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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

540

HOUSE RESOLUTION No. _____

Introduced by
BAYAN MUNA Representatives CARLOS ISAGANI T. ZARATE,
FERDINAND R. GAITE and EUFEMIA C. CULLAMAT

RESOLUTION
URGING THE COMMITTEE ON AGRICULTURE AND FOODS AND THE
COMMITTEE ON GOOD GOVERNMENT AND PUBLIC ACCOUNTABILITY TO
INVESTIGATE, IN AID OF LEGISLATION, THE PROCUREMENT AND
DISTRIBUTION OF FARMING MACHINERIES OF THE DEPARTMENT OF
AGRICULTURE (DA)

WHEREAS, the Philippine government succumbed to the pressure of the World Trade Organization (WTO) to lift the quantitative restriction on the importation of rice and increased the tariff on rice imports. Senator Cynthia Villar, the primary author of RA 11203, known as the Rice Liberalization Law, claims that passing the law will ensure the supply of rice in the Philippine market and that the farmers will benefit from the measure through the Rice Competitiveness Enhancement Fund (RCEF);

WHEREAS, the Philippines has topped China in terms of importing rice in the world market, making it the world's biggest rice importer in 2019. The country unprecedentedly recorded three million metric tons of rice imports from 800,000 metric tons in 2016, representing 7% of total global imports. Compared to China's 2.5 million rice imports, Philippine rice imports is very high considering that China's population is 1.4 billion and Philippines's population is just 110 million;

WHEREAS, the Rice Liberalization law flooded Philippine domestic market of imported rice, which further worsen the current status of the domestic rice industry. In Pampanga, the farmgate price of palay went down to P9-12 per kilo, while in other parts of Central Luzon and Bataan, it went down as low as P7 per kilo. Last August 2019, Senate reported that at least 200,000 rice farmers stopped planting and at least 4,000 out of 10,000 rice mills nationwide stopped their operations due to the influx of cheap rice imports. Also, Philippine Rice Research Institute (PhilRice) Vice President Flordelis Bordey claims that 53 or 65 percent of the rice producing provinces will not survive, which is translated to 40% of Filipino farmers suffering, under the low 35% tariff under the said measure;

WHEREAS, the Philippine Chamber of Agriculture and Food Inc. said that the Rice Liberalization Law stripped farmers of P95 billion in income as the influx of cheap rice imports has pulled down rice prices;¹

¹ www.philstar.com/business/2019/05/25/1920605/rice-import-liberalization-strips-p95-b-farmers#XJeZFAsbzHiQmk6o.99

1 **WHEREAS**, in a press conference last Sept. 4, 2019, President Rodrigo Duterte, as a short-term
2 solution to the disaster caused by the Rice Liberalization Law, ordered the National Food
3 Authority (NFA) to buy all palay from the Filipino farmers in reasonable price;

4
5 **WHEREAS**, on an aired interview last Nov. 17, 2019, President Duterte apologized to farmers
6 due to government shortcomings on the agriculture sector. Even though he did not seek the
7 repeal of the Rice Liberalization Law, he admitted that it hurt the livelihood of Filipino farmers;

8
9 **WHEREAS**, to counter the ill effect on farmers, the Department of Agriculture (DA) Secretary
10 claims that the following 23 provincial governments are now buying wet palay from local
11 farmers:

- | | | | |
|----|----------------|-----------------|----------------------|
| 12 | | | |
| 13 | • Kalinga | • Nueva Vizcaya | • Iloilo |
| 14 | • Mt. Province | • Quirino | • Capiz |
| 15 | • Pangasinan | • Nueva Ecija | • Bohol |
| 16 | • Ilocos Sur | • Bataan | • Biliran |
| 17 | • La Union | • Bulacan | • Zamboanga Sibugay |
| 18 | • Ilocos Norte | • Tarlac | • Sarangani Province |
| 19 | • Cagayan | • Pampanga | • Agusan del Norte |
| 20 | • Isabela | • Marinduque | |
| 21 | | | |

22 **WHEREAS**, RA 11203 annually appropriated P10 billion to the RCEF for six years, which may
23 be extended or terminated in accordance to the review to be made by the Congressional
24 Oversight Committee on Agricultural and Fisheries Modernization (COCAFAM). RCEF will be
25 used as follows:

- 26
- 27 • Rice Farm Machineries and Equipment (RFME) – 50%
 - 28 • Rice Seed Development, Propagation and Promotion (RSDPP) – 30%
 - 29 • Expanded Rice Credit Assistance (ERCA) – 10%
 - 30 • Rice Extension Services (RES) – 10%

31
32 **WHEREAS**, as of Sept. 29, 2019, the Department of Budget and Management (DBM) released
33 P2.46 billion out of P10-billion RCEF, wherein under RSDPP, PhilRice received P2.038 billion
34 to promote, acquire and distribute seeds. According to the DA, funds for mechanization and
35 extension services programs will be soon released, following the DBM issuance of Special
36 Allotment Release Order to Philippine Center for Postharvest Development and Mechanization
37 (PhilMech), Agricultural Training Institute (ATI), and Technical Skills Development Authority
38 (TESDA);

