

CLIPPINGS FOR FRIDAY JUNE 26, 2023

A. SEC. PBBM QUOTED

BUSINESS MIRROR

Go Negosyo's Concepcion: Transforming agriculture will be PBBM's legacy
DA assurance: Rice enough to meet demand for 64 days

THE PHILIPPINE STAR

Lawmaker pushes Angat irrigation supply cut

BUSINESS WORLD

Palace vessel monitoring order 'victory' for fishers
Concepcion: Transforming agriculture will be PBBM's legacy

B. DA FAMILY

BUSINESS MIRROR

'Vessel monitoring devices will protect marine resources'

THE PHILIPPINE STAR

DA opens more export markets
'Lowest price of rice now P40 a kilo'
Phl may import more dairy this year
Liberalization 'sweetener' to higher tax on sugar drinks

MANILA BULLETIN

Coconut country

MALAYA BUSINESS INSIGHT

Fruit export prospects this year rosy: DA

ABANTE

ASF vax: Panalo ang magbababoy, konsyumer

REMATE

Kadiwa centers sa resettlement areas

C. AGRI-RELATED STORY

BUSINESS MIRROR

Diokno dangles sugar imports to SSB makers
Group echoes sugar millers' stance vs new taxes on food

THE MANILA TIMES

Sugary product makers, seller can import sugar

BUSINESS WORLD

To rein in food inflation, we must reform our implementation of Sanitary and Phytosanitary Measures
Diokno considering sugar import liberalization

MALAYA BUSINESS INSIGHT

Sugar importation offered as compromise

D. FOREIGN STORY

BUSINESS MIRROR

FAO to support implementation of high seas treaty
EU weighs easing GMO rules in climate and food security push
Mexico slaps 50% tariff on corn imports amid trade dispute with US and Canada

BUSINESS WORLD

Climate change may have stimulated plankton bloom behind Thai mass fish die – off
Ukraine certain Russia will quit grain deal

MALAYA BUSINESS INSIGHT

US corn, soybeans, wheat fall

BUSINESS WORLD

'A new era:' US regulatory allows first sales of lab-grown meat

Date: JUNE 26, 2023 Page: B6



LIBRARY
DEPT. OF AGRICULTURE

Go Negosyo's Concepcion: Transforming agriculture will be PBBM's legacy

GO Negosyo founder and Private Sector Advisory Council (PSAC) Lead for Jobs Joey Concepcion strongly supports President Ferdinand "Bongbong" Marcos Jr.'s decision to remain as Agricultural Secretary until the required structural reforms are instituted to make the country's agriculture sector more efficient and competitive.

President Marcos made the remark in a recent event with the Department of Agriculture (DA).

"Staying as the lead for agriculture is a smart decision from the President. He can quickly make reforms and ensure that all systems are in place to help the country's farmers just like what his father did during his term," Concepcion said.

"Having met the President several times to discuss Go Negosyo's Kapatid Angat Lahat Agri Program KALAP, I know that he cares for the farmers, and he is passionate to transform the industry. Given the right time, this will be his legacy," he added.

Concepcion said he is also highly supportive of the President's program of encouraging farm clustering as an important component of his administration's agricultural modernization thrust in his recent pronouncement during his meeting with South Cotabato farmers.

Concepcion underscored the importance of farm clustering to boost productivity, ensure food security and increase the income of farmers.

Farm clustering was among those recommended by Go Negosyo's Kapatid Angat Lahat Program (KALAP) Agri Program and think tank group Foundation for Economic Freedom (FEF) during their meeting with Department of Agrarian Reform (DAR) officials, led by Secretary Conrado Estrella III.

"For the period 2001 to 2021, the annual average contribution of



agriculture to the Gross Domestic Product (GDP) is just 0.3 percent while industry and the service sectors contributed 1.4 percent 3.1 percent, respectively. This is not acceptable since the asset base of agriculture in terms on land use is huge compared to that of industry and service," said Concepcion.

"Philippine agriculture needs scale. We need clustering to achieve it. For this to become a reality, titling of land needs to be cleaned up," he added.

Through clustering, Concepcion said farming would be attractive to big companies because they only want to lease agriculture lands and not purchase them.

Farm clustering would also serve as the best complement to the reforms and programs being initiated President Marcos, as concurrent Department of Agriculture Secretary, to enhance food security, boost the agriculture sector and uplift the lives of farmers.

"It is different if the President himself is at the helm of the Agriculture Department. Also, he has good people implementing his

vision for the country, like Agrarian Reform Secretary Estrella and other government agencies," Concepcion said.

"KALAP and the private sector, composed of big brothers in the agri sector, including Dr. Fermin Adriano of FEF, are always here to offer our expertise to help the President attain his vision," he added.

Through farm clustering, it would be easier for the government to provide assistance to farmers, such as loans and farm machinery, because it would deal with groups rather than individual tillers, FEF representative Dr. Adriano explained during the meeting with DAR.

"The process will pave way for the use of modern farm machinery and technologies, thereby achieving economies of scale, and allow the development of downstream industries, such as food processing, due to adequate and reliable supply of raw materials," he added.

Other countries that have implemented farm clustering, such as China, Vietnam, Laos, and Cambodia, all enjoyed higher yields.



DA assurance: Rice enough to meet demand for 64 days

By RAADÉE S. SAUSA

DESPITE the surge of retail palay (unhusked rice) prices, the government has sufficient rice supply for more than two months, an agriculture official said over the weekend.

"The country is assured of sufficient supply of rice as it has 64 days' worth of buffer stock, enough to meet this month's demand pegged at 7 million metric tons [MT]," **Department of Agriculture (DA)** Assistant Secretary Kristine Evangelista said.

Earlier, the DA said the domestic stockpile should be 37,000 MT a day or 3.33 million MT good for three months.

Meanwhile, retail prices of palay have risen by about P2 per kilogram as farmers face increased

production costs.

Evangelista said the buying price of palay has reached P20 per kg while in other areas, it has surged to P23 per kg.

"The price of some agricultural inputs has increased, so that will definitely affect their production cost," she said.

"What we're trying to do now is also introduce other agricultural inputs to help our farmers bring down their production cost," Evangelista added.

The commercial price of rice in

the country is double the farm-gate price.

The farm-gate price refers to the selling price between farmers and traders, with the pricing largely dictated by farmers.

Furthermore, Evangelista said that, while certain farmers managed to sell palay at higher prices, others were able to sell their produce at lower prices.

"We have talked to farmers in Nueva Ecija and Tarlac and they said because of using a different type of fertilizer, they have reduced their price of palay.

Now, they are our partners in selling rice in Kadiwa outlets for P25 without any subsidy," she said.

"However, we see the need to monitor them because if our farmers are able to sell their palay for P12 without incurring a loss even if they are using other types of fertilizer, the retailers should feel that [lower selling prices]," Evangelista added.

Meanwhile, Kadiwa now sells rice at P25 per kilogram, closer to **President Ferdinand Marcos Jr.'s campaign promise of P20.**

In March, the president said the government continues to work on

lowering the price of rice, along with other staples such as onion and sugar, which is now available at P85 per kilo from more than P100 a kilo.

The National Food Authority (NFA) sells rice at reduced prices at the Kadiwa ng Pangulo.

However, Raul Montemayor, Federation of Free Farmers (FFF) national manager, said rice at P25 per kg price at Kadiwa's rolling stores is "artificial and unsustainable."

Montemayor said the government may have good intentions in offering rice at that price, but noted that the move has a "doubtful long-term impact."

Its sustainability would depend largely on government's willingness to incur losses by providing subsidies, he added.

"The farm-gate price of palay has just risen to P23 per kg; at that price, the price of rice will have to be at least P40 just to break even. The NFA buys palay at P19 per kg and needs to sell rice at P35 per kg to recover all costs," Montemayor said.

"Selling rice at P25 or P20 is always possible, depending on how much the government is willing to lose in terms of subsidy," he said.



LIBRARY
DEPT. OF AGRICULTURE

Lawmaker pushes Angat irrigation supply cut

Amid continued reports of dwindling water levels, a senior lawmaker yesterday proposed that removing the 10-percent allocation of Angat Dam's water supply to irrigation might help stabilize and improve the water demand for residents of Metro Manila.

Makati City District 2 Rep. Luis Campos Jr. made the proposal as he supported President Marcos' plan to collect, impound and recycle Metro Manila's storm water to irrigate nearby provinces.

"We are all for it. Assuming that the government can establish new large storm water reservoirs for farm irrigation, then all of Angat Dam's water reserve may be freed up and devoted exclusively to supplying Metro Manila's demand for potable water," Campos said.

"At present, besides supplying 90 percent of Metro Manila's water requirement, Angat also provides water to irrigate some 28,000 hectares of farmland in Central Luzon," he added.

The legislator's remarks came as Angat Dam's water level continued to drop due to abnormally low rainfall amid a looming El Niño event.

As of 6 a.m. yesterday, the dam's water level fell to 184 meters, or just four meters above the dam's 180-meter critically low water mark.

The dam's normal high water level is 210 meters.

In previous dry spells, Angat Dam, located in Norzagaray, Bulacan, stopped releasing farm irrigation water to conserve water supply for Metro Manila.

Campos had previously

filed House Resolution 906, which pressed for a congressional inquiry into what he called the "unsuccessful implementation" of the Rainwater Collection and Springs Development Law of 1989.

The 34-year-old law requires the Department of Public Works and Highways to construct rainwater collectors in all barangays.

In a recent congressional hearing, state weather experts warned of an El Niño that has a 90 percent chance of developing starting next month and could persist until the first quarter of 2024.

When the Philippines last endured an El Niño event in 2019, vast parts of the country reeled from a drought that caused widespread water shortages and farm losses. — Delon Porcalla



Palace vessel monitoring order ‘victory’ for fishers

FISHERFOLK declared “victory” after President Ferdinand R. Marcos, Jr. issued an order to start implementing vessel monitoring measures (VMM) for commercial fishing boats.

In a statement, Ruperto Aleroz, vice-chairman for the Basic Sector of the National Anti-Poverty Commission and a representative of Artisanal Fisherfolk, said the start of the VMM rollout was the result of collective effort.

“This is a victory of collective action... for fighting for the implementation of the (VMM regulation) and strictly monitoring municipal waters against the

illegal entry of commercial fishing vessels,” he said.

Mr. Marcos, who is also the Secretary of Agriculture, directed the Department of Agriculture and the Bureau of Fisheries and Aquatic Resources to work with the Office of the Executive Secretary to draft the implementation rules for Fisheries Administrative Order (FAO) No. 266, according to a statement issued by the Presidential Communications Office last week.

