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EDITORIAL

Food logistics action agenda

The objectives are commendable: to ensure the availability of affordable food, reduce transport costs and plug gaps in the supply chain. The three-year food logistics action agenda, according to Malacañang, seeks to "revolutionize" the country's food distribution system.

Other blueprints for food security have been drawn up in the past, and several administrations have promised to expand cold chain and logistics facilities nationwide. The outcomes have been unimpressive. The public can only hope the action agenda of the current administration will be able to attain its objectives.

President Marcos has said he wants to turn the country into a logistics hub in Asia. The action agenda, drawn up by the Department of Trade and Industry, was approved during a sectoral meeting on Aug. 29 at Malacañang. Apart from cutting transport and logistics costs, it aims to increase investments in logistics infrastructure, transportation and storage.

It also aims to intensify enforcement measures against agricultural smuggling and hoarding, to include tighter monitoring of cold storage facilities and warehouses. The use of information and communications technology will be heightened to enhance logistics. Food terminals will be upgraded and more will be built. These will be integrated

into the logistics framework. According to the Presidential Communications Office, the food hubs "will serve as command centers for effectively supervising the balance between demand and supply."

The action agenda is in line with directives issued in September last year by President Marcos, who is concurrently secretary of agriculture, for the development of a food logistics chain and expansion of the cold chain industry, ports infrastructure and farm-to-market roads.

Much of the problems that dominated the first year of the current administration involved agricultural products and food security. Onion prices surged to sky-high levels due to messy import policies. Despite harvests and tons of imports since late last year, sugar prices remain so high that institutional users sought permission to directly import the commodity from other countries where prices are much lower.

These days, rice prices have jumped, putting the election campaign "aspiration" for P20 a kilo rice even farther out of reach. Addressing supply chain weaknesses and cracking down on smuggling and hoarding can improve the food situation. The government must ensure that nothing will get lost between the declaration of objectives in the food logistics agenda and the measures for their attainment.

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Rice diplomacy

A rice supply and price crisis loom on the horizon. Is the President up to the challenge? Can he do more than say useless PR sound bites?

The headline, "Marcos orders agencies to control rice prices" shows he does not get the problem. And ordering the use of available legal tools won't help much because it is a supply problem... We don't have enough buffer stock and there is nothing lawyers can do about that.

Simply put, we don't grow enough rice in the best of times. Our buffer stock of rice is now low because when fertilizer costs went up, farmers did not have the money to buy enough fertilizers. There is also typhoon damage, and we have systemic problems that keep rice production low.

We have to import enough rice to keep local traders from taking advantage of a supply shortfall by raising prices.

Raiding bodegas is a useless photo-op gimmick and sealing bodegas will only result in less rice in the market and higher prices. It will also make importers hesitate to import more because of all the trouble it could get them.

As for going after smuggled rice, it is a waste of effort. Even smuggled rice, because it is already here, should help increase supply.

A President who is also the Agriculture Secretary must start taking real action to mitigate the threat of a rice crisis that could break his administration. According to Senior Usec Domingo Panganiban, the President has not attended key meetings with DA officials in the last six months.

Sure, a President's time is precious. That is why he has to appoint a full time Agriculture Secretary with the street-smart ability to strategize the response to this potential food crisis. He needs someone with enough authority and experience to handle the serious challenges we face in the agriculture sector.

How can the President reassure the public that he is doing

something useful?

First, it is time for rice diplomacy not just with India, but with our neighbors and regular suppliers, Thailand and Vietnam. Several rice importing countries have reportedly appealed to India to allow limited export of rice to help them weather the potential crisis. It was India's abrupt announcement of an export ban that spooked the international rice market, as panic caused an abnormal increase in demand and in export prices.

The President should convince India to allow us to buy enough rice to stabilize our rice stock. That will make our rice traders think twice before abusing their pricing power because they know our buffer stock is now next to nothing.

Actually, the rice export ban of India was a knee jerk response of the Indian government to the potential impact of adverse weather conditions on their rice harvest. But even Indian traders and Indian rice farmers are complaining that the export ban will negatively affect their incomes and are urging their government to still allow some exports.

CNN reports that at one of New Delhi's largest rice trading hubs, there are fears among traders that the export ban will cause catastrophic consequences. "The export ban has left traders with huge amounts of stock," said rice trader Roopkaran Singh. "We now have to find new buyers in the domestic market."

Satish Kumar, a farmer who just suffered from devastating floods that ruined his crops, expressed worry about the financial losses, specially with the export ban.

"The ban is going to have an adverse effect on all of us. We won't get a higher rate if rice isn't exported," Kumar said.

The President has mentioned the possibility of talking with India for rice supply. Hopefully this has started to happen, not just sound bites in an ambush interview.

Beyond rice diplomacy, the President should also become more creative in dealing with the problem within the limits of the Rice Tariffication Law that does not allow the government to import itself. He needs a savvy Trade Secretary to manage rice supply and prices at the retail level.

In one of my Viber groups, former DTI secretary Ramon Lopez shared some insights that the President and current

DTI Secretary Fred Pascual should find helpful.

"The RTL is a good model that balances liberalization and economic rent-free protection through 35 percent tariff rates. Importation can be done by anyone, anytime..."

"We were told the problem is when the only requirement, a sanitary and phytosanitary (SPS) permit from the Bureau of Plant Industry is not given quickly enough. Delay has altered import licensing schedules. Thus, local supply availability and security has been affected. (This is a bureaucratic flaw that the President should be able to easily fix.)

"In 2018, prior to RTL, we also launched a program to allow any supermarket to import directly or have access directly to an import consolidator so we remove the middlemen. Easier to collaborate with retailers like SM, Robinsons, Puregold, Waltermart. If we implement it with them, they can easily make the cheaper rice available in their stores so that there is wider coverage at once and they follow the price targets. This is unlike the wet market vendors where prices would depend on the pass-on price of the *viajero*.

"The important thing is that we make the stocks available so consumers would have the option where to buy cheaper rice. From around a P50 (per kilo) price, rice was made available from P34 to P38 (per kilo) in supermarkets. Same with sugar at P50, which before also went up to P70 to P80..."

In addition, the conglomerates with grain storage facilities should be asked to import enough rice in bulk. Because the likes of San Miguel can store rice indefinitely in their temperature and humidity-controlled facilities, there would be a psychological deterrent to the usual rice traders who are prone to price gouge in situations like this. But the President will have to suspend the 35 percent tariff to help importing conglomerates cover the cost of the now higher priced rice in the world market.

With the retail price of rice pushing fast beyond P50/kilo, acting quickly is essential. Vaudeville-type warehouse raids and worn-out sound bites bring us closer to the brink of a full-blown crisis. Remember... a rice crisis can bring about a political crisis here.

