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Marcos' popularity steady, Filipinos' misery the worst in 25 years

SO far
Sinto
his presi-
dency,
President
Ferdin-



**RIGOBERTO
D. TIGLAO**

nand Marcos Jr.'s popularity continues to be high. Going by the pollster Publicus Asia's most recent poll, his approval rating in June 2023 remains at 62 percent, unchanged from a year ago, and his trust score is at 80, statistically unchanged from 81 a year ago.

► **TiglaoA5**



■ TIGLAO FROM A1

Marcos' popularity steady, Filipinos' misery the worst in 25 years

However, Filipinos' misery during Marcos' first year in office has worsened, using that rough economic measure termed the "misery index."

This is simply the sum of the unemployment and inflation rates. It is a logical rate to measure a nation's well-being, or lack of it: more people without work means more miserable people, while even more people are at work, but the salaries they receive aren't enough to buy the things they need.

From the start of Marcos' watch in July 2022 to June 2023, the misery index averaged 11.9, nearly double that for 2021 of 6.6. To compare this with two of our neighbors, for Indonesia for the same year, it is 7.9, and for Vietnam, it is just 5.7 for 2022.

Marcos' index is the third-highest in 25 years. The most miserable year in that period, going by the misery index, was during President Estrada's term in 2008, when the index was a high 19.5, above Marcos' 11.9.

This was mainly because of the outbreak of the Asian financial crisis, which resulted in a major devaluation of the peso (from P30 to P41 per dollar) and the consequent rise in consumer prices, as well as the costs of inputs both for agriculture and industry.

The second-highest index was during President Arroyo's term, in 2008, when it was 12, just shy of Marcos' 11.9. As in Estrada's term, this was due to global factors triggered by the 2007-2008 global financial crisis, which was the most serious economic meltdown since the 1929 Great Depression.

The high misery index during Marcos' term was in part due to the fact that the country was still crawling out of the depths of forced unemployment due to the Covid-19 pandemic that broke out in 2020. From just 2.2 percent in 2019, the jobless rate rose to 2.5 in 2020 and then 3.4 in 2021. Recovery from the pandemic was slow in terms of new employment, with the jobless rate reaching a high of 4.8 percent in February this year.

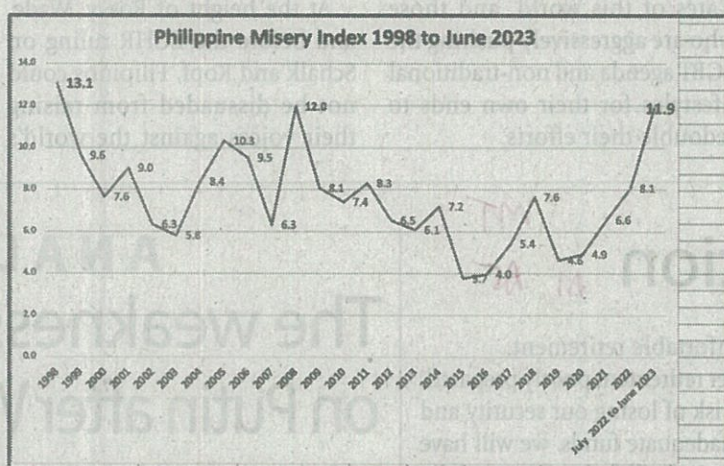
However, the main factor for the high misery index was inflation. Inflation was largely contained in 2021, averaging 3.1 percent. It was in the 3-4 percent range in the first half of 2022 but surged to 6.1 in June, coincidentally or not at the start of Marcos' watch, to even hit a high of 8.7 percent in January 2023.

This in turn was mainly due to

MISERY UNDER MARCOS

MONTH	Inflation	Jobless	Misery Index
2022 July	6.4	5.2	11.6
August	6.3	5.3	11.6
September	6.9	5.0	11.9
October	7.7	4.5	12.2
November	8.0	4.2	12.2
December	8.1	4.3	12.4
2023 January	8.7	4.7	13.4
February	8.6	4.8	13.4
March	7.6	4.8	12.4
April	6.6	4.7	11.3
May	6.1	4.5	10.6
June	5.4	4.3	9.7
AVERAGE			11.9

Source: PSA data



the rise in agricultural commodities, especially rice, sugar and such vegetables as onions. There have been several reasons given for this, from the global rise in prices of farm inputs such as fertilizers to the downturn in production. There was also evidence that traders had been able to hoard the products at certain times so as to manipulate prices to their advantage.

However, what stands out in this problem is that President Marcos adamantly held on to the post of agriculture secretary. Myriad problems have beset agriculture, from production to distribution, for decades. The department inarguably requires a full-time CEO, which Marcos, as president, can't be by any stretch of the imagination. Not only a CEO, but a crisis-mode best-and-brightest CEO is required as volatile global factors (the Ukraine war, the tensions over the possible invasion of Taiwan, the apparent surge of global warming) continue to threaten the prices of agricultural production.

Days before he assumed office, Marcos said: "It's important that the president take that portfolio, not only to make it clear to everyone what high priority we put to the agricultural sector but also as a practical matter, so that things move quickly."

He was correct: It is our agricultural sector that has worsened Filipinos' misery, as the high prices for agricultural products increased inflation, one of the two things that determine the misery index.

In practice, however, agriculture has become his administration's lowest priority, with the President, sources in the Agriculture department say, having visited its headquarters only six times in his first year as president.

Nobody in the department is really taking seriously its 84-year-old "senior undersecretary" Domingo Panganiban. (While the "senior" designation was intended to put him on a higher rank than the three other undersecretaries, the joke in the department is that it is the only

department headed by a "senior," with the more cruel joke alluding to that feared malady of that age.)

Panganiban was dragged from retirement — and from his vocation coaching a basketball team — to replace Leocadio Sebastian who was removed as Marcos' de facto representative in the department after he signed a sugar import order "for the President" — which he did not have the authority to do so. Agri officials applauded his removal, though, as he couldn't get along with his subordinates, which was expected, they said, as he was a scientist and not a bureaucrat.

Mismanaging

Failure to lead the department would be close to mismanaging the presidency since it is now practically the most critical government institution, as its area of responsibility, the food sector, is far from sound.

Our agriculture sector has gone from bad to worse, not just because of its structural weaknesses but also because of the worldwide rise in oil prices resulting from Russia's invasion of Ukraine. Petroleum products account for 20 percent of crops' production costs, while for livestock, it is 50 percent. A huge chunk of retail food prices is also due to transport costs. Fishermen's biggest cost is fuel for their boats.

The Duterte government undertook a P3-billion fuel subsidy program for farmers to mitigate rising fuel costs. Has the current administration ordered studies to find out the bottlenecks in the distribution of such subsidies and how much more is needed? Prices of that sector's main output — rice and sugar — and even vegetables have risen to historic highs.

There are, however, indications that Filipinos' misery could be alleviated soon: the index peaked at 13.4 in February and has been going down to the June rate of 9.7. Marcos should resign the agriculture portfolio and get the most qualified CEO to run the department. Hopefully, that would alleviate Filipinos' misery in the remaining years of Marcos' administration.

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DA-BFAR earns COA'S highest audit rating anew

THE Department of Agriculture-Bureau of Fisheries and Aquatic Resources (DA-BFAR) announced it has once again received the highest audit rating from the Commission on Audit (COA) for its 2022 annual audit report, signifying that the agency's financial statements are presented in accordance with applicable financial reporting frameworks.

In its new report, the whole DA-BFAR has attained an "unqualified opinion," a significant improvement from COA's previous audit report in 2021 in which only the DA-BFAR Central Office was given the highest audit rating.

National Director Demosthenes R. Escoto said the state auditors' rating reflects the DA-BFAR's commitment to excellence and integrity in managing its financial assets. He also expressed his gratitude to the Bureau's officials and employees for their hard work and dedication to the effective utilization of the agency's funds.

"The unqualified opinion by the COA is a testament to how the Bureau upholds excellence and integrity in managing its funds, in the fulfillment of our mandates and in line with the directive of President Ferdinand R. Marcos Jr. of providing ef-

fective and efficient services to Filipino fisherfolk to improve their lives and increase our fisheries production," he said.

"It will inspire us to work tirelessly towards good governance, transparency, and accountability," he added.

Director Escoto also stressed that the DA-BFAR will continue to improve its quality management system and collaborate with stakeholders to address the needs of the fisheries sector.

The comprehensive audit of the DA-BFAR's accounts, transactions, and operations for the fiscal year 2022 was conducted under the leadership of State Auditor Lea T. Petero.

In the report, COA said the audit presented by the DA-BFAR was "sufficient and appropriate to provide a basis for our opinion."

"In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the BFAR as of December 31, 2022, and its financial performance, changes in net assets/equity, cash flows, and the comparison of budget and accordance with International Public Sector Actual Amounts for the year then ended Accounting Standards (IPSASs)," state auditors said.



'Govt must subsidize anti-ASF vaccine drive'

By JOVEE MARIE N. DELA CRUZ

@joveemarie

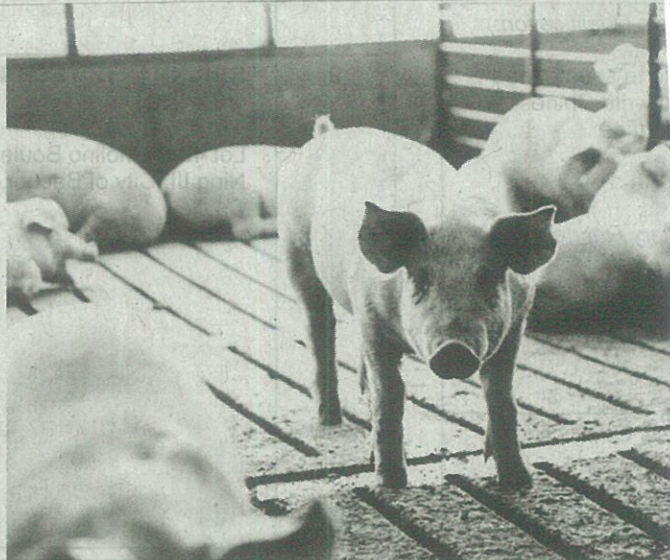
THE government must subsidize the vaccination of hogs against African swine fever (ASF), which continues to threaten domestic pig production, a senior lawmaker said over the weekend.

