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Journal

SESSION NO. 73
Wednesday, March 9, 2011

FIFTEENTH CONGRESS
FIRST REGULAR SESSION

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Wednesday, March 9, 2011

CALL TO ORDER

At 3:37 p.m., the Senate President, Hon. Juan Ponce Enrile, called the session to order.

PRAYER

Sen. Gregorio B. Honasan II led the prayer, to wit:

Today is Ash Wednesday and the start of the season of Lent for all Christendom.

Father Almighty, when we begin to take ourselves, our very temporary positions of responsibility, fleeting honor and fragile material possession too seriously, please gently remind us that we are dust, unto dust we shall return.

But, Lord God, teach us to serve as effective stewards of all Your wonderful creation. Make us today the true heroes regarded in ancient times who build for the next generation. Allow us to internalize the enduring faith, hope and love that we reflect our passion for God, country and family.

Amen.

ROLL CALL

Upon direction of the Chair, the Secretary of Senate, Atty. Emma Lirio-Reyes, called the roll, to which the following senators responded:

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| Angara, E. J. | Legarda, L. |
| Arroyo, J. P. | Marcos Jr., F. R. |
| Drilon, F. M. | Osmeña III, S. R. |
| Ejercito Estrada, J. | Pangilinan, F. N. |
| Enrile, J. P. | Recto, R. G. |
| Escudero, F. J. G. | Sotto III, V. C. |
| Honasan, G. B. | Trillanes IV, A. F. |
| Lapid, M. L. M. | Zubiri, J. M. F. |

With 16 senators present, the Chair declared the presence of a quorum.

Senators Cayetano (A), Guingona, Revilla and Villar arrived after the roll call.

Senator Cayetano (P), who was on official mission, also arrived after the roll call.

Senator Defensor Santiago was on official mission abroad.

Senator Lacson was absent.

At this juncture, Senate President Enrile relinquished the Chair to Senate President Pro Tempore Ejercito Estrada.

**DEFERMENT OF APPROVAL
OF THE JOURNAL**

At the instance of Senator Drilon, upon motion of Senator Sotto, there being no objection, the Body

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deferred the consideration and approval of the Journal of Session No. 72 to a later hour.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Sotto acknowledged the presence in the gallery of Mayor Yshmael Ismail Sali and 10 municipal councilors of Languyan, Tawi-Tawi; and students from San Pablo College in San Pablo City, Laguna.

The Senate President Pro Tempore welcomed the guests to the Senate.

PARLIAMENTARY INQUIRY OF SENATOR ESCUDERO

Senator Escudero stated that under Rule X, Section 13(15) of the Rules of the Senate, part of the jurisdiction of the Committee on Justice and Human Rights includes "impeachment proceedings against constitutional officers and other officers legally removable by impeachment." However, he pointed out that in the history of the Senate, the Committee on Justice and Human Rights has not taken an active part or role in the impeachment proceedings except for its chairman to sit as judge like any other senator. He said that when the resolution on the impeachment case filed against President Joseph Estrada was approved, it was the Committee on Rules that took charge in sponsoring, proposing and making amendments to, and defending the rules on the floor. He stated that the pertinent provision in the Rules of the Senate should have been deemed amended and/or repealed accordingly. He inquired if it would be proper for the Body to consider the particular provision as having been amended accordingly once the Rules of Impeachment, as proposed and sponsored by the Chairman of the Committee on Rules, has been adopted.

Agreeing with Senator Escudero's observation, Senator Sotto stated that Rule X, Section 13(15) would be amended at the proper time. He said that it was probably an oversight when the Senate approved the Rules of Impeachment Proceedings in the 12th Congress.

REMARKS OF SENATOR PANGILINAN

Senator Pangilinan disagreed to the observation, saying that to consider Rule X, Section 13(15) as

having been amended would mean that Rule X, Section 13(1) has also been amended impliedly to the effect that impeachment proceedings would now be within the jurisdiction of the Committee on Rules. He pointed that the Rules of the Senate provides for proper procedure on amending or revising it. He suggested that the Committee on Rules look into the matter and schedule a hearing so that this can be discussed more extensively.

Senator Sotto stated that he was going to talk to the Senate President and ask that the Members be called into a caucus soon to further discuss not only the issue but also to propose amendments to the previous Rules as adopted. He said that Senator Arroyo, who was one of the prosecutors in the past impeachment proceedings, agreed that the Body should look into the Rules, along with the points raised by Senators Escudero and Pangilinan. He stated that the Committee on Rules would consider manifestations and suggestions and would schedule a meeting at the soonest possible time.

