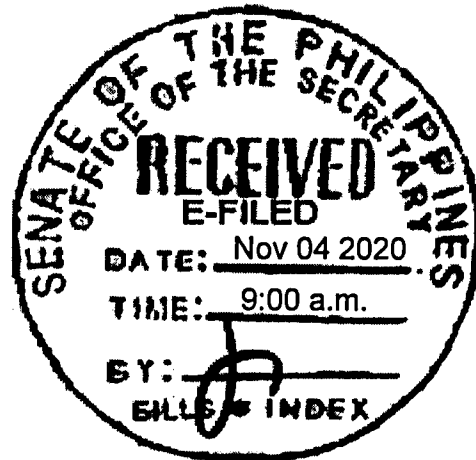


EIGHTEENTH CONGRESS OF THE)  
REPUBLIC OF THE PHILIPPINES )  
Second Regular Session )



SENATE  
P.S. Resolution No. 564

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Introduced by **SENATOR IMEE R. MARCOS**

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**RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO  
CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE FRAUDULENT  
OVERPRICED FERTILIZER CONTRACTS WITH THE DEPARTMENT OF  
AGRICULTURE (DA) UNDER ITS STIMULUS PROGRAM**

**WHEREAS**, Article XIII, Section 5, of the 1987 Constitution provides that, "*The State shall recognize the right of farmers, farmworkers, and landowners, as well as cooperatives, and other independent farmers' organizations to participate in the planning, organization, and management of the program, and shall provide support to agriculture through appropriate technology and research, and adequate financial, production, marketing, and other support services*";

**WHEREAS**, the Department of Agriculture (DA), acting under an emergency stimulus program meant to mitigate the impact of the COVID-19 pandemic on farmers, conducted a series of bidding for the procurement of 1,811,090 bags of urea fertilizers for P1.8 billion under the Rice Resiliency Project following the negotiated procurement (emergency purchase), pursuant to Sec. 53 of R.A. No. 9184 and Government Procurement Policy Board (GPPB) NPM 003-2020 protocol under the "*Bayanihan to Heal as One Act*" and the GPPB resolution;

**WHEREAS**, according to the DA Bids and Awards Committee, the P1,000 per 50kg Approved Budget for Contract (ABC) was pegged after consultation with various players in the fertilizer industry and recommendation of the DA's Fertilizer and Pesticide Authority (FPA) based on a four-month price monitoring trend;

**WHEREAS**, the DA issued on 05 May 2020 a Notice of Award to La Filipina Uy Gongco Corporation for the delivery of 97,615 bags of urea at P990 per bag or a total amount of P96,638,850 for Region 4A, and 694,904 bags at P995 per bag or P691,429,480 for Region 6, or a combined amount of P788,068,330. On 08 May 2020,

another Notice of Award was issued to La Filipina Uy Gongco for 911,073 bags of urea fertilizers at P995 per bag for Region 3 for a total of P906,517,635;

**WHEREAS**, a separate Notice of Award was also issued to Atlas Fertilizer for the delivery of 107,498 bags of urea at P900 per bag or a total of P96,748,200 for Region 7;

**WHEREAS**, two Central Luzon-based farmers, however, said that the prevailing average retail price in the market of urea fertilizer is pegged only for P810-P850 per bag — which would mean that the deal was overpriced by at least P271.66 million. Recent purchases of urea fertilizer showed a bag is priced at P830 in Tarlac, P810 in Pangasinan, and P840 in Nueva Ecija. Moreover, Mr. Rosendo So of the *Samahang Industriya ng Agrikultura* (SINAG) said that some of SINAG's members who are distributors and outlet owners revealed that the fertilizer retail prices in Regions 1 and 2 are lower than the DA's reported prices;

**WHEREAS**, the DA reportedly disqualified another bidder that offered a tender for P850 per bag, well within the prevailing market prices, claiming it did not have available local supply;

**WHEREAS**, one of the winning bidders, La Filipina, also shows to not have available stocks of urea fertilizers nor it has shown any bill of lading to prove that it had incoming supply of urea fertilizers but suspiciously still awarded with the contract;

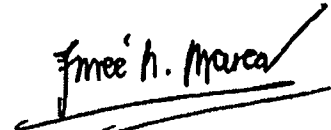
**WHEREAS**, Chairman Joseph Canlas of the *Alyansa ng mga Magbubukid sa Gitnang Luzon* said, *"The President should look into this and take action. He has promised to be unforgiving when it comes to officials who would commit corruption during this pandemic. Cases must be filed against those involved in this,"* and urged DA Secretary William Dar to rescind the anomalous contracts;

**WHEREAS**, Section 3 (g) of R.A. No. 3019 otherwise known as the "Anti-Graft and Corrupt Practices Act" states that, *"Entering, on behalf of the Government, into any contract or transaction manifestly and grossly disadvantageous to the same, whether or not the public officer profited or will profit thereby";*

**WHEREAS**, the government, particularly the DA, must look into this matter since it should be in a position to negotiate for a lower contract price since it was buying in bulk and current retail prices of urea fertilizer was only pegged at P810 to P850;

***NOW, THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED,***  
directing the appropriate Senate committee to conduct an inquiry, in aid of legislation,  
into the fraudulent overpriced fertilizer contracts with the Department of Agriculture  
(DA) under its stimulus program.

*Adopted,*

A handwritten signature in black ink, reading "Imee R. Marcos", is written over two horizontal lines. The signature is slanted upwards to the right.

**IMEE R. MARCOS**