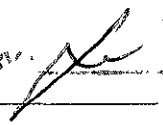


10 JUL 21 P3:03

SENATE

P. S. Res. No. 36

RECEIVED BY: 

Introduced by Senator Manuel "Lito" M. Lapid

RESOLUTION

DIRECTING THE APPROPRIATE COMMITTEES IN THE SENATE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE RISING PRICES OF MILK IN THE COUNTRY, PARTICULARLY MILK FORMULA FOR BABIES, AND THE NEED TO ESTABLISH SUSTAINABLE MEDIUM AND LONG-TERM DEVELOPMENT PROGRAMS THAT WILL PROMOTE AND DEVELOP THE CAPACITY FOR THE PRODUCTION AND MANUFACTURE OF LOCALLY-PRODUCED MILK IN THE COUNTRY IN ORDER TO LOWER THE PRICES OF MILK SOLD IN THE MARKET THEREBY IMPROVING THE NUTRITIONAL STATUS OF OUR CHILDREN AND INFANTS

WHEREAS, the protection of public health is a paramount policy issue especially as this principle echoes the constitutional mandate of the State to protect the health of its citizens and to adopt an integrated and comprehensive approach to health development that will make essential goods and services available to all at affordable costs;

WHEREAS, the dairy industry in the Philippines is approximately a Php65 billion business in the country and milk is one of the country's top agricultural import worth around US\$500M annually. The Philippines is the largest Southeast Asian market for U.S. dairy products. Dairy products are the country's second largest agricultural import after wheat;

WHEREAS, early this year, the milk and dairy industry of the Philippines had expressed concern over the acute shortage of milk raw material supplies worldwide, which in turn has increased production costs of milk in the local industry. Milk prices worldwide are rising at its fastest rate ever and will not be falling anytime soon because demand in China and Latin America is growing and government supplies are dwindling;

WHEREAS, the Philippines is a huge market for milk and milk products with an estimate of about 100 million population in the country and growing annually at 2.36 percent. The country's dairy industry, which sources 99 percent of its inputs from abroad, is estimated to generate sales of roughly \$1 billion per year;

WHEREAS, Metropolitan Manila and nearby provinces in Luzon, which accommodate about a quarter of the population, account for 45 percent of the total dairy expenditure. Milk consumption in Metro Manila is estimated at four times the national average while less developed areas generally have lower than average consumption;

WHEREAS, Skim Milk and Whole Milk powder imports comprise roughly 70 percent of total dairy imports of the country. Almost half of the country's dairy imports are skim milk while nearly a quarter is whole milk powder. The dairy processing industry in the country relies entirely on imported powdered milk for raw materials. The Philippines is the fourth largest Skim Milk Powder (SMP) importer in the world;

WHEREAS, despite the government's efforts to encourage the development of the local dairy industry, the Philippines currently imports 99 percent of its milk requirements either as finished goods or skim milk powder for further processing;

WHEREAS, in the Philippines, domestic milk production increased only marginally last year despite a reported 13-percent increase in dairy animal numbers. With domestic milk production still accounting for less than one percent of domestic milk supply, the country will continue to rely on imports to meet demand;

WHEREAS, the continuing rise in the prices of milk in the country will have tremendous and serious impact on the capacity of millions of poor Filipino people to buy quality milk for their children and babies thereby seriously affecting the health and nutritional status of the children of this nation, particularly newly born infants of poor families;

WHEREAS, there is urgency on the part of our government to reduce our dependence on imported milk in order to bring down the prices of milk in the country to an affordable level for the benefit of the poor Filipino people who are suffering from malnutrition;

WHEREAS, the government should institute mechanisms and incentives to increase our local milk production capacity and encourage more players to manufacture locally produced milk in order to lower the prices of milk in the country.

NOW, THEREFORE, BE IT RESOLVED as it is hereby resolved to direct the appropriate Committees in the Senate to conduct an inquiry, *in aid of legislation*, into the rising prices of milk in the country, particularly milk formula for babies, and the need to establish sustainable medium and long-term development programs that will promote and develop the capacity for the production and manufacture of locally-produced milk in the country in order to lower the prices of milk sold in the market thereby improving the nutritional status of our children and infants.

ADOPTED,


MANUEL "LITO" M. LAPID
Senator