Camarines Sur Rep. Luis Raymond F. Villafuerte said the assistance should be directed to backyard raisers whose farms were decimated by the fatal hog disease.

Villafuerte issued the statement after President Ferdinand R. Marcos Jr. himself vouched last week for a Vietnamese vaccine, which, he said, was proven in field trials to produce sufficient

antibodies against ASF and is safe for use for domestic pigs.

"The BAI [Bureau of Animal Industry] must mount a nationwide inoculation drive for domestic pigs as soon as the FDA [Food and Drug Administration] gives its go-signal for commercial use to the Avac Live vaccine, and for the government to subsidize the cost of the shots for small-scale or backyard raisers



THREE-MONTH-OLD pigs stand in a pen in this file photo. DANIEL ACKER/BLOOMBERG

who have endured the brunt of the ASF outbreaks," he said.

"The government needs to declare a state of calamity in ASF-hit areas so it can look for and immediately release emergency funds to



Marcos announced at a July 5 livestock event the completion of the initial phase of safety and efficacy trials for the anti-ASF vaccine, which, he said, was found by BAI to produce sufficient antibodies against the virus and safe for use for local hogs.

As part of his multi-pronged proposal, Villafuerte also urged the FDA to speed up its registration process for the Avac Live vaccine, so it can be available for local commercial use; and for the BAI to prepare this early by immediately requesting funds for the vaccine purchase and eventually overseeing the immunization drive in hog-raising areas nationwide.

An agency attached to the Department of Agriculture (DA), "the BAI needs to subsidize 100 percent, or at least half or 50 percent, the cost of the vaccine for small-scale or backyard hog raisers hit hard by the lingering killer

animal disease," Villafuerte said.

"Many of them [backyard raisers] are believed to still be reeling from the twin impacts of ASF, which resurfaced locally in 2019, and the three-year Covid-19 pandemic, and are in no position to pay for this medical expense."

Citing assessments by industry players, Villafuerte said that only an immunization drive can prevent more ASF-related animal deaths, reverse the low hog supply in the country, reduce imports and prevent a repeat of the escalation in market prices of pork products in 2021.

"Amid the proposed initial roll-out of vaccines this year, the DBM [Department of Budget and Management] and BAI can then work on a regular budget plan that can be incorporated into next year's GAA or national budget, so the Bureau can continue this year's vaccination drive in 2024."

bankroll a mass vaccination drive this year, and then set aside additional funds in next year's General Appropriations Act [GAA] so the BAI can sustain this inoculation project in 2024."

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BBM to meet with hog, poultry raisers

By BELLA CARIASO

President Marcos will meet with hog and poultry raisers' groups today as flooding of imported and smuggled pork and chicken products has been plaguing the local industry.

In an interview with **The STAR** over the weekend, United Broiler Raisers Association (UBRA) and Philippine Egg Board (PEB) chairman Gregorio San Diego said the consultation at Malacañang at 2 p.m. would be a venue for poultry and hog raisers to relay to the President the problems affecting the local industry.

"We will see what the outcome of our meeting with President Marcos will be," San Diego said.

He added that the stakeholders meeting was arranged by the National Agricultural and Fishery Council (NAFC) after a consultation with officials of the Department of Agriculture (DA) led by Senior Undersecretary Domingo Panganiban two months ago.

"We hope (the meeting) will become productive for the sake of the local industry as he said

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he wants to be the secretary of the DA to help the agriculture sector," San Diego said, referring to Marcos.

Hog and poultry raisers will air their concerns as the local industry continues to suffer amid the unabated smuggling and flooding of imported meat products, according to UBRA and PEB chief.

"We will really speak up, and this is on record. Our members will no longer accuse us of failure to voice our concerns as it will be the President who will hear our issues," he said.

He added that if not addressed, the unabated flooding of imported and smuggled meat products will kill the local industry.

"The importers and smugglers continue to control the agriculture commodities. It started in 2016 where the retail prices of garlic reached P300 (per kilo)," San Diego said, adding that local production is less than a percent of domestic requirement.

He noted that the scheme is being done with other farm products like onion, chicken and pork.

"Importers are getting rich as they are involved in technical smuggling where there is misdeclaration of imported products like chicken and pork," San Diego said.

During the stakeholders meeting with Panganiban, DA officials reported that the inventory of broilers is good for 110 days, according to the San Diego.

"This does not include the data of imports. I told Senior Undersecretary Panganiban at that time that the importation should be stopped as we have oversupply of local broiler production. The importation should only be meant to augment the local supply but what is happening now is it replaces the local supply as the local production dwindles because of over importation," San Diego

said.

At the same time, he predicted that the local poultry industry would die because of unabated importation.

"It will kill the local industry as our children are hesitant to continue our business because they see our sufferings. Just like in the retail prices of onions, once the smugglers, importers control the supply, they will control the prices," San Diego said, referring to the situation in December last year, where the bulbs reached as high as P720 per kilo amid shortage and hoarding in the supply.

He also expressed doubt whether Marcos' order to the Department of Justice (DOJ) and the National Bureau of Investigation (NBI) to go after smugglers, hoarders and cartel of agricultural products will succeed.

"First, he did not give a timeline. It's difficult if it's open-ended. He did not specify if there is a deadline," San Diego said.

He added that Marcos' promises, especially during his second State of the Nation Address (SONA), will be useless if there will be no concrete action.

"During his first SONA, he promised to subsidize the feeds amid the high cost. No actions were made to bring down the prices. Until now, local products are suffering because of high feed cost," San Diego said.

"He was so busy and he also frequently travels abroad. Since his assumption (as DA secretary), it was only his third time to visit the DA during its recent anniversary. We were hoping since he is the President, he can easily remove corrupt officials. They are still there. No less than his sister, Sen. Imee Marcos, said that he should sack officials, but nothing happened. The farmers are suffering," San Diego said.

He also criticized the National Meat Inspection Service (NMIS) for its failure to release the list of cold storage facilities operating illegally.

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GOV'T PREPPING FOR EL NIÑO

AN official of the National Economic and Development Authority (NEDA) has assured the public that the administration of President Ferdinand R. Marcos Jr. is already taking measures to cushion the possible negative effects of the El Niño phenomenon in the country.

NEDA Undersecretary Rosemarie Edillon, however, said the effects of the long-dry spell this year, particularly on inflation, is not expected to be significant.

Nevertheless, the brunt of the phenomenon is expected to occur at the beginning of 2024, she said.

"Tyong brunt talaga ng El Niño we expect it to happen by the beginning of next year of 2024 kaya lang iyong preparasyon para doon kailangan ngayon nagsisimula na," the NEDA official said.

Edillon cited the reduction of allocation for irrigation water in favor of residential use at Angat Dam will help ease effects of the phenomenon.

The planting season has already concluded, eliminating the need for irrigation water at this point, Edillon said.

She added that frequent rainfall is experienced nationwide and it should be taken advantage of, such as accelerating the completion of small impounding water projects.

"So, again ngayong taon na ito hindi namin nakikita iyon. Kung impact for next year that really depends on how we're able to prepare this year," she said.

Edillon said the government sees no significant impact of the El Niño to the economy and inflation of

the country if the appropriate and timely preparations and contingency measures are in place.

Meanwhile, farmers' group Kilusang Magbubukid ng Pilipinas (KMP) asked the government, particularly the National Irrigation Administration (NIA) to provide them with complete details and information on how to address the ongoing irrigation water shortage due to El Niño.

"We have been warned. El Niño is here and we must prepare for more extreme heat in the coming months. An El Niño episode typically lasts for 9 to 12 months. We want to know NIA's concrete plans on how to help farmers cope with El Niño and how to ensure the availability of rice and food crops despite extreme weather events," the KMP said in a statement, adding the group will seek an urgent dialogue with DA and NIA officials to discuss El Niño mitigation efforts.

El Niño and dry spells will likely affect the country's rice production since many farmers rely on rainwater for irrigation. The wet season for rice cropping usually peaks during the months of June to July but dams are nearing their below-normal levels due to lack of rain.

During the wet season, rice may be grown under rain-fed or irrigated conditions. Continuous periods of no rain directly affect rice crops by impacting water availability.

The onset of El Niño shattered temperature records and would likely cause more extreme heat in many parts of the world and in the ocean according to experts. *PNA, Jester Manalastas*

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SRA to collect clearance fee for imported refined sugar

THE Sugar Regulatory Administration (SRA) will collect a fee for every 50-kilogram bag of imported refined sugar that will be brought into the Philippines.

The collection of P30 for every 50-kg bag of sugar was indicated in Sugar Order (SO) 7 issued by the government last week. SO 7 authorized the importation of 150,000 metric tons (MT) of refined sugar.

"The SRA shall collect a fee of Thirty Three Pesos [P33.00] per 50-kilo bag of imported refined sugar as SRA Clearance Fee," SO 7 read.

Based on BusinessMirror's calculation, the latest sugar import program would yield as much as P99 million in clearance fee.

Also, SO 7 indicated that every allocation of imported refined sugar will be subject to a bond of

P750.00 per 50-kg bag.

SO 7, which was approved by President Ferdinand R. Marcos Jr. and was released by the SRA last Friday, authorized the third sugar import program for crop year 2022-2023 to ensure sufficient sugar for domestic consumption. Part the volume would also serve as sugar buffer stock.

Department of Agriculture and SRA officials led by Marcos noted that production losses due to the early start of milling in August 2022, unfavorable weather conditions and the anticipated increase in demand for sugar due to the easing of restrictions necessitated the issuance of SO 6 last February.

"Despite the release of Sugar Order 06 import program Series of 2022-2023, the further reduction of sugar production volume

for Crop Year [CY] 2022-2023 is forecasted due to early start and early end of milling, and in anticipation the possible shortfall of supply and to bridge the gap between the supply and the demand, the SRA finds it imperative to open a second import program to address the demand for CY 2022-2023," SO 7 read.

The latest sugar import program is open to duly registered SRA international traders "in good standing" and participants that will comply with the documentary requirements of the government. The SRA Board will approve the volume allocated to an eligible importer.

Those who are granted allocations under the import program are required to bring in their volumes not later than September 15, or two weeks after the start of the

Crop year 2023-2024.