MANIFESTATION OF SENATOR ESCUDERO

Senator Escudero clarified that he would not interpose any objection if past traditions and practices of the Senate would show that impeachment proceedings are within the purview of the Committee on Rules, but he clarified that if it is indeed within the jurisdiction of Committee on Justice and Human Rights, he would not shirk from the responsibility. He explained that he raised the point by way of parliamentary inquiry because he wanted the matter to be clarified and the Body to be guided accordingly should the impeachment complaint against the Ombudsman reach the Senate.

PRIVILEGE SPEECH OF SENATOR ANGARA

Availing himself of the privilege hour, Senator Angara delivered the following speech:

AVOIDING A FOOD CRISIS

Today, I stand before the Body not to sound an alarm but to issue a food advisory. The topic of my statement today is "Avoiding a Food Crisis."

It is no exaggeration to say at this time that the world is may be on the brink of an upheaval in terms of food. The prices of staple crops and

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food are escalating, causing widespread social unrest that has already toppled leaders in North Africa and in the Middle East.

In February, the Food Price Index of the United Nations' Food and Agricultural Organization (FAO) rose for the eighth consecutive month, averaging 235 points a month. This is the highest level since the index was first tracked 20 years ago, in 1990.

Between October 2010 and January 2011, the World Bank's Food Price Index also rose by 15%. It is just 3% under its peak recorded in June 2008 at the height of the last global food crisis. Rice, maize and wheat comprise 60% of the world's food supply intake. It is their prices that are increasing very steeply, based on data from both the World Bank and FAO.

According to our Bureau of Agricultural Statistics, local rice prices have been increasing in some key areas, including Cebu and Davao. Meat prices are still stable but those of cooking oil and vegetables are up. There is certainly room for volatility.

Climate Change: A leading culprit

A complex host of factors has constrained food supply and put pressure on demand. Weather catastrophes disrupted production in agri-cultural centers such as China, Canada, Australia and Russia – all of which belong to the world's 10 leading producers of wheat.

Last year, Russia experienced its highest recorded temperature in 130 years – the most widespread drought in 30 years – and wildfires that swept seven regions of Russia. Some 20% of Russia's wheat harvest was wiped out, and the country temporarily banned export.

Last year, excessive rainfall unexpectedly hit Canada's prairie region resulting in the largest idling of agricultural land in Western Canada since the 1970s. Canada's wheat production went down by as much as 25% as a consequence.

Wet weather and calamitous flooding in the state of Queensland, Australia last December are expected to reduce up to 50% of Australia's wheat harvest this year to feed grade.

Large dust storms and winter drought devastated the North China Plain. China, the world's top wheat producer, has always been self-reliant. But now, it needs to import grain for its 1.3 billion people.

Moreover, hot weather followed by heavy rains last year curbed output across the United

States Corn Belt. Similarly, corn harvest in Argentina, the world's second biggest exporter behind the U.S., is predicted to fall below this year's estimates because of drought.

Thailand, the world's top rice exporter and where we perennially import rice, was also hit last year by the most destructive floods in five decades. They cut down output by 7%.

Climate change impacts can dramatically intensify food insecurity. Scientific research warns that the world will be a lot warmer by the end of the 21st century if we do not abate greenhouse gas production. This means that growing season temperature in the tropics and subtropics will rise, significantly decreasing crop yields.

Food and fuel

Food and fuel are inextricably linked. Agriculture has been supporting human settlements for 10,000 years, but not until the Industrial Revolution did food production rise to an unprecedented scale through the use of fossil fuel.

A 2007 study by the United Kingdom's Sustainable Development Commission suggests that if oil prices increase from US\$50 per barrel to US\$ 100 per barrel, the additional production cost can raise farm-gate prices by 3% to 13%.

Yesterday, U.S. crude oil for April's delivery closed at US\$105.02 per barrel as trouble persists in the Middle East.

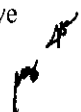
Meanwhile, Dubai crude, the benchmark, hit US\$110.63 per barrel on Monday.

We are particularly vulnerable because we source about 80% of our oil needs from the Middle East. Since last week, local oil companies raised prices thrice resulting in a net increase of P4.75 per liter for gasoline, P4.25 for diesel, and P4.75 for kerosene.

High energy prices are also making biofuels more attractive. This creates adverse impacts when corn and sugar production are diverted from food. Data from the U.S. Department of Agriculture show that ethanol for fuel will capture 40% of corn harvest in the United States for 2010 to 2011. This is enough to feed 350 million people for one year.

Dangerous inaction

The experience of Egypt and Tunisia—where skyrocketing food prices fueled recent protests that prompted their presidents to flee—provides us valuable lessons. Analysts believe



that outrage over the abuse and inaction of national leaders provoke food riots more than actual hunger.

