



United Broiler Raisers Association

Room 218, PSSC Building, Commonwealth Avenue, Diliman, Quezon, City
Tel. No. 02-8654-5523/ 86544609 Fax 02-8654-5523 Email: ubra.inc@gmail.com

A CALL FOR REFORMS BY THE STAKEHOLDERS IN THE POULTRY AND LIVESTOCK SECTOR TO THE EXECUTIVE AND LEGISLATURE

(Please proceed to our website Ubra.com.ph for an easier read)

A need to commit to the long-term

The stakeholders in the agricultural sector have had more in law and government rhetoric but less in life since the Philippines acceded to the World Trade Organization (WTO) in 1995. The Agriculture and Fisheries Modernization Act of 1997 was never really implemented. Every administration has committed to develop the sector but the results have been dismal.

Why? There is no commitment to the long-term. Indeed, the institution that was supposed to lead the sector to success, the Department of Agriculture (DA), has only resorted to what McKinsey & Company calls short-termism. No plan for credit, extension, insurance, conservation and enhancement of the fundamental natural resource base of water and soil, benchmarking and data systems to address unfair trade and smuggling, and the strengthening of the DA as an institution by having a career path for employees and improvement in management systems. Worse, unlike other countries which have had success in agriculture as members of the WTO, the DA has consistently used our trade commitments as an excuse to stand aside and let stakeholders be damaged by imports from countries with heavily subsidized agricultural systems.

The DA through its Bureau of Animal Industry (BAI) like all the past administrations, has again invoked our WTO commitments to feign helplessness in addressing the concerns of United Broiler Raisers Association about the lack of cold storage in the event of a COVID 19 second wave and lockdown. There is no need to belabor that issue as it has been the subject of two open letters. It's a good thing there was a video. The point is that pretending to be helpless because of the WTO is the height of short-termism. Of course, this behavior is always couched in a supposed concern for consumers. The DA, however, has never effectively addressed the disconnect between farmgate prices and retail prices. Thus, it is an empty concern.

Is there a way forward? Additional budget allocations and better credit programs will certainly help. But, as in the past, it will go down the sewer of waste and corruption if there is no commitment to the long term.

The first step is fairness in the treatment of the sector. The government acts with alacrity when supply is tight by resorting to importation. In times of oversupply, should not the government act just as fast by stopping importation or reducing supply by some other mechanism? Also, why is it that the entry of imported onions and rice can be timed to avoid the harvest season? Why can't it be done as well for the poultry and livestock sector? How come DA has never shown interest in finding out how other countries managed to protect their agricultural sector for the long term? The government, in particular the DA, must be able to intervene especially in extreme cases of oversupply brought about by, for example, the bird flu crisis of 2017 and the present COVID 19 pandemic or abnormally low international commodity prices.

The second step is a set of reforms designed to achieve a fairer trading system and give time for public and private investments to bring us to a "tomorrow that finds us farther than today." These reforms are not earthshaking. It merely brings us from abnormal to hopefully something approaching normal. We have no system but a superhighway for unfair trade and smuggling. There is nothing to inspire confidence for the long term. These reforms include, among others, the following:

- 1) The urgent need for DECENTRALIZATION of functions. There should be check and balance. Everything is lodged with the BAI. We recommend that the Department of Trade and Industry (DTI) be involved in the issuance of Sanitary and Phytosanitary Import Clearance (SPS IC). Agencies like the Department of Science and Technology and the Philippine Statistics Authority should have a part in the gathering, analysis, and publication of data so that stakeholders can make informed business decisions. Presently, everyone is blind, especially the government, in terms of both local and international data.