They were also instructed to work on studies to rehabilitate and maintain the country’s marine habitats to address illegal,

unreported, and unregulated fishing (IUUF).

Mr. Marcos also ordered a study on establishing Strategic Agriculture and Fisheries Development Zones to designate areas for sustainable fishing, as well as to review the licenses of commercial fishing vessels that fail to comply with FAO 266.

FAO 266 bars fishing activity for vessels that do not comply with the VMM order.

In March, the Palace suspended VMM for commercial fishing vessels through a memorandum signed by Executive Secretary Lucas P. Bersamin,

“pending the final resolution over its constitutionality by the Supreme Court.”

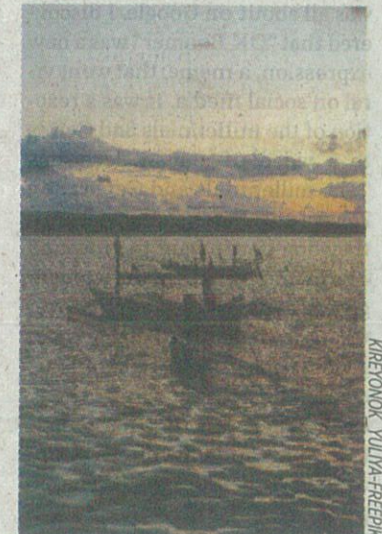
Oceana, an environmental advocacy, has said the order contradicts Republic Act No. 10654 or the Amended Fisheries Code. It also warned that the Philippines could face international sanctions from the European Union — the country’s biggest market for fish and seafood products — which requires trading partners to address IUUF.

“We laud the President for listening to the call of the people who are seriously affected by the suspension of the vessel monitor-

ing rules,” Oceana Acting President Rose Liza Eisma-Osorio said.

Ms. Osorio said that failing to curb IUUF has resulted in overfishing and depletion of fish stocks in fishing grounds that coastal communities depend on, causing “immense poverty and hunger.”

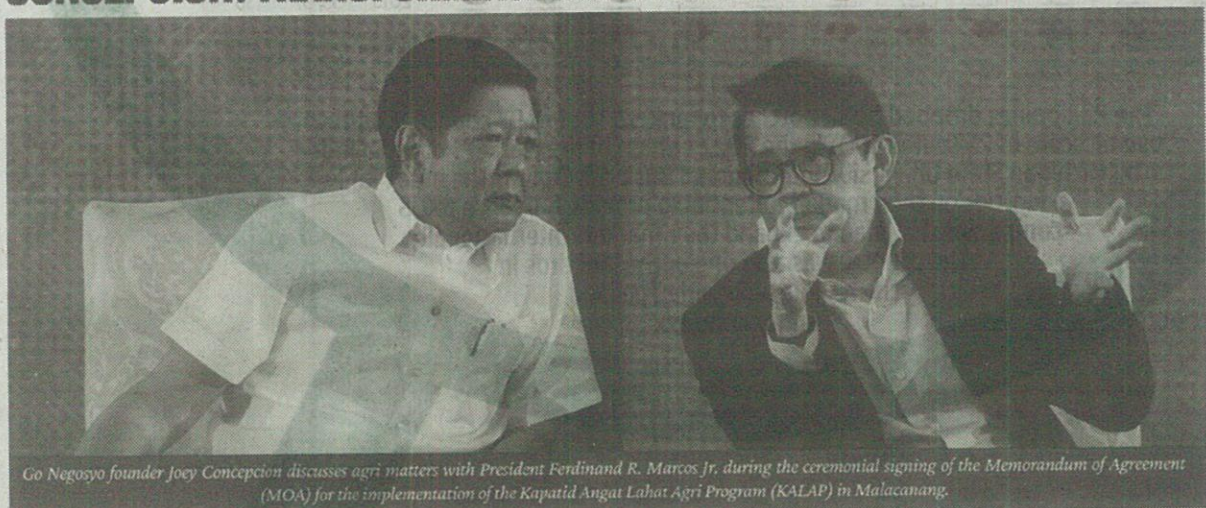
“Small fishermen rely on VMM for commercial fishing vessels so as not to be robbed of fish catch that we feed on our families and sell for income,” said Norlan Pagal, president of the Anapog Fisherfolk Association. — **Sheldeen Joy Talavera**



KIREONOK YULYA-FREPIK

LIBRARY
DEPT. OF AGRICULTURE

CONCEPCION: TRANSFORMING AGRICULTURE WILL BE PBBM'S LEGACY



Go Negosyo founder Joey Concepcion discusses agri matters with President Ferdinand R. Marcos Jr. during the ceremonial signing of the Memorandum of Agreement (MOA) for the implementation of the Kapatid Angat Lahat Agri Program (KALAP) in Malacanang.

Go Negosyo founder and Private Sector Advisory Council (PSAC) Lead for Jobs Joey Concepcion strongly supports President Ferdinand "Bongbong" Marcos Jr.'s decision to remain as Agricultural Secretary until the required structural reforms are instituted to make the country's agriculture sector more efficient and competitive.

President Marcos made the remark in a recent event with the Department of Agriculture (DA).

"Staying as the lead for agriculture is a smart decision from the President. He can quickly make reforms and ensure that all systems are in place to help the country's farmers just like what his father did during his term," Concepcion said.

"Having met the President several times to discuss Go Negosyo's Kapatid Angat Lahat Agri Program KALAP, I know that he cares for the farmers, and he is passionate to transform the industry. Given the right time, this will be his legacy," he added.

Concepcion said he is also highly supportive of the President's program of encouraging farm clustering as an important component of his administration's agricultural modernization thrust in his recent pronouncement during his meeting with South Cotabato farmers.

Concepcion underscored the importance of farm clustering to boost productivity, ensure food security and increase the income of farmers.

Farm clustering was among those recommended by Go Negosyo's Kapatid Angat Lahat Program (KALAP) Agri Program and think tank group Foundation for Economic Freedom (FEF) during their meeting with Department of Agrarian Reform (DAR) officials, led by Secretary Conrado Estrella III.

"For the period 2001-2021, the annual average contribution of agriculture to the Gross Domestic Product (GDP) is just 0.3 % while industry and the service sectors contributed 1.4 percent, 3.1 percent, respectively. This is not acceptable since the asset base of agriculture in terms of land use is huge compared to that of industry and service," said Concepcion.

"Philippine agriculture needs scale. We need clustering to achieve it. For this to become a reality, titling of land needs to be cleaned up," he added.

Through clustering, Concepcion said farming would be attractive to big companies because they only want to lease

agriculture lands and not purchase them.

Farm clustering would also serve as the best complement to the reforms and programs being initiated President Ferdinand R. Marcos Jr., as concurrent Department of Agriculture Secretary, to enhance food security, boost the agriculture sector and uplift the lives of farmers.

"It is different if the President himself is at the helm of the Agriculture Department. Also, he has good people implementing his vision for the country, like Agrarian Reform Secretary Estrella and other government agencies," Concepcion said.

"KALAP and the private sector, composed of big brothers in the agri sector, including Dr. Fermin Adriano of FEF, are always here to offer our expertise to help the President attain his vision," he added.

Through farm clustering, it would be easier for the government to provide assistance to farmers, such as loans and farm machinery, because it would deal with groups rather than individual tillers, FEF representative Dr. Fermin Adriano explained during the meeting with DAR.

"The process will pave way for the use of modern farm machinery and technologies, thereby achieving economies of scale, and allow the development of downstream industries, such as food processing, due to adequate and reliable supply of raw materials," he added.

Other countries that have implemented farm clustering, such as China, Vietnam, Laos, and Cambodia, all enjoyed higher yields.

In his opinion piece for the Manila Times, Adriano batted for the immediate and proper implementation of the law condoning the debt of defaulting agrarian reform beneficiaries (ARB).

"The challenge now is to formulate implementing rules and regulations that will facilitate awarding of individual land titles. This means the process should not be burdensome for the ARBs," Adriano said in his column.

He also called for the implementation of a higher land retention ceiling, currently at 5 hectares for a couple tilling the land and 3 hectares for an individual cultivator.

"The proposal of the FEF is to raise it to at least 24 hectares in accordance with the ceiling provided for the homesteaders program of the past. If adopted, this will promote the rise of Filipino middle-class farmers or 'family-operated farms,'" he said.

Date: JUNE 20, 2023 Page: A10



LIBRARY
DEPT. OF AGRICULTURE

'Vessel monitoring devices will protect marine resources'

BY JONATHAN L. MAYUGA

[@jonlmayuga](#)

FISHERS groups and ocean conservation advocates said President Ferdinand R. Marcos Jr.'s directive related to the implementation of Fisheries Administrative Order (FAO) 266 will help protect the country's marine resources.

The groups welcomed Marcos' order to the Department of Agriculture (DA) and the Bureau of Fisheries and Aquatic Resources (Bfar) to work closely with the Office of the Executive Secretary for the implementation of FAO 266 which requires commercial fishing vessels to install vessel monitoring devices.

Ruperto Alerzo, vice chairperson for the Basic Sector of the National Anti-Poverty Commission and sectoral representative of artisanal fisherfolk, said the directive is "a victory" for fisherfolk, civil society organizations, and local government units (LGUs).

"The suspension of the vessel monitoring mechanism [VMM] implementation spells the continuing threat of critical habitats of fish and aquatic resources, and a clear violation of the Fisheries Code," he said in a statement.

In a statement submitted to Malacañang last June 7, fisherfolk groups led by

Alerzo appealed to President Marcos to fully implement the commercial fishing vessels monitoring measures under the FAO 266. This was done in response to a memorandum issued Executive Secretary (ES) Lucas Bersamin that suspended its implementation.

Nongovernment organization Oceana opposed the memorandum, saying it is "regressive" and contradicts the Amended Fisheries Code, the Constitutional mandate for the state to protect its marine wealth, and the country's international obligations to deter illegal unreported and unregulated fishing (IUUF) activities.

"We laud the President for listening to the call of the people who are seriously affected by the suspension of the vessel monitoring rules. This order by ES Bersamin clearly undermines the government's obligation to establish and strengthen its monitoring, control, and surveillance system, which in turn impedes the ability of the government to enforce fishery laws effectively and efficiently," said Oceana's Acting Vice President Rose Liza Eisma-Osorio.

"Failure to deter IUUF, such as uncontrolled intrusion of commercial fishing inside municipal waters resulted in overfishing and depletion of fish stocks in our fishing grounds which caused

immense poverty and hunger in our coastal communities."