"Thereafter, each Eligible Importer shall be given one month from actual arrival of shipment to completely distribute their allocations and submit to SRA within 30 calendar days thereafter written proof of compliance to the said actual distribution. Any imported volume of refined sugar that arrives under this sugar order shall be classified as 'C' [Reserve Sugar] subject to future disposition or reclassification, as SRA deems necessary," SO 7 read.

"Eligible Importers that fail to bring in any volume of their imported refined sugar allocation or raw sugar allocation on or before September 15, 2023, may be subject to sanctions and penalties as the SRA may deem fit and proper."

Raadee S. Sausa



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Planters' group says sugar imports beneficial if released in 'calibrated manner'

BY JED MACAPAGAL

THE National Federation of Sugarcane Planters said the entry of another 150,000 metric tons (MT) of refined sugar will be beneficial to both consumers and producers if released in a "calibrated manner."

This was the reaction of federation president Enrique Rojas on the issuance last July 7 Sugar Order (SO) number 7 for crop year 2022-2023 allowing the entry of the said volume of refined sugar not later than September 15 as buffer stock before all mills start their milling operations.

"The key is in the timely release

and volume at which such buffer stock will be introduced in the local market," said Rojas.

He said while some local sugar mills may start producing sugar by September 1, it will take about two weeks for millgate sugar to reach retail outlets and consumers.

"There is a lag both in production volume and in the period sugar reaches the market. We expect that SRA (Sugar Regulatory Administration) will be judicious enough to release the additional imported sugar in a calibrated manner, in such small volumes that will answer the gap in production, so that millgate prices at the start of milling will not be adversely

affected by this 150,000 MT importation," Rojas said.

SRA said SO 7 will ensure a sufficient actual supply of sugar for domestic consumption and provide a two-month buffer stock.

Pablo Azcona, SRA acting administrator, told reporters without the issuance of SO 7, the supply will run low from August 31.

"Right now, we have very ample supply so there is no reason for the prices of refined sugar to go up," Azcona said.

Azcona added that from the 440,000 MT of refined sugar that entered the country under SO 6, 85 percent has been purchased by beverage makers and manufactur-

ers and only 15 percent went to the consumer market.

"SO 7 is designed for the consumer market. We need to find ways how to lower retail prices of refined sugar without affecting the farmgate price of our farmers," Azcona said.

Department of Agriculture's monitoring of public markets in the National Capital Region on July 6 showed the prevailing retail price of sugar ranged from P86 to P110 per kg for refined sugar, P82 to P90 per kg for washed sugar, and P78 to P90 for brown sugar.

Mill site monitoring showed the composite price of raw sugar as of June 25 was 3,000 per 50 kg bag.



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Law wiping out farmers' debts seen to improve food production

BY WENDELL VIGILIA

SPEAKER Martin Romualdez yesterday said the newly signed Republic Act (RA) No. 11953, or the New Agrarian Emancipation Act, would help attain rice sufficiency as farmers are expected to produce more rice and other crops.

Romualdez said most of the more than 610,000 beneficiaries of the new law and who are tilling about 1.1 million hectares of land are rice farmers.

"Now that our farmers will soon be free of debt, I hope that they will be able to increase their produce to at least 100 50-kilo bags per hectare, from the present 60 to 70 cavans. But of course, the government will have to help along the way," he said.

R.A. No. 11953 writes off "all principal loans, unpaid amortization and interests" of 610,054 agrarian reform beneficiaries from

the time of the late President Marcos Sr. up to the present.

Such unpaid obligations are estimated to amount to about P58 billion.

The law also exempts from estate tax all agricultural lands awarded under land reform reforms under a succession of governments since the first Marcos administration.

It likewise provides that the government will assume the P206.2 million owed by 10,201 agrarian reform beneficiaries to owners of the land they till and which is covered by voluntary land transfer-direct payment scheme under the agrarian reform program.

The Speaker said erasing the agrarian reform beneficiaries' debts is just the initial step in assisting them to attain better productivity, improve their lives and achieve rice sufficiency for the country.

"The next step is aiding them

to those objectives by providing them with or giving them access to credit, technology, equipment, inputs, and other vital support services. Let us leave them to fend for themselves," he said.

Leyte Rep. Richard Gomez, one of the law's authors, said the measure would surely help "improve the plight of our farmers and give the needed boost to the agriculture industry and ensure food security to our nation."

"I am looking forward to the implementation of this law. This gives hope to our farmers that soon, they will be the rightful owners of the lands that they have been tilling for decades, and that they would no longer be bound to serve and kowtow to the demands of wealthy landowners," he said.

Gomez is the author of House Bill No. 5314, which was among the bills considered by the House of Representatives before passing

its version of the measure.

Ako Bicol party-list Rep. Elizaldy Co, chair of the House committee on appropriations, said that by condoning the debts of farmers, the new law "provides them with a fresh start and the opportunity to improve their livelihoods."

Co said the law will not only liberate farmers from the burden of agrarian debt since it will also provide them with broader support services and credit facilities.

"The Marcos administration has significantly bolstered the resources available to farmers," he said. "These resources will enable farmers to enhance the productivity of their farms and improve their quality of life."

The Speaker called on concerned agencies, principally the Department of Agrarian Reform, Department of Agriculture and National Irrigation Authority, to make sure that farmers receive the



Senator to MWSS: Act on water supply cuts

FROM A1

**By Marlon Ramos
and Jane Bautista**
@Team_Inquirer

Sen. Grace Poe on Sunday called on the Metropolitan Waterworks and Sewerage System (MWSS) to "be proactive" instead of being the "bearer of bad news for consumers" of Maynilad Water Services Inc. who may face up to nine hours of service interruptions starting this week.

Poe, the Senate committee on public services chair, said the MWSS should "not take this matter sitting down as these recurring service cuts [would] affect over half a million consumers."

"The water interruptions have become more frequent, lasting for longer hours and affecting more people. This is unacceptable," she said in a statement.

Last week, MWSS Division Manager Patrick Dizon said that around 600,000 customers of Maynilad—which services the west concession zone in Metro Manila—may end up without water for up to nine hours starting Wednesday, as Angat Dam's water drops below the minimum operating level of 180 meters.

As of Saturday, the Department of Environment and Natural Resources (DENR) said the dam's water level was at 179.99 meters.

Poe said the MWSS should review the compliance of Maynilad and other water concessionaires with their obligation to provide efficient services as stated under their congressional franchises.

According to her, the water utilities should have looked for other ways to ensure a steady supply instead of blaming Angat Dam's dipping water level for the shortage.

"They should not just rely on rainwater," Poe said. "Maynilad should have acted urgently in investing and building its supply capacities to avoid being caught flat-footed by increasing demand for potable water as what is happening now."

Directive to the public

As part of mitigation measures, the DENR's Water Resources Management Office (WRMO) issued on Sunday a conservation directive to residents in Metro Manila and the provinces of Rizal, Cavite and Bulacan who rely on Angat Dam for their water needs.

The advisory is in line with the WRMO's mandate under Executive Order No. 22 which established the agency to "ensure the availability and sustainable management of the country's water resources."

The WRMO directed barangay officials and condominium

and subdivision managers to advise households to reduce such activities as watering the lawn and washing vehicles.

Residents were also encouraged to collect rainwater and "recycle water from laundry and dishwashing discharge for watering plants [sic]."

"As we prepare for even drier conditions due to El Niño, it is more than ever important to conserve water in order to prevent massive water interruptions later this year," the WRMO advised the public.

Metro Manila local government units, on the other hand, were told to speed up the approval of pipe repairs to be conducted by water concessionaires Manila Water and Maynilad.

Farmers' concerns

The WRMO said it would also conduct spot inspections of office buildings for "unwarranted use of water, leaks and faulty

bathroom fixtures" on top of a monthly review of all government facilities' water bills.

The announcement about Angat Dam's decreasing water levels has coincided with the onset of the El Niño phenomenon which is expected to strengthen by the last quarter of the year.

The double whammy has alarmed farmers who have expressed concern about the effects of the expected water shortage on their crops.

'Concrete plans'

On Sunday, members of the Kilusang Magbubukid ng Pilipinas (KMP) called on the **National Irrigation Administration (NIA)** to inform them about its strategy for dealing with the weather phenomenon.

"We want to know NIA's concrete plans on how to help farmers cope with El Niño and how to ensure the availability of rice and food crops despite

extreme weather events," KMP chair Danilo Ramos said.

He said his group has sought a dialogue with the agency to discuss joint measures to help farmers cope with the expected rainfall shortage and its possible effects on their crops.

On Saturday, an official of the National Economic and Development Authority, assured the public that the government was already taking steps to cushion the adverse effects of El Niño.

"We expect the real brunt of El Niño to happen by the beginning of next year, but our preparations for that should already be starting now," NEDA Undersecretary Rosemarie Edillon said in a press forum.

"On the impact for next year, that really depends on how we're able to prepare this year," she added. —WITH REPORTS FROM KRIXIA SUBINGSUBING AND JEROME ANING INQ



Agriculture players holds exhibits, discussions at Livestock Philippines 2023

LOCAL AND INTERNATIONAL players from the agriculture sector convened for the sixth edition of the Livestock Philippines held on July 5-7 at the World Trade Center Metro Manila in Pasay City.

This year, the Livestock Philippines centered on food security, safety, and sustainability in the livestock and poultry supply chain ecosystem, in time with the Nutrition Month celebration in the Philippines.

President Ferdinand Marcos, Jr., who also serves as the secretary of the Department of Agriculture, attended the opening ceremony of the three-day exposition.

"We come together today for this Trade Fair to promote our commodities in the livestock, poultry, and related subsectors to buyers and industry players here and around the world. Through free training and other capacity-building initiatives, we hope to empower our farmers, our



fisherfolk, and other stakeholders to realize their full potential and play an integral part in building the livestock industry back up," Mr. Marcos said during the event launch last July 5.

Livestock Philippines showcased the equipment, products, and services from the livestock, poultry, and aquaculture segments. About 300 exhibitors from the local and international agricultural industry participated in the exposition. The event also included technical

seminars and conferences that covered about safe, modernized approach to agriculture and food production.

The discussions were spearheaded by speakers from the Bureau of Animal Industry, the Bureau of Agriculture and Fisheries Standards, the National Dairy Authority, and the Philippine College of Swine Practitioners, among other agriculture organizations.

Also held alongside the Livestock Philippines was the third edition of Aquaculture Philippines, which also included seminar led by various organizations including the Bureau of Fisheries and Aquatic Resources.