The same is true of the unrest in Algeria, Mauritania, Gabon, Cameroon and Zimbabwe. These are oddly reminiscent of the food riots that broke out in more than 40 countries in 2008.

This tells us that inaction is a dangerous choice.

We have yet to see the current administration craft a coherent plan that will ensure the sufficiency of our food supply and the stability of food prices.

The high cost of food is a politically sensitive issue here in the country—since the bottom 80% of our population allots 60% of their expenditures on food—and half of this goes to buying rice.

Philippine history has shown that stabilizing the price of rice has been crucial for incumbent administrations—particularly during election years.

A 2005 study by the Philippine Institute for Development Studies (PIDS) cites as examples the failed reelection bids of both Presidents Carlos P. Garcia and Diosdado Macapagal, which were preceded by rice price hikes and mounting skepticism about their leaderships.

Revisiting agriculture

The agriculture sector, if I may suggest, demands renewed attention. Agricultural productivity has failed to keep pace with increasing demand from a world population that grows by 219,000 each day. We are now seven billion people on this planet.

Agriculture has fallen to systemic neglect since the “Green Revolution” from the 1960s to the 1970s, when high-yielding varieties of rice and wheat were developed, leading to dramatic increases in output. The Philippines can truly claim authorship of the Green Revolution in rice.

Official development assistance to agriculture has been dropping from a high of 17% in 1979 to only 5.5% in 2007. This has contributed to a sharp increase in global hunger.

The FAO says the developing world needs to double food production by 2050 to feed its growing population. This entails US\$200 billion in agricultural investments per year. Today, our population is seven billion; by 2050, our population will be nine billion; and almost 70% of that will live in developing countries.

How much are we spending on agriculture? How much is the Filipino willing to spend for food security? Our combined budget for agriculture and agrarian reform for this year is only P66 billion. In dollar terms, that is about US\$1.1 billion, a drop in a huge ocean.

We badly need a new Green Revolution that is more efficient and more ecologically sound. In the short term, we must make agriculture a more attractive investment area.

This is currently not the case: banks and financial institutions would rather pay the penalty than comply with the Agri-Agra Law mandating them to set aside 25% of their loanable funds for agriculture.

Farmlands should be bankable as collateral, so that farmers can gain access to credit needed for farming inputs and expansion. Not only will this give our farmers a stable means of financing, it will also save them from having to resort to usurious lenders. As of now, agricultural land is outside the financial and banking system. They are not bankable at all and, therefore, finance has been pulled out of the soil for agriculture and food.

We should also protect our consumers from profiteers who can aggravate the situation by speculating and hoarding.

But, over the long-term, we must consistently increase investment in agriculture.

First, we must provide our farmers with adequate support, such as better infrastructure, good irrigation systems and post-harvest network. These are basic to expanding our agricultural productivity.

Second, we must modernize agriculture and harness innovations in technology to improve production. Remote sensing and satellite imagery, for instance, can help our farmers maximize the use of agricultural inputs, such as water, fertilizers and seeds.

Third, investment in agriculture must emphasize research and development. This is common-sensical and almost elementary. Research and development in agriculture yields the highest return among all, especially in more efficient breeding and farming practices.

Agricultural R&D investments in developing countries have an average rate of return of 43%, and can provide solutions to food supply shortages posed by climate change, farmland conversion, and growing population.

Lastly, we must ensure that our agricultural

development does not exacerbate climate change. We must effectively produce food and energy simultaneously by using multi-cropping systems, agro-industrial technology and renewable energy.

Conclusion

The coming food crisis—like the one that gripped the world in 2008—could be mere snippets of global food insecurity in the next 30, 40 years, unless we take decisive action on agriculture and the environment now.

According to the World Bank, some 44 million people in developing countries have been thrust into extreme poverty by soaring food prices since last June. In less than a year, 44 million people, almost half of the population of the Philippines, have been thrust back to extreme poverty.

People are eating less and subsisting on lower-priced but less nutritious foods. Whatever gains we have achieved in reducing poverty, hunger and malnutrition are in danger of being reversed.

Let us not wait for Filipinos to take to the streets before we do something. Let us not wait to be hit by more natural disasters before we act. The food crisis is real, and it is upon us. Complacency is not an option.

INTERPELLATION OF SENATOR CAYETANO (P)

At the outset, Senator Cayetano (P) showed the Body some organic vegetables—tarragon, dill, and basil—produced by Senator Legarda in her own backyard. Senator Angara replied that it would be an example of his “*Oh, My Gulay*” (OMG) program.

Senator Cayetano (P) expressed her support for the proposal to provide assistance to farmers, and she asked whether the government has a clear-cut and well-defined food security program. In reply, Senator Angara supposed that a plan exists but this has not been well-articulated.

