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MARCOS ASSURES SUFFICIENT WATER AMID EL NIÑO THREAT

PRESIDENT Ferdinand Marcos Jr. on Tuesday assured the public that there would be a sufficient supply of water in the country amid the El Niño weather phenomenon.

Marcos made the statement as more than half a million households within the concession area of Maynilad Water Services Inc. will have to endure service interruptions as the water level of Angat Dam continues to drop.

"Sapat na suplay ng tubig sa gitna ng El Niño! Iyan ang sentro ng miting natin kasama ang Philippine Council for Agriculture and Fisheries kahapon (Sufficient water supply in the middle of El Niño! That was the focus of our meeting with the Philippine Council for Agriculture and Fisheries yesterday)," he said in a statement.

"We expect in this priority the action of experts in water manage-

ment, even the good implementation of innovative measures such as the use of surface water in irrigation, flood control and power generation," the President added.

On Monday, Maynilad water supply operations head Ronald Padua said that around 591,000 customers in Caloocan, Navotas, Malabon, Valenzuela, Manila and Quezon cities would have their supply cut from 7 p.m. to 4 a.m. ➤ **SufficientA2**

■ SUFFICIENT FROM A1

MARCOS

This, however, will be extended to 6 a.m. in some areas in Caloocan, Malabon and Quezon City because of their distance from Angat Dam.

In a statement on Monday, Presidential Communications Office Secretary Cheloy Garafil said the Water Resources Management Office (WRMO) would release this

week recommended measures to help address the impact of the El Niño phenomenon.

Garafil also said the President issued a directive to all government agencies, including the Department of Environment and Natural Resources (DENR), to come up with these measures this week.

"We will have a plan for the mitigation of the effects of El Niño this week. I just spoke to the Secretary of DENR this morning, and she has told me that she will

be prepared to make public what needs to be done," Marcos said during a meeting in Malacañang.

The DENR, Department of Agriculture, Department of Public Works and Highways (DPWH) and the National Irrigation Administration (NIA) are working with the WRMO to address the dry spell.

The WRMO, created under Executive Order 22, is under the DENR.

Marcos announced he had tapped former DPWH secretary

Rogelio Singson to help the government come up with a solution to the problem.

Singson, a water management expert, will help with the contingency measure for El Niño and in crafting an overall plan for the Philippines.

"Because we have enough surface water. It's just a question of protecting it.

"We are designing now a system of catchment basins not only for flood control. The original plan was only for flood control. But

now, we have said we have to ... that flood control always now includes irrigation and sometimes even power, if we can do it," Marcos said.

The President added that the NIA would rely on the dams for a continuous supply of water for the irrigation of lands.

He said the hot and humid weather being felt today was not yet the onset of El Niño.

"We have a plan. So we are making sure that we will be ready when that time comes," he said.

Senate President Pro Tempore Lorna Regina "Loren" Legarda also on Tuesday urged the public to conserve water as Angat Dam levels have "continued to fall" beyond its minimum operating level.

Angat Dam, the source of over 98 percent of water in Metro Manila, fell below the minimum operating level of 180 meters on Saturday, July 8, when it registered 179.99 meters.

CATHERINE S. VALENTE, AND BERNADETTE E. TAMAYO



El Niño strategies out this week – BBM

BY RAYMOND AFRICA

PRESIDENT Marcos has ordered concerned government agencies to submit within the week their respective recommendations on how to cushion the impact of a looming dry spell due to the El Niño phenomenon affecting the country.

Marcos said he has tasked the National Water Management Office (NWMO), the Department of Environment and Natural Resources (DENR), the Department of Agriculture (DA), the Department of Public Works and Highways (DPWH), and the

National Irrigation Administration (NIA) to present their proposals when they meet this week.

"We will have a plan for the mitigation of the effects of El Niño this week. I just spoke to the secretary of DENR this morning and she has told me that she will be prepared to make public what needs to be done," Marcos said during a meeting in Malacañang on Monday.

"Presently, just to mitigate the effects of El Niño this coming, at least for this year, right now, DENR, Public Works, DA, especially NIA are working together," he added.

The NWMO is an attached agency of the DENR created by

virtue of Executive Order No. 22.

Marcos said the government will tap the expertise of former DPWH Secretary Rogelio Singson, whom he described as a water management specialist, to prepare for the El Niño impacts.

The Philippine Atmospheric, Geophysical, and Astronomical Services Administration (PAGASA) has said that the El Niño occurrence could cause dry spells and droughts in the country in the last quarter of the year up to the first half of 2024.

It said that at least 28 areas could experience dry conditions and 36 others may record dry spells at

the end of 2023, while at least 26 areas in Luzon, including Metro Manila, may experience drought by January 2024.

The Water Resources Management Office (WRMO), another attached agency of the DENR, said slapping penalties on government offices that will fail to comply with mandated water conservation efforts could work against the administration's campaign to save water.

Instead of penalties, DENR undersecretary for integrated environmental science Carlos

See BBM ► Page B3

BBM

Primo David said an incentives mechanism should be put in place to encourage water conservation.

"In my experience, we do not respond very well with penalties. It is better if we look at possible incentives that we can provide. Next steps might be for every peso that they save on water bills, maybe they can partly recover it. Since (they) realize savings, maybe that money or part of it can go back to the agency for other use," David said in a media briefing.

David said the DENR is in talks with the Civil Service Commission (CSC) and the Department of Budget and Management (DBM) on how they can push the incentives program.

Earlier this month, the WRMO issued two separate bulletins enjoining all government offices and local government units to practice water conservation as the water level in Angat Dam, the main water source of Metro Manila, continues to drop beyond its normal operating level.

Data from the National Power Corporation (Napocor) showed Angat Dam's elevation stood at 178.76 meters as of 8 a.m. Tuesday, which is 1.24 meters below the 180 meters normal operating level.