Livestock Philippines also honored individuals, groups, and organizations for their efforts in their respective segments in the agricultural industry during the Livestock Philippines Recognition 2023.

The event arranged a Match and Meet as well to connect suppliers and buyers and talk about trade opportunities.

Livestock Philippines is the International Trade Fair for Innovative Production and Processing for Poultry and Livestock, organized by Informa Markets. Around 10,000 Filipino and foreign visitors were expected to have joined this year's exposition.



El Niño impact on livestock sector seen through reduced output of feed corn

DECLINING corn output due to the El Niño will have a knock-on effect on the livestock sector through the reduced supply of animal feed, industry officials said.

If corn is not planted in the last quarter, "you will not have feed for the livestock, for the cattle, and for dairy animals," Danilo V. Fausto, president of the Philippine Chamber of Agriculture and Food, Inc., told *BusinessWorld* via phone.

Alfred Ng, vice-president of the National Federation of Hog Farmers, Inc. said the decline in the corn supply will manifest in increased feed costs.

He estimated that corn accounts for 60% of the composition and cost of most animal feed.

"Hog raisers, who are now operating on thin margins, will (have to absorb) higher feed costs," he said.

Mr. Ng said that the prevailing price of domestically-grown feed corn is between P21 and P22. He expects some backyard hog raisers to incur losses due to lower liveweight prices and the higher cost of feed.

The government weather service, known as PAGASA (Philippine Atmospheric, Geophysical and Astronomical Services Administration), declared last week the onset of El Niño.

It said the weather pattern emerged in the tropical Pacific and is expected to persist until the first quarter of 2024.

El Niño typically brings with it dry spells and droughts, while strengthening typhoons.

Mr. Fausto said he is watching out for the water allocation from the dams, which typically grant priority to residential users over irrigation.

The National Water Resources Board has said it will cut the water allocation for Metropolitan Waterworks and Sewerage System (MWSS) and the National Irrigation Administration (NIA) if the level of the dam falls below the minimum operating level of 180 meters.

The MWSS will receive 48 cubic meters per second (cms), down from the current 50 cms, while NIA will be allocated 20 cms, down from 38.5 cms until the end of July.

The water level at Angat Dam on Sunday morning was 179.56 meters, PAGASA said. It first fell below the 180-meter level early Saturday, when it returned a reading of 179.99 meters. On Friday, the reading was 180.45 meters.

OTHER COMMODITIES

Mr. Fausto said the fisheries

sector, particularly aquaculture, may also be affected because lower water levels could result in fish kill.

"If the water level (in fishponds) falls, you have to reduce the loading of fingerlings," he said. "If you overload, it might cause fish kill."

Raul Q. Montemayor, national manager of the Federation of Free Farmers, said the El Niño's effects could spill over onto the 2024 rice supply.

"Because the dams will not be filled, there will be much less water to irrigate during the dry season in the first semester of 2024, so when we go into the lean months next year from July to September, we could have very limited stocks available," he told *BusinessWorld* via Viber. — **Sheldeen Joy Talavera**

FULL STORY



Read the full story by
scanning the QR code or
by typing the link
<bit.ly/ElNino071023>



Sugar industry backs import order, argues for 'timely release' of stocks

THE sugar industry said it supports the newly approved round of imports, but added that any reserves built up with foreign sugar must not interfere with the start of the milling season, where prices for domestically-grown sugar are set.

"As a buffer stock, the 150,000 MT might just be enough. The key is in the timely release and volume at which such buffer stock will be introduced in the market," Enrique D. Rojas, president of the National Federation of Sugarcane Planters, said in a text message.

The Sugar Regulatory Administration (SRA) approved Sugar Order (SO) No. 7 which authorizes imports of 150,000 metric tons (MT) of sugar.

The shipments are required to arrive not later than Sept. 15, which means volumes will be on hand when the harvest starts being brought in for milling, mak-

ing the supply-demand situation largely a matter of when the government opts to release stocks.

"The intention of this sugar import program is to ensure sufficient actual supply of sugar for domestic consumption, as well as a two-month buffer stock," according to SO 7.

SO 7 is the third import program for the crop year 2022-2023 and the second for this year.

In February, the SRA approved SO 6, which allowed the entry of 440,000 MT of refined sugar intended to augment the shortfall in sugar output and help bring down the retail price of refined sugar.

The shipment was privately awarded to three entities — All Asian Countertrade, Inc. (240,000 MT); Edison Lee Marketing Corp. (100,000 MT); and S&D Sucden Philippines, Inc. (100,000 MT).

However, despite the imports from SO 6, the SRA "finds it imperative to open a second import program to address the demand" due to the further reduction in domestic sugar production.

The new sugar import program will "bridge the gap between supply and the demand," as well as increase buffer stock volumes, according to SO 7.

According to SO 7, the sugar import program is open to "duly registered SRA international sugar traders in good standing; and compliant with the documentary requirements of the SRA/government.

Manuel R. Lamata, president of the United Sugar Producers Federation of the Philippines, also backed SO 7 as it will account for the delayed milling season this year.

"This will act as a buffer stock to the delay in the opening of the harvest sea-

son from August to September. This one-month delay is good because this will ripen the sugarcane, meaning there will be more sugar to process," he said.

Mr. Rojas said that the SRA must control the releases as not all mills will start simultaneously on Sept. 1. He estimates that it takes about two weeks for domestically-milled sugar to reach the retailers.

"We expect that SRA will be judicious enough to release the additional imported sugar in a calibrated manner, in such small volumes that will answer the gap in production, so that millgate prices at the start of milling are not adversely affected by this 150,000 MT shipment," he added.

On Friday, the prevailing price of refined sugar in Metro Manila markets was between P86 and P110, with washed sugar at P82-P90, and brown sugar P78-P90. — **Sheldeen Joy Talavera**

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'Don't waste rice, order only what you can eat'

By **BELLA CARIASO**

National Irrigation Administration (NIA) Administrator Eduardo Guillen over the weekend called on the public to stop wasting rice amid the possible shortage in supply as the El Niño phenomenon threatens the country's palay production.

"The wastage of food is a big factor. We are appealing that if we cannot consume the entire one cup of rice, we should only order half (cup). All the stakeholders should help to make the task easier," Guillen said.

At the same time, Guillen said that local government units (LGUs) should also conduct the necessary preparations to minimize the impact of the dry spell in their respective jurisdictions.

"We are appealing for unity. We call this 'bayanihan.' The LGUs can help more as they are the missing link. As a former mayor (of

Piddig, Ilocos Norte), I know that LGUs can help as they have their own funds," he added.

Food supply threat

Farmers' group Philippine Chamber of Agriculture and Food Inc. (PCAFI) president Danilo Fausto warned that El Niño phenomenon threatens the country's food supply next year as he criticized the Department of Agriculture (DA) for lack of concrete actions to minimize the impact of the dry spell.

"Their (DA) programs (on El Niño) are clear but the issue is in the implementation," Fausto said in a radio interview over the weekend.

He noted that farmers' groups have been urging the DA to implement necessary preparation to ensure that farmers will be able to plant despite the dry spell.

"You need infrastructures. It requires bidding, budget. If you only start to provide fund-

ing, it will be too late," Fausto said.

"The diversion dams, canal need repairs. Lateral canals cannot supply water from the dams because of leaks," he added.

The PCAFI official noted that 75 percent of the country's palay production comes from irrigated areas.

"If the government fails to supply water, our palay production will be affected and this will be felt during the first semester of next year," he added.

Fausto said that aside from palay, also affected by the dry spell are cash crops including vegetables and root crops.

"Cash crops like vegetables, including root crops and onions are being planted near the rivers. If you don't have water for irrigation, you cannot provide water for the cash crops. Even if you have deep wells, the water will also be affected," he said.

According to Fausto, the government should not depend on importation as the El Niño is a worldwide phenomenon.

"The dry spell is also happening in Thailand, Vietnam where we import rice. What if we cannot also buy rice from them as the El Niño also affects them. These are frightening scenarios," Fausto said.

He said that retail prices of food will also increase because of limited supply.

"If there is a shortage in the supply, it will result in the spike in retail prices. The poor or 30 percent and below of the country's population will suffer because they cannot afford to buy rice. The rich can always buy regardless of the price," he noted.

Fausto said that the government should hasten the construction of secondary dams, impounding systems to provide water for irrigation.

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"This should be done while it is still raining although we are already experiencing below normal rains. The effect of El Niño is really frightening as definitely the result is shortage in the supply of food," he said.

In a separate statement, Kilusang Magbubukid ng Pilipinas chairperson Danilo Ramos said that the government's El Niño Task Force and the National Irrigation Administration should inform the farmers on the plan of action to address the possible shortage of water supply for irrigation.

"We want to know NIA's concrete plans on how to help farmers cope with El Niño and how to ensure the availability of rice and food crops despite extreme weather events," Ramos said.

Livelihood assistance

Guillen said that among the worst-case scenarios being eyed by the NIA is to provide alternative livelihood assistance to farmers who cannot plant because of the dry spell.

"We have an estimate (on the farmers who may be affected by the dry spell). (Under the worst-case scenario) for those who cannot plant, at least they will be given alternative livelihood through the TUPAD (Tulong Panghanapbuhay sa Ating Disadvantaged/Displaced Workers) of the Department of Labor and Employment. There is also the Department of Social Welfare and Development's cash-for-work and food-for-work programs," he added.

Guillen also called on the Department of Budget and Management (DBM) to provide additional funding for the repair of damaged irrigation facilities.

"We are asking the DBM to increase the budget of NIA so that we can construct and repair our irrigation canals and at the same time, provide livelihood to our farmers," he said.



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BOC PHOTOCOPY EBIDENSIYA VS MGA SMUGGLER

ITINURO ng House committee on agriculture and food ang mga ahensiya ng gobyerno na siyang nagpapalala sa problema ng smuggling ng produktong agrikultura sa bansa.

Ayon kay Cavite Rep. Elpidio "Pidi" Barzaga Jr., miyembro ng komite, kabilang sa nirekomendang paimbestigahan sa problema ng smuggling at hoarding ng produktong agrikultura ay ang Bureau of Customs (BOC), Bureau of Plant and Industry (BPI), mga cold storage facilities at pati na ang mga lisensiyadong importer.

