HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Resolution No. 2289

A RESOLUTION
URGING THE DEPARTMENT OF AGRICULTURE, THE NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY AND THE TARIFF COMMISSION TO DEFER THE
LOWERING OF CORN TARIFF AND MAINTAIN THE CURRENT TARIFF RATES FOR
CORN

WHEREAS, Republic Act 7607, otherwise known as the Magna Carta of Small Farmers,
provides that it is the policy of the State "to give the highest priority to the development of
agriculture such that equitable distribution of benefits and opportunities is realized through
the empowerment of small farmers.";

WHEREAS, RA 7606 also provides that "the State shall provide the necessary support
mechanism towards the attainment of their socioeconomic endeavors";

WHEREAS, the State recognizes the need to protect the welfare of the country’s corn farmers,
where said protection includes the imposition tariffs which serve as a leveling tool to protect
our local corn farmers from unabated importation;

WHEREAS, corn is a staple product and is considered cash crop, which is planted by 1.3
million farmers producing around 8 million metric tons annually with more than 70% of
production concentrated in Northern Luzon, Southern Mindanao and Northern Mindanao;

WHEREAS, currently, corn imports are levied 35 percent within the MAV, 50 percent outside
of the MAV, and five percent within ASEAN Trade in Goods Agreement (ATIGA);

WHEREAS, the Department of Agriculture (DA) issued Special Order No. 540 creating a
technical working group to study the lowering of corn import duties to provide access to
cheapier animal feeds in the agriculture sector;

WHEREAS, the Philippine Maize Federation Inc. (PhilMaize) is opposed to the plan to amend
the tariff structure for corn imports, with PhilMaize President Roger V. Navarro saying that any
proposal to introduce changes in the tariff structure for yellow corn imports is "a death
sentence";

WHEREAS, Bayanihan sa Agrikultura, a coalition of agriculture groups, stated that they are
baffled by the plan to lower tariff rates considering the recent increase in corn production,
especially since the abundance in production did not increase the income of corn farmers,
which they claim show "the incompetence of the DA in promoting and managing our own
agricultural resources";

WHEREAS, Bayanihan sa Agrikultura also said that he lowering of tariffs on imported corn
does not guarantee significant reduction in prices of livestock and poultry;
WHEREAS, United Broilers Raisers Association president Elias Jose Inciong said the prices of poultry and livestock are not dependent on the rate of corn tariffs but on the supply-demand dynamics of a particular commodity;

WHEREAS, according to PhilMaize, the corn production in 2019-2020 surged which led the drive for the growth of the agriculture sector but corn prices plunged 33% from normal levels to Php 9-8 per kilo;

WHEREAS, PhilMaize also stated that these corn prices do not have direct and immediate empirical correlation to the decrease of feeds and meat prices in the market, as exemplified in the last two years where corn prices plunged to Php 9-8 per kilo but there was no reduction in the prices of feed and meat;

WHEREAS, in a study conducted by the Philippine Competition Commission (PCC) on Philippine corn competitiveness, it showed that large importation of feed wheat and corn caused the fall in local corn prices to its lowest level;

WHEREAS, PhilMaize attributes the fall of local corn prices to the uncontrolled, unabated and uncalibrated large arrivals of feed wheat and imported corn during the wet season harvest which displaced local corn harvest from getting into the warehouses and silos of the livestock and feed mill sector;

WHEREAS, PhilMaize claims that this resulted in huge economic losses among the corn farmers as corn prices fell to as low as Php 9-10/kg at farm level, way below the Php 13.25/kg support price which the NFA established;

WHEREAS, PhilMaize also states that this caused the sector as much as Php10 billion in lost revenues which is magnified especially during this COVID-19 pandemic;

WHEREAS, the State should recognize the need to keep our local farmers motivated, encourage them to continue planting, and keep their production stable by implementing a more strategic approach to balance enterprise resource planning.

NOW THEREFORE, BE IT RESOLVED by the House of Representatives, to urge the Department of Agriculture, the National Economic and Development Authority and the Tariff Commission to defer the lowering of corn tariff and maintain the current tariff rates for corn.

RUFUS B. RODRIGUEZ