

FOURTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

8 MAY 20 1971

SENATE

RECEIVED BY: 

P. S. Res. No. 410

Introduced by Senator Manuel "Lito" M. Lapid

RESOLUTION

DIRECTING THE APPROPRIATE COMMITTEES IN THE SENATE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE VIABILITY OF ESTABLISHING AND CREATING A GOVERNMENT-OWNED AND CONTROLLED FERTILIZER MANUFACTURING PLANT, WITH THE END IN VIEW OF PROVIDING QUALITY AND AFFORDABLE ALTERNATIVE SUPPLY OF FERTILIZER IN THE COUNTRY IN ORDER TO ADDRESS THE SOARING PRICES OF IMPORTED FERTILIZERS AND FARM INPUTS WHICH IN TURN AFFECT THE PRICES OF OUR BASIC AGRICULTURAL PRODUCTS SUCH AS RICE AND CORN

WHEREAS, the Philippines has emerged as one of the biggest importers of fertilizer with an annual requirement of about 1,168,315 metric tons of various fertilizer grades, with urea accounting for 57.5%, ammonium sulfate for 23.4%, and muriate of potash for 6%. The majority of the finished fertilizer grades are sourced from Saudi Arabia, Japan, China, Indonesia, USA, and Korea. Other important suppliers include Bangladesh, Canada, Jordan, Malaysia, Mexico, Qatar, Singapore, and UK;

WHEREAS, data indicate that a high percentage of inorganic fertilizer supply in the Philippines is imported from other countries. Data further indicate that a total of 1,474,495 metric tons of inorganic fertilizers, mainly in granulated form, are sold locally every year, with six fertilizer products representing 99% of the sales; including urea or 46-0-0 (39.4%), complete or 14-14-14 (22.9%), ammonium sulfate or 21-0-0 (14.8%), mono-ammonium phosphate or 16-20-0 (14.7%), potash or 0-0-60 (4.6%), and diammonium phosphate (2.2%);

WHEREAS, Luzon currently accounts for 50-60% of the inorganic fertilizer market, Visayas 17-20%, and Mindanao 20-28%. Regions II, III, IV, VI, and XI are the biggest fertilizer markets representing nearly half of the total fertilizer consumption;

WHEREAS, the most widely applied fertilizer grades in the Philippines are urea and 16-20-0. Urea is mainly used as a nitrogen source while 16-20-0 is applied primarily as a source of phosphorus. In some areas 18-46-0, and less commonly 14-14-14, are used instead of 16-20-0. Potassium is normally not regarded as a limiting nutrient;

WHEREAS, an estimated 60% of fertilizer sales is used for food crops, principally rice and corn, with the remainder mainly applied to plantation crops such as coconut, banana, sugarcane, and pineapple;

WHEREAS, in the light of the impending rice shortage being experienced in the country and the phenomenon of global food crisis being experienced worldwide, there is an urgent need to institute measures to ensure the food security in our country, including the option to establish a government-owned and controlled fertilizer

manufacturing plant which will provide quality and affordable fertilizer substitutes to our poor rice and corn farmers that will consequently lower the cost of production of our basic agricultural products;

WHEREAS, an immediate action on the part of the government to address the rising cost of fertilizer in the country will ease the crisis that is gripping both the farmers and consumer families across the country;

WHEREAS, there is an urgent need to look into the government's food security and agricultural programs and policies in order to ensure the adequate supply of affordable and quality fertilizers in the country and address the recurrent problem of the shortfalls in rice production every year;

WHEREAS, the high fertilizer prices in the country will set back our government's hopes of boosting the basic staple's supply and lowering the prices of agricultural products. As such, there is a need to rethink our own food security strategies and to take steps to ensure that our country has enough tools for production at its disposal.

NOW, THEREFORE, BE IT RESOLVED as it is hereby resolved to direct the appropriate Committees in the Senate to conduct an inquiry, *In Aid of Legislation*, into the viability of establishing and creating a government-owned and controlled fertilizer manufacturing plant, with the end in view of providing quality and affordable alternative supply of fertilizer in the country in order to address the soaring prices of imported fertilizers and farm inputs which in turn affect the prices of our basic agricultural products such as rice and corn.

ADOPTED,


MANUEL "LITO" M. LAPID
Senator