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SENATE
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THIRTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

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SENATE

RECEIVED BY: 

P.S. Res. No. 412

Introduced by Senator Manny Villar

RESOLUTION

**DIRECTING THE SENATE COMMITTEE ON FINANCE TO CONDUCT AN INQUIRY,
IN AID OF LEGISLATION, INTO THE HUGE LOSSES INCURRED BY THE
NATIONAL FOOD AUTHORITY (NFA), WITH THE END VIEW OF REVIEWING ITS
POLICY MEASURES AND RECOMMENDING ADMINISTRATIVE CHARGES ON
ERRING PUBLIC OFFICERS**

WHEREAS, the National Food Authority was created to promote the integrated growth and development of the Philippine grains industry covering rice, corn, feed grains and other grains like sorghum, mongo, and peanut;

WHEREAS, over the years, the NFA has incurred losses of four billion pesos in 2003, and 7.6 billion pesos in 2004. It is projected to post losses of 21.2 billion in 2005, and 21.6 billion pesos in 2006;

WHEREAS, of the projected loss of 21 billion pesos, 14 billion pesos is said to be due to importation taxes. NFA officials also attribute its losses to the depreciation of the peso and pricing policy constraints;

WHEREAS, the Grains Retailers Association and the Provincial Farmers Action Council urge the national government to exempt the NFA from paying tariff on its rice importations;

WHEREAS, some sectors however believe that the NFA's huge losses are caused by mismanagement and inefficiency of its officials;

WHEREAS, the Department of Finance (DoF) and the Department of Budget and Management (DBM) conducted a review of the NFA and 14 other GOCCs who have contributed to the country's fiscal crisis;

WHEREAS, aside from its huge losses, the NFA has also been remiss in performing its mandate of ensuring rice market efficiency. From 2001 to 2002, the Philippines' rice yield per hectare increased by only 0.09 ton, lagging behind Indonesia's and Vietnam's, which increased by 0.19 and 0.28 ton respectively. The Philippines has also been importing more rice than exporting it;

NOW, THEREFORE, BE IT RESOLVED, as it is hereby resolved, to direct the Senate Committee on Finance to conduct an inquiry, in aid of legislation, into the huge losses incurred by the National Food Authority (NFA), with the end view of reviewing its policy measures and recommending administrative charges on erring public officers.

Adopted,


MANNY VILLAR
Senator