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## Marcos secures \$22M in investment pledges from Indonesian companies

**PHILIPPINE President Ferdinand R. Marcos, Jr.** secured \$22 million (P1.3 billion) in investment pledges from Indonesian companies in the animal health, artificial intelligence (AI) and digital sectors, according to the Presidential Palace.

Mr. Marcos met with top executives of Indonesian companies on the sidelines of the Association of Southeast Asian Nations (ASEAN) Summit in Jakarta.

In a statement, the Palace said PT Vaksindo Satwa Nusantara is planning to invest \$2 million as it works with Univet Nutrition and Animal Healthcare Company Philippines (UNAHCO, Inc.) on veterinary vaccines. The company, known as Indonesia's first animal vaccine maker, is expected to provide the Philippines with an avian influenza vaccine.

*Pledges, SI/2*

### **Pledges,** *from SI/1*

Mr. Marcos also met with executives of PT WIR Asia Tbk, described as the first metaverse company in Indonesia. WIR's subsidiary PT Mata Nilai Republik is planning to invest \$20 million in the Philippines in the next five years.

The President also met with executives of satellite company Pasifik Satelit Nusantara (PSN). PSN last year signed a memorandum of understanding (MOU) with WIT Philippines, Inc., which would involve the launch of a satellite by December that would help improve digital connectivity in the country.

Mr. Marcos' business meetings were led by the Department of Trade and Industry (DTI) through the Philippine Trade and Investment Center-Jakarta.

"The meetings were a follow-up to the President's state visit to Indonesia, aimed to forge strategic linkages and partnerships between the Philippines and Indonesia in key sectors, such as agriculture, specifically animal vaccine manufacturing, digital technology, and innovation," the DTI said in a statement.

Separately, the Palace said the Philippine private sector had signed a deal with its Southeast Asian counterparts to improve ties in agriculture and small business development, as

the region seeks to promote economic integration.

The memorandum of understanding signed by members of the ASEAN-Business Advisory Council (BAC) aims to jointly conduct studies and mentorship opportunities for potential agriculture, agriculture technology, food security, agri-preneurship business models and value chain development among small, medium, and large farmers, enterprises, and government entities.

The development of trade and investment opportunities in various agricultural commodities including rubber, rice, corn, fruits, vegetables, and other agricultural services is expected under the joint cooperation, the DTI said.

Separate MOUs were signed for each cooperation with Thailand, Brunei, Singapore, Laos, Cambodia, Vietnam, Myanmar, and Indonesia through their respective ASEAN-BAC representatives.

The Philippines was represented by ASEAN-BAC Philippines Chairman Jose Ma. Concepcion III, a member of Mr. Marcos' Private Sector Advisory Council.

"All member states also agreed to jointly promote effective strategies in addressing climate change and ensure

a sustainable agribusiness environment," the Palace said.

Speaking at the ASEAN-BAC roundtable dialogue, Mr. Marcos said the Philippines seeks to deepen economic ties with ASEAN countries through the Regional Comprehensive Economic Partnership (RCEP).

"It is a catalyst that is seen to bring in even more collaboration amongst ASEAN member states," he said. "We are positive that RCEP will further deepen economic integration and significantly contribute to the economic growth of the region."

RCEP, which covers nearly a third of the global population and about 30% of its global gross domestic product, took effect locally on June 2. Participating countries include the members of ASEAN, Australia, China, Japan, New Zealand, and South Korea.

The trade deal is heavily supported by China, whose trade with member countries, according to a May 2022 analysis from China Briefing, accounted for 30.4% of Beijing's total foreign trade value.

Critics of RCEP have already warned that the trade deal would only make the Philippines heavily reliant on imports from China and prevent the Southeast Asian nation from pursuing trade diversification. — **K.A.T. Atienza**





## PH scores \$22M investments from Indonesia; bats for stronger ties in Asean

BY JOCELYN MONTEMAYOR

**PRESIDENT Marcos Jr.** secured around \$22 million worth of investments in animal health, artificial intelligence (AI), and digital connectivity following his meetings with top Indonesian companies at the sidelines of the 43rd Association of Southeast Asian Nation (Asean) Summit in Jakarta in Indonesia.

The President, on Tuesday, met with the executives of PT Vaksindo Satwa Nusantara, PT

WIR Asia Tbk, and Pasifik Satelit Nusantara (PSN) which committed to invest in the country.

The Presidential Communications Office (PCO) in a news release issued on Wednesday said PT Vaksindo Satwa Nusantara, in cooperation with its local partner, Univet Nutrition and Animal Healthcare Company (UNAHCO Inc.) Philippines, will place \$2 million in investment this year on veterinary vaccines and “will soon provide the Philippines with an avian influenza vaccine.”

Outbreak of avian or bird flu was reported in the country in January which, based on the data from the Bureau of Animal Industry (BAI), recorded 198 cases as of end July and resulted in the mortality of 182,968 heads and culling of 1.267 million poultry nationwide.

PT WIR Asia Tbk. and its subsidiary PT Mata Nilai Republik, pledged to invest \$20 million in the country in the next five years with focus on its expertise – the development of augmented reality

(AR) technology integrated with virtual reality (VR) and artificial intelligence (AI).

Marcos also met with officials of PSN who updated him on the results of the memorandum of understanding (MOU) signed in September 2022 about the launching of a satellite in December 2023 to help improve digital connectivity in the Philippines.

Under the PSN-WIT Philippines Inc. MOU, 13.5 Gbps of bandwidth would be allocated to the Philippines from a new satellite

that PSN is scheduled to launch within the year.

Meanwhile, prior to the meeting with the three firms, Marcos witnessed the signing of an MOU on agriculture cooperation and small business development between Asean-BAC from the Philippines, Thailand, Brunei, Singapore, Laos, Cambodia, Vietnam, Myanmar, and Indonesia which seeks to boost Asean efforts towards economic integration.

The MOU aims to jointly conduct “studies and mentorship

channels with Filipinos for potential agriculture, agriculture technology, food security, agripreneurship business models and value chain development among small, medium, and large farmers, enterprises, and government entities,” as well as develop more trade and investment opportunities in various agricultural commodities including rubber, rice, corn, fruits, vegetables, and other agricultural services.

See PH > Page A2

### PH

The Philippines was represented by Asean-BAC Philippines chairman Jose Ma. Concepcion III.

On Wednesday, Marcos, during his intervention at the 26th Asean-China Summit, welcomed the ongoing Asean-China Free Trade Area 3.0 upgrade negotiations which he said will encourage stronger ties between ASEAN and China.

He also expressed hope more leveraged complementarities will be identified through China's Belt and Road Initiative and the Asean

Outlook on the Indo-Pacific (AOIP).

The President also emphasized the need to enhance Asean connectivity and supply chain, stressing that among the priority areas of the AOIP are maritime cooperation which is significant to the Philippines as an archipelagic nation.

“Among the priority areas of the AOIP, maritime cooperation is especially significant to the Philippines as an archipelagic nation,” Marcos said.

During the 24th ASEAN-Republic of Korea (ROK) Sum-

mit, the President underscored the importance of a strong Asean-ROK to further expand mutual trade and the preservation of biodiversity throughout the years, including the enhanced protection of migratory species and the conservation of their wetland habitats.

Marcos also welcomed Korea's plans to elevate their relation with Asean to a Comprehensive Strategic Partnership.

The President is in Indonesia until today to attend the Asean Summit and Related Meetings.



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## FIRST PERSON

ALEX MAGNO

### Spooked

This is mind-boggling.

After ordering price caps on rice that would certainly hurt the small retailers, the Palace is now rushing to remunerate them P15,000 each through the DSWD. Not to be outdone, various local governments are promising retailers such things as cancellation of rentals for their stalls to help them survive the price capping.

Through the first day of the price caps, it was observed that the executive order was largely honored in the breach. Retailers either reclassified the rice they sell or limited their stocks of lower priced rice subject to price capping.

It was only in the big markets in Metro Manila, where government officials were likely to appear for photo-ops, that retailers religiously followed the mandatory price caps. But many of them did not stock up on regular-milled varieties. By noon last Tuesday, the capped rice varieties ran out of stock.

One television clip featured a dour-faced retailer dispensing her stocks to consumers eager to take advantage of cheaper rice. She said she was losing P8 for every kilo of rice sold. This was not a happy day for her small business.

The more worrying thing, however, are reports that some of our rice importers have cancelled their orders from Thailand and Vietnam. Given the price uncertainties, it was certainly the most prudent business decision to make. But this is not the best thing to happen during a moment when tradable rice stocks were thin and the severity of the El Niño phenomenon is uncertain. When the crunch happens, we will have no buffer stock to speak off.

Rice and oil are the two most politically sensitive commodities in this country. We import nearly all our oil and a larger part of our rice. That means we have less and less ability to control price movements in both commodities.

We used to assume we could import rice on demand because we were paying more for the commodity. That is no longer true. At the rate rice prices are rising in Asia, imported rice could actually become more expensive than local varieties. This is a factor explaining the reduced propensity of importers to place orders abroad.

Add to this the possibility they might be labelled "smugglers" and "hoarders" – the bogeymen blamed for higher rice prices. No one wants to talk about the structural inefficiency of our rice production. That is too complex and will take too long to repair.

The administration is, no doubt, feeling the heat from rising rice prices. Spiking food and energy costs



are the reasons explaining why the inflation rate for August began going up again. Only intense political heat could explain the funny economics underpinning the price caps – or the policy improvisation, such as remunerating retailers, that followed.

In survey after survey, the administration rates lowest for inflation management. The more prices rise, the lower public approval of the administration's performance will be. This is especially true because President BBM chose to serve concurrently as agriculture secretary. The buck stops with him.

The political calculus here is fairly simple. It will take longer than the current presidential term for any palpable improvement in our agriculture to happen. Therefore, anything he does in this sector will be deemed a failure.

We are told that the rice price situation would improve in a few weeks after bountiful rice harvests are made. If the harvests are not as bountiful as the DA bravely projects, we could have rice rationing – because in the meantime the price caps have spooked our importers.

There has been persistent speculation that Mar Roxas could be named agriculture secretary. The President should have made that appointment on Day One. If he did, we would have a convenient Dilawan to blame for the crisis we are experiencing now.

It would be too late to appoint Mar tomorrow. Things are so bad now, they will just have to get better somehow. Mar will reap the praise and the President will harvest the scorn.

A week, as one British statesman observed, is a very long time in politics.

Congress is not helping relieve the anxiety about food price stability. The other day, some bright legislator thought it a good idea to empower President Marcos II with emergency powers to deal with the rice situation. The only way for emergency powers to be strategically important for our failing agriculture is if those powers are used to roll back the agrarian reform program – the main reason our farms have been trapped in subsistence level.

In our collective policy imagination, we have created a destructive binary distinction between "agriculture" and "industry." Because of this, we have encouraged investment flows to "industry" but not to "agriculture." Agro-industry just fell through the cracks.

Not only do we have a creaky logistics system that delivers the crop to the final consumers with high spillage and spoilage, we do not have elementary food processing to extend the shelf life of highly perishable produce. We do not have enough of a cold chain to conserve our onions. We do not have enough basic manufacturing to can produce.

A few months ago, farmers were dumping tomatoes by the roadsides because they could not be sold. The last few days, prices for tomatoes tripled because there is not enough of them.

In the stews I make, I use canned Spanish or Italian tomatoes, creamed or chopped. That is only because they are actually cheaper.



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## EYES WIDE OPEN

IRIS GONZALES

### A hundred years of rice crises

It's as if we're in a novel, in a land of enchantment, inflicted with a generational curse from a mischievous mythical creature or a disavowed fairy as we find ourselves facing another rice crisis.

