




# **Cushioning the Negative Impact of Rising Oil Prices on the Agriculture and Fisheries Sector**

**Leonardo Q. Montemayor**

**President**

**Federation of Free Farmers (FFF)**

2008 Philippine Energy Summit  
SMX Convention Center, Mall of Asia  
31 January 2008



# The Role of Oil and Fuel in Rice Production...



Irrigation



Fertilizer



Machineries for land preparation and threshers



Transportation

# Impact of high oil price on key agri inputs

<b>Oil and oil-based input</b>	<b>2006</b>	<b>2007</b>	<b>% Change</b>
<b>Fertilizer (P/bag)</b>			
Urea	882.94	960.00	8.72
Complete	745.74	980.00	31.41
<b>Oil and Fuel</b> (Diesel Peso/Liter)	31.75	38.45	21.10

# The Impact of High Oil Price on the Fisheries Sector

## TRANSPORT VEHICLE FOR PAMPANO

Particulars	Fuel at P30/Liter	Fuel at P40/Liter
Cost of Fishing Boat/Vessel	20,000,000.00	20,000,000.00
Depreciation per month	83,333.33	83,333.33
Cost of Labor per month	120,000.00	120,000.00
Fuel Cost	864,000.00	1,152,000.00
Total	1,067,333.33	1,355,333.33
Share of Fuel Cost to Total (%)	80.95	85.00

# Action points...

*Tap agriculture as a provider of alternative energy source and as a strategy to have lower priced fuel inputs (and increased incomes)*

- *Bio-fuels feedstock*
- *Biomass*

# Action points...

*Provide direct assistance to farmers and fisherfolks through*

- *Soft financing*
- *Electricity/Fuel discounts*

# Action points...

*Promote use of less oil-dependent technology*

- *Organic Fertilizer/ Bio-Fertilizer*
- *Balanced fertilization*
- *Ram pump technology*

# Action points...

*Support agriculture and fisheries as a viable livelihood provider*

- *Install basic rural infrastructure*
- *Promote yield and quality enhancing technologies*
- *Reduce logistics and transport cost*
- *Support appropriate land use policy*

