

## **FARMER SECURITY IS KEY TO FOOD SECURITY<sup>1</sup>**

**by Mr. Raul Q Montemayor**

Thank you very much for this distinct honor to be the keynote speaker for this year's Jaime V. Ongpin Memorial Lecture on Public Service in Business and Government. Our discussion today on food security comes at a very opportune time, and it is only proper that we give the people who produce our food – our own farmers - the opportunity to share their views on this vital issue.

The United Nations has defined food security as “*a situation that exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life*”. There are four key aspects therefore of food security – availability, affordability, quality and safety, and sustainability.

How do we fare as a country in terms of food security? Not very well, sad to say. According to the London-based Economist group, we ranked 73<sup>rd</sup> worldwide among 113 countries in 2020. Among ASEAN countries, we were third to the last, lower than Myanmar, and outranking only Cambodia and Laos.

Our capacity to produce food for our growing population has been deteriorating over the years despite our tropical climate and vast natural endowments. More and more, we have become dependent on other countries to fill in the gap. Now comes the war in Ukraine - coupled with the lingering effects of the COVID pandemic and climate change - which have disrupted the supply and prices of many key commodities that we import. We are clearly in a very vulnerable and insecure food situation. We need to find solutions fast for the crisis at hand, and more importantly, to prepare for even worse predicaments in the future.

Availability is often equated with producing as much food as we can. Government programs typically focus on boosting output, for which farmers are given incentives such as free irrigation, subsidized credit, seed subsidies and sometimes even *ayuda*. Unfortunately, this production-oriented approach does not seem to be working. Why? Because it is directed towards the commodity and not the farmer who produces the commodity.

In 2021, our palay output reached a historical high of almost 20 million tons. But in the same year, the incomes of rice farmers declined by an estimated Php 22 billion, or Php 4,500 per hectare, compared to 2017. This was due to the drop in farmgate prices mainly brought about by over importation. Many farmers probably ended up deeper in debt even as banks lent less than 1% of their total loanable funds to small farmers, opting to pay penalties instead of complying with the 10% minimum mandated by the Agri-Agra law. The Philippine Statistics Authority reported that overall poverty, and most likely also rural poverty, increased in 2021 compared to 2018. So, despite the fact that we harvested more palay, our farmers ended up in a worse situation. In other words, “*maraming ani pero walang kita*”.

Beyond raising production, we should also take a close look at the food that we lose due to the lack of drying, storage and other post-harvest facilities. And we have to upgrade our

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<sup>1</sup>By Raul Montemayor, National Manager, Federation of Free Farmers Cooperatives (FFFC); presented during the Jaime V. Ongpin Memorial Lecture on Public Service in Business and Government held on 21 October 2022

distribution and logistics system so that the products from the farm reach consumers at the right place and time where and when they are needed, and are not left to rot in the fields due to the lack of dryers or interim storage facilities.

Affordability is certainly a critical component of food security. Having a lot of food available is meaningless if consumers cannot afford to buy what they need. Too often however, we place the burden of lowering food prices on the backs of farmers, by imposing price controls on their products, and flooding markets with cheap imports to control inflation. But affordability is just the flip side of one's capacity to buy. For somebody with a lot of money, it does not really matter if the price of rice doubles or triples. But for one with limited means, even a one peso increase in the price of rice is unaffordable.

It is not the fault of farmers that many consumers are poor and have limited incomes to buy food. Most farmers are also poor, and many of the poor in the cities are themselves migrants who fled the rural areas because they could not make ends meet through farming. If we merely focus on keeping food prices low, we remove the incentive for farmers to continue farming and risk exacerbating many of the urban problems we are already facing.

There is of course the option, as espoused by many of our economic managers, to just import our food requirements if our farmers cannot supply them at a cheaper price. Trade liberalization, according to them, would be the best guarantee for food security in the light of our susceptibility to typhoons and other calamities. They have argued that opening up our markets is a "no brainer" because the benefits and interests of millions of poor consumers should necessarily outweigh any losses that farmers would incur. Competition with, and not protection from, imports will also force our farmers to adapt and innovate.

In an ideal world and within the sanitized confines of computerized econometric models, these theories would probably work. But reality is very different. Cheaper imports do not guarantee that prices for consumers will go down. In 2019, Congress enacted the Rice Tariffication Law or RTL, which took out controls on rice imports and deregulated the rice market. In the ensuing three years, cheap imports flooded the country and severely depressed farmgate prices for palay. But retail prices barely moved when compared to normal pre-RTL periods. Our analysis shows that while farmers' average incomes dropped by Php 4,650 per hectare during each six-month crop cycle, consumers saved a measly Php 26 during the same period. In effect, the benefits from liberalization were captured by market intermediaries, with practically no gains for consumers, and at huge cost to millions of rice farmers.