In Bulletin No. 1, the WRMO issued the guidelines for effective implementation of water conservation measures by all government offices, through their building administrators.

David said that efforts are underway for government offices identified to have high monthly water bills to implement various measures to lower their consumption.

He declined to identify the government offices but said among those with the highest water consumption are gated compounds where several government offices are headquartered but share a single meter.

He said the DENR has already deployed a roving team to remind government agencies to keep separate water meters.

The roving team also ensures that building administrators check their facilities for any leaks and faulty water fixtures after-office hours by observing floors and walls. The main water valve must also be shut after the last worker leaves, or from 7 p.m. to 6 a.m. of the following day. Leaks and faulty water fixtures are among the most common problems observed by the WRMO.

The DENR said building administrators have been told to survey the number of people in each office and make sure that each employee consumes not more than 50 liters of water per day.

Government offices have likewise been ordered to avoid using potable water for street cleaning and plant watering activities.

The DENR said it will monitor the progress of all agencies towards conserving water through the analysis of their monthly bills.

The President said the country should learn to convert its water usage from ground water or wells

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and aquifers to transfer extraction to surface water.

"Because we have enough surface water. It's just a question of protecting it. We are designing now a system of catchment basins not only for flood control. The original plan was only for flood control. But now, we have said we have to... that flood control always now includes irrigation and sometimes even power, if we can do it," Marcos said.

He said the NIA has a plan for existing dams to ensure continuous water supply for the agricultural sector.

Marcos said the hot and humid weather being felt nowadays is not yet the onset of the El Niño.

"We haven't felt... people think that this is El Niño but we haven't felt the effects of the El Niño. In some areas pero sa ngayon hindi pa talaga 'yan (but this is not yet El Niño). We have a plan. So, we are making sure that we will be ready when that time comes," he said.

The President has earlier created the Office of Water Management to prepare for the prolonged dry spell or drought that the El Niño phenomenon would cause.

Sen. Sherwin Gatchalian said there is a pressing need for the government to come up with short and long-term measures to effectively address the threats of El Niño and the recurring water shortage in the country.

"Whether may Department of Water or the existing Metropolitan Waterworks and Sewerage System mahalaga na seryosohin natin ang suplay ng tubig kasi lumalaki ang populasyon natin pero di nadadagdagan ang suplay ng tubig (It is important that we take the problem of water supply seriously since our population is increasing while our water supply is decreasing)," he said during the Kapihan sa Senado forum.

"It's a supply problem na kailangang maayos long term (that we need to address long term)," he added.

Gatchalian said the government should look for new water sources instead of relying alone on Angat Dam as the source of potable water for Metro Manila and neighboring provinces.

"Dapat seryosohin ang paghahanap ng new source ng tubig at bagong storage facility. Sa ngayon, Angat dam lang halos para kahit maubusan ang Angat may pagkukunan pa tayo (We should take seriously the need to find a new source of water as well as storage facility. Right now, our main source is Angat Dam but we need to look for other sources so that if the water level in Angat declines, we have other sources)," he said.

"We can invite private sector para sa water supply. Mag PPP tayo kasi di na pwede taon taon nakasalalay tayo sa panahon (We can have PPPs as it is not enough that we rely on the weather alone)," he added, referring to the Public-Private Partnership program that the administration of the late president Benigno Aquino III started for its major infrastructure projects. — *With Jed Macapagal and Ashzel Achero*



Agricultural resurgence – a priority and a challenge

The agricultural sector of the country has lagged behind the rest of the economy in development. The present administration of **President Marcos** aims to give it a major boost to make a major difference.

That the president himself has essentially decided to lead the **Department of Agriculture** tells a lot about the priority that agriculture enjoys in his development program.

Agriculture's lag in Phl development. The country's agricultural sector has been unable to provide sufficient income for people whose livelihood depend on it. The sector's primary producers are among the poorest in the country.

CROSSROADS Toward Philippine Economic and Social Progress



GERARDO P. SICAT

The Philippine Development Plan (PDP) for 2025 to 2028, in its Chapter 5, describes the current problems of agriculture succinctly: (1) Low farm/labor productivity (2) Low access to credit and insurance (3) Unsustainable farming practices leading to underutilized production potentials (4) Weak export performance and lack of diversity (5) Weak investments (6) Inadequate infrastructure; (7) Land fragmentation and (8) High vulnerability to multi-dimensional shocks.

These problems are highly correlated with each other. It may even be that some problems are simply symptoms of failure in some areas. They are an outcome of low economic drive in some activities. Insufficient investments in agriculture means that enterprise, innovation, and capital are lacking in agriculture and the demand for agricultural credit is correspondingly low.

It is a circular problem of low investments leading to low productivity, further encouraging the adoption of unsustainable farming practices and poor market performance, including exports. This description of the production activities in agriculture encompasses the total agri-food system, which broadly covers production in agriculture, fisheries, and forestry (or AFF) sectors.

Let us focus more on problem no. (1) and (7), which are, respectively, low productivity and land fragmentation.

Low farm and labor productivity. The development plan succinctly describes this problem, and I quote it below (p. 124).

"The Philippines is still considered to have a low level of mechanization at 1.23 horsepower (hp) per hectare for all crops. While there have been some improvements in the level of mechanization for rice – from 2.31 hp per hectare in 2011 to 3.77 hp per hectare in 2019 – the country still lags behind our Asian neighbors.

"This indicates that primary production is still dependent on manual labor, which is inextricably linked to poor adoption of modern agricultural and fishery technologies and limited extension services.

"In addition, the low share of AFF research, development, and extension (RDE) programs in the budget of the Department of Agriculture (DA) undermines the significance of developing technologies and disseminating sustainable farm and fishery management practices."

Fragmentation of agricultural lands. I continue my quote of the PDP (p. 125):

"While the total number of farms increased by two thirds, the average farm size fell from three hectares in 1980 to 0.9 hectare in 2012 due to the redistribution of lands under the Comprehensive Agrarian Reform Program (CARP) and transactions/activities involving non-CARP lands (particularly, the sale of these lands), among other factors.

