


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

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SENATE

P.S. RES. NO. 1364

RECEIVED BY: 

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Introduced by SENATOR LOREN LEGARDA

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**A RESOLUTION  
DIRECTING THE SENATE COMMITTEES ON AGRICULTURE AND FOOD,  
TRADE AND COMMERCE, AND WAYS AND MEANS, TO CONDUCT AN  
INQUIRY, IN AID OF LEGISLATION, INTO THE PROLIFERATION OF  
ALLEGEDLY SMUGGLED AGRICULTURAL PRODUCTS, PARTICULARLY  
VEGETABLES, IN THE LOCAL MARKET, WITH THE END IN VIEW OF  
ENSURING THE WELFARE OF LOCAL FARMERS**

*Whereas*, recent reports from farmers groups and media speak of rampant smuggling of agricultural products, especially vegetables, into the country, destabilizing the local prices of these products to the detriment of local farmers and producers, and keeping local harvests stuck in storage plants;

*Whereas*, this issue has been highlighted in the case of onions, with reports of 2.3 million bags of smuggled onions from India and China entering the country since May 2009, selling for P28/kg while local varieties are sold at P50/kg;

*Whereas*, the proliferation of cheaper produce in the market forces local farmers to delay the selling of their crops or sell them at a loss;

*Whereas*, according the National Statistics Office (NSO), the farmer sector has one of the highest incidences of poverty at 45% in 2006;

*Whereas*, government efforts to make our agriculture sector competitive and ease the entry of local farmers into the world market are compromised by the incidence of unregulated entry of cheap imports into the local market;

*Whereas*, while the NSO reports that total imports for 2002-2007 averaged \$46.5 billion annually, the Bureau of Customs (BOC) reported only an average of \$32.5 billion for each year, resulting in a difference of \$14 billion worth of imports unaccounted;

*Whereas*, the estimated government revenues from the 12% value-added tax and tariffs (at an average of 6%) lost as a consequence of smuggling amount to P117 billion per year for 2002-2007;

*Whereas*, the loss in revenues contributes to the government's budget deficit which is projected at P250 billion for 2009 and P233 billion for 2010;

*Whereas*, aside from revenue losses for the government, smuggling of vegetables affects the livelihood of our local farmers which the government ought to protect;

*Now therefore, be it resolved, as it is hereby resolved,* that the Senate Committees on Agriculture and Food, Trade and Commerce, and Ways and Means, to conduct an inquiry, in aid of legislation, into the proliferation of allegedly smuggled agricultural products, particularly vegetables, in the local market, with the end in view of ensuring the welfare of local farmers.

Adopted,

A handwritten signature in black ink, consisting of several overlapping, fluid strokes that form the name Loren B. Legarda.

LOREN B. LEGARDA