

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

OFFICE J. ...

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SENATE
P. S. R. No. 815

RECEIVED BY

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Introduced by Senator Miriam Defensor Santiago

RESOLUTION

DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY,
IN AID OF LEGISLATION, ON THE REPORTED NEED TO REVIEW POLICIES
AND LAWS THAT COULD HELP PREVENT THE EARLY ONSET OF THE "DEAD
SEASON" IN THE SUGAR INDUSTRY

WHEREAS, the Constitution, Article 2, Section 18 provides: "The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare";

WHEREAS, the *Philippine Daily Inquirer* in its 12 December 2008 issue reported that a drop in sugar prices and production could cause an early onset of the "dead season" in the sugar industry that would adversely affect the workers;

WHEREAS, it was reported that the dead season refers to the time when there is no work on sugar cane farms, which usually starts in June and lasts for three months;

WHEREAS, Negros Occidental board member Enrique Lacson reportedly said that last year's bad weather resulted in low sugar production and with the low prices of sugar, there would be less funds for finance production costs for next year to help the workers during the off season;

WHEREAS, Lacson also alleged that the measures undertaken by the Sugar Regulatory Administration (SRA) to address the low prices of sugar were not working. He also alleged that it was possible that "D" or world market sugar, were sold domestically through technical smuggling resulting in an increase in the supply beyond the market requirement, driving the prices down;

WHEREAS, Lacson allegedly said that there should be a reduction in the country's allocation of "D" sugar to address the local sugar industry's problem;

WHEREAS, it was reported that SRA Administrator Rafael Coscolluela admitted that the local sugar industry should brace itself for some tough times because of world recession;

WHEREAS, it was also reported that Coscolluela suggested that the sugar producers avail themselves of quedan financing to tide them over until the prices improve after the holidays;

WHEREAS, Coscolluela also reportedly said that removal of the "D" allocation of sugar would worsen the price situation and that the SRA would watch carefully the production trends and come up with new crop estimates. Coscolluela likewise said that it would not be feasible for the National Food Authority to go into sugar-buying to help the

industry because it was already questioned for the huge amounts it had spent on rice price subsidies;

WHEREAS, the country is a net importer of sugar; the industry employs thousands of farmers and sugar mill workers, and more than five million people depend on the industry directly or indirectly;

WHEREAS, the problem of the local sugar planters have long been a case of drama in Philippine history which should not be ignored but speedily addressed by Congress;

WHEREAS, it is the State's duty to provide means to improve the agricultural sector, including the sugar industry that has suffered from low sugar tariffs and technical smuggling of class "D" sugar;

WHEREAS, the legislature should investigate how technical smuggling occurs and if certain policies should be amended or created to prevent technical smuggling;

WHEREAS, the legislature should also protect the local sugar industry by crafting laws that will industrialize the sugar harvesting process and production process, instead of merely industrializing the import substitution model;

WHEREFORE, be it hereby resolved by the Philippine Senate, to direct the proper Senate Committee to conduct an inquiry in aid of legislation, on the reported need to review policies and laws that could help prevent the early onset of the "dead season" in the sugar industry.

Adopted,


MIRIAM DEFENSOR SANTIAGO

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