"Property rights still needs to be settled, with almost half of the ARBs (agrarian reform beneficiaries) still covered by collective ownership certificates. Insecure property rights contributed to limited on-farm investments and farmers' access to support services."

Part of the continuing problem is that we have overstretched the land reform issue to cover many production systems in agriculture that will require large tracts of land for efficient usage. The results of zealous reforms undertaken for the supposed good outcomes extended the time to undertake institutional changes and made them more complex. They brought in unintended consequences that hampered future modernization. And the reforms are unfinished. They have taken years to implement.

Widespread land fragmentation is the outcome of overzealous land reform. The need to change land tenancy in the case of rice and corn lands was initially the major problem of land reform during the early years of independence since 1946. The definitive reforms on rice and corn lands were adopted in 1973.

The comprehensive land reform program, or CARP, came later, in June 1988. The sugar plantations were also the target of land reform discussion for years because of social conditions in the sugar planting areas. The tenancy problem in rice was not the same as that which existed for sugar. Sugar required a lot of migrant workers during the harvest season. In fact, like sugar, many types of agricultural industries depend on some form of land consolidation in order to achieve economies of scale in production. For that reason, plantations of rubber, bananas, abaca, pineapple and the like were also encouraged by government to attract investments.

Agricultural enterprises that use large tracts of land as a production system operate like industrial companies employing workers, some permanent and some temporary. They have existed in the country for years and some of them have had successful labor relations. Comprehensive land reform, however, changed that.

Agricultural cooperatives of individual farmers have long been institutions that the government had tried to encourage and support. With CARP, new land reform cooperatives have become part of the cooperative development program. "Contract farming" was a practice that also existed even before CARP, but now it becomes even more important in order to re-consolidate broken up lands for agricultural production.

The challenges of the moment. The current challenges of the agricultural sector are daunting. But there are areas where sufficient flexibilities exist.

Again, I quote the plan's program in agriculture and how to solve the perplexing issues:

"The plan pursues a whole-of-society approach in modernizing agriculture and agribusiness, emphasizing the crucial role of both the government and private sector in enhancing efficiency of AFF production, expanding access to markets and AFF-based enterprises, and empowering the resilience of AFF value chains.

"This will be complemented with strategies to strengthen agricultural institutions that will enable the modernization of the country's agriculture and agribusiness."

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CTALK CITO BELTRAN

PBBM: More talk or real action?

When Ferdinand Marcos Jr. a.k.a Bongbong Marcos ran for president over a year ago, different farmers groups gave him their "cautious support" believing that he, more than other candidates, would want to succeed in the area of agriculture.



The support was cautious simply because BBM was unproven in the realm of agriculture, whether as a governor or as a senator. But all things considered, that vote of confidence was significant and meaningful, but sadly wasted by the Secretary in Absentia.

After 13 months of lamentations within the agriculture sector, the very same people who gave their support to PBBM now have to content themselves with an audience with the Secretary in Absentia and nothing more. Yes, they finally got to see the Secretary of Agriculture in the flesh and the plan was for PBBM to be all ears while the representatives of the hog raisers and poultry producers reiterate the over-supply and over importation of pork as well as massive technical smuggling.

The question is: Does the President not know about the over-supply and over importation of pork, poultry and vegetables? At the very least, as DA Secretary he should know about it. With all the intelligence assets at his disposal, it would look very bad for government if the President is unaware and had to be told by farmers' groups about the situation.

The truth is the meeting at Malacañang now looks more like a case of "Political AIDS" or "Political As If Doing Something" or pure PR. All the President needs or needed to do to bring him up to date is get the OP staff to gather all the complaints, articles and opinion pieces written about the sorry state of agriculture as a result of smuggling, massive and unregulated importation and hoarding. That is what most senior key opinion leaders have been writing and talking about for six months.

Well, farmers in an anti-farmer country can't be choosers. The question is, what will the poultry and pork raisers get from the meeting in terms of real solutions? The farmers' reps themselves say that all the cold storage facilities in the country are full to the brim with imported pork and poultry as well as onions, etc. I doubt if the government will have all that meat destroyed.

So, chances are, promises will once again be made, just like in the last elections. Assuming the Secretary in Absentia promises to limit importations etc., that does not address the issues or challenges confronting poultry and hog raisers. First there is ASF or the African swine fever.

There is a vaccine already available, but the DA and the BAI are keeping their mouths shut regarding the actual price, volume to be imported, who will manage or market the vaccines, what volume will be stocked and what, if any, is the distribution plan. All this should have been an ongoing study or a developing plan the minute vaccines were processed. It's called planning for Idiots 101.

In response, most hog raisers have said that if the reported cost of vaccination is at P600 per shot, most backyard farms won't be able to afford the double dose required. The hog-raising sector does not need a government led "vaccination program." What is needed is to revive the dying hog industry that might go into flatline.

ASF vaccines must be shouldered and distributed by the Department of Agriculture to all hog raisers, principally to the backyard raisers who only three years ago supplied 65 percent of all hogs and pork requirements of the country. If the DA and BAI do not fund and distribute the vaccines, most raisers will simply step away from the production line and this will become the automatic justification for continued importation of meats and poultry.

The second step towards reviving the industry in ICU is for the government to embark on a massive hog dispersal program of breeding materials. Ever since the ASF became my personal nightmare, the only person or office that provided us with sentinel pigs was the Lipa City veterinary office and Mayor Eric Africa, who is also a fellow hog raiser.

With all the networks, resources and regulatory powers of the DA, they are in the best position to set up or tap breeding farms, piglet factories to source materials for dispersal, vaccinate them and give them to backyard farmers. This initial step would immediately send hope to all hog raisers that PBBM means what he says and does what he says.