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DEMAND AND SUPPLY



BOO CHANCO



Twixt a rock and a hard place

By Romeo L. Bernardo

I am pleased to share with readers, the political section of our Aug. 29 Quarterly Economic Outlook Report, "Losing momentum." Christine Tang, Shane Sia, and I wrote this for GlobalSource Partners (globalsourcepartners.com), a New York based network of independent analysts in emerging markets.

NOBODY said that the job would be easy. Now onto his second year in office and with popularity ratings intact, President Ferdinand Marcos, Jr. has some delicate balancing acts to do if he wants the economy to return to a higher economic growth path.

The most immediate task is to find a win-win solution for the military and uniformed personnel (MUP) pension reform. Here, he is caught between his finance secretary, who has been quoted as saying that business as usual would lead to fiscal collapse, and his new defense secretary who is opposed not only to having all soldiers contribute to retirement income but to non-indexation of retirees' pension benefits, two key features of the current system that help cause ballooning pension liabilities.

But perhaps a more urgent task, given the political stakes and macroeconomic implications, is rice policy, rice being the most important staple crop in the Philippines. Here, like his predecessors, he is caught between consumers to whom he promised a P20/kilogram retail price, about half of market price then, and 2.4 million farmers, many of whom are marginal farmers. The dilemma was supposed to have been addressed under the 2019 Rice Tariffication Law (RTL) where rice trade was left to private importers who have better incentives to plan and time import volumes to prevent the historically high local prices and

sharp price fluctuations under government's failed rice monopoly. Government's traditional rice procurement arm, the National Food Authority (NFA), was left with the job of maintaining nine days' worth of inventory, sourced from local rice farmers, as emergency buffer stock for relief distribution.

The system seemed to be working well until the Russia-Ukraine war that sent global food prices soaring and rice producing countries to start considering export controls. International rice prices began to increase in Q4 last year and by July this year was up 20-30% year on year, with India's latest decision to ban the export

of specific rice varieties due to the El Niño weather disturbance exacerbating rice inflation. Having campaigned on P20/kg rice and in the face of the general rise in food prices, the President used the remaining policy lever he had, i.e., open up NFA warehouses to consumers and sell the stocks at a subsidized price of P25/kg (vs. a market price of about P40-P50/kg) in Kadiwa stores. With rice the staple food of the majority of Filipinos, government quickly ran out of supplies, and with harvest season to start next month yet, the NFA said that it is now holding less than two days' worth of rice stocks. Private importers meanwhile, uncertain about the tra-

jectory of global rice prices, appear reluctant to buy at current high prices, leading to a reported fall in imports last month.

The current situation may be a temporary one, going away once local harvests reach markets, but will likely recur given the turmoil in the global grains market. Given how politically sensitive the issue is, the President probably needs policy levers to address instances of similar market failure. However, current calls to hand the NFA back its old power to import is a bad idea. Rather, expert commentators are pushing for cash transfers, either to consumers or producers built on the existing platform, as perhaps the most direct form of assistance with

minimum leakage. Multilaterals seem to share this view with the ADB piloting a \$3-million food stamp program.

A third issue is one of international diplomacy, how not to get trampled in the current US-China rivalry for influence in the region. In this case, given the Philippine's own territorial dispute with China, the President is caught between standing his ground on the country's rights over portions of the West Philippine Sea/South China Sea, which led him to bolster the defense alliance with the US, and wanting to strengthen economic ties with China which other countries with similar disputes have shown is possible. Although the rhetoric on both



PHILIPPINE STAR/KJ ROSALES

PRESIDENT Ferdinand R. Marcos, Jr. visited the NFA warehouse on Dec. 17, 2022.

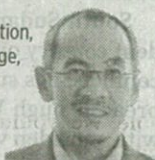
sides is that the dispute is not the be-all and end-all of bilateral ties, recurring confrontations on the high seas have made it difficult to build trust. Moreover, it has not escaped notice that the last administration's experiment of drawing close to China failed to bring in the billions of dollars of promised investments.

Although the President's pivot back to the US has won him broad domestic support, including his critics', similar questions are now being raised about what the Philippines stands to gain economically. Among pragmatists' economic calculus are not just the possible repeat of adverse consequences of displeasing China (e.g., banana exports failing phytosanitary standards, unfavorable travel advisories keeping Chinese tourists away) but also the worry that locating the new US military bases so close to Taiwan exposes the Philippines to an attack or at least a blockade in the event of a hot war, a risk that may further

deter foreign investments from more risk-averse investors. With the Philippines now needing fresh economic growth drivers, will the US and its western and QUAD (Quadrilateral Security Dialogue) allies step up?

A quip from Former US Secretary of State Henry Kissinger shared over social media seems to capture current apprehensions: "It may be dangerous to be America's enemy, but to be America's friend is fatal." ■

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Prices of red onions down to P70 a kilo

By **BELLA CARIASO**

Prices of local red onions in cold storage facilities went down to P70 per kilo from the previous P120 amid a flood of imported red onions, farmers' group Samahang Industriya ng Agrikultura executive director Jayson Cainglet said yesterday.

With the arrival of imported red onions, onion farmers in Nueva Ecija, Pangasinan and Mindoro cannot sell their bulbs in cold storage, Cainglet said in an interview with **The STAR**.

"We expect the imported red onions to arrive but the market is already flooding with imported (onions). Obviously, these are smuggled. If these are imported, where did these arrive?" Cainglet said.

He criticized the Department of Agriculture (DA) and BPI for allowing the excessive importation of the bulbs.

"There was a slump in prices of onions in cold storage, how come the DA will import more. The markets are now being flooded with imports, legal or not, but the impact is on the local onion farmers," Cainglet said.

Cainglet added that the imported onions are being delivered and stored in

the cold storage facilities in Bongabon, Nueva Ecija to make it appear that these are locally produced.

He said following the onion crisis in 2022 where retail prices reached as high as P720, the DA provided special cold storage facilities to farmers to allow them to directly sell onions to the distributors in the markets.

"Many small traders and farmers stockpiled onions in the cold storage facilities. They cannot sell the stocks as big traders manipulate the prices. The prices in the cold storage went down to P70, P80 (per kilo), from the previous P120 to P130 (per kilo)," Cainglet noted.

According to Cainglet, the same individuals who were the subject of investigation of the House of Representatives are still controlling the trading of onions in the country.

Cainglet said onion farmers from Nueva Ecija, Pangasinan and Mindoro will picket in front of the DA in Quezon City today to protest the current flooding of imported onions.

Based on monitoring of the DA in Metro Manila markets, the retail prices of onions ranged between P120 and P190 per kilo.