In a statement released by the President Communications Office dated June 20, President Marcos directed the DA and Bfar to come up with comprehensive studies on the rehabilitation and maintenance of the country's marine habitats to address IUUF.

The President, who is also the concurrent DA chief, has emphasized in a meeting on June 13 the need for the Philippines to comply with its international commitments, particularly to the European Union on preventing IUUF. He also highlighted the importance of addressing the concerns of fishery stakeholders by using a science-based approach in managing marine resources.

The European Union market for Philippine fisheries and seafood products is a multibillion dollar industry that would have impacts on exporters and those who depend on the export market.

Norlan Pagal, President of Anapog Fisherfolk Association from San Remigio, Cebu said the installation of VMM in commercial fishing vessels is "much-anticipated" by small fisherfolk as it will deter the encroachment of the 15-kilometer municipal fishing grounds that are exclusive for small fishermen.

The group stated in its position paper

submitted to the Office of the President earlier this month, the immense help that VMMs provide to stop the continuous intrusion of commercial fishing vessels inside the municipal waters.

Edlyn Rosales of the group Pangisda Pilipinas said the encroachment of commercial fishing vessels in municipal fishing grounds is "rampant enough to affect the livelihood and meager income of small fishers."

She said if the commercial fishing vessel will be allowed to do fishing in municipal fishing grounds, small fishermen as well as women who depend on artisanal fishing as a way of life will eventually have nothing to put food on the table.

VMM is considered as one of the effective measures to monitor fishing operations for fisheries management, especially inside the 15-kilometer municipal waters.

The groups said this is even more important now because most of the country's fishing grounds are found to be overfished. Data from the Philippines Statistics Authority show that the volume of marine fisheries both commercial and municipal fisheries has been declining at least for the last decade. Data from the National Stock Assessment Program indicated that 80 percent of Philippine fisheries stocks are "highly exploited."



DA opens more export markets

By **DANESSA RIVERA**

The Department of Agriculture (DA) is opening more export markets and investment opportunities for local high value crops to carve a position in the global market.

The country is negotiating to export more high value crops after "determined strides" last year that opened opportunities for cash crops, DA Undersecretary for policy, planning, and regulations Mercedita Sombilla said during the European Chamber of Commerce of the Philippines luncheon meeting last week.

"We have begun exports of frozen durian to China, pili nuts to 27 European countries, shallots to Indonesia, fresh dragon fruit to Australia, young coconut to Taiwan and corn seeds to Colombia," she said.

For this year, the DA is working on exporting more cash crops to new areas.

"We have commenced negotiations for the exports of papaya, papaya seeds to India, even as we have been allowed exports of these to Ecuador. We're likewise working to open more ports of entry of fresh pineapple to US. The import plan quarantine requirement for fresh Hass avocado to Republic of Korea is now being finalized," Sombilla said.

Last June 19, the Bureau of Plant Industry (BPI) said it facilitated the export of 225.8 kilograms of fresh mango fruits from Guimaras to Switzerland.

The shipment was done in collaboration with G5 International Corp. while the mango fruits were supplied by Guimaras Wonders Farm.

The BPI said the mangoes underwent meticulous inspections after being issued

the necessary phytosanitary certificate, ensuring compliance with international standards.

The mangoes were also tested to determine if the fruits are above or below maximum residue limit. The agency said this is a crucial step to ensure safety and quality of the produce being exported.

Meanwhile, Sombilla said the DA is also offering "more promising" investment opportunities in coconut, mango, cavendish banana production and processing.

"We need investments in research, infrastructure, post-harvest facilities and production technologies for all these export products to further improve the Filipino farm sector's foreign exchange potential," she said.

"There are excellent capital investment opportunities in cold storages and processing facilities for other fresh and value-added farm products throughout these islands," the DA official said.

President Marcos had earlier directed the DA to come up with strategies congruent to strategizing, clustering, and optimizing toward becoming more export-oriented and being quality competitive.

DA-High Value Crops Development Program (HVCDP) and BPI director Gerald Glenn Panganiban had said that while not all Philippine crops are currently positioned for export, there are definitely bright spots for the sector.

He also recognized the support of the stakeholders, including the producers and exporters, as DA partners in elevating the export potential of local agri-fishery commodities through the years.

Date: JUNE 26, 2023 Page: 124



LIBRARY
DEPT. OF AGRICULTURE

'Lowest price of rice now P40 a kilo'

A rice watchdog has reported that the lowest price of rice is currently P40 per kilo, far from the P20 per kilo that President Marcos promised in last year's elections.

Bantay Bigas on Sunday said there has been a monthly increase in the retail price of rice since April, with the lowest price now P40 per kilo from

the previous P38.

"We asked the retailers and they said the retail price is really increasing since April. The P38 (per kilo) was no longer available in Nepa Q-Mart (in Quezon City) and other markets we visited," Bantay Bigas spokesperson Cathy Estavillo said in a radio interview.

Turn to Page 4

Lowest From Page 1

She added that the government failed to address the spike in the retail price of grains despite traders buying *palay* at unreasonably low farmgate prices.

"The retail prices of rice are very high despite the *palay* harvest of our farmers being bought at unreasonable prices," Estavillo said.

The Rice Liberalization Law, which caused the flooding of imported rice in the Philippines, also failed to bring down prices.

"This is a result of the passage of (Republic Act 11023), where the P27 and P32 (per kilo) subsidized by the **National Food Authority** were removed. The promise of economic managers, senators and congress-

men (was) that the retail prices of rice will go down once the market will be opened to importation. The total importation last year reached 3.8 million metric tons," Estavillo said.

She urged the government to scrap the Rice Liberalization Law and provide a P15,000 support subsidy to farmers.

"We hope that in the next State of the Nation Address of President Marcos, farmers will be able to hear clear programs on how to attain food security, and not just motherhood statements on Masagana 150 (National Rice Program)," Estavillo said.

Based on the monitoring of retail prices of well-milled rice, it is sold as high as P46 per kilo in Metro Manila markets.

— **Bella Cariaso**



LIBRARY
DEPT. OF AGRICULTURE

Phl may import more dairy this year

By DANESSA RIVERA

The Philippines may import more dairy this year on the back of higher demand from consumers and the processing industry, according to the Food and Agriculture Organization of the United Nations (FAO).

In a report, FAO forecasted a slight expansion in global dairy trade this year to 85 million tons in milk equivalent, reversing the 4.6 percent drop in volume last year.

"This is principally due to an anticipated increase in import demand by Algeria, Mexico, Australia, Indonesia, Saudi Arabia and the Philippines reflecting a combination of higher demand from the food processing industry, as well as rising consumer demand that exceeds potential supplies from internal sources," it said.

In particular, the UN agency sees the Philippines importing 2.87 million tons of dairy, up 2.18 percent from the estimated 2.8 million tons imported last year.

Most of the country's dairy demand is driven by the government's milk feeding program, led by the Department of Education (DepEd) in partnership with the Department of Agriculture (DA).

While the milk feeding program is served mostly by local production, imported milk serves 99 percent of the country's total dairy requirements.

Last year, the Philippine milk imports rose by 10 percent to 3.35 billion liters last year from 3.03 million liters a year earlier, translating to 99 percent of the total milk supply.

Among dairy products, the global trade of skim milk powder (SMP) will likely grow by 1.5 percent to 2.6 million tons.

FAO said this would be driven by the "anticipated sizeable increased purchases" by China, Mexico, Indonesia, the Philippines and Algeria.

For the Philippines, SMP imports would likely be driven by "rising internal demand," the UN agency said.

Based on data from the National Dairy Authority (NDA), 79 percent of the total imports are milk powder. Of this, skimmed milk powder comprised 46 percent.

On the other hand, the Philippines will likely mirror the downward trend of global butter trade, which is forecasted to decline by nearly two percent.

"Increased domestic availability and subdued internal demand

could lower butter imports by other countries, including the Philippines and Egypt," FAO said.

Last year, imported butter, butter fat and dairy spreads saw a 15-percent decline to 227.09 million liters from 267.67 million liters, the NDA data showed.

To help reduce the country's reliance on imported milk, the NDA is targeting to increase dairy production by 500 percent to 80 million liters per year over five years.

It is also planning to increase the milking herd to 15,000 heads and produce 15 liters of milk per cow per day.

Currently, the daily average milk production per cow is only eight to 10 liters. Through better feed quality, the agency targets to improve this to 15 to 16 liters.

To achieve these goals, the agency is looking to spend over P850 million to construct five stock farms and import dairy herd animals.

The five stock farms will be developed in General Tinio, Nueva Ecija; Guinobatan, Albay; Ubay, Bohol; Malaybalay, Bukidnon; and Davao City.

These farms will breed island-born animals, which will help improve the genetics of the dairy herd in the country.



Liberalization 'sweetener' to higher tax on sugary drinks

Liberalizing the sugar industry will serve as the 'sweetener' for producers and manufacturers to accept the government's proposed higher levy on sweetened beverages.

In a briefing, Finance Secretary Benjamin Diokno said a reasonable compromise to the planned expanded levy on sweetened beverages is to allow manufacturers to bring in their own supply amid the high price of domestic supply.

The DOF is already moving to broaden the base for sugar products by increasing the tax rate under the TRAIN Law to P12 per liter regardless of the type of sweetener used.

Currently, there is a two-tier rate of P6 and P12 per liter, as started by the Duterte administration.

"Knowing the big difference between the world price and the domestic price of sugar, then allowing the industry to import their own sugar requirement would reduce their cost of production," Diokno said.

"This is the 'sweetener' or incentive for producers of sugary products to accept the broader, simpler tax on sugary products," he said.

Right now, importers cannot freely bring in sugar without an

order from the Sugar Regulatory Administration allowing them to do so.

"Our model is the rice tariffication for all products that are covered by all these non-tariff barriers," Diokno said.

In 2019, the government liberalized the rice industry by allowing the free flow of rice supply at a given tariff rate.

Diokno is already expecting that producers and sellers of sugary products subjected to tax will object as it will raise the selling price of their products to the market.

The Philippine Sugar Millers Association already expressed opposition to the measure as the group called for an efficient collection of excise tax instead.

Thus, the proposal to allow producers and manufacturers to just bring in the supply they need.

"We want to uniform (the tax rate). Administratively, that's also good to simplify. The proposal makes good economic sense. It simplifies the tax system – one uniform rate is better than dual rates," Diokno said.

"It achieves the proposal to make Filipinos live healthier and longer lives. In the long run, it also reduces the costs to the government for pro-

viding health care for its people," he said.

Last month, the government said it would bring a fresh round of 150,000 metric tons of sugar to ensure a comfortable buffer stock and avoid another sudden spike in prices.

