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LACSON, SOTTO TAKE UP CUDGELS FOR ONION GROWERS

By Melvin Gascon
@melvingasconINQ

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The government can pluck itself out of the "importation mentality" by tapping funds commonly unused in the annual budget for programs meant to help farmers, presidential aspirant Sen. Panfilo Lacson said on Tuesday.

Speaking with onion farmers' representatives in Gapan City in Nueva Ecija, Lacson warned anew that the current thrust of the Department of Agriculture to push importation of various agricultural products would only "kill" local farmers.

"We have developed the so-called importation mentality and this does not apply only to onion growers, because instead of helping the farmers, [the government] will kill them with importation," he said.

Lacson lamented how Congress has been allotting "huge" funds in the General Appropriations Act to help farmers but these funds were purportedly often left unspent.

"For agri-machineries alone, around P11 billion was proposed in the [National Expenditure Program], which was increased to P13 billion by Congress," he said.

Another P5 billion was earmarked under the Rice Tariffication law, he said.

"Just imagine how much P18 billion can do to help the farmers," he said.

Lacson urged the government to add more funds for research and development.

"We also need to support our homegrown talents, and sadly, this support is hampered by the huge disconnect between what is needed and the funding provided," he said. INQ

MANILA BULLETIN

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Meat vendor SM supplier North Star plans ₱4.5-B IPO

By JAMES A. LOYOLA

North Star Meat Merchants Inc., one of the largest pork and beef vendors in the country, is planning to raise up to P4.5 billion from an initial public offering of both new and secondary shares.

In a statement, the firm said it has filed with the Securities and Exchange Commission (SEC) its Registration Statement for the offer and sale of up to 450 million common shares at a price of up to P10 each.

These shares consist of 360 million primary shares and 32 million secondary shares, with an over-allotment option of up to 58 million secondary common shares that will be used for the price stabilization activities.

North Star posted sales of P9.28 Billion in 2021 and has consistently registered a compounded annual growth rate (CAGR) of 39.7 percent since 2019.

As the total meat consumption of the Philippines grows, the firm is launching its IPO to accelerate the expansion of its end-to-end cold chain infrastructure and operations.

In addition, the Company is looking to expand its financial muscle in order to keep up with the growth of their key retail partners SM Markets and Waltermart Group, and prepare for future potential retail partners.

Subject to regulatory approvals, the IPO will pave the way for the Company to join the Main Board of The Philippine Stock Exchange, Inc. (PSE) and allow the investing public to participate up to 25 percent of its 1.8 billion outstanding shares after the offer.

The Company plans to run the offer period in June 2022, and targets to list on the Main Board of the PSE before the end of the first half of 2022. NSTAR expects to net up to P3.5 billion from the sale of its primary shares during the IPO.

"With increasing demand for fresh and frozen protein, we are keen on accelerating the growth and reach of the Company to consistently provide safe, quality, and affordable meat for everyone" said North Star Founder and CEO Anthony Ng.

He added that, "We remain steadfast in our commitment to support the country's goal to achieve food self-sufficiency and security while creating value for our shareholders." BDO Capital & Investment Corporation has been engaged as the sole issue manager, and together with China Bank Capital Corporation, will act as the Joint Lead Underwriters and Bookrunners for the IPO.

With the strategic decision to expand its Bulacan cold storage facility and the opening of its Cebu cold storage facility, North Star was able to increase its maximum storage capacity from 2.1 million kilos to 8.0 million kilos when the economy was in the midst of the pandemic.

This expanded capacity is expected to be fully utilized as the Company sees the reopening and growth of the hospitality and tourism industries.

Aside from advancing its expansion plans, North Star looks to further strengthen its presence in the cold chain solutions sector by creating synergies with public entities such as the Department of Agriculture (DA).

The strategic partnership with the DA allows for a contract growing arrangement with small sized pig farmers by North Star to be distributed to its customers with outlets nationwide, boosting the confidence of local farmers to maximize production capabilities.

"North Star believes that it is well-positioned to take advantage of a young and growing meat consuming population. An increase in purchasing power translates to an increase in meat consumption per capita," said Ng.

He noted that, "Due to the pandemic, we believe that consumers have now become more health and safety conscious affecting what they consume and where they purchase their food. North Star stands to benefit from this change in consumer behavior by being available in 360 supermarkets and 1251 convenience stores nationwide" North Star will be the first meat and protein pure play in the equity market.

