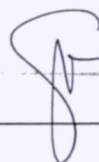


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SENATE

P.S. Res. No. 152

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INTRODUCED BY SENATOR RISA HONTIVEROS

**RESOLUTION URGING THE EXECUTIVE DEPARTMENT TO AUTHORIZE AND IMPLEMENT EMERGENCY MEASURES AND ADDITIONAL SAFETY NETS TO AMELIORATE THE ECONOMIC SHOCK OF FILIPINO RICE FARMERS IN LIGHT OF THE SIGNIFICANT REDUCTION OF PALAY PRICES**

**WHEREAS**, the issuance of the IRRs of the Rice Tariffication Law in March 2019 has enabled the entry of rice imports without quantitative restrictions and has already significantly reduced palay prices;

**WHEREAS**, the abnormally massive importations of rice by the NFA at the start of 2019 and ahead of the implementation of the Rice Tariffication measure a) has contributed to an extraordinary accumulation of rice stocks exceeding mandated buffer levels b) has created negative anticipations by traders and millers about the demand for local palay for 2019; thus depressing palay prices c) has inadvertently reduced the level of 2019 tariffs revenues to be conveyed to the safety net programs specified in the law; and d) has rendered the NFA unable to implement palay buying operations until it has disposed of its accumulated stocks;

**WHEREAS**, neither the specified safety nets (in Section 13 of the law) nor the programs that would implement competitive enhancement over several years have yet to be launched;

**WHEREAS**, frontline agencies with specific addresses, with accountable personnel who are bound by Citizens Charters that guide the implementation of section 13 and section 14 of the law have yet to be named and deployed to respond upon the demand of rice farmers;

**WHEREAS**, it has since become self-evident, based on PSA data on palay farm gate prices and even more dramatic testimony of some farmers during Congressional hearings that the combination of a) mismanagement by the NFA under the leadership of its former Administrator and of the former Agriculture Secretary, b) the delayed program launch for the rice competitiveness enhancement programs, c) prolonged process of program design for the safety nets and the d) limited capacities of the designated implementing agencies — has meant that things will become far worse for rice farmers than expected before they become better;

**WHEREAS**, the NEDA happens to possess a roster of provinces where the chances of achieving competitiveness are lower or will otherwise require far more time and far more resources owing to the low levels of starting levels of productivity per hectare and owing to the high starting levels of cost of palay production relative to other provinces — thereby providing clarity on the locations where the viability of rice farming



might be expected to flounder altogether, relative to other locations, especially if the DA will decide to focus resources in locations, such as 39 provinces (listed by NEDA in a January 2018 media release), for which the achievement of competitiveness is more likely instead of spreading resources thinly throughout all of the provinces;

**WHEREAS**, it can be demonstrated using basic analytical tools available to economic managers that:

FIRST, net income loss among poor rice farmers (making up nearly 400,000 of at total of 987,000 rice farming households) resulting from post-tariffication price changes is highest per household in the regions of MIMAROPA, ARMM and CARAGA (respectively at P38,000, P27,000 and P15,000) and lowest per family in the three Visayas regions, Central Mindanao and Ilocos Region (at a little above P5,000 and less than P5,000);

SECOND, given the number of affected poor rice farming families, the total amount of income support for poor families, would be in the vicinity of P5 billion per year with the total amount required being far greater in some regions (ARMM, MIMAROPA, Bicol, CARAGA CAR); and

THIRD, while the total income loss for non-poor rice farmers would be in the vicinity of P19 Billion per year and is highest in Cagayan Valley, Central Luzon, Western Visayas, Bicol, Ilocos region and Central Mindanao); with the income loss among the near-poor rice farming families leading to impoverishment of 25,000 to 50,000 each among the previously non-poor rice farmers in ARMM, CAR, Central Visayas and the Bicol region.

**BE IT THEREFORE RESOLVED AS IT IS HEREBY RESOLVED** by the Senate of the Philippines to urge the Executive department, in light of the crisis of emergency proportions being faced by Filipino rice farmers, to implement the following emergency measures to ameliorate their economic shock --

FIRSTLY, a) the remaining available RCEF budget in GAA 2019, as well as the b) 2019 rice import tariff revenues (in excess of P10 billion to be collected in 2019) variously estimated to be between P3.5 billion (NEDA) and P6.5 billion (DA) to be officially determined by the Bureau of Treasury beginning September 2019 and on a monthly basis thereafter — be appropriated for the direct cash assistance program for poor rice farmers all over the country<sup>1</sup>, and, subject to the availability of funds, for direct cash assistance to the near-poor rice farmers in the provinces where competitiveness is less likely to be achieved and where RCEF is less likely to be deployed by the DA;

SECONDLY, the President of the Republic be urged to impose Safeguard Duties of up to 80 percent additional tariffs on rice imports exceeding the minimum access volume, for a period of one-year, on top of the present 35 percent tariffs for rice imports, consistent with Republic Act 8800 and consistent with the country's WTO commitments;

THIRDLY, until the direct cash grants herein described have been disbursed, and also to compensate for the decline in palay prices due to its excessive importation of rice in

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<sup>1</sup> with the total amounts to be received by each household corresponding to the best official estimate of the average per household net income losses specific to each region and with the total resources for each region corresponding to the total income losses for poor households in the region based on the Family Income and Expenditure Surveys and based on palay and rice retail prices as of end-September 2019 updates of the PSA

early 2019, the National Food Authority, beginning October 2019 and up to the end of 2019 and consistent with the instructions of the President, be hereby mandated to i) estimate the extent of palay buying operations that will be needed to ensure recovery of the average production cost in each province and ii) identify the possible fund sources and secure authority from the DoF and the DBM, if necessary, to procure palay using the above mentioned norms;

**Adopted,**

  
**RISA HONTIVEROS**

***Senator***