



37

## Round Table Discussion: Food Price Volatility

# National Policy Response: Philippine Experience

**Romeo S. Recide**

Assistant Secretary  
Department of Agriculture  
Philippines

## *Background:*

# Philippine Experience (2008)

- **Record oil & food prices hit the country.**
- **Destabilized global economy.**
- **Upswing of food prices: dwindling global production coupled with increased demand; climate change; and, inadequate investment in agriculture.**
- **For rice: decreasing global stocks, prompting leading rice suppliers to restrict exports.**
- **For the Philippines, high food price, esp. of rice, was of greater concern than that of oil.**



# **37** *continued...* **Philippine Experience: 2008 Food Crisis**

- **Rice is consumed by about 90% of Filipinos**
- **Affordable and sufficient supply of rice is an important gauge of family welfare**
- **Per capita income of one of three Filipinos:  
less than P15000 and 2/3 is spent on food**
- **Rice daily consumption: 33000 tons or 118 -120 kg. per capita**
- **Rice Supply: local production - 90%; imports - 10%**
- **Rice imports: 2008@2.43 MT; 2009@1.76 MT**



# 37 Philippine Agriculture Agenda: 2010-2016

- **Top agenda: Food Staples Security Plan**
- **Implement the following support programs:**
  - ✓ **Core Public Investments in basic services and infrastructure;**
  - ✓ **Integrate Climate Change Adaptation Measures in all programs and projects;**
  - ✓ **Enabling Farmer's Choice and Diversification**
  - ✓ **Strengthen other agriculture sectors: livestock & poultry, fisheries, high value crops & other staples.**



# 37 *Continued...* **Food Security Agenda:** **Addressing Price Volatility of Rice**

- **National Food Authority (NFA) is vested the functions of ensuring the food security of the country and the stability of supply and price of the staple grain - **rice**.**
- **Specific Functions:**
  1. **Procurement of paddy**
  2. **Buffer stocking**
  3. **Processing activities**
  4. **Dispersal of paddy & milled rice**
  5. **Distribution of the staple grain to various marketing outlets at appropriate times**



**37**

*Continued... Food Security Agenda:*

# **Addressing Price Volatility of Rice**

## ➤ **NFA's Cereal Pricing Policy**

### **1. Support Price**

- **Price level that allows farmers fair returns;**
- **Reviewed periodically & make adjustments;**

### **2. Release Price**

- **Sell at levels that allow traders to buy grains at reasonable prices & still earn fair profits.**
- **Adopt subsidized pricing scheme for regular distribution.**

# Regional Cooperation Initiatives

**The Philippines supports and participates in the following food security cooperation initiatives:**

- ❖ FAO policy consultations at the regional level**
- ❖ ASEAN Integrated Food Security (AIFS) Framework**
- ❖ ASEAN Plus Three Emergency Rice Reserve (APTERR)**
- ❖ ASEAN Food Security Information System (AFSIS)**
- ❖ APEC food security conferences**



37

**THANK YOU!**