BusinessMirror

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editorial

Daunting challenge for PHL leaders

THE surge in wheat and corn prices caused by Russia's invasion of Ukraine sent nations scrambling for other suppliers to secure their domestic requirements. More expensive wheat and corn is bad news for the livestock and poultry sector as this could raise the price of animal feeds. As prices continue to climb, buyers are turning to alternatives, such as broken rice, to support hog and poultry production, according to a Reuters report.

China, for one, is buying more low-grade rice after wheat prices soared to unprecedented levels in recent weeks. Expectations that China will increase its purchases of broken rice have led to an increase in the export price of the grain. Reuters said rice from Thai exporters rose by 5 percent to $421.50 per metric ton (MT) last week while Vietnam and India—two of the top sources of rice imports for the Philippines—have also raised prices.

Unless the conflict in Eastern Europe is resolved soon, nations that rely on imports to plug the gap in food supply and for farm inputs, such as fertilizer, will have to pay more for the products. The Philippines, for one, is reliant on other countries for its fertilizer requirements, and it also imports rice to beef up local supply. The country's current rice self-sufficiency level, according to government data, has not even touched 90 percent, which means it would have to import some 10 percent of our rice requirement.

While export prices of the staple have not yet soared to levels seen during the 2008 crisis, government must see to it that Filipino planters have the means to sustain and increase their production. Beefing up domestic production would help shield the Philippines from the impact of export restrictions or bans, which would further drive up rice prices. The volatility in commodity prices in 2008 was largely due to the restrictions imposed by exporting countries.

The government has already set aside funds for a fuel and fertilizer subsidy program ***(See, "DA issues rules for fertilizer aid scheme," in the* BUSINESSMIRROR*, March 9, 2022).*** More than P8 billion was allocated for the scheme, but if the war in Ukraine drags on, the government may have to shell out more to help farmers cope with the spike in fertilizer and fuel prices. Aside from distributing cash aid to vulnerable sectors, government must work with the private sector to secure fertilizer, a vital input for growing rice and sugarcane.

Key developments that the government needs to watch out for are the dwindling supplies of fertilizer from Russia as well as the ban on the export of key crop nutrients containing nitrogen, potash and phosphates. Also, soaring natural gas prices—the main ingredient for nitrogen crop nutrients—have prompted producers to reduce their fertilizer output, according to a *Financial Times* report.

There's an urgent need to stabilize prices of farm inputs in the country. Failure to put in place measures that will shield the country from soaring fertilizer prices will further raise food prices, and eventually accelerate inflation. The challenge for our national leaders is how to shield farmers from the effects of the Ukraine war, help improve their productivity, and ensure consumer welfare.

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The Manila Times®

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Group lauds DA for fuel subsidy to farmers, fishers

BY EIREENE JAIREE GOMEZ

FOOD security group Tugon Kabuhayan is supportive of the Department of Agriculture's latest program that provides fuel subsidies to corn farmers and fisherfolk amid the increasing prices of fuel caused by the Russia-Ukraine conflict.

"In the midst of all these, it is not only the transport sector who are affected, but also the farmers and fishermen who transport their goods in the market on a daily basis. More expenses mean less income to bring to their families. And we support the initiative of the Department of Agriculture for giving fuel subsidies to corn farmers and fishermen," said Tugon Kabuhayan convenor and former Bureau of Fisheries and Aquatic Resources director Asis Perez during a virtual press briefing.

Following the start of the Russia-Ukraine conflict, the Agriculture department issued a Memorandum Circular 7, Series of 2022 dated March 7, 2022 on the implementing guidelines on the provision of fuel discount to farmers and fisherfolk, and allocated P500 million for the initiative. The fuel discount shall be primarily for all machineries used in corn production from land preparation to post-harvest activities as well as motorized boats for fishing operations.

During the briefing, Philippine Maize Federation Inc. president Roger Navarro said that corn is the first commodity to be liberalized by World Trade Organization in the country, but only P700 million is allocated for the corn industry.

"The subsidies given by the government are not distributed to all the corn farmers because the data is not accurate. Out of the 800,000 corn farmers, only a small number receives financial aid," Navarro said.

