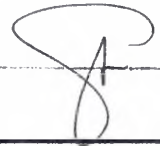


NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



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SENATE
P.S. Res. No. 105

RECEIVED BY: 

Introduced by Senator Grace Poe

RESOLUTION

URGING THE APPROPRIATE SENATE COMMITTEE/S TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON EXPLORING ALL POSSIBLE WAYS TO PROVIDE ASSISTANCE TO FILIPINO BAKERIES WHICH HAVE BEEN BATTERED BY THE RISING COSTS OF WHEAT, FUEL, SUGAR, A HISTORICALLY WEAK PESO, AND REDUCED CONSUMER DEMAND

1 WHEREAS, Section 19, Article 2 of the 1987 Philippine Constitution directs the
2 State to develop a self-reliant and independent national economy effectively controlled
3 by Filipinos;

4 WHEREAS, Section 1, Article 13 of the Constitution further directs the State to
5 promote industrialization and full employment through industries that make full of
6 efficient use of human and natural resources, and which are competitive in both
7 domestic and foreign markets;

8 WHEREAS, according to the latest available data from the Philippine Statistics
9 Authority (PSA), there may be as many as 8,938 establishments engaged in grain
10 milling and in the production of bakery products, accounting for more than one-third
11 of the firms in the manufacturing sector¹;

12 WHEREAS, establishments in the grain milling and bakery sectors collectively
13 generated around Php 496.59 million in revenues, and employed around 224,000
14 individuals;

¹ Philippine Statistics Authority (PSA). 2019 Census of Philippine Business and Industry.

1 WHEREAS, according to the United States Department of Agriculture- Foreign
2 Agriculture Service (USDA-FAS), commercial wheat production is non-existent in the
3 Philippines, and we import 100% of our wheat supply;

4 WHEREAS, Russia's invasion of Ukraine has greatly affected the global supply
5 and prices of wheat;

6 WHEREAS, we import around 6.44 million metric tons annually², half of which
7 is used to produce bread and other bakery products, while the rest is used as part of
8 the feed for farm animals;

9 WHEREAS, the cost of wheat has significantly increased due to Russia's invasion
10 of Ukraine;

11 WHEREAS, prior to Russia's invasion, Ukraine was the fifth largest exporter of
12 wheat, accounting for 7% of sales globally in 2019³;

13 WHEREAS, as a result, Filipino bakeries have been shouldering significantly
14 higher costs of wheat;

15 WHEREAS, in addition to rising wheat prices, Filipino bakeries also have to deal
16 with the rising costs of sugar⁴ and fuel⁵, a historically-weak peso⁶, as well as reduced
17 consumer demand for bread and other similar products;

18 WHEREAS, due to these difficult economic circumstances, the Philippine
19 Association of Flour Millers Inc (PAFMI) is requesting for the reduction of tariffs on
20 imported flour, as well as a financial subsidy for liquefied petroleum gas (LPG)⁷;

21 WHEREAS, some bakeries have been forced to reduce the portion size of the
22 staple Filipino "*pandesal*" from 35 grams to 25 grams per portion;

23 NOW THEREFORE BE IT RESOLVED, as it is hereby resolved by the Senate of
24 the Philippines, to urge the appropriate Senate Committee/s to conduct an inquiry, in
25 aid of legislation, on exploring all possible ways to provide assistance to Filipino

² Index Mundi. Philippines Wheat Imports by Year. Retrieved from: <https://www.indexmundi.com/agriculture/?country=ph&commodity=wheat&graph=imports> Data compiled from the United States Department of Agriculture.

³ "Infographic: Russia, Ukraine and the global wheat supply" *Al Jazeera* (17 February 2022).

⁴ Desiderio, L. "Rising flour, sugar costs to raise bread prices" *The Philippine Star* (25 January 2022). Retrieved from <https://www.philstar.com/headlines/2022/01/25/2156128/rising-flour-sugar-costs-raise-bread-prices>

⁵ "Fuel subsidies, lower tariffs for bakers pushed"

⁶ Domingo, R. "Peso now region's worst performer" *The Philippine Daily Inquirer* (07 July 2022). Retrieved from <https://business.inquirer.net/352320/peso-now-regions-worst-performer>

⁷ *Ibid.*

- 1 bakeries which have been battered by the rising costs of wheat, fuel, sugar, a
- 2 historically weak peso, and reduced consumer demand.

Adopted,



GRACE POE