Even if imports are able to actually reduce food prices for consumers, it is foolhardy to rely too much on foreign countries to supply our essential food requirements. Other countries will naturally prioritize their own citizens or interests before attending to our needs. Recently, India imposed a 20% tax on its rice exports to preserve its stocks following erratic rainfall patterns. Thailand and Vietnam, from where we source 85% of our rice imports, are reportedly planning to collude in fixing the price of their rice exports instead of competing against each other. Wars, calamities and other external events - over which we have no control - can easily inhibit our access to foreign goods or make them too expensive to buy.

This does not mean that we should ban imports and aspire for 100% self-sufficiency for all of our food. We should also find ways to lower the cost of production of farmers and improve their productivity so that they can supply food at lower cost. Having said that, we must be careful not to flood our markets with cheap imports just to keep food prices low. The more we allow imports to displace local production, the less incentive for our own farmers to continue producing and becoming more efficient, and the more dependent we become on foreign suppliers for our basic food requirements.

When the Philippines acceded to the World Trade Organization in 1995, our agricultural imports were basically equal to our exports. Since then, and after entering many other free trade agreements, our agricultural trade deficit has ballooned to as much as US\$9 billion a year. We have lost nearly a million jobs in agriculture during the same period. We now import not only rice, corn, fish and meats, but also mango, peanuts, black pepper, sugar, and even salt.

Food safety and nutrition is the third important aspect of food security. It is only right that farmers are prohibited from using harmful pesticides and encouraged to adopt hygienic methods of production. But they should be allowed to recover costs in complying with food safety standards. Markets must reward them with better prices for producing more nutritious food. A purely punitive approach to enforcing food safety and nutrition will only backfire.

This also holds true when we address the fourth and perhaps most challenging component of food security, which is sustainability and resiliency. It is actually in the interest of farmers to protect and nurture the environment from which they derive their livelihood. But if we push them into a corner, there will always be the danger that they will end up abusing the land, water and other natural resources simply to survive. They need to save themselves before they can help save the planet.

We must equip farmers with practical skills and affordable technologies that will enable them to farm profitably and in a sustainable manner. And we must provide them with market rewards and public support for adopting practices that will ensure the long-term food security of society as a whole. When our organization promoted organic farming, we noticed that farmers were most interested in techniques for composting and fermentation using farm wastes, not just because these were good for the environment, but more because they would help cut the costs on fertilizers and pesticides.

As we try to make food more available and affordable, and ensure their safety and nutrition, even as we set our eyes on our long term capacity to feed ourselves, we must not forget to take care of the number one resource we need and have – our own farmers.

Unfortunately, our farmers are an aging, if not a dying, breed. They do not see much hope in farming. Nor do their children, whose dreams are to land jobs in the cities or work abroad so that they will not have to farm like their parents. If they all leave their farms, where will they go? And where will we get the food we need?

In 2015, the government of India renamed its counterpart to our Department of Agriculture as the Ministry of Agriculture and Farmer Welfare. Prime Minister Narendra Modi was quoted as

saying that “*rural and agricultural development can only be complete when the welfare of the farmer is also ensured*”. He could have added that his country’s social, political, economic, and ultimately national, security and progress could not be achieved for as long as millions of small farmers remained poor and insecure.

Unlike manna from heaven, food security is not for free. We need to work for it and be willing and ready to pay the price so that food will always be available, affordable, safe and nutritious for everyone. A big part of that bill is taking care of our farmers so that they can continue feeding us. Farmer security is the key to food security.

### Food Security Index Among ASEAN Countries (2020)

Country	Overall Rank	Overall Index	Affordability	Availability	Quality & Safety	Natural Resources & Resilience
<b>Singapore</b>	19	75.7	87.3	75.8	82.3	47.4
<b>Malaysia</b>	43	67.9	85.5	58.8	72.5	47.5
<b>Thailand</b>	51	64.0	82.8	55.3	59.5	50.0
<b>Vietnam</b>	63	60.3	66.7	61.3	61.4	45.9
<b>Indonesia</b>	65	59.5	73.5	64.7	49.6	34.1
<b>Myanmar</b>	70	56.6	58.1	53.9	59.3	56.3
<b>Philippines</b>	73	55.7	66.5	57.6	52.0	35.8
<b>Cambodia</b>	81	51.5	57.5	57.4	40.1	41.2
<b>Laos</b>	90	46.4	45.8	47.8	46.2	45.1

SOURCE: 2020 Global Food Security Index, Economist Intelligence Unit (EIU), from a Background Paper by Cielito Habito for the National Food Security Summit in May 2021

## **Pahayag ni Ka Rene Cerilla**

Mula sa grupo ng PAKISAMA

Magandang umaga po sa ating lahat.