To Senator Angara’s observation that Secretary Alcala has been pronouncing and propagating the planting of organic foods, Senator Cayetano (P) commented that the statements of the Agriculture Secretary are still different from a solid food security program. Senator Angara agreed, as he acknowledged that a food security program should embrace all commodity programs, principally ensuring the basic

staple of grains, rice and corn, and fisheries, vegetables and fruits.

Senator Cayetano (P) said that as an outcome of the privilege speech, she would file a resolution so that the issue of food security would also be considered when the privilege speech is considered by the appropriate committee. She disclosed that the national land use bill that she filed is already being heard in the Committee on Agriculture and Food, and she stressed the need to determine how much of the country’s land must be designated for agriculture and for forest protection so that the authorities would not be left guessing and treading on very unsecured grounds.

Senator Cayetano (P) voiced concern over statistics that show the increasing number of people who are eating one meal a day and children who do not get sufficient nutrition. She expressed the belief that the country is already in the food crisis situation.

Given the fact that the Group of 20 highest-growing economies has made food security the number one global priority, Senator Angara expressed the need for developing countries like the Philippines to all the more treat the issue with utmost concern. Senator Cayetano (P) agreed, as she recalled that in the Inter-Parliamentary Union (IPU) sessions that she has been attending regularly in the past five years, the issue of food security has been discussed frequently especially by women parliamentarians who believed that “the face of poverty is a woman’s face.” Cognizant of the fact that a woman would do anything to feed her children and, for that matter, would be the last to eat, she said that women parliamentarians have raised very serious concerns on the consequences of food shortage, especially malnutrition and slow brain development in children.

Senator Angara stated that, in general, the face of poverty is a rural person, most especially a rural woman.

On the report that rice, corn and wheat comprise 60% of the world’s food energy intake, and considering that a big portion of it is consumed by cattle, Senator Cayetano (P) expressed the need for people to rethink how they eat. She cited studies that claim that the amount of water that is consumed by cattle from the time it is raised up to the time it is butchered is equivalent to one year of taking a shower. She clarified that she was not persuading people to

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become vegetarians, only that she would want them to become aware of how much it takes to complete the food chain. Moreover, in view of the stream of advertisements that portray junk foods as vitamin-fortified, she proposed the creation or assignment of an agency that would recommend foods that could be easily produced but are very nutritious.

Senator Angara affirmed that one-half of the world's population, or 3.5 billion people, eat rice and corn; and while the other half may be eating bread, this is also sourced from wheat. He also agreed that cows, goats, sheep and other livestock eat grains, and in the process, they compete with people for food.

Senator Angara noted that as developing countries like China and India are producing more and more middle-class people, the dietary pattern has changed from vegetarian to carnivorous such that there is a need to produce more meat. He said that there is now a strong competition between producing grains for human consumption and producing grains for animal feeds.

For the benefit of students and young people in the gallery, Senator Cayetano (P) mentioned a training exercise, produced by McDonald's, where the player is supposed to figure out how much he/she should sell the burgers considering the price of wheat and meat, while the plant manager gives instructions to the cattle farmer and the wheat farmer on how much meat and wheat to produce. She said that the exercise seems to hint that if there is a big demand for hamburger, more land would be taken away from the forest. She expressed sadness that children are playing the game and stressed that no top-level manager should decide matters concerning food security.

At this point, Senator Angara adverted to a marketing tool of Jollibee Food Corporation whereby it sets aside a certain percentage of the price paid for its primarily vegetarian products and donates the same to school-feeding and gardening programs, adding that the corporation is a partner of the "Oh, My Gulay" project.

Apropos Senator Angara's recommendations that the farmers be provided with modern agricultural technology and that more investments be made in agriculture, Senator Cayetano (P) noted that the Senate has not really succeeded in putting as

much fund as it should in the agriculture budget. In response, Senator Angara said that at least P17 billion, over and above the regular budgets of the Department of Agriculture (DA) and the Department of Agrarian Reform (DAR), is required for agricultural modernization. However, he noted that the allocation has been decreasing in real terms over the years.

Senator Cayetano (P) expressed full support for Senator Angara's initiative to approximate the P17 billion allocation in next year's budget deliberation. She asserted that agriculture modernization is as vital as her goal to prioritize the need of women and children whose nutrition is an important part in assuring them a brighter future.

INTERPELLATION OF SENATOR PANGILINAN

Preliminarily, Senator Pangilinan commended Senator Angara, former chair of the Committee on Agriculture and former Secretary of Agriculture, for his speech on food security, agreeing that the matter is of paramount public interest. Since the urgency of food security cannot be underestimated, he informed the Body that he filed Proposed Senate Resolution No. 394 last February 11, 2011, directing the Committee on Agriculture to inquire into the government's ability to address the sudden increases in prices of food and other agricultural products.