Indeed, we've been having rice problems for more than a hundred years now. Way back in 1919, the Philippines experienced a rice supply crunch, which led to massive starvation, no thanks to poor harvests and greed of rice landlords.

Decades later, in 1930, triggered by the Great Depression in America, the country experienced a daily shortage of rice; social unrest erupted.

Now, 104 years later, here we are still trying to solve our rice problems. Between then and now, there were many other dire situations involving the commodity.

Says a June 1, 1949 article by American professor J. E. Spencer about the Philippines' rice situation:

"The most constant headache in the current Philippine material economy, and one of the most common topics of conversation throughout the islands, is the problem of rice. Hundreds of opinions are being rendered as to the best solution. There is little question that it can be solved. The three principal topics of discussion are: growing more rice, importing more rice and controlling the distribution, price and sale of rice. Criticism is leveled at the farmer, the rice trader and the government.

"In point of fact, the Philippines has not fed her own population since late Spanish times." (Spencer, Far Eastern Survey, June 1, 1949).

Today, the same throbbing headache continues to hurt us.

President Marcos had promised to bring down the price of rice to P20 per kilo but it was a promise that was impossible to fulfill, especially because the era of cheap food is over.

Global factors – the pandemic, supply chain issues and a rice export ban by India – have all aggravated the situation.

As a result, the price of the grain is almost out of reach, especially for the poorest of the poor.

To address the situation, President Marcos issued EO 39 imposing a price cap of P41 per kilo for regular milled rice, while well-milled rice will have a price cap of P45 per kilo.

It's a controversial move, which took effect last Sept. 5; rice retailers said they have no choice but to defy the EO. Their losses are piling up, they said.

#### The law of supply and demand

With the EO, the government is messing with the law of supply and demand. Perhaps the President and his advisers deemed the problem of skyrocketing



rice prices as a desperate situation that called for a desperate measure; estimates showed that the price of rice may hit P75 per kilo.

Socioeconomic Planning Secretary Arsenio Balisacan, also an agriculture expert, said there is an artificial shortage because the price of rice has been sharply increasing over the past weeks. This can only be because of hoarding.

The upcoming harvest season, he said, starts soon and there are also additional import orders, which means we already have enough rice for the rest of the year.

"And yet, the price of rice has been sharply increasing over the past weeks, which is inconsistent with the apparent supply and demand situation. This implies that some are depicting a shortage at this time," Sec. Balisacan said.

Thus, he said, the imposition of a price ceiling on rice would address skyrocketing prices of rice in two ways: "(1) it will immediately reduce the price of rice and (2) it penalizes and consequently discourages hoarding, further decreasing the price of rice." I fervently hope we meet these two objectives.

#### Win-win solution

House Speaker Martin Romualdez said he would continue to speak with rice retailers to address their fears that the rice price ceiling ordered by the Palace would make them lose money. A win-win solution would be discussed, he promised.

One option that the House leader is looking into is to provide aid or *ayuda* to the retailers who will be affected by the EO.

"We have to talk to them to come up with a win-win solution wherein they won't be adversely affected by the price ceiling," he said.

Time will tell what happens next and how long the government can implement the EO. It's a desperate measure but I hope it's only temporary.

And while this is happening, law enforcement authorities must continue to crack down on the powerful rice cartels.

With billions in intelligence funds available to authorities, it should be easy to identify these unscrupulous traders, as well as their backers in high places.

Rice is a political issue and while the EO may provide a temporary solution to skyrocketing prices, price ceilings in general translate to losses in any economy.

Moving forward, President Marcos, our agriculture secretary, must also focus on implementing lasting solutions to solve our rice problem. These may include helping farmers boost productivity, fixing irrigation systems, providing post-harvest facilities, breaking the cartels and supporting supply shortfalls through imports.

Unless we really focus on long-term answers, our rice-related issues will persist. We don't want a hundred more years of rice crises, do we?

What we all dream of is the country's golden age – a period where life is good and food is plenty. I would want a hundred years of that for sure. And even more.

\* \* \*

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## Editorial

### No time nor need to reinvent the wheel

IN the wake of approving the Department of Trade and Industry's (DTI) three-year food logistics action agenda, President Ferdinand Marcos Jr. has announced a "multifaceted initiative" to overhaul the country's entire logistics sector. The plan to be developed, according to a statement from the President's office, "aims for cost reduction, infrastructure investment, supply chain resilience, enforcement measures and technology adoption, [and] integrating food terminals into a centralized logistics framework."

While the shorter-term, food-specific plan created by the DTI is a worthwhile initiative despite taking nearly a year to be produced, creating a new blueprint for the logistics sector as a whole would be an unnecessary and unproductive expenditure of effort toward reinventing the wheel. The needed work has already been done, by multiple agencies both inside and outside the government, resulting in a surfeit of plans that collectively offer as many innovations and reforms as anyone could wish for.

By our count, there are at least six such plans dating back to 2017. The Asian Development Bank and the Japan International Cooperation Agency have each produced a comprehensive set of recommendations and provided updated versions at least annually. The DTI was working on a broad logistics strategy apart from its food plan as recently as December last year. The Philippine Institute of Development Studies has likewise produced several studies that, taken together, cover most of the logistics sector. Early last year, the Department of Transportation was pitching its infrastructure and logistics strategy proposal, which included a recommendation for the creation of an "Office of Multimodal Transport and Logistics." Finally, a private sector group spearheaded by the Philippine International Seafreight Forwarders Association Inc. and United Portusers Confederation also produced a "Philippine Multimodal Transportation and Logistics Roadmap" in 2016 and has been trying to get someone in government to read it ever since.

Not all of the available plans cover all the bases, but they individually address most of them and, taken together, present a complete picture. Apart from the specific issues of food logistics covered in the recent DTI plan, which include farm-to-market and farm-to-terminal linkages and cold storage and transfer infrastructure, there are a number of other critical problems for which solutions are presented.

Some of the larger issues include expanding and upgrading public transportation networks; establishing general logistics hubs to improve distribution of goods across the country; improving inter-island transport connections and expanding port and airport upgrades; improving connectivity between ports, industrial and distribution areas, and population centers; implementing comprehensive administrative and process reforms in the Bureau of Customs; and separating regulatory and operating functions of agencies such as the Philippine Ports Authority, among others.

The recent statement from the Office of the President suggests that the development of a new logistics sector blueprint would be carried out by a working group composed of the Department of Agriculture, the Department of Transportation, the Department of Public Works and Highways, the Department of the Interior and Local Government, the Department of Information and Communications Technology, the DTI, and development partners. If there were no available examples of logistic development strategies to draw upon, this kind of unwieldy arrangement might be necessary, but it is not, and experience has taught us that the larger a government body is, the slower it works. It took the DTI alone nearly a year to develop its food logistics plan, starting from a directive by the president in September of last year. How much longer might it take a multi-agency group to produce an actionable plan?

Rather than take that approach, the government should instead leverage the knowledge that has already been developed. This, after all, would be in concert with the president's stated goals toward "rightsizing" and streamlining government processes. A small group of analysts could, within a very short period of time, produce a strategic blueprint simply by combining the various plans that already exist. With allowances for concerned agencies to review and comment on the work, a final plan could be available and already implemented within a matter of months, perhaps before the end of the year, allowing real work to commence.



# The Manila Times®

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## Marcos wants better cooperation with Indonesia

PRESIDENT Ferdinand Marcos Jr. on Tuesday expressed his desire to forge stronger ties with Indonesia that would result in more business opportunities.

"I cannot say now how happy I am to be able to have met with you, some of you again, and to have this opportunity so that we can hopefully explore many areas that we have really not spoken about before but

are particularly relevant when it comes to partnerships between our two countries both in the private and the public sectors," Marcos said in an Association of Southeast Asian Nations-Business Advisory Council (Asean-BAC) meeting attended by chief executive officers of various businesses and corporations.

The Asean-BAC discussion is a side event

of the 43rd Asean Summit.

Marcos stressed the importance of increased cooperation in agriculture, energy, digitalization and supply chain.

"We have adopted a policy of a very close coordination and cooperation with the private sector, and that I think is also the element that will add to the possibilities to excel," he added, noting his

administration's commitment to support businesses and investors.

Signed during the meeting was the memorandum of understanding (MoU) between the Philippines and Asean-BAC stakeholders.

The Philippines was represented in the ceremony by Asean-BAC Philippines

➤ **CooperationA8**

## Marcos wants better cooperation with Indonesia

Chairman and Go Negosyo founder Jose Ma. "Joey" Concepcion 3rd.

Under the MoU, studies and mentorship channels with Filipinos will be conducted "for potential agriculture, agriculture technology, food security, agri-preneurship business models and value chain development among small, medium, and large farmers, enterprises, and

government entities."

It also includes the development of trade and investment opportunities in various agricultural commodities, including rubber, rice, corn, fruits, vegetables, and other agricultural services.

All member-states have agreed to jointly promote effective strategies in addressing climate change and ensuring a sustainable agri-

business environment.

### Positive yield

Marcos' attendance at the meeting yielded \$22 million in investments, said the Presidential Communications Office.

Among those who met Marcos were top executives of PT Vaksindo Satwa Nusantara, PT WIR Asia Tbk,

and Pasifik Satelit Nusantara (PSN).

PT Vaksindo Satwa Nusantara, in collaboration with its local partner, Univet Nutrition and Animal Healthcare Co. Philippines, has agreed to manufacture veterinary vaccines and infuse \$2 million in investments into Philippine projects this year.

They will soon provide the country with an avian influenza vaccine.

PT WIR Asia Tbk, along with its subsidiaries, PT Mata Nilai Republik, plan to invest \$20 million in the Philippines in the next five years. WIR is an Indonesian publicly listed company that develops augmented reality (AR) technology integrated with virtual reality (VR) and artificial intelligence.

"It is considered the first Metaverse company in Indonesia," Malacañang said.

Marcos likewise met with Pasifik Satelit Nusantara (PSN) to update the agreement signed with WIT Philippines Inc. in September last year regarding a satellite launch in December. The project aims to upgrade the country's digital connectivity by allocating 13.5 Gbps of bandwidth.

**KRISTINA MARALIT**



**editorial**

# Marcos: 'Rice market is being manipulated'

STEPHEN KING'S "Fool me once, shame on you. Fool me twice, shame on me" dictum also applies to governance. Two days after the PSA's announcement that inflation rose to 5.3 percent in August, snapping six straight months of declines, President Marcos signed Executive Order (EO) 39 capping the price of rice. The nationwide price ceiling mandates a price of P41 per kilo for regular milled rice and P45 per kilo for well-milled rice.

The President knows what's coming, and he wanted to take control of the situation. Shame on the cartels trying to manipulate rice prices, like what they did to onion prices last year. The hoarders were so shameless they made the Philippines the laughingstock of the world when onions were sold three times as expensive as chicken.

Marcos defended the need for government intervention to address the recent spike in rice prices, which he attributed to attempts of smugglers and hoarders to manipulate the market amid an ongoing harvest season.

"I don't want to tamper with the market and let it do its work...but our market is being manipulated, so the government has to step in by putting in place a ceiling for the price of rice," he said.

The President said the government will tap the P6.4-billion sustainable livelihood program fund of the Department of Social Welfare and Development (DSWD) to provide aid to small-scale rice retailers affected by the price ceiling.

In his speech before flying to Indonesia to attend the 43rd Asean Summit, he said the Department of Trade and Industry and the Department of Agriculture are now coming out with the list of qualified beneficiaries for the initiative through the help of rice retailer associations. **(Read the BUSINESSMIRROR report, "PBBM vows aid for rice retailers; off to Asean meet," September 5, 2023).**

"The rice retailers should have nothing to worry about. We understand that you will face an ordeal [because of EO 39], since you will suffer losses. The government is there to provide you assistance so you can recoup your losses from the price cap," Marcos said.

