CLIPPINGS FOR WEDNESDAY, MAY 18, 2022

A. SEC. WDD QUOTED

THE PHILIPPINE STAR
P6-B fertilizer subsidies eyed to help farmers

THE DAILY TRIBUNE
Photo: **Lower still**

PEOPLE'S JOURNAL TONIGHT
ASF phase 1 vaccine trails 'promising'

REMATE
NFA rice ibabalik para sa 4Ps beneficiaries

B. DA FAMILY

PHILIPPINE DAILY INQUIRER
Available, accessible, affordable food all

THE PHILIPPINE STAR
Rice stocks drop in March

BUSINESS WORLD
Regional Updates: Davao cacao growers get post-harvest, biomass facilities

BUSINESS MIRROR
Editorial: Targeted assistance program for the poor
PHL rice stock as of March dips by over one-fifth-PSA

ABANTE
Photo: **Planong ibalik ng DA ang NFA rice sa merkado**

C. AGRI-RELATED STORY

No stories

D. FOREIGN STORY

THE PHILIPPINE STAR
G7 slams India decision to stop wheat exports

MALAYA BUSINESS INSIGHT
Global food inflation pain puts emerging markets between rock and hard place
Wheat importers in Asia scramble for supplies

BUSINESS WORLD
Food inflation pain puts emerging markets between rock and hard place
Wheat buyers in Asia strive for supplies after India export ban

BUSINESS MIRROR
Conspiracy theorists flock to bird flu, spreading falsehoods

MANILA BULLETIN
Wheat prices hit record high after Indian expor ban

THE DAILY TRIBUNE
4,000 wheat trucks standard at Indian port

THE PHILIPPINE STAR
TRUTH SHALL PREVAIL

Date: MAY 18 2022 Page: B7

LIBRARY
DEPT. OF AGRICULTURE

P6-B fertilizer subsidies eyed to help farmers

By CATHERINE TALAVERA

The government is preparing for the release of an additional P6 billion subsidy for fertilizers, saying this is vital to prevent an annual decline in palay or unhusked rice production.

In a text message to **The STAR**, Agriculture Secretary William Dar said the additional P6 billion fertilizer subsidy budget for the wet planting season was earlier approved by President Duterte as part of the Plant, Plant, Plant 2.

"Sec.Carlos Dominguez (Department of Finance) is now looking at the funding source as he supports this additional budget for fertilizer subsidy. He promised to have it very soon,"Dar said.

During the launch of the National Agriculture and Fisheries Modernization and Industrialization Plan yesterday, Dar said he had a discussion with Dominguez on Sunday, where he emphasized the urgency of releasing the subsidy as soon as possible because the planting of rice is already starting.

To cushion the impact of the global challenges on the country's food security, the Department of Agriculture (DA) earlier implemented Plant, Plant, Plant with a P24 billion budget, of which P20 billion has been allocated for fertilizers.

While P6 billion of the fertilizer subsidy budget will be allocated for the wet season, Dar said the amount to be allocated for the dry season would depend on the next administration.

Dar cited the need for more fertilizer subsidies to prevent a decline in palay production.

"If we are not able to subsidize more, the rice farmers today will see a decline of about 1.1 million metric tons (MT) of palay this year," Dar said.

Latest data from the Philippine Statistics Authority showed that palay production declined to 4.5 million MT from 4.63 million MT due to rising prices of fertilizer.

Fertilizer prices in the international market have been rising since last year mainly due to larger demand from countries, as well as higher freight cost.

Latest data from the Fertilizer and Pesticide Authority showed that the average retail price of prilled urea reached P2,969.92 per 50-kilo bag from May 2 to 6. This is more than double the P1,150.83 per 50-kilo bag price in the same period last year.

Dar said there is a brewing food crisis resulting from the disruption in the global food supply chain, reduced productivity of Ukraine and Russia, as well as reduced agricultural productivity in the rest of the world due to unavailability and high cost of inputs.

In April, Dar said the Philippines and the People's Republic of China are in the middle of bilateral negotiations for the procurement of fertilizers, including biofertilizers and biostimulants.

"We have been talking with Ambassador Huang Xilian on the country's ongoing request to buy fertilizers from China, and we are optimistic about the positive result of our discussions regarding the potential trade," Dar said.

Daily Tribune
WITHOUT FEAR ◆ WITHOUT FAVOR

Date: 18 MAY 2022 Page: A6

LIBRARY
DEPT. OF AGRICULTURE

PHOTOGRAPH BY ANALY LABOR FOR THE DAILY TRIBUNE @tribunephl_ana

Lower still Rice sells from P39 to P40 a kilo in this Marikina City grains store, with Agriculture Secretary William Dar saying it's possible to bring the staple's prices to as low as P27 to P30 per kilo.

PEOPLES JOURNAL Tonight

Date: 18 MAY 2022 Page: 1 & 11

LIBRARY
DEPT. OF AGRICULTURE

ASF Phase 1 vaccine trials 'promising'

By CORY MARTINEZ

THE Phase 1 of the African Swine Fever (ASF) vaccine trial showed encouraging results with no clinical signs associated with ASF disease observed and minimal non-ASF-related mortality was posted.

Department of Agriculture (DA) Secretary William D. Dar said that with the encouraging result, Phase 2 of the trial will be proposed that will run from May to June 2022.

The Phase 2 will involve the actual viral challenge of vaccinated animals.

"In the trial, no clinical signs associated with ASF disease [were] observed, and minimal non-ASF related mortality was posted. A total of 66% of sample animals have detectable antibodies to the ASF virus," Dar said.

The DA collaborated with the Universal Robina Corporation (URC) and Dr. Dachrit Nilubol of Chulalongkorn University in Thailand for the "Clinical Study for the Evaluation of ASF Vaccine in Protecting Pigs Against African Swine Fever" conducted from February to May 2022.

The study, implemented at the Robina Farm in Bulacan, aimed to evaluate the safety of the vaccine and determine the vaccine's ability to induce immune responses following vaccination.

The vaccine was subjected to trial and formulated in Thailand. It can be stored in a wide range of temperatures with a shelf life of two to six months.

"Malaking tama ang inabot ng piggery from 2019. Nalimas ang karamihan ng mga baboy sa Pilipinas, especially sa Luzon. Because of this, determinado ang kompanya ng Robina Farms na makagawa ng solusyon dito sa problemang ito. Kaya nag-try kami ng bakuna. Nais kong pasalamatan ang DA at ang BAI (Bureau of Animal Industry) na hand in hand kami na pumasok dito sa bakunang ito," Robina Farm Operations Director Dante Palabrica said.

He added that the ASF vaccine is very important for the country's food security amid the brewing food crisis.