CTALK CITO BELTRAN

Our rice — the widow's oil

Kindly bear with me as I use this biblical story as intro for today's topic on arguments about Philippine agriculture.

The wife of a man from the company of the prophets cried out to Elisha, "Your servant my husband is dead, and you know that he revered the Lord. But now his creditor is coming to take my two boys as his slaves."

2 Elisha replied to her, "How can I help you? Tell me, what do you have in your house?"

"Your servant has nothing there at all," she said, "except a small jar of olive oil."

3 Elisha said, "Go around and ask all your neighbors for empty jars. Don't ask for just a few. 4 Then go inside and shut the door behind you and your sons. Pour oil into all the jars, and as each is filled, put it to one side."

5 She left him and shut the door behind her and her sons. They brought the jars to her and she kept pouring. 6 When all the jars were full, she said to her son, "Bring me another one."

But he replied, "There is not a jar left." Then the oil stopped flowing.

7 She went and told the man of God, and he said, "Go, sell the oil and pay your debts. You and your sons can live on what is left."

I share the Bible story from the book 2Kings Chapter 4 as a response to the many naysayers who have been arguing that our state of agriculture is a losing battle, especially because we do not have the economies of scale and the large tracts of land that have been lost to agrarian reform and to those who have claimed that the only solution to it all is "corporate farming."

If you think about it, what these people are saying is that government does not have the ability to manage our agriculture. That's true, but their instant noodle solution is let the CEOs and tycoons run the various sectors of agriculture because they have the money and the agility in decision making to get things done. The question is: Do these business savvy individuals and their stockholders want to?

Did it ever occur to those pushing for corporate farming that if corporate farming was really that profitable, all the corporations would have gone into the business a long time ago! Historically, corporations that are into farming are those that started as haciendas or heritage farms that transformed into corporate farms to maximize profitability or protect themselves from land reform or evolved as a result of a specialized product such as banana, pineapple, sugar that was ideal in the area and exportable and the only game in town back then.



Other than that, corporations have limited their investments or exposure to a few choice products mostly in poultry, animal feeds and orchards. Their focus has been on high value or exportable products where the initial product can be processed or used into other products and by-products, thereby extending applications, use and profit margins.

When San Miguel's head honcho Ramon Ang announced that they were putting up eight super poultry farms, I expressed concerns that the project would compete with local producers. RSA assured me that those plants would be producing chicken to be used as material for "patties" and chicken products for export abroad. When I visited Davao, I met big time fruit orchard developers who were already exporting durian, jackfruit and cacao to other Asian countries.

Many companies that have gone into "farming" are focused on high value vegetables that only upper- and middle-class buyers can afford, or are into trading of rice, but no one has yet gone into honest-to-goodness corporate farming of rice. You must be in too many places at a time.

The other argument is we don't have farms big enough to mechanize rice production, etc. Land reform never stopped the property developers, land bankers, resort and hotel conglomerates from amassing hundreds of hectares. All they did was help farmers convert their land, bought the properties and now I know of people bragging about their holdings openly.

In an interview with former DA secretary Manny Piñol, I repeated the argument that most farms are one to two hectares, and that irrigation is so limited or almost non-existent. Piñol's argument is that one to two hectares of land is the ideal size so that farmers can properly manage and care for the land and what is being farmed.

As for the lack of irrigation canals and dams, Piñol repeated a long-known fact: we no longer need to invest billions of pesos on dams and irrigation because solar technology that was developed by Israel, Australia and now China has created stand-alone water pumping stations for irrigation and watering purposes. The government simply needs to redirect the budget for irrigation there.

Solar power technology is no longer limited to providing hot water and lights. There is a ton of materials and products on YouTube alone for those in search of solar pumps for swimming pools, fishponds, farm irrigation and many other applications.

Another person who I've often talked to about the state of farming in the Philippines is my friend Toto Barcelona of Harbest, who shared with AGENDA viewers that in Taiwan, many farmers only have one hectare, but the government gives full support by way of providing greenhouses, technology, the best seeds, training and a market system where spaces such as under elevated roads or skyways become weekend markets for farmers, plant growers, etc.

The problem has nothing to do with land area or irrigation. The problem is that those who need to lead are the first to hinder.

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Dairy farmers ready to meet gov't milk feeding program requirements

By **DANESSA RIVERA**

Local farmers are prepared to meet the fresh milk requirement of the School-Based Milk Feeding Program with the resumption of classes nationwide, according to the National Dairy Authority (NDA).

In collaboration with the Department of Education, the NDA is actively executing the School-Based Milk Feeding Program (MFP), which currently benefits undernourished children from Kinder to Grade 6.

This initiative ensures a consistent supply of local fresh milk from NDA-assisted cooperatives, sustaining both the livelihood of local dairy farmers and the quality of fresh milk that children consume.

"Our local dairy farmers are ready to meet the demand of the DepEd. What we want is to raise a new generation of fresh milk drinkers, children who reap the nutritional rewards of fresh milk consumption," NDA administrator Gabriel Lagamayo said.

The DepEd, along with the Department of Social Welfare and Development (DSWD), provides a sure market for local dairy farmers, as their locally-produced milk remains to be its priority for the program.

As of December 2022, a total of 14.8 million liters of milk were provided and consumed by 2.8 million school children under the MFP.

Data from the Philippine Statistics Authority (PSA) showed domestic dairy out-

put jumped by 15 percent to 30.28 million liters last year to 26.3 million liters in 2021.

For this year, the country's dairy output is projected to surpass 2022's turnout due to the strong demand of the government-led MFP.

As classes resume, the NDA highlighted the crucial role of fresh milk consumption in boosting academic and cognitive performance among students.

Recognizing the link between nutrition and scholastic excellence, the NDA continues to advocate the integration of fresh milk consumption into students' daily routines.

Studies have consistently underscored the pivotal role of proper nutrition in facilitating optimal cognitive function and academic achievement.



Coconut stakeholders seek hike in biodiesel blend to 5%

By DANESSA RIVERA

The United Coconut Associations of the Philippines (UCAP) said the time is ripe for government to raise coco methyl ester (CME) content of biodiesel from two percent (B2) to five percent (B5) especially amid rising diesel prices.

"Now is the time to implement the long-delayed increase in biodiesel blend after eight straight weeks of diesel price hikes," UCAP chairman Dean Lao said during the third World Coconut Congress.

"The National Biofuel Board (NBB) has to decide... Today biodiesel is cheaper than diesel. Diesel is around P60 to P70 per liter. Biodiesel is less than P60 per liter, probably between P55 to P60," he said.