DSWD Secretary Rexlon "Rex" T. Gatchalian confirmed they have sufficient SLP funds to finance the cash grants for the affected retailers.

The House of Representatives is working closely with the Department of Budget and Management to allocate P2 billion in cash assistance for retailers affected by the rice price ceiling imposed by the Palace, Speaker Ferdinand Martin G. Romualdez announced on Monday. "Our goal is to ensure that we can extend assistance to rice retailers who may be affected by this rice price ceiling, as it is a directive from our President aimed at protecting consumers," Romualdez said. **(Read the BUSINESSMIRROR report, "House, DBM tweak 2023 budget for P2-billion rice retailers' aid," September 5, 2023).**

House Committee on Ways and Means Chairman Joey Sarte Salceda backed the setting of a rice price ceiling "as a signal against potential price manipulation and hoarding in the domestic rice market."

"As long as we have a game plan for the next steps—such as boosting local rice supply and diversifying our import sources—we will come out of this crisis strong," Salceda said.

"As a signal to the global market, the actions of the Marcos administration have also worked. You see, the behavior of the Philippines massively affects the movement of global rice prices. So, our signaling that we will be aggressive against price manipulation seems to have shown the world market that we will not condone artificial jumps in the price of rice," he explained.

Salceda recalled that in the 2008 rice price crisis, India imposed a similar export ban, which also disturbed the world rice markets and pushed up the price of rice in the Philippines. "We've seen this crisis before. We know how to deal with it. It mostly involves signaling to our world partners that we will not over-import, so that they don't anticipate and drive prices up."

Analysts said the price intervention could fail to stem rising food expenses in the long run. They said prices help allocate scarce resources, and price caps distort the efficient allocation of goods.

The chief executive, however, said the price cap will be temporary. "The rice supply will be coming in the second week of September. These include the harvest from the Philippines and those that are imported. There will be no reason to raise the price of rice and we can bring it back to the price that we are used to," Marcos said.





# PHL forges agribusiness, investment deals

By SAMUEL P. MEDENILLA

[@sam\\_medenilla](#)

**T**HE Philippine government signed investment deals and agreements to boost the sustainability of local businesses during the 43rd Association of Southeast Nations (Asean) Summit and Related Summits in Indonesia.

President Ferdinand Marcos Jr. inked investment deals worth \$22 million with Indonesian firms. The government

also forged agreements with the Asean-Business Advisory Council (BAC) for agriculture cooperation and small business development.

Among the completed agreements is the 5-year expansion plan in the country of PT WIR Asia Tbk., with its subsidiaries, namely PT Mata Nilai Republik, worth \$20 million.

WIR is engaged in the development of augmented reality technology integrated with virtual reality and artificial intelligence.

Also finalized was the cooperation agreement between PT Vaksindo Satwa Nusantara with its local partner, Univet Nutrition and Animal Healthcare Company (UNAHCO Inc.) Philippines.

Under the said accord, PT Vaksindo Satwa Nusantara will invest an initial \$2 million to make its avian influenza vaccine available in the country.

Both business deals were signed in the meetings organized by the Department of Trade and Industry between the President and

several Indonesian companies last Tuesday.

Marcos also met with officials of Pasifik Satelit Nusantara (PSN) to get updates on the implementation of its memorandum of understanding (MOU) with an investment value of \$350 million as well as its planned satellite launch in December.

The satellite will allow PSN to allocate 13.5 gigabytes per second to the Philippines to expand its local presence.

In a related development, the

government also signed 8 separate MOUs with the Asean-BAC representatives of Thailand, Brunei, Singapore, Laos, Cambodia, Vietnam, Myanmar, and Indonesia.

The Asean-BAC representative of Malaysia already signed a similar MOU last July.

The MOU enables the creation of "studies and mentorship channels with Filipinos for potential agriculture, agriculture technology, food security, agripreneurship business models and value chain development among small, medium,

and large farmers, enterprises, and government entities."

The development of trade and investment opportunities in various agricultural commodities including rubber, rice, corn, fruits, vegetables, and other agricultural services is expected to be explored under the joint cooperation.

All member-states also agreed to jointly promote effective strategies in addressing climate change and ensure a sustainable agribusiness environment.





## Mga rice retailer kasado sa price cap

NANGAKO ang Grains Retailers Confederation of the Philippines (GRECON), ang pinakamalaking grupo ng mga rice retailer sa bansa, na susunod sa price ceiling sa bigas basta't pansamantala lamang ito.

Sa Executive Order No. (EO) 39, itinakda ang P41 hanggang P45 kada kilong price ceiling sa bigas, na epektibo na simula nitong September 5.

Saad ni GRECON national president James Magbanua, ikinagulat man ng mga retailer ang EO na inilabas ni Pangulong Ferdinand "Bongbong" Marcos Jr., susundin nila ang utos bilang responsableng mamamayan.

"The national government assured

assistance to our retailers so negative reaction was lessened, but I have yet to talk to all (regional leaders)," lahad ni Magbanua sa isang panayam sa radyo.

"I have a meeting on Thursday in the Luzon area, (with) the president of all different regions, to explain to them why we must not shy away from the challenge and that we need to comply with the EO, but this should be temporary," dagdag pa niya.

Sabi pa ni Magbanua, nabili ng mga retailer ang well-milled rice sa halagang P50 kada kilo habang P45 kada kilo naman para sa regular milled rice.

Nakasaad sa EO na ang well-milled rice ay dapat ibenta lamang sa maxi-

mum price na P45 habang sa regular milled rice ay P41.

Dahil sa price cap, malulugi aniya sila ng mula P5,000 hanggang P7,500 kada araw kaya naman welcome sa kanila ang ipinangakong P15,000 ayuda mula sa Department of Social Welfare and Development para sa mga maaapektuhang retailer. Mayroon aniyang mahigit 65,000 miyembrong retailer nationwide ang GRECON.

Samantala, sinabi rin ng GRECON president na hindi silang mga retailer ang may kagagawan ng hoarding at profiteering sa bigas dahil binibili lang nila ang kanilang produkto, at P2 hanggang P4 kada kilo lamang ang patong nila rito. (Issa Santiago)

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# BIZ GROUP: LIFT RICE PRICE CAP AFTER 2 TO 3 WEEKS

STORY BY ALDEN M. MONZON

A prolonged imposition of the price ceiling can bankrupt many small retailers, the Federation of Philippine Industries warns, adding that the government may also lose the public's trust in its ability to go after hoarders. **A3**





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FROM A1

By Alden M. Monzon  
@AldenMonzonINQ

The Federation of Philippine Industries (FPI) on Wednesday urged the government to limit the implementation of the price ceiling on rice to two to three weeks, warning that prolonging such a regulation could bankrupt small stores unable to cope with mounting losses.

Executive Order No. 39, which capped the price of regular-milled rice at P41 a kilo and P45 for the well-milled variety, took effect last Tuesday. The EO, however, did not provide an end date for the price ceiling, except to say that it "shall remain in full force and effect unless earlier lifted by the President upon the recommendation of the Price Coordinating Council or the DA (Department of Agriculture) and DTI (Department of Trade and Industry)."

FPI chair Jesus Arranza told the Inquirer that while they supported a temporary price ceiling on rice, two to three weeks should be enough time for authorities to go after rice hoarders and arrest the high cost of the food staple that the price control measure was meant to address.

"I can say this because during my younger days, I used to join government raids," said Arranza, who is also the convener of the Fight Illicit Trade (Fight IT) Movement.

The FPI official added that there should be some paper trail from the warehouses raided by the government and authorities could go after the owners and start tracking the masterminds from there.

Asked what he thought would happen if the price ceiling is extended longer than their suggested period, Arranza cautioned that some retailers could close shop without proper government support.

"If the period is prolonged, the government can also lose the public's trust in handling the issue. Also, if hoarding will persist, it would mean that available supply could continue to go down," he noted.

According to the Grains Retailers Confederation of the Philippines (Grecon), many of its 65,000 members bought well-milled rice at P50 a kilo and P45 for the regular-milled commodity.

Grecon president James Magbanua said a typical retailer sells around 20 to 30 bags of rice a day, and complying with the P45-a-kilo ceiling would result in losses of P5,000 to P7,500.

"[I will] explain to them why we must not shy away from the challenge and that we need to comply with the EO, but this should be temporary," he added.

Magbanua said that while the retailers were surprised by the EO, they would abide by the order as "responsible citizens."

"We want to support the executive order although we want to raise our concerns as most of our members were not able to



DAY TWO Prices of rice stay above the government-imposed cap as shown in this photo taken on Sept. 6 at the Marikina City public market as retailers sell varieties not covered by the directive. —GRIG C. MONTEGRANDE

prepare for the EO," he said.

#### Cash assistance

The national government has vowed to provide financial assistance to small retailers to be affected by the price ceiling and Social Welfare Secretary Rex Gatchalian on Tuesday said these merchants would get a maximum of P15,000 to cover part of the losses they are expected to incur.

Speaking at the Laging Handa public briefing on Wednesday, DTI Assistant Secretary for Legal Services and Legislative Affairs Agaton Teodoro Uvero said many retailers have already complied with the rice price ceiling and the agency was already focusing on dissemination, monitoring and validation of the list of retailers eligible for the cash assistance.

Uvero said that in Metro Manila alone, up to 25,000 retailers would be getting the cash aid from the Department of Social Welfare and Development, which is expected to start the payout before the week ends.

The number includes retailers based in public markets who are already registered with the local government units (LGUs), while the DTI would also help track down sari-sari stores, micro stores and barangay-based rice retailers not registered with the LGUs but are eligible for the subsidy.

Uvero said the DTI was also preparing an interest-free loan program for small retailers affected by the price cap and was coordinating with the DA and LGUs for logistics support by delivering rice supplies from



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the warehouses straight to the retailers to further lower the selling prices.

He reiterated the government's declaration that the price cap was only a "stopgap" or temporary measure and would be lifted in the next few weeks with the onset of the harvest season and the arrival of imported rice that could stabilize prices.

At the Laging Handa briefing, Philippine Rice Industry Stakeholders Movement lead convener Rowena Sadicon questioned the timing of the imposition of the price ceiling considering that the price of rice was expected to go down with the onset of the harvest season and that palay prices were already starting to decline.

"Nevertheless, we hope, [that] if there's nothing like this (price cap), maybe we won't be able to fix [the system] correctly," she said.

#### Funding source

The House of Representatives has allocated P2 billion for the financial assistance to small rice retailers, and if more fund would be needed, Albay Rep. Edcel Lagman on Wednesday suggested that President Marcos' P13 billion in contingent funds could be the source money for subsidies to rice retailers.

"The contingent fund is provided to respond to unforeseen urgent and critical circumstances during the fiscal year, and it is not limited to specific occurrences and obligations," Lagman said in a statement.

For Lagman, since the Office of the President (OP) was able to transfer millions worth of confidential funds to the Office of the Vice President (OVP) last year, the contingent fund could once again be tapped this time to help small rice retailers in need.

Lagman was referring to the P221.4 million worth of confidential funds transferred to the OVP by the OP in 2022.

Meanwhile, local governments have also come to the aid of small rice retailers.

On Wednesday, Quezon City Mayor Joy Belmonte acknowledged the struggles faced by some market stalls and shops, which temporarily shut down as they grappled with the impact of the rice price cap and promised to help retailers within the city.

"We will find ways to help them because if they stop their business, the families of their employees, mostly QC residents, would be affected," she said.

While Belmonte supported the implementation of EO 39, she said that the city government would first ensure "safeguarding the interests of all stakeholders."

She said that they were considering waiving rental fees or offering discounts to rice dealers, wholesalers and retailers.