Taking the view that recent political developments in the Middle East and Africa are a cause of concern, he posited that the Body should look into whether or not the government is prepared to undertake measures to cope with the unfolding situation and to insure that the same is addressed.

In connection therewith, Senator Pangilinan disclosed that the Committee on Agriculture conducted its first hearing on the resolution which was attended by the DTI Secretary, the DA Secretary, officials of the *Bangko Sentral ng Pilipinas* and NEDA, and businessmen engaged in food trade. He narrated that during the hearing, the DA and DTI secretaries were asked to submit to the Committee contingency measures to address food supply, and inputs on how to monitor the food prices in the event the price of oil reaches \$220 per barrel as foreseen by financial analysts. He stated that the Committee would also need the inputs and recommendations of Senator Angara so that they could be incorporated in measures that may be undertaken to stay on top of

the situation. In response, Senator Angara highlighted two activities, the first of which is to immediately install post-harvest facilities that ought to include drying, transportation and storage facilities. He believed that if, for instance, the 10% wastage in *palay* can be saved, there would be no need to import rice at all because the loss in *palay* for lack of drying facilities, poor milling and poor storage amounts to almost one million tons of rice which is equivalent to the country's annual importation. To further illustrate the extent of the losses that the country incurs for lack of adequate post-harvest facilities, he disclosed that the losses in fish and marine products are almost 20% which is reportedly equivalent to the total fishery harvest of Poland. He reiterated the need to immediately install facilities in rice- and corn-growing areas such as flat-bed dryers and to make available to fishing and marine areas, cold chain and transport vans. He denounced the *kotong* system at checkpoints, saying that it adds 30% to the price of rice, fish or vegetable in the market.

Senator Angara identified the second activity as the rehabilitation of almost 800,000 hectares of irrigation canals that have been in disrepair for so long. He said that almost a million hectares of underutilized rice land could yield an average of 3 to 3.5 tons of *palay* per hectare which is enough to cover the shortages and save the government the P10 billion allocation for importing rice.

Likewise, Senator Angara stated that the price of products is another concern since it is the retailers who are speculating. He believed that with the post-harvest and good irrigation system in place and the *kotong* system eliminated, production could be enough. He urged the DTI to be vigilant in its surveillance and monitoring of markets and food prices.

Senator Angara said that in the long-term, there is no substitute for investing money in research and development (R&D) since it could yield a 43% return in agriculture. To get that kind of return, he stated that the government has to undertake measures to improve planting materials and the quality of meat, and import or adopt the best agricultural practices from Thailand and Vietnam, among others. He said that these simple measures that must be done continuously to yield a long-term benefit.

Senator Pangilinan lauded Senator Angara's inputs, stating that many of the issues the latter

raised strike at the very core of boosting production and insuring a steady supply of products. At this juncture, he invited the Members to attend the planning workshop, sponsored by the Congressional Oversight Committee on Agriculture and Fisheries Modernization, which he chairs, on March 19, 2011. He stated that the participants could cobble up additional strategies to help address the immediate, medium- and long-term problems in food security, and boost agriculture and fisheries production.

Senator Pangilinan noted that the speech of Senator Angara brought the issue of food security to the attention of the public. He hoped that the Body could act with one voice and march towards the same direction and enact measures to avert the looming food crisis.

INTERPELLATION OF SENATOR ZUBIRI

Prefatorily, Senator Zubiri disclosed that it is the International Year of the Forest and in relation thereto, he would be delivering a speech with a wonderful video presentation on Monday, March 14, 2011.

On the issue of food security, Senator Zubiri recalled that when the implementing rules and regulations on the Biofuels Act were crafted, he made sure that cereals and food crops would not be used for biofuel production and that the biomass would be raw materials like *jatropha* and sugarcane, in the latter case, similar to what is being done in Brazil. However, he said that the biofuel industry did not take off because the price of sugar went up, triggering a competition between the traders of ethanol and sugar. He stated that at present, the price of sugar has dropped and those who refused to go into the biofuel industry are the very ones who are now insisting on having an alternative for sugar to stabilize prices.

Senator Zubiri pointed out that one of the main problems of the country is that its scarce resources, specifically land, are underutilized. He noted that from Manila to Aurora, there is so much unutilized land that can be used for food production but cannot be touched, for one reason or another.

Asked whether the underutilization of land lies in overlapping laws that need to be reviewed, Senator Angara agreed, saying that he strongly supports the land-use proposal since there is plenty of arable land,

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be it agricultural land or forest land. He pointed out, however, that there seems to be no more distinction between forest land and agricultural land because nowadays, one can lease forest land for commercial, industrial or agricultural purposes. He said that the limitation seems to be a self-defeating practice. He said that unless the forest system is maintained, the watershed will disappear and the farmlands will become useless.