Mainam po ang mga kaninang ibinahagi ni Mr. Montemayor. Ito po yung nakikita natin na kalagayan ng ating pinag uusapang Food Security at Farmer Security. Ngunit tila nakaligtaan po niya banggitin doon yung Agrarian Reform. Kasi po ang batayan ng pagkain at kasiguruhan naming mga magsasaka ay mayroon po kaming lupa. Batay po sa target ng Agrarian Reform, sa ngayon po ay mayroon pa po tayong natitirang mahigit kumulang limang daang libong hektarya ng lupa na pangsakahan na hindi pa naipamamahagi sa ilalim ng Agrarian Reform, at ito po ay hindi pa itinutuloy ng pamahalaan at hindi rin natin alam kung kailan itutuloy ang Agrarian Reform. Binabanggit ko po ito sapagkat noong mga nakaraang panahon ay mayroon po tayong mga 3 Million hectares ng palayan, pagkatapos bumaba na po ito ngayon ng mga 2 Milyon na lamang. At 1.5 Million hectares po rito ay may irigasyon. Yung iba po niyan ay wala pong irigasyon. At yun po yung tinitingnan natin na problema, marahil kaya nagkukulang yung pagkain natin at marami pa ring mga magsasaka ang walang lupa.

Pangalawa pong binabaka namin ngayon, ito po yung sinasabi ni Sir Montemayor na malaking impact sa amin yung Rice Tarrification Law, yung RTL. Ang dahilan, yung sampung bilyon na nakukuha doon agad, nang hinati-hati ito ng Regional Comprehensive Economic Partnership Agreement (RCEP), doon sa 50% sa Philippine Center for Postharvest Development and Mechanization (PHILMECH), mayroong napunta sa Phil Rice para sa binhi, pero yun pong lugi ng mga magsasaka hindi nababawi. Kahit may suporta kami sa serbisyo galing sa RCEP, mayroong pong mga problema roon sa distribusyon ng tulong sa mga magsasaka. Halimbawa bibigyan ka ng traktora, kung ikaw ay may sampu o limampung ektarya ng palayan, sa ilalim po ng agrarian reform five hectares lang po yung sa may ari, at 3 ektarya sa mga magsasaka. Pag titingnan po natin ngayon, yung pag-aari ng mga magsasaka, mga kalahating ektarya hanggang isang ektarya lang po yung kanilang sinasaka. So ang kailangan po namin mag-organisa pa kami, sa aming hanay para makakuha kami ng mga traktora mula sa pamahalaan. Kung magkagayon kokonti nabebenipisyuhan noong serbisyo mula doon sa Rice Tarrification Law, mula sa 10 billion na alokasyon para itulong sa mga magsasaka, safety nets natin para