The NBB is the body tasked

to study and implement Republic Act 9367 or the Biofuels Act of 2006 which mandates that all liquid fuels for motors and engines sold in the Philippines shall be blended with biofuels.

The board is chaired by the Department of Energy (DOE) Secretary and is supported by the administrator of the Sugar Regulatory Administration (SRA) as vice chair on bioethanol concerns, and the administrator of the Philippine Coconut Authority (PCA) as vice chair for biodiesel concerns, with representatives from the Departments of Agriculture, Trade and Industry, Science and Technology, Finance, and Labor and Employment.

Latest DOE data showed diesel prices range between P58.95 to P72.20 per liter while

diesel plus prices are around P64.45 to P82.30 per liter.

Raising the biodiesel blend from B2 to B5 was supposed to take place in 2020 but was delayed due to the absence of assurances on the sufficiency of biodiesel supply and logistical limitations brought about by the COVID-19 pandemic.

On the sufficiency of supply, Lao said the country's coconut oil output is enough even for higher blends at 12 and 15 percent.

"UCAP has been urging government to increase the blend... In fact, in the last four years, the DOE has been asking if there is enough coconut oil. Our answer is, in fact, we [can push] for B12 or B15 if we want [because] we have that much coconut oil," he said.

Moreover, a higher blend would mean less importa-

tion of diesel and stir more demand for local coconut oil, thereby supporting the country's coconut industry.

"From B2 to B5, that is around 280 million liters of biodiesel. It can make a huge amount of difference to the coconut industry, that becomes value added market over time. A mandate creates an instant demand out of nothing," Lao said.

Meanwhile, UCAP vice chairman Marco Reyes raising the biodiesel blend will generate savings, improve mileage, and reduce pollution.

"Can you imagine just by increasing the blend to five percent that particulate matter in air pollution goes down by 83 percent. And this is equivalent to P1.5 trillion in savings just by increasing it to five percent," he said.

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Will we have enough rice this year?

A STUDY conducted by the Department of Agriculture's (DA) Philippine Rice Research Institute shows that we will have enough supply of rice this year. However, it will be tight.

Two scenarios were used. One involves a situation where we have a relatively high rice inventory due to good harvests this year. The other posits a low rice inventory.

The first uses 2022 Philippine Statistics Authority (PSA) production data from July to December, which is higher than that collected from the Philippine Rice information System for the same period.

The second scenario's projection is also based on the PSA's 2022 production data and adds the agency's count of July 2022 commercial stocks, which is lower than the estimated ending stock based on the difference between supply and demand.

In the optimistic scenario, it is estimated that our rice stocks will be good for around 45 days in July, 29 days in August, 39 days in September, 62 days in October, 79 days in November and 58 days in December.

The pessimistic calculation, meanwhile, is that we will have



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rice stocks good for 31 days in July, 16 days in August, 26 days in September, 48 days in October, 65 days in November and 45 days in December.

Except for the months of October and November in the optimistic scenario and November in the pessimistic scenario, our rice inventory will be less than the prescribed stock

of 60 to 90 days.

Rice consumption has gone up to almost 35,000 metric tons (MT) per day due to our ever-increasing population and the cereal also remains one of the cheapest available foods today. This figure is the national daily average.

To be able to determine whether a trader is hoarding or not, there is the need to calculate local or regional daily consumption and compare it to stocks in the trader's warehouse. It will also require determining how much stock other traders have in the same area. If a trader's stocks are beyond local demand for two or

more months, this is where one can say the trader is guilty of hoarding.

Note that the above data show we will not have a rice shortage. But a very thin supply, as the pessimistic scenario indicates, opens the door for market players to speculate. That is what is currently happening as palatable rice is now priced at over P50 per kilo and upwards when it used to be just above P40.

What is the solution? The obvious response is to ramp up production during the dry season, which starts in December and will last till the first quarter of next year. Whether

➤ **Finer B2**

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■ FINER FROM B1

Will we

we can achieve higher productivity will depend on how efficient the DA is in providing subsidies to farmers and the severity of the El Niño that

will hit the country during the same period.

Because farmers are also economically rational beings, we expect more farmers will plant palay (unmilled rice) because of high prices. Their effort will obviously be further rewarded if the government can extend assistance on time and in

adequate amounts.

As for the El Niño challenge, there are various ways of mitigating its ill effects, such as the construction of rainwater harvesting facilities, appropriate use of shallow tube wells and the National Irrigation Administration's judicious release of water from dams including proper maintenance of irrigation canals.

This brings us back to private rice traders. The government should encourage them to import more during the critical months. The DA has announced that private rice traders have told President Ferdinand Marcos Jr. that 300,000 MT will arrive in August. Another 350,000 MT is expected to arrive this September according to the same group consulted by the President.

Those import levels will be enough to tide us over by the end of this year as the palay harvest months start from late September to early December. Barring destructive typhoons hitting the country, we will have an ample supply of nearly 60 days of inventory.

But to surpass the 60-day buffer stock requirement, rice imports will have to reach around a million from August to December to assure ample ending stock for the following year when the El Niño sets in. Hopefully by then, the Indian export ban will have been lifted as the monsoon season brings more rain to enable more Indian farmers to plant.

Peter Timmer, one of the leading agricultural economists in the world, a former Stanford and currently a Harvard professor emeritus, has assured that the rice crisis this year will not be as bad as the ones experienced by the world in 1966 to 1968, 1972 to 1974 and 2007 to 2008.

He said that "the Asian outlook is surprisingly reassuring considering the El Niño and India's partial rice export ban. A projected decline in

China's rice imports in 2022 to 2023 and a subsequent large drawdown in domestic rice stocks should have a favorable impact."

"The USDA (United States Department of Agriculture) also expects Indonesia and the Philippines to come through the global rice shortages with ample stocks," he added.

As for rising rice prices, Timmer said "the big question though is whether the price rise will be gradual — giving consumers time to adjust without panic — or whether there will be a rapid spike. The fact that there has been little panic since India's announcement in July gives hope that the increase in rice prices will be gradual and contained."

Timmer knows the Philippine rice industry well, having visited the country several times and interacted with our leading agricultural economists and policymakers. When he was here in 1987 to provide advice to the newly installed Aquino government on how to reform our agricultural sector, then tightly controlled by a few oligopolists, he already proposed the liberalization of rice trading. It took us more than 30 years to heed his advice when the Rice Tariffication Law was finally enacted in 2019.

Still, a number of politicians and policymakers complain that our scholars do not provide them with constructive recommendations but only render analyses of what ails the agricultural sector. My guess is that either they do not read scholarly studies or are just plain ignorant of the existence of the tons of literature examining the Philippine agriculture sector and offering solutions to address its problems.

