

## PROTECT RICE, SUPPORT SMALL FARMERS' LIVELIHOODS AND ASSERT FOOD SOVEREIGNTY: A CALL TO ACTION ON WORLD FOOD DAY

In observance of the International World Food Day, we in the Integrated Rural Development Foundation (IRDF) and the National Movement for Food Sovereignty (NMFS) urge the Philippine government to adopt a sovereign food policy that rejects past administrations' adherence to privatization, deregulation and liberalization of agriculture. Such policies have only deepened poverty and hunger while ensuring the dominance of agribusiness corporations in every stage of the food supply chain.

We call on the Philippine government to protect our small-scale food producers and consumers, assert our food sovereignty and push for agriculture modernization that is supported by and linked to national industrialization. This strategy will truly bring about rural transformation and move the mass of farmers out of poverty.

### On the WTO, Rice Tariffication, and Quantitative Restriction

It is high time that government reviews its commitments to the World Trade Organization as the country faces the impending threat of rice tariffication. In compliance with the WTO, the Philippine government removed all import controls and quantitative restrictions (QRs) on agriculture products except rice under the Agricultural Tariffication Act of ~~1996~~ (RA 8178). Allowed by the WTO for 10 years, the rice QR was renegotiated and extended twice since 2005. It is scheduled to be lifted by June 2017. Under WTO rules, exemptions have to be paid through increased imports at lower tariffs for other products.

The extension of rice QRs clearly was needed to protect our own rice farmers from cheap highly subsidized rice imports coming from neighboring countries. The QR prevents a drastic drop in domestic rice prices. The table below shows the disparity between the price of imported rice (at 35% tariff) and the wholesale price of locally produced rice. The data clearly manifests the disadvantaged position of our local farmers. Lacking the competitive advantage against the influx of the much cheaper imported rice, our farmers face increased threat not only of displacement, but even of extinction.

Table 1  
Wholesale Price vs. Import Parity Price

Country	Rice Price per Kilogram (P/kg)
Philippines	P34.5/kg
Thailand	P30.9/kg
Vietnam	P27.3/kg

Contrary to the WTO's claims, the Philippines stands to lose more from this deal than they let us believe. Let us keep in mind that Philippine agriculture remains in the quagmire of underdevelopment. Instead, only big transnational agribusiness corporations in the US, EU, Canada, and Australia have reaped the benefits of increasing food importation. WTO's blatantly unfair trade rules restrict the ability of developing countries like the Philippines to protect their key food sectors.

The country's continued adherence to WTO's unfair trade agreements has weakened its capacity to feed the people while increasing its dependence on food imports. This is exemplified by the devastating impacts of the 2008 global food crisis especially on the poor population who faced the prospect of hunger amidst rising food prices and diminished supply. The withdrawal and reduction of support systems such as subsidies and price support for the country's basic staple has already thrown our country to the mercy of the international market. We expect to see the worst if the remaining QR is finally lifted.

### Threats of NFA Abolition and Privatization

The proposal by Finance Secretary Carlo Dominguez III to 'restructure' the NFA, which means to separate the agency's regulatory function from that of its procurement and stabilization function to streamline government spending is essentially tantamount to NFA's outright abolition. Past administrations have repeatedly attempted the privatization of the NFA, under pressure from multilateral financial institutions like the World Bank and the Asian Development Bank. Together with the removal of rice QRs, the privatization of the NFA ~~will~~ pave for increased private sector role in a public good that is essential to ensuring the country's food security.

Under present laws, the National Food Authority (NFA) is allowed to manage the importation of rice, effectively barring private traders to import rice. By taking away its function to regulate the rice supply by means of its rice procurement, the NFA would be unable to support the small rice farmers and the Filipino consumers in need of affordable rice. Stable rice prices are crucial – especially in a country like the Philippines where it is the primary staple food. It cannot be understated that the stability of rice prices can directly affect whether a family goes hungry or not.

Unfortunately, proponents of this abolishment seem to completely ignore the grave costs this proposal entails on our poor farmers and consumers.

Instead of making moves to abolish the NFA by undermining one of its key functions, policymakers should rid the agency of corruption and strengthen its functions in assisting poor farmers. Policymakers should remember that this institution was established in order to empower and assist the small Filipino food producers. Hence, we urge this government to uphold NFA's mandate and make it function effectively and efficiently.

### **Food (In)Security, Importation, and the Looming Food Crises**

If this government is truly sincere in its promise to bring this nation to progress and to alleviate poor Filipinos from poverty, the welfare of our poor farmers which make-up the majority of rural poor must be prioritized. After all, they are the ones that feed the nation. But looking at these trends, what this government promises to achieve and the framework through which it seeks to deliver its promise are directly in contrast.

The push for tariffication and the removal of the QR stems from the problematic view of our policymakers on the concept of 'food security.' According to this framework, the main goal is ensuring enough food for the country, regardless of its production -- whether it's imported or GMOs. This type of thinking is short-sighted, problematic, and puts the entire nation at risk.

In its study on the impacts of Climate Change on Agriculture, the International Food Policy Research Institute (IFPRI) clearly showed that the food crisis of 2008 will not be the last. It reports that at least 20 million hectares of the world's rice growing areas are at risk of experiencing the negative effects of the changing climate. Particularly, these areas include the countries of India, Bangladesh, and Vietnam. It projects that rice yields will incur losses of 10-15%, and rice prices will rise by 32-37%. Today, our country is importing rice from Vietnam.

The current market has China and Indonesia ranking the highest in terms of dominating the demand side of the rice trade. Their rice demand is projected to go up over the coming years. Taking the predictions on rice supply in the coming years, and juxtapose them to the data presented to this fact, it becomes clear that to rely on the world market for our rice supply is problematic, to say the least. In fact, it would be downright reckless for our policymakers to put the fate of our country's food supply, and the welfare of our people, in a market that has been proven to be unstable.

### **Fight for Food Sovereignty**

We in the IRDF and NMFS firmly believe that our agricultural sector is in the sorry state it is in now because it has been decimated by neoliberal policies precisely like this one. It is no secret that we have gone from a rice-exporting country to a rice-importing one in a span of a few decades as local

farm productivity has been on a downward spiral while rural poverty still remains a perennial problem. Undoubtedly, removing the QR and abolishing the NFA will only result in the exacerbation of the long-standing ills of the Philippine agricultural sector, and further expose the country to the anarchy of the world market. Hence, the imposition of a so-called free market ideology on our food system must stop!

We therefore intensify our call for food sovereignty. We must take control of our own food system. This certainly is a challenge and we need to take concrete steps in order to achieve this. Instead of pursuing liberalization, we urge the Philippine government to invest in the development of the countryside and the agricultural sector. Let us break away from anti-people trade agreements. Provide the subsidy and support needed by our food producers. Promote organic farming, instead of false solutions. Give farmers their land, instead of protecting the vested interest of big landlords and multinational corporations. Stop the proliferation of GMOs that will only put our nation's health and environment at risk. These are the first steps we urge this government to make to ensure that the country sufficiently grows its own healthy affordable food in a sustainable way.

**No to lifting of rice QR!**

**Increase farm subsidy and price support!**

**No to liberalization of agriculture!**

**Pursue agricultural modernization and rural development!**

**Fight for food sovereignty!**

**26 October 2016**