39
40 **WHEREAS**, government agencies, particularly DA, have a history of corruption in delivering
41 the intended programs to support farmers such as fertilizer scams, defective and inappropriate
42 machineries;

43
44 **WHEREAS**, former Agriculture Undersecretary Jocelyn Bolante was tagged as the mastermind
45 of the P728-million fertilizer fund scam, which directed the funds for the 2004 campaign of the
46 former President Gloria Macapagal-Arroyo;

47
48 **WHEREAS**, in 2006, COA reported that DA spent a total of P266 million in the purchase of
49 fertilizers through transfer of funds to non-government organizations during the year, P172
50 million of which was sourced from Priority Development Assistance Fund (PDAF) and P94
51 million from GMA rice and Corn Program fund, but did not improve farmer's yield;

1 **WHEREAS**, the following are just some cases of defective and/or inappropriate equipment
2 procured and distributed under DA's Rice Mechanization and Post-Harvest Development
3 Program to farmers and farmer organizations or cooperatives without consultation. Particularly in
4 Region VIII, farmers were forced to modify some machineries received from the agency in order
5 for it to be useful:
6

- 7 • Alangalang, Leyte – defective mobile rice mill worth P800,000;
- 8 • Alangalang, Leyte – defective rice thresher worth P130,000;
- 9 • Sitio Bunga, Alangalang, Leyte – defective rice thresher worth P130,000;
- 10 • Buraen, Leyte – defective floating tiller worth P130,000;
- 11 • Buraen, Leyte – defective hand tractor worth P130,000;
- 12 • Buraen, Leyte – inappropriate mobile rice thresher;
- 13 • San Roque, Sta. Fe, Leyte – inappropriate rice reaper worth P140,000;

14
15 **WHEREAS**, the DA, under former Secretary Emmanuel Piñol, procured 33 recirculating grain
16 dryers with biomass furnaces and generators worth P88.15 million (P2.73-P3.5 million per dryer)
17 and remains unutilized in NFA warehouses in Region II, VI and Caraga due to not having a clear
18 mode of transfer or disposition and conveyance. According to Atty. Judy Dansal, NFA
19 administrator, the agency did not request for procurement and the sudden distribution required
20 the NFA to allocate its limited budget for electricity and hiring of workers. It is noted that some
21 of the mechanical dryers are lacking parts;
22

23 **WHEREAS**, Raul Montemayor, National Manager of Free Farmers Federation, claims that many
24 of the equipment are underutilized. He also claims that sometimes, the one who won the bidding
25 process can't deliver the best machinery or equipment. The farmer associations or cooperatives
26 still avail the substandard equipment because it is free even though it will breakdown after a few
27 months;
28

29 **WHEREAS**, based on the video documentary hosted by Ted Failon entitled Wakas ng Paggapas,
30 DA Secretary William Dar said that they receive reports and that they currently have an audit team
31 investigating the cases of substandard machineries delivered to the farmer beneficiaries;²
32

33 **WHEREAS**, it is the primordial duty of the Congress, in exercise of its legislative and oversight
34 functions, to ensure that the people's money was utilized for the benefit of the Filipino people and
35 was not wasted due to government inefficiency and corruption. As legislators, it is one of our
36 duties to look into the causes and results of successful and unsuccessful projects and programs
37 implemented by the executive and to help the government learn from its mistakes in pursuance to
38 efficient service delivery for the people;
39

² Part 1.1: <https://www.youtube.com/watch?v=d8MUubJ3N3Q>

Part 1.2: <https://www.youtube.com/watch?v=4X0v2yFLtGE>

Part 1.3: <https://www.youtube.com/watch?v=7RiERUks2-o>

Part 1.4: <https://www.youtube.com/watch?v=KTiHy3DIFnQ>

Part 1.5: <https://www.youtube.com/watch?v=Z8MnaAbuYLk>

Part 2.1: <https://www.youtube.com/watch?v=NzfSicFFqaw>

Part 2.2: <https://www.youtube.com/watch?v=6uNhJmzZBHo>

Part 2.3: <https://www.youtube.com/watch?v=40DaI7s5HKc>

Part 2.4: <https://www.youtube.com/watch?v=KTiHy3DIFnQ>

Part 2.5: <https://www.youtube.com/watch?v=qHurnnt34gU>

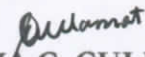
1 programs implemented by the executive and to help the government learn from its mistakes in
2 pursuance to efficient service delivery for the people;

3
4 **NOW, THEREFORE BE IT RESOLVED**, that the House of Representatives, through its
5 Committee on Agriculture and Foods and Committee on Good Governance and Public
6 Accountability, to jointly investigate, in aid of legislation, the procurement and distribution of
7 farming machineries of the Department of Agriculture (DA).

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9 *Approved,*

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13 **REP. CARLOS ISAGANI T. ZARATE**
14 *Bayan Muna Partylist*

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19 **REP. FERDINAND R. GAITE**
20 *Bayan Muna Partylist*

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22 **REP. EUFEMIA C. CULLAMAT**
Bayan Muna Partylist