

9 AUG 11 P2:48

SENATE  
P. S. R. No. 1270

RECEIVED BY



---

Introduced by Senator Miriam Defensor Santiago

---

RESOLUTION

DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED UNDERPERFORMANCE OF THE AGRICULTURE INSURANCE PROGRAM IN THE PHILIPPINES AND TO COME UP WITH SOLUTIONS TO STRENGTHEN THE PROGRAM IN ORDER TO SUPPORT SMALLHOLDER FARMERS FROM THE SPATE OF TYPHOONS CAUSING ENORMOUS AGRICULTURAL DAMAGE

WHEREAS, the Constitution, Article 2, Section 5 states: "The maintenance of peace and order, the protection of life, liberty and property, and the promotion of the general welfare are essential for the enjoyment by all the people of the blessings of democracy";

WHEREAS, Article 2, Section 9 of the same states: "The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living and an improved quality of life for all";

WHEREAS, agricultural insurance in the Philippines is a government program headed by the Philippine Crop Insurance Corporation providing insurance protection to agricultural producers against the loss of the crops, livestock, and agricultural assets on account of natural calamities, plant pests and disease and/or other perils;

WHEREAS, the discussion paper of the Philippine Institute for Development Studies (PIDS) released in April 2009, claimed that the operation of the agricultural insurance program is problematic;

WHEREAS, constraints in the operation of the agricultural insurance program include high overhead cost, need for larger investment fund due to shortfalls in capital contribution, and premium shares and the question of sustainability due to the inherent low-income stature of small farmers needing continuous government intervention;

WHEREAS, having gone through almost three decades of existence and operational fluctuations, the PIDS reported that the Philippine Crop Insurance System still has relatively little impact to show;

WHEREAS, from 1981-2000, the PCIC was only able to provide insurance for a cumulative total of 2.8 million farmers;

WHEREAS, there are 5.2 million estimated smallholder farmers in the country;

WHEREAS, according to an article dated 10 August 2009 published by *BusinessWorld*, farmers are beginning to see the value in crop insurance citing the

increase in insurance collections of Malayan Insurance Co. from P2 million in insurance premiums from some 1,000 farmers in May to about 2,000-3,000 more farmers expected to avail of the product as the second planting season starts in September;

WHEREAS, these insurance products are priced at 8-10 percent of cost of production, which means that a farmer will have to pay about P100 in premium per P1,000 in his production cost;

WHEREAS, this latest development manifests a renewed interest among farmers to insure their crops;

WHEREAS, very few of our generally low-income farmers can afford to secure their crops with such weather index-based insurance operating on Global Positioning System (GPS) technology of MicroEnsure and Malayan Insurance Co.;

WHEREAS, the spate of typhoons hitting the country as well as the effects of climate change causing erratic weather conditions dictate the need to strengthen our existing agriculture insurance for the smallholder farmers;

WHEREFORE, be it hereby resolved by the Philippine Senate, to direct the proper Senate Committee to conduct an inquiry in aid of legislation, on the reported underperformance of the agriculture insurance program in the Philippines and to come up with solutions to strengthen the program in order to support smallholder farmers from the spate of typhoons causing enormous agricultural damage.

Adopted,

  
MIRIAM DEFENSOR SANTIAGO

/ctr