Soaring rice prices in the Philippines drive millions deeper into poverty

Dante Pastrana
20 March 2025

Rice prices have soared in the Philippines in recent months. The dietary staple, which accounts for over 20 percent of the food budget of poor families, has become increasingly unaffordable.

According to the recent Agriculture Department price monitoring report, from February 22 to March 4, regular milled rice on average cost 40.83 pesos (71 US cents) per kilogram while the well-milled variety cost 46.74 pesos per kilogram. On March 6, the department reported well-milled rice prices had reached as high as 52 pesos per kilogram in the National Capital Region of Metro Manila.

The deepening rice crisis in the Philippines under the presidency of Ferdinand Marcos Jr., who campaigned to reduce rice prices to 20 pesos per kilogram before becoming president in June 2022, is driving millions of Filipino workers and the rural poor deeper into poverty and hunger, also battered by surging inflation in other food prices, utilities and fuel.

A recent survey by the Social Weather Stations, a leading Philippine polling firm, revealed a staggering increase in self-rated poverty among Filipino families, with 63 percent of respondents declaring themselves poor in December 2024. This marked a 17 percent increase from March 2024 and represents the highest poverty rate recorded in the country in over two decades.

The survey, conducted among 2,160 households, found that the annual average for self-rated poverty in 2024 reached 57 percent, a nine-point increase from the 48 percent recorded in 2023. Based on the 2020 Philippine census, this translates to approximately 15 million households or 60.2 million people living in poverty. The results stand in stark contrast to the government's official poverty statistics, which claim a poverty incidence of just 10.9 percent in 2023, equivalent to 2.99 million families or 11.9 million people.

The survey also revealed that 25.9 percent of Filipino families experienced involuntary hunger at least once in the three months preceding December 2024. The annual hunger average for 2024 reached 20.2 percent, nearly double the figure for 2023. Severe hunger—defined as those who often or always experienced having nothing to eat—rose from 1.5 percent in 2023 to 5.1 percent in 2024. These figures paint a grim picture of the daily struggles faced by millions of Filipinos, who are forced to tighten their belts and lower their living standards to survive.

Domestic rice production was estimated in 2024 at 385.5 billion pesos, accounting for over 20 percent of the total value of agricultural goods. Nearly 30 percent of the total available crop area is planted with rice.

However, 33 percent of the estimated two million rice farmers are the poorest of the poor in the Philippines. A thin layer of landlords dominates production and extracts most of the profits through land rent and brutal exploitation of rural workers. At the same time, 86,000 wholesalers and retailers and 12,000 millers (who are also often landlords) dominate distribution, imposing farm gate prices at just half the retail price.

In February, farm gate prices plunged even lower, by over 35 percent of last year's prices. Trapped in a system dominated by landlords and middlemen, the poor rice farmers are forced to sell their harvest at exploitative prices, perpetuating a cycle of poverty and debt.

Anger is rapidly growing in the working class. According to one survey conducted in February by OCTA research, support for the Marcos government notably in working-class areas was down to 39 percent in Metro Manila, 32 percent in the industrial region of

© World Socialist Web Site

Calabarzon, and lower still to just 19 percent in Central Visayas.

In February, in the lead up to the start of the campaign for the 2025 national election for congressional and local government positions, the government declared a Food Security Emergency and began releasing 300,000 metric tons of rice stocks for local government units to sell at a subsidized price of 35 pesos per kilogram.

That same month, the government announced a reduction of the nationwide maximum suggested retail price for imported rice, which comprises over 20 percent of the local market. From 55 pesos per kilogram, it has now decreased to 49 pesos per kilogram.

The Marcos government's response to the crisis is a cynical attempt to placate growing working-class anger while protecting the interests of landlords and agribusiness. Far from being an attempt to regulate the market price of rice, the sell-off of government stock is simply a drive to clear warehouses for the purchase of rice held by the landlords and wealthier rice farmers.

According to the Philippine News Agency, well before the February announcement of releasing its 300,000 metric tons of rice stocks, there was a surge of government requisitions in January. This reached 284,810 metric tons, significantly higher than the 48,680 metric rice stocks in January 2024, as the government bought local palay (unhusked rice) at 30 pesos per kilogram for dry palay and 23 pesos per kilogram for fresh or wet palay. The government plans to purchase over 870,000 metric tons this year.

Given that these purchases are oriented to the landlords and to better off layers of farmers who have the logistics for drying palay or can afford to ship off their harvest to the nearest government warehouse, this essentially subsidizes their profits.

Equally cynical is the supposed price cap on imported rice. According to the *Philippine Star*, rice imports plunged by almost 35 percent in the first two months on an annual basis to a little over 500,000 metric tons because of "the high carry-over stocks from last year when private entities imported a record-high 4.8 million metric of rice." The price cap becomes essentially the minimum price for the selloff of last year's stocks by private businesses.

Under the capitalist system, food production is subordinated to the profit interests of a tiny elite, while the working class and rural poor are left to suffer. The Marcos government's so-called solutions are not even band-aids on a gaping wound. What is necessary is the placing of the means of production under the democratic control of the working class and the re-organization of agriculture to meet human needs, not corporate profits.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site