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Introduced by Senator Miriam Defensor Santiago

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RESOLUTION

DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED CLAIM THAT FILIPINO CORN FARMERS STAND TO LOSE ₱15 BILLION FROM ALLEGEDLY TECHNICALLY-SMUGGLED CORN FROM ARGENTINA AND BRAZIL WHICH ARE SAID TO BE DECLARED AS IMPORTS FROM VIETNAM AND THAILAND

WHEREAS, the Constitution, Article 2, Section 19 provides: "The State shall develop a self-reliant and independent national economy effectively controlled by Filipinos";

WHEREAS, the *Manila Bulletin* on 28 July 2014 reported that Bukidnon Kaamulan Chamber of Commerce (BKCC) president Roderico R. Bioco, in a letter to Department of Agriculture Undersecretary Segfredo R. Serrano, claimed that Filipino corn farmers stand to lose ₱15 billion from technically-smuggled corn from Argentina and Brazil which are declared as imports from ASEAN-member countries Vietnam and Thailand to be able to claim zero tariff;

WHEREAS, the group reportedly asked the DA to file charges against these unscrupulous corn traders who allegedly commit technical smuggling by misdeclaring their imports, in violation of the Rules of Origin under the ASEAN Free Trade Agreement (AFTA);

WHEREAS, according to Bioco, local corn prices may be depressed by as much as ₱5 per kilo if these unabated technical smuggling is not stopped;

WHEREAS, the group claims the loss is equivalent to ₱50,000 for every corn farming family, which totals to 300,000 households nationwide;

WHEREAS, the group also claims that their projections do not include the economic dislocation of five to seven households that a corn farmer supports as his farm workers;

WHEREAS, it was reported that a total of 300 million kilos of corn had already entered the country for 2014 so far, and these were reportedly declared as originating from South East Asian countries that enjoy a low five percent tariff of 2014; it was also reported that further lower tariff will be availed of by ASEAN-originating imports by 2015;

WHEREAS, according to the report, corn tariff for Most Favored Nation or non-ASEAN countries, including the Latin American countries, is higher at 35 percent within the Minimum Access Volume (MAV), an agreed volume within Philippines' World Trade Organization commitment; it was also reported that corn tariff is 50 percent outside the MAV;

WHEREAS, Bioco alleged that Brazilian and Argentinian corn are being imported by Vietnamese and Thai traders that they passed on as their own produce; he also reportedly claimed that more than 500 million kilos more will come in before the year ends;

WHEREAS, Bioco alleged that the additional imports, which he expects to be around three billion kilos, will hurt the country's main crop by August to October 2014. It is;

WHEREAS, Bioco claims that identifying the illegally-taxed corn from Brazil and Argentina is easy as these are mostly genetically modified (GM) corn, since Vietnam and Thailand do not yet produce GM corn;

WHEREAS, Bioco claims that Vietnam and Thailand import a big amount of corn, and their local production is not enough to satisfy local demand;

WHEREAS, Bioco reportedly said that the Bureau of Plant Industry should have the list of importers of Vietnamese and Thai corn, and the corresponding suppliers as stipulated in the Phyto-Sanitary Certificate that is required in the importation;

WHEREAS, Bioco reportedly said that the government should move swift and hard on these corn smugglers, and charge them with economic sabotage; and that the government should also pursue cases against alleged importers-smugglers of corn from Vietnam and Thailand as the corn actually came from Argentina or Brazil;


WHEREAS, the BKCC reportedly asked government to establish rules on eliminating technical smuggling in light of the approaching ASEAN economic integration, as the group claimed that there is no clear remedy in place as it is just as easy for any Asean member, even with deficit corn supply, to import corn from non-ASEAN source and export its local stocks to its ASEAN neighbors and still comply with Rules of Origin;

WHEREAS, Bioco reportedly said that although the country's highly resilient corn farmers have chance to compete fair and square under AFTA, the country stands to lose a significant driving sector of our rural communities if the government fails to act and protect our corn farmers from this malicious trade;

WHEREAS, Congress should carefully consider these statements and allegations to protect the country's agriculture industry and food security, as well as amend or introduce relevant laws on trade to close loopholes that allow for technical smuggling in the country;

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 claim that Filipino corn farmers stand to lose ₱15 billion from allegedly technically-smuggled corn from Argentina and Brazil which are said to be declared as imports from Vietnam and Thailand.

Adopted,

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MIRIAM DEFENSOR SANTIAGO

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