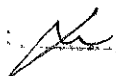


FOURTEENTH CONGRESS )  
OF THE REPUBLIC OF THE PHILIPPINES )  
Second Regular Session )

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SENATE

RECEIVED BY: 

P. S. Res. No. 742

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INTRODUCED BY THE HONORABLE MAR ROXAS

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A RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE CONTINUING HIGH PRICES OF INORGANIC FERTILIZERS DESPITE THE SIGNIFICANT DECREASE IN THE PRICES OF CRUDE OIL AND OTHER PETROLEUM PRODUCTS IN THE WORLD MARKET, WITH THE END IN VIEW OF DETERMINING MEASURES TO STABILIZE THE PRICES OF FERTILIZERS, AND STRENGTHEN CONSUMER PROTECTION AND FOR OTHER PURPOSES.

WHEREAS, Section 1, Article XII of the 1987 Philippine Constitution mandates the Congress to "give highest priority to the enactment of measures that protect and enhance the right of all people to human dignity and reduce social and economic inequities;"

WHEREAS, Section 13, Article XII of the 1987 Philippine Constitution further mandates the State to "pursue a trade policy that serves the general welfare and utilize all forms and arrangements of exchange on the basis of equality and reciprocity;"

WHEREAS, fertilizers positively affect crop production, and that production and supply of fertilizers are of vital importance to food security by minimizing soil degradation while maintaining and enhancing soil fertility;

WHEREAS, fertilizers account for 30 to 40 percent of total cost of production of agricultural crops, and play a crucial role in improving crop production, requiring use of five to six 50-kg bags of fertilizer per hectare to attain optimal production;

WHEREAS, data from the Fertilizer and Pesticide Authority shows that, the country has been importing close to 100% to almost 200% of its total fertilizer requirements from 2003 to 2007, computed as the ratio of total fertilizer importation to total demand based on sales;

WHEREAS, one of the factors affecting the prices of imported fertilizers are the prices of crude oil and other petroleum products in the world market;

WHEREAS, during the period when world prices of crude oil and other petroleum products exhibited a tremendous increase, the prices of fertilizers also showed a corresponding increase, as in May 2008, when the average monthly price of

Dubai crude oil increased by 18% as did the average monthly price of inorganic fertilizers by 16%;

WHEREAS, fertilizer prices however did not decline along with Dubai crude oil prices over the last three months with the latter decreasing by 14% in August, 12% in September, and 26% in October, but the former even increasing by 2.93% in August and 0.39% in September, before decreasing by 0.56% in October;

WHEREAS, the average price of Dubai crude oil decreased by a net of 40.3% from Php112.86 per barrel in August 2008 to Php 67.42 per barrel in October 2008, while the average fertilizer price decreased only by 0.2% from Php 1,694.65 to Php 1,691.61 per 50-kg bag over the same period;

WHEREAS, this insignificant decrease in fertilizer prices from August 2008 to October 2008 is curious given the enormous decrease in Dubai crude prices over the same time period;

WHEREAS, the government should effectively and sufficiently protect consumers against profiteering, particularly with respect to inorganic fertilizers whose high prices prohibit farmers from purchasing the recommended number of bags per hectare to yield optimal production;

WHEREAS, there is a need to strengthen consumer protection against any form of inefficient pricing;

*NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED*, that the Senate direct the appropriate Senate Committees to conduct an inquiry, in aid of legislation, on the continuing high prices of fertilizers despite the significant decrease in the prices of crude oil and other petroleum products in the world market, with the end in view of determining measures to stabilize the prices of fertilizers, strengthen consumer protection and for other purposes.

Adopted,

  
M A R ROXAS  
Senator