"We need post-harvest facilities. From August to September, 60 percent of volume for the whole year is harvested at this time, which accounts for seven months' worth of food. We only have a small window of time before the rainy season arrives, which is one month, to dry our crops. We need post-harvest facilities and mechanical dryers to speed up the process. This produces better quality corn. But since we don't have those, we produce corn that is poor in quality and we get paid less for our harvest because of it," Navarro explained, noting that only 30 percent is harvested during the summer, which gives the industry only five months' worth of food.

Meanwhile, rising fuel prices are hurting the fishing sector, said Pangisda president Pablo Rosales.

Rosales said the law states that those who are registered are the ones only qualified to receive subsidies. "We hope everyone can avail of this P3,000, not just those registered fishermen but also those who live in far-flung areas. They are the ones who need the money the most. Three-thousand pesos is a big help for those fishermen who are struggling right now," he said.

Rosales, however, stressed the need for a clarification on the memorandum. "Will those who just recently registered or about to register still receive the money? We need it now more than ever because of the high gas prices," he said.

Daily Tribune
WITHOUT FEAR • WITHOUT FAVOR

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Corn sector needs 'viability gap' fund

They need to provide the so-called viability gap fund, it answers the budget problems

BY MARIA ROMERO
@tribunephl_mbr

The government needs a so-called "viability gap" fund to ramp up the development of the corn industry, which is now facing headwinds as the economic team bats for reduced corn tariffs and increased import allocation.

At a virtual press conference on Monday, Philippine Maize Federation Inc. President Roger Navarro said there should be higher budgetary support, particularly a provision for mechanical dryers, for the sector to encourage growth.

"We will be very candid about it. The General Appropriations Act cannot finance that, so the Department of Agriculture (DA) must have an annual target. If the target is 10 percent in the next six years, you have to allocate the proper budget early on," Navarro explained.

"They need to provide the so-called viability gap fund, it answers the budget problems. Hopefully, there will be amendments and policies will be more accessible," he added.

Navarro pointed out that the fund will also hasten the Philippine Corn Development Authority to manage and implement developmental policies and projects of the corn industry.

Currently, the Corn Program funding support of the government only stands at P1.4 billion, which is only 1.3 percent against the corn's gross value added (GVA) share contribution of 5.8 percent, valued at P102.5 billion.

Data registry problematic

Relatedly, Navarro proposed that the DA streamline and update the problematic Registry System for Basic Sectors in Agriculture (RSBSA) to ensure that cash grants are distributed to qualified beneficiaries.

"We can do nothing. Like what they always say, a pauper can never be a chooser. You can just imagine because the fuel subsidy only covers 82,000 farmers, not even 10 percent of the total corn farming families. In our experience, our RSBSA data is not yet accurate. The accuracies and transparencies are unreliable and problematic," Navarro said.

Last week, the DA started the release of the P3,000 fuel subsidy for farmers to cushion the blow of the fuel price spike. The second tranche will be distributed in April.

Daily Tribune
WITHOUT FEAR ◊ WITHOUT FAVOR

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Restrictions vs avian flu in Southern Leyte set

The Bureau of Animal Industry has confirmed the detection of bird flu Type A Subtype H5N1 in the duck farms in Baliuag, Bulacan and Candaba, Pampanga as well as in quail farms in Candaba and Mexico towns in Pampanga

BY ELMER RECUERDO

MAASIN CITY – The provincial government of Southern Leyte has set regulations on the entry of all poultry and poultry related and by-products into the province to protect the local industry following the detection of avian influenza in many areas in Luzon.

Southern Leyte Governor Damian Mercado signed an executive order on Monday, 21 March, setting a 45-days temporary ban on entry of all live poultry coming from mainland Luzon.

However, the order allows live poultry coming from Mindanao to enter the province as long as a certificate is presented that the shipment is free of avian influenza infection.

To recall, the Bureau of Animal Industry has confirmed the detection of bird flu – Type A Subtype H5N1 – in the duck farms in Baliuag, Bulacan and Candaba, Pampanga as well as in quail farms in Candaba and Mexico towns.

In subsequent conduct of surveillance activities with one-kilometer quarantine area, additional cases of bird flu were confirmed in Minalin, Pampanga; Victoria, Laguna and in Bula and Sipocot towns in Camarines Sur.

Avian influenza is a highly contagious viral disease caused by a flu virus affecting chicken, turkeys, quails, guinea fowls as well as pets and wild birds.