See Page 11

ASF

FROM PAGE 1

"We want to work with the DA, na mare-populate nang mabilisan ang ating industry upang maibalik ang populasyon ng baboy dito sa Pilipinas," he said in support of the DA's hog repopulation program.

Dr. Palabrica is also confident that the country's hog population could be revived in the next five years with the game-changer ASF vaccine.

Dar, meanwhile, added that if the vaccine is proven effective, he will recommend to the President, the vaccination of the country's hog population at the expense of the national government.

Dar also stressed that the country must strengthen its biosecurity measures as another long-term solution.

REMATE
ANG DIARYO NG MASA

Date: MAY 18, 2022 Page: 4

LIBRARY
DEPT. OF AGRICULTURE

NFA rice ibabalik para sa 4Ps beneficiaries

PLANO ng Department of Agriculture na ibalik ang NFA rice sa merkado.

Nilinaw ng DA na hindi ito para sa lahat kundi para lamang sa mga pinakamahihirap na pamilya o benepisaryo ng Pantawid Pamilyang Pilipino Program.

Sa ulat, natuklasan ng price monitoring ng DA na ang average retail price ng regular milled rice ay P37 kada kilo habang ang well-milled rice ay P41 kada kilo.

Sinabi ni Agriculture Secretary William Dar na ang kanilang plano na ibalik ang NFA rice ay hindi na mangangailangan pa ng pag-amyenda sa Rice Tariffication Law.

Ang batas ay naglalayong "allows unlimited importation of rice as long as private sector traders secure a phytosanitary permit and pay a 35-percent tariff for shipments from neighbors in Southeast Asia, took effect in March 2019."

Ang subsidized na NFA rice ay hindi na available sa merkado matapos ang August 2019.

"Pino-procure ng NFA, ang good for 30 days na kung 'yun ay magagawa. At ito na 'yung i-rollover at ibebenta nila through the NFA retailers," ayon kay Dar.

"Dapat ibalik 'yun, ang NFA retailers' group, para magbenta sila ng P27... But executive order na lang 'yun. It needs just additional budget," ani Dar sabay sabing "Directed dapat ang NFA rice na P27, or mahigit P28 or P29, mura pa rin yun, sa mga 4Ps...hindi na pwedeng pampubliko."

Maliban sa planong ibalik ang NFA rice sa merkado, tinitingnan din ng DA na itaas ang rice buffer stock ng bansa mula sa kasalukuyang 7 araw. Ang presyo ng palay ay itataas ng P20 mula sa kasalukuyang P19 kada kilo.

"Another way to have cheaper rice in the market is to lengthen or have more buffer stocking by the country. Ang NFA 30 days buffer stocking, ang provincial governments another 30 days," ayon kay Dar.

"Sumatotal, we have 60 days buffer stocking strategy and the procurement of palay at P20, hindi na babaratin ng mga traders ang mga rice producers," diing pahayag nito.

KRIS JOSE

PHILIPPINE DAILY INQUIRER
BALANCED NEWS + FEARLESS VIEWS

Date: MAR 18, 2022 Page: A6

LIBRARY
DEPT. OF AGRICULTURE

Available, accessible, affordable food for all

COMMENTARY

GARY B. TEVES

Food security, which pertains to the availability, accessibility, and affordability of food, has long been among the top concerns of most Filipinos.

Even during periods of abundant harvests, farm produce is hardly accessible or difficult to bring to the market because of inadequate farm-to-market roads, transport, and storage facilities. Mobility restrictions brought about by the pandemic also complicated the delivery of produce to some areas.

In 2020, 62.1 percent of the population or about six out of every 10 Filipinos were at risk or were actually suffering from inadequate access to food.

The bigger problem for many, however, is the rising cost and prices of food, which drive up the country's inflation rate. Food and non-alcoholic beverages account for 39 percent of Filipino consumers' expenditures. Higher food prices will continue to eat up a bigger share of their incomes.

Philippine Statistics Authority data show there are about 26.1 million or 23.7 percent of the population living in poverty. Their per capita income is below the threshold of P2,416 a month—an amount that could barely cover food and basic non-food needs like clothing, housing, transportation, education, and health care.

Of this number, there are 10.9 million Filipinos who earn less than the threshold of P1,679 a month and, therefore, cannot afford even the most basic food requirements like meat, milk, fruits, and vegetables. It is ironic that many of those who produce the food we eat are themselves too poor. Latest available records showed that in 2018, 31.6 percent of Filipino farmers, 26.2 percent of fishermen, and 24.5 percent of people in the rural areas were living in poverty.

The rising cost of food and extreme poverty are also to blame for the high rates of hunger and malnourishment in the country, with more than 33 percent of Filipino children suffering from malnutrition. This will have long-term adverse impact on the children's physical and mental development, productivity, and economic potential—a very real threat to the country's economic stability.

Ensuring food security will take an entirely new mindset and the full transformation of the agricultural sector, as suggested by a World Bank study ("Transforming Philippine Agriculture During COVID-19 and Beyond"). It should be aimed at developing a dynamic, high-growth, and highly competitive sector to ensure food security and substantially reduce poverty.

Recent policies put in place by the Duterte administration are seen as steps in the right direction toward ensuring food security and alleviating poverty. One is the Department of Agriculture's (DA) "New Thinking" agro-industrial development strategy, which has now evolved into the One DA Reform Agenda: modernization, industrialization, farm consolidation and clustering, and professionalization. The rice tariffication law is an indication of this correct strategic shift in policy.

The Duterte administration also eased the import restrictions on pork and fish, and recently, on feed corn to help tame price increases arising from recent disruptions. Cash aid was also granted to farmers, fishermen, and low-income consumers.

The following are some points raised by various groups that the new administration should consider in pursuing the DA's "New Thinking" development strategy and transforming the agriculture sector:

- Expanding the focus of the programs and resources of the DA from rice, corn, and coconut to include other agricultural crops that offer greater income and job-generating opportunities such as high-value crops like fruits, vegetables, cacao, coffee, and even specialty rice.

- Shifting from a supply-oriented agriculture to one that is demand-driven.

- Consolidating small and medium farmlands to make agriculture an efficient, viable, and competitive industry. Other options like cooperative farming and contract growing can be explored.

- Modernizing agricultural extension services to cater to the needs of farmers in an increasingly diversified sector; establishing reliable databases and analytical capacity in the DA for timely and appropriate decision-making; providing support services such as common warehouses, cold storage, and irrigation facilities; facilitating e-commerce development.

- Industrializing the agriculture sector should cover the entire value chain—improving market networks, land and sea transportation systems, and infrastructure, particularly farm-to-market national and local roads. It requires focus on value-adding and increased investments in agribusiness incubation and education.

