

PRESIDENTIAL COMMUNICATIONS OFFICE
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PRESS BRIEFING OF MS. DAPHNE OSEÑA-PAEZ
WITH DEPARTMENT OF AGRICULTURE USEC. MERCEDITA SOMBILLA
AND ASEC. ARNEL DE MESA
August 1, 2023 [11:32 A.M. – 11:48 A.M]

MS. OSEÑA-PAEZ: Magandang umaga, Malacañang Press Corps, and welcome sa ating press briefing ngayong araw, August 1st.

President Ferdinand Marcos Jr. led the sectoral meeting this morning and discussed strategies to ensure sufficient rice supply and distribution of inputs to typhoon-affected farmers. Preparations for El Niño were also discussed.

And to give us more details on this, we are joined by Agriculture Undersecretary Mercedita Sombilla and DA Assistant Secretary for Operations Arnel de Mesa. Good morning, Usec. Sombilla and Asec. De Mesa. Go ahead, Usec.

DA USEC. SOMBILLA: Good morning, Daphne.

DA ASEC. DE MESA: Good morning, Daphne.

MS. OSEÑA-PAEZ: Go ahead, ma'am.

DA USEC. SOMBILLA: You know that iyong global situation ngayon is a little bit ... we have to be very careful about it kasi there are three, actually, major events that we are looking at: The withdrawal of Russia in the Black Sea Grain Initiative; iyong ban ng India exports, although this is just for the non-basmati white rice which is about 25% of the total export ng India of rice – most of its export are really the basmati that goes to the United States and Europe; and, of course, iyong El Niño which is now pronounced as something that would really happen towards the end of the year and into the first quarter of 2024.

So the President really, you know, consulted and discussed with the DA various interventions that the Department of Agriculture is now going to be, you know, preparing for. Actually, many of them are already ongoing to, you know, in response to whatever the effects of these three global events are. And I think, you know, we are prepared; the production for up to the second quarter, we have something like 39 days of stocks and then we'll continue, you know, the DA has already prepositioned ways by which we could really increase production. The biggest rice production will still come sometime, kung hindi end of September, sometime in October so we will be beefing-up our supply and, of course, the usual na supplies that we will be also getting from imports.

So I think, you know, as of today, we are looking at, you know, sound pa rin naman iyong supply and demand natin, you know, as of today. But again, as the President is very much worried, we really have to discuss ways by which we could really mitigate, you know, further effect of these events that are now unfolding.

MS. OSEÑA-PAEZ: Okay. Asec. De Mesa, would you like to add to that?

DA ASEC. DE MESA: In addition, we also discussed the response of the department because of Super Typhoon Egay. All of the interventions of the Department of Agriculture are now in place in cooperation with our regional field offices and as well with the local government units, especially those affected regions and provinces – in Region II and Cordillera and Region I. Thank you.

MS. OSEÑA-PAEZ: Okay. Let's open the floor to questions – Katrina Domingo, ABS-CBN.

KATRINA DOMINGO/ABS-CBN: Good morning, sir and ma'am. May we get an update on the cost of damage to agriculture due to the combined effects of Egay and Falcon, as well as of the southwest monsoon?

DA ASEC. DE MESA: Yeah, for now, as of to date, the estimated damage is already at 1.94 billion. The rice sector is about 950 million pesos; and for corn, that's about 713 million pesos. So iyon po iyong naapektuhan sa atin ngayon because of Super Typhoon Egay combined with habagat.

MS. OSEÑA-PAEZ: Eden Santos, NET25.

EDEN SANTOS/NET25: Good morning po, Usec. and Asec. Tanong lang po namin kung mayroon pong enough supply for 39 days? Ano po iyong dahilan ng pagtaas ng presyo ng bigas sa mga pamilihan?

DA USEC. SOMBILLA: Nandoon pa rin iyong effect ng ano 'no, iyong fertilizer and fuel cost 'no kasi nagpa-fluctuate pa rin ito primarily because of the, siguro Black Sea Grain Initiative kasi mas maraming fertilizer ang nanggagaling doon. And then the fuel cost, nakita ninyo naman, bumaba na siya, umakyat na naman. So the stability of these input costs and, these are really huge, you know, huge percentage of the total cost of production of palay.