In his order, Mercado designated Liloan port as the only entry port for poultry in the province and will exit through Silago town.

"The Silago to Liloan route will solely be used and thorough disinfection shall be conducted in Silago and Liloan before going to the port of San Ricardo, Southern Leyte," the order said.

Shippers of live poultry and other poultry products will also be required to present a veterinary health certificate issued from the sourced farm, shipping permit, livestock handler's certificate of registration, and disinfection certificate from the farm source, quarantine entry and exit points.

BusinessWorld

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Party-list pushes for fuel subsidy in cash for agri-fishery sector

THE DEPARTMENT of Agriculture (DA) should distribute the fuel subsidy for farmers and fishermen through direct cash assistance instead of discount cards, a party-list group said Tuesday.

"How could it be a subsidy when it will only be in a form of discount dispensed to a small portion of the total registered fisherfolk and farmers in the country?" Anakpawis President Ariel Casilao said in a statement.

"This brings nothing substantial to the distressed rural sectors because what they need is a full fuel subsidy in a form of direct cash assistance."

He said that only 5% of the 1.7 million registered fisherfolk will be able to benefit from the P500-million fuel subsidy provided by the DA.

Anakpawis, which does not have a seat in the current Congress but is running in the May elections, also said they are pushing for a huge rollback of oil prices until they become more affordable.

"The rollback this week should correspond with the total oil price hikes this year," Mr. Casilao said. "Local pump prices have dramatically increased by P20-P30 per liter, then the rollback should be as much."

The passage of House Bill (HB) No. 9192, which seeks to abolish the National Task Force to End Local Communist Armed Conflict (NTF-ELCAC) and divert its funds to granting production subsidies to workers in the agricultural and fisheries sector, is also being pushed by Anakpawis.

Members of the Makabayan bloc in the House of Representatives who authored the bill said in their explanatory note that the NTF-ELCAC has lost its mandated function and that it "threatens the pillars of human security."

"Thus, it has no moral ground to be allotted with a vast amount of public resources, and this should be shifted to a productive endeavor such as providing the 1 million small fisherfolk and fish workers with P15,000," Makabayan lawmakers said.

Gabriela Rep. Arlene D. Brosas, one of the principal authors of the bill, said that they will refile the bill if they win seats in the 19th Congress.

"Yes, definitely we will file the HB 9192...There was no committee hearing done during the 18th Congress, so we hope there will be a movement on the next Congress about this bill," Ms. Brosas said in a Viber message. — **Jaspearl Emerald G. Tan**

PEOPLE'S JOURNAL
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Farmers, fisherfolk laud DA for fuel subsidy

FARMERS and fisherfolk nationwide on Monday lauded the Department of Agriculture on providing fuel subsidy amidst the increasing price of gasoline caused by the Ukraine-Russian conflict.

In the midst of the Russia-Ukraine conflict, "it is not only the transport sector who are affected, but also the farmers and fishermen who transport their goods in the market on a daily basis. More expenses mean less income to bring to their families. And we support the initiative of the Department of Agriculture for giving fuel subsidy to farmers and fishermen," said former Bureau of Fisheries and Aquatic Resources Director Asis Perez.

Since the Ukraine-Russia war started in February 24, there has been a weekly increase of gasoline. From a prevailing average price of P65 per liter of gasoline to as high as P86 per liter of gasoline in just a span of three weeks.

The DA issued a Memorandum Circular 7, series of 2022, dated March 7, 2022 on the implementing guidelines on the provision of fuel discount to farmers and fisherfolk and allocated P500 million. The fuel discount would be primarily for all machineries used in corn production from land preparation to postharvest activities as well as motorized boats for fishing operations.

Philippine Maize Federation Inc. president Roger Navarro, in the same briefing, said that corn is the first commodity to be liberalized by World Trade Organization in the country, of which only P700 million was allocated for the corn industry.

"The subsidies given by the government are not distributed to all the corn farmers because the data is not accurate. Out of the 800,000 corn farmers, only a small number receives financial aid," Navarro said.

"We need post-harvest facilities. From August to September, 60 percent of volume for the whole year is harvested at this time, which accounts for seven months' worth of food. We only have a small window of time before the rainy season arrives, which is one month, to dry our crops. We need post-harvest facilities and mechanical dryers to speed up the process. This produces better quality corn. But since we don't have those, we produce corn that is poor in quality and we get paid less for our harvest because of it. During the dry season, only 30 percent is harvested during the summer, which gives us 5 months' worth of food," he added.

