

## **FARMERS WARN OF FALLING FARMGATE PRICES DUE TO PRO-IMPORT STANCE OF DA/NFA**

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The Federation of Free Farmers (FFF) decried the pro-import stance of the Department of Agriculture (DA) and the National Food Authority (NFA) and warned that excessive imports will again end up discouraging farmers from planting and make the country even more dependent on foreign suppliers for its food requirements.

In a recent public post, DA Secretary William Dar reported that the country will have an 84-day supply of rice by June 30, 2020 and will end the year with a surplus equivalent to 18% of the country's total consumption for the year. The bulk of the surplus will come from about 1.8 million tons of private sector imports for which the DA has issued quarantine certificates, and a planned 300,000 metric ton importation by the government through the Philippine International Trading Corporation (PITC).

The FFF questioned the need for government imports considering that Secretary Dar has labeled the 84-day inventory level by June 30 as "comfortable". It warned that the entry of large volumes of private sector imports will result in a supply glut that will again lead to a fall in palay farmgate prices during the main harvest season in September to November.

Raul Montemayor, FFF National Manager, deplored the inconsistent and conflicting signals that the DA has been giving to farmers. "On the one hand, it is encouraging farmers to expand their production and enticing them with loans, subsidies and other incentives. On the other hand, it is leaving the room open for private importers to bring in unlimited volumes of rice from abroad. The DA was even the one who proposed that government import another 300,000 metric tons. It appears that the DA just wants to flood the market with rice and is not really concerned about what happens to farmers in the process.", said Montemayor.

The FFF also scored NFA Administrator Judy Dansal who was quoted in recent press reports as urging the private sector to bring in more rice from abroad to boost the country's rice inventory amid the COVID crisis.

The FFF noted that most private traders are not importers, and that many of them in fact blame the unimpeded entry of rice imports as the main cause of the collapse of their businesses in 2019. "Many traders lost a lot of money last year because they had to suspend their operations when imports flooded the market and displaced local rice. These private businesses have invested a lot of money in their mills, warehouses, trucks, personnel and operations. Encouraging them to just import means asking them to throw away most of these investments.", said Montemayor.

The FFF urged the NFA to focus on its local procurement operations and assist and encourage the private sector to buy farmers' products instead of urging them to just import. "Private traders absorb up to 95% of total palay production in the country while the NFA can handle only 10% at the most of farmers' harvests. Where will farmers sell their crops if all these traders just become importers?", asked Montemayor.