Senator Angara agreed with Senator Zubiri that there are still vast tracts of idle land that can be utilized for agriculture purposes but, he said, the few remaining forest lands must be conserved and must not be disposed of as is being done at present.

Senator Zubiri disclosed that vast tracts of land in Palawan are actually being used by “*kaingeros*” for charcoal production. He agreed to the observation that after a year, the Department of Agriculture still has no plan of action to address the looming food crisis. In this regard, he lamented that the US\$20 million funding that he and Senator Angara secured from South Korea, originally intended to be divided between Isabela and Bukidnon, would be given only to Isabela, already a very rich agricultural province, owing to a strong lobby at the DA. However, he believed that the DA should also look into the possibility of implementing wide-scale food production programs in typhoon-free Mindanao, particularly in Surigao, Agusan del Norte, Bukidnon, Cotabato and Misamis Oriental where the rainfall is well spread throughout the year and which have very huge river system that can be utilized for large-scale irrigation. He stated that the lack of government plans and programs was the reason why the Philippines has been left behind in rice production by Vietnam, Thailand and to a certain extent, Cambodia, which were able to tap their main river systems like the Mekong River. He noted that the present DA budget has no allocation for the repair of existing irrigation systems or additional funds for the construction of new dams to irrigate new rice lands which, he asserted, was a big mistake in view of the fact that the country’s population has been growing by 2.6% annually, at which rate, it would reach 115 million by 2015.

Senator Angara agreed that an additional two million hectares of first-class agricultural land in Cagayan Valley, Isabela and Cordillera in Northern Luzon and the aforementioned provinces in Mindanao could be tapped for food production. However, he

noted that there are no defined catchment areas or impounding dams to collect the rainfall and water from the mountains. He recalled that 20 years ago, Congress enacted a law requiring every barangay to build a small water impounding area but up to now none has been built.

Senator Zubiri admitted that there are a lot of problems in agriculture but the solutions should start with the actual identification of land to be utilized for food production. He said that tracts of land have been declared ancestral domain or forest lands when they are nothing but cogonal lands, while farmer-beneficiaries who were given Certificates of Land Ownership (CLOAs) have abandoned their parcels of land.

Senator Angara said that if investment in agriculture in the last two decades were tracked, it would show that investment had literally dried up for the simple reason that banks and financial institutions no longer accept land as loan collaterals.

Senator Zubiri disclosed that big businesses like San Miguel Corporation, Del Monte and Dole have found it more economically sound to lease tracts of land to produce raw materials for their products. However, he stated that there are still vast underutilized areas because landowners or farmer-beneficiaries can only go into small production because they do not receive support from the government to buy farm production inputs and machineries. In fact, he said, when the farmer-beneficiaries get their parcels of land under the agrarian reform program, there were already loans attached to them, which meant they owed money to the Land Bank of the Philippines. He warned that unless the government comes up with an overall agricultural plan to address the problems of the destruction of forests, the depletion of marine resources, the shortfall in rice production, the dying cattle and coconut industries, the country would become a food importer. He expressed hope that the Committee on Agriculture would soon call the heads of the Departments of Agriculture and its attached agencies — the National Irrigation Administration, IRRI, PhilRice and the Bureau of Plant Industry, to name some — to find out what they are doing, specifically in the area of R&D, to respond to the looming food crisis.

Senator Angara admitted that the Department of Agriculture does not have enough capability for R&D due to its limited funds, but he believed that

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genuine R&D should originate from the state universities and colleges like the Central Luzon State University, Visayas State University, U.P. Los Baños, Central Mindanao University and other outstanding universities. Given the fact that the DA is handicapped by the lack of funds, he asserted that the government should make food security as its top priority; immediately build irrigation systems and post-harvest facilities; and conduct R&D so that there would be a continuous selection of planting materials that ensure higher yield.

As regards the proposal of Senator Zubiri to create rice corridors in every part of Luzon, Visayas and Mindanao where the budget would be concentrated on providing irrigation, post-harvest facilities and extension services to farmers, Senator Angara pointed out that under the Agriculture and Fisheries Modernization Act (AFMA), strategic agricultural and fisheries zones have already been delineated, and land can be consolidated for farming of rice, high-value crops, fruits and vegetables, and fish production. He recalled that when he was Agriculture Secretary, these delineated zones were ready for investment in which endeavor, he said, government should have taken the lead.

Senator Angara said that the government must be prepared to provide the necessary infrastructure and financial assistance to farmers while the private sector can offer marketing, technology and other needs.