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PH faces new food, non-food inflationary pressures - DOF

By CHINO S. LEYCO

Consumer should brace themselves for further acceleration in prices as the Philippines continues to face inflationary pressures from both food and non-food items, the Department of Finance (DOF) said.

Finance Chief Economist Gil S. Beltran said effects of the African swine fever (ASF) continues to threaten food security and is further complicated by the ongoing geopolitical tension in Easter Europe that has implications on both food and energy security.

To help alleviate the effects of the ASF on food prices, Beltran said the country needs to repopulate decimated hog populations and momentarily supplement any shortfall with meat imports.

However, Beltran noted that for non-food price inflation, there is not much the Philippines can do because of its dependence on oil imports.

"In the short-term, non-food price inflation will continue to be driven by developments in the global energy market," Beltran said.

Dubai crude oil averaged $93.13 per barrel in February, up by 12 percent from January, and was the highest since October 2014.

The futures market for oil was in "backwardation"—the spot price is higher than near-term futures contracts which are, in turn, higher than longer-term contracts—suggesting tight supply conditions and higher convenience yield associated with having on hand the physical commodity.

"This backwardation also suggests that market players expect oil prices to eventually stabilize as oil-producing countries turn on the taps. Note, however, that the oil futures market has been in backwardation since last year," Beltran said.

Higher energy prices in the world market ultimately get translated into higher local pump prices, Beltran said. However, it would be a policy mistake to suspend fuel excise taxes as this would mean "subsidizing the rich," the owners of gas guzzlers and airconditioned houses.

"As previously stated, the more equitable and transparent, hence appropriate, means to cushion the impact of higher pump prices is through targeted support to vulnerable groups," he said.

Last week, Finance Secretary Carlos G. Dominguez III said the government would need to borrow additional money from creditors should taxes on petroleum products are suspended.

Dominguez said suspending fuel excise taxes will only provide temporary and minimal relief to consumers, but entails detrimental impact on government's fiscal position.

Dominguez noted that suspending oil levies would bring down prices of goods by only 0.03 percentage points in 2022, but it will hamper the economic recovery and result in slower growth by 0.4 percentage point (pp) in the short run and 0.03 pp in the long haul.

Manila Standard

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Leading meat supplier to SM Markets seeks ₱4.5-b IPO

NORTH Star Meat Merchants Inc., a leading frozen and fresh meat supplier, plans to raise up to P4.5 billion from an initial public offering in June.

North Star Meat said in a statement Tuesday it filed with the Securities and Exchange Commission an application to sell up to 392 million common shares, with an over-allotment option for another 58 million secondary common shares at P10 each.

The company plans to use the net proceeds from the offering to expand a cold storage facility in Bulacan and open another one in Cebu.

The expansion plan will increase the company's maximum storage capacity to eight million kilos from 2.1 million kilos.

The company is also looking to expand its financial muscle to keep up with the growth of key retail partners SM Markets and Waltermart Group and prepare for future potential retail partners.

"With increasing demand for fresh and frozen protein, we are keen on accelerating the growth and reach of the company to consistently provide safe, quality and affordable meat for everyone" North Star founder and chief executive Anthony Ng said.

North Star recorded sales of P9.28 billion in 202 and achieved a compounded annual growth rate of 39.7 percent since 2019.

About 90 percent of its business are with SM supermarkets and affiliate stores including Alfamart and Savemore.

"North Star believes that it is well-positioned to take advantage of a young and growing meat consuming population. An increase in purchasing power translates into an increase in meat consumption per capita" Ng said.

BDO Capital & Investment Corp. was engaged as the sole issue manager and underwriter for the offering.

"We expect there would be strong interest for this IPO given North Star's unique focus on the country's meat sector and food security, its established and longstanding relationships with retail giants such as the SM group and its unmatched scale of operations," BDO Capital president Eduardo Francisco said.

Jenniffer B. Austria

THE PHILIPPINE STAR
TRUTH SHALL PREVAIL
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Comparative Study of the National Rice Program with a Php15.7B Budget from the General Appropriations Act and the Rice Competitiveness Enhancement Fund with a Php10B Budget from the Tariff Collected from Imported Rice from Rice Tariffication Law.