Matatandaang nagsagawa ng siyam na public hearing ang komite at ang rekomendasyon ay isinumite na kay Pangulong Ferdinand "Bongbong" Marcos Jr. na siya namang nag-utos sa Department of Justice (DOJ) at National Bureau of Inves-

tigation (NBI) na imbestigahan ang isyu sa smuggling at hoarding.

Sinabi ni Barzaga na base sa isinagawang imbestigasyon ng komite, natukoy na kaya nadidismis ang kaso ay dahil sa ginagawang falsipikasyon sa ebidensiya at ang hindi pagpirma ng Commissioner ng BOC.

"Ang nangyayari sa NBI at sa DOJ, they just rely on the cases being filed by the Bureau of Customs. There are cases which were dismissed by the National Bureau of Investigation or DOJ for the simple reason na what was submitted is only a Xerox copy, not the original copy and that is falsification kaya kinakailangan original," paglalahad ni Barzaga sa radio interview nitong Linggo.

"Imagine ito lang ang mga da-

hilan kung bakit nawi-withdraw ang mga asuntong finile," punto pa niya.

"I think (DOJ Secretary Jesus Crispin) Boying Remulla will be reviewing all this thing because these happened not during his tenure as DOJ secretary but during the time of his predecessors," dagdag ng kongresista.

Inirekomenda naman ni Senadora Cynthia Villar na alisin sa poder ng BOC ang trabaho ng pagsasampa ng kaso laban sa mga smuggler dahil sa conflict of interest.

"Doon sa implementing rules and regulations, BOC magde-determine kung economic sabotage or not. Sila nag-iimplement ng smuggling, sila ang nagpapapasok niyan, parang may conflict of interest. Dapat iba yung nag-iimbestiga," giit ni Villar.



SUPLAY NG PINYA SA CAGAYAN VALLEY UMAPAW

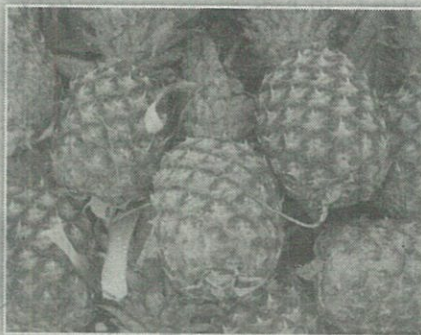
PROBLEMADO ngayon ang mga magsasaka sa lalawigan ng Cagayan Valley matapos magkaroon ng 'oversupply' sa produkto ng pinya dahil sa sabay-sabay na harvesting season, ayon sa Department of Agriculture-Region 2 (DA-R2).

Sanhi nito, ayon kay DA-R2 director Narciso Edillo, tinutulungan nila sa marketing ang mga magsasaka ng pinya sa nasabing lalawigan at sinabing wala silang dapat ikabahala dahil maganda ngayon ang produksyon ng pinya hindi lang sa Cagayan Valley kundi maging sa iba pang mga lalawigan tulad ng Calabarzon at sa Quezon province.

Dahil dito, ayon sa director mas pinipili ng maraming institutional buyers sa National Capital Region (NCR) na bumili ng pinya sa mga lugar na malapit sa kanila kayat sa ngayon ay nahihirapan din ang mga magsasaka ng pinya sa lambak ng Cagayan na humanap ng mga buyers.

Sinabi ni Edillo, mismong ang DA-R2 na ngayon ang tumutulong sa mga asosasyon ng mga magsasaka ng pinya na makahanap ng mga mamimili sa probinsya sa pamamagitan ng pa-

kikipag-ugnayan sa mga kompanya at local corporations na nagpoproseso ng nasabing prutas upang hindi ito masayang.



Ayon pa sa opisyal, bukod dito, nagpahiram din ang ahensya ng mga kadiwa trucks sa mga miyembro ng pineapple association upang

may magamit sila sa pagluluwas ng mga naaning pinya patungo sa merkado kung saan sila dapat na magtinda.

Hinimok naman ni Edillo ang mga LGUs na nakakasakop sa mga magsasakang nagtatanim ng pinya na tulungan sila upang makagawa ng mga hakbang at programang makatutugon sa pangangailangan ng mga magsasaka ng pinya at maiwasan ang pagkasayang ng mga produkto dahil sa sobra-sobrang supply.

Tiniyak din ni Edillo na bagama't marami ngayon ang aning pinya sa rehiyon, hindi pa naman apektado ang presyuhan ng mga ito dahil sa kasalukuyan ay mas mataas naman ang bentahan mula sa P11- P12 kada piraso na production cost ng mga magsasaka.

Sa katunayan, ayon sa opisyal, may mga lokal na kooperatiba ang lumalapit at bumibili ng wholesale sa mga pineapple associations sa rehiyon at nitong nakalipas na araw, umabot sa mahigit 90,000 kilo ng pinya ang naibenta ng mga magsasaka sa Region 2. (Allan Bergonia)



Sabay-sabay na pag-ahon para sa ating mga magsasaka



LRAY VILLAFUERTE

Twitter: @lravillafuerte

Bagama't naging maganda ang intensyon noong panahon ng administrasyon ni yumaong dating Pangulong Corazon "Cory" Aquino na ipamigay ang lupa sa pamamagitan ng Comprehensive Agrarian Reform Program (CARP), medyo kinapos naman ang suportang ibinigay sa ating mga magsasaka ng kanyang pamahalaan at maging ang mga sumunod pang administrasyon.

Ang magandang pangarap para sa magsasaka ay nanatili na lamang pangarap at hindi niagkaroon ng katuparan. Hindi umuunlad ang karamihan sa ating mga magsasaka, kaya hindi sila nakakabayad sa kanilang mga pagkakautang dahil sa kanilang lupain at patuloy pa rin na nalubog sa kahirapan.

Kaya ngayon, itong bagong batas na pinirmahan ng ating Pangulong Ferdinand "Bongbong" Marcos Jr.—Republic Act (RA) No. 11953 o "New Agrarian Emancipation Act"—kung saan ang inyong lingkod ay isa sa mga principal author, ay pinaniniwalaang magbibigay ng malaking tulong sa mga magsasaka dahil libre na sila sa P58 bilyong naging atraso mula nang ipinatupad ang CARP. Dahil pinatawad na ang utang, puwede nang muling makapangutang ang mga magsasaka para magamit sa pagpapataas ng kanilang ani at kapag maraming ani, marami rin ang kita.

Ang maganda pa nito, hindi lang magsasaka ang makikinabang sa pagtaas ng produksyon o pagdami ng ani kundi ang ekonomiya ng buong bansa. Sa pagdami ng suplay, mas bababa presyo at makikinabang dito ang mga konsyumer, ang mga mamimili.

Dahil nga ilang dekada na ang lumipas tila napabayaang ang ating mga magsasaka. Mabuti na lamang at tinugunan ng kasalukuyang gobyerno sa pangunguna ni Pangulong Marcos ang kanilang mga problema.

Ngayon ay may malinaw na programa na ang ating pangulo para mapataas ang ani ng ating magsasaka—isa na nga rito ang Masagana Rice Industry Development Program (MRIDP). At bago pa naisulong itong DA program na ito, noong nakaraang taon pa natin iminumungkahi ang pagbuhay sa Masagana 99.

Sa kabataan ngayon at para sa mga hindi na nakakaalala, ang Masagana 99 ay programang inilunsad ni Pangulong Ferdinand Marcos Sr. noong 1973 para tugunan ang nationwide rice shortage. Noong panahong iyon, kulang na kulang po ang suplay ng bigas sa Pilipinas kaya ang ginawa noon sa pagkakatanda ng ating mga lola at lola ay hinaluan ng butil ng mais ang nabibiling bigas para sustenahan ang pangangailangan ng bansa.

Dahil kasama na sa pang-araw-araw na pagkain ng Pilipino ang bigas o kanin, naglunsad si Presidente Marcos Sr. ng Masagana 99 kung saan isinulong ang paggamit ng high-yielding variety (HYV) seeds, murang abono at pestisidyo at binigyan ng subsidiya, collateral-free loans ang mga magsasaka upang matulungan sila. Pinataas ang ani mula sa 40 kaban kada ektarya at tinarget na mapalakas ito at mapaabot ng 99 kaban kada ektarya.

Tagumpay po ang Masagana 99, naging rice self-sufficient ang bansa noong 1975 na nangangahulugang hindi na tayo umangkat ng bigas at nakapagbenta pa tayo nito sa ibang bansa noong 1977 hanggang 1978.

Nagtagumpay ang Masagana 99 sa pamamagitan ng pag-promote sa paggamit ng "miracle rice" na dinebelop ng ating International Rice Research Institute (IRRI) sa Los Baños, Laguna.

Dagdag tulong din sa ating mga magsasaka ang RA 11953 na siyang nagpalaya sa 600,000 o mahigit kalahating milyong farmer-beneficiaries ng CARP Pinalaya po ng batas na ito ang ating mga agrarian reform beneficiaries (ARBs) mula sa ilang dekadang pagkaka-utang na minana pa nila mula sa kanilang mga magulang na magsasaka.

At dahil laya na sila sa utang na ito, mabibigyan na sila ng pagkakataong manguutang para bumuo ng bagong pangarap. May pagkakataon na silang mangutang ng panibagong puhunan para bumili ng punla, abono, pestisidyo at lahat ng kailangan nila para mapalago ang kanilang produksyon.

Dahil dito, tinawag nating "defining moment" ang debt condonation law na ipinagkaloob ng pamahalaan ni Pangulong Marcos sa mga magsasaka. Maaring hindi maisip ito ng iba nating kababayan pero para po sa isang magsasakang baon sa utang, napakalaking bagay ang ibinigay ng Pangulo. Pinatawad ang utang na nagpapahirap at binigyan ng bagong pag-asa ang mga magsasaka at pamilyang umaasa sa kanila na magkaroon ng mas magandang bukas.

Wala kaming maapuhap na salitang Tagalog para ipaliwanag ang terminong "defining moment" pero ito po ay hindi matatawarang

sandali, isang napakahalagang desisyon ng pangulo na nagbukas ng pag-asa para sa mga naghihirap nating kababayang magsasaka.

