NINETEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES First Regular Session



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SENATE

RECEIVED BY

P. S. Res. No. 445

Introduced by Senator Loren B. Legarda

RESOLUTION

URGING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE SURGE IN PRICES OF ONIONS AND SHORTAGE IN ITS SUPPLY, AS WELL AS **FACTORS HINDERING SELF-SUFFICIENCY**

WHEREAS, Republic Act (R.A.) No. 7394, or the Consumer Act of the Philippines, provides that "it is the policy of the State to protect the interests of the consumer, promote his general welfare and to establish standards of conduct for business and industry;"

WHEREAS, the law further provides that the promotion and encouragement of fair, honest, and equitable relations among parties in consumer transactions shall be the State's responsibility;

WHEREAS, the State is mandated to "protect the consumer against deceptive, unfair and unconscionable sales acts or practices" and to consider the best interest of consumers against any scheme or artifice to defraud to the prejudice of consumers and in contravention of laws and existing rules and regulations;

WHEREAS, onion is regarded as a high-value vegetable crop in the Philippines;

WHEREAS, according to the 2021-2025 Philippine Onion Industry Roadmap of the Department of Agriculture published in 2022, about 35,000 farmers grow onions in about 18,391 hectares (ha) or an average of 0.5 hectares per family, with expansion areas in Regions I, II, III, MIMAROPA, and VI;

WHEREAS, based on the same publication, 75% of locally produced onions are sold in wet markets, while the rest head directly to supermarkets, fast food chains, hotels, restaurants, and processors;

WHEREAS, the production of onions in the second quarter of 2022 registered at 82.08 thousand metric tons, or an increase of 20.2 percent from 68.27 thousand metric tons in the same quarter of 2021;

WHEREAS, the surge in prices of onions was noticed in August 2022 and has since affected consumer behavior and reflected the inflation crisis in the country;

WHEREAS, the market price of onions increased to as high as PHP 700 per kilogram in December 2022 despite claims of sufficient production and exceeded the suggested retail price of P250, or an increase of 47%, from the retail price of PHP 170 in October 2022;

WHEREAS, in early January 2023, the Bureau of Customs intercepted a total of P153,615,000 worth of onions, following the order of President Ferdinand "Bongbong" Marcos Jr. to combat agricultural smuggling;

WHEREAS, the Department of Agriculture (DA) estimated that between 2019 and 2022, P667.5 million of smuggled agri-fishery goods entered the country, while the BOC intercepted P1.99 billion worth of agricultural products on its 542 seizures — about 30% of smuggled farm goods were onions;

WHEREAS, the DA has recently approved the importation of 21,060 metric tons of onions, despite the fact that harvest season is already approaching, by the middle of January 2023, to address the deficiency in supply and in the hope to lower market prices;

WHEREAS, there is a need to understand the factors affecting the soaring prices of onions and determine the challenges of production to address the demand in the market;

WHEREAS, the Philippines is an agricultural country with a land area of 30 million hectares, 47% of which is agricultural land. Agriculture, forestry, and fishing (AFF) contributed a 2.2% share of the total GDP in the third quarter of 2022. However, it was recorded to have the least contribution compared to the other major economic sectors – industry (5.8%) and services (9.1%) – in the same period.

WHEREAS, agriculture, forestry, and fishing contribution to national development has also not provided sufficient means for farmers and fisherfolk to sustain livelihood opportunities and productivity to uplift their lives;

WHEREAS, self-sufficiency in food requires not only that we are able to produce what we need but that we are not highly dependent on imported agricultural inputs and agrochemicals, the prices of which can be unpredictable and high;

NOW THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED, TO URGE THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE SURGE IN PRICES OF ONIONS AND SHORTAGE IN ITS SUPPLY, AS WELL AS FACTORS HINDERING SELF-SUFFICIENCY.

Adopted.

LOREN LEGARDA