The Rice Competitiveness Enhancement Fund

The Rice Competitiveness Enhancement Fund is allocated with Php10B budget coming from the tariff collection from imported rice, as provided for by Republic Act 11203 or the Rice Tariffication Law (RTL).

A key feature of the law is the Rice Competitiveness Enhancement Fund, or RCEF, which is a guaranteed annual allocation of Php10 Billion that began since the implementation of the law in 2019, and would last until 2024. It is allocated and disbursed as follows:

- Rice farm machinery and equipment (50%), or Php5B per year, released to and implemented by the Philippine Center for Postharvest Development and Mechanization (PhilMech)
- Rice seed development, propagation, and promotion (30%), or Php3B per year, released to and implemented by the Philippine Rice Research Institute (PhilRice)
- Expanded rice credit assistance (10%), or Php1B per year, made available in the form of credit facility with minimal interest rates and minimum collateral requirements to rice farmers and cooperatives to be managed equally by the Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP)
- Rice extension services (10%), or Php1B per year, made available for extension services provided by the PhilMech, PhilRice, Agricultural Training Institute (ATI), and Technical Education and Skills Development Authority (TESDA).

Republic Act No. 11589 or the Cash Assistance for Filipino Farmers Act was signed by President Duterte on December 10, 2021, allowing the grant of financial assistance of Php5,000 to 1.6 million farmers who are farming 2 hectares and below until 2024, from the excess of the P10billion tariff collected from imported rice.

Issues have been unfairly raised to discredit what has been accomplished by the RTL. Questions on the effectiveness of the program and performance monitoring are allegations without sufficient basis. To begin with, at least two million farmers are now reaping the benefits under the RCEF. The RCEF has been properly utilized and component deliverables have been effectively achieved despite the ongoing pandemic. Monitoring and reporting have been very transparent. Suffice it to say, it should serve as a model for the other rice program, the National Rice Program, as well as other banner agricultural programs.

- Rice yield continued to improve as the harvest in 2021 reached 19.95 MMT, despite the Php2.5 Billion damage wrecked by Typhoon Odette as reported by the Department of Agriculture. In 2020, the harvest also improved by 3.3% at 19.4 MMT, which is more than the 18.81 MMT output in 2019
- Production cost has been reduced for those who availed of rice production machineries
- Post-harvest losses have been reduced in post-production (harvesting, threshing, drying and milling) for those who availed the services
- Increase in value-adding income from rice and non-rice sources

Notwithstanding the pandemic and the occasional acidic comments of critics, the different components of RCEF have achieved their targets from 2019-2021 as follows: PhilRice seeds distribution at 88%; PhilMech, (machineries) at 82.72%; For the credit component (loans): Landbank, 100% while DBP, 80%; For the training and extension component: ATI at 91%, and TESDA, 93% of their target. We can only commend these agencies for their accomplishment despite the difficulty of the pandemic.

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TRUTH SHALL PREVAIL

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Originally, the RCEF-Seed covers 57 provinces, which are selected based on yield, area harvested, cost of production, and percentage of irrigated area. The program operates in cities and municipalities within these provinces with at least 100 hectares rice area. Starting 2021 wet season, the program is focusing on 42 provinces with low to medium yield and limited certified seed adoption to create greater impact.

Taking everything into account, the Rice Tariffication Law led to a significant drop in inflation because the price of rice in the market became stable. While food prices steadily rose by around 1.6% year on year, the price of rice went down to 0.1% inflation in 2021 according to NEDA. Rice is no longer a contributory factor to inflation.

The National Rice Program

The National Rice Program has a budget of Php15.7B for 2022 under the Office of the Secretary to be spent on the following:

Php6.39B	Procurement of hybrid seeds
Php4.49B	Chemical fertilizer
Php933M	Irrigation services, which has been similarly provided for in NIA budget of Php31B
Php1.357B	Extension Support Education and Training. The same item has an allocation of Php1B in the RCEF
Php632M	Research and Development
Php1.96B	Equipment and Facilities. Allocation for equipment was also provided for in the RCEF

Items already receiving allocation from other programs, should not be duplicated by National Rice Program. Duplication creates an issue of who is accountable and which fund was used. It is also a counterintuitive measure and promotes inefficient use of resource.

