



SENATE

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P.S. Res. No. 639

RECEIVED BY:

Introduced by SENATOR SONNY ANGARA

RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE ALLEGED IRREGULARITIES IN THE DISTRIBUTION OF GOVERNMENT-SUBSIDIZED RICE BY THE NATIONAL FOOD AUTHORITY (NFA), WITH THE END-IN-VIEW OF ENSURING THE STABILITY OF SUPPLY AND PRICE OF RICE

WHEREAS, the National Food Authority (NFA) is vested the functions of ensuring the food security of the country and the stability of supply and price of the staple grain-rice;

WHEREAS, to stabilize the price and supply, the NFA buys palay and corn from farmers at a predetermined government support price, and sells the rice and corn at affordable prices to make them available to the poorest consumers. It is also tasked to maintain a buffer stock of rice to provide immediate supply during emergencies;

WHEREAS, based on latest figures from the Department of Agriculture (DA), the Philippines is 96 percent rice sufficient—with the country producing over 19 million metric tons of rice in 2017;

WHEREAS, despite the sufficient supply, the NFA requested to use its standby authority to import 250,000 metric tons of rice to replenish its buffer stocks, which had recently gone down to two days worth;

WHEREAS, various news reports have quoted Agriculture Secretary Manny Piñol saying the supply chain of NFA rice could be abused by traders, some of whom mix government-subsidized rice with those intended for commercial sale, thus causing the “shortage” and alleged manipulation of the market;

WHEREAS, Secretary Piñol said there are many instances where the NFA rice is being sold to favored wholesalers, who re-pack and re-sell the NFA rice as commercial rice instead of selling them at lower prices in the market;

WHEREAS, the inter-agency NFA Council will investigate the acquisition down to the distribution of rice by the NFA, as the government moves to ensure there is enough supply of the staple grain;

WHEREAS, in 2014, the Senate committee on agriculture and food conducted a probe into rice smuggling involving businessman Davidson Bangayan where it found that even though the NFA had not issued import permit to Bangayan, he was able to operate by using farmers’ cooperatives and groups as “dummies” to secure rice importation permits;

WHEREAS, the Senate Economic Planning Office stated in its policy brief published in December of 2017 that the government policy of stabilizing the price of rice, both for

producers and consumers, has been proven to be very costly—requiring P45 billion in subsidy for the past 10 years—and difficult to implement efficiently and effectively;

WHEREAS, the same policy brief noted that “the NFA’s program to distribute cheap rice to poor consumers has been hampered by poor targeting, substantial leakages and corruption”;

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, to direct the appropriate Senate committee to conduct an inquiry, in aid of legislation, into the alleged irregularities in the distribution of government-subsidized rice by the National Food Authority (NFA), with the end-in-view of ensuring the stability of supply and price of rice.

Adopted.



SONNY ANGARA