Ang RA 11953 ay nagpakita na totooang committed si Pangulong Marcos na gawing moderno ang sektor ng agrikultura, totooang gusto ng Pangulo na mapataas ang kita ng magsasaka, na alinsunod naman sa kanyang agenda na makamit ng bansa ang target na food security. Kung hindi pa man agad maging self-sufficient tayo ay magawa naman nating mapataas ang produksyon na pakikinabangan ng lahat ng Pilipino.

Pinatunayan din nitong debt condonation o pagpaubaya sa utang sa CARP ng mga magsasaka na umiiral pa rin ang RA 11494—"Bayanihan to Recover as One Act" o Bayanihan 2 kung saan isa po tayo sa principal author.

Sa ilalim ng Section 4 ng RA 11494, nakasaad na: "The payment of interests, penalties and surcharges of loans used for land acquisition to any and all government agencies and government-owned or controlled corporations (GOCCs) including Land Bank of the Philippines (Landbank) shall be condoned, and the remaining original principal value be restructured without interest thereon." Kaya hayag na at binura na ang utang ng magsasaka sa pamamagitan ng RA 11953.

Bahagi rin po ng target na pagpapataas ng produksyon, ani at kita ng magsasaka ay isinulong ng ating pangulo ang balanced fertilization strategy kung saan pagsasamahin ang pagagamit ng biofertilizer o organic fertilizer at inorganic imports. Magiging unti-unti lamang muna ang pagbitaw ng magsasaka sa nakasanayan nilang imported na abono. Tuturuan silang gumamit ng mas mura at mas epektibong organic na fertilizer na magiging daan para mabawasan ang malaking ginagastos nila sa pagbili ng abono at may maganda pang epekto sa lupa at sa kapaligiran.

Suportado natin ang pangulo sa pagsusulong nitong balanced fertilization strategy na magbubukas ng pinto para tanggapin ng mga magsasaka ang mas moderno at environment-friendly na paraan ng agrikultura. Malaki po ang maitutulong nito hindi lamang para sa magsasaka kundi para na rin sa konsyumer.

Tunay nga pong binuksan ng pangulo ang pinto ng pag-asa ng mga magsasaka kaya hintay lang po tayo dahil naniniwala kaming papasok na ang mga kababayan nating magsasaka tungo sa mas exciting part ng buhay. Wala nang utang, may bagong puhunan, may bagong kaalaman, may bagong pag-asa.

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Presyo ng bigas posibleng Nob. o Dis. pa bumaba

Posibleng sa dulo ng taon pa magsimulang bumaba ang presyo ng bigas sa merkado.

Ayon kay Samahang Industriya ng Magsasaka Chairman Rosendo So, posibleng sa Nobyembre o Disyembre pa mag-umpisa bumaba ang presyo ng bigas.

"Ngayon mataas ang presyo ng palay kasi wala tayong harvest. Nagtatanim pa ang mga magsasaka natin," ani So.

Sa ngayon, pumapalo pa rin sa P40 kada kilo ang presyo ng pinakamurang presyo ng bigas sa ilang pamilihan sa Metro Manila, gaya ng Kamuning Public Market sa Quezon City.

Simula sa Lunes, Hulyo 10, magbebenta naman ang non-government organization na Philippine Rice Industry Stakeholders Movement ng P38 kada kilo na bigas sa buong bansa.

Kahit mura, well milled umano ang naturang bigas.

Makikipag-partner umano ang grupo sa Kadiwa Market at iba pang selling channels tulad ng rice mills, rice traders, mga barangay at local government unit.

"Sa P38 po, ito po ay subsidy na po namin at gusto po namin itong itawid hanggang po magkaron po tayo ng harvest time pagdating po ng October," ani Grains Retailers' Confederation of the Philippines Inc. spokesperson Orlando Manuntag.

Samantala, base sa price update sa ilang palengke sa Metro Manila mula Department of Agriculture, nasa P190 na ang presyo ng manok.

Pumapalo naman umano sa P300 kada kilo ang baboy, P140 ang tilapia, P240 ang galunggong, P160 hanggang P170 ang pulang sibuyas, at P90 ang asukal.
(Mer Layson)



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PH food, beverage sales seen rising 6%

REVENUES of the Philippines' food and beverage industry are expected to grow by six percent this year to \$35 billion due to an improved labor situation, the United States Department of Agriculture (USDA) said.

In a report, the USDA-Foreign Agricultural Service in Manila (FAS Manila) forecast that domestic sales of food and beverage industry for 2023 would rise to \$35 billion from last year's \$33 billion.

"Strong domestic demand anchored to sustained food and beverage spending should lead to increased food and beverage retail sales. With lower unemployment rates this year, household income growth is set to outpace consumer price inflation," the USDA-FAS said.

The agency also noted that more hotels and restaurants buy bulk purchases than do households from retail stores, as tourism, events and dining-in thrive.

"While most consumers have returned to buying from brick-and-mortar stores, food and beverage e-commerce sales continue to grow as a niche market, showing potential for imported products," it said.

Meanwhile, the USDA-FAS projected a slower growth in the retail food sector.

"As revenge spending ends, post sees slower growth in retail sales for convenience stores, groceries, hypermarkets, and warehouse

clubs in 2023. As more consumers spend prudently, food and beverage inflation declines," it added.

Meanwhile, potential growth is seen in the food service sector as "tourism and hotel industry improves" and dining in restaurants, catering, and events will continue to contribute to the growth, while food deliveries will provide convenience.

Moreover, the US agency noted that imported goods such as fruits, vegetables, pork, beef, poultry and fish "present potential sales" in traditional food and beverage retailers in the country, as most consumers in the provinces prefer buying from wet markets and sari-sari stores.

"As more consumers return to wet markets for fresh products, sari-sari stores provide smaller stock keeping units (SKUs), credit terms, and proximity to villages," it said.

According to the USDA, the Philippines ranked as the seventh-largest US agricultural market in 2022, reaching \$4 billion.

"The Philippine retail sector provides strong opportunities for dairy drinks, cheeses, meat products, fruits, vegetables, dog and cat food, baking mixes, pastries, pretzels, jams, jellies, honey, maple syrup, potato chips, chocolates, sugar confectionery, soups, nuts, tomato sauces, ketchup, juices and wine," it said.

JANINE ALEXIS MIGUEL



EDITORIAL

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Case buildup vs onion smugglers

FRESH from a heart surgery, Justice Secretary Jesus Crispin Remulla is busy supervising his team which is working on a case buildup against at least seven individuals who have been identified in previous congressional fact-finding hearings as involved in the highly scandalous and illegal smuggling of onions and other agricultural products.

Helping Secretary Remulla in this mission is Chief State Prosecutor Richard Anthony Fadulon and Justice Undersecretary Jess Andres. Also on board are members of the Anti-Agricultural Smuggling Task Force notably Prosecutor General Benedicto Malcontento and National Bureau of Investigation (NBI) head Director Medardo de Lemos.

The DOJ and the NBI are preparing charges of economic sabotage against the smugglers and hoarders of onion only now, half a year since prices of this popular commodity needed in almost all Filipino dishes reached the roof.

‘Remulla said they are pouring over the minutes of the smuggling hearings in the House and it should be easy enough for them to gather evidence against offenders already identified by the House.’

The big push came from President Bongbong Marcos himself, who stressed in a speech last week that he wanted to end smuggling especially of food products once and for all, and he intends to see no stone unturned toward this end.

The President's directive came after Rep. Stella Quimbo of Marikina's second district relayed to him the House committee on agriculture's findings that an onion cartel is actively manipulating prices and supply of the commodity. In her memorandum to the President, she said the cartel has allegedly been operating through the Philippine Vegetable Importers, Exporters and Vendors Association (VIEVA) Group of Companies Inc. (PVGCI), a private corporation reportedly engaged in farming, importation, local trading, warehousing, and logistics. Other suspected economic saboteurs utilize their extensive network to manage the supply of agricultural products through monopolistic control of cold storage facilities and warehouses.

Secretary Remulla said the suspected smugglers and hoarders can be charged with violation of Republic Act 10845, also known as the Anti-Agricultural Smuggling Act of 2016, which imposes severe penalties for illegal importation of agricultural products.

Aside from smuggling, offenders can also be haled to court for the related crimes of profiteering and hoarding, which are considered acts of economic sabotage.

Public hearings on the problem of smuggling of food products in the House of Representatives and in the Senate that ran for several weeks should make the NBI and DOJ's task of building up a case against the smugglers easier. For one, names and personalities of those involved had been identified and validated.

House Speaker Martin Romualdez should explain, though, why the hearing in the Committee on Ways and Means was canceled in the wee hours of the morning of Jan. 30, 2023 some four hours before it was to start, and the task given to the Committee on Agriculture, which up to now has not resumed its hearing. This occurred after the panel, acting on a resolution filed by Sultan Kudarat 2nd district Rep. Horacio Suansing Jr., had identified specific names of suspected smugglers, at least two of whom were known factotums of Malacañang.

Remulla said they are pouring over the minutes of the smuggling hearings in the House and it should be easy enough for them to gather evidence against offenders already identified by the House.

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CONSTITUTIONAL MANDATE

DAR TO BLOCK CONVERSION OF AGRICULTURAL LANDS

By Jerome Aning
and Jeannette Andrade
@Team_Inquirer

The Department of Agrarian Reform (DAR) has assured the public that it would guard against the wanton conversion of the country's remaining agricultural land into other uses, including real estate development, following President Marcos' recent signing of the New Agrarian Emancipation Act.

DAR Undersecretary Luis Pangulayan said in a Quezon City media forum that part of the government's commitments under the agrarian reform program was to prevent the conversion of the remaining arable tracts of land into purposes other than agriculture.

"The arable lands that we say must be planted on, we will

have them planted on—we will guard them against conversion," Pangulayan said.

The President signed Republic Act No. 11953 last Friday, condoning more than P57.56 billion in unpaid amortizations among 610,054 agrarian reform beneficiaries (ARBs) working on 1.173 million hectares nationwide.

Concerns about massive conversion of agricultural land were raised by a number of civil society organizations working in agrarian reform, on grounds that with more than half a million farmers due to get titles to the lands they have been tilling for decades under the New Agrarian Emancipation Act, it will now become easier for them to sell to developers dangling high price tags for their land.

Agrarian Reform Secretary

Conrado Estrella III had reminded agrarian reform beneficiaries that they could not sell nor transfer the titles to the lands awarded to them under the agrarian reform law for 10 years after receiving their titles.