In fact, you know, if you look at the farm gate prices now, hindi na natin nakikita iyong 16, 17 na farm gate prices ng palay ngayon particularly because of this input cost 'no. What we are looking at now is between 19 to 21 na farm gate prices. So that's one 'no. Plus, of course, iyong speculations ng mga traders na iyong baka tataas pa iyong export, kaya siguro napu-push iyong ating domestic retail prices.

But, you know, iyong inflation, iyong contribution ng rice sa inflation is still within, you know, the range. Iyon lang ang inaambahan natin talaga na sana ma-maintain natin or mapa-lower pa natin, that's why we really have to, you know, put in place the right interventions at the right time. And so that's why, you know, we are talking very seriously on what we need to put on the ground.

EDEN SANTOS/NET25: Although po medyo siguro nasabay lang doon sa Egay and habagat iyong pagtataas nila, ano po? Anyway, nabanggit ninyo po iyong tatlong global incidents na makakaapekto, are we expecting na mas tataas pa iyong presyo ng bigas sa halip na pababa, like ang target ng BBM administration na mapababa sa bente pesos kada kilo?

DA USEC. SOMBILLA: Iyong Black Sea Grain Initiative, hindi siguro tayo masyadong maapektuhan 'no. It will affect the global food supply prices 'no. Pero, you know, hindi naman tayo masyado ... except for fertilizer kung talagang ano. Ang corn natin ay hindi naman lahat nanggagaling doon 'no.

So iyong impact niya sa atin may be very, very minimal 'no, maybe through slightly elevated global food prices. Gaya ng sinabi ko, iyong sa India, non-basmati rice na iyon, iyong binan eh, and

that's only about 25%. And doon sa data na nanggaling actually sa NRP (National Rice Program), so kung 25% of the 22 million metric tons na total export nila last year, that's only about five million tons 'no. About three point, close to four million, ang already nailabas nila bago mag-ban. So maliit na lang iyong kumbaga nai-ban nila. So, we are hoping na hindi rin ito makakaano. Ang problema nga lang, how the other exporting countries may respond to that? So iyon ang talagang minu-modulate natin.

EDEN SANTOS/NET25: So, malinaw po na i-expect na natin na magkakaroon ng pagtaas sa presyo ng bigas. And iyon pong hoarding, kinu-consider po ba natin iyong baka magkaroon ng hoarding ng bigas dahil nga sa mga pangyayari na ito? Isa po ba iyon sa inyong minu-monitor at binabantayan?

DA USEC. SOMBILLA: Minu-monitor namin, yes. And we are really, you know, praying sa ating mga, you know, mga traders – those who are importing rice or those who are having... na sana huwag nilang gawin 'no, na i-hoard iyong whatever stocks they have now. That has to really come out in the market.

MS. OSEÑA-PAEZ: Next question, Ivan Mayrina, GMA-7.

IVAN MAYRINA/GMA7: Usec, has a decision been made after this morning's meeting? Has a decision been made as to the importation, at what volume and when?

DA USEC. SOMBILLA: Mayroon kaming ini-schedule. We will be scheduling the importation. We have already, you know... remember nasa sanitary, phytosanitary hindi ba. We have already something like 1.3-volume of applications that are already pending there. So, what we are going to be doing is to really encourage the private sector to get this in 'no. I think the President will really have to do some discussions/consultations with the private sector so that, you know, for them to help us. I think we really need the help of the private sector in situations like these.

IVAN MAYRINA/GMA7: Sorry. Kailan po ito?

DA USEC. SOMBILLA: Iyon ang hindi pa namin na-schedule. But you know, those are the things, iyon ang mga measures that we are putting in place, you know, to really mitigate the impact of these events.

Q: [Off mic]

DA USEC. SOMBILLA: Metric tons, yeah, iyon 'yung SPSIC (Sanitary and Phytosanitary Import Clearances) ha, application. But as you know, hindi lahat iyon pumupunta, that's why we have to encourage the private sector to really, you know, get all these in.

IVAN MAYRINA/GMA7: Ma'am, hindi ho ba—bakit ho two days na lang ang buffer stock ng NFA, hindi ho ba dapat, according to the Rice Tariffication Law, nine days?

DA USEC. SOMBILLA: Well, I have to check on how the calculation was done, you know. Hindi ko alam kung iyong two days diyan is across the nation. You remember that NFA is only for emergency. So iyon ang hindi ko maano... I will have to talk, to discuss with them how they are coming up with the two days.