Yet, the promotion of hybrid rice has been the central goal of the National Rice Program since 2001. The adoption rate of hybrids by farmers has remained low (about 5% of total rice area) despite concerted efforts and massive subsidies. Evidently, most rice farmers do not find the currently available hybrid rice varieties to be economically superior to inbred varieties. At farmers' level, their yield advantage has not compensated for the higher cost of seeds, labor, and other inputs usually required by hybrid varieties. Unlike inbred varieties which can be grown by farmers, hybrid varieties need to be purchased every cropping season. While some hybrid varieties may be suited to irrigated areas with developed market infrastructure, demand by farmers has not been sufficiently large and concentrated for private seed companies to be commercially viable. The highly subsidized approach of the program has been not just ineffective but costly in terms of wasting scarce budgetary resources, compromising the government's regulatory functions, promoting corruption, and distorting farmers' varietal choices.

With this, the National Rice Program, which has been in existence since 1986, failed to address the important issues that plagued the rice industry. Almost 36 years since its inception, significant policy reforms were still needed to make our rice farmers more competitive.

In terms of budget, the National Rice Program under the DA-OSEC was undoubtedly given a full arm of resources to capitalize on. In 2019, Php675 Million from allocation of National Rice Program's Php7.4 Billion budget went to seeds distribution only. There was no allocation for fertilizer. In 2020, its budget rose to **Php19,528,218,000** owing to additional funds coming from the Bayanihan Acts. Of the said amount, **Php7,193,611,000** went to seeds distribution or 36.8% and **Php8,313,745,000** for fertilizer distribution or 42.5% of the whole budget.

In 2020, as mandated, National Rice Program began distributing seeds and fertilizers to farmers. But by 2021, it began distributing vouchers worth Php2,100 for hybrid and Php1,200 for inbred in lieu of fertilizer valued at Php2,500/bag (it was previously valued at Php1,000/bag in 2020). This was without regard to total farm land area of the beneficiaries. Per accomplishment report, 418,684 farmers benefitted from this distribution. If, for arguments sake, we multiply that with the value of fertilizer for hybrid seeds in order to arrive at the total value of vouchers given away, we only get Php879,236,400. **However, the budget allocated for fertilizer distribution for 2021 is at Php4,404,391,000.** This comes as a shock as it means that National Rice Program was only able to utilize **19.6%** of the total budget allocated for fertilizer in 2021. There seems to be no sense of urgency for this program. The allocation was given in order for the government to immediately respond to the needs of the farmers in this time of crisis.

SUMMARY OF PERFORMANCE OF BOTH RICE PROGRAMS		
	National Rice Program Based on Performance Report for 2019-2021	**Rice Competitiveness Enhancement Fund (RCEF)** Based on 2019-2021 accomplishments
Targets	Seeds distribution:Average of 69.26%	PhilRice seeds distribution at 88%
	Fertilizer distribution: (2021) 19.6%	N/A
	Agricultural Equipment and Facilities: Ave. 63.14% (machinery distribution)	PhilMech (machineries) at 82.72%;
	Credit component: N/A	For the credit component (loans): Landbank, 100% while DBP, 80%;
	Extension Services Education and Training: Ave of 65% (ToTs and other trainings)	For the training and extension component: ATI at 91%, and TESDA, 93% of their target.
	Research and Development: Ave. 69.3%(studies conducted)	N/A
	Irrigation services:Ave. 40.87%(small scale irrigation projects)	N/A

Based on the foregoing, the effectiveness of the rice programs has been measured vis-à-vis their purposes/objectives and the efficiency in utilization of their budget. Clearly, according to those metrics, the National Rice Program underperformed, while the Rice Competitiveness Enhancement Fund (RCEF) delivered.

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Isko vows to end smuggling of agricultural products

PRESIDENTIAL aspirant Isko Moreno assured of strict importation of agricultural products to protect farmers when he wins in the coming polls.

Moreno said he wants local producers to boost their livelihood before any importation is made.

When elected into office, he assured local producers that the national government will purchase their surpluses at the right price while additional support to the agriculture sector will be given. This includes providing risk-free capitals to farmers and fisherfolk and building more irrigation systems while improving the efficiency of existing ones, he said.

Moreno is also planning to establish cold storage facilities across the country and in major production areas and establish the Department of Fisheries and Aquatic Resources.

Jerry S. Tan