The third component that PBBM as President needs to seriously consider is finding ways to subsidize the cost of feeds for hogs and poultry. Many of the feed mills in the country have been forced to limit production, lower quality, do ingredients substitutions in order to help farmers and users afford feed for their livestock.

The national government must view feed millers and feed companies as essential supporters of livestock production and help them in sourcing materials locally and globally, help them cut "add-on costs" from import duties and taxes, LGUs collecting pass through charges, barangays collecting delivery levies.

Certain grains and materials should simply be considered non-taxable components and let's stop treating companies as plain sources of taxes and duties. Limit it to income tax. Government must help business and not make money from the business, because WE all pay the final cost!

Last but not the least, PBBM should require the BAI and NMIC to present scientific data to back their claims and policies regulating movement of poultry and livestock. The BAI has become a major hindrance in the movement, production of poultry/livestock and charges a ton of fees for certifications and permits but share very little scientific data on actual bird flu and ASF cases. Press releases should not be the basis of government restrictions that hurt business.



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Pangasinan extends ban on livestock

LINGAYEN, Pangasinan: To shield Pangasinan from swine and poultry viruses, Gov. Ramon Guico 3rd extended the ban on the entry of livestock coming from towns and cities with confirmed cases of the African swine fever (ASF) and bird flu.

In two separate executive orders, Guico has imposed the ban from July 1, 2023 to Sept. 30, 2023.

Based on the recent Department of Agriculture records, 11 regions, 21 provinces, 54 municipalities and 137 barangay (villages) still have active ASF cases across the country.

In Pangasinan, however, ASF cases have been reported in the towns of Anda and Bolinao, and in Alaminos City.

"There must be a continuous effort to address and contain the spread of ASF for the welfare of the residents, and to prevent or eliminate ASF threat in the province," Guico said.

The executive order further stated that pigs and chicken from the provinces of Bulacan, Pampanga, Nueva Ecija, Tarlac, Laguna, Sultan Kudarat, Benguet, North Cotabato, South Cotabato,

Maguindanao, Isabela, Quezon, Kalinga, Aurora, Ilocos Norte, Capiz, and Batangas are not allowed to enter the borders of Pangasinan.

Guico then directed personnel manning animal quarantine checkpoints in the different entry points to the province to look for documentary requirements from the traders and transporters before allowing them to enter the province.

The documentary requirements include veterinary health certificate, Bureau of Animal Industry shipping permit, animal welfare registration certificate, certificate of disease-free status, handler's license certificate of registration, transport carrier registration certificate, and certificate of acceptance, among others.

Guico also ordered that all deliveries going to the provinces of Ilocos Sur, Ilocos Norte, La Union, Abra, and Benguet should pass through the exit of the Tarlac-Pangasinan-La Union Expressway in Urdaneta City.

GABRIEL CARDINOZA

editorial

How to empower small-scale farmers

SMALL-SCALE farmers produce up to 70 percent of food in low- and middle-income countries like the Philippines, yet they are often the first to go to bed hungry. The International Fund for Agricultural Development (IFAD) noted that about 80 percent of the world's poorest people live in the rural areas of developing countries. (See, *"IFAD bats for more investments in rural areas to curb food insecurity," in the BUSINESSMIRROR, July 5, 2023*) The United Nations Environment Program said small-scale farmers are those with a low asset base and operating in less than two hectares of cropland and are operating under structural constraints, such as access to resources, technology and markets.

Despite their importance in food production, IFAD said small-scale farmers earn a mere \$0.06 for every \$1 worth of food they produce on average. At an exchange rate of P55 for every greenback, the amount is equivalent to P3.30. Apart from low income, small-scale farmers are also disadvantaged in terms of global climate finance and official development assistance. IFAD said small-scale farmers receive less than 2 percent of global climate finance, and ODA to agriculture has been stagnant at 4 to 6 percent for at least two decades.

Nowhere is that situation more evident than in the Philippines. While their incomes have shown incremental improvement in recent years, farmers and fishers remain as the poorest basic sectors in the country, according to the Philippine Statistics Authority (PSA). In a report released in March, the PSA noted that poverty incidence among fishers and farmers in 2021 were at 30.6 percent and 30 percent, respectively.

Not surprisingly, rural areas recorded the highest number of poor population in 2021, according to PSA data. It appears that rural areas, farmers and the farm sector are not getting enough attention from policymakers. While education is important and infrastructure projects can immediately create jobs, a sluggish agriculture sector will make it more difficult for the Marcos administration to achieve its economic goals.

The President is currently at the helm of the **Department of Agriculture**, and he has promised to whip it into shape and turn the sector into a significant growth driver. One of the most significant moves the Marcos administration has done is to enact a measure that condoned the debts of agrarian reform beneficiaries (ARBs), most of whom continue to struggle to make their land productive. (See, *"Agrarian emancipation law signed; debts of 600K ARBs to be condoned," in the BUSINESSMIRROR, July 7, 2023*) The government is optimistic that the amount it condoned will be used as production capital by the ARBs.

Condoning their debt is welcome news for planters, but they need other forms of assistance such as modern farm equipment and an agricultural extension program that will help them improve their productivity. Extension services will allow farmers to get the support they need for their production activities and learn new ideas from research institutes.

According to the Food and Agriculture Organization, the purpose of agricultural extension is to advance not only production knowledge, but also the whole range of agricultural development tasks, such as credit, supplies, marketing and markets. The government can empower Filipino farmers by providing the necessary inputs and services to support their agricultural production.

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"There's more available P38/kilo rice in Metro Mla'

By RAADÉE SAUSA

THERE is more available rice in selected areas in National Capital Region (NCR) worth P38 per kilo, a Philippine Rice Industry Stakeholders' Movement (PRISM) official said on Tuesday.