The business of politics can either make one deaf or ignorant, depending on the political objective being pursued.

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Rice price, supply issues worsen inflation outlook

BY JANINE ALEXIS MIGUEL

Higher rice prices and tight supply have fueled inflation concerns, an economist said.

The inflation surge that marked most of last year, ING Bank senior economist Nicholas Mapa noted, was primarily due to supply issues.

"Local rice production is inadequate to meet domestic demand and so the country relies on imports of the grain from neighboring economies," Mapa said on Tuesday.

Price reports from the Department of Agriculture (DA) showed that prices of both imported and local rice reached P65 in August. The Philippine Statistics Authority

earlier also reported that prices of well-milled rice had hit P45.56 per kilo, up 0.4 percent in the first week of July.

In terms of supply, the government reported that inventory of rice stocks as of April 1 was at 1.84 million metric tons (MT).

This marked an annual decline of 26.5 percent from 2.51 million MT a year earlier.

The Agriculture department has announced plans to import the grain following talks with Vietnam

and India earlier this month for 300,000 to 500,000 MT in shipments

Rice, Mapa said, figures prominently in the inflation calculation, with a 9.6-percent weight in the consumer price index (CPI) basket.

Recent damage to crops due to storms and El Niño, he added, had "forced the Philippines to import more of the staple to shore up supply in the past."

"Developments in 2023 cloud the domestic production outlook with the onset of the El Niño weather phenomenon on top of the recent export ban from India," Mapa continued.

Apart from rice, Mapa also identified two key items in the CPI basket — electricity and transport — as

the "crucial three" in Philippine inflation.

"Given their weight in the CPI basket and the country's dependence on imports of rice and energy, any sharp upticks for the so-called crucial three could spell a renewed flare-up for Philippine inflation," he said.

Mapa also emphasized the need to stabilize price movements of the said commodities, noting that the "crucial three" accounted for 41 percent of inflation for 2022.

"The recent uptick in rice prices, coupled with the resurgence in global energy costs, could spark renewed price pressures and prevent headline inflation from settling well within the BSP's (Bangko Sentral ng Pilipinas) inflation target band," he said.



KAMATIS PUMALO SA P200 PER KILO

Pumapalo na sa P200 ang isang kilo ng kamatis sa ilang mga palengke sa Metro Manila, mas mahal ng P70 kaysa sa P130 per kilo noong nakaraang linggo.

Kadalasang tumataas ang presyo ng kamatis kapag umuulan at mura naman ito sa tag-init.

Habang sumisirit ang presyo ng kamatis, patuloy naman ang pagmahal ng presyo ng bigas na P100 ang itinaas sa 25 kilo na sako o P4 kada kilo mula sa presyo nito noong Hulyo.

Ayon sa Bantay Presyo ng Department of Agriculture (DA) noong Miyerkoles, Agosto 30, may mga lugar sa Metro Manila na nasa P210 per kilo pa ang presyo ng kamatis.

Sa 13 palengke sa Metro Manila na binabantayan ng DA, sa San Andres sa Maynila pinakamahal ang

kamatis na nasa P200 hanggang P210 per kilo. Malapit lamang sa tanggapan ng Bureau of Plant Industry (BPI) ang San Andres Market.

Sa New Las Piñas City Public Market, nasa P190 hanggang P200 naman ang kilo ng kamatis at P200 ito sa Pritil sa Maynila.

Sa Guadalupe Public Market, Quinta Market, Marikina Public Market, Commonwealth Market, at Mega Q Mart, P180 hanggang P200 ang kilo ng kamatis.

Sa Muñoz Market sa Quezon City at sa Pamilihan Lungsod ng Muntinlupa naman pinakamura ang kamatis na nasa P160 hanggang P180 per kilo. Sa Pasay City Market at Pasig City Market, P170 hanggang P180 ang kilo ng kamatis.

Ayon sa Bangko Sentral ng Pilipinas (BSP), tumaas ang presyo ng bigas at iba pang mga produktong agrikultura dahil sa mga ulan at bagyo gayundin sa taas-presyo ng mga produktong petrolyo pati na ang singil sa toll gate.

Nakadagdag pa umano ang paghina ng piso laban sa dolyar kaya nagmahal ang presyo ng mga bilihan.

Sa tantiya ng BSP, tumaas sa 4.8% hanggang 5.6% ang inflation nitong Agosto mula sa 4.7% noong Hulyo, lampas sa target nitong 2 hanggang 5%. Sabi pa ng BSP, maaaring nakagaan pa sa inflation ang pagbaba ng presyo ng kuryente nitong Agosto. **(Eileen Mencias)**



Sharp rise in fuel, rice prices seen jacking up Aug inflation

BSP pegs range at 4.8-5.6% from 4.7% in July; 6-month downward streak ends

By Ronnel W. Domingo
@RonWDomingoINQ

Headline inflation may have ended its six-month downside and revved up to somewhere in the range of 4.8 percent to 5.6 percent in August, from 4.7 percent in July, according to the Bangko Sentral ng Pilipinas (BSP).

The Philippine Statistics Authority will announce by Sept. 4

the official readout for August in the rate of growth in prices of goods and services that households commonly purchase.

"Higher prices of rice and other agricultural commodities due to weather disturbances, sharp rise in fuel prices as well as increased transport costs owing to higher train fares and toll rates, and the peso depreciation are the primary sources of up-

ward price pressures in August," the BSP said in a statement.

"Meanwhile, lower electricity rates from major providers could contribute to downward price pressures for the month," the central bank added.

Monthly inflation prints have been on a downtrend for six months in a row since reaching 8.7 percent in January.

The BSP's goal is to keep in-

flation at a full-year average of within the range of 2 percent to 4 percent.

On Aug. 30, Moody's Analytics warned of a specter of a resurgence in prices of goods and services, especially of the volatile energy and food items.

In particular, the research firm said inflation fears were rising again following a decision of major crude oil produc-

er Saudi Arabia to cut output. This move brought prices to \$84 per barrel in recent weeks from as low as \$74 in June.

Further, Moody's Analytics said the upward changes in international prices of rice were more concerning.

Amid dry weather in India and Thailand, the price of the staple grain averaged at \$550 per ton in June from \$440 at the start

of this year. In the latter part of August, daily prices reached as high as \$629 per ton.

Moody's Analytics said all of Asia would be susceptible to higher food prices if this trend should continue. Developed economies in the continent would be more affected because they import most of their rice, but also some emerging economies that have the same predicament. **INQ**



Slight inflation uptick seen in August

By LAWRENCE AGCAOILI

The Bangko Sentral ng Pilipinas (BSP) expects an uptick in the rise in the prices of goods and services in August after inflation cooled for six straight months.