makapagproduce ng pagkain itong mga magsasaka, at hindi malugi sa sinasaka. Pangalawang punto rito, mababa talaga yung presyo ng palay dahil doon sa importasyon. Ang pangako noong batas natin na yan ay pababain sana yung presyo ng bigas sa pamilihan, sa palengke, hanggang 28 pesos kada kilo. Pero pag tinignan natin ngayon, parang magtatatlong taon na yata yung Rice Tarrification Law, ang presyo ng bigas sa pamilihan ngayon ay 41.00 – 42.00. Ibig sabihin, hindi natin naabot yung target. At panganib po ito sa atin dahil sa itong hambalos sa atin ng kalamidad, na kahit kaming mga magsasaka ay patuloy na nagsasaka at pinagyayaman namin yung lupa. Kahit magsaka ka ng tatlong buwan, halimbawa nakayuko na yung palay mo at malapit ng anihin, pag tinamaan yan ng bagyo, wipe out yan, talo tayo doon. Hindi lang yan ang tinatamaan. Kasi kapag pinag-usapan natin pagkain mayroon tayong mais, mayroon tayong adlai, mayroon tayong mga root crops. Pag binagyo, root crops lang po ang natitira, hindi naman tayo kumakain ng mga root crops kadalasan. Rice talaga tayo. Kaya itong bagay na ito mahalagang naiintindihan din natin na mahalagang aksyunan ito. At pagkatapos ng bagyo, walang konkretong ginagawa papaano makakarekober ang mga magsasaka. At meron nga tayong Crop Insurance, pero ang hirap hanapin ang mga ahensiya ng Crop Insurance sa mga barangay at sa bayan. Iyan yung problema namin kaya talagang medyo papahirap tayo. Kung magmamahal ang tinapay ngayon epekto yan, tingin ko, ng gyera sa Ukraine. Kasi around 30% ng suplay ng trigo galing sa kanila. At yung climate change ay malaking bagay po sa agrikultura. Kahit sa mga mangingisda, kapag tag-init, yung mga corals sa dagat, kapag nahihibsan natutuyo yun, namamatay yun. Kami sa bukid kapag binagyo kami, syempre talo. Pag tag-init din wala din kaming inaani. Yung palay po kasi meron siyang level ng tolerance sa init. Kapag lumagpas na roon, kahit mataba ang palay mo hindi na po siya ma-aani kahit bugbugin mo pa siya ng pataba. Dalawang pataba na ating ginagamit, isang organic sabi nga ni Ka Raul, at saka meron tayong synthetic. Yung synthetic fertilizer, tingin namin yun ang mas mataas na nagpapainit ng mundo dahil sa green gas emission na ineemit nito. Kaya kami po sa PAKISAMA meron kaming tinatawag na IDOFS o Integrated Diversified Organic Farming System. Sa tingin namin yun po yung makapagsustain ng pagkain namin sa kanayunan. Dahil kahit bumagyo, kung diversified naman yan, bagsak ang mga saging may matitira kaming root crops. At kapag tag-ulan binaha yan, may mga fruit trees naman kami na pwede namin pakinabangan. Pero dito sa kalunsuran, problema yun kasi, halimbawa, kung binaha yung Central Luzon, halimbawa Mindoro, kasi yung Mindoro po siyang food

basket ng Metro Manila sa ngayon, kapag yan ay nasalanta ng bagyo, talagang makakaranas po tayo ng kagutuman. Yun yung takot, kasi sa ngayon dahil sa pagkalugi ng mga magsasaka, kahit nga yung mga kabataan, ayaw na nilang magsaka. Dahil yung kinikita roon sa kabukiran, kung ihahambing sa kita sa kalunsuran sa pagtatrabaho, ay hindi patas. Kunwari kung sa call center, mga 15 thousand yata ngayon kada buwan, pero sa sakahan po hindi kami kumikita ng ganoon. Kaya mahalagang tingnan ito na papaano mapapataas yung kita ng mga magsasaka at maengganiyo yung ating mga kabataan na susunod na henerasyon namin sa pagsasaka, na magsaka. At yun po yung magtitiyak ng kasiguruhan sa pagkain sa mga darating na panahon. Ang average po namin ngayon, tanda na namin po ay siguro po mga 56, 57 anyos na po ang mga magsasaka ngayon. At karamihan dyan patanda na. Ibig sabihin niyan kapag yan ang kukwentahin mo, ang life span ng mga magsasaka ay sabihin nating 68 yung lalaki, 70 sa kababaihan, ibig sabihin malapit na pong manganib yung ating kasiguruhan sa pagkain. Hindi naman po natin dapat iaasa sa abroad ang ating pagkain kasi, halimbawa yung Tsina, binaha sila ngayon, syempre hindi na sila mag susuplay dito. Kahit yung India nga nalagyan na rin nila ng pagkontrol yung kanilang pag export. Ang Thailand at ang Cambodia na nag e-export sa atin binabaha po yan. Pag dumating itong patindi ng patindi na climate change ang mangyayari niyan hindi na sila mag e-export sa Pilipinas, at magkakaroon tayo ng tag gutom. Kaya mahalagang aksyunan po natin itong bagay na ito at hindi naman natin makokontrol yung pag init ng mundo na siyang nagpapalakas ng pagbaha at pagpatindi ng init. Malaking issue po sa amin talaga yung climate change, bukod doon sa maraming binanggit ni Sir Raul, mahalaga pong tingnan natin at aralin natin ito. Paano tayo, ano ang gagawin natin sa adaptation at sa climate change? Paano tayo makakasiguro ng pagkain sa Pilipinas? Kasi halimbawa, paparami ng paparami yung conversion, dahil sa yung local governments sa ilalim po ng Republic Act 7160, meron silang kapangyarihan magconvert ng mga agricultural lands. At makikita mo rito, kahit sa Agrarian Reform Law, sabi roon bawal magconvert ng agricultural land, non-negotiable yan. Pero pag nagbyahe ka mula sa Central Luzon, patungong ka-Bikolan, yung lahat nating mga palayan naco-convert into non-agricultural uses. Ginagawang subdivision, ginagawang mga tayuan ng pabrika at mukhang kinakailangan po natin na magbasa talaga ng National Land Use para dito. Kasi kung hindi yun papasa, hindi natin made-determine saan yung agricultural land, saan yung ating mga economic zone etc etc, saan yung minahan. Kapag pinagusapan natin yung minahan, ang sinisira