Adopting agricultural sector development as a key strategy for poverty alleviation and food security will require more resources. The budget allocation for the sector, which at present is P102.5 billion or only 2.04 percent of the P5.024-trillion national budget, should be substantially increased. In comparison, Vietnam allotted 6.5 percent of its national budget for agriculture in 2020, while Thailand earmarked 3.4 percent for this sector.

However, the DA must show a significant improvement in its absorptive capacity to convince Congress to allot bigger funds for the department in the coming years. The DA was able to spend only 61.2 percent of its allotted budget in 2017, 62 percent in 2018, and 60.4 percent in 2019.

Also, the public-private sector partnership should be revived to get the private sector to invest and help in funding the agricultural sector's transformation, particularly in accelerating infrastructure development in the countryside.

The UN Food and Agriculture Organization's World Food Summit in 1996 reaffirmed "the right of everyone to have access to safe and nutritious food, consistent with the right to adequate food and the fundamental right of everyone to be free from hunger." To guarantee these rights of every Filipino, food security—availability, accessibility, and affordability—must be assured.

Gary B. Teves served as finance secretary under the Arroyo administration.

THE PHILIPPINE STAR
TRUTH SHALL PREVAIL

Date: MAY 18, 2022 Page: B8

LIBRARY
DEPT. OF AGRICULTURE

Rice stocks drop in March

By CATHERINE TALAVERA

The country's rice inventory continued to decline, but at a slower pace in March by 21.5 percent, the Philippine Statistics Authority (PSA) said.

In its latest rice and corn stocks inventory report, the PSA said total rice stocks inventory stood at 1.63 million metric tons (MT) as of March 1, lower than the 2.08 million MT registered in the same period a year ago.

The 21.5 percent decline is slower than the 26.6 percent drop in rice stocks recorded last month.

The current inventory is 1.4 percent higher than the 1.609 million MT registered the previous month.

Households accounted for the bulk of the inventory or 53 percent at 864,920 MT. This was followed by commercial warehouses, with a 37.4 percent share at 611,330 MT.

Supplies from the National Food Authority (NFA) depositories cornered a 9.6 percent share at 156,260 MT.

Compared to the previous year's level, rice stocks in households decreased by 29.7 percent.

Rice stocks in NFA depositories also declined by 41.1 percent.

In contrast, stocks in commercial warehouses increased by 4.6 percent from year ago levels.

On a monthly basis, rice stocks in households declined by two percent.

Stocks in NFA depositories also dropped by 13.8 percent, while stocks in commercial warehouses posted a 12.1 percent month-on-month increase.

Meanwhile, the country's corn stocks inventory dropped by 28.7 percent to 448,310 MT as of March 1.

On a monthly basis,corn inventory dropped by 5.1 percent from the previous month's 472,570 MT.

Corn stocks in commercial warehouses accounted for the bulk of the inventory or 73.6 percent at 330,140 MT.

In contrast,households accounted for 26.4 percent of the total inventory at 118,170 MT.

Compared to the previous year's level, corn stocks in commercial warehouses dropped by 22.7 percent, while stocks in households declined by 41.3 percent.

On a monthly basis, corn stocks in commercial warehouses dipped by 12.8 percent, while stocks in households increased by 25.5 percent.

BusinessWorld

Date: MAY 18, 2022 Page: 10/S1

LIBRARY
DEPT. OF AGRICULTURE

Regional Updates

Davao cacao growers get post-harvest, biomass facilities

TWO cooperatives in Davao Region have received cacao post-harvest and biomass production facilities to boost farmers' income from the high-value crop that is being developed as a major export commodity.

In Davao Occidental, the Southern Davao Multipurpose Cooperative was recently given P3.9 million worth of facilities for cacao drying, storage, and fermentation, according to the Department of Agriculture (DA) regional office.

"DA recognizes the importance of cacao as a driver of rural development because of its potential as a raw material that can increase the country's export earnings," DA-Davao Regional Technical Director for Research and Regulations Andres L. Alemania said in a statement.

In Davao City's Baguio District, the Fardeco Agricultural Multipurpose Cooperative will be granted equipment and skills training for the production of briquettes from cacao pod husk and other biomass wastes. — **MSJ**

DA-11/SJABASTILLAS

BusinessMirror
A broader look at today's business
18 MAY 2022
PAGE: A12

LIBRARY
DEPT. OF AGRICULTURE

editorial

Targeted assistance program for the poor

FOOD-IMPORTING countries like the Philippines can now be included among the casualties of the Russian invasion of Ukraine. The export ban on wheat imposed by India and the decision of Indonesia to limit the export of palm oil could only lead to higher food prices in the coming months. Flour-based products and other processed food products would become more expensive and would adversely affect the poor.

The Department of Trade and Industry (DTI) recently decided to increase the suggested retail prices of 82 basic necessities and prime commodities ***(See, "DTI okays SRP increase for 82 basic commodities and prime necessities," in the* BUSINESSMIRROR*, May 13, 2022).*** Among those that will see price adjustments are bread, canned fish, processed milk, manufactured instant noodles, flour, processed and canned pork and beef, and laundry soap. Of particular concern among the basic goods are instant noodles and canned fish as these are popular among poor consumers because they are affordable.

Food and fuel prices would continue to rise and put a strain on the budget of Filipino households if the war in Eastern Europe drags on. Consumers who earn just enough to meet both ends meet now need to tighten their belts some more and make some adjustments in their purchasing decisions, such as choosing cheaper products. The poor, particularly those earning below the minimum wage, do not have much option. Due to their limited income, these families are more concerned about hunger and are likely to choose food that is filling over what is high in nutrients.

Giving food assistance and selling cheaper food products are the most popular means of helping the poor cope with spiraling prices. The incoming administration would do well to carefully study programs aimed at assisting the poor given the government's current fiscal situation. Assistance programs work well when they serve targeted beneficiaries, as opposed to a shotgun approach that could drain the national coffers.

Prior to the enactment of the rice trade liberalization law, the National Food Authority incurred billions of pesos in debt because of its policy of "buying high and selling low." Our incoming economic managers can learn from policies that fundamentally failed to achieve intended goals. The NFA procurement program, for example, helped stabilize the retail price of rice, but the government had to foot the bill as the food agency had to take out commercial loans to carry out its functions ***(See, "NFA assets may be sold to pay P145-billion debts," in the* BUSINESSMIRROR*, February 20, 2019).***

Making good of the campaign promise to make food prices affordable entails creative ways to formulate policies that would not put pressure on the government's fiscal situation. The pandemic has drained the resources of the government and caused the Philippines to incur additional debts ***(See, "PHL may need to generate P326B to pay for pandemic debts—Salceda," in the* BUSINESSMIRROR*, May 16, 2022).*** We hope that our incoming economic managers would be able to find the right strategies that would allow the government to strengthen the country's food security and provide social safety nets that do not enfeeble our national economy.