According to the BSP, inflation likely settled within the range of 4.8 to 5.6 percent in August after easing to 4.7 percent in July from 5.4 percent in June.

After peaking at a 14-year high of 8.7 percent in January, inflation eased for six straight months.

"Higher prices of rice and other agricultural commodities due to weather disturbances, sharp rise in fuel prices, as well as increased transport costs owing to higher

train fares and toll rates, and the peso depreciation are the primary sources of upward price pressures in August," the central bank said in a statement.

On the other hand, the BSP pointed out that lower electricity rates from major providers likely contributed to downward price pressures last month.

"Going forward, the BSP will continue to monitor developments affecting the outlook for inflation and growth in line with its data dependent approach to monetary policy formulation," the central bank added.

Inflation averaged 5.8 percent from January to July this year, still above the BSP's two to four percent

target range.

Amid the inflation downtrend and stable peso, the BSP's Monetary Board maintained a hawkish pause as it kept interest rates unchanged during its last three rate-setting meetings in May, June and August.

Last Aug. 17, the central bank raised its inflation forecasts to 5.6 percent from 5.4 percent for this year, 3.3 percent from 2.9 percent for 2024, and 3.4 percent from 3.2 percent for 2025 due to rising global oil prices, the higher than expected wage adjustments, as well as recent developments wherein the peso weakened and almost touched the 57 to \$1 level.

The central bank has kept the door open for possible rate hikes amid the ongoing hawkish pause

from its tightening cycle.

"I think a pause is prudent, but we're ready to hike if the upside risks materialize," BSP Governor Eli Remolona Jr. earlier said.

The BSP emerged as the most aggressive central bank in the region after it raised key policy rates by 425 basis points between May 2022 and March 2023 to tame inflation and stabilize the local currency.

Meanwhile, ANZ Research believes inflation slightly eased to 4.6 percent in August from 4.7 percent in July despite the expected rebound in food prices following six consecutive months of deceleration.

ANZ noted a sharp rise in rice

prices in the domestic market following India's ban on rice exports in late July, which would be reflected in August inflation data.

"However, base effects will continue to act favorably and pull the headline CPI (consumer price index) print down to 4.6 percent year-on-year from 4.7 percent in July. Core inflation will also likely cool to 6.1 percent," ANZ said.

According to ANZ, food prices in the Philippines are again on the radar with rising global rice prices and fears of agricultural production loss due to El Niño. Food makes up around 35 percent of the CPI basket, therefore a decoupling trend may not last once the base effects fade.



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Inflation seen rising to 4.8-5.6% in August

BY NIÑA MYKA PAULINE ARCEO

INFLATION likely picked up in August, the Bangko Sentral ng Pilipinas (BSP) said on Thursday, due to factors such as higher fuel prices, fare hikes, a weaker peso and the impact of recent typhoons.

It forecast a result in the 4.8- to 5.6-percent range, up from July's 4.7 percent.

"Higher prices of rice and other agricultural commodities due to weather disturbances, a sharp rise in fuel prices as well as increased transport costs owing to higher train fares and toll rates, and the peso depreciation are the primary sources of upward price pressures in August," the central bank said in a statement.

"Meanwhile, lower electricity rates from major providers could contribute to downward price pressures for the month," it added.

August inflation data will be released by the Philippine Statistics Authority on Tuesday, September

5.

The rate has been falling for six straight months after hitting a 14-year high of 8.7 percent in January. The run of improvement is expected to snap beginning due to rising rice and fuel prices, among others.

"Going forward, the BSP will continue to monitor developments affecting the outlook for inflation and growth in line with its data-dependent approach to monetary policy formulation," the central bank said.

The August result will be considered when the Monetary Board meets on September 21 to discuss policy. Surging inflation beginning last year prompted rate hikes total-

ing 425 points, which brought the BSP's policy rate to a 16-year high of 6.25 percent.

Monetary authorities held off from further rate hikes in May after inflation started falling in February, extending the pause in June and August.

Increasing inflation risks, however, prompted revisions to the outlooks for this year up to 2025. While the monthly rate is still expected to return to the 2.0- to 4.0- percent target before the end of the year, it is now expected to average 5.6 in 2023, up from 5.5 previously. The forecasts for 2024 and 2025 were also hiked last month to 3.3 and 3.4 percent from 2.8 percent and 3.2 percent, respectively.

Asked to comment on the BSP's August inflation forecast, ING Manila Bank senior economist Nicholas Antonio Mapa said three key items in the consumer price index (CPI) basket — rice, electricity and transport — would be the main reason for the in-

crease.

"Given their weight in the CPI basket and the country's dependence on imports of rice and energy, any sharp upticks for the so-called crucial 3 could spell a renewed flareup for Philippine inflation," Mapa said.

"The recent uptick in rice prices, coupled with the resurgence in global energy costs, could spark renewed price pressures and prevent headline inflation from settling well within the BSP's inflation target band," he added.

A return to the 2.0- to 4.0-percent target range before could be challenging, Mapa continued.

"We had originally penciled in a BSP rate cut by the first quarter of next year given the disappointing second-quarter GDP (gross domestic product) report," he also said.

"However, if we continue to see rice and energy prices tick higher in the coming months, we could see BSP delaying its planned easing to mid-2024."



BSP: RICE, FUEL, STORMS DROVE AUG INFLATION

BY CAI U. ORDINARIO
@caiordinario

EXPENSIVE rice and fuel as well as weather disturbances, among other factors, may have led to faster inflation in August 2023, according to the Bangko Sentral ng Pilipinas (BSP).

In its month-ahead inflation forecast, BSP expects inflation to average 4.8 to 5.6 percent in August 2023. Inflation slowed to 4.7 percent in July from a peak of 8.7 percent in January 2023.

The Philippine Statistics Authority (PSA) earlier warned that rice may again be the cause of higher inflation in the coming months as data showed prices returned to levels that were seen prior to the implementation of a law that sought to bring down the price of the staple.

"Higher prices of rice and other agricultural commodities due to weather disturbances, sharp rise in fuel prices as well as increased transport costs owing to higher train fares and toll rates, and the peso depreciation are the primary sources of upward price pressures in August," BSP said.

PSA data showed rice inflation averaged 4.2 percent in July 2023, the highest since February 2019 when the increase in the commodity's prices was at 4.5 percent. The Rice Trade Liberalization (RTL) Act was implemented in March 2019. (Full story here: <https://businessmirror.com.ph/2023/08/04/rice-price-hike-may-dampen-momentum-to-tame-inflation/>)

The Department of Agriculture (DA) earlier said rice and corn, the two most important staples in the country, suffered

the brunt of typhoon Egay. The typhoon affected 67,528 metric tons (MT) of rice valued at P3 billion, while corn losses reached 124,576 MT valued at P2.3 billion.

