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SENATE
P.S. RES. NO. 124

RECEIVED BY

Introduced by Senator Manny B. Villar

RESOLUTION

DIRECTING THE COMMITTEES ON AGRICULTURE AND FOOD TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE STATUS OF RICE SUPPLY IN THE COUNTRY WITH THE END IN VIEW OF OBTAINING A TRANSPARENT RICE IMPORTATION PROGRAM TAKING INTO CONSIDERATION ALL THE CONCERNED STAKEHOLDERS — PARTICULARLY THE CONSUMERS AND FARMERS ALIKE

Whereas, during President Benigno Simeon "Noy" Aquino III's (PNOY) State of the Nation Address held last 26th of July of this year, he revealed that for the past years, National Food Authority (NFA) has been over-importing rice, in some years by more than seven (7) times the need for rice by the country and in other years, by as much as three (3) times;

Whereas, PNOY likewise revealed, as confirmed by news reports, that these thousands of bags of imported rice were left to rot in NFA warehouses;

Whereas, NFA chief, Angelito Banayo, reported that the NFA has a total of 40.7 Million bags of rice currently stocked at NFA warehouses;

Whereas, the said rice stocks of NFA are equivalent to over 56 days of buffer stock which is almost double of the NFA's 30-day mandated food security buffer;

Whereas, Banayo admitted that the rice stocks in NFA warehouses and depositories account for 59% of the total country rice deposits which is equivalent to 3.4 metric tons as of July, while rice in households and commercial warehouses account for 28% or 972,700 metric tons and 13% or 460,200 metric tons respectively;

Whereas, Banayo also added that the NFA was able to buy 3.29 Million bags of rice from April to June or more than double their target of 1.3 million bags;

Whereas, on account of apparent oversupply of rice, Banayo, recently assured the public that the Philippines would no longer issue tenders for rice importation for the rest of the year;

Whereas, despite the foregoing, Department of Agriculture (DA) Secretary Proceso Alcala recently expressed fears that the country may have to import rice this year;

Whereas, Alcala claims that on account of dry spell or El Niño, this reduced the domestic rice production by 10% in the first half of the year, or from 7.3 Million Metric Tons (MT) produced in the first half of 2009 by our local farmers to just 6.6 MT of rice for the same period this year;

Whereas, there seem to be an apparent inconsistency with the reports and statements made by the government agencies as regards the status of rice supply in the country;

Whereas, the country now face an issue of over stocking thousands of bags of rice in its NFA warehouses and depositories which are still left undistributed by the NFA that is at risk of potentially rotting, if not already spoiled, in the warehouses on one hand, and on the other hand, a looming undersupply of rice in the coming months due to the underproduction of rice by our local farmers;

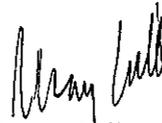
Whereas, on account of these events and reports, and the gravity of its effect to the local economy as rice is a staple food of the Filipinos, the public deserves to know the true status of supply of rice in the country and likewise deserves to be informed of the transactions made by the government as regards rice importation;

Whereas, transparency of this government transaction, particularly the importation, is proper as unbridled entry of thousands of bags of rice flooding the market unnecessarily pulls down the prices of rice in the local market thereby negatively affecting our rice farmers;

Whereas, there must be a balance between stabilizing the domestic prices of rice so as not to burden the Filipino consumers viz a viz reasonable profit our domestic farmers deserve to eke a living and to encourage them to be even more productive in their trade;

Now therefore, be it resolved, as it is hereby resolved, to direct the Committees on Agriculture and Food to conduct an inquiry, in aid of legislation, into the status of rice supply in the country with the end in view of obtaining a transparent rice importation program taking into consideration all the concerned stakeholders —particularly the consumers and farmers alike.

Adopted,


Manny Villar
Senator