"Our second day is good. There [is] more rice, including in Pasig, Las Piñas, Taguig, Nepa Q-Mart, Novaliches, Commonwealth, San Antonio, Marikina, Masinag Antipolo, Lipa and Tanauan Batangas, Dumaguete, Tacloban, Intercity and Goldencity Bulacan," PRISM Convenor Rowena Sadicon told BUSINESSMIRROR.

Moreover, she said that in the coming days the P38 per kilo supply will be in Nueva Ecija, Isabela and Cebu.

The convener added that in the coming days or weeks, the rice will be available at some Kadiwa stores.

"We haven't gathered the specific info on sales yet, but it's getting better," Sadicon added.

Recently, she said PRISM's "Tulong sa Bayan, Bigas para sa Mamamayan" program will be implemented nationwide to help consumers have access to affordable and quality rice.

As of now, prices of rice in the market start at P40 per kilo, PRISM noted.

The P38 per kilo that will be sold by PRISM will be of good quality as it is classified as well-milled rice.

"The price of rice in the market is really high, so we are giving away now, we have discussed a solution with our stakeholders: how can we cross it so that somehow there is still P38 to buy," Sadicon said.

She said, they would partner with the Department of Agriculture's Kadiwa program and other selling channels like rice mills, rice traders, barangays, and the local government units chosen by the participating stakeholders.

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P6.6-billion project seeks to boost Mindanao IPs' farm productivity

THE Department of Agriculture (DA) and the National Commission on Indigenous Peoples (NCIP) signed an agreement to implement a P6.6 billion project that seeks to boost farm productivity of indigenous peoples (IP) in Mindanao.

The DA and NCIP signed a memorandum of agreement (MOA) to implement the Mindanao Inclusive Agriculture Development Project (MIADP) to resolve persistent poverty among IPs.

The project specifically aims to enhance agricultural productivity and improve access to market and services for farmers and fisherfolk in selected ancestral domains in the region.

It has a total cost of P6.6 billion, wherein P5.3 billion will be coming from a World Bank loan financing scheme.

DA Senior Undersecretary Domingo Panganiban said, "MIADP is designed to build the

capabilities of local governments to increase the farm productivity and business opportunities of 120,000 indigenous farmers and fisherfolk in six regions across Mindanao."

"This is a project that corrects a long history of neglect on the part of our government and society," he added.

For his part, NCIP chairperson Allen Capuyan also underscored the importance of the indigenous community in the southern

Philippine region.

"The indigenous community is a very significant sector in Mindanao. Almost one half of the Mindanao land area is ancestral domains and also half of the Mindanao population is IP," he said.

"I am very glad that the MOA signing will formalize everything so that the communities in Mindanao will become resilient, relevant and responsive," Capuyan added.

Under the agreement, DA will

lead the planning, implementation, monitoring, evaluation and other relevant activities.

It will also provide technical support and assistance and ensure that all activities will be in accordance with environmental and social safeguards.

Moreover, NCIP shall select and endorse IPs and Indigenous Cultural Communities and facilitate processes related to the conduct of the program, including

the gathering of necessary data such as Ancestral Domain Title, Certificate of Ancestral Domain Claim, Certificate of Ancestral Land Title, and other pertinent documents.

The MIADP has a social preparation component that will capacitate IP organizations during the first year of implementation.

It is expected to commence by August this year and will run until 2028. *Raadee S. Sausa*



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Gov't can still tap P15-B calamity fund this year

By LOUISE MAUREEN SIMEON

The government can still tap nearly P15 billion in calamity funds to finance various disaster relief operations for the second semester of the year.

Data from the Department of Budget and Management (DBM) showed the government tapped the national disaster risk reduction and management fund (NDRRMF), commonly known as the calamity fund, last month, releasing some P3.53 billion.

The amount brought to P8.44 billion the total calamity fund released for the first half of 2023.

This means the remaining calam-

ity fund stands at P14.77 billion, which the government can utilize for various disaster relief operations until yearend.

Total allocation for the year as approved under the 2023 budget is P23.21 billion.

For June alone, the Department of Public Works and Highways (DPWH) received P2.66 billion.

Of the amount, P1 billion was allocated for the replenishment of its quick response funds (QRFs) intended for other types of calamity-related infrastructure projects, excluding damaged bridges and school buildings.

The law provides that first-response agencies are allocated QRFs in their annual budget.

Once the QRF of any agency reaches 50 percent or lower, it can request replenishment from the DBM.

The QRF is used for the reconstruction, rehabilitation or repair of damaged roads, bridges and buildings, among others, after every calamity.

It is also used to provide immediate relief to affected Filipinos in certain areas.

Another P876.59 million was released to the DPWH to cover funding requirements for the rehabilitation of

flood control projects in Cebu.

Another P498.88 million was intended to fund a similar undertaking in Bohol.

The remaining P283.32 million was earmarked for the repair and restoration of slope protection along national road projects in Southern Leyte.

Meanwhile, the Department of Social Welfare and Development secured P875 million to replenish its QRFs.

For the six-month period, nearly 60 percent of the total calamity fund released went to the DPWH at P5.03 billion.

Other top recipients include the DSWD with P1.75 billion and the Department of Agriculture with P1 billion.

The remaining calamity funds were disbursed to the Departments of Science and Technology, Defense and Transportation, as well as Philippine Ports Authority.

Last year, a total of P18 billion in calamity funds was released to various government agencies for disaster response.

Calamity funds are used to cover the construction and rehabilitation of various infrastructure affected by typhoons and other calamities.



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Rice prices soar to 2-year high in Asia on El Niño drought risks

Rice prices in Asia have surged to the highest level in more than two years as importers build up stockpiles on fears that the onset of El Niño will parch plantations and damage crops.

A benchmark grade in the region, Thai white rice 5% broken, has climbed about 15% in the past four months to \$535 a ton, the strongest since early March 2021, according to data from the Thai Rice Exporters Association.