Agrarian justice

In a joint statement last Friday, social development organization Kaisahan and six other groups said that with the debt condonation, the "hindrances" to the sale and transfer of rights over agricultural lands distributed under the 1988 Comprehensive Agrarian Reform Program "have been effectively removed."

They added that the new law was "eerily silent" about preventing the sale of agricultural lands to the "usual landowners who would then recon-

solidate the farms under their control."

Pangulayan said DAR would continue the agrarian reform program, promising land to the tiller, as mandated under the 1987 Constitution.

"As long as there's Article XIII, Section 4 [in the Constitution] which says that it's a policy of the State to make the landless farmer and landless regular farmworker owners of the land they till—there our agrarian reform mandate will always be," Pangulayan said.

The DAR official added that the agency's mandate does not stop with the awarding of lands to ARBs as it also includes agrarian justice delivery, land tenure improvement and provision of credit facilities and support services to the farmer-landowners.

"These must not be cut off even if the last plots of land have been given to the ARBs," he said.

Pangulayan said DAR also aims to push for the economic empowerment of farmers through agricultural productivity, profitability and rural development.

Continuing support

For Speaker Martin Romualdez, the new law writing off the unpaid obligations of some 610,000 agrarian reform beneficiaries, most of whom are rice farmers, would raise production of the staple and thus contribute to the country's rice sufficiency.

"Now that our farmers will soon be free of debt, I hope that they will be able to increase their produce to at least 100 50-kilo

bags [of rice] per hectare, from the present 60 to 70 cavans. But of course, the government will have to help along the way," he said.

But he pointed out that erasing the agrarian reform beneficiaries' indebtedness is just the first step in helping them increase productivity, improve their lives and achieve rice sufficiency for the country.

"The next step is aiding them to those objectives by providing them with or giving them access to credit, technology, equipment, inputs and other vital support services," Romualdez said, adding that agrarian reform emancipated farmers without access to credit for production and other needs may turn to usurers who would put them deep into debt again. **INQ**

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TO ESTABLISH COMMUNITY FARMS

COTABATO TOWN PREPARES FOR EL NIÑO BY PLANTING DROUGHT-TOLERANT CROPS

KIDAPAWAN CITY—The municipal government of Antipas in Cotabato province has started getting ready to mitigate the El Niño weather phenomenon by planting drought-resistant crops and identifying prime water sources that could be tapped in their areas during a prolonged dry spell.

Antipas Mayor Cristobal Cadungon said the town's 29 villages had submitted their contingency plans to cushion the effect of El Niño, following the state weather bureau's warning that the phenomenon

marked by the abnormal warming in the Pacific Ocean would officially develop in July and would probably persist until the first quarter of 2024.

The mayor said town officials were particularly concerned about where to source the staple food and water in their areas in case the long dry spell would affect harvest and result in shortage of food supply.

He said village officials immediately heeded the local government's proposal to establish a common area in their respective villages to plant crops that

are resilient to drought and intense temperature.

So far, the municipal agriculture office has been distributing camote (sweet potato) and cassava ("kamoteng kahoy") seedlings to be planted in the common area of the barangays to ensure that when other crops fail, people will still have food to eat.

Share water, or else...

He also urged people to make use of all the vacant lots they had to plant resilient crops to ensure there would be

enough food on the table.

The mayor also ordered all barangay chairs to identify water sources, including those owned by private individuals, in their area to ensure that sufficient supply of potable drinking water would still be available if the projected dry spell would lengthen.

"We have plenty of springs in our villages. We will protect it to cushion the effect of the dry spell, especially as water would be very vital during these times," Cadungon said.

He said the local govern-

ment would conduct a dialogue with individuals or entities with privately owned water sources in the community and formally come up with a memorandum of agreement that would allow the local government to tap into their water sources when existing water supply would be exhausted.

Cadungon also warned of possible sanctions against those reluctant to share their privately owned water sources.

"Even if [these wells or springs are] private, the government has the right to use these

when it concerns the welfare of the community," Cadungon said.

He said that far-flung villages usually depend on spring water for drinking while those in the upland villages depend on submersible water pumps to draw water.

Cadungon, however, assured residents there would be enough water for all, adding the municipality had allocated P2 million for the purchase of a water tanker for water rationing in upland villages.

—WILLIAM MAGBANUA INQ



Davao cacao farmers see sufficient supply even with impact of El Niño

DAVAO CITY — Cacao farmers in Davao City said they expect the supply of the commodity to be sufficient even with the onset of El Niño.

El Niño, which can cause dry spells or even droughts, has started, government forecasters said, with the full force of the weather phenomenon expected to be felt in the third quarter.

Rex P. Puentespina of Puentespina Farms, makers of Malagos chocolate, said he does not see his cacao to

be unduly affected because too much rainfall can actually have a negative effect on growing conditions.

He added at the media forum at Habi at Kape in Abreeza Mall mid-week that controlling the cacao pod borer is a bigger concern.

Lizabel G. Holganza, owner of Wit's Sweets/Gran Verde Farm, said at the forum that smallholders in the Davao Region are taking care to mitigate dry conditions by diversifying their plantings.

"When you have a more diverse planting within your farm then the risks of experiencing extremely low moisture are addressed (via the multiple) layering of trees," Ms. Holganza said.

She said some of the natural practices being employed include the use of fungi to improve the condition of the soil, to compensate for any negative climate effects.

Fe Oguio, cacao focal person at the City Agriculturist Office,

said Davao City cacao is usually planted at high elevations, minimizing the threat from any dry spell.

"Those high elevations have high moisture," she said, adding that the most vulnerable crops during an El Niño are "cash crops like rice, corn and vegetables, and legumes. Cacao is an industrial crop and usually planted in the highlands so that is why we can still produce," she said.

Davao City is celebrating World Chocolate Day with a trade fair at the Abreeza Mall between July 7 and 9.

The trade fair will feature 12 Davao chocolate brands that offer single-origin products.

In May 2021, Davao City was declared the Chocolate Capital of the Philippines through Republic Act No. 11547 signed by former President Rodrigo Duterte. — **Maya M. Padillo**





Softer commodity prices in H1

As the global economy faces the possibility of a recession and with slowing global demand, broad commodity prices have witnessed a substantial 11.4 percent decline in the first half of this year. High interest rates, lackluster manufacturing activity across the globe, subdued consumer spending, and China's sluggish post-COVID recovery have collectively dampened the demand for energy, metal, and agricultural commodities this year.

A basket of energy commodities, like oil and gas, experienced a significant decline of 20.8 percent over the six months ending June 30. Industrial metals recorded a decrease of 10.8 percent during the same period. In the agricultural sector, grains and oilseeds dropped 15.5 percent. Amidst the broader commodity downturn, sugar emerged as the exception. This sweetener gained 15.8 percent in the first half of this year.

PHILEQUITY CORNER



WILSON SY

Interest rates climb to 16-year high

The yields on the two-year and five-year US Treasuries recently climbed to their highest since 2007 after retesting the highs recorded in March. Fed officials have maintained the need to continue raising rates to stamp out inflation following the pause in June. The yield on US two-year and US five-year treasuries ended June 30 at 4.9 percent and 4.159 percent, respectively.

Crude oil fell to 18-month lows

Despite the OPEC+ cutbacks and Saudi Arabia reducing its supplies by 10 percent, crude oil prices fell to an 18-month low. The global slowdown and favorable weather helped to reduce energy demand in the first half of this year. The resilience of Russian oil supplies and an unexpected surge in US production have negated the impact of OPEC+ supply cut.

EU, UK expand LNG import capacities

The rapid expansion of liquefied natural gas (LNG) capacities has alleviated pressures in natural gas markets. This resulted in natural gas prices collapsing 37.5 percent in the first half of this year. As reported by the US Energy Information Administration (EIA), the EU and UK are expected to expand LNG import capacities by 34 percent in 2024 from 2021 levels. This would further reduce the region's vulnerability to future gas supply and price shocks.

Energy	6mos%
Crude WTI Oil	-12.0%
Crude Brent Oil	-12.8%
Natural Gas	-37.5%

China's weak rebound hits base metals

Base metal prices declined in the first half of this year due to weaker global demand, increased supply and China's slow rebound. China's construction and real estate sector experienced significant downturns. Goldman Sachs predicts a prolonged L-shaped recovery in China's property sector, dampening demand for base metals like nickel, zinc and aluminum.

Industrial Metals	6mos%
Tin	8.0%
Copper	-1.3%
Aluminum	-9.5%
Zinc	-19.7%
Nickel	-31.4%

Increased metal supply, including contributions from major players like Rio Tinto, Vale, and Glencore, helped moderate prices. Expanded nickel production from Indonesia further eroded prices.

Ample supply eases food commodity prices

Ample supply backed by the extension of the Black Sea grain initiative and strong harvests worldwide eased prices of agriculture commodities in the first half of this year. The price of corn, rough rice, wheat, and soybean led the way. Robust harvests from key agricultural nations like Brazil, the US, Canada, and Australia contributed significantly to this downward trend in prices.

Agriculture	6mos%
Sugar	15.80%
Soybean Oil	-8.0%
Palm Oil	-9.7%
Soybean	-11.9%
Wheat	-17.8%
Rough Rice	-18.5%
Corn	-27.1%

Bitcoin beats most asset classes in H1

Bitcoin, the leading cryptocurrency, outperformed other asset classes in the first half of this year. Despite regulatory uncertainties and market challenges such as the FTX scandal, Binance's regulatory challenges, and crypto bankruptcies, bitcoin saw an 83 percent increase and recently hit a 12-month high.

High inflation pressures

Despite softer commodity prices, inflation remains elevated. The recent Federal Open Market Committee (FOMC) minutes showed that Fed officials are favoring additional rate hikes after pausing in June. "The labor market remains very tight, momentum in economic activity is stronger than anticipated, and there were few clear signals that inflation was on a path to return to the committee's two-percent objective over time," the minutes said.

BSP to adjust policy stance as needed

The Bangko Sentral ng Pilipinas (BSP) acknowledges the prevailing balance of risks to the inflation outlook. Factors, such as the impact of transport fare increases, minimum wage hikes, persistent food supply constraints, the El Niño phenomenon, and potential knock-on effects of higher toll rates on key agricultural prices contribute to this upward pressure. Conversely, the BSP recognizes that the primary downside risk to the outlook stems from the weaker-than-expected global economic recovery. In light of these divergent conditions, the BSP says it remains prepared to adjust its policy stance as necessary.