The SRA is likewise anticipating a reduction in production to hit around 1.8 million MT.

The tax on sweetened beverages is not new as the Philippines in 2018 began slapping a P6 per liter tax on sweetened beverages as part of efforts to curb obesity in the country.

DOF data shows that the government can generate P53.7 billion from an expanded levy on sweetened beverages during the first year of implementation by 2025.

This could increase to P67 billion by 2026 and further expand to P80.6 billion and P96.5 billion by 2027 and 2028. In total, anticipated revenues from the measure could reach P297.8 billion over a four-year period.

The tax reform package of the then Duterte administration included a P6 per liter tax on sweetened beverages made with caloric or non-caloric sweeteners.

– Louise Maureen Simeon

Date: JUNE 26, 2023 Page: 7



LIBRARY
DEPT. OF AGRICULTURE

Coconut country

Reflecting further on our agricultural statistics, it is clear that we are a coconut country, with the versatile palm among our most important crops. We harvest almost 15 million tons a year from an area at 3.5 million hectares while engaging the largest total number of farmers at 2.5 million.

The Philippines is the world's third largest coconut producer, with coconut products our largest export. These numbers alone show that we grow coconuts well, and better than many other countries. This also means it does not cost as much to do so, and that the skill needed to grow and harvest coconuts is deep and abundant in the populace.

Knowing these things, there are two questions before us. The first is what we can do to boost the volume and value of these nuts to increase the revenue of the 2.5 million farmers. The second is how we can create opportunities for millions more by processing these nuts into other products.

At the moment, coconut's gross value added is still a bit limited at around ₱80 to ₱84 billion comprising anywhere from 4.5 to five percent of agriculture's Gross Value Added. This means that there is still a lot of value it can create by engaging technologies and investment that can boost the benefit of the proverbial tree of life, such as products like soap and oleochemicals. Knowing its potential to create wealth in the rural areas and provide livelihoods for millions, boosting the industry is a low-hanging fruit that can increase rural and urban incomes.

To pursue the development of the coconut and palm industry, the Philippine Coconut Authority was created in 1973. As it celebrates its 50th anniversary this week, the key question is how this agency can harness the coconut industry's development over the next 50 years will be interesting. Here are some ideas I would like to pitch.

Strengthening our coconut industry through the Coconut Farmers Industry Development Plan (CFIDP) and

the national registry of coconut farmers is a good start so that we can effectively target the farms and farmers that need assistance to increase the volume of their production.

The other is incentivizing the creation of related industries that can help our coconut industry go beyond copra will mean jobs for millions more. We can do this by broadening the value chain and adding value through technologies and industries that use the crop. Apart from the current manufacturing of desiccated coconut and coconut oil, recently popular coconut water shows promise. Apart from this, oleochemicals, activated carbon, and other downstream products will broaden the economic potential of each harvested coconut.

This, therefore, has the potential to create more jobs after the harvest. PCA can engage in investment promotion abroad along with our chambers of commerce and business groups, and ensure the development of coconut-themed industrial zones in areas near major production centers, particularly in Mindanao, which now forms the bulk of coconut production. I wish the PCA, led by Administrator Bernie Cruz, well in the coming years.

New manufacturing firm in Mindanao

I was privileged to attend the groundbreaking ceremonies of the expanded production facility of Monde Nissin Philippines here in Davao City. The manufacturer of noodles and biscuits has a bright future ahead of it, since it can serve the needs of a growing local economy and explore export potential to ASEAN from Davao.

(At about this time in 2022 I wrote a column on our coconut industry to which many reacted. <https://mb.com.ph/2022/6/27/using-our-coconuts-for-stronger-agriculture>)



#MINDANAO

JOHN TRIA



LIBRARY
DEPT. OF AGRICULTURE

Fruit export prospects this year rosy: DA

THE Department of Agriculture (DA) is optimistic about more export opportunities for fruit crops this year.

However, DA undersecretary Mercedita Sombilla said additional investments are needed to fully tap the potential of fruits in the world market.

"We need investments in research, infrastructure, post-harvest facilities and production technology for all these export products to further improve Filipino farm sectors' foreign exchange potential. There are excellent capital investment opportunities in cold storages and processing facilities for other fresh and value-added farm products throughout these islands," Sombilla told reporters in a chance interview last week.

Sombilla said opportunities in the production and processing of coconut, mango and cavendish banana can be harnessed for more

value-added output.

Last year, the Philippines started exporting frozen durian to China, pili nuts to 27 European countries, shallots to Indonesia, fresh dragon fruit to Australia, young coconut to Taiwan and corn seeds to Colombia.

The agency added negotiations were also conducted for the export of papaya and papaya seeds to India, opening of more ports of entry of fresh pineapple to the US and the import plan quarantine requirement for fresh Hass avocado to South Korea.

Data from the Philippine Statistics Authority showed exports of edible fruit and nuts and peel of citrus fruit melons amounted to \$439.51 million in the first quarter, posting the largest share of 28.4 percent to the total agricultural exports for the period.

In 2022, the segment exported \$7.5 billion or 28 percent of the total agricultural trade.



LRAY VILLAFUERTE

ASF vax: Panalo ang magbababoy, konsyumer

Food and Drugs Administration (FDA) na mag-isyu na ng Certificate of Product Registration (CPR) para sa commercial release ng naturang bakuna at nang magamit na ito sa buong bansa.

Umaasa tayo na aaksiyon agad ito ng FDA at maglalabas ng CPR lalo't marami nang bansa ang naghihintay sa bakunang ito. Nangako naman daw ang Vietnamese manufacturer na kaya nilang agad mag-supply ng 600,000 vaccines sa ating bansa.

At dahil nga sa may bakuna na para sa ASF meron po tayong isinusulong na apat na hakbangin para sa pagtulong sa ating hog farmers.

Ang mga ito ay: (1) ideklara ng national government (NG) ang state of emergency sa mga lugar na sinalanta ng ASF para makapaglabas ng contingency funds na magagamit para makakilos ang mga kinauukulan at matulungan ang mga nangailangan; (2) pabilisan ng FDA ang registration process para dito sa anti-ASF vaccine na gawang Vietnam; (3) mabigyan ng 100% subsidy o kahit nga 50% subsidy ang mga maliliit na magbababoy sa paggamit ng bakuna laban sa ASF; at (4) pangasiwaan agad ng BAI ang pagbili ng bakuna at ang mismong pagbabakuna sa lahat ng mga babuyan sa iba't ibang lugar sa bansa.

Ayan po ang ating apat na proposals na inaasahan nating makakatulong sa ating hog farmers at consumers. At iyan po'y alinsunod na rin sa minimithi ni Pangulong Marcos na makabangon tayong muli.

Siyempre po, hindi naman lahat ng magbababoy ay may kakayahang balikatin ang presyo ng bakuna na ito kaya naman ating tinutulak na mabigyan ng subsidiya ang mga magbababoy.

Tanging ang immunization drive po ang makakatulong para hindi na muling pestehin ng ASF ang mga hog raisers natin. Kapag nanumbalik sa normal ang mga babuyan, mababalik na rin ang maayos na suplay ng karne ng baboy at maiwasan na natin ang pag-angat nito sa ibang bansa.

Matutulungan na natin ang mga magbababoy at matutulungan din natin ang mga konsyumer dahil bababa ang presyo ng karneng baboy sa merkado.

Ang ASF ay unang lumitaw muli sa China noong 2018 at nagkasunod-sunod na ito sa iba't ibang bansa kabilang na ang Pilipinas noong 2019. Tuloy-tuloy ang pagkalat ng virus mula noon kaya ngayong taon, nagkaroon ng nakakaalarmang pagkalat ng ASF sa 4,308 barangays sa 788 municipalities sa 59 provinces sa 15 regions. Ibig sabihin nito, sa lahat ng mga rehiyon sa bansa, tanging sa Kamaynilaan na lamang walang ASF.

Kung maideklara po ang state of calamity ay magagawa ng NG na maglaan ng pondo para makabili ang BAI ng anti-ASF vaccine at makapaglatag ng nationwide immunization drive.

Hindi na po natin makakaya kung muling tataas ang presyo ng baboy sa merkado dahil sa inflation na idudulot nito. Ginagawan

na nga po ng paraan ng ating mga economic manager upang mapigilan ang patuloy na pagtaas ng inflation.

Nito pong nakaraang Marso, inaprubahan ng Pangulo ang paglikha ng Inter-Agency Committee on Inflation and Market Outlook, isang advisory body para sa mga estratehiya na lalaban sa inflation at titiyak sa food and energy security ng bansa kung saan babalansehin ang interes ng mga domestic food producers, consumers, at ang ekonomiya sa pangkalahatan.

Bagama't bahagya pong napabagal ang inflation, sinabi ni National Economic and Development Authority (NEDA) Director-General Arsenio Balisacan na kung magkakaroon na naman ng pagtaas ng mga presyo ng pangunahing bilihin, magiging banta na naman ito sa post-pandemic recovery ng bansa.

Kaya naman po tayo ay nakikipagtulungan na rin sa pagsusulong nitong apat na ating inisyatiba upang maiwasang pagmulan ng panibagong pag-akyat ng inflation itong kalagayan ng ating mga hog raiser.

Labis na nakakabahala talaga ang epekto ng ASF sa presyo ng baboy at sa inflation dahil nga kung titignan natin 5% lamang ang epekto ng karne ng baboy sa inflation mula 1995 hanggang 2020. Pero noong tumaas na ang presyo ng karne noong unang tatlong buwan ng 2021, pumalo na ito ng 20% sa overall inflation.

Makikita sa datos ng Department of Finance (DOF) na mula sa 3.5% kontribusyon sa inflation noong 2019, ito'y naging 4.3% noong 2020 at mas lalo pang tumaas sa 19.6% sa first quarter ng 2021.

Kung kaya't nung pumalo ng halos 20% noong first quarter ng 2021, ito ay naging No. 1 contributor sa overall inflation at nag account for 1.3 percentage points (pps). Ito ay mas mataas pa sa 1 percentage-point contribution ng bigas sa inflation noong 2018 rice crisis.

Ang ating pong mga kababayang nabibilang sa swine industry ay nalugi nang malaki dahil sa ASF kaya naman nag-aantay muna sila ng katiyakan na hindi na muli nang mangyayari ang paglaganap ng ASF bago sila muling mag-invest nang husto. Mangyayari lamang po ito kung matitiyak na may proteksiyon na ang kanilang mga baboy sa mga ASF outbreak sa hinaharap sa pamamagitan ng nitong immunization program.