The city official has also tasked the QC Price Coordinating Council Enforcement Team to closely monitor the compliance of all markets. —WITH REPORTS FROM DEMPSEY REYES AND

ABBY BOISER INQ





## EDITORIAL

# Fixing the rot at NIA

**S**en. Raffy Tulfo has been unrelenting in his attacks against the **National Irrigation Administration (NIA)**, which he lambasted for unfinished irrigation projects that would have helped increase the yield of the country's farmlands, thus raising the farmers' meager income and shoring up food security.

Tulfo certainly has valid reasons to rage against the 60-year-old government-owned and -controlled corporation, whose mandate is to develop and manage the country's irrigation systems. He revealed that last month, despite some P121 billion allocated to NIA by Congress over the last six years, it has yet to complete crucial projects, some of which have been delayed by more than five years.

During the Senate blue ribbon committee hearing, Tulfo said former and current NIA officials had tolerated defective, incomplete, and ghost irrigation projects, when the proper infrastructure support would have helped increase the country's harvest.

Tulfo noted that the NIA Inspection and Assessment Team itself has admitted that as many as 28 "anomalous" irrigation projects were never even started, with as much as P890 million in government funds earmarked for them. "Our farmers cannot produce enough because the funds for their irrigation [needs are] being plundered at their, and the people's, expense," Tulfo said.

The senator also exposed a litany of shortcomings at NIA, from shoddy workmanship and the use of substandard materials in constructing irrigation structures to the awarding of contracts to favored contractors, and the submission of erroneous reports of completion that were used to justify full payment to contractors.

Indeed, the consequences of such criminal neglect and corruption are being keenly felt now, with Filipinos buckling under the weight of high prices, especially of rice, no thanks to the lack of an efficient irrigation system that would have produced a decent yield that can be marketed at affordable prices.

In fact, NIA has only managed to irrigate 65.28 percent of the 3.128 million hectares of irrigable areas across the country, while only 38 of the 80 target provinces and chartered cities have received the agricultural machinery, equipment, facilities, and small-scale irrigation projects due them. Rued Tulfo: "If only these [projects] were implemented properly and [the infrastructure] constructed, we would perhaps not need to import rice by now; instead, we may already be exporting rice."

To make matters worse, Tulfo claimed that the NIA's abandoned and defective irrigation projects had become cash cows of unscrupulous personnel who fattened their bank accounts at the expense of taxpayers, the farmer/beneficiaries of such projects, and the buying public who could have been spared from paying a high price for the country's primary staple.

"In a lot of cases, unscrupulous individuals are raking in profits from these irrigation projects, [by] seeking funding for [their supposed] maintenance. In truth, no maintenance is done and the funding only goes straight to their pockets," said Tulfo. "We want to hold responsible people accountable," he added.

And there lies the real challenge now for government machinery: to exact accountability, beyond just dressing down NIA officials during a Senate hearing.

As Senate blue ribbon committee chair Sen. Francis Tolentino rightly emphasized, testimonies from private contractors and other personalities who may have knowledge of the alleged defects in existing irrigation projects, as well as those that have been delayed, need to be taken so that clear and hard evidence can be gathered to build ironclad cases.

The NIA leadership led by acting chief Eduardo Guillen must be taken to task, and mandated to clean up the agency's ranks with its own investigation. As Guillen himself admitted during the hearings, corruption within the agency exists, with the new leadership under the Marcos administration "trying to fix the system." The embattled agency is just now coming out of "silent chaos" and "confusion" that hounded it last year when its former head Benny Antiporda was suspended by the Ombudsman in November following employees' complaints of grave misconduct, harassment, and oppression.

President Marcos replaced Antiporda with former Piddig, Ilocos Norte mayor Eduardo Guillen, who must take his appointment as acting NIA chief as an opportunity to start hacking at the root of corruption that has seemingly permeated the agency. Such decisive house-cleaning is crucial if government were to achieve its stated goal of food security.





## Rice retailers in Manila, Malabon close shop on first day of price cap implementation

By RICHIELYN CANLAS

**R**ice retailers in Manila and Malabon closed their stores on the first day of the implementation of the mandated rice price ceiling order on Tuesday, Sept. 5, and warned that permanent closure may happen if they are not supplied with low-priced rice.

Rice retailers in Trabajo market closed their shops on Tuesday, as they waited for suppliers to sell them rice at a lower price.

Other retailers opened their stalls only in the afternoon the moment when they received their rice supplies.

A 48-year-old rice retailer in Trabajo market said that he was only forced to open his store on the first day of the rice price cap.

"Balik-puhunan na lang talaga ang benta namin d'yan sa ₱45 na bigas. D'yan sa tig-41 na bigas eh abono pa ako dahil 43 pesos ang puhunan ko tapos ibebenta ko ng ₱41 (We just

sell the ₱45 well-milled rice to get back our capital. While I lose profit in selling the regular milled rice which I bought for 43 and would have to sell just for ₱41)," he said.

Other rice vendors in the area said the suppliers were only able to supply them with well-milled rice and not with regular-milled rice.

They had to wait for their suppliers who will be able to sell them regular milled rice to sell to the public.

They said they only have limited stocks of well-milled rice.

The sellers added that they might temporarily close their stores if they run out of stock.

"Baka nga magsarado na lang din kami kung wala talagang makakapag-supply sa amin. Kaysa naman sa ibigay talaga namin ng palugi eh di lalo naman kaming nalugi ng malaki (We might as well just close down if no one can really supply us with the ₱41 and ₱45 rice instead of selling at a really low price, which can lead us

to lose a lot more)," the 42-year-old rice retailer said.

"Kung pupwersahin talagang magbenta ng mababa kahit wala talagang makuhanan ng supply, eh magsasara na lang din muna talaga ako pansamantala (if they really force us to sell rice at that low price even if there is really no supply, I'll just close my store temporarily)," the 55-year-old rice retailer said.

In Malabon Central Market, Amy Ramirez, 53, also said that they might close their store once their stocks run out.

Other sellers in the Malabon Central Market said that some of the bigger rice retailers in the market were closed on Tuesday.

A 27-year-old rice retailer, together with other retailers in Malabon Central Market, said it would be better to have a supplier who can provide them with rice at a lower price.

Executive Order No. 39- Series of



Only a few stores are selling the mandated ₱41 per kilo of regular milled rice in Metro Manila. (Richielyn Canlas)

2023 mandates a rice price ceiling to prevent price manipulation by traders and retailers, as directed by President Marcos to the Department of Trade and Industry (DTI) and Department

of Agriculture (DA).

The EO stated that starting Sept. 5, the mandated price ceiling regular milled rice is ₱41 per kilo and ₱45 per kilo of well-milled rice.





## Gov't expedites ₱15,000 rice aid; retailers vow price cap compliance

By BERNIE CAHILES-MAGKILAT and AARON RECUENCO

The Department of Trade and Industry (DTI) has estimated roughly 25,000 rice retailers in Metro Manila alone that are being validated as potential beneficiaries of the ₱15,000 assistance following the implementation of price ceilings on rice. ▶ 4

As this developed, the Grains Retailers Confederation of the Philippines (GRECON) has committed support and compliance with the rice price ceiling order of President Marcos.

GRECON national president James Magbanua said they will be holding a meeting with officials of the group's 65,000 members to discuss and explain Executive Order 39 which mandated a price ceiling of ₱41 for regular milled rice and ₱45 for well-milled rice.

"The national government assured assistance to our retailers so negative reaction was lessened, but I have yet to talk to all [regional leaders]. I have a meeting on Thursday in the Luzon area, with the president of all regions, to explain to them why we must not shy away from the challenge and that we need to comply with the EO, but this should be temporary," said Magbanua. "We also want to support the executive order although we want to raise our concerns as most of our members in the Philippines were not able to prepare for the EO. But being the president of the organization, I am asking for the cooperation [of our members] as we try to raise our issues to the national government."

At the Laging Handa public briefing in Malacañang on Wednesday, Sept. 6, DTI Assistant Secretary Agaton Uvero said a ₱15,000 financial aid to each affected rice retailers will be further discussed during an inter-agency meeting later in the day.

"Sisikaping mabigyan lahat ng legitimate na retailers na naapektuhan ng presyong ₱45 at ₱41 (We will exert efforts to provide all legitimate retailers affected by the ₱45 and ₱41

price caps)," said Uvero.

In addition, Uvero hinted of the urgency to grant the financial assistance, saying the government is targeting to start distribution to affected retailers before end of this week.

He said the Department of Social Welfare and Development (DSWD) is expected to complete the validation of the list of retailers to ensure they are legitimate and incurred losses in the past few days. The validation by DSWD is also in coordination with the DTI, Department of Agriculture, and local government units. He said the DSWD has a verification process already, just like its existing subsidy programs.

The priority retailers are those in the public markets and registered with their local government units (LGUs). The DTI's Bureau of Small Business division is also gathering information to include micro retailers that are not registered with LGUs.

Aside from the financial assistance, Metro Manila retailers in public markets will enjoy rent-free for one month with the help of the Metro Manila Development Authority. In other areas, affected rice retailers will be assisted with the help of the Department of the Interior and Local Government and their respective LGUs.

On the part of the DTI, the agency is also preparing interest-free loans to small businesses. Other assistance includes logistics support for rice deliveries in coordination with the Department of Agriculture and LGUs.

The DTI has also an ongoing discussion with market masters and traders who can help access supply of rice to retailers.

Uvero said that several retailers

have complied with the mandated price ceiling.

He also reiterated that not all rice variants are included in the price ceiling because there are specialty and premium rice varieties, which are really expensive at ₱50, ₱60, or ₱70 a kilo.

Uvero also advised consumers to buy from their "suki" (favorite) retailer to avoid being scammed or fooled by unscrupulous retailers. He said the DA helps in the monitoring of prices.

Meanwhile, Magbanua emphasized that profiteering will not come from the retailers as their profit is between ₱2 and ₱4 per kilo only. But with the price ceiling, retailers will be at the losing end.

He said retailers buy well-milled rice at ₱50 per kilo and ₱45 per kilo for regular milled rice. But the EO stipulates that the price cap for well-milled rice is at ₱45 and regular milled rice at ₱41.

Magbanua explained that a typical retailer sells around 20 to 30 bags of rice daily, and selling at ₱45 per kilo will result in losses of ₱5,000 to ₱7,500.

"We are losing ₱5 per kilo for well-milled rice, and if you multiply that by 50 kilos per sack, that will be equivalent to a loss of ₱250 per sack. Our losses will be somewhere like ₱5,000 to ₱7,500 daily," he said.

Magbanua welcomed the promised ₱15,000 assistance to retailers.

He is also urging retailers to comply with EO 39 for at least one week.

"We will bank on the assistance of the government. Retailers can comply for at least one week while waiting for assistance," he said.





## SRA tightens rules on premixes with sweeteners

THE Sugar Regulatory Administration (SRA) has issued a sugar order amending the rules on the collection of liens from premix commodities containing sweeteners.

Sugar Order (SO) number 10 series of 2022-2023 crafted last July but was only released on Tuesday, included a sample computation and an updated list of commodities governed by the issuance.

This sample computation on the liens will be explicit to ensure payment of appropriate taxes.

SRA said importers or consignees of premix commodities must apply with the agency for a premix commodity release clearance (PCRC), prior to the withdrawal of stocks from the Bureau of Customs.

Premix items affected by the SO include preparation of kind used as raw material for the manufacture of composite concentrates; composite concentrates for simple dilution with water to make beverage; alcoholic preparations of a kind used for the making or the manufacture of beverages; and mixtures of chemicals with foodstuffs or other substances with nutritive value used for food processing, among others.