po niyan ay yung ibabaw, kararamihan dyan nasa kagubatan. Kapag ini-scrap natin yun nawawalan na tayo ng bahay ng tubig. May epekto po yun sa ating sakahan. Kaya sa amin po, ang amin pong advocacies sa PAKISAMA ay agrarian reform and rural development. Kasi kapag napaunlad po natin yung kanayunan, tingin po natin ay may kasiguruhan yung mga magsasaka na nandoon at makakapagsusuplay po ng maayos na daloy ng pagkain sa mga taumbayan. Yun lang po at magandang umaga. Salamat po.

## **Intervention of Edgardo T. Valenzuela**

in response to Raul Montemayor's Speech  
on Farmer Security is Key to Food Security  
at the JVO Annual Memorial Lecture,  
21 October 2022, Ateneo Rockwell Makati

1. On the outset I agree with Raul that farmer security is the key to food security. Our farmers average age is about 58 years old according to the Scalabrini Migration Center published in 2020.
2. WB reports that about 5.5 M farmers and 4.6 fishers are poor.
3. It is also interesting to note that agriculture's share of overall GDP is at 2020 (10.2%) as opposed to services (61.4%)
4. In 2020, compared to neighbors Indonesia budget was 3.4%, Viet Nam 6.5 %, Thailand is 3.6% and Philippines was 1.7% of total budget. This gives you an indication how some ASEAN counterparts give higher priority to agriculture.
5. In 2022 Phil budget in agriculture was 71B and in 2023 will be increased by 44%, to 102 B. However, most of these funds will benefit the rice sector and a mere 2 B is allocated for high value crops.
6. In the 22 September 2022 Economist rankings, Philippines has placed 67 out of 113, a slight improvement that should be noted translating to moderate food insecurity overall.
7. On the issue of food loss and food waste, the Food and Nutrition Research Institute study of 2008 reported that rice wasted amounted to 297,000 metric tons. Likewise, the International Rice Research Institute (IRRI 2015) said that in Philippine post-

harvest, physical rice loss can reach up to 15%. This shows the need for more post-harvest facilities and private sector and agri cooperatives can play a role in this value chain activity.

8. Allow me to introduce the paradigm of food systems development as we can see its gaining prominence in the development agenda and it includes a broader framework beyond food security to include value chains including consumers and livelihoods, nutrition and health, safety nets, advocacy and education, climate change and sustainability and resilience.
9. One way we can support farmers is to look at agroecological techniques as well as agricultural production that is natural or biological to make it affordable and nature-friendly such as bokashi composting or use of bio-char as natural fertilizer, organic herbicide/pesticide from kitchen waste, etc.
10. One last point on the issue of nutrition as 30% of children under 5 are reported to be stunted due to lack of access to nutritious food. More resources and safety nets are needed similar to the 4Ps for the more than 10 M small farmers and fishers and more imagination by those in government on how to use available resources to really benefit the rural poor.

## **FIVE IMPERATIVES FOR FARMER AND FOOD SECURITY**

**By Mr. Ernesto Ordóñez**

### **I. Market and Business Information System**

- Mandated by 1997 Agriculture Modernization
- Correct action guided by information
- Philippines do not have, even plans ñ budget is only 1.7% or PHP 10M; no decent plan at all

### **II. Single Commodity System Approach**

- 74% of land used by single commodity production approach
- Need value chain: Processing, Marketing, Other Income Generating Activities
- 1 hectare only produces 1 product;

### **III. Consolidation**

- Average land holding is less than 2 hectares
- Need economies of scale to protect local production and export to others (Thailand's Ministry of Agriculture and Cooperatives)

### **IV. Provincial and Municipal Agriculture Planning**

- No systematic planning (e.g. 17,000 LGU extension workers underutilized)
- Need effective framework to guide implementation

### **V. Public-Private Sector Monitoring of Budget**

- 2020 COA report of 22B in unliquidated and questionable expenses
- Need to restore private sector budget monitoring in national and local levels

**We, the Filipino people, should not just sit and listen, we must take action and get involved to attain farmer and food security.**