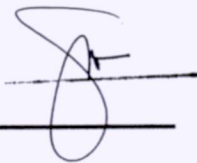


SENATE

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P.S.R. No. 36

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Introduced by Senator FRANCIS N. PANGILINAN

RESOLUTION

DIRECTING THE SENATE COMMITTEE ON AGRICULTURE AND FOOD TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE IMPACT OF REPUBLIC ACT NO. 11203 OR THE RICE TARIFFICATION ACT ON RICE FARMERS AND THE LOCAL RICE INDUSTRY

WHEREAS, on 14 February 2019, President Rodrigo Duterte signed into law Republic Act No. 11203 otherwise known as “An Act Liberalizing the Importation, Exportation and Trading of Rice, Lifting for the Purpose the Quantitative Restriction on Rice, and for Other Purposes” or the Rice Tariffication Act;

WHEREAS, the Rice Tariffication Act fulfills the Philippines’ commitments to the ASEAN Trade in Goods Agreement (ATIGA) and the World Trade Organization (WTO). It replaces volume restrictions and allows unlimited rice importation with a 35 percent tariff imposed on rice imports from members of the Association of Southeast Asian Nations (ASEAN); for non-ASEAN members, a tariff of 40 percent is imposed if rice imports are within the Minimum Access Volume (MAV) and 180 percent if above the MAV;

WHEREAS, the Kilusang Magbubukid ng Pilipinas, IBON Foundation, and other farmer groups opposed said Act, characterizing it as a death knell on rice farmers and the local rice industry and a possible threat to food security due to rice farmers’ inability to compete with the influx of cheaper imported rice. They foresaw further decreases in rice farmers’ incomes, which is already far below the official poverty threshold;

WHEREAS, the Government’s economic team pushed for its passage due to the high price of rice and rising inflation which reached a nine-year high at 6.7 percent from September to October 2018, after the NFA rice stocks were depleted. Data from the Philippine Statistics Authority (PSA) confirmed that the price increase in rice, both at the farmgate and retail levels significantly contributed to inflation;

WHEREAS, according to Department of Agriculture (DA) Secretary Emmanuel Piñol, four (4) months into the Act’s effectivity, the prevailing farmgate price of *palay*

plummeted to as low as P12 per kilo, which is the same as the average cost of producing rice; the market price of rice, which was projected to drop by P7 per kilo with the passage of said Act, registered a negligible drop of P1 to P2 per kilo;

WHEREAS, he added that the steep drop of farmgate price of rice, the lowest in almost three (3) years, will result in an estimated loss to Filipino rice farmers of P114 billion for the entire year;

WHEREAS, the agricultural sector has historically been a neglected sector. Agricultural spending as a share of the total national budget has consistently been less than 6 percent from 1987 to 2018;

WHEREAS, while the Act created a Rice Competitiveness Enhancement Fund (RCEF) to cushion rice farmers and the local rice industry from its adverse impact, without substantial government intervention, said fund alone would neither improve the productivity of local farmers, lower the price of rice, nor ensure a stable rice supply. It should be noted that similar funds have been established in the past (e.g., ACEF, Fertilizer Fund) but failed to improve the plight of farmers due to mismanagement, inefficiency, and corruption;

WHEREAS, it is imperative to assess the impact of the Rice Tariffication Act on the farmers and the local rice industry and to ensure its proper implementation including the prudent management and utilization of the RCEF;

NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED by the Senate of the Philippines to direct the Senate Committee on Agriculture and Food to conduct an inquiry, in aid of legislation, on the impact of Republic Act No. 11203 or the Rice Tariffication Act on rice farmers and the local rice industry.

Adopted,


FRANCIS W. PANGILINAN