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## SRA

The SO also identified flavored or colored syrups; flavoring preparations; whey and modified whey whether or not concentrated or containing added sugar or other sweetening matter; sugar syrups; gelatin; sugar confectionery; cocoa powder; blocks, slabs and bars of chocolate confectionery; and tablets or pastilles of chocolate confectionery to be ruled by the issuance.

Prior to the issuance of the PCRC, importers and consign-

ees of a premix commodity must pay liens which are dependent on the sweetener content of a product.

SO 10 said for a premix containing over 65 percent of dry weight sugar, the payment is equivalent to the net weight of the commodity multiplied by P37.75 per 50 kilograms. A premix item containing 65 percent and below of dry weight sugar must pay for the net weight of the product multiplied by P11.90 per kg and

multiplied by the sucrose content of the commodity.

Premix which contains zero or non-traceable sucrose content is levied a nominal fee per application of P300.

SO 10 also no longer requires clearance for fortificant premixes; supplements based on ginseng; and other food supplements, citing that previous laboratory results have shown that their sucrose content was very minimal or non-traceable. - **Jed Macapagal**





## 25K Metro rice retailers to get cash aid – DTI

BY IRMA ISIP

THE Department of Trade and Industry (DTI) yesterday said an estimated 25,000 rice retailers in the National Capital Region (NCR) are expected to benefit from the financial assistance to be given by the Department of Social Welfare and Development (DSWD) to cushion the impact of the rice ceiling ordered by President Marcos Jr.

Trade Assistant Secretary Agaton Uvero told the “Laging Handa” public briefing that qualified retailers will receive P15,000 each through the DSWD staging centers for distribution hopefully within the week.

Uvero said rice retailers can also

avail of other forms of assistance, including interest-free loans from the DTI and a one-month relief in rental fee to be provided by local government units (LGUs).

Uvero also said rice retailers qualified to avail of the financial aid include those selling in public markets and in micro or “sari-sari” stores which have registered with their LGUs.

To ease the impact of rising prices of rice, Malacañang has issued Executive Order 39 which set a temporary price cap of P41 or kilo for regular milled rice and P45 per kilo for well milled rice.

The order required the coordi-

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## 25K METRO

nated effort of various agencies to ensure the strict implementation of the mandated price ceilings, to intensify the fight against hoarding and illegal importation of rice, and to take measures against cartels to ensure fair market competition and uphold consumer welfare and protection.

Following the issuance of EO 39, President Marcos Jr. ordered the immediate release of cash aid and other forms of assistance to “small” rice retailers and traders adversely affected by the imposition the price cap.

Social Welfare Secretary Rex Gatchalian has earlier said the cash aid would be sourced from the department’s Sustainable Livelihood Program (SLP) which is usually given as a start-up capital to those who want to put up a business, for capital build-up especially for the vulnerable sector who may be affected by calamities or emergencies, and for employment grants.

Uvero said the DTI will verify the list of rice retailers which will receive the financial aid.

He said that based on DTI’s monitoring, a lot of retailers have complied with the price ceilings.

“The EO is very new. We should explain it (to the public) because of concerns on the effect of the price caps,” he said, adding that the DTI will now focus on information dissemination and monitoring to ensure the proper implementation of EO 39.

He also said DTI monitoring teams will examine the quality of the grains being sold to ensure that only quality rice is distributed in public markets and sari-sari stores.

Likewise, Uvero said traders have assured there is enough

supply of well milled and regular milled rice and that prices would soon stabilize as the harvest season will already begin in a few weeks.

“The government is saying this is a stop-gap measure until prices stabilize, then we can lift the price ceilings,” Uvero said.

## COMELEC EXEMPTION

Social Welfare Assistant Secretary and spokesman Romel Lopez said the DSWD has asked the Commission on Elections (Comelec) to exempt the distribution of cash assistance to small rice retailers from the Barangay and Sangguniang Kabataan Election (BSKE) ban to prevent the disruption of the program.

Lopez, in separate radio and online interviews, also said they are just waiting for the DTI list of rice retailer beneficiaries to start the distribution of the cash aid.

“Magiging problem kung aabutin tayo by next week pa po, next, next week. Maari na maapektuhan na tayo ng election ban (It will be a problem if they submit the list by next week, or next-next week. It could be affected by the election ban),” he said in an interview with DzBB.

“Ang ginawa natin humihingi tayo ng exemption sa Comelec na kung maari mag-push-through anytime (What we did is we asked for an exemption from the Comelec to allow us to push through with the distribution anytime),” he said in a separate interview with Radyo 630.

Lopez said that under SLP, the maximum assistance will be P15,000 and it would only be given once.

He said the assistance would go directly to verified small rice retailers, not through cooperatives or rice seller associations.



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He expressed confidence that the current SLP budget of the DSWD will be enough to cover all the beneficiaries, even as he said that they do not expect the number of beneficiaries to go beyond 100,000.

Quezon City Mayor Joy Belmonte said the city government is ready to assist small rice retailers who will be affected by the rice price ceiling.

Belmonte said the QC government will extend assistance to the retailers because if they close shop, their workers and their families who are mostly from Quezon City will also be affected.

"The city government may waive rental fees or provide discounts to rice dealers, wholesalers, and retailers in the city to help alleviate any challenges they may face due to these price adjustments," said Belmonte.

Belmonte also said qualified retailers may avail of one of the city's assistance programs for small business owners to keep them afloat.

On Tuesday, Belmonte and Interior Secretary Benjamin Abalos Jr led government officials in the inspection of prices of rice at the Mega Q-Mart. Abalos urged retailers to comply with the price cap imposed by the government.

"On the first day, we encourage the resellers to cooperate. On the coming days, we are going to be stricter. But as of now, our appeal is to cooperate," Abalos said.

Albay Rep. Edcel Lagman of the Liberal Party said the President can tap his P13 billion contingent fund this year in granting cash aid to rice retailers affected by EO 39.

He said he can replicate what he did with the P221 million in confidential funds that he gave to Vice President Sara Duterte in December 2022.

"If the contingent fund can be utilized to grant 'confidential funds' to the Office of the Vice President in 2022 when the said office did not have any appropriated secret funds, with more reason the President's contingent fund can be used to bail out small rice retailers," Lagman said.

Lagman said the Executive's contingent fund "can be the source of the requisite assistance to rice retailers as subsidy to them in order to foreclose their expected losses in selling their inventories, which they procured at levels higher than the price cap imposed under Executive Order No. 39."

"The contingent fund is provided to respond to unforeseen urgent and critical circumstances during the fiscal year, and it is not limited to specific occurrences and obligations," he said.

## INFLATION

Executive Secretary Lucas Bersamin said the government will intensify its monitoring of rice prices in the market after the inflation rate rose to 5.3 percent in August.

"Ang aming opisina ay magbabantay upang maisakatuparan ang layunin na mapababa ang presyo ng bigas sa ating mga palengke at supermarkets. Ang datos na ito ay isa sa malaking dahilan sa pagpasya ng ating Pangulo sa pagtatakda ng price ceiling (sa bigas) at ito ay isang pansamantalang patakaran upang tugunan ang inflation (Our office will monitor the implementation of efforts to bring down the prices of rice in the wet markets and supermarkets. This data was a big factor in the decision of the President to impose a price ceiling on rice and this will just be temporary to address inflation),"

Bersamin said in a news release issued on Wednesday.

Bersamin said the rise in prices of food, especially rice, contributed to the higher inflation rate in August.

## RICE TARRIFICATION LAW

Senate President Juan Miguel Zubiri on Wednesday called for review of the Rice Tariffication law to determine if it is being properly implemented amid the rising cost of rice.

RA 11203 or the Rice Tariffication Law was signed into law by former President Duterte in 2019. It was aimed at reducing the price of rice by removing the quantitative restrictions on imported rice and allowing private parties to import with fewer restrictions.

In a press conference, Zubiri said the Rice Tariffication law was expected to address the rice problems in the country.

"We have to review the Rice Tariffication law kasi ang pangako nila sa amin, 'yung mga economic managers, that this will solve all the problems like a magic wand. Eh, wala naman nangyari. Nagmahal pa nga ng sobra ang presyo ng bigas ngayon. So, hindi ko maintindihan bakit nagka-problema nang ganoon (We have to review the Rice Tariffication law because economic managers promised that this will solve all the problems (in the rice industry) like a magic wand. But nothing happened. The price of rice even got higher. So, I don't understand where the problem is)," Zubiri said.

He urged the Senate Committee on Agriculture, Food and Agrarian reform and the Com-

mittee on Trade, Commerce, and Entrepreneurship to call for a hearing to check if the law is being properly implemented by the Executive branch.

Zubiri said the problems on rice is "very complex" and it needs a whole-of-government approach to address it.

He said the government should start at the grassroots level so it can determine the needs of the farmers.

He also said the Department of Agriculture (DA) should identify rice producing zones and keep a database of all farmers, their location, and the size of the farms and tap its undersecretaries and assistant secretaries to monitor rice production in the areas to be assigned to them.

He said DA officials concerned should be kicked out of the department if rice production fails to meet the target.

"That way, in 90 days, we can maximize the output. We can even double the output of the rice-producing zones because nakatutok tayo (we will focus on them). Then we can magnify that to the whole country. So the DA usecs and asecs will have an area of responsibility, nakatutok sila para may (they will be focused so there will be) accountability. Kapag hindi nila tinaas ang production for whatever reason, tanggal (If they don't increase rice production for whatever reason, they should be out). So, I think that's what the President can do to help the farmers and I think the farmers will appreciate that," Zubiri added.

- With Jocelyn Montemayor, Wendell Vigilia, Victor Reyes and Raymond Africa



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**RICE, CORN FARMS WORST HIT**

## AGRI LOSSES FROM 'GORING' NOW AT P 1.14 B-DA

By **Jordeene B. Lagare**  
@jordeenelagare

The country's farm sector continues to reel from the aftermath of Typhoon "Goring" (international name: Saola), which hit the country last month, as losses surged to P1.14 billion as of Wednesday.

In its latest bulletin, the **Department of Agriculture (DA)** said the typhoon had affected 35,006 farmers in Cagayan Valley, Central Luzon, Calabarzon (Cavite, Laguna, Batangas, Rizal and Quezon), Mimaropa (Mindoro, Marinduque, Romblon and Palawan) and Western Visayas regions.

The volume of production loss due to heavy rains and floods was pegged at 51,283 metric tons on 44,928 hectares of agricultural land. It is uncertain whether the agriculture sector's losses due to the recent weather disturbance will reach or come close to the P4.6 billion in damage caused by Typhoons "Egay" (Doksuri) and "Falcon" (Khanun) in July, as the DA is still assessing the impact of Goring on the sector.

Yet, it already exceeded the P1.3-billion worth of losses brought about by the combined impact of the low pressure area, intertropical convergence zone, shear line and northeast monsoon ("amihan") on the farm sector early this year.

Rice accounted for 85.7 percent of the total losses with P979.42 million. The typhoon wiped out 41,238 MT of crops spanning 38,949 ha of land.



**SUBMERGED** Rice fields in Candaba, Pampanga, are flooded due to rains dumped by Typhoons "Egay" and "Falcon" in July. —**NIÑO JESUS ORBETA**

Corn came in second with 13 percent, valued at P148.06 million. This covers 9,723 MT planted on 5,911 ha of land.

The DA noted that most of the damaged rice and corn were in the reproductive and maturity stages.

Other typhoon-affected commodities include high-value crops (P12.5 million) and livestock and poultry (P2.59 million).

The DA is prepared to distribute P100-million worth of rice, corn and assorted vegetable seeds, as well as drugs and biologics for livestock and poultry.

Farmers, it said, may tap funding from the DA's Quick Response Fund for the rehabilitation of affected areas.