Ito lamang po ang solusyon—ang pagbabakuna. Tulad din ng ginawa natin noong pandemya ng Covid-19. Binigyan ng proteksiyon ang sambayanan sa pamamagitan ng pagbabakuna. Ito rin po ang makakatulong para mapigilan ang muling paglaganap ng ASF.

Ngayong natuklasan na kung ano ang epektibo at ligtas na bakuna para sa mga baboy, sana po'y kumilos agad lahat ng mga kinauukulan, lalo na ang FDA.

Dito sa anti-ASF vaccines, panalo ang magbababoy at tayong lahat na mga konsyumer.

Gaya nga po ng nabanggit ko noong nakaraan kolum, muling sinabi ni Pangulong Ferdinand "Bongbong" Marcos Jr. sa nagdaang Vin D'Honneur sa Palasyo ng Malakanyang kung saan po tayo ay nakadalo, ang kanyang nais para sa Pilipinas na bumangon tayong lahat muli.

Ayon na rin ito sa kaniyang campaign slogan na "Bangon Bayan Muli" o BBM noong nakaraang na halalan.

Kaya ang ating tatalakayin ngayon ay ang isa pang sektor na nangangailangan ng tulong ng gobyerno para makabangon muli—ang sektor ng mga magbababoy. Kailangan po nila ng tulong dahil nga sa nadale sila ng virus na hindi nga tumama sa mga tao pero inatake naman ang mga hayop partikular ang mga baboy.

Ito po ay ang ASF o African Swine Fever. Mula po nang pumasok ang ASF sa bansa noong 2019, tumaas ang presyo ng karne ng baboy sa merkado kaya hindi lamang po ang magbababoy ang apektado kundi pati na tayong mga konsyumer.

Dahil nga sa virus na ito, patay agad ang mga hayop kapag tinamaan ng ASF. Kaya nga dahil sa paglaganap ng peste na ito, ang dating 12 milyon na populasyon ng mga baboy, bago bumalik ang ASF, ay bumagsak sa 9 milyon na lamang noong 2020. At mismong ang Bureau of Animal Industry (BAI) ang nagsabi na tila aabutin pa ng limang taon bago makabawi ang bilang ng populasyon.

Kung maaalala n'yo, nang dahil sa tuloy-tuloy na nangamatay ang mga baboy at bumaba ang suplay, pumalo ng lagpas pa sa P400 kada kilo ang kilo ng baboy sa palengke o halos doble ng halaga na P250 bago bumalik sa ating bansa ng peste na ito.

Pero may good news po tayo ngayon. Tagumpay po ang field trial na isinagawa sa mga baboy sa anim na lugar sa Luzon kung saan sinubukan ang paggamit ng Vietnam-made AVAC Live vaccine.

Ayon nga po sa pag-aaral na pinangunahan ng Department of Agriculture's BAI (DA-BAI), sa anti-ASF vaccine na ginawa sa Vietnam, epektibo ang naturang bakuna. Hindi lamang epektibo kundi 100% success po ang ginawang field trial sa pagbibigay ng anti-bodies sa mga baboy upang kontrahin ang ASF.

Ipinabatid na ni BAI Assistant Director Arlene Vytacio na kanilang itinutulak talaga ang paggamit ng Vietnam-made na Avac Live vaccine matapos ang matagumpay na field trial sa mga baboy sa Luzon mula Pebrero hanggang Mayo.

Sa isinagawang mga trial, napatunayan na ang mga baboy na binakunahan ay nagawang makapag-produce ng 100% antibodies at walang naging side effects sa mga hayop. Kaya inendorso ng BAI sa

REMATE

ANG DIARYO NG MASA

Date: June 26, 2023 Page: 5



LIBRARY
DEPT. OF AGRICULTURE

KADIWA CENTERS SA RESETTLEMENT AREAS

MAGANDANG balita para sa mga naninirahan sa iba't ibang resettlement areas sa buong bansa dahil magkakaroon na ang kanilang lugar ng Kadiwa Centers.

Maganda dahil batid naman natin na mura ang mga bilihan sa "tindahang bayan" na ito lalo na ang mga produktong mula sa Department of Agriculture o sinusuportahan ng ahensyang ito.

Pero, take note, ang maglalagay ng Kadiwa Centers sa mga resettlement area sa buong bansa ay ang National Housing Authority.

Ito ang pagkukumpirmang ginawa ni NHA Assistant General Manager Alvin Feliciano.

Dahil dito, magkakatulungan ang NHA, DA at iba pang ahensya upang mabigyan ng mga murang pagkain ang mga na-

ninirahan sa iba't ibang lugar na nabigyan ng pabahay ng pamahalaan.

Bukod sa paglalagay ng Kadiwa Stores sa tulong ng DA, magiging kaagapay rin ng NHA ang Technical Education and Skills Development Authority at Department of Trade and Industry sa pagbibigay ng murang bilihan at pagpapatakbo ng maayos na kabuhayan.

Ayon kay Feliciano, dating deputy director general ng TES-DA noong 2017, ang ginagawang tulong ng iba't ibang ahensiya ay pagtalima sa tagubilin ni Pangulong Ferdinand "Bongbong" Marcos Jr. na bigyan ng sapat na tulong at suporta ang mga Pilipinong nangangailangan.

Ipinaliwanag pa nito, ang TES-DA ay tutulong sa pamamagitan nang pagbibigay ng kasanayan



Diokno dangles sugar imports to SSB makers

By JASPER EMMANUEL Y. ARCALAS

[@jearcalas](#)

EXPANDED taxes in exchange for wider access to sugar imports. This is what Finance Secretary Benjamin E. Diokno is offering to local manufacturers that will be affected by his department's proposed expanded taxes on sugar sweetened beverages (SSB).

Diokno told reporters that he is willing to grant manufacturers more access to sugar supplies from abroad to cushion the impact of a higher SSB tax base.

He said he is aware that producers and sellers of sugary products subjected to the tax would object as "it will raise the selling price of their products."

"But knowing the big difference between the world price and the domestic price of sugar [a major input

in the industry] then allowing the industry to import their own sugar requirement would reduce their cost of production," he said.

"This is the 'sweetener' or incentive for producers of sugary products to accept the broader, simpler tax on sugary products."

Diokno said increasing manufacturers' access to sugar imports would not require the enactment of a measure into law, such as the rice trade liberalization law.



BUSINESSMIRROR FILE PHOTO

He said a Presidential directive through the issuance of a Sugar Order would suffice.

The Department of Finance chief defended the higher sugar tax proposal, saying it "makes a good economic sense" since it would "simplify" the system by applying a "one uniform rate" than dual rates on sweeteners.

"It achieves the proposal to make Filipinos live healthier and longer lives. In the long run, it also reduces the costs to the government for providing health care for its people."



LIBRARY
DEPT. OF AGRICULTURE



3-in-1 coffee mixes

BASED on the DOF's proposal, the tax imposition on SSB would be raised to P12 per liter regardless of the sweetener used. Under the present SSB tax regime provided by the TRAIN law, beverages using purely caloric sweeteners would be levied with P6 per liter while a higher P12 per liter excise tax would be imposed on those using high fructose corn syrup.

Also, the SSB tax would also be indexed annually by 4 percent and exemptions to the present SSB tax regime would be eliminated.

For example, 3-in-1 coffee mixes would now be covered by the expanded SSB tax.

"These measures aim to strengthen the effectiveness of the sweetened beverage tax by further discouraging the consumption of such beverages. These measures will help broaden the tax base and raise more taxes," Diokno said.

From 2018 to 2022, the national government earned P213.6 billion from the SSB tax.

Certain quarters have already voiced out their opposition against the proposed expanded SSB tax after Diokno made his proposal public. The Philippine Sugar Millers Association urged Finance chief to reconsider his proposal and to instead focus on strengthening the implementation of the current SSB tax regime.

Diokno earlier disclosed that the expanded SSB tax together with the proposed tax on junk foods may add P76 billion to public coffers. **(Related story: <https://businessmirror.com.ph/2023/06/22/dof-doh-push-sugar-and-salt-tax-eye-p76-b-more-revenues/>)**

Junk food tax exemptions

IN a related development, Diokno disclosed that an exclusion list would be issued by the Departments of Finance and Health (DOH) under the proposed junk food tax scheme.

For example, instant noodles may be exempted since it is widely consumed by low-income Filipinos, Diokno added.

He said the DOH is crafting the exemption or exclusion list.

Diokno also noted that the Executive branch aims to pass the junk food tax before the 2025 local elections, saying it is "quite difficult" to pass tax measures after an election period.

He also noted that the first two years of a new administration is the "best time" to pass new tax measures.

The proposed tax program on junk food would impose P10 per 100 grams or P10 per 100 milliliters tax on prepackaged foods "lacking nutritional value" and those that contain nutritional levels "exceeding" the DOH's specified thresholds for fat, salt, and sugar content.

The proposed tax measure would cover confectioneries, snacks, desserts and frozen confectioneries.



Group echoes sugar millers' stance vs new taxes on food

By RAADEE S. SAUSA

[@raadeeboy](#)

A CONSUMER advocacy group echoed the opposition of sugar millers on the Finance Department's recommendation to levy additional taxes on high-sodium food products and sugary drinks.

The group calling itself "Bantay Palengke" (market guardians) issued a statement over the weekend expressing opposition to the recommendation of Finance Secretary Benjamin E. Diokno for new taxes.

According to the group, "any additional tax is an additional price burden."

"We know for a fact that many poor Filipinos rely on cheap instant noodles and canned goods due to our current economic situation," the statement quoted its convener Lester Codog as saying.

"How will they manage their meager budget if we will add another P10 on every 100 grams of affordable products that can help them ease hunger?" Codog mused.

A report on June 21 by state-run news outfit Philippine News Agency quoted Diokno as saying the Department of Finance (DOF) and the Department of Health (DOH) "are jointly pursuing a junk food and sweetened beverage tax as a proactive measure to tackle diabetes, obesity and non-communicable diseases related to poor diet."

Health issues

ACCORDING to the report, the DOF plans to impose a P10 per 100 grams or P10 per 100 milliliters tax on pre-packaged foods lacking nutritional value.

Diokno also proposed to impose a P10-tax per 100 grams or P10 per 100 milliliters of prepackaged food

products that have either high salt or high sugar content.

But the group "Bantay Palengke" said while the health issues resulting from the consumption of junk food are unarguable, these, however, tide over many Filipinos from hunger.

According to Codog, "there are other ways to approach this problem without adding another burden to our people."

"As for the need for revenue, we suggest that the government address the inefficiency in our tax collection first and plug the leaks in revenue collection," he added.