El Niño conditions have developed in the tropical Pacific for the first time in seven years, according to the World Meteorological Organization, threatening to bring drought to Southeast Asia. That comes just as three days of record global temperatures last week increased concerns over the pace of climate change.

While monsoon rains have brought relief to rice fields in parts of India, the

top exporter, dry weather is threatening crops in No. 2 shipper Thailand, with the country facing widespread drought conditions from early 2024. The government has already asked farmers to restrict their planting to just one crop this year.

"With El Niño, we'll start to clearly see the effects of dry weather later around September and October," said Chookiat Ophaswongse, honorary president of the Thai Rice Exporters Association. "This being said, we'll see stockpiling continue as El Niño looks set to drag on into next year."

Importers have started building inventories at aggressive rates. Vietnam expects rice exports this year to climb to the highest in about a decade, with shipments surging to buyers in the Philippines, China and Indonesia.

"The large buying from Indonesia and Philippines has pushed the

market higher," said Jeremy Zwinger, founder and chief executive officer of research firm The Rice Trader. Still, "weakness will return in the new year or even the fourth quarter, unless politics or weather changes direction."

Global rice supplies remain exceptionally large, Zwinger said. While the world's year-ending stockpiles have dropped for two years, they are coming off a record high, according to data from the US Department of Agriculture.

Heat waves are likely to persist in many areas of southern China in the next few days, with temperatures rising as high as 40C in parts of Hunan and Jiangxi, top rice-growing provinces, according to the China Meteorological Administration. There's a "high risk" that heat will force the premature ripening of some rice in these areas, it said. (Bloomberg)



SMUGGLED AND ROTTING A raid on two makeshift cold storage facilities in Meycauayan, Bulacan, on Tuesday leads law enforcers to heaps of spoiled frozen meat, valued at P35 million, from Germany and India during an operation led by the **Department of Agriculture**. Authorities say they found evidence that the meat shipment was being repacked to be sold despite its condition. —GRIG C. MONTEGRANDE



NO ARRESTS FOR SMUGGLED ITEMS VALUED AT P35M

SPOILED FROZEN MEAT SEIZED IN BULACAN RAID

Smuggled frozen agricultural products valued at P35 million were confiscated during an operation in Meycauayan City in Bulacan, the Department of Agriculture (DA) reported on Tuesday.

"Several frozen spoiled meat products, including pork feet, lamb and chicken skin, were found inside two make-shift cold storage facilities," the DA said in a statement.

Local authorities said they discovered the banned frozen meat products from Germany and India, along with evidence of reboxing of the spoiled meat.

The agency said a thorough investigation is underway to dig deeper into the reboxing operations.

Agriculture Assistant Secretary James Layug said the storage warehouses would be shut

down and its owners held accountable for trading smuggled agricultural commodities.

"The seized commodities lack the sanitary and phytosanitary clearance from the appropriate Food Safety Regulatory Agency (FSRA)," Layug said.

The DA will file charges against those involved for violating the Food Safety Act of 2013 and the Anti-Agricultural

Smuggling Act of 2016.

Food safety remains one of its major concerns, the DA said, adding that selling smuggled meat and fishery products in the market poses danger to public health.

The anti-agricultural smuggling law only covers sugar, corn, pork, poultry, garlic, onion, carrots, fish and cruciferous vegetables in a raw state,

or which have undergone simple processes of preparation or preservation for the market.

On the other hand, the Food Safety Act aims to strengthen the food safety regulatory system in the country to protect the public from food-borne and water-borne illnesses and unsanitary, unwholesome, misbranded or adulterated foods, among others. —JORDEENE B. LAGARE INQ



PHL vulnerable to inflationary pressures induced by El Niño

THE PHILIPPINES is expected to be one of the most vulnerable economies to El Niño-induced inflationary pressures in Southeast Asia, according to BMI Country Risk & Industry Research.

In the BMI Southeast Asia El Niño Exposure Index, the Philippines ranked sixth most vulnerable among 13 countries after Myanmar, Cambodia, Nepal, Laos and Malaysia.

"(The Philippines is) not the most impacted, but it's certainly one of the bigger economies that will be impacted. So typically, the smaller economies are impacted more because they have a much higher share of agriculture as a share of (gross domestic product)," BMI Managing Director Cedric Chehab said in a webinar on Tuesday.

"The Philippines is a little bit more diversified than some of the smaller ones. But the Philippines also has a vulnerability (to El Niño)."

The BMI index analyzes the impact of El Niño on agriculture, rice production, consumption and imports, among others, based on previous El Niño events.

Myanmar (0.67), Cambodia (0.61), and Nepal (0.60) were the top three markets most exposed to El Niño-induced inflationary pressures and were subjected to upside interest rate risks.

On the other hand, China, Vietnam and Thailand appeared the most resilient to the potential agricultural impact of El Niño.

"For most markets, El Niño, via the causal channel of commodity prices, is associated with short-run inflationary pressures. For Southeast Asia, the heating associated with El Niño events is accompanied by reduced rainfall, relative to normal conditions, which has particular implications for the water-intensive cultivation of rice, the staple food item across much of the region," BMI said.

El Niño, S1/11

El Niño, from S1/1

Last week, the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA) announced the onset of the El Niño weather pattern. PAGASA projections have shown a high probability of more than 56% chance that El Niño will be moderate to strong during the last quarter of this year.

A strong El Niño is expected to weigh on the Philippine economy, as agriculture usually contributes around a 10th to the Philippines' over-

all gross domestic product (GDP).

The Philippines has also been improving in self-sufficiency in rice production and consumption, but the El Niño event in 2015 to 2016 has affected its progress, according to Mr. Chehab.

"The El Niño back then was quite tough and actually hit the Philippines more aggressively than other economies with rice production falling by about 10% at the time, compared to trend. So from a production perspec-

tive, the Philippines was hit relatively strongly there," he said.

Agricultural output declined by 1.5% in 2016 amid a strong El Niño event.