The Agricultural Credit Policy Council, through its Survival and Recovery (SURE) Loan Program, is offering a loan of up to P25,000 to farmers payable in three years at zero interest. **INQ**





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# DTI: Rice price cap may last for a month

By CATHERINE TALAVERA

The government is hoping that the imposition of the price ceiling on rice will not go beyond one month as it expects prices of the staple food to stabilize in three weeks, according to an official of the Department of Trade and Industry (DTI).

In an interview with radio *dzBB* yesterday, DTI Assistant Secretary Agaton Uvero said the government hopes that the implementation of the price ceiling on rice under Executive Order No. 39, which took effect last Tuesday, will not exceed one month.

"But it depends on ... the results (of the implementation) in the market," he said in Filipino. "We see that in three weeks time, the price will be a bit stable already."

Under the EO, the price ceiling for regular-milled rice is set at P41 per kilo, while well-milled rice is at P45 per kilo. Based on the DTI's price monitoring operations, many retailers have complied with the price ceiling.

When the harvest season starts in a few weeks, the local supply of rice is seen to increase, which will bring down rice prices, according to Uvero. He reiterated that the price ceiling does not cover premium rice.

Meanwhile, the DTI is validating the list of retailers affected by the price ceiling's implementation so that they can receive financial assistance





## DTI From Page 1

from the Department of Social Welfare and Development (DSWD), he said.

The DTI official expressed hope that the distribution of financial assistance will begin this week.

"Our target is before the week ends – the DSWD will begin the distribution of the assistance," he said at the Laging Handa briefing yesterday.

He added that the financial assistance is expected to be around P15,000 per retailer.

The DTI earlier said it has started the profiling of rice retailers that have been affected by the rice price ceiling implementation as the government prepares the financial aid.

Uvero said the DTI, together with the **Department of Agriculture (DA)**, is collecting all the names of the retailers affected by the imposed rice price ceiling. The collected names would be forwarded to the DSWD.

The DTI said it would implement various forms of assistance to rice retailers/wholesalers, including small supermarkets that will be affected by the price ceiling, in coordination with other government agencies and stakeholders.

These include financial assistance, loan programs, logistics support and market linkages and support.

It added that the government would likewise provide transportation in delivering rice from traders

to retailers to reduce logistical costs.

Market linkages will also be established to link local farmers with supermarket chains and other retailers and promote bulk buying or advance purchase of supermarkets, restaurants, hotels, resorts and other commercial establishments.

### Not enough

For farmers' group Samahang Industriya ng Agrikultura (SINAG) chairman Rosendo So, the P15,000 assistance to rice retailers affected by EO 39 is not enough, saying vendors shoulder loss of at least P500 per sack because of the price ceiling.

"Our appeal is that the subsidy should be increased so that retailers will not suffer big losses," So said in a radio interview yesterday, noting a retailer sells at least 30 bags daily and that these rice stocks are bought at higher prices.

"The P15,000 is too little if a retailer loses P500 per sack," So said.

The SINAG official mentioned that Northern Luzon millers started to deliver P43 per kilo of rice to retailers last Tuesday.

He added that the farmgate price of palay ranged between P23 and P25 per kilo.

The rice price ceiling should be lifted after one month as the peak of the palay harvest is expected next month, according to So. "Based on our projection, by Oct. 15, or one month and 10 days, the farmgate price of palay will reach P22 and P23

(per kilo). The retail prices of rice are expected to go down to P43, P44 per kilo," he said.

He added that farmers could earn P50,000 per hectare if the farmgate price of palay will remain at P22 and P23 per kilo, which "net income is higher compared to the P35,000 to P40,000 (income) of farmers during the last harvest."

### Compliance

Rice retailers' group Grains Retailers Confederation of the Philippines (GRECON) vowed compliance with EO 39, but stressed that it should be temporary.

In a radio interview yesterday, GRECON national president James Magbanua disclosed that he would meet with his group's regional leaders to explain the current situation.

"The national government assured assistance to our retailers, so negative reaction was lessened. I have yet to talk to all. I have a meeting on Thursday in Luzon area, the presidents of different regions, to explain to them," he said.

He added that GRECON has more than 65,000 member-retailers nationwide.

While retailers were surprised by the EO issued by President Marcos, they will obey the decision as responsible citizens, according to Magbanua.

The Department of Budget and Management will likely tap contingent funds to provide assistance to

rice retailers following the imposition of price cap on the commodity.

Budget Secretary Amenah Pangandaman said the DBM has yet to receive requests from concerned state agencies on the funding requirement for assistance.

"We will wait for the request of the implementing agency," Pangandaman said in a Viber message to **The STAR**. "I really don't know which department because I just saw the statements of the Speaker (Martin Romualdez)."

This came after Romualdez directed a committee of the House of Representatives to find ways to allocate P2 billion to help retailers cope with possible losses.

"I think they will still study how the distribution will be and who will be the beneficiaries," Pangandaman said. "If it's with the DSWD, I think they still have existing funds. Otherwise, we can tap possible standby funds, like contingent funds."

### 'Sell despite losses'

Rice retailers in San Jose City, Nueva Ecija have been advised to sell their stocks even if they would incur losses in view of the price cap imposition last Tuesday.

"It doesn't matter if you incur losses a bit for the meantime, you've already earned before, anyway," Mayor Mario Salvador said in Filipino last Monday, addressing retailers who sought his guidance.

"They were asking me if they

should open. I told them, if they don't open, from where would they get food?" Salvador said.

San Jose City is home to at least 30 rice mill establishments that sell grains to Metro Manila and various parts of the country.

Amid these developments, the government will heighten monitoring of rice prices in the market as inflation accelerated to 5.3 percent last month, Malacañang said yesterday.

The National Economic and Development Authority (NEDA) attributed the increase in the August inflation to the soaring prices of the staple food.

Meanwhile, hoarding, profiteering and cartel of agricultural products have been recommended by joint Senate committees to be included as offenses classified as economic sabotage, which is non-bailable.

Sen. Cynthia Villar, who chairs the Senate committee on agriculture, is hopeful that that proposed measure will soon be passed in the Senate.

Joint Senate committees recommended the repeal of Republic Act 10845, or the Anti-Agricultural Smuggling Act of 2016, as part of the effort to address "rampant and unabated" agricultural smuggling in the country, which has greatly affected farmers, fisherfolk and consumers.

- With Bella Cariaso, Louise Maureen Simeon, Ric Sapnu, Helen Flores, Cecille Suerte Felipe





## The rice price challenge

The global rice market has been rattled by extraordinary developments that led to rice prices soaring to record high levels in nearly 12 years. According to data from the United Nations' Food and Agriculture Organization (FAO), the All Rice Price Index for July witnessed a 2.8 percent increase, reaching 129.7 points. Compared to the same period last year, this figure represents a 19.7 percent surge, reaching the highest nominal value since September 2011.

One of the main reasons being reported is India's decision to impose a ban on rice exports in the country's bid to secure domestic food supplies. Since India is regarded as one of the world's largest rice producers and exporters, this measure disrupted trade on a global level, triggering a rapid price escalation.

### Z-FACTOR



JOE ZALDARRIAGA

Likewise, it has been reported that adverse weather conditions threaten rice production. Climate change has made weather patterns increasingly unpredictable, with potentially devastating effect on crop yields. The ongoing El Niño is also casting a shadow of uncertainty over rice-producing regions, and this effectively means that for countries where rice is a staple food, rising prices could also result in threat to food security.

The Philippines is one such nation experiencing the alarmingly steady increase in rice prices. Data from Department of Agriculture's (DA) Bantay Presyo shows that as of Sept. 1, local commercial rice price ranged from P42 to P57 for regular and well-milled rice, and P48 to P65 for special and premium variants. Imported commercial rice, meanwhile, ranges from P43 to P65 for special, premium, and well-milled rice. In a statement, advocacy group Bantay Bigas said that they recorded a P10 increase in the markets they were monitoring.

In order to address the alarmingly steady surge in rice prices and consequently help ease the economic strain this has brought upon the Filipinos, President Marcos has ordered the countrywide implementation of a mandated price ceiling on rice. Through Executive Order (EO) 39, which took effect Sept. 5, the price cap for regular milled rice will be set at P41 per kilogram, while well-milled rice will be capped at P45/kilogram.

The cap on the food staple were collaboratively recommended by the price council members of the DA and the Department of Trade and Industry (DTI) and are intended to remain in force unless lifted by the President, as endorsed by both the DA and the DTI. This follows reports of robust and stable rice supplies, owing to recent imports and the anticipation of a surplus from domestic production.

Additionally, the National Economic and Development Authority (NEDA), in a statement, said that the price ceiling could further decrease price of rice as it penalizes and consequently discourages illicit price manipulation driven by hoarding and collusion.

While the government's actions are intended to alleviate the rice price crisis, these were met with resistance from some rice retailers. The Grains Retailers' Confederation of the Philippines in Eastern Visayas, for instance, expressed concerns about the immediate implementation of price ceilings, citing the need for more time to sell their existing rice stocks purchased at higher prices.

The Foundation for Economic Freedom (FEF) is likewise suggesting an alternative approach of temporarily reducing or lifting import tariffs on rice to address rising prices rather than imposing price ceilings. FEF contends that the price cap could discourage supply, fuel the black market, and harm both consumers and farmers.

In a recent interview, House Deputy Speaker Ralph Recto strongly advocated for a reevaluation of the government's agricultural strategy and adopting a more welcoming approach to private sector investments. Amidst the backdrop of the DA's proposal for a P108.5 billion budget for next year, Recto underscores the imperative for mechanization and increased private sector participation in the agricultural sector.

Although agriculture has exhibited some growth in the first half of the year, it remains outpaced by the Filipino population's demands. Recto underscored the pivotal role of corporate farming and private investments in modernizing the agriculture sector to ensure sustained growth and food security.

Efforts to decrease the country's dependence on food imports and simultaneously bolster the agricultural sector's development while creating livelihood opportunities for local farmers should be amplified. Noteworthy in this regard is the Metro Pacific Investments Corporation (MPIC), under the leadership of Manuel V. Pangilinan or MVP, which has ventured into agribusiness by investing in dairy and coconut product manufacturing enterprises. MPIC acquired a substantial 34.76 percent stake in Axelum Resources Corp. for P5.32 billion, positioning itself as a key player in the coconut product manufacturing industry. This strategic move aims to benefit marginalized farmers and support agricultural growth, all the while making a significant contribution to the country's food security.

Cooperation with international partners also plays a pivotal role in this endeavor. The Philippines is strengthening its agricultural ties with the United States, with eight US agricultural firms scheduled to visit Davao this month. The US firms are actively exploring investment and trade prospects in the region, recognizing Davao's significance as a key producer of Philippine agricultural exports.

Collaboration with China is also gaining momentum, with a joint action plan for 2023 to 2025 signed between the DA and China's Ministry of Agriculture and Rural Affairs. Both nations are enthusiastic about opportunities for investment and partnership within the agricultural sector to further solidify agricultural relations.

As the country grapples with the rice price crisis and other issues in the sector, it is reassuring to know that there are measures in place meant to stabilize prices, ensure food security, and modernize the agricultural industry. Collaborative efforts with private sector and international partners hold potential for significant agricultural advancements that will benefit Filipinos and the nation's economy. The path forward involves striking a balance between immediate relief measures and sustainable, long-term strategies.



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## Goring, *habagat* agri damage climbs to P1.14 B

Damage to agriculture due to Typhoon Goring and the southwest monsoon or *habagat* has ballooned to P1.14 billion, according to the Department of Agriculture (DA).

In a bulletin issued yesterday, the DA said 35,006 farmers and 44,928 hectares of agricultural land were affected, with production loss of 51,283 metric tons.