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EMANCIPATED FARMERS TO PRODUCE MORE RICE

By Jester Manalastas

SPEAKER Ferdinand Martin G. Romualdez expressed confidence that the new law condoning the debts of the farmers would contribute immensely to the attainment of the country's rice sufficiency.

Last week, President Ferdinand Marcos Jr. signed into law the Republic Act (RA) No. 11953, or the New Agrarian Emancipation Act.

"I have a strong feeling that the new law would pave the way for our farmers to produce more rice, which is our basic staple, and other crops that they grow in between rice planting," Speaker said in a statement.

RA No. 11953 writes off "all principal loans, unpaid amortization and interests" of 610,054 agrarian reform beneficiaries from the time of the late President Marcos Sr. up to the present.

Such unpaid obligations are estimated to amount to about P58 billion.

The law also exempts from estate tax all lands agricultural lands awarded under a succession of land reform reforms under by the government, since the

first Marcos administration.

It likewise provides that the government will assume the P206.2 million owed by 10,201 agrarian reform beneficiaries to owners of the land they till and which is covered by voluntary land transfer-direct payment scheme under the agrarian reform program.

Romualdez said most of the more than 610,000 beneficiaries of the new law and who are tilling about 1.1 million hectares of land are rice farmers.

"Now that our farmers will soon be free of debt, I

hope that they will be able to increase their produce to at least 100 50-kilo bags per hectare, from the present 60 to 70 cavans. But of course, the government will have to help along the way," he said.

He said erasing the agrarian reform beneficiaries' indebtedness is just the first step in assisting them to attain better productivity, improve their lives and achieve rice sufficiency for the country.

"The next step is aiding them to those objectives by providing them with or giving them access to cred-

it, technology, equipment, inputs, and other vital support services. Let us leave them to fend for themselves," he added.

"Since they have the exact number, which is 610,054 tilling 1.173 million hectares, I am assuming that these agencies know them. So let us check on them every now and then to ask them what assistance they need, how are they doing," he said.

The House leader appealed to all concerned to make the implementation of RA 11953 a resounding success.



Benchmark index of international food prices declined again in June

THE benchmark index of international food commodity prices declined again in June, led by price decreases for all major cereals and most types of vegetable oils, the Food and Agriculture Organization of the United Nations (FAO) reported on July 7.

The FAO Food Price Index, which tracks monthly changes in the international prices of commonly-traded food commodities, averaged 122.3 points in June, down 1.4 percent from May and 23.4 percent from its peak in March 2022.

The FAO Cereal Price Index declined 2.1 percent from May. International coarse grain quotations in June decreased by 3.4 percent, driven mostly by increased maize supplies from ongoing harvests in Argentina and Brazil and improved output prospects in key producing areas of the United States.

International wheat prices dropped by 1.3 percent, as harvests began in the Northern Hemisphere, influenced by ample supplies and a lower export tax in the Russian Federation, along with improved conditions in the United States. International rice prices declined by 1.2 percent amid subdued demand for non-Indica varieties and efforts by Pakistan to attract export sales.

The FAO Vegetable Oil Price Index declined by 2.4 percent from May, as lower world prices of palm and sunflower oils more than offset increases in quotations for soy and rapeseed oil, influenced by weather conditions in major growing regions.

The FAO Dairy Price Index declined by 0.8 percent in June, led by lower international cheese prices, even as world butter prices rose, driven by active demand for spot supplies, mainly from the Middle East.

The FAO Sugar Price Index declined by 3.2 percent, its first drop after four consecutive monthly increases, mainly triggered by good progress of the sugarcane harvest in Brazil and sluggish global import demand, particularly from China.

The FAO Meat Price Index was virtually unchanged in June, with poultry meat prices rising on the back of high import demand from East Asia amid ongoing supply challenges linked to the widespread avian influenza outbreaks. International pig meat prices also rose, while those of bovine and ovine meats dipped due to increased exportable availabilities from Oceania.

Cereal output

WORLD cereal production is predicted to hit a record high in 2023/24, according to the latest Cereal Supply and Demand Brief, also released last Friday.

FAO raised its 2023 global cereal production forecast to 2 819 million tons, indicating a 1.1 percent increase from the previous year.

The higher forecast almost entirely reflects better prospects for global wheat production, now pegged at 783.3 million tons, buoyed by improved outlooks in several countries, including Canada, Kazakhstan and Turkey. However, global wheat production is still seen falling below last season's output by 2.3 percent.

Global coarse grain output for the year is now forecast to grow by 2.9 percent from 2022 to 1 512 million tons. Likewise, world rice production in 2023/24 is expected to rise by 1.2 percent above the 2022/23 reduced level, to 523.7 million tons.

World cereal utilization in the season ahead is expected to expand by 0.9 percent to 2 805 million tons, led by expected increased use of coarse grains, especially of maize for animal feed.

FAO raised its forecast for world cereal stocks by the close of 2023/24 seasons to 878 million tons, some 2.3 percent higher from the previous season. At this level, the global cereal stocks-to-use ratio would remain unchanged at 30.6 percent, "indicating comfortable supply prospects in the new season."



Biggest cocoa trade in more than a decade rattles London market

THE biggest cocoa trade in more than a decade is rattling the London exchange, bringing back memories of when a hedge fund manager known as "Chocfinger" tried to corner the market.

Two years of deficits have dramatically reduced stockpiles of the key chocolate ingredient, with a measure of supplies at its lowest in four decades. That's left traders vulnerable to a squeeze—when they're unable to find enough supplies to deliver to buyers as contracts expire, and are forced to buy back futures.

The rush to avoid having to deliver beans at expiration in about a week has sent cocoa for July to a premium as high as £240 pounds a ton to the next futures contract. The last time a similar trade hap-

pened in London was in 2010, when Anthony Ward, who managed Armajaro Asset Management LLP's CC+ fund—famous among commodity traders—took one of the largest-ever deliveries of cocoa on the London exchange, a move that led to a surge in prices.

The latest trades have been fueled by tight supplies after production fell short of demand for two consecutive years, driving the global stocks-to-use ratio—a measure of reserves relative to consumption—to 32.2 percent, the lowest since the 1984-85 season, according to data from the London-based International Cocoa Organization.

To make matters worse, buyers had no option but to hit the market. Many chocolate makers which stocked up during the pan-

demie fearing supply disruptions had been using up their reserves, delaying purchases while waiting for lower prices. Their strategy has backfired.

Pandemic fallout

"BUYERS have been behind in purchases," said consultant Judy Ganes, president of J. Ganes Consulting, who has followed markets for more than 30 years. "As prices climbed and there were concerns of even higher prices, they threw in the towel to buy more."

Chocolate makers didn't have enough supplies, and let their futures cover run low, Ganes added. Earlier this year, commercial players held the biggest net-short position on record, meaning they were betting on lower prices, exchange data going back at least a

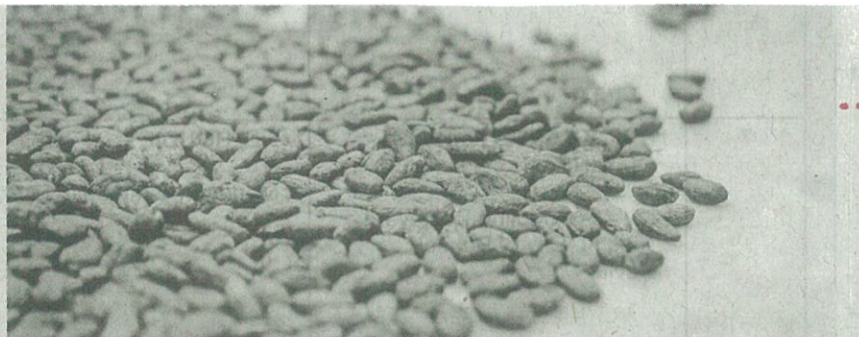
decade showed.

That's all happening just as an El Niño weather pattern risks further disrupting global production, and top growers Ivory Coast and Ghana have already sold a large part of their crop for next season.

OPEC of cocoa

IN the physical market, beans from the two countries for next season are trading at a premium of at least £40 to £60 a ton to the futures market, according to traders familiar with that matter, who asked not to be named because they are not allowed to speak to the media.

That cost comes on top of a hefty fee of \$400 a ton introduced by the producers a few years ago with the aim of boosting farmer income, a cartel-like move that



COCOA beans at the Alba Chocolatier's production facility in Putrajaya, Malaysia, on Wednesday, December 14, 2022. (ANTENUTU/ANOMBERG)

... has led to them being dubbed the OPEC of cocoa.

Cocoa supplies in Europe are already tighter than in the United States, and a fire at a Vollers Group GmbH warehouse in Amsterdam earlier this year damaged some supplies, the company said on its website.

A similar squeeze affected the New York cocoa market a few years ago, when Hershey Co. took the unusual step of directly sourcing a large amount of cocoa through the ICE Futures US exchange instead of buying beans in the physical market, allowing it to obtain cheaper supplies. *Bloomberg News*

Malaya Business Insight

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Corn, soybeans drop

CHICAGO- US corn and soybean futures fell as recent welcome rains across the Midwest farm belt, and forecasts for more next week, aided crops that had been suffering under an early season drought.

Soybeans, which notched a four-month high last week, ended down 1.9 percent for the week, while corn was little changed in the week after hitting the lowest point in 2-1/2 years at midweek.

Grain traders are monitoring shifts in weather as more US corn enters its critical pollination stage. Two-thirds of corn and 60 percent of soybeans were affected by drought as of July 4, according to the US Department of Agriculture.

"Rain makes grain and we've

had some pretty good rains. There are some questions as to how much has fallen and how much good it has done, but I would expect that the (crop condition) ratings on Monday should be steady to up," said Mark Gold, managing partner at Top Third Ag Marketing.

Normal to above-normal precipitation was forecast for the central and southern Midwest in the six- to 15-day period, and the northwest corner of the region was seen remaining largely dry, according to Commodity Weather Group.

Chicago Board of Trade December corn ended down 12 cents at \$4.94-1/2 a bushel while November soybeans fell 21-3/4 cents to \$13.17-3/4 a bushel. - Reuters