

SEVENTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
Second Regular Session

SENATE
P.S. Res 623

18 FEB 12 P4:07

Introduced by Senator Poe

RESOLUTION

URGING THE SENATE COMMITTEE ON AGRICULTURE AND FOOD TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, TO DETERMINE THE VERACITY OF PERSISTENT ALLEGATIONS THAT THERE EXISTS A MAFIA/SYNDICATE IN GOVERNMENT RICE PROCUREMENT AND IMPORTATION PROGRAM AND A “RICE CARTEL”, WITH THE END-IN-VIEW OF ENSURING SUFFICIENCY OF AVAILABLE STAPLE FOOD, STRENGTHENING FOOD SECURITY IN THE COUNTRY AND PUTTING AN END TO SUCH ILLEGAL/CORRUPT PRACTICES

WHEREAS, agriculture is the lynchpin of Philippine economy, as the State is mandated to promote its full and efficient use as the sector to generate employment opportunities;

WHEREAS, no less than the Philippine Statistics Authority (PSA), in a **report dated 22 January 2018**, revealed that for 2017, 19.28 million metric tons of *palay* were produced compared to 17.63 million metric tons in 2016, or a 9.36% increase¹;

WHEREAS, last 8 February 2018, Agriculture Secretary Emmanuel “Manny” Piñol stated that the higher yield resulted in a 2.7 million metric tons surplus in rice supply going into 2018.² Secretary Piñol even said that he expects said surplus to reach a record-breaking 3 million metric tons in the first quarter of 2018, thereby prompting him to say, “**Sobra-sobra ang ating bigas ngayon**”³;

¹ <http://newsinfo.inquirer.net/967209/breaking-news-rice-agriculture-philippine-statistics-authority-psa-palay-emmanuel-pinol-manny-pinol-nfa>

² *Ibid.*

³ *Ibid.*

WHEREAS, ironically, National Food Authority (NFA) Administrator Jason Aquino admitted that the **inventory of NFA rice is running low** and that NFA's total inventory of about 1.2 million bags will last for only 35 days, given the distribution rate of 34,000 bags daily⁴;

WHEREAS, Cabinet Secretary and NFA Council Chairperson Leoncio Evasco Jr confirmed that the NFA was given **standby authority to import 250,000 metric tons of rice** but said standby authority would not be utilized as 325,000 metric tons of rice are expected to find its way to NFA's warehouse this month⁵;

WHEREAS, it is downright bewildering to allegedly have a record-breaking surplus in rice supply on one hand and experience a "low inventory" of rice in the warehouses of NFA on the other hand and thereby needing to import rice;

WHEREAS, the most important party, THE FILIPINO RICE FARMER, is oftentimes forgotten amidst these issues on rice supply, pricing and importation. Here are some facts on our rice farmers:

- a. Each of our rice farmers' household is comprised of an average of 5 members;
- b. In the average, each of our rice farmers earns around Php104,268.00 annually;
- c. In the average, each of our rice farmers have already spent 28 years of farming;
- d. 89% of said rice farmers rely solely on farming for income; and
- e. Only 52% of said farmers own the land they till;⁶

WHEREAS, we cannot turn a blind eye on alleged reports regarding the existence of a "rice cartel" in the Philippines;

WHEREAS, in the latter part of 2016, the Philippine Competition Commission's (PCC) Chairman Arsenio M. Balisacan confirmed that there was an on-going review of the agriculture industry with focus on **anti-competitive practices in the rice industry**⁷;

WHEREAS, possible anti-competitive practices in the rice industry include intentional and systematic lowering by middlemen, who are believed to be working for a cartel, of their

⁴ <https://www.rappler.com/nation/195564-malacanang-nfa-rice-shortage-more-stocks>

⁵ *Ibid.*

⁶ Philippine Rice Research Institute (PhilRice)

⁷ <https://businessmirror.com.ph/pcc-zeroes-in-on-rice-industry-cartels/>

purchase prices of *palay* to make sure that these products are bought at the lowest possible price from the small farmers⁸;

WHEREAS, in the earlier part of 2017, Manila 1st District Rep. Manuel Lopez urged the lower house look into this alleged “**rice cartel**”. According to Rep. Lopez, the alleged “rice cartel” is believed to be hiding rice stocks, thus causing shortages and price increases⁹;

WHEREAS, on top of all the above reports and allegations regarding a “rice cartel”, there was even a report by Dr. Dante A. Ang of The Manila Times on 19 April 2017 entitled, “**Rice cartel inside NFA alive and well**”¹⁰;

WHEREAS, the 1987 Constitution of the Philippines declared that the State shall develop a self-reliant and independent national economy effectively controlled by Filipino (Section 19, Article 2) and that the State shall promote comprehensive rural development and agrarian reform (Section 21, Article 2);

WHEREAS, the alleged existence of a “rice cartel”, operating inside and outside the government, is definitely an affront to the dignity of our Filipino rice farmers and the consuming public and must be obliterated to free our small farmers from a vicious “debt trap” and to drive away hunger out of the borders of the Philippines;

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, by the Senate of the Philippines, to urge the Senate Committee on Agriculture and Food to conduct an inquiry, in aid of legislation, to determine the veracity of persistent allegations that there exists a mafia/syndicate in government rice procurement and importation program and a “rice cartel”, with the end-in-view of ensuring sufficiency of available staple food, strengthening food security in the country and putting an end to such illegal/corrupt practices.

Adopted.


GRACE POE

⁸ *Ibid.*

⁹ <https://business.mb.com.ph/2017/05/18/house-probe-sought-on-alleged-rice-cartel/>

¹⁰ <http://www.manilatimes.net/rice-cartel-inside-nfa-alive-well/322912/>