P70 per kilogram (kg). Said declaration allowed the local government, led by Mayor Maria Isabelle Climaco-Salazar, to control the price of the staple grain and to buy buffer stocks using a P15 million calamity fund;¹

WHEREAS, the rice shortage is attributed to several factors including: (1) government's strengthened campaign against smuggled rice; (2) delay of government imports; (3) off harvest season; (4) lack of serious efforts in the local level to develop and support the rice industry due to the proliferation of cheap, quality smuggled rice; (5) farmers' and traders' giving up on local rice production due to their inability to compete with prices of smuggled rice and legally imported rice; and (6) NFA's lack of ample supply of rice and failure to deliver cheap rice;

WHEREAS, Agriculture Secretary Emmanuel Piñol blamed Zamboanga's reliance on smuggled rice for the shortage in the region.² He further opposed the proposal of Zamboanga City officials to rely on additional importations to ease the tight rice supply in Mindanao. He claimed, in his Facebook page post, that "Zamboanga City as well as the island provinces of Basilan, Sulu, and Tawi-Tawi [has] been relying on smuggled rice from Vietnam and Thailand for many years." Further, he noted that the government crackdown

¹ Julie Alipala. "Zamboanga City under state of calamity due to rice shortage." *Inquirer.Net*. Published on 21 August 2018. Available at newsinfo.inquirer.net/1023327/zamboanga-city-under-state-of-calamity-due-to-rice-shortage. Accessed on 25 August 2018.

² Kuhlín Ceslie Gacula. "Zambo rice crisis blamed on smuggling." *The Daily Tribune*. Published on 23 August 2018. Available at <http://tribune.net.ph/index.php/2018/08/23/zambo-rice-crisis-blamed-on-smuggling/>. Accessed on 26 August 2018.

on smuggling resulted in the tightness of supply and the concomitant increase in rice prices to P60 to P70 per kg. He asserted that “local politicians are involved in smuggling”;³

WHEREAS, meanwhile, the local government blamed the “closure of the Malaysian border,” through which rice is traded; the lean months for harvesting; and a recent fire in Jolo, Sulu, from which rice was being shipped, as among the reasons for the scarcity of rice in the city;

WHEREAS, there were reports that the city’s rice supplies were being hoarded. City Councilor Josephine Pareja noted that supplies only turn up when consumers agree to buy at P60 per kg of rice;⁴

WHEREAS, the Philippine Statistics Authority (PSA) reported that the prices of rice remain in an upward streak for eight months now. Its regular update on *palay*, rice, and corn prices shows that at the start of this month, the average wholesale price of well-milled rice is at P43.18 per kg (10 percent higher than the previous year) while the average retail price is P45.71 per kg (up by 9 percent year-on-year). The wholesale price of regular-milled rice is P40.08 per kg (up by 13 percent year-on-year) while the average retail price is P42.26 per kg (up by 11 percent year-on-year). To illustrate how dire the situation in Zamboanga City is, the P70 per kg retail price of rice in the city is 166 percent more expensive than the average retail price of regular-milled rice sold in the rest of the country;⁵

WHEREAS, while Agriculture Secretary Piñol declared on 24 August 2018 that the Zamboanga rice crisis is over with the entry of buffer stocks from NFA and its neighboring provinces where harvest has started, Zamboanga City Mayor Maria Isabelle Climaco-Salazar said the city will still be under a state of calamity for 60 days;⁶

WHEREAS, on 08 August 2018, Isabela City in Basilan was also placed under a state calamity for 60 days following the rice scarcity;⁷

WHEREAS, the Senate recognizes that the National Food Authority (NFA), the agency responsible for ensuring food security and the stability of the price and supply of rice, must explain said shortage, the alleged hoarding, and how the situation in Zamboanga City reached calamity level. The NFA must also be held accountable and must see to it that cheap and quality rice is available in the market;

³ Daryl John Esguerra. “Agriculture chief clarifies: No rice shortage nationwide.” *Inquirer.Net*. Published on 24 August 2018. Available at <http://newsinfo.inquirer.net/1024146/agriculture-chief-clarifies-no-rice-shortage-nationwide>. Accessed on 26 August 2018.

⁴ Alipala, *op. cit.*

⁵ Louise Maureen Simeon. “Rice prices up for 8th straight month.” *Philstar*. Published on 22 August 2018. Available at <https://www.philstar.com/headlines/2018/08/22/1844786/rice-prices-8th-straight-month>. Accessed on 25 August 2018.

⁶ Roel Pareño. “‘Riceless’ Zamboanga lifts state of calamity.” *Philstar*. Published on 25 August 2018. Available at <https://www.philstar.com/headlines/2018/08/25/1845681/riceless-zamboanga-lifts-state-calamity>. Accessed on 27 August 2017.

⁷ Pareño, *op. cit.*

WHEREAS, the Senate further recognizes that the public must be informed of the necessary steps taken by the NFA to solve the matter, and be ensured that a crisis of such degree will not happen again in the city or in any part of the country and that unscrupulous traders and other influential forces in and out of government are not able to manipulate the procurement process and the availability of rice stocks;

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED by the Senate of the Philippines to direct the Senate Committee on Agriculture and Food to conduct an inquiry, in aid of legislation, on the rice crisis in Zamboanga City and the continuous hike or rice prices in the country.

Adopted,

A stylized handwritten signature in black ink, consisting of several overlapping loops and horizontal strokes.

Bam Aquino