Senator Zubiri noted that the fact that agricultural loans extended to farmers comprise 40% of credit extended through community cooperatives would show that the government has failed to offer assistance to poor cooperatives. In closing, he expressed hope that the current administration would prioritize the needs of the agricultural sector.

REFERRAL OF SPEECH TO COMMITTEE

Upon motion of Senator Sotto, there being no objection, the privilege speech of Senator Angara was referred to the Committee on Agriculture and Food.

APPROVAL OF THE JOURNAL AS CORRECTED

Upon motion of Senator Sotto, there being no objection, the Body dispensed with the reading of

the Journal of Session No. 72 and considered it approved, subject to the following corrections made by Senator Drilon:

1. On page 1165, left column, sixth line of the first paragraph, after the word "unwieldy," replace the word "as" with a period (.), and capitalize the letter "h" in the word "he";
2. On the same page and column, seventh line of the first paragraph, between the words "that" and "the," insert THE MANUAL IS NOT and delete the words "the implementing";
3. On the same page and column, eighth and ninth lines of the first paragraph, replace the phrase "and the manual are basically not of the same nature" with IMPLEMENTING THE LAW;
4. On the same page and column, twelfth line of the first paragraph, change the word "constrict" to RESTRICT;
5. On the same page and column, second to the last sentence in the second paragraph, change the word "authorities" to POWERS;
6. On the same page and column, last sentence in the second paragraph, change the word "manual" to MEASURE;
7. On the same page, right column, third to the last line of the fourth paragraph, replace the word "is" with HAS DIRECT SUPERVISION OVER THE GOCC and delete the word "is" between "department" and "subject";
8. On page 1167, right column, first line of the first paragraph, change the word "using" to ON;
9. On the same page and column, fourth to the last line of the third paragraph, replace the phrase "they do not offer" with THERE ARE NO, and before the phrase "but are," insert the words with TO EVIDENCE OWNERSHIP; and
10. On the same page and column, second to the last line of the third paragraph, replace the words "government powers/ government corporate entities" with

CORPORATE POWERS, and delete the rest of the sentence.

CHANGE OF REFERRAL

Upon motion of Senator Sotto, there being no objection, the Body approved the change of referral of Senate Joint Resolution No. 9 solely to the Committee on Energy.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Sotto acknowledged the presence in the gallery of councilors from the municipalities of Jabonga, Kitcharao and Santiago in Agusan del Norte.

The Senate President Pro Tempore welcomed the guests to the Senate.

COMMITTEE REPORT NO. 15 ON SENATE BILL NO. 2640

(Continuation)

Upon motion of Senator Sotto, there being no objection, the Body resumed consideration, on Second Reading, of Senate Bill No. 2640 (Committee Report No. 15, entitled

AN ACT TO PROMOTE FINANCIAL VIABILITY AND FISCAL DISCIPLINE IN GOVERNMENT-OWNED AND CONTROLLED CORPORATIONS AND TO STRENGTHEN THE ROLE OF THE STATE IN ITS GOVERNANCE AND MANAGEMENT TO MAKE THEM MORE RESPONSIVE TO THE NEEDS OF PUBLIC INTEREST AND FOR OTHER PURPOSES.

Senator Sotto stated that the parliamentary status was the period of committee amendments.

Thereupon, the Chair recognized, Senator Drilon, Sponsor of the measure.

MANIFESTATION OF SENATOR DRILON

Senator Drilon informed the Body that he would not be completing the presentation of all the committee

amendments that day considering that there are committee amendments which are still being studied in view of the interpellations on the measure the previous day.

COMMITTEE AMENDMENTS

As proposed by Senator Drilon, there being no objection, the following Committee amendments were approved by the Body, one after the other:

1. On page 5, reword lines 24 to 26 to read:

GICPS/GCES, GOVERNMENT FINANCIAL INSTITUTIONS AND LOCAL WATER DISTRICTS INCLUDING THEIR SUBSIDIARIES BUT EXCLUDING THE BANGKO SENTRAL NG PILIPINAS, STATE UNIVERSITIES AND COLLEGES, AND COOPERATIVES;

2. On page 6, line 4, insert a new Subsection (a) to read:

CLASSIFY GOCCS INTO (I) DEVELOPMENTAL/SOCIAL CORPORATIONS, (II) PROPRIETARY/COMMERCIAL CORPORATIONS; (III) GOVERNMENT FINANCIAL, INVESTMENT AND TRUST INSTITUTIONS; (IV) CORPORATIONS WITH REGULATORY FUNCTIONS; AND (V) OTHERS AS MAY BE CLASSIFIED BY THE GCG WITHOUT PREJUDICE TO FURTHER SUBCLASSIFICATIONS IN EACH CATEGORY. SAID CLASSIFICATION SHALL GUIDE THE GCG IN EXERCISING ITS POWERS AND FUNCTIONS AS PROVIDED HEREIN;