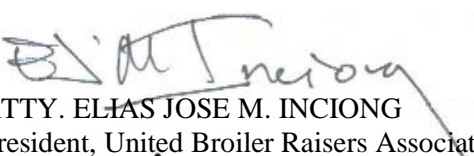
- 2) REFORMATTING of the SPS IC to simplify and facilitate collection of tariffs and duties and the reporting thereof.
- 3) Address UNDERVALUATION through the methods allowed by the WTO and the regular comparison and publication of the composition and volume of exports by country of origin as against the data of BAI and BOC thereby also minimizing the MISDECLARATION of products.
- 4) Conduct STUDIES ON TRADE REMEDIES not only for poultry and livestock but for the entire agri-fisheries sector. What did other countries do which encouraged a commitment for the long term from government and stakeholders.
- 5) Establish confidence in the trading system of chicken meat by addressing the alleged abuses in CUSTOMS BONDED WAREHOUSE 0% tariff privileges. The BAI and NMIS have not presented any data on this concern for years. In a recent meeting, we have asked DTI to seek information on the matter.
- 6) Implement the CONSTRUCTION OF COLD CHAIN-READY QUARANTINE FACILITIES AT THE CUSTOMS BORDER so that inspection can be done before the payment of tariffs and duties. The current so-called 2nd Border Control does not work. The system is below international standards and has allowed the entry of diseases such as ASF, bird flu, and the smuggling of prohibited pork and poultry products from China.
- 7) SUPPORT for the CORN SECTOR AND ACCESS to affordable yellow corn for feeds by the poultry and livestock sector when there are no corn harvests.
- 8) The DA must address the DISCONNECT between farmgate and retail prices either through a more effective enforcement of the price act and/or a program of consumer subsidies similar to the program provided in the series of Farm Bills in the United States.

The reform agenda is necessary to avoid a drastic and involuntary cut in production caused by heavy losses. There will be a domino impact on the feed milling industry, corn farmers, rice farmers by way of their rice bran, producers of coco oil, molasses, fish meal, suppliers of soya bean meal, mineral sources, and veterinary products. The same with the agri-processing portion of the value chain such as cutting and marination all the way to agri-services like food service outlets, groceries, cold storage, transportation, warehousing, packaging, and financing.

For decades, OFW remittances, BPO revenues, and tourism have propped up our economy at great sacrifice by the young men and women, especially millennials, who work in these fields. These are now challenged not only by COVID 19 but also by trends that may undermine its sustainability. Other countries are seeking to provide work for their own people. BPO activities are threatened by digitalization which includes artificial intelligence, and robotics. Tourism's horizon is murky in the near and medium term. A resilient economy with a population our size needs agriculture and manufacturing. The first steps out of this hole that COVID 19 has made will be taken by construction and agriculture. One does not need a degree in economics to realize it.

We, the stakeholders in agriculture, in particular those in poultry and livestock and its allied industries, are pleading to our government to commit to the long term. WE NEED AN AGRICULTURAL SYSTEM THAT SHOWS THAT GOVERNMENT HAS FAITH IN ITS PEOPLE TO PRODUCE THE GOODS AND SERVICES THE COUNTRY NEEDS.

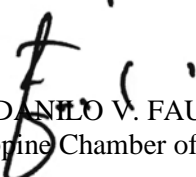
WE NEED AN AGRICULTURAL SYSTEM THAT SHOWS THAT GOVERNMENT BELIEVES IN ITS OWN PEOPLE.




ATTY. ELIAS JOSE M. INCIONG
President, United Broiler Raisers Association




GREGORIO A. SAN DIGO JR.
Chairman, United Broiler Raisers Association



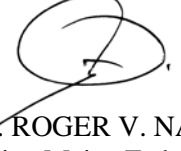
MR. DANILO V. FAUSTO
Philippine Chamber of Agriculture and Food Inc.



MR. CHESTER WARREN YEO TAN
Chairman/President, National Federation of Hog Farmers Inc.



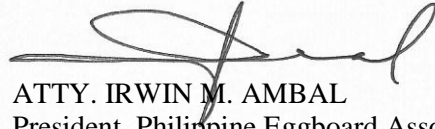
STEPHANIE NICOLE S. GARCIA
President, Philippine Association of Feed Millers Inc



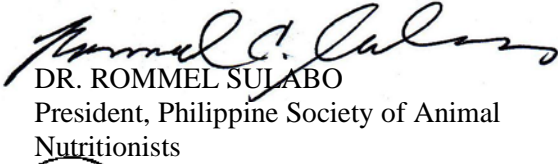
ENGR. ROGER V. NAVARRO
Philippine Maize Federation Inc



DR. CEZAR F. POLICARPIO
President, Philippine College of Poultry Practitioners



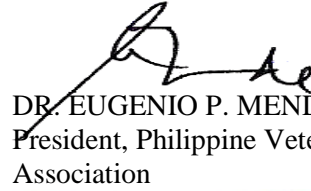
ATTY. IRWIN M. AMBAL
President, Philippine Eggboard Association



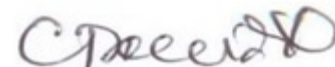
DR. ROMMEL SULABO
President, Philippine Society of Animal Nutritionists



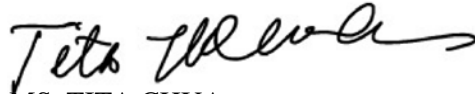
MR. DANILO A. SANCHEZ
Chairman, PVDA Foundation Inc.



DR. EUGENIO P. MENDE
President, Philippine Veterinary Drug Association



DR. CORAZON P. OCIDENTAL
President, Philippine Veterinary Medical Association



MS. TITA CHUA
Simon Enterprises Inc



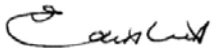
MR. LEOPOLDO MENDOZA
President, Phil. Association of Breeder Layer Inc.



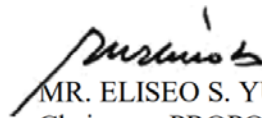
DR. ZOILO M. LAPUS
President, Phil. College of Swine Practitioners



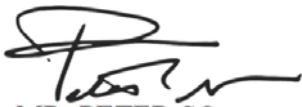
ARTHUR BARON
Chairman, Phil. Eggboard Producers Coop.



ARCH. EDWIN G. CHEN
President, PROPORK



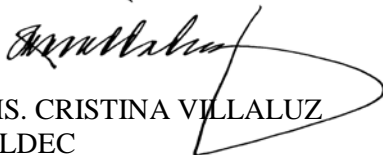
MR. ELISEO S. YU
Chairman, PROPORK



MR. PETER SO
Director, Philippine Poultry Integrated Alliance



MR. ERIC BAILON
Paritas Trading Corp.



MS. CRISTINA VILLALUZ
ALDEC



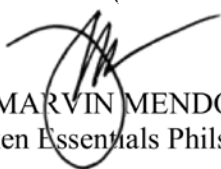
MR. CEDRIC SYCIP
Apache Mountain Ranch



MR. RICARDO B. TALENTO
Bettina Farm



MR. RONALD MASCARINAS
Bounty Agro Ventures Inc.



MR. MARVIN MENDOZA
Chicken Essentials Phils. Inc.



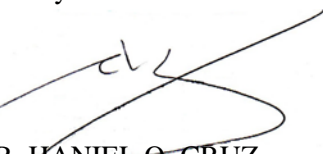
MR. RICARDO C. CLARIN, JR.
Chicumi Farms



MR. SATIT PINTONGPAN
Charoen Pokphand Foods Phils.



MR. JOSE GERARDO FELICIANO
Erin Jay Farm



DR. HANIEL Q. CRUZ
HQC Poultry Farm



MR. CLARRY WUY
Jovic / Foster Farm




MR. JOVEN P. DY
Luzon Agriventures, Inc.



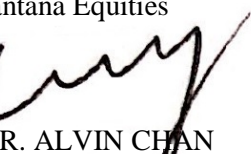
MS. SHERYLL MANALO
Manntrade Link Corp.



MS. RAQUEL ESPARAS
Poultrymax Omnis, Inc.



MR. ARIEL TAN
Santana Equities



MR. ALVIN CHAN
Tarlac Group



MR. RICARDO MANUEL SARMIENTO
Vitarich Corporation



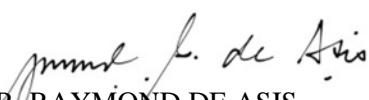
MR. JANUS ROMMEL LIM
Yellow Stone Agro Ventures



DR. ROLLY DELA TORRE
Dela Torre Romarosa Farm




MR. WILLIAM CHEN
Growell Agritech, Inc.




DR. RAYMOND DE ASIS
JJ Agriventures/De Asis Farm



MR. JUAN CARLOS GARCIA
Los Pollos Hermanos




MR. MARC PIOS
LXP Growers, Inc.



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NDL Farms



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Rizal Poultry Farms



DR. ARNOLD ANORICO
Sustamina Farms



MR. JOSE CARLO LEONGSON
URARCO



MR. PAOLO KATIGBAK
YCP FARMS



ENGR. HERNANDO CASTRO
Philwide Poultry Farm