On Friday last week, the DA said damage to agriculture was estimated at P1.07 billion.

Cagayan Valley, Central Luzon, Calabarzon, Mimaropa and Western Visayas were hardest hit by the typhoon and monsoon rains.

The affected commodities include rice, corn, high-value crops, livestock and poultry.

At least 38,949 hectares of rice fields were affected, with losses pegged at P979.42 million; 5,911 hectares of corn fields, P148.06 million, and 68 hectares planted with high-value crops, P12.5 million.

Damage to livestock and poultry was placed at P2.59 million.

The DA said rice, corn and assorted vegetable seeds worth P100 million were distributed to affected farmers.

The department said it continuously coordinates with concerned local government units for the impacts of Goring as well as available resources for interventions and assistance.

Affected farmers can also avail themselves of a P25,000-loan from the Survival and Recovery Loan Program of the Agricultural Credit Policy Council.

— Bella Cariaso





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## Robusta farmers lead Caraga coffee fest

ROBUSTA coffee farmers in Caraga (Region 13) lead the roster of participants of a weeklong coffee farmers festival that kicked off last September 2 in Butuan City.

Twelve associations of Robusta farmers are showcasing their products at the 2nd Caraga Coffee Festival, which runs from September 2 to 8 at Robinsons Mall in Butuan City.

The festival is spearheaded by the Department of Trade and Industry and Department of Agriculture (DA) offices in Region 13.

"By showcasing the coffee products of the region, our farmers will be given business opportunities and even markets for their products," said Dailin Mamalis, DA-Region 13 high-value crops development program coordinator.

At least 5,048 hectares of land in the region are already devoted to Robusta coffee farming involving 2,800 farmers, Mamalis said.

Major activities during the weeklong festival are

the Café Exhibit, Latte Art and Brewer's Cup Competition, Coffee Quality Competition and farm tours.

"Known professional graders on the coffee bean, roasting and quality from Mindanao and the country are joining the festival, and most will serve as judges during the competitions," Mamalis said.

The graders, she noted, will also help spread information about coffee products in the region to other parts of the country.

Likewise, a market matching activity will be facilitated on the final day of the festival where Robusta farmers will engage buyers and business groups from Mindanao.

Nilo Calipayan, chairman of the Caraga Coffee Council, thanked the government for its continued support of coffee farmers.

"The various government agencies are now working together to help the coffee farmers and other stakeholders. The Caraga coffee industry has come a long way," he said.

PNA





## SAAD boosts fishery in Benguet town

BY LEANDER C. DOMINGO

**B**ARANGAY Banengbeng in Sablan, Benguet can offer a glimpse on the impact of the Special Area for Agricultural Development (SAAD) project for inland fish cultivation.

At the village, a member of the Fisherfolk of Sablan Highlands (FISH), Carlo Pito, maintains an expansive 400-square-meter fishpond that has become more productive under the project.

Under SAAD of the **Bureau of Fisheries and Aquatic Resources in the Cordillera Administrative Region (BFAR-CAR)**, Pito received 2,000 fingerlings to meet the desired stocking density of five pieces per square meter for the fish stock to optimally grow.

Pito said these inputs were part of the aquaculture package from the BFAR given on April 4 that included 22 bags of feeds needed for the complete culture period.

"We were able to harvest initially a total of 75 kilograms, or 237 pieces, which were sold at a farmgate price of P140 per kilo, estimated at three to four pieces per kilo, profiting nearly P11,000," he said after the four-month cul-

ivation period.

Thanking BFAR-CAR Regional Director Lilibeth Signey for extending the SAAD program, Banengbeng barangay chief James Rafael said the program is a viable avenue in providing livelihood within their barangay (village). Rafael also hopes that farmers and fisherfolk in the village will continue to expand their inland fish cultivation.

Chief aquaculturist Lois June Fermin explained that the objective of the SAAD program is to alleviate poverty and help attain food security at the local level. "We believe that Cordillerans are industrious individuals and not severely impoverished," she added.

"The crucial consideration lies in achieving a balanced nutrition, a goal facilitated by the program, given that fisheries remain a scarce resource in the cultivation practices of the Cordilleran community,"



■ The Special Area for Agricultural Development in Barangay Banengbeng in Sablan, Benguet aims to boost inland fishery production in the barangay (village). CONTRIBUTED PHOTO

Fermin added.

Emphasizing that fisheries play a pivotal role in maintaining a balanced nutrition, Fermin pointed out that fisheries will contribute

significantly and complement the Cordillerans' rearing of livestock and crop cultivation.

FISH President Ronelle Polon also said he is thankful to the BFAR-CAR

for considering their association as part of the SAAD project and providing feeds and fingerlings as well as postharvest inputs.

FISH recently received additional

postharvest equipment including 10 crates, two units of 10-kilogram (kg) capacity weighing scales, a 60-kg capacity weighing scale and four 10-meter-long harvest nets.



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## Senate OKs salt industry development bill on second reading

By BUTCH FERNANDEZ  
@butchfBM

**T**HE Senate on Wednesday approved on second reading the priority measure to save the artisanal salt industry.

Senators completed the interpellation of chief sponsor Sen. Cynthia Villar, chair of the Agriculture committee, who accepted most of the amendments to Senate Bill (SB) 2243 brought forward by her peers.

The second-reading vote followed an earlier lengthy exchange where Villar raised at plenary the amendments to the bill, considered a priority on account of the steady decline of the local salt industry.

The measure, sponsored by Villar, seeks to boost the salt industry in the country, amid findings that the Philippines imports 90 percent of its salt requirements despite being an archipelago with one of the longest coastlines and wide access to saltwater.

She said the soon-to-be created council under SB 2243 will be concerned with the development of the salt industry while the existing board under Republic Act 8172 or the Salt Iodization Nationwide (ASIN) Law will continue to focus on food grade salt.

Villar said the health secretary will become a member of the council once the measure is passed into law.

Earlier, Villar said Filipino farmers used to produce 89 percent of the country's salt requirement in the 1970s. She said farmers stopped producing salt when the ASIN law was passed because they were not taught to iodize salt. ASIN requires all salt, including those used for fertilizers and industry, to be iodized.

The ASIN law was enacted to deal with a serious health issue—the lack of iodine among a huge segment of the population, a deficiency resulting in several serious ailments.

The health-oriented measure, however, failed to account for the impact of the law on the salt industry, Villar said.

Last July, the Department of Agriculture (DA) said the government and the private sector are keen on putting up advanced salt production plants as one of the interventions to revive the Philippine salt industry.

Senior Agriculture Undersecretary Domingo F. Panganiban said government officials and representatives from the private sector had discussed a proposal for reviving the salt industry during a meeting held at the DA's central office in Quezon City.

Panganiban said the proposal focused on the establishment of a national network of advanced salt production plants through investment and policy interventions.



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## Head plans to build rubber processing plant in PHL—DA

**H** EAD Sports Philippines Inc., a provider of equipment and apparel for athletes and players, is keen on putting up a modern rubber processing plant in the country, according to the **Department of Agriculture (DA)**.

**Agriculture Senior Undersecretary Domingo F. Panganiban** said representatives of the company met recently with the DA and the Philippine Rubber Research Institute (PRRI).

"[The meeting focused on] ways to improve the local rubber industry and help rubber farmers boost their income," the DA said in a statement.

The construction of a modern rubber processing rubber plant that will source raw rubber from local farmers and convert it into high-quality products was also discussed during the meeting.

The DA noted that Head is set to relocate and expand its tennis ball production hub by moving operations from China to Panabo City, Davao del Norte. "Its operations are poised to commence operations in the second quarter of 2024."



**A NURSERYMAN** examines budded rubber tree stocks at the Standard Integrated Farm in Ramon, Isabela, in this **BUSINESSMIRROR** file photo.

Panganiban and PRRI Executive Director Cheryl Eusala supported the plan, "which aims to aid the government's continuing commitment and collective effort in developing the Philippine rubber industry."

The DA said rubber is a highly favored agro-industrial crop in Southeast and South Asia, with significant global production centered in Thailand, Indonesia, Vietnam, China, and India.

In the Philippines, most of the

manufacturing activity is concentrated in Mindanao, which placed 10th globally for natural rubber production in 2014.

Citing data from the Philippine Statistics Authority, the DA said in a roadmap for the rubber industry that the area planted with rubber in the country expanded by 47,039.17 hectares or an average growth rate of 5.34 percent from 2012-2016.

Among regions, Zamboanga Peninsula recorded the largest area

planted with rubber in 2016 with 90,297 hectares or 40 percent of the total area of 223,283.17 hectares. Next is Soccsksargen with 61,026 hectares (27 percent), Autonomous Region in Muslim Mindanao with 38,315 hectares (17 percent), and Caraga with 12,519 hectares (6 percent).

In the country, there are 42 processors of which 24 are producing crumb rubber and 18 are producing air-dried sheet. Total annual capacity of air-dried sheet processors is 1,629.60 metric tons.

The processed rubber is either sold to manufacturers in the country or exported.

The manufacturing sector in the country consists of four sub-sectors: tires; footwear; latex; and automotive, industrial parts and sporting good, transmission belts, rubber conveyor, radiator and fuel hoses, rubber rings, gaskets, bearing pads and tennis balls.

The other sub-sectors are engaged in the manufacture of synthetic rubber,

chemicals and other supplies needed as inputs by the industry.



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## Mayor Zamora leads inspection of rice prices in San Juan market

By CLAUDETH MOCON-CIRIACO

@claudethmc3

SAN Juan City Mayor Francis Zamora on Tuesday led the inspection stalls at the Agora Public Market to ensure grain retailers comply with the requirements mandated by Executive Order (EO) 39 on rice prices.

The mayor was joined Metropolitan Manila Development Authority (MMDA) Acting Chairman Romando Artes, Department of Trade and Industry (DTI) Undersecretary Atty. Ruth Castillo, and Department of Agriculture (DA) Undersecretary Domingo Panganiban.

Zamora noted that all rice sellers and retailers in Agora Market are compliant with EO No. 39, Series of 2023, or the mandated price ceiling for rice to prevent price manipulation of traders and retailers as directed by President Ferdinand Marcos R. Jr., to the DTI and DA.

Following the issuance of the EO, San Juan immediately created a Price Control Coordinating Council through C.O. No. 32 so that no rice retailers will manipulate the prices of rice.

"We are stepping up and are checking our public market to ensure that rice store owners are compliant of the mandatory prices," Zamora said noting the effectivity of the memo Tuesday, September 5.

Likewise, Zamora said that the inspection aims to protect consumers.

"We want to be proactive for the welfare of everyone that they are getting their rice at the right price," Zamora explained.

The EO sets a nationwide cap on the prices of regular-milled at P41.00 per kilogram and well-milled rice at P45.00 per kilogram.

Rice retailers caught violating the EO may be charged under the following laws: RA No. 7581 or "Price Act," RA No. 10845 or "Anti-Agricultural Smuggling Act," C.O. No. 32, Series of 2008 or "An Ordinance Creating the Local Price Control Coordinating Council."

First offenders caught violating City Ordinance No. 32, Series of 2008 will be fined P2,000, second offenders will be fined P3,000 and third offenders will be fined P5,000 and revocation of permit.





## Kawayan gagamitin sa reforestation kontra baha - DA

Makikipagtulungan ang Department of Agriculture (DA) sa mga ahensya ng imprastruktura at pampublikong gawain sa pagtatatag upang gamitin ang kawayan bilang pangunahing elemento sa pagkontrol ng baha sa Metro Manila.

Sinabi ni DA Undersecretary Deogracias Victor Savellano ang kawayan ay maaaring gamitin sa mabilis na pagtatanim ng mga bakanteng lugar sa loob at paligid ng metropolis upang maibsan ang mga pagbaha, dulot ng malakas na pag-ulan.

