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SENATE

P.S.R. No. 1626

RECEIVED BY: *J*

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Introduced by Senator **SONNY ANGARA**

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**RESOLUTION**

**URGING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN  
AID OF LEGISLATION, TO LOOK INTO THE PLIGHT OF THE FILIPINO  
FARMERS ESPECIALLY IN THE AREAS AFFECTED BY TYPHOON LANDO**

**WHEREAS**, Typhoon Lando (international name Koppu) caused damage to agriculture and infrastructure amounting to P9.8 billion, with damage to agricultural crops and livestock reaching P8.6 billion;

**WHEREAS**, recent reports indicate that in the aftermath of Typhoon Lando, farmers in the badly affected rice-growing regions are left with little choice but to resort to "shadow" bankers who charge up to 25% interest per month or, in some cases, 20% interest per day;

**WHEREAS**, Secretary of Socioeconomic Planning and Director General of the National Economic and Development Authority (NEDA) Arsenio M. Balisacan, speaking before the UN General Assembly during the historic summit unanimously adopting the 2030 Sustainable Development Agenda, pledged "to make the 2030 Agenda a reality and to leave no one behind." Secretary Balisacan mentioned the Philippines aspires "to ensure financial inclusion for all, particularly through access to insurance and capital, and through mobile financing.";

**WHEREAS**, the lack of access to formal credit facilities and excessive interest rates charged by predatory lenders are lingering problems in the agricultural sector, particularly among small farmers who get caught in a debt trap that sees them taking on more and more debt at high interest rates just to minimize the losses suffered from the devastating effects of natural calamities like Typhoon Lando;

**WHEREAS**, the Department of Agriculture has an existing flexible credit facility line available for some 40,000 needy farmers and fishermen in the country's poorest provinces. The Department of Agriculture (DA), through the Agricultural Credit Policy Council (ACPC), has launched a credit facility that will provide agricultural loans to the intended beneficiaries;

**WHEREAS**, the Land Bank of the Philippines has credit facilities for farmers such as the Agricultural Credit Support Project (ACSP) that provides credit and non-credit support to agriculture and agri-related projects that may need additional capital to increase production or expand operations;

**WHEREAS**, Land Bank's loans to small farmers and fishers increased by 13% to P58.4 billion (\$ 1.3 billion) in 2014, from P51.6 billion (\$1.15 billion) in the previous year. 793 farmer and fishers cooperatives, 206 countryside financial institutions, and 226 irrigators' associations received these loans;

**WHEREAS**, notably Land Bank provides direct access to credit for small rice farmers who are not yet members of the Land Bank-assisted cooperatives through its Sikat Saka program;

**WHEREAS**, it appears that notwithstanding existing government facilities for low-cost credit to small farmers, many of them do not take advantage of it either they are not familiar with the processes, many requirements needed, or lack of collateral to secure loans;

**WHEREAS**, in a study conducted by the Philippines Institute of Development Studies, it was found that despite the proliferation of government directed credit programs and the large amount of government budget that have been earmarked for these programs the studies and anecdotal evidences showed that the poor or the supposed target beneficiaries of directed credit programs still do not have access to credit;

**WHEREAS**, consequently farmers especially in the Typhoon Lando-affected areas are reportedly still dependent upon the informal lenders;

**WHEREAS**, the plight of our farmers is symptomatic of the greater income inequality issue that beset our society. Farmers and fisherfolk continue to be one of the poorest in the country. In the first half of 2013, the daily nominal wage rates were P256.52 for palay farm workers and P206.04 for corn farm workers;

**WHEREAS**, there is an urgent need to address this "debt trap" that plague the Filipino farmers so that they not only survive but thrive in an ever-competitive economic milieu especially with the onset of the ASEAN Economic Community;

**WHEREAS**, with an increasing population and limited agricultural land resources compounded by climate change, the small farmers continue to be vital stakeholders in our country's development and pursuit for food security. The paradox of our time is that these farmers who produce food for our country often go hungry; while they support our country through agricultural production, seemingly little support goes to them especially in terms of available and accessible credit facilities;

**NOW, THEREFORE, BE IT RESOLVED**, by the Senate of the Philippines, to direct the proper Senate Committee to conduct an inquiry, in aid of legislation, to look into the plight of the farmers affected by Typhoon Lando and re-examine the existing policies and methodologies of all the available farmer credit facilities with the end in view of levelling the playing field for these farmers and making them less vulnerable to informal lenders.

Adopted,

  
**SENATOR SONNY ANGARA**