___ of ___

BusinessMirror
A broader look at today's business
Date: 18 MAY 2022 Page: A14
LIBRARY
DEPT. OF AGRICULTURE

PHL rice stock as of March dips by over one-fifth–PSA

By Jasper Emmanuel Y. Arcalas @jearcalas

THE country's rice inventory in March plunged by more than a fifth year-on-year to 1.632 million metric tons (MMT), as stocks in households dropped by a double-digit rate, the Philippine Statistics Authority (PSA) said.

The PSA said the country's rice stocks as of March 1 was 447,590 MT lower than the 2.080 MMT recorded inventory in the same period of last year.

"In contrast, the rice stocks inventory level increased by 1.4 percent over the previous month's level of [1.609 million] metric tons," the PSA said in its latest rice and corn inventory report released recently.

Historical PSA data showed that rice stocks in March halted a three-month skid in monthly staple inventory nationwide.

The PSA said more than half of the country's rice inventory as of March 1 were stored in households, while 37.4 percent were held by commercial entities (warehouses, wholesalers and retailers). The PSA added that the remaining 9.6 percent inventory were stored in National Food Authority (NFA) warehouses.

Household rice inventory as of March 1 reached 864,920 MT while stocks of the staple in commercial entities and NFA warehouses were estimated at 611,330 MT and 156,260 MT, respectively, based on PSA data.

"Year-on-year, rice stocks inventory levels in the households and NFA depositories declined by -29.7 percent and -41.1 percent, respectively. On the other hand, an increase of 4.6 percent was observed in commercial warehouses/wholesalers/retailers," the statistical agency said.

"Relative to their levels in the previous month, decrements were noted in the households and NFA depositories by -2 percent and -13.8 percent, respectively. Stocks in commercial warehouses/wholesalers/retailers showed an increase of 12.1 percent," it added.

In the same report, the PSA said the country's total corn inventory as of March 1 declined by 28.7 percent to 448,310 MT from 628,370 MT.

"Month-on-month, corn stocks inventory dropped by -5.1 percent from its previous inventory level of [472,570] metric tons," the PSA added.

The PSA noted that corn inventory in households, which accounted for 26.4 percent of total stocks, and in commercial entities declined on an annual basis.

Corn stocks in households reached 118,170 MT while those in commercial warehouses, wholesalers and retailers were at 330,140 MT, based on PSA data.

"Corn stocks declined by -41.3 percent in the household sector and -22.7 percent in commercial warehouses/wholesalers/retail with reference to the same month of the previous year's stocks inventory levels," the PSA said.

"A drawdown of -12.8 percent was recorded in commercial warehouses/wholesalers/retail in comparison with the February 2022 stocks inventory level. On the other hand, a growth of 25.5 percent was noted in the household sector," the PSA added.

Abante
UNA SA BALITA

Date: MAY 18, 2022 Page: 2

LIBRARY
DEPT. OF AGRICULTURE

Planong ibalik ng Department of Agriculture ang NFA rice sa merkado pero para lang umano ito pinakamahihirap na pamilya o benepisyaryo ng 4Ps. *(Jonas Sulit)*

THE PHILIPPINE STAR
TRUTH SHALL PREVAIL

Date: MAY 18, 2022 Page: B9

LIBRARY
DEPT. OF AGRICULTURE

G7 slams India decision to stop wheat exports

STUTTGART (AFP) – Agriculture ministers from the Group of Seven industrialized nations on Saturday condemned India's decision to ban unapproved wheat exports after the country was hit by a punishing heatwave.

"If everyone starts to impose export restrictions or to close markets, that would worsen the crisis," German agriculture minister Cem Ozdemir said at a press conference in Stuttgart.

India on Saturday banned wheat exports without prior government approval after recent scorching temperatures hit production, in a blow to countries affected by supply shortages because of the war in Ukraine.

India, the world's second-largest wheat producer, said that factors including lower wheat production and sharply higher global prices because of the war meant that it was now worried about its own "food security."

All export deals agreed before the directive issued on Friday could still be honored, but all future shipments needed to have government approval.

However, exports could also take place if New Delhi approved a request by other governments "to meet their food security needs."

The decision came as global agricultural markets were under severe stress due to Russia's invasion of Ukraine.

The traditional bread basket has seen shipments disrupted, with the Ukrainian agriculture minister travelling to Stuttgart for discussions with G7 colleagues on getting its produce out.

Some "20 million tons" of wheat were sitting in Ukrainian silos and "urgently" needed to be exported, Ozdemir said.

Before the invasion, Ukraine exported 4.5 million tons of agricultural produce per month through its ports – 12 percent of the planet's wheat, 15 percent of its corn and half of its sunflower oil.

But with the ports of Odessa, Chornomorsk and others cut off from the world by Russian warships, the supply can only travel on congested land routes that are much less efficient.

At this critical juncture, ministers of the G7 industrialized nations urged countries around the world not to take restrictive action that could pile further stress on the produce markets.

They "spoke out against export stops and call as well for markets to be kept open," said Ozdemir, whose country holds the rotating presidency of the group.

"We call on India to assume its responsibility as a G20 member," Ozdemir said.

The agriculture ministers would also "recommend" the topic be addressed at the G7 summit in Germany in June, which India's Prime Minister Narendra Modi has been invited to attend.

Laborers pack wheat grains in a sack at a wholesale grain market in Ghaziabad. India's wheat production has been hit by searing temperatures – the country recorded its warmest March on record – prompting the government to predict output would fall at least five percent this year from 109 million tons in 2021.

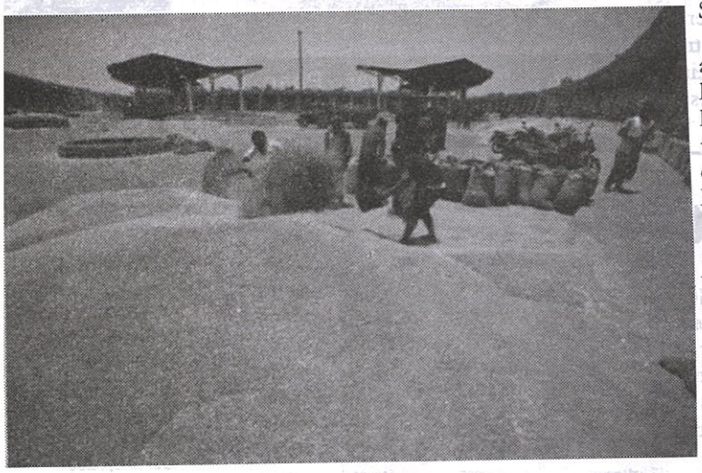
AFP

Malaya
Business Insight

Date: MAY 18, 2022 Page: A6

LIBRARY
DEPT. OF AGRICULTURE

Global food inflation pain puts emerging markets between rock and hard place



Workers fill sacks with wheat at the market yard of the Agriculture Product Marketing Committee (APMC) on the outskirts of Ahmedabad, India. *(Reuters Photo)*

LONDON/ISTANBUL/CAIRO- Like for millions of people in developing and emerging market countries around the world, shopping for staple foods has turned from a necessity into a luxury for Selcuk Gemici.

The 49-year-old, who works in an auto repair shop in Turkey's largest city Istanbul and lives with his wife and two children in his father's house, says fresh produce is often out of reach with his family living on pasta, bulgur and beans.

"Everything became so expensive, we cannot buy and eat what we want - we only buy what we can afford now," said Gemici. "My children are not properly nourished."

Global food prices have climbed for two years, fuelled by COVID-19 disruptions and weather woes. Supply shocks to grains and oils from Russia's invasion of Ukraine saw them hit an all-time record in February, and again in March.

Inflation rates have soared, with energy price rises adding to pressure. Turkey or Argentina with annual inflation of 70 percent and around 60 percent might be outliers, but readings are into double-digits in countries from Brazil to Hungary. It makes US inflation at 8.3 percent look modest in comparison.

Rising food prices are a hot topic in emerging market, raising the risk of civil unrest with echoes of the Arab spring and putting policy makers in a bind between stepping in with fiscal support to ease the pain on their population or preserve government finances.

Food is the single largest category in inflation baskets - the selection of goods used to calculate the cost of living - in many developing nations, accounting for around half in countries like India or Pakistan and on average for some 40 percent in low-income countries, International Monetary Fund data shows.

Food producers have become more protective: India on the weekend announcing a ban on wheat exports while Indonesia halted exports of palm oil to control soaring prices at home in late April.

And with the war in Ukraine not only disrupting food but also fertilizer supplies, food inflation could be more longer-lasting, Marcelo Carvalho, head of global emerging markets research at BNP Paribas told Reuters.

"This is here to stay," said Carvalho. "Food is very salient - when there is a change in food prices, the perception about inflation is magnified - that feeds into inflation expectations that are more easily unanchored."

For Um Ibrahim, a 60-year-old widow and street vendor selling headscarves in front of a mosque in the middle-class district of Madinet Nasr in Egypt's capital Cairo, feeding her four children has become much harder.

"All prices rose - clothes, vegetables, poultry, eggs - what am I going do?" she asked, laying out her ware on a cloth.

Egypt, one of the world's biggest wheat importers, has seen inflation soar more than 13 percent in April, and is expected to hike interest rates again at a meeting this week after it devalued the currency by 14 percent in mid-March.

Emerging market policy makers, having jacked up interest rates by hundreds of basis points cumulatively since 2020 to curb price pressures and ensure a bond premium to rising US yields for investors, have to perform a balancing act between taming inflation and keeping fragile growth alive at a time of rising global interest rates.

Emerging economies may expand just 4.6 percent this year, the World Bank forecasts, compared with an earlier 6.3 percent prediction.

Polina Kurdyavko, head of EM debt at BlueBay Asset Management, says governments have three options: Provide bigger subsidies to consumers or bite the bullet that is to let prices rise and face inflation and social unrest, or do something in between.

"There are no easy solutions," Kurdyavko said.

A raft of countries have introduced measures: Turkey has raised the minimum wage by 50 percent in December to address a currency crash and inflation spike. Chile will up minimum pay this year as well.

South Africa's government is debating whether to increase a social relief grant launched in 2020 and make the scheme permanent.

Economists fear emerging economies are facing a fresh wave of unrest on the back of the latest increases in food prices. North Africa, where food inflation was a contributor to the Arab Spring revolts a decade ago, looked particularly vulnerable, said Beata Javorcic, chief economist at the European Bank for Reconstruction and Development.

"The irony of this war is that while everybody expected Russia to have a crisis, it is actually North African countries that are closer to having an emergency situation due to high food prices," she said.

But pain is expected to stretch further: Three quarters of nations expected to be at high-risk or extreme risk of civil unrest by the fourth quarter of 2022 were middle-income countries, risk consultancy Verisk Maplecroft said last week. - ***Reuters***

Malaya
Business Insight

Date: MAY 18, 2022 Page: A6

LIBRARY
DEPT. OF AGRICULTURE

AFTER INDIAN EXPORT BAN

Wheat importers in Asia scramble for supplies

HAMBURG/LONDON- Wheat importers in Asia were scrambling to find new sources of supply on Monday after India banned exports of the grain at the weekend in a bid to keep a lid on soaring domestic prices, trade sources told Reuters.

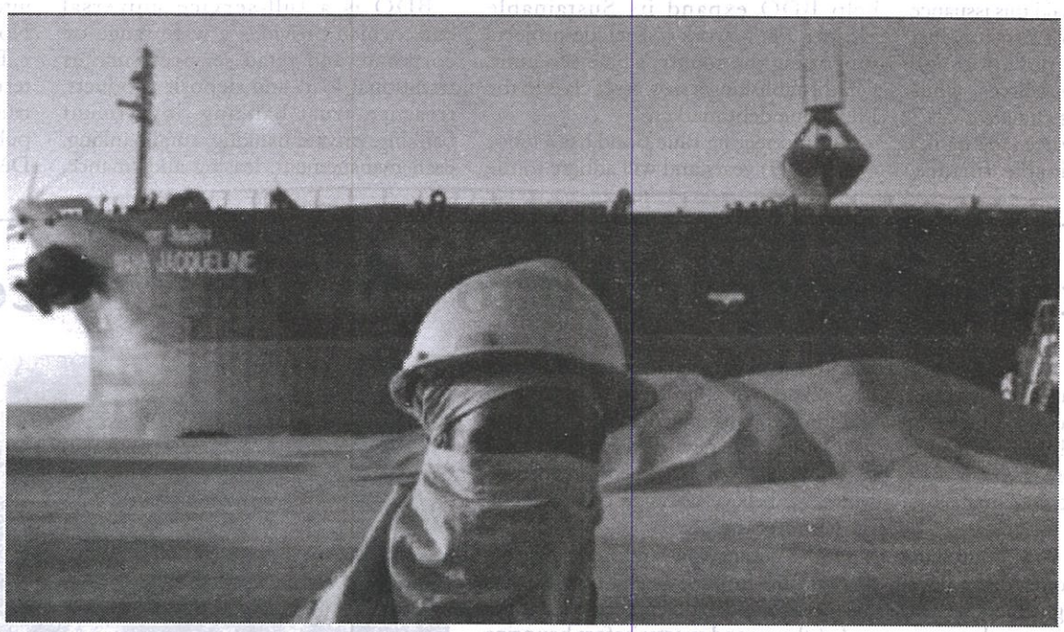
Importers, especially those in Asia, were banking on wheat from India, the world's second-biggest producer, after exports from the Black Sea region plunged following Russia's Feb. 24 invasion of Ukraine.

Russia and Ukraine jointly account for about 30 percent of global wheat exports. Ukraine's exports are severely hampered because the war has forced it to close its ports, while Russia's exports have been hit by Western sanctions.

"Asian importers are likely to be in deep trouble. India was the Ukraine/Russia alternative especially for feed wheat. (They are) already today casting around for alternatives," said a Europe-based wheat trader at a global trade house.

He said importers in Asia were even looking to buy more Russian wheat despite payment problems linked to sanctions on Russian banks and elevated shipping insurance premiums.

Benchmark wheat futures in Chicago jumped by their 6 percent limit on Monday as markets reacted to the surprise ban, which came just days after New Delhi said it was targeting record wheat shipments of 10 million tons this year.



A worker stands against the backdrop of a cargo ship being loaded with wheat at Mundra port in the western Indian state of Gujaratt. *(Reuters Photo)*

Its policy reversal now means only exports backed by letters of credit (LCs), or payment guarantees, issued before May 13 can proceed.

That equates to only about 400,000 tons, industry sources told Reuters, adding that 1.8 million tons is now trapped at the country's ports.

Traders holding that wheat face heavy losses because they will have to cancel their export deals and resell onto a weakening domestic market.

"It started already this morning. Traders (who don't have LCs) had to announce cancellation of contracts. I'd assume from mid-June there will be no more (India) shipments," said a second Europe-based wheat trader.

India's export ban, prompted by a heatwave that has cut harvest prospects and pushed domestic prices to a record high, also comes amid output issues in traditional export powerhouses Canada, Europe and Australia.

Traders say the ban could drive global prices to new record peaks, hitting poor consumers in Asia and Africa particularly hard.

Top destinations for Indian exports include Bangladesh, Indonesia, Nepal and Turkey, and top global wheat buyer Egypt recently agreed to make a first ever purchase of Indian wheat.

That deal is officially still on the cards as India has said it will still allow exports to countries that request supplies "to meet their food security needs", but market experts are sceptical.

"There's uncertainty over how much will be exported to countries India considers having food security needs. They might just export to friendly neighboring countries," said Carlos Mera, agri commodities analyst at Rabobank. – ***Reuters***

BusinessWorld

Date: MAY 18, 2022 Page: 8/S1

LIBRARY
DEPT. OF AGRICULTURE

Food inflation pain puts emerging markets between rock and hard place

LONDON/ISTANBUL/CAIRO — Like for millions of people in developing and emerging market countries around the world, shopping for staple foods has turned from a necessity into a luxury for Selcuk Gemici.

The 49-year-old, who works in an auto repair shop in Turkey's largest city Istanbul and lives with his wife and two children in his father's house, says fresh produce is often out of reach with his family living on pasta, bulgur and beans.

"Everything became so expensive, we cannot buy and eat what we want — we only buy what we can afford now," said Mr. Gemici. "My children are not properly nourished."

Global food prices have climbed for two years, fuelled by COVID-19 disruptions and weather woes. Supply shocks to grains and oils from Russia's invasion of Ukraine saw them hit an all-time record in February, and again in March.

Inflation rates have soared, with energy price rises adding to pressure. Turkey or Argentina with annual inflation of 70% and around 60% might be outliers, but readings are into double-digits in countries from Brazil to Hungary. It makes US inflation at 8.3% look modest in comparison.

Rising food prices are a hot topic in emerging market, raising the risk of civil unrest with echoes of the Arab spring and putting policy makers in a bind between stepping in with fiscal support to ease the pain on their population or preserve government finances.

Food is the single largest category in inflation baskets — the selection of goods used to calculate the cost of living — in many developing nations, accounting for around half in countries like India or Pakistan and on average for some 40% in low-income countries, International Monetary Fund data shows.

Food producers have become more protective: India on the weekend announcing a ban on wheat exports while Indonesia halted exports of palm oil to control soaring prices at home in late April.

And with the war in Ukraine not only disrupting food but also fertilizer supplies, food inflation could be more longer-lasting, Marcelo Carvalho, head of global emerging markets research at BNP Paribas told Reuters.

"This is here to stay," said Mr. Carvalho. "Food is very salient — when there is a change in food prices, the perception about inflation is magnified — that feeds into inflation expectations that are more easily unanchored."

HOT SPOT

For Um Ibrahim, a 60-year-old widow and street vendor selling headscarves in front of a mosque in the middle-class district of Madinet Nasr in Egypt's capital Cairo, feeding her four children has become much harder.

"All prices rose — clothes, vegetables, poultry, eggs — what am I going do?" she asked, laying out her ware on a cloth.

Egypt, one of the world's biggest wheat importers, has seen inflation soar more than 13% in April, and is expected to hike interest rates again at a meeting this week after it devalued the currency by 14% in mid-March.

Emerging market policy makers, having jacked up interest rates by hundreds of basis points cumulatively since 2020 to curb price pressures and ensure a bond premium to rising US yields for investors, have to perform a balancing act between taming inflation and keeping fragile growth alive at a time of rising global interest rates.

Emerging economies may expand just 4.6% this year, the World Bank forecasts, compared with an earlier 6.3% prediction.

Polina Kurdyavko, head of EM debt at BlueBay Asset Management, says governments have three options: Provide bigger subsidies to consumers or bite the bullet that is to let prices rise and face inflation and social unrest, or do something in between.

"There are no easy solutions," Ms. Kurdyavko said.

A raft of countries have introduced measures: Turkey has raised the minimum wage by 50% in December to address a currency crash and inflation spike. Chile will up minimum pay this year as well.

South Africa's government is debating whether to increase a social relief grant launched in 2020 and make the scheme permanent.

Economists fear emerging economies are facing a fresh wave of unrest on the back of the latest increases in food prices. North Africa, where food inflation was a contributor to the Arab Spring revolts a decade ago, looked particularly vulnerable, said Beata Javorcic, chief economist at the European Bank for Reconstruction and Development.

"The irony of this war is that while everybody expected Russia to have a crisis, it is actually North African countries that are closer to having an emergency situation due to high food prices," she said.

But pain is expected to stretch further: Three quarters of nations expected to be at high-risk or extreme risk of civil unrest by the fourth quarter of 2022 were middle-income countries, risk consultancy Verisk Maplecroft said last week.

Appeasing inflation pressures through spending will come at a fiscal cost that could spell trouble further down the line, said BNP's Mr. Carvalho.

"In emerging markets, fiscal sins are forgiven but not forgotten," he said. "Over the last couple of years, everybody felt like they have a blank cheque ... in part because rates were so low. Now that interest rates are rising, it gets a bit trickier." — ***Reuters***

BusinessWorld

Date: MAR 18, 2022 Page: 6/S2

LIBRARY
DEPT. OF AGRICULTURE

Wheat buyers in Asia strive for supplies after India export ban

HAMBURG/LONDON — Wheat importers in Asia were scrambling to find new sources of supply on Monday after India banned exports of the grain at the weekend in a bid to keep a lid on soaring domestic prices, trade sources told Reuters.

Importers, especially those in Asia, were banking on wheat from India, the world's second-biggest producer, after exports from the Black Sea region plunged following Russia's Feb. 24 invasion of Ukraine.

Russia and Ukraine jointly account for about 30% of global wheat exports. Ukraine's exports are severely hampered because the war has forced it to close its ports, while Russia's exports have been hit by Western sanctions.

"Asian importers are likely to be in deep trouble. India was the Ukraine/Russia alternative especially for feed wheat. (They are) already today casting around for alternatives," said a Europe-based wheat trader at a global trade house.

He said importers in Asia were even looking to buy more Russian wheat despite payment problems linked to sanctions on Russian banks and elevated shipping insurance premiums.

Benchmark wheat futures in Chicago jumped by their 6% limit on Monday as markets reacted to the surprise ban, which came just days after New Delhi said it was targeting record wheat shipments of 10 million tons this year.

Its policy reversal now means only exports backed by letters of credit (LCs), or payment guarantees, issued before May 13 can proceed.

That equates to only about 400,000 tons, industry sources told Reuters, adding that 1.8 million tons is now trapped at the country's ports.

Traders holding that wheat face heavy losses because they will have to cancel their export deals and resell onto a weakening domestic market.

"It started already this morning. Traders (who don't have LCs) had to announce cancellation of contracts. I'd assume from mid-June there will be no more (India) shipments," said a second Europe-based wheat trader.

India's export ban, prompted by a heatwave that has cut harvest prospects and pushed domestic prices to a record high, also comes amid output issues in traditional export powerhouses Canada, Europe and Australia.

Traders say the ban could drive global prices Wv1 to new record peaks, hitting poor consumers in Asia and Africa particularly hard. Top destinations for Indian exports include Bangladesh, Indonesia, Nepal and Turkey, and top global wheat buyer Egypt recently agreed to make a first ever purchase of Indian wheat.

That deal is officially still on the cards as India has said it will still allow exports to countries that request supplies "to meet their food security needs", but market experts are sceptical.

"There's uncertainty over how much will be exported to countries India considers having food security needs. They might just export to friendly neighboring countries," said Carlos Mera, agri commodities analyst at Rabobank. — ***Reuters***

BusinessMirror
A broader look at today's business

Date: 18 MAY 2022 Page: A12 & A13

LIBRARY
DEPT. OF AGRICULTURE

Conspiracy theorists flock to bird flu, spreading falsehoods

By David Klepper | *The Associated Press*

BRAD MOLINE, a fourth-generation Iowa turkey farmer, saw this happen before. In 2015, a virulent avian flu outbreak nearly wiped out his flock.

Barns once filled with chattering birds were suddenly silent. Employees were anguished by having to kill sickened animals. The family business, started in 1924, was at serious risk.

His business recovered, but now the virus is back, again imperiling the nation's poultry farms. And this time, there's another pernicious force at work: a potent wave of misinformation that claims the bird flu isn't real.

"You just want to beat your head against the wall," Moline said of the Facebook groups in which people insist the flu is fake or, maybe, a bioweapon. "I understand the frustration with how Covid was handled. I understand the lack of trust in the media today. I get it. But this is real."

While it poses little risk to humans, the global outbreak has led farmers to cull millions of birds and threatens to add to already rising food prices.

It's also spawning fantastical claims similar to the ones that arose during the Covid-19 pandemic, underscoring how conspiracy theories often emerge at times of uncertainty, and how the internet and a deepening distrust of science and institutions fuel their spread.

The claims can be found on obscure online message boards and major platforms like Twitter. Some versions claim the flu is fake, a hoax being used to justify reducing the supply of birds in an effort to drive up food prices, either to wreck the global economy or force people into vegetarianism.

"There is no 'bird flu' outbreak," wrote one man on Reddit. "It's just Covid for chickens."

Other posters insist the flu is real, but that it was genetically engineered as a weapon, possibly intended to touch off a new round of Covid-style lockdowns. A version of the story popular in India posits that 5G cell towers are somehow to blame for the virus.

As evidence, many of those claiming that the flu is fake note that animal health authorities monitoring the outbreak are using some of the same technology used to test for Covid-19.

"They're testing the animals for bird flu with PCR tests. That should give you a clue as to what's going on," wrote one Twitter user, in a post that's been liked and retweeted thousands of times.

In truth, PCR tests have been used routinely in medicine, biology and even law enforcement for decades; their creator won a Nobel Prize in 1993.

The reality of the outbreak is far more mundane, if no less devastating to birds and people who depend on them for their livelihood.

Farmers in states like Wisconsin, Iowa, Nebraska and South Dakota have already culled millions of fowl to prevent the outbreak from spreading. Zoos around the US have moved exotic bird exhibits indoors to protect their animals, and wildlife authorities are discouraging backyard bird feeding in some states to prevent the spread by wild birds. The disease has also claimed bald eagles around the country.

The first known human case of the H5N1 outbreak in the US was confirmed last month in Colorado in a prison inmate who had been assisting with culling and disposing of poultry at a local farm.

Most human cases involve direct contact with infected birds, meaning the risk to a broad population is low, but experts around the country are monitoring the virus closely just to be sure, according to Keith Poulsen, director of the Wisconsin Veterinary Diagnostic Laboratory, an agency that tracks animal disease in part to protect the state's agricultural industries.

"I can guarantee you, this is the real deal," Poulsen told The Associated Press. "We certainly aren't making this up."

Poultry farms drive the local economy in some parts of Wisconsin, Poulsen said, adding that a devastating outbreak of avian flu could create real hardships for farmers as well as consumers.

See "Conspiracy," A13

BusinessMirror
A broader look at today's business

Date: 18 MAY 2022 Page: A12 & A13

LIBRARY
DEPT. OF AGRICULTURE

Conspiracy...

CONTINUED FROM A12

While the details may vary, the conspiracy theories about avian flu all speak to a distrust of authority and institutions, and a suspicion that millions of doctors, scientists, veterinarians, journalists and elected officials around the world can no longer be trusted.

"Americans clearly understand that the federal government and major media have lied to them repeatedly, and are completely corrupted by the pharmaceutical companies," said Dr. Joseph Mercola, an osteopath whose discredited claims about vaccines, masks and the coronavirus made him a prominent source of Covid-19 misinformation.

Mercola's interest in the bird flu dates back years A 2009 book for sale on his website, which Mercola uses to sell unproven natural health remedies, is titled "The Great Bird Flu Hoax."

Polls show trust in many American institutions—including the news media—has fallen in recent years. Trust in science and scientific experts is also down, and along partisan lines.

Moline, the Iowa turkey farmer, said he sympathizes with people who question what they read about viruses, given the last two years and bitter debates about masks, vaccines and lockdowns. But he said anyone who doubts the existence or seriousness of the avian flu doesn't understand the threat.

The 2015 outbreak was later determined to be the most expensive animal health disaster in US history. Moline's farm had to cull tens of thousands of turkeys after the flu got into one of his barns. Workers at the farm now abide by a hygiene policy meant to limit the spread of viruses, including using different pairs of boots and clothes for different barns.

Conspiracy theories are bound to flourish during times of social unrest or unease, according to John Jackson, dean of the Annenberg School of Communication at the University of Pennsylvania.

Before the Internet, there were likely just as many people who privately doubted explanations for big events, Jackson said. But they enjoyed limited opportunities to connect with like-minded individuals, few chances to win new converts, and no way to broadcast their views to strangers.

Now, the conspiracy theories that gain wide popularity—such as the QAnon movement or discredited claims about Covid-19—work because they give believers a sense of control in a rapidly changing, interconnected world, Jackson said. While they can emerge after disasters, assassinations or plane crashes, they can also appear during times of social upheaval or rapid change.

"There isn't a phenomena on the planet, whether it's the avian flu or 5G, that isn't already primed for conspiracists," Jackson said. "Now we have coronavirus, which has traumatized us so profoundly...we look at this same idea of bird flu with completely new eyes, and we bring different kinds of conspiracy to it."

Claims that the avian flu is a hoax used to drive up food prices also highlight real-world concerns about inflation and food shortages. Worries that the flu is somehow linked to 5G towers underscore anxieties about technological change. Suggestions that it will be used to mandate vegetarianism, on the other hand, reflect uncertainties about sustainable agriculture, climate change and animal welfare.

By creating explanations, conspiracy theories can offer the believer a sense of power or control, Jackson said. But he said they also defy common sense in their cinematic fantasies about vast, sprawling conspiracies of millions working with clockwork efficiency to undermine human affairs.

"Conspiracy theories rest on the idea that humans have the capacity for keeping secrets," Jackson said. "But they underestimate the reality that we aren't very good at keeping them."

MANILA BULLETIN

Date: 18 MAY 2022 Page: B-4

LIBRARY
DEPT. OF AGRICULTURE

Wheat prices hit record high after Indian export ban

PARIS (AFP) - Wheat prices surged to a new record high in European trading on Monday after India decided to ban exports of the commodity as a heatwave hit production.

The price jumped to 438.25 euros ($456.68) per tonne as the Euronext market closed, breaking the previous closing record of 422.40 struck on March 7, according to trader Damien Vercambre at grains brokerage Inter-Courtage.

It had earlier set a record opening price of 435 euros.

On the Chicago Board of Trade, wheat was trading nearly six percent higher in midday trading at $12.48 per bushel.

Global wheat prices have soared 40 percent on supply fears since Russia's February invasion of agricultural powerhouse Ukraine, which previously accounted for 12 percent of global exports.

The spike, exacerbated by fertilizer shortages and poor harvests, has fuelled inflation globally and raised fears of famine and social unrest in poorer countries.

India, the world's second-largest wheat producer, said on Saturday that it was banning exports after its hottest March on record, with traders needing express government approval to enter into new deals.

New Delhi said the move was needed to protect the food security of its own 1.4 billion people in the face of lower production and sharply higher global prices.

Some parts of India have seen prices in wheat and flour jump 20 to 40 percent in recent weeks, Commerce Secretary BVR Subrahmanyam said on Sunday.

Because of the sharp rise in global prices, some farmers were selling to traders and not to the government.

This got the government worried about its buffer stock of almost 20 million tonnes -- depleted by the pandemic -- needed for handouts to millions of poor families and to avert any possible famine.

"Contrary to Russia which has had an export quota and tax system in place for years, India no doubt has more difficulty in controlling exports," said Damien Vercambre at grains brokerage Inter-Courtage.

The export ban drew sharp criticism from the Group of Seven industrialized nations, which said that such measures "would worsen the crisis" of rising commodity prices.

Daily Tribune
WITHOUT FEAR ◦ WITHOUT FAVOR

Date: 18 MAY 2022 Page: B14

LIBRARY
DEPT. OF AGRICULTURE

4,000 wheat trucks stranded at Indian port

Traders could not enter into new export deals

AHMEDABAD, India (AFP) – Hundreds of thousands of tons of wheat were stranded at a major port in India on Tuesday after New Delhi's surprise ban on exports over inflation and food security worries.

India, the world's second-largest grower of wheat, last week ordered that traders could not enter into new export deals without government approval.

The snap announcement has led to chaos at the port in Kandla, in Gujarat, where about 4,000 trucks are stuck in queues outside, according to the port operator.

Four ships partially loaded with about 80,000 tons of wheat are also docked at the facility.

Port officials said trucks that arrived before 13 May, when the government announced the export ban, would be allowed to unload the grain onto ships waiting to take it to countries including Egypt and South Korea under prior agreements.

"However, those wheat-laden trucks that arrived at the port after May 13 will have to return with the commodity," Om Prakash Dadlani, spokesperson for operator Deendayal Port Trust, said.

The Gandhidham Chamber of Commerce estimated that about 400,000 tons of wheat from Punjab, Haryana, Madhya Pradesh and other wheat-growing states were stranded.

Between 500 and 700 warehouses near the port were "full of wheat for export," Teja Kangad, president of the chamber, said.

The government should have given prior notice before announcing the ban, he said.

"This has led to a chaotic situation where the truckers and traders are left uncertain of what will happen to the goods. Also, wheat being a perishable commodity, it can't be kept in the open for long," Kangad told *AFP*.

Between 500 and 700 warehouses near the port were full of wheat.

The wheat ban has drawn criticism from the Group of Seven nations worried about protectionism as inflation soars in the wake of the Ukraine war.

India had previously said it was ready to help fill some of the supply shortages caused by Russia's February invasion of Ukraine, which had accounted for 12 percent of global exports.

While India is a small exporter, its assurances of supplies from its large buffer stocks had provided some support to global prices and soothed fears of major shortages.

India's wheat production has been hit by searing temperatures – the country recorded its warmest March on record – prompting the government to predict output would fall at least five percent this year from 109 million tons in 2021.

Wheat prices surged to a record high on Monday, jumping to 435 euros ($453) per ton as the European market opened.