But of course, really, their stock really is very low. They really need to beef up their stocks and there are some ways by which, you know, we have identified also for them to, you know, to help

them beef up their stocks – and one of them is contract growing. Yeah, one of them is contract growing ‘no so that ano na, targeted na kung—I mean, mayroon na silang pagkukuhanan ng buffer stocks nila.

The mechanics of it, we’ll be discussing it but I think, you know, it’s already more or less in place. I think we’re going to be starting it, you know... kahit ngayon na, I think they have already talked with the national rice program na mayroon na silang kinakausap na mga cooperatives at saka mga groups of rice [farmers] na, you know, all their produce will go to NFA.

IVAN MAYRINA/GMA7: And how true is the statement, ma’am, of the Federation of Free Farmers that rice from the NFA is being sold in Kadiwa stores at ginagamit din daw po ng mga LGU na pang-ayuda, iyong bigas ng NFA kaya nauubos ang buffer stock?

DA USEC. SOMBILLA: Ang alam ko nanggagaling iyong binibigay ng ano is..., UniGrow ba iyon? Iyong binibenta sa Kadiwa is really from UniGrow. Hindi ko alam na kung sa NFA iyon. And you know, the Kadiwa never mentioned about, you know, the rice being sold in Kadiwa from NFA; hindi ko pa narinig iyon.

DA ASEC. DE MESA: I can explain iyong contract growing.

MS. OSEÑA-PAEZ: Go ahead, sir.

DA ASEC. DE MESA: For the contract growing with NFA, the scheme is really to ensure that NFA can buy directly to our farmers; iyong local produce. So, we’ll be giving out incentives, the usual na binibigay—aside from the usual seeds, fertilizer and machinery na binibigay, NFA can provide additional incentive of about 250 pesos for the drying. So it could range from 21 to 22 iyong magiging buying price nila especially for ito, ‘yung darating na anihan na wet season, and ang utos ni Presidente is to ensure na magkakaroon ng bibilhin from the local produce ang National Food Authority.

MS. OSEÑA-PAEZ: Usec and Asec, maybe we’d like to also expound further on the President’s directive on El Niño preparations for next year’s impending drought.

DA USEC. SOMBILLA: Yeah. I think Asec. Arnel will be able to do that better *[laughs]*.

DA ASEC. DE MESA: Yeah. For the El Niño, kung titingnan natin historically, malaki iyong damage sa rice and corn noong strong and severe. Pero iyong projection ng PAGASA, there will be about 50% strong so iyong ang pinaghahandaan ng Department of Agriculture when it comes to El Niño and, all the necessary interventions ay, again, na-coordinate natin with our regional field offices so as to ensure na responsive tayo dito sa magiging epekto ng El Niño. Nag-declare na ang PAGASA and, based on them it will persist until early parts of 2024.

DA USEC. SOMBILLA: We need to coordinate very closely with the National Irrigation para doon sa timing ng planting of rice. And I think, you know, sana itong nasa dams natin ngayon, you know, will last through that ‘no. So tumaas sila, yeah, tumaas naman iyong mga dams natin.

MS. OSEÑA-PAEZ: Any other questions? Go ahead, Eden.

EDEN SANTOS/NET25: May phone-in tanong po. Iyon daw pong twenty pesos na kada kilo ng bigas na pangako ng Pangulo, how soon or achievable pa rin po ba ito? Sa mga palengke po ha, hindi po sa Kadiwa.

DA USEC. SOMBILLA: Ah, medyo mahirap kong sagutin iyan kasi kung... as of now, parang hindi pa natin iyan maa-achieve. But you know, in the long run, kapag talagang gumanda ang ating productivity – and that is what DA is really aiming for 'no, the government is aiming for. But posible iyan na bababa, pero sa mga nangyayari ngayon – fertilizer cost, fuel cost tapos itong mga El Niño, back-to-back typhoons natin – hindi natin makikita iyan in the short run. But you know, over the long run, if we are able to, you know, increase our productivity, I think you know it's achieve—we can achieve that. And of course, tulung-tulong talaga para sa pag-achieve niyan.

MS. OSEÑA-PAEZ: Okay. No more questions? Very good!

Thank you so much Usec. Sombilla and Asec. De Mesa of the Department of Agriculture, and thank you so much, Malacañang Press Corps. Have a good afternoon.

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