"Bantay Palengke" is also looking to propose ways for the government to subsidize healthy food such as fruits and vegetables so poor people will be able to afford more nutritious food.

"This could be a win-win situation for both our farmers and consumers,

for the management of food prices and for health," the group's statement read. "It should be clarified, however, that the subsidies should come first before we consider any new tax on the poor's staple food."

Sugar millers

MEANWHILE, Diokno's proposal to increase next year the sweetened beverage tax to P12 regardless of the type of sweetener used has met opposition from the Philippine Sugar Millers Association (PSMA).

"Instead of focusing on increasing tax rates, [the] DOF should prioritize the enforcement of existing laws to ensure compliance and fairness," PSMA Executive Director Jesus L. Barrera was quoted in a statement the group issued on June 23.

The additional revenue can be realized from the thorough enforcement of existing tax laws, Barrera said.

Furthermore, what purpose does it serve to raise tax rates if there are individuals or companies that fail to adhere to them, he added.

The PSMA emphasizes that increased tax collection efficiency will not create an adverse impact on affected sectors yet it will achieve the government's health and revenue objectives.

The significance of an effective tax collection mechanism extends beyond public health concerns. It offers a reliable source of revenue for the government that is directed towards essential public services and reinforces public trust, particularly in the aftermath of the pandemic as the economy recovers.

In light of these concerns, the PSMA urges the DOF to reconsider its proposal and engage in a comprehensive dialogue with all stakeholders, including sugar millers, sugarcane farmers, and industry experts.



LIBRARY
DEPT. OF AGRICULTURE

Sugary product makers, sellers can import sugar

BY NIÑA MYKA PAULINE ARCEO

PRODUCERS and sellers of sugary products will be allowed to import their own sugar requirements to reduce their cost of production following the government's plan to increase taxes on junk food and sweetened beverages.

"Expectedly, producers and sellers of sugary products subjected to tax will object as it will raise the selling price of their products to the market," Finance Secretary Benjamin Diokno told the reporters during the Weekly Chat with SBED on Friday.

"But knowing the big difference between the world price and the domestic price of sugar, then allowing the industry to import their own sugar requirement would reduce their cost of production," he added.

Diokno argued that a reasonable compromise is that the government would tax these producers and sellers of sugary products, but they would also be allowed to import sugar.

"Currently, they cannot import because the price of sugar in the country is very high," he said.

The Department of Finance and the Department of Health (DoH) are working together to implement a junk food and sweetened beverage tax as a proactive tool to combat diabetes, obesity and other

noncommunicable diseases linked to a poor diet.

As part of the plan, the Finance department proposes to raise the sweetened beverage tax rate under the Tax Reform for Acceleration and Inclusion Law to P12 per liter, regardless of the type of sweetener used. This tax rate will be adjusted annually by 4 percent, and exemptions will be phased out to widen the tax base.

"These measures aim to strengthen the effectiveness of the sweetened beverage tax by further discouraging the consumption of such beverages," Diokno said.

"This is the 'sweetener' or incentive for producers of sugary products to accept the broader, simpler tax on sugary products," he added.

The Finance chief argued that the additional revenue from the updated tax package will fund important socioeconomic programs

initiated by the Marcos Jr. administration, such as the Department of Social Welfare and Development's food stamp program. This initiative will assist 1 million households with food shortages, and alleviate food insecurity and malnutrition.

Diokno said the proposal would make good economic sense as it simplifies the tax system, and having one uniform rate is better than dual rates.

"We are consulting with the national nutrition council and DoH ... we will continue to consult. Currently, what we've released is not firm and final," Diokno remarked.

The implementation of the junk food and sweetened beverage tax package is projected to generate an additional P76 billion during the first year. The tax package is estimated to result in a 21-percent reduction in the consumption of junk food.



To rein in food inflation, we must reform our implementation of Sanitary and Phytosanitary Measures

The surge of onion prices lately suggested to some of us that perhaps a cartel is controlling these prices to the detriment of consumers. Capable of storing onions, these traders release onions into the market in a way that maximizes their respective profits. When local supply of onions is short of the requirement of consumers, prices must go up. But apparently, they rose even much higher than if the market was competitive.

Imported onions, however, can alleviate the shortage. If most of us would import, the cartel faces competition, restraining them from pushing up onion prices. Since the world market is much larger than the local, there will be more than enough supply to meet expected demand, and prices will hover around the landed price of imported onions, and not at what we paid for them lately.

But most of us do not know the business of importing onions and do not have the necessary capital to use for starting it. Thus, those traders who control the supply of local onions are likely the ones capable of importing onions.

INTROSPECTIVE RAMON L. CLARETE

It follows that even if we allow importation, the volume of imported onions may be calibrated by the few traders to continue their merry way of cooking onion users.

And even so because of the following. It turns out that the import business for onions, or agricultural products in general, is also about getting a license to import, renewable yearly, and a permit for every import transaction from the Bureau of Plant Industry if one is importing crops or products derived thereof, or from the Bureau of Animal Industry in the case of animals. The permit is called a sanitary and phytosanitary import certificate or SPSIC.

Our regulators of imported farm products have the duty to implement sanitary and phytosanitary (SPS) measures to ensure that food is safe for consumers,



NISHANT KUMAR-UNSPLASH

and to prevent the spread of pests or diseases among animals, and prevent other damage to the country caused by the entry, establishment or spread of pests. The use of SPS measures is a right of every country. No imported farm product, like onions, can be allowed entry to our country if such do not meet our standards or technical regulations.

The following are some SPS measures: requiring products to come from a disease-free area, inspection of products, specific treatment or processing of prod-

ucts, setting of allowable maximum levels of pesticide residue or permitted use of only certain additives in food. Sanitary measures for human and animal health and phytosanitary — or plant health — measures apply as well to domestically produced food or local animal and plant diseases, and not just to imported farm products.

SPS measures are science-based. As food and farm products move across borders, they may pose a risk to the plant, animal, or human health of importing coun-

tries. These measures are set to provide adequate protection of the country from such risks. International organizations such as the Codex Alimentarius for food, OIE for animals, and IPPC for plants have set international standards to ensure protection. These international standards, guidelines, and recommendations, where they exist, guide our SPS regulators in doing their respective duties. We may use stricter standards if there is scientific justification. Lacking international standards, we may set our own based on appropriate assessment of risks, provided that the approach is consistent, not arbitrary.

SPS measures must not be used as an excuse for protecting

LIBRARY
DEPT. OF AGRICULTURE

domestic producers nor favor certain importers. When import tariffs are already low, there is great pressure to use SPS measures to control volume in order to raise prices for the benefit of producers and traders.

In a country study conducted by the Standards and Trade Development Facility (STDF) in 2014 on the implementation of SPS measures in the Philippines, STDF noted that "there is some evidence that the licensing and permit system is sometimes also used for controlling volume." I recollect that there was a case filed against BPI officials when garlic prices surged, and it is likely, given the date of the study, that the author of the STDF study was referring to application of SPS measures to imported garlic.

When food prices, like onions, surge, I am reminded of the 300% increase of garlic prices a few years back. It was alleged in that case that regulators abused their duty to favor the few garlic importers.

In implementing SPS measures, our regulators require importers to secure an import license for SPS purposes and obtain import permits for every shipment they bring to the country.

These layers of requirements to import farm products are po-

tential disincentives to go into the import business, and thus make the cartel stronger or protect domestic producers.

SPS IMPORT LICENSES

Import licensing for SPS purposes are over and above the usual business registration like those required by Customs. Each SPS agency requires licensing of its importers, and one can just imagine the duplication in documentation which can easily close the door to would be entrants in the import business.

And they discourage imports as well. These permits raise transactions costs and constrain their flexibility given the cost of application, the fees, and longer planning and waiting times involved. Our system uses permits regardless of the type of farm product or risk.

One reform that we may consider is this. If licensing must be used for SPS purposes, it must be shown that it is necessary to attain the appropriate level of protection. In our country, importation of all farm products requires a license for SPS purposes regardless of the purpose of the SPS measure.

Another improvement is the requirement under the WTO agreement on import licensing: licenses should not be un-

necessarily more burdensome. We must keep import entry and transactions cost down to encourage entry into the import business and prevent the formation of cartels which raise prices arbitrarily high. Many countries do not use import licensing for SPS purposes, or if they do, they apply it for a limited range of products only.

IMPORT PERMITS

Then there are the import permits or the SPSICs for every shipment. Our SPS regulators require importers to request import permits for all import shipments. Other countries, like Cambodia, only apply these permits for imports of animal and fisheries products. Whether this is to protect domestic producers or favor a few traders, the use of SPSICs appear to be not good news for consumers: they always end in raising prices.

There are added specifications in the grant of import permits. One, import permits in our country include *ex ante* specification of sources and destinations of the imported farm products, and the shipment route. The requirement is apparently for traceability. This requirement limits the flexibility of importers to obtain the goods with the lowest price in countries with similar risk as the source country in the import permit. This may be justified if, like in the African swine fever, we know what countries we should not be importing pork from regardless of the price.

Two, import volumes must be declared, which makes it easy for regulators to calculate how much volume is allowed into the country. This is like introducing a quota in import permits, which should not be used. Use of quotas is more trade-restricting than simply requiring an import permit. Three, there is the requirement to declare the point of entry when there is no valid justification from the SPS point of view for it.

One reform to consider is the use of general authorization. General import authorization may be used if the risks are negligible, or there are no specific SPS issues involved. The regulator may publish this for a range of products, saying that imported products are allowed entry at any time and volume importers would prefer. If specific phytosanitary import requirements have been set, say, like one can import the product only from this country due to a disease elsewhere, then general authorization may be used as well.

We must only require specific import permits on a case-by-case basis. According to the International Standard for Phytosanitary Measures (ISPM), import permits may be used for emergency or exceptional imports; imports with specific, individual phytosanitary import requirements such as those with post-entry quarantine requirements or designated end use or research purposes; or imports where the NPPO requires the ability to trace the material over a period after entry.

Another improvement is applying the principle of equivalence. Article 4 of the WTO agreement on the Application of SPS Measures requires member countries to accept as equivalent to their SPS measures those measures in exporting countries if it can be shown that the latter can secure the same objective of the former. Even if these measures differ from each other. Exporting countries may trigger negotiations to establish equivalence. With an agreement, imports of the product from the country which we recognize as having equivalent protection structure can come in without any import permit. ■



RAMON L. CLARETE is a professor at the University of the Philippines School of Economics.



Diokno considering sugar import liberalization

FINANCE Secretary Benjamin E. Diokno said he is studying the liberalization of sugar imports to soften the blow on the food industry amid proposals to tax sugary food and beverages.

