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REPUBLIC OF THE PHILIPPINES)
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SENATE

P.S. Res. No. 760



Introduced by SENATOR VICENTE C. SOTTO III

RESOLUTION

CALLING ON THE SENATE COMMITTEE ON TRADE AND COMMERCE AND OTHER APPROPRIATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGED SMUGGLING OF FOREIGN HOG AND POULTRY PRODUCTS WHICH, WITH THE CONTINUED OVER-IMPORTATION AND SMUGGLING, ADVERSELY AFFECTS THE LIVELIHOOD OF LOCAL MEAT PRODUCERS, MEAT MARKET INDUSTRY AND THE CONSUMERS

WHEREAS, Article II, Section 9 of the Philippine Constitution provides that the State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all.

WHEREAS, Article XII of the Constitution further provides that the State shall promote industrialization and full employment based on sound agricultural development and agrarian reform, through industries that make full and efficient use of human and natural resources, and which are competitive in both domestic and foreign markets. However, the State shall protect Filipino enterprises against unfair foreign competition and trade practices;

WHEREAS, the State shall also promote the preferential use of Filipino labor, domestic materials and locally produced goods, and adopt measures that help make them competitive and pursue a trade policy that serves the general welfare and utilizes all forms and arrangements of exchange on the basis of equality and reciprocity.

WHEREAS, the General Agreement on Tarrifs and Trade (GATT) was implemented and ratified in view of the rapid globalization, to prevent trade losses, increase employment and for the benefit of the economy;

WHEREAS, some analysts on GATT have mentioned that United States (US) agriculture's stake in GATT was underlined during the ratification process by several high-profile events, including the US trade negotiators' aggressive refusal to accept the Philippine corrections for minimum access volumes it had offered to GATT for pork, poultry meat, and live poultry, which had originally been estimated on the high side;

WHEREAS, there were previous allegations that the stepped-up efforts by the US and the European Union was due to their desire to dump their ever-growing surpluses of grain, dairy, and meat products on third country markets, to the detriment of the small-scale agricultural producers;

WHEREAS, swine and poultry industry such as small backyard hog and chicken raising is considered as the main source of livelihood by most families in the province in order to sustain their basic and every day needs. Pork and meat is already considered as second to rice in terms of value thus it deserves equal encouragement and attention from the government.

WHEREAS, pork industry data reports showed that the hogs sector alone loses around P3.2 billion monthly from unfair competition from imported pork and that said sector has lost around P12.8 billion in foregone revenues from January to April 2012 from the smuggling of imported pork;

WHEREAS, pork importation had surprisingly increased since 2010. For the first quarter of 2012, pork imports totaled 42,296,076 kilos compared to only 114,365,159 kilos for the entire 2009. The total chicken imports for 2010 is 178,905,096;

WHEREAS, the volume of imported chicken that enters the country is also on the rise. For the first quarter of 2012, chicken importation already reached 30,651,222 kilos compared to only 67,264,871 kilos for the entire 2009. The total chicken imports for the entire year of 2011 reached 127,227,725 kilos;

WHEREAS, there are allegations of technical and outright smuggling of hog and poultry products. Imported meats known as “offals” are considered scrap meats from other countries and are availed very cheap by the smugglers and sold to local market at extremely low price. These offals imported in the Philippines actually contain premium meats which are priced unreasonably lower than our local meats since it is declared as “offals” and is taxed only at 2% based on what is declared in its invoice/ receipt, rather than its actual content.

WHEREAS, Pork Producers Federation of the Philippines Inc. (ProPork) said that around 70 percent of hog raisers are back yard raisers, who could not compete with smuggled pork that comes in at a landed price of \$0.80 per kilogram. The landed price is way below the reference price of \$2.90 per kilo in other countries.

WHEREAS, there have been clamors by the National Federation of Hog Farmers Inc. (NFHFI) to stage a “pork and chicken holiday” to call for strong and effective government action and increase public awareness;

WHEREAS, there is a need to protect not only our local hog and poultry owners against unfair and illegal competition as a result of the alleged smuggled meats that surreptitiously enter the country to the prejudice of our local suppliers; but also the general public as to the possible health threats that these imported meats could bring.

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the Senate Committee on Trade and Commerce and other appropriate senate committees to conduct an inquiry, in aid of legislation on the alleged smuggling of foreign hog and poultry products which, with the continued over-importation and smuggling adversely affects the livelihood of local meat producers, meat market industry and consumers.

ADOPTED,


VICENTE C. SOTTO III