In 2019, another El Niño weather event hit the Philippines, with agricultural damage reaching up to P8 billion.

"So I think that's certainly an area to watch, in terms of upside risk to inflation in the Philippines," Mr. Chehab said.

"The risks to inflation and interest rates are to the upside

based on those dynamics, and also potentially as a little bit of a downside risk in terms of agricultural output."

National Economic and Development Authority Secretary Arsenio M. Balisacan earlier said that a "slight El Niño" could cause agricultural production to decline by 1-2%.

The Philippines experienced its worst El Niño episode in 1998, when the economy contracted by 0.5% as agricultural production fell by 7%. — **K.B.Ta-asan**



PHL coffee farmers set sights on global market opportunities



PHIL DESFORGES-UNSPLASH

By Patricia B. Mirasol
Reporter

FILIPINO coffee farmers can excel globally by prioritizing taste and quality, ensuring traceability at the farm level, and joining cooperatives, according to an industry expert.

"You could be organic and fairly traded, but if the coffee doesn't taste good, to begin with, it'll never make the grade," said Pacita U. Juan, president and co-chair of the Philippine Coffee Board, Inc. (PCBI).

The PCBI, established in 2002 to promote Philippine coffee, emphasizes the importance of taste for success in the industry.

Farmers are trained from the early stages to taste their coffee, allowing them to identify areas for improvement prior to market entry, according to Ms. Juan.

Adding value at the farm level entails the painstaking process of forgoing strip picking — or the method of stripping off all the fruit from trees, thereby yielding a mix of ripe and not-so-ripe fruit.

Quality coffee is when only what's ripe is harvested, Ms. Juan said.

Coffee farms in the Philippines are backyard farms, she noted. This makes the manual process of having to go back to their farms once a week as more fruits ripen labor-intensive.

"A farmer from Cavite will get someone from Bicol, or a farmer from Davao will get somebody from Cotabato," she added.

"It happens globally. A farmer from Mexico might get help from a Guatemalan. Whatever is contiguous... you will get somebody who will charge you cheaper labor."

Increasing the buying price of coffee — from P120 per kilo back then to now P500-800 per kilo for the Arabica variant — incentivizes farmers to pick only the ripe cherries.

"The best-tasting coffees will go into auctions where a farmer, instead of just getting P500-800 per kilo, may get P2,000... for maybe a microplot. It's a good incentive," Ms. Juan said.

INT'L MARKETS

Between 2020 and 2021, approximately 166.63 million 60-kilogram bags of coffee were consumed worldwide, marking an increase from the previous year's 164 million bags, as reported by statistics portal Statista in March.

South America has taken the lead in satisfying the preferences of coffee enthusiasts by producing around 78 million 60-kilogram bags in 2021.

Additionally, the United States has recorded the highest coffee market revenue, amounting to \$85 billion.

According to Statista, a notable trend in the coffee market is the growing demand for specialty coffee. In a separate 2023 report, it highlighted that consumers are actively seeking unique and high-quality coffee experiences, exploring diverse flavor profiles, and appreciating the artistry and craftsmanship involved in coffee production.

This emerging market demand presents an opportunity for growth, said Ms. Juan.

TRACEABILITY

Traceability also appeals to global buyers.

"If you're asking for the recipe to successfully enter foreign or export markets, ensure traceability," said Ms. Juan. "Quality, followed by traceability. That will catch the attention of international coffee buyers."

She said that putting your name on your coffee signifies your commitment to the product. "During our [PCBI] trainings, we tell them, 'Don't put your name if you're not proud of your coffee.'"

"We make an effort to know the farmer, so when we bring their coffee to countries like Malaysia or Singapore, it carries the farmer's name," she said, highlighting that it has become a global trend for farmers to label their produce.

Mere mention of Philippine coffee does not hold much weight, according to Ms. Juan.

"You need to specify, 'I have Philippine Arabica from a single estate in Alfonso, Cavite, and the farmer's name is

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so-and-so.' Do you see how the price has increased?" she added.

She also said that the price competition is not solely about the coffee beans. The added value, including traceability, organic practices, sustainability, and fair agricultural prices, enhances what would otherwise be considered just Philippine coffee.

The Philippines' foreign trade service, core, with offices across the globe, knows how to sell coffee "in a way that aligns with global buying preferences," according to Ms. Juan.

She described a 2019 briefing by the Philippine Coffee Board with the Department of Trade and Industry (DTI) as a "watershed moment."

"We are pleased that the DTI listened to us," she said.

"Don't provide it to them already roasted," she noted, highlighting that overseas roasters prefer to roast their own coffee.

"Each culture has different roast preferences. Germans may prefer medium dark, while Norwegians might enjoy medium roast. A roaster understands the local market's demand for roast levels," she said.

Opportunities also abound among second-generation immigrants in North America, she added.

The California branch of Blue Bottle Coffee, Inc., a US-headquartered coffee chain with a majority stake owned by the Nestlé group, sells Philippine coffee, she said. Switzerland's Blaser Café does as well.

Ms. Juan also listed coffee businesses run by Filipino-Americans that sell locally grown coffee.

"Teofilo Coffee Company of Los Alamitos and Mostra Coffee of San Diego. These are coffee shops started by Fil-Ams who want to reconnect with their roots," she said. "I've met them, and they're very proud to serve Filipino coffee."

COOPERATIVES

Another secret is to join cooperatives, Ms. Juan said. It is better to work with a group than go alone, she added.

She also emphasized how farmers in cooperatives are exposed to competition.

"Cooperatives will probably even have a cooperative-wide competition," she noted.

Evaluating for quality entails checking the defect count, the size of the bean, and the taste of the commodity itself. This process can be done through the Coffee Quality Institute's Q grading system, as well as the A grading system by the Association of Southeast Nations Coffee Federation, of which Ms. Juan is vice-president.

Producing consistent coffee can be compared to nurturing a relationship, Ms. Juan also said.