3. Reletter the succeeding subsections accordingly;

4. On page 7, line 7, after the word "by," insert ANY OF ,

5. On page 17, line 6, rename the title of Chapter V to read:

CREATION AND ACQUISITION OF A GOCC OR RELATED CORPORATION;

6. On the same page, delete the phrase "recommendation to the President for his" on lines 11 and 12.

7. On the same page, delete line 16;

8. On the same page, line 17, insert a new Section 29 to read:

SECTION 29 REQUISITES FOR THE ACQUISITION OF CONTROLLING INTERESTS IN ANOTHER CORPORATION.—

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ANY GOVERNMENT AGENCY SEEKING TO PURCHASE A CORPORATION OR ACQUIRE CONTROLLING INTEREST THEREIN SHALL SUBMIT ITS PROPOSAL TO THE GCG FOR REVIEW AND APPROVAL; and

9. Renumber the succeeding sections accordingly.

REQUEST OF SENATOR DRILON

Senator Drilon requested Senator Sotto to prioritize consideration of Senate Bill No. 2640 in the next session to enable him to finish introducing the committee amendments on March 14, and immediately thereafter, he would be ready to consider individual amendments until March 16. He underscored the urgency of passing the bill not only because it is a priority measure, but to ensure that abuses of the powers of GOCCs such as those that were disclosed during the committee hearings, would be curbed as well.

He pointed out that if the Body fails to vote on the measure on Second Reading by March 16, it could only act on the bill after the congressional break on May 8, 2011, at which time, the Senate would be unable to act on pending measures because it could have already been constituted into an impeachment court. He said that if the bill would be approved on Second Reading by March 16, the Body can approve the same on Third Reading by May 23, 2011.

REQUEST OF THE CHAIR

The Chair likewise requested Senator Sotto to prioritize legislative action on Senate Bill No. 2701 (Nightwork Prohibition for Women) since it is also among the Executive's priority measures.

Senator Sotto assured Senators Drilon and Ejercito Estrada of the utmost cooperation of the Office of the Majority Leader, as he promised to ask the other members to come up with their individual amendments to the priority measures that he hoped could be approved on Second Reading by March 16, 2011.

In the event the Senate would be transformed into an impeachment court to hear the case against Ombudsman Merceditas N. Gutierrez, he informed the Body that the Committee on Rules would propose, starting in the second week of May 2011, to hold the

impeachment proceedings from Monday to Friday at 2:00 p.m., and hold regular plenary sessions in the mornings from Monday to Wednesday to tackle important bills. He said that the Members would discuss these proposals at the proper time.

SUSPENSION OF CONSIDERATION OF SENATE BILL NO. 2640

Upon motion of Senator Sotto, there being no objection, the Body suspended consideration of the bill.

ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

At this juncture, Senator Sotto acknowledged the presence in the gallery of local government officials from Sta. Maria, Romblon led by Vice Mayor Dennis Corpín.

The Senate President Pro Tempore welcomed the guests to the Senate.

COAUTHOR

Upon his request, Senator Revilla was made coauthor of Senate Bill No. 2726 (Decriminalizing Vagrancy).

REFERENCE OF BUSINESS

The Deputy Secretary for Legislation, Atty. Edwin B. Bellen, read the following matters and the Chair made the corresponding referrals:

BILL ON FIRST READING

Senate Bill No. 2736, entitled

AN ACT PROVIDING ADDITIONAL INCENTIVES TO THE MEMBERS OF THE *SANGGUNIANG BAYAN*, THE *SANGGUNIANG PANLUNGSOD*, AND THE *SANGGUNIANG PANLA-LAWIGAN* BY CONFERRING TO THEM THE APPROPRIATE CIVIL SERVICE ELIGIBILITY

Introduced by Senator Guingona III

To the Committees on Civil Service and Government Reorganization; and Local Government

Handwritten initials

COMMUNICATION

Letter from the *Bangko Sentral ng Pilipinas*, dated 28 February 2011, furnishing the Senate with certified true copies of BSP Circular Nos. 712 and 713, series of 2011, dated 9 and 14 February 2011, respectively, in compliance with Section 15(a) of Republic Act No. 7653 (The New Central Bank Act).

To the Committee on Banks, Financial Institutions and Currencies


ADJOURNMENT OF SESSION

Upon motion of Senator Sotto, there being no objection, the President Pro Tempore declared the

session adjourned until three o'clock in the afternoon of Monday, March 14, 2011.

It was 5:18 p.m.

I hereby certify to the correctness of the foregoing.


EMMA LIRIO REYES
Secretary of the Senate

Approved on March 14, 2011