SEE "BSP," A2

"Going forward, the BSP will continue to monitor developments affecting the outlook for inflation and growth in line with its data dependent approach to monetary policy formulation," BSP said.

However, BSP noted that lower electricity rates from major providers could contribute to downward price pressures for the month.

This was the case in July when the PSA noted that slower year-on-year increase in housing, water, electricity, gas and other fuels at 4.5 percent during the month from 5.6 percent in June 2023

eased inflation pressures.

Other factors that helped cool inflation was the slower increase in the heavily-weighted food and non-alcoholic beverages at 6.3 percent in July 2023, from 6.7 percent in the previous month.

The third main source of deceleration was transport, recording a faster annual decrease of 4.7 percent in July from a contraction of 3.1 percent in June 2023.



P519M palay, bigas nadiskubreng nakaimbak lang sa bodega

NAGKASA ng biglaang inspeksiyon ang Bureau of Customs sa ilang bodega sa Bulacan at nadiskubre ang tinatayang P519 milyong halaga ng mga nakaimbak na bigas at palay.

Ang mga ininspeksiyong bodega ay matatagpuan sa Wakas, Bocaue at San Juan, Balagtas, kapwa sa Bulacan kung saan ang operasyon ay bahagi ng pagsisikap ng BOC na mabawasan ang rice smuggling.

Natagpuan ng mga awtoridad sa pinasok na mga bodega ang 154,000 sako ng imported

na bigas at 60,000 sako ng palay.

Ayon kay Customs Commissioner Bienvenido Rubio, nagkaroon sila ng sectoral meeting ni Pangulong Bong-Bong Marcos na nagbigay ng malinaw na direktiba tungkol sa kung paano mapipigil ang pagtaas ng bigas sa merkado.

Ang isinagawang operasyon ay batay sa kautusan mula sa Pangulo kung saan apat na bodega ang kanilang nadiskubre na nag-iimbak ng bigas at palay.

Dagdag ng opisyal, kapag

hindi nakapagpakita ng mga kaukulang dokumento ang mga may-ari ng mga bodega na lehitimo ang pag-angkat nila ng sako-sakong bigas at palay at hindi nagbayad ng tamang buwis ay kaagad silang magsasagawa ng ligal na aksiyon at kukumpiskahin ang mga item.

Napag-alaman na ang 154,000 sako ng imported rice ay galing sa Vietnam at Pakistan na aabot sa halagang P431 million, samantalang ang mga sako ng palay ay may halagang P88 million.

Iniutos ni House Speaker Martin Romualdez na sumama sa pag-iinspeksiyon ng BOC na kasuhan ang mga smuggler at hoarder ng bigas.

DANNY GRAVADOR



Poor Filipinos are hardest hit by rice prices

With the average Filipino consuming one-third kilo of rice daily, the soaring prices of this staple food certainly constitute a gut issue that needs to be tackled with extreme urgency.

The necessity of having affordable rice is beyond dispute. Food, along with air and water, is the most essential human need. So essential that it is among the most basic in renowned psychologist Abraham Maslow's Hierarchy of Needs. And with Filipinos as voracious rice eaters, rice is most basic among all food items.

So basic indeed that the scarcity of rice selling below P50 per kilo nowadays can be causing so much stress and anxiety on consumers, particularly those with fixed income. And the situation can be especially devastating for jobless Filipinos.

Prices of other basic food items like eggs and vegetables have climbed anew in recent days, but because the very poor among us often subsist on rice only, it is the rising prices of rice that can be extremely bothersome to those who frequently experience the pangs of hunger.

Thus, it's imperative that everything ought to be done to find—sooner rather than later—solutions not only to keep prices of food, particularly rice, from spiraling out of control, but to pull them down to manageable levels. The old adage that "a hungry man is an angry man" should prompt government planners to do more.

"Rising food prices have a great-

INSIGHTS.xlr8

Angelo
Tugado



er impact on people in low and middle-income countries since they spend a larger share of their income on food than people in high-income countries," the World Bank (WB) said.

To be sure, the soaring prices of rice and other food items are confined not only to the Philippines but has become a global phenomenon. Food prices are higher than those experienced during the Arab Spring uprising. And many are worried over the increasing risk of violence arising from a looming food crisis worldwide.

Many factors have created a so-called perfect storm for a global food crisis. Climate change, which is affecting food production, and the Russia-Ukraine war that disrupted the global supply chain, plus the decision of India, the world's top rice producer, to stop rice exports, are the top factors threatening global food security.

In April last year, a WB report warned of a worsening situation in the coming years when it said: "The war

in Ukraine has altered global patterns of trade, production, and consumption of commodities in ways that will keep prices at historically high levels through the end of 2024 exacerbating food insecurity and inflation."

With exacerbated food insecurity and inflation, more poor Filipinos would go hungry. The hunger rate in the Philippines might even exceed the all-time high of 30.7 percent in September 2021 at the height of the Covid-19 pandemic. Around 7.6 million Filipino families went hungry that time, a Social Weather Stations survey said.

And along with rising hunger rate will be the rise in malnutrition, particularly stunting and wasting, plaguing Filipino families. High prices of rice would compel the very poor families to pour all their meager funds to buy the staple, leaving nothing to buy other food items that can provide much need nutrition.

Current data on malnutrition can be very disturbing: 95 Filipino children die daily, 27 out of every 1,000 kids do not get past their 5th birthday, and one of every three children is irreversibly stunted by the age of 2 due to lack of nutritious food.

Thus, government technocrats need to come out with more effective measures to address the gloomy situation. How to increase agricultural productivity and provide broader social support for the needy ought to be among priority measures.

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Fish stocks survive ocean heatwaves — study

By AGENCE FRANCE-PRESSE

BREST, France — Ocean fish can weather marine heatwaves with no major impact on their numbers, a study showed Wednesday, a rare flash of good news following a summer of record-breaking temperatures.

Weather monitors reported record-warm sea-surface temperatures in July — but the study of thousands of deeper fishery samples from 1993 to 2019 found that ocean heatwaves generally spared fisheries.

“I was surprised by the results,” Alexa Fredston, assistant professor in the department of ocean sciences at the University of California, Santa Cruz, and lead author of the multinational study published in the journal *Nature*, told AFP.

“We know that fish communities have responded to long-term warming of the oceans by moving toward the poles... so I anticipated similar findings — such as the fish community

having more warm-affiliated species and fewer cold-affiliated species than usual — following marine heatwaves.”

However, the study found such heatwaves did not generally cause cold-water species to decline rapidly or warm-water species to teem.

The researchers analyzed data on 1,769 species in 82,000 catches by scientific trawlers in the north Atlantic and northeast Pacific, and on 248 deep-sea heatwaves — five days or more of extreme higher-than-average warmth — recorded in the same period.

They noted a 22-percent loss of fish in the Gulf of Alaska after a marine heatwave in 2014-2016, and a gain of 70 percent in the northeastern US after another heatwave in 2012.

Such cases, however, “were the exception, not the rule,” the study said.

“Against the highly variable backdrop of ocean ecosystems, marine heatwaves have not driven biomass change or community turnover in fish communities that support many of the world’s largest and most productive fisheries.”



Japan PM eats 'safe and delicious' Fukushima fish

TOKYO, Japan (AFP) — Japan's prime minister ate what he called "safe and delicious" fish from Fukushima on Wednesday, days after wastewater was released from the area's crippled nuclear plant into the Pacific.

A video clip showing Fumio Kishida eating Fukushima fish, published on social media by his office, comes after China banned all seafood imports from its neighbour following the discharge that began on August 24.

"This is very good," Kishida said as he chewed on a slice of flounder sashimi, calling on viewers to enjoy "safe and delicious" Japanese seafood to support the northeastern region.

The clip, overlaid by cheery music, showed the conservative leader joined by three other ministers at his office for sashimi, boiled pork, fruits, rice and vegetables from the Fukushima region.

It was designed to promote products from the area 12 years after Fukushima was devastated by a huge earthquake and tsunami that triggered one of the world's worst nuclear disasters.

Even before the wastewater release, many in Japan's fishing industry were worried about what it would do to the reputation of the country's seafood domestically and abroad.

The discharge, equivalent to more than 500 Olympic swimming pools, is expected to take decades and will allow engineers to start removing highly dangerous radioactive fuel from three wrecked reactors.

Bricks and eggs have been thrown at Japanese schools and consulates in China and Tokyo has advised its nationals there to keep a low profile. Businesses in Japan have also been swamped with nuisance calls from Chinese numbers.



JAPAN'S Prime
Minister Fumio
Kishida (AFP)



PERSPECTIVE

Building agricultural resilience in a changing climate

BY ESTHER NGUMBI

URBANA, Illinois: Across the United States and around the world, extremes in weather patterns, from drought and excessive heat to flooding to wildfires to outbreaks of insect pests and disease, have become frequent and are predicted to continue to become more intense because of climate change and the warming of our planet.

These recurring climate-linked extreme events serve as warning signals that no state, country or region is immune to climate change. Leaders and citizens in all areas must act with urgency to mitigate this existential threat to humanity.

As leaders around the world consider climate mitigation initiatives, they need to be sure to strengthen agricultural crops' resilience to extreme heat, drought, insect herbivory and flooding that have become increasingly common.

These record-breaking and historical extremes in weather, impacting farmers and our ability to grow essential agricultural crops such as maize, wheat, soybeans, wheat and vegetables mark a pivotal moment for all of us, including scientists, and policymakers at all levels. Much more needs to happen to strengthen agricultural systems of today so that crops can withstand these adversities.

Like humans, crops are sensitive to drought and extreme heat and their interactions. When temperatures are high, normal crop growth and development is affected. Furthermore, several important crop physiological processes, such as respiration, photosynthesis and transpiration, are affected by heat stress.

Similarly, crops including maize and vegetables, such as tomato, are also sensitive to excessive rainfall and flooding stress when it happens individually or in combination with other stressors. Evidence to date reveals that, in fact, excessive rainfall results in maize yield losses of comparable magnitude to drought.

Ultimately, because of extremes brought about by climate change, plants' normal growth is affected with consequences for yields, food supply and security, as well as agriculture. This is problematic for many reasons, because agriculture is an important sector of the economies of the US, the United Kingdom, France, and many African countries.

Of concern are the cascading consequences and other legacy effects that may linger, long after extreme events such as drought have happened. These legacy effects affect both soils, microbial communities living in the soils and the health of crop plants that

are grown in years to come.

Clearly, there is an urgent need to have strategies to help strengthen plants and agricultural resilience to drought, heat waves, elevated temperatures, flooding, extreme precipitation and insect outbreaks.

Strengthening the resilience of agricultural and crop plants demands the incorporation of multiple strategies.

Among these is to encourage farmers to adopt climate-smart practices. These include many approaches ranging from planting heat and drought-tolerant crop varieties to planting varieties that have been bred to enhance their photosynthetic capacities and water-use efficiencies when periods of stress occur, to applying products such as silicon and silicone nanoparticles to applying inoculants that are made from naturally occurring beneficial soil microbes that can confer tolerance to heat and drought among other stressors.

In addition, growers can adopt soil health-conservation practices, including planting cover crops, mulching and practicing no till or reduced tillage. All these practices ultimately improve soil health. It's a win-win situation.

In parallel, there is a need to fund research to understand how crops respond to drought, flooding, insect herbivory outbreaks and other climate-linked stresses. There is a need to fund research that breeds crops that can grow under the new climate extremes including crops that can grow and produce when two stressors happen in combination.

All these strategies require some form of capital. Hence, it is important for growers to be assisted with the capital and other inputs they need to adopt climate-smart strategies and other soil health conservation practices. Governments, nongovernmental organizations and private funders must work together and create partnerships to ensure that growers and researchers have the funds needed to adopt these practices.

In dealing with climate-change extremes that threaten the growth, development and health of crops that are important to meet our food security needs, we must choose to facilitate the adoption of practices that strengthen crop resilience to these stressors. Every investment in research and funding the adoption of these strategies by growers helps.

IPS

Esther Ngumbi, PhD, is assistant professor at the Department of Entomology under the African American Studies Department at the University of Illinois at Urbana-Champaign.



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Soybeans flat, wheat down

SINGAPORE- Chicago soybeans were largely flat on Thursday, but hit their biggest monthly gain since February 2022, supported by strong US export demand and fears that dry weather is damaging the crop at a key stage of development.

Corn and wheat were on track to end August lower, with wheat set for its biggest monthly loss since last November amid plentiful supplies from top exporter Russia.

"The weather in the US will continue to move soybean markets in the coming month," said Dennis

Voznesenski, senior grains analyst at Rabobank.

"Harvest pressure in the northern hemisphere continues to weigh on global wheat markets. Russia's strong wheat export pace in particular following last years record crop and now a large new crop will continue weighing on markets in the short term."

The most-active soybean contract on the Chicago Board of Trade (CBOT) was roughly unchanged at \$13.86-1/4 a bushel and up around 4.1 percent this month. - Reuters