"It's really a relationship... a farmer has to do this consistently for them to remain in the minds of buyers," she said.

"We had an experience before where they won, but the next year they let go — so their coffee was not sustained. It's a season-to-season initiative."

HISTORY

Ms. Juan started a coffee shop in the 1990s and began serving only local coffee when she realized people would always ask for it.

It was also around that time when she discovered the growing gap between the increase in consumption and the decrease in production.

"For the business to be sustainable — and our business then was what would be a 70-store chain — we had to get enough coffee around the country. That led me to the Philippine Coffee Board," she said.

"Over the last five to seven years, farmers have significantly improved the kind of coffee they produce and process," she added.

According to Ms. Juan, Filipino farmers are now more aware of the types of coffee produced all over the world.

"You can't just say your product tastes like coffee," she said.

"It has to have some flavor nuance. Barako [the Liberica variant], they say, is like *langka* or jackfruit. Then it might as well taste like good jackfruit and not an off-tasting jackfruit that tastes like grass," she added.



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Set up El Niño fund for farmers – Villar

By **SHEILA CRISOSTOMO**

To cushion the impact of the El Niño phenomenon on farmers, Deputy Speaker and Las Piñas Rep. Camille Villar is pushing for the establishment of an assistance fund for them in the form of loans, direct cash aid or cash-for-work.

In a statement, Villar said having a fund readily available for farmers could soften the possible impact on farmers of the intense weather conditions associated with El Niño.

"We need to be better prepared and ready to extend assistance to farmers whose livelihoods are at risk so that they can have some sort of safety net or social protection either in the form of loans, direct cash assistance or cash-for-work," she explained.

"It is important to discuss this now and prepare for contingency measures, especially for our small-

scale farmers," she noted.

Villar recalled that the onslaught of El Niño in the country in 2019 resulted in some P8-billion damage to the agriculture sector.

Earlier, Villar filed House Resolution 1024, directing the House committees on agriculture and food and on energy to look into "possible government intervention in the light of impending return of El Niño" this year.

"Previous experience from El Niño phenomenon points to a decline in agricultural output, affecting the farming and fishing subsectors due to prolonged drought, affecting the livelihood in the agricultural sector and threatening food security," she said.

Villar added that aside from agriculture, water resources, power generation, health and sanitation and other sectors are likely to be severely affected by the El Niño. – **Ramon Efren Lazaro, Victor Martin**

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PH GROWTH MAINTAINED AMID ASEAN DOWNGRADE

ECONOMY TO STAY STRONG DESPITE EL NIÑO IMPACT ON AGRICULTURE

Expectations of continued strong growth of Philippine gross domestic product are holding up despite the risks of reduced output and hampered business operations from the double threat of dry conditions and more typhoons amid the El Niño dry spell.

In their quarterly update, the Asean (Association of Southeast Asian Nations) + 3 Macroeconomic Research Office (Amro) maintained its growth forecast for the Philippines at 6.2 percent in 2023 and 6.5 percent in 2024. The numbers are unchanged from the forecast made last April.

Amro maintained the forecast for the Philippines while revising downward the projection for the entire Asean region's growth this year. From 4.9 percent in April, the forecast

is now 5.4 percent.

The Asean includes the Philippines, Indonesia, Malaysia, Thailand, Singapore, Brunei, Cambodia, Laos, Myanmar and Vietnam. Meanwhile, "+3" refers to China, South Korea and Japan.

"Asean+3's recovery is now riding on resilient demand within the region," Amro chief economist Hoe Ee Khor said in a press briefing.

"Recovering labor markets and falling inflation, along with steadily growing intraregional tourism, are helping to cushion growth against sluggish external demand that is dampening the region's exports," Khor said.

In a separate report, Fitch group subsidiary BMI said that based on five occurrences of "severe" El Niño since the 1990s,

rice production in the Philippines was one of the worst-hit in Asia whenever the climate phenomenon hits overdrive.

Severe El Niños were recorded in 1991 to 1992, 2002 to 2003, 2003 to 2004, 2009 to 2010 and 2015 to 2016.

The most recent severe El Niño was considered as one of the worst in recorded history and, during that time, BMI noted that rice production in the Philippines was 10 percent below the average annual output.

Meanwhile, Moody's subsidiary Risk Management Solutions (RMS) said more typhoons in the Western Pacific basin—the area that includes the Philippines—will see more typhoons this year due to El Niño.

Moody's RMS said that

during El Niño years, weaker trade winds and increased atmospheric instability typically lead to increased overall activity or more typhoons forming in the Western Pacific.

"Sea surface temperatures across the Western North Pacific Basin are expected to be near or above average between July and November," RMS said. "The waters immediately surrounding the Philippines and the South China Sea are expected to be between 0 degrees Celsius and +0.5 degrees Celsius above average."

RMS forecasts that in the Western Pacific basin, there will be 17 to 24 tropical storms plus 10 to 14 typhoons in 2023.

In 2022, there were more tropical storms that formed (25) but less typhoons (only 10). INQ

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Corn eases, wheat firms

SINGAPORE- Chicago corn futures lost ground on Tuesday after a weekly US government report showed improvement in crop condition following rains in the Midwest grain belt, while soybeans ticked higher.

Wheat prices rose for the first time in four sessions, led higher by concerns over tightening global supplies.

"US weather over the next few weeks is key to determining soybean and corn yields and can improve production prospects," said Pranav Bajoria, a director

at Singapore-based brokerage Comglobal.

The most-active corn contract on the Chicago Board of Trade (CBOT) was down 0.2 percent to \$4.98-1/2 a bushel, and soybeans rose 0.5 percent to \$13.52-1/2 a bushel.

Wheat added 0.5 percent to \$6.49-1/4 a bushel.

Corn ratings improved to 55 percent in good-to-excellent condition from 51 percent last week and above the average expectation in a Reuters survey for 53 percent.

- Reuters