Aniya ang pinakamahusay na solusyon sa matinding problema sa pagbaha ay ang pagtatanim ng maraming kawayan sa mga estratehikong lugar dahil ito ang pinakamabilis na lumalagong halaman, at mabilis makapag-reforest. Ito ay sumisipsip ng tubig at kumakapit sa lupa upang maiwasan ang pagguho.

Gumagawa din ito ng 35 porsiyentong mas maraming oxygen kaysa sa iba pang mga puno, na tumutulong sa pagkontrol sa polusyon sa lungsod.

Sinabi ni Savellano na tinutuklas ng kanyang ahensya ang mga 'di katutubong uri ng kawayan para sa mabilis nitong

pananaw sa pagbawas sa baha, dahil ang ilang mga varieties ay maaaring lumaki ng hanggang isang metro kada araw araw.

Binanggit din niya ang pag-



kakaroon ng Guada Bamboo mula sa Latin America, kung saan ang isang ektarya ay maaaring sumipsip ng higit sa 30,000 litro ng tubig sa mga tangkay nito tuwing tag-ulan na unti-unti nitong idineposito sa lupa tuwing tag-araw.

Ang mga panawagan para sa pagpapalaganap ng kawayan ay binibigyan ng dagdag na kahalagahan dahil sa Setyembre ang opisyal na "Bamboo Month" ng Pilipinas.

Layunin aniya ng kanyang tanggapan na "pagsama-samahin ang mga inisyatiba na may kinalaman sa kawayan sa lahat ng nauugnay na ahensya ng gobyerno" kabilang ang Department of Trade and Industry (DTI) at Department of Public Works and Highways.

Binigyang-diin niya na kailangang mahigpit na ipatupad ang Executive Order 879 na nag-uutos sa paggamit ng kawayan para sa hindi bababa sa 25 porsiyento ng mesa at iba pang kinakailangan sa kasangkapan ng mga pampublikong paaralang elementarya at sekondarya, at unahin ang paggamit ng kawayan sa mga kasangkapan, kagamitan at iba pang mga kinakailangan sa pagtatayo ng mga pasilidad ng pamahalaan.

Bukod sa pagiging kapakinabang nito sa kapaligiran, sinabi ng opisyal na ang isinusulong na pagpapalaganap ng kawayan ng DA ay nangangako rin ng mga bagong pagkakataon sa kabuhayan sa mga magsasakang Pilipino.

Gayunpaman, sinabi niya na ang mga potensyal na pang-ekonomiya ng kawayan ay maaari lamang ganap na mapagsamantalahan kung ang mga lokal na magsasaka ay tinuturuan na higit pa sa pagtatanim at pag-aani ng halaman. (Mina Navarro)

Life





## AGRI, DTI BINOLDYAK SA ₱12 NA KAMATIS

NANAWAGAN si House Deputy Majority Leader at ACT-CIS Rep. Erwin Tulfo sa Department of Agriculture, partikular sa Bureau of Plant Industry (BPI) na bantayan ang presyo ng kamatis matapos umanong umabot ang halaga nito sa P12.50 bawat isa.

Ginawa ni Tulfo ang apela sa nakaraang pagdinig ng House Committee on Agriculture and Food kung saan tinatalakay ang naging labis na pagtaas ng presyo ng sibuyas sa huling bahagi ng 2022.

“Wala ho tayo rito ngayong araw na ito kung ginawa lang po ng mga ahensiya ng pamahalaan ang

kanilang trabaho Mr. Chairman. Meron pong nagkulang dito at hindi ginawa ang trabaho nila for reasons na sila lang po makakasagot. Kaya tatanungin ko po sila, anong nangyari BPI, DTI (Department of Trade and Industry), DA (Department of Agriculture), bakit hinayaan mangyari itong pagsirit ng sibuyas?” sabi ni Tulfo.

Pagpapatuloy ng solon, “Pero bago ho ako magtatanong, BPI bantayan n’yo na ‘yong kamatis because the tomatoes right now ang isang piraso ay P12.50 sa Nepa Q Mart, parang awa n’yo na mas mahal pa sa sibuyas itong

kamatis.”

Natukoy ng komite na hoarding at price manipulation ang naging sanhi ng labis na pagtaas ng sibuyas noong nakaraang taon.

Inakusahan ni Tulfo ang BPI na inutil sa hoarding ng sibuyas at iba pang gulay kaya tumataas ang presyo nito sa pamilihan. (Billy Begas)





## Is groupthink behind the rice price ceiling?



### SAFE SPACE

ANNA CRISTINA TUAZON

I am surprised that some government officials are surprised that capping the price of rice has unintended consequences.

When the President issued Executive Order No. 39 mandating a price ceiling well below market rate at P41 a kilo for regular-milled rice and P45 for well-milled rice, everyone already warned that it would only lead to problems. Rarely do traders, retailers, consumers, and experts agree on any one thing but, this time, they agree that such a ceiling cap will make things worse for everyone. Vendors, especially small retailers, will be operating at a loss. Farmers will have to contend with drastically lowered farmgate prices. Consumers will face a rice shortage as supplies run dry. Who wins in a price ceiling? Big traders who can afford to hoard and wait for a better price—the same ones who have caused the rising prices to begin with. Importers of premium rice will also win as theirs will eventually become the only rice available.

I watched the news on Tuesday when the order was first implemented to see that numerous rice vendors have opted to close shop rather than sell at a loss. This led to consumers falling in line with the few places that do sell. And this is only on the first day! With vendors refusing to buy more stock until the price becomes sustainable, we should expect to see worse and worse lines and markets ultimately running out of rice to sell. Various government agencies are scrambling now to put together billions of pesos worth of relief for affected vendors, asking citizens for patience as they try to distribute relief in the next week.

The government is not in short supply of competent economists and advisers. They should've known that setting a price cap without a definite end date would only result in chaos. What made them commit such

a blunder that even Economics 101 students would know to avoid?

The only rational reason is that they weren't using economics when they set this policy in place. The only rational reason for economists in government to have endorsed this policy is that they were driven by groupthink. Groupthink is a psychological concept where a group, in desiring to conform or to avoid conflict, ends up making irrational—and disastrous—decisions. Groupthink is more likely to happen when people think alike and where dissent or opposing beliefs are discouraged. Groupthink is also more likely to occur when one member dominates the conversation to the point that the other members become merely "yes" men—people who think that all they can do is agree and support their leader's decision.

How can groupthink be avoided? By instituting certain rules in meetings such as making sure that there is at least one dissenting or opposing opinion. Some groups are so naturally harmonious that they would have to assign one member to play "devil's advocate" during the session just so they can account for other scenarios they have not considered. Diversity

in group membership also decreases the likelihood of groupthink. In politics, this is where the opposition or minority becomes vital. A government without opposition is rife with groupthink. A healthy and active opposition party ensures that the government comes up with balanced and rationally sound decisions. If the opposition has a negligible influence in hearings and sessions—especially where minority voices are shut out—then decisions are likely to be railroaded and the likelihood of disastrous consequences goes up.

If a meeting does have a leader whose power skews the group into groupthink—think of a sitting president heading a meeting with Department of Agriculture officials—then it is that leader's responsibility to ensure that his voice is not the only one that prevails. He must encourage genuine brainstorming and divergent thinking. If anything, he must learn to listen more to those who are skeptical of his ideas. People who only agree with you are not useful in generating ideas and solutions. Disagreements can be healthy; this is at least a sign that groupthink is not in play. Dismissing someone's opposing opinion as mere jealousy, pettiness, or vindictiveness can be dangerous as it means you are falling prey to your own "yes" men. This further distorts your view of the problem which will hamper your ability to craft solutions.

When we see policies that do not seem to make rational sense, we have to consider if groupthink is influencing these decisions. We must get politicians to understand that there is no shame in being wrong and that dissenting opinions make for stronger policy decisions. Say yes to sustainably affordable rice, not to "yes" men.

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## Agriculture census underway in Quezon

By DANNY ESTACIO

LUCENA CITY, Quezon – The Census of Agriculture and Fisheries 2022 in this province conducted by the Philippine Statistics Authority is underway.

About 62,000 respondents involved in farming, fishing, and aquaculture are the target of the census, PSA-Quezon officer Airene Pucyutan said.

PSA-Quezon is also seeking to enumerate 58,000 households with members involved in agriculture

and fishing.

The PSA has hired 339 enumerators, 61 team supervisors, 22 census area supervisors, and 22 assistant census area supervisors to conduct the survey from September 4 to October 25.

The census with the theme “CAFarmer, CAFisher, Tayo ang Bida,” is conducted every 10 years, Pucyutan said.

She urged respondents and barangay officials to cooperate by giving correct information and data to enumerators to meet the main

objective of the CAF – gather important data on the characteristics of the agriculture and fisheries sectors, particularly on horticulture, livestock, and poultry, types of cultured species in aquafarms, and other information on fisheries.

Pucyutan said the result will serve as comprehensive picture of the agricultural and fisheries sectors in this province.

Data gathered will contribute to food security, economic stability, and sustainability in the development of Quezon, she said.



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## Farmers blast proposal to cut rice tariff

By BERNIE CAHILES-MAGKILAT

**T**he Federation of Free Farmers (FFF) strongly rejected proposals by the National Economic and Development Authority (NEDA) and some big business groups to reduce tariff on imported rice in response to escalating prices of the commodity saying this could result in ₱12-billion annual foregone revenues for the government.

In a statement Wednesday, Sept. 6, FFF cited one recently floated recommendation would decrease the current 35 percent tariff to 10 percent, supposedly to allow cheaper imported rice to augment local stocks.

FFF national manager Raul Montemayor warned that the suggested cut could cause palay prices to drop by ₱6 per kilo. Pointing out that farmers' income losses could reach ₱120



RAUL MONTEMAYOR

Enhancement Fund (RCEF) under R.A. No. 11203 (Rice Tariffication Law).

Montemayor said that based on estimates, the tariff

cuts could result in government's foregone tariff revenues of ₱12 billion a year, based on current declared values of imports and assuming 3 million tons of imported rice, he said.

According to Montemayor, rice importers have been undervaluing their shipment values by an average of 22 percent in order



(MB photo By Mark Balmores)

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## Farmers blast...

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to lower their tariff liabilities. In June 2023, Montemayor said that the average declared landed cost of rice with five percent broken was only ₱22 per kilo, compared to the ₱29 per kilo reference price of the Bureau of Customs.

"In effect, importers have already been paying a net tariff of almost 10% all along because of this practice of undervaluation," he pointed out. Montemayor further

expressed doubts that a tariff reduction would result in cheaper prices for consumers. He said that retail prices continued to increase even after the government slashed tariffs on rice from non-ASEAN countries from 50 percent to 35 percent starting in 2021.

"Gains from tariff reduction are simply being captured by importers and traders, with minimal benefit to consumers, and at the expense of farmers. Besides, importers are bringing in mostly premium grade rice which provide better profit margins, and not the

regular milled rice that the poor usually buy," Montemayor said.

Instead of heeding tariff reduction proposals, President Marcos, Jr. should hold its proponents to account for the damage they have inflicted on small farmers and the agriculture sector resulting from their past flawed prescriptions, Montemayor said.

He also recalled the repeated assurances from the Executive Branch that tariffs on sensitive agricultural products like rice would not be diminished under the Regional Comprehensive Economic Partnership (RCEP) trade agreement, which the Senate ratified last February 2023.





## Farmers to lose P120B in 1 year on rice tariff cut



A worker carries on his head a sack of rice inside a government rice warehouse National Food Authority in Quezon city, Metro Manila in Philippines, August 9, 2018. Picture taken August 9, 2018. (Reuters photo)

BY JