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SENATE  
P.S. Res. 35

RECEIVED BY: \_\_\_\_\_

Introduced by Senator Magsaysay, Jr.

**RESOLUTION**  
**DIRECTING THE SENATE COMMITTEE ON AGRICULTURE AND FOOD TO CONDUCT AN OMNIBUS AND URGENT INQUIRY, IN AID OF LEGISLATION, ON THE RAMPANT SMUGGLING AND QUESTIONABLE IMPORTATIONS OF RICE AND OTHER BASIC AGRICULTURAL PRODUCTS WHICH HAVE BEEN DESTROYING PHILIPPINE AGRICULTURE WITH THE END IN VIEW OF CHARTING NEW POLICIES AND FORMULATING REMEDIAL MEASURES TO ASSIST FILIPINO FARMERS AND PROMOTE THE DEVELOPMENT OF AGRICULTURE**

Whereas, agriculture accounts for a fifth of the country's gross domestic product (GDP), about 14 % of total exports, and employs 44 % of the total labor force<sup>1</sup>;

Whereas, in recent years, the growth of agricultural output has not only substantially slowed down but has also considerably fallen below the population growth, resulting in either rising food imports, dwindling agricultural exports or rampant smuggling and illegal activities;

Whereas, the past years saw the loss of the country's agricultural competitive advantage as can be gleaned from the following factual information in the most basic and the country's staple crop, rice:

- That the country's rice yield is a dismal, while it is a little higher than Thailand, it is much lower than Malaysia, Indonesia, Vietnam.
- That the decline in rice is indicative of the serious problems besetting the agricultural sector. In fact, together with the low yield in corn, the declining agricultural performance of rice has affected almost half of the total labor force and their dependents, such that the sector contributed 61.3 % of the poverty incidence in 2000<sup>2</sup>.

Whereas, despite the data forecast of the Department of Agriculture that 14,495.97 MT of rice are expected to be produced in 2004<sup>3</sup>, there are reports that rice smuggling has reached alarming levels, with the smuggling syndicates working in cahoots with some personnel of concerned government agencies following the official disclosure by the National Food Authority that their security stocks fell to dangerously low levels with no provision for expedient replenishment, similar to the bitter experience the Philippines had in the rice crisis of 1995<sup>4</sup>;

<sup>1</sup> Congressional Planning and Budget Department, House of Representatives, **Towards a Robust and Broad-Based Growth**, 2004

<sup>2</sup> Balisacan, Arsenio and Hal Hill, **The Philippine Economy: Development, Policies, and Changes**, 2002

<sup>3</sup> Department of Agriculture-Ginintuang Masaganang Ani Program, 2004

<sup>4</sup> Letter of Deputy Administrator Gregorio Tan, Jr. to Mr. Isaac Belmonte, Editor in Chief, Philippine Star, August 4, 2004.

Whereas, the data of smuggling of other agricultural products is an indication of the near 'perishable' state of Philippine agriculture:

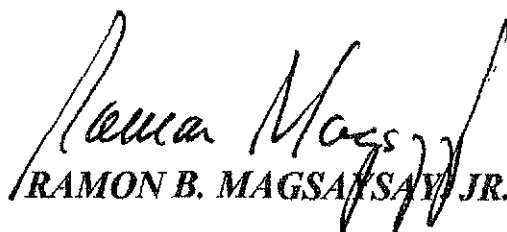
- The market is saturated with onions from China. In the Bureau of Customs, it is documented that there are around 160 container vans of Yellow Granex variety of onions which have not passed the phytosanitary regulations and no import licenses. The same arrived July 12, 2004.
- In the last few years, the hardest hit by agricultural imports, legally imported or smuggled vis-à-vis the domestic growers --- garlic, onion, tomatoes, potatoes and leafy vegetables.

Whereas, the smuggling of agricultural products and unnecessary importations of basic farm produce has resulted in the burgeoning number of Filipinos living below the poverty level and in fact, of the 26.5 million Filipinos living below the poverty line<sup>5</sup>, the great majority are working in the farm and based in the rural areas;

Whereas, a true crackdown on smuggling must be pursued to protect the domestic economy and achieve the very essence of real agricultural development: Now therefore be it

Resolved, as it is hereby resolved, That the Senate Committee on Agriculture and Food conduct an omnibus and urgent inquiry, in aid of legislation, on the rampant smuggling and questionable importations of rice and other basic agricultural products which have been destroying the entire Philippine agriculture with the end in view of charting new policies and formulating remedial measures to assist Filipino farmers and promote the development of agriculture.

Adopted,

  
RAMON B. MAGSAYSAY JR.

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<sup>5</sup> Philippine Daily Inquirer citing the reports of the National Statistics Commission Family and Income Expenditure Survey, October 3, 2003