In a chat with the media on Friday, Mr. Diokno said that freeing up sugar imports a “reasonable compromise” for volume users of sugar.

“Expectedly, producers and sellers of sugary products subjected to tax will object as it will raise the selling price of their products to the market,” Mr. Diokno said in a Viber message to reporters after the chat.

“But knowing the big difference between the world price and the domestic price of sugar, a major input in the industry, then allowing the industry to import their own sugar requirement would reduce their cost of pro-

duction. This is the ‘sweetener’ or incentive for producers of sugary products to accept the broader, simpler tax on sugary products,” he added.

Mr. Diokno said the model is the Ricé Tariffication Law “for all the products which are covered by all these non-tariff barriers.”

Rice tariffication allowed private parties a free hand to import rice, which was formerly a government monopoly. The importers would then pay a 35% tariff on Southeast Asian grain, generating funds for the government to pay for rice industry modernization.

Mr. Diokno said there is no need for legislation to allow the industry to import sugar.

“You don’t need a law for access to imports. With just a policy, you will be allowed to import sugar, that’s okay,” he added.

Last week, the DoF announced plans to impose a tax on “junk food” and raise the excise tax on sweetened beverages.

The proposal seeks to place a P10 tax per 100 grams or a P10 tax per 100 milliliters of pre-packaged food deemed to lack nutritional value, including confectioneries, snacks, and desserts exceeding the Department of Health’s thresholds for fat, salt, and sugar content.

It is also seeking to increase the excise tax on sweetened beverages to P12 regardless of the type of sweetener used.

“This tax rate will be indexed annually by 4%, and exemptions will be eliminated to broaden the tax base. These measures aim to strengthen the effectiveness of the sweetened beverage tax by further discouraging the consumption of such beverages,” Mr. Diokno said.

Under the Tax Reform for Acceleration and Inclusion law, the excise tax on sweetened beverages differs based on the sweetener used. The tax is P6 per liter for drinks containing caloric or non-caloric sweeteners, and P12 per liter for drinks containing high-fructose corn syrup or such sweeteners in combination.

“The proposal makes good economic sense. It simplifies the tax system — one uniform rate is better than dual rates. It achieves the proposal to make Filipinos live healthier and longer lives. In the long run, it also reduces the costs to the government for providing healthcare for its people,” Mr. Diokno added.

The DoF expects the tax package to generate additional revenue of P76 billion in its first year, as well as result in a 21% reduction in consumption of junk food.

Mr. Diokno said that the government is still studying exemptions to the junk food tax amid objections centered on the proposal’s impact on poor consumers.

“We are consulting with the National Nutrition Council and the Department of Health. We are not yet firm with what we’ve released. If you’re thinking of (instant noodles), that won’t be covered. That’s really for the poorest,” he said.

Mr. Diokno said that the list of excluded products from the junk food tax will likely come out in the second half of the year.

While the bill has yet to be drafted, Mr. Diokno said that it should be signed into law before the elections in 2025.

“After that, it’s hard to pass reform bills. You want the reform in the first two years of your ad-

ministration. That’s the window of opportunity,” he added.

United Sugar Producers Federation of the Philippines President Manuel R. Lamata said the organization supports the tax on sweetened beverages, but not the call to liberalize sugar imports.

“We are against liberalization. Look what is happening to the rice industry, it is dying. We will fight him (Mr. Diokno) to the last. We are for increasing taxes on soft drinks, tetra packs, etc., especially those using high fructose corn syrup. He should double the taxes there,” Mr. Lamata said in a Viber message.

Since last year, beverage companies and food manufacturers have been pushing to be allowed to directly import sugar amid elevated prices due to limited supply. — **Luisa Maria Jacinta C. Jocsen**



EFFICIENT TAX COLLECTION PUSHED

Sugar importation offered as compromise

THE Department of Finance (DOF) is looking at allowing the importation of sugar as a "compromise" to producers and sellers to be impacted by the planned rate increase and the elimination of exemptions on the sweetened beverage tax.

The DOF and the Department of Health (DOH) are jointly pursuing a junk food and sweetened beverage tax.

Meanwhile, the Philippine Sugar Millers Association (PSMA) urged the DOF to implement more efficient tax collection policies instead of raising the tax rate starting next year.

The DOF intends to increase the sweetened beverage tax rate under the Tax Reform for Acceleration and Inclusion Law to P12 per liter, regardless of the type of sweetener used.

This tax rate will be indexed annually by four percent, and exemptions will be eliminated to broaden the tax base.

DOF Secretary Benjamin Diokno said the importation by manufacturers is a "reasonable compromise."

"Expectedly, producers and sellers of sugary products subjected to tax will object as it will raise the selling price of their products to the market. But knowing the big difference between the world price and the domestic price of sugar (a major input in the industry) then



The DOF intends to increase the sweetened beverage tax rate under the Tax Reform for Acceleration and Inclusion Law to P12 per liter, regardless of the type of sweetener used. (File Photo)

allowing the industry to import their own sugar requirement would reduce their cost of production," Diokno told reporters over the weekend.

"This is the 'sweetener' or incentive for producers of sugary products to accept the broader,

simpler tax on sugary products," he added.

Diokno said the DOF's proposal makes "good economic sense," as it simplifies the tax system, with one uniform rate better than dual rates.

On the broadening of tax base

for sweetened beverage products, Diokno cited as an example a 3-in-1 coffee brand which is currently excluded but has a high sugar content.

"We will make it uniform..."

See SUGAR > Page A2



SUGAR

administratively, that's also good to simplify," Diokno said.

Meanwhile, Diokno said the implementation of sugar liberalization will not require the passage of a law.

"There's no need, even with just a policy, you will be allowed to import sugar. You don't need a law," Diokno said.

Regarding criticisms the eyed junk food tax is anti-poor, Diokno said there will be exemptions to address this concern, with the list to be coordinated with the DOH and the Food and Nutrition Research Institute.

He said instant noodles could be one of those likely to be exempted.

"I think it (exemption list) will come out around the next half of the year, second half of the year," Diokno said.

Meanwhile, Jesus Barrera, PSMA executive director, said in a statement over the weekend the DOF "should prioritize the enforcement of existing laws to ensure compliance and fairness" instead of focusing on increasing tax rates.

"The latest efforts of the BIR (Bureau of Internal Revenue) to inspect manufacturers and retailers on their payment of the excise tax are commendable. The additional revenue can be realized from the thorough enforcement of the existing tax laws. Furthermore, what purpose

does it serve to raise tax rates if there exist individuals or companies that fail to adhere to them," the group added.

Barrera was referring to a recent raid in a warehouse in Cavite which uncovered that a beverage maker failed to pay P800 million in excise taxes due on the sweetened beverages it manufactures," Barrera said.

The PSMA also said three supermarkets recently raided by the BIR in Quezon City were found to be distributing untaxed sweetened beverages.

PSMA said increased tax collection efficiency will similarly achieve the government's health and revenue objectives.

"The significance of an effective tax collection mechanism extends beyond public health concerns. It offers a reliable source of revenue for the government that is directed towards essential public services and reinforces public trust, particularly in the aftermath of the pandemic as the economy recovers," the group said.

PSMA said the DOF should conduct a comprehensive dialogue with all stakeholders, including sugar millers, sugarcane farmers and industry experts on the planned increase in tax rates.

PSMA is composed of 16 mills which produce 78 percent of the total Philippine sugar production.

- Angela Celis and Jed Macapagal



LIBRARY
DEPT. OF AGRICULTURE

FAO to support implementation of high seas treaty

THE Food and Agriculture Organization of the United Nations (FAO) has welcomed the approval of a landmark agreement, under the UN Convention on the Law of the Sea, for the conservation and sustainable use of marine biological diversity in international waters.

FAO said it is set to support its members in implementing the accord, often referred to as the "High Seas Treaty," on safeguarding Marine Biodiversity of Areas Beyond National Jurisdiction (BBNJ), which has been under discussion for nearly two decades and was approved at an intergovernmental conference in New York on June 19 after 5 negotiating sessions.

The BBNJ agreement "is of great importance to our efforts to tackle environmental challenges and promote the conservation and sustainable use of marine biological diversity on the high seas," said Manuel Barange, Director of FAO's Fisheries and Aquaculture Division.

The agreement "enables us to complete the legal and institutional framework for global ocean governance and as a result manage and conserve our

precious marine living resources more effectively," Barange added.

FAO said it has consistently advocated for sustainable and effective fisheries management as the best way to replenish stocks, conserving biodiversity and ensuring people continue to benefit from the ocean's resources, including the high seas.

"In tackling biodiversity challenges, including those in areas beyond national jurisdiction, lasting progress can only be achieved through sustainable practices that enable humans to restore the health of marine ecosystems as part of effective management solutions."

As the only intergovernmental organization mandated to undertake the collection, compilation, analysis and distribution of global fisheries and aquaculture data, FAO has played a crucial role in informing the treaty process and will assist in the implementation of this new legally binding instrument.

The UN agency provides regular information and statistics to support fisheries management, policy-making and planning through the Coor-

dinating Working Party on Fishery Statistics, the Fisheries Global Information System (FIGIS) and the Fisheries and Resources Monitoring System (FIRMS).

FAO is also poised to support the implementation of the treaty by leveraging the existing network of Regional Fisheries Bodies, including regional fishery management organizations, involved in the governance of marine areas beyond national jurisdiction.

Working with its partners through the Common Oceans Program, FAO said it has already laid the groundwork for change in the ocean governance of shared marine waters.

Between 2014 and 2019, the program helped to establish 18 new areas to protect vulnerable marine ecosystems, contributed to the reduction of marine pollution and rebuilt tuna stocks to more sustainable levels. It has also helped to lower the bycatch, or discarding by fishers of such species as dolphins and porpoises in the Indian Ocean and the threat to marine turtles in the Pacific Ocean, as well as to build capacity on the BBNJ process and foster public-private partnerships.



LIBRARY
DEPT. OF AGRICULTURE



AN employee inspects green barley shoots at a Bayer CropScience research and development center in Frankfurt, Germany. ALEX KRAUS/BLOOMBERG

EU weighs easing GMO rules in climate and food security push

THE European Commission will propose relaxing some of its rules on crop technology in an effort to ensure food security and help farmers cope with climate change.

The bloc is considering easing regulations for crops made with so-called new genomic technologies, which can improve tolerance to diseases, pests and environmental stresses, according to a draft proposal due to be unveiled by the commission next month, which has been seen by Bloomberg.

The shift is being considered as current

rules aren't keeping up with developments like gene editing, which the bloc ruled in 2018 should be subject to the same policies as all genetically-modified organisms. The EU in 2021 said it planned to review the bloc's GMO legislation to reflect advances in gene-edited crops. The UK has also considered changing regulations to allow gene editing in farming after Brexit.

The rollback is intended for plants produced with targeted mutations, made without inserting genetic material, or modifications from the same or closely-related

species. It will not apply to crops inserted with foreign species.

The commission's proposal was reported earlier by the Financial Times.

War in Ukraine

FOOD security concerns stemming from the war in Ukraine are creating a more favorable environment for the adoption of genetically modified crops globally, according to the head of Bayer AG's Crop Science unit.

The conflict, which has caused disruptions in grain supplies, was a "wake up call" for food-importing nations in Asia and Africa to seek more self-sufficiency, Bayer's Rodrigo Santos said in a Tuesday interview in New York City.

"I got a lot of them coming to us and saying, 'What do we need to do for you to deploy the highest technologies that you have in our country?'" Santos said. Typically, the response is predictable legal systems and respect for intellectual property rights, Santos said.

Bayer is currently exploring ways to supply its technologies in China, as well as Thailand and other Asian and African nations, the Brazilian executive said.

Bayer is one of the world's largest suppliers of crops that are genetically modified to resist insects and tolerate the use of certain pesticides. The company is making a big bet in digital farming and other tools to help slash carbon emissions in the farming industry.

Bloomberg News



Mexico slaps 50% tariff on corn imports amid trade dispute with US and Canada

MEXICO CITY — Mexico on Saturday began imposing a 50% tariff on white corn imports, a move the president says looks to boost national production and prevent imports of genetically modified corn.

The measure, published late Friday in the Mexican government's official gazette, will be in force until the end of the year and occurs amid a trade dispute between Mexico and its North American trade partners, Canada and the United States, over genetically modified corn.

White corn was among the basic foods that were exempted from tariffs earlier this year in an attempt by the Mexican government to control inflation. But according to the decree, the decision "has not generated a significant impact on the decrease in prices in the national market, so it's considered appropriate to eliminate it."

At 5.84% in May, the Mexican government considers inflation



MEXICAN President Andres Manuel Lopez Obrador speaks during his regularly scheduled morning press conference at the National Palace in Mexico City on Feb. 28, 2023. Mexico has imposed a 50% tariff on white corn imports, a move the Mexican president says is intended to boost national production and prevent imports of genetically modified corn. The Saturday, June 24, 2023, announcement is the latest in an ongoing trade dispute between Mexico and its North American trade partners, Canada and the United States, over GM corn. AP

PHOTO/MARCO UGARTE

more or less under control.

Mexico imports some white corn—the kind used for human consumption—mainly from the United States and South Africa. But since the tariff goes against the US-Mexico-Canada free trade agreement, it could complicate the trade dispute that the coun-

try already has with the US and Canada over GM corn.

Mexico wants to restrict GM white corn for human consumption and eventually also veto GM yellow corn for animal feed. The US and Canada say that would harm trade in the region. Mexico has been importing GM feed corn

from the US for years, buying about \$3 billion worth annually.

Both the United States and Canada have said that Mexico's fear of the dangers of genetically modified corn is "not grounded in science."

Earlier this month, Canada said it would join a trade dispute panel that the United States requested over Mexico's proposed limits on imports of genetically modified corn. The US government asked that the dispute process be formally opened June 2, after talks with the Mexican government failed to yield results.

A panel of experts would have about six months to study the complaint and release its findings. Trade sanctions could follow if Mexico was found to have violated the US-Mexico-Canada free trade agreement.

President Andrés Manuel López Obrador said he was not afraid of controversy and has insisted that only domestic white corn should be used for human consumption. AP



Climate change may have stimulated plankton bloom behind Thai mass fish die-off

BANGKOK — Climate change might have stimulated a plankton bloom that caused thousands of dead fish to wash up along a 3- to 4-kilometer stretch of beach in Thailand's southern Chumphon province, an expert said.

Thon Thamrongnawasawat, deputy dean of the Faculty of Fisheries at Kasetsart University, attributed the fish deaths on Thursday to the bloom — a natural occurrence that lowers oxygen levels in the water and causes fish to suffocate.

"Various natural phenomena, such as coral bleaching or plankton bloom, have naturally occurred for thousands to tens of thousands of years. However, when global warming occurs, it intensifies and increases the frequency of existing phenomena," he said.

According to local authorities, plankton bloom happens one or two times a year and typically lasts two to three days.

Officials have collected seawater for further assessment and analysis.

Worldwide, marine heatwaves have become a growing concern this year, with thousands of dead fish washing up on beaches in Texas and experts warning of algal blooms along the British coast as a result of rising sea temperatures.

Global sea surface temperatures for April and May were the highest on record for those months, according to the British Met Office.

"Whether it's Australia and places like the Great Barrier Reef or even places around England which are experiencing quite bad marine heatwaves at the moment, it's really going to be detrimental to those local ecosystems," said Sarah Perkins-Kirkpatrick, a climate scientist with the University of New South Wales in Australia.

— Reuters



LIBRARY
DEPT. OF AGRICULTURE

Ukraine certain Russia will quit grain deal

KYIV — Russia is 99.9% certain to quit a UN-brokered deal on the safe wartime passage of Black Sea grain next month because it no longer needs Ukrainian ports to export ammonia, a senior Ukrainian diplomat said.

The United Nations and Turkey brokered the Black Sea Grain Initiative with Moscow and Kyiv last July to help tackle a global food crisis worsened by Russia's invasion of its neighbor and a blockade of Ukrainian Black Sea ports.

Moscow has threatened not to extend the agreement beyond July 18 unless a series of demands, including the removal of obstacles to Russian grain and fertilizer exports, are met.

The Black Sea export deal also allows for the safe export of ammonia — an important ingredient in nitrate fertilizer — but none has been shipped under the initiative.



MARINA YALANSKA-UNSPASH

Russia has been pushing for the resumption of ammonia supplies via a pipeline through Ukraine to the Black Sea port of Odesa that has lain idle since last year.

Olga Trofimtseva, Ukraine's foreign ministry ambassador at large, said Russian ammonia producer Uralchem had found an alternative route and does not need to export ammonia via Odesa.

"The grain corridor. 99.9% that Russia will leave it in July,"

Ms. Trofimtseva said on the Telegram messaging app late on Wednesday.

Uralchem CEO Dmitry Konyaev said last month a specialized ammonia terminal whose first construction stage is due to be completed on the Taman Peninsula in Russia by the end of 2023 could be a substitute for the Odesa pipeline.

Ukrainian Agriculture Minister Mykola Solsky said this month

Kyiv had a Plan B if Russia decided to quit the Black Sea deal.

He said the government had created a special insurance fund of around \$547 million for companies whose ships would come to Ukrainian Black Sea ports under a new arrangement.

Ukraine has also said it can export grain via its small Danube river ports as well as through its Western border with the European Union.

Ms. Trofimtseva, a former acting agriculture minister, said Ukraine has to prepare, but expressed doubt that how much the insurance fund would help with exports.

Referring to Russia's invasion, she said: "On this summer day, we should already think about winter. We are going to enter the second military winter, and I think it may be much more difficult than the previous one. From all points of view." — **Reuters**



US corn, soybeans, wheat fall

CHICAGO- Chicago Board of Trade corn and soybean futures fell to one-week lows on Friday, pressured by forecasts for beneficial rains in the US Midwest, traders said.

Wheat futures also were lower, with traders locking in profits from a rally that has pushed prices higher for five weeks in a row.

Signs of poor demand, highlighted by lackluster export data and weakness in the cash market, added to the bearish tone hanging over grains futures on Friday.

The latest weather projections pointed to significant rain in parts of the Midwest in the week ahead, which analysts said could bolster the condition of crops before key growth stages this summer.

"Trade (is) continuing to ease overbought conditions as we watch forecasts evolve short term with some relief expected this weekend, and into later next week," brokerage FuturesOne said in a note to clients.

CBOT December corn futures

settled down 32-3/4 cents at \$5.88 a bushel and CBOT November soybean futures were off 29-1/2 cents at \$13.10 a bushel.

"These (dry) conditions have not ... irreversibly impacted corn and soybean yields until now. Everything will depend on the weather evolution in the next three weeks," consultancy Agritel said.

CBOT soft red winter wheat futures for September delivery were down 6-1/2 cents at \$7.46-1/2 a bushel. The contract has jumped 21.0 percent in the last five weeks.

The US Agriculture Department on Friday said weekly export sales of corn totaled just 83,100 metric tons, near the low end of market estimates that ranged from zero to 800,000 metric tons.

Wheat export sales were reported at 123,900 metric tons and soybean export sales at 626,300 metric tons. That compares with trade expectations of 100,000 to 400,000 metric tons for wheat and 100,000 to 900,000 metric tons for soybeans. - Reuters



LIBRARY
DEPT. OF AGRICULTURE

'A new era:' US regulator allows first sales of lab-grown meat

WASHINGTON — Two companies, Upside Foods and Good Meat, said they have received final US Department of Agriculture (USDA) approval to sell lab-grown meat, paving the way for the nation's first-ever sales of the product.

With the approvals, the US will become the second country after Singapore to allow the sale of so-called cultivated meat, which is derived from a sample of livestock cells that are fed and grown in steel vats.

The companies are the first to complete the multi-step US approval process for cultivated meat. The US Food and Drug Administration (FDA) has already determined that the meat is safe to eat.

"It is a dream come true," said Uma Valeti, CEO of Upside, in an interview. "It marks a new era."

The companies, which both make cultivated chicken, plan to first serve their product at high-end restaurants before scaling production to reach a lower cost for grocery stores.

Upside chicken will first be served at Bar Crenn, a restaurant in San Francisco owned by chef Dominique Crenn, the company said.

Good Meat will sell its first batch of chicken to the Jose Andres Group, owned by the humanitarian and chef, Good Meat said.

The companies said they are still determining an exact timeline for when the products will hit plates. Upside told Reuters it will soon announce

the location of a new US production facility that is 10 to 20 times larger than its existing Emeryville, California, plant.

Cultivated meat companies hope their products will provide an appealing alternative for meat eaters looking for a more environmentally friendly and humane option for their cuts, and who may be

unsatisfied with vegetarian products already on the market.

Livestock production generates 14.5% of the world's greenhouse gas emissions, according to the UN Food and Agriculture Organization.

The USDA earlier this month issued label approval to both companies. The FDA issued its approvals to Upside in November 2022 and to Good Meat in March 2023. — **Reuters**



JOHN CAMERON-UNSPASH