

ECONOMIC RECOVERY ON THE MOVE
Speech of H. E. President Fidel V. Ramos
National Convention and Second Anniversary,
National Hog Raisers' Group
August 20, 1992
Westin Philippine Plaza

Introduction

Thank you very much for your warm words of welcome and this opportunity to be with you on this second anniversary of the group.

As your President, I receive daily many speaking invitations, somewhere and ofcourse not all of which I am able to accept. Yet when I received your invitation, Mrs. Ramos whispered to me that I must immediately accept, because this forum according to her will provide me an opportunity to strike a blow for my campaign to reduce the prices of basic commodities, she said I could plead with you, to reduce the price of pork and make all housewives like her happy.

But seriously speaking, I must thank your association for the cooperation which you have extended the Ramos administration in our efforts to keep basic commodity prices at realistic and affordable levels. Among the various sectors we have appealed to, you were one of the first to support this effort.

In this campaign, we do not forget that prices are a function of the law of supply and demand, of productivity and scarcity. And even your President, even Congress of the Philippine can neither cannot repeal that law.

But you and I know that there are also other laws operating in the market of free enterprise. Among which are the laws of manipulation, profiteering, artificial scarcities and distribution -- all of which are taken advantage of by unscrupulous operators. These we are resolved to correct, and these we will correct with your continuing cooperation.

That said, let me now also say that we are engaged here in a much bigger program than just holding down prices. Our aim is full economic recovery, better efficiency, greater productivity and sustainable growth. that includes the position of your industry in our national life.

Agriculture and national development

As we meet here today, we cannot but be aware of the enormous and complicated challenges we face in the economic recovery effort, and specifically the challenge of raising agricultural productivity in the countryside.

For one, the increasing demand for food, spurred by the country's unrelenting population growth, dictates that we should double our efforts in providing adequate, reasonably-priced, and

quality food from our farms and livestock industries.

Through the years, national agriculture, and with it the economy in general, has been gravely hurt by inconsistent policies on agriculture.

And yet the role of agriculture and the rural sector in our economy should not be taken for granted.

We are looking at the vast potential of agriculture to help move our country to economic recovery and growth. This is not known by many, but as our country struggled into the 1990's, up to now, the agriculture sector provided the only bright spot in an otherwise bleak economic landscape.

Without diminishing in any way therefore the great importance we attach to industrial development, we must assign likewise high priority to developing agriculture's vast potential in the present period of rebuilding and recovery.

The two programs agri and industry are in fact TWO sides of the same coin and should be synergized.

Principles for agricultural growth

The best way we can do this is to apply the lessons we have learned in recent years.

One lesson is that we must unleash our agricultural potential, we must focus on promoting the productivity and profitability of farmers, livestock-raisers and fisherfolk. The sector must strive to surpass previous growth limits, while at the same time protecting our ECOLOGICAL BALANCE.

To help the agriculture sector attain this objective, this government will stress more investments in rural infrastructure such as farm-to-market roads and irrigation as well as facilitate easier credit and marketing and other post-harvest facilities. It will also facilitate market linkages between production and buyers of agricultural commodities. I have approved the plan to transfer the national irrigation administration from the dpwh to the department of agriculture as an attached agency in order to Provide better support to farmers.

we will continue to encourage non-traditional and high value crops for export and local consumption. financial constraints nonetheless compel us to continue to depend also on traditional crops, particularly rice, corn and coconuts. These three commodities not only account for a hefty chunk of agriculture's contribution to the economy, but also involve the greatest number of poor farmers in the countryside.

With basic infrastructures in place, these crops can be planted and harvested all year round. We can then maintain a proper balance between supply and demand, and ensure better prices and higher incomes for the farmers. The key idea is to plant the right crop in the right place at the right time the whole year round, and then to distribute efficiently what is produced.

HELPING HOG PRODUCERS

This scheme is particularly relevant to hog raisers, who will benefit the most from a more productive, efficient, and reliable corn production system. In fact, the concerns of our hog, poultry, and corn producers are so intertwined that the D.A. under the leadership of Secretary Sebastian has deemed it necessary to plan for the integrated development of the three sectors.

To achieve our goal of reliable corn supply, the integrated plan will:

1. Intensify research and extension efforts toward improving THE country's comparative advantages in producing these commodities;
2. Reduce production costs and ensure availability of quality inputs;
3. Provide market, transport and communication services and infrastructures;
4. Provide incentives FOR post-harvest facilities; and
5. Improve the farmers' access to credit for production, processing, and post-harvest investments.

The main vehicle for increasing corn production and stabilizing corn prices will be the Corn Production Enhancement Program (CPEP), whose main features include: (1) the provision of input assistance and subsidies; (2) increasing the availability of irrigation, certified seeds, and fertilizers; and (3) the reduction of post-harvest losses and removal of transport bottlenecks. The Department of Agriculture will implement the third phase of the CPEP starting this year IN COLLABORATION WITH THE DOTC.

INSTITUTIONAL STRENGTHENING

In the medium term, we intend to help small and medium-scale swine raisers develop production and marketing cooperatives as well as federations which can serve as government's financing conduits.

We will help them establish pig breeder farms.

We will set up feedmills that utilize non-conventional feed resources and additional facilities such as slaughterhouses and cold storage plants.

On top of these, we will strengthen their linkages with integrators, commercial hog raisers and marketing chains.

Tha's why I have suggested

Neither will we neglect the concerns of our commercial hog farmers. We will assist in developing their capability to export particularly to our ASiAN neighbors.

In addition, we shall encourage and assist commercial hog producers to put up breeding, fattening, and meat processing facilities in foot-and-mouth disease-free areas such as in Palawan and Mindanao.

All these actions are designed, you might say, to "fatten" our hog industry. And I hope that

your association will fully take advantage of these initiatives in order to lead the industry to new heights and contribute to national productivity and growth.

THE LARGER PICTURE

As important as these specific actions are to help your sector, there is the larger program of economic strengthening for which we are now crusading.

As you very well know, this administration has already taken major steps to change the very climate for economic effort in our country. Deregulation is underway and will continue.

Deregulation is well underway and will continue.

Two weeks ago, we ended the 40-year regime of controls over the foreign exchange market and liberalized the trading of the peso and other currencies.

Likewise, we are making headway in bringing down interest and inflation rates. these rates have gone down, and we envision that they will go down since June '92 further in the near future. this will enormously help producers in improving their operations and consumers to enjoy lower prices.

in the energy sector, we already see light at the end of the long dark tunnel. let me say now that i am fully confident that before the next dry season, we can meet most of our energy requirements -- not just the needs of the hour, but the needs of an expanding economy.

In the peace and order sector, which is of such concern to our economic entrepreneurs no less than to the ordinary citizen, we are moving resolutely and we are on target. regardless of the difficulties that naturally come with far-reaching reforms, the anti-crime campaign also is succeeding.

In all of these initiatives, I am guided by one overwhelming conviction: we must do better and we will do better.

Ladies and gentlemen, i say to you now: economic recovery has accelerated.

If there is anyone here who still has doubts that our national prospects are improving, let him speak now and tell us why. and the government team will provide him an answer.

If foreign investors today are moving into our country to invest, surely it is because they see something bright in our country's future. it would be a tragic irony if we Filipinos are the ones who miss the boat.

Again, congratulations on your second anniversary, and may your industry increase in numbers, achievements and service to our people.

Mabuhay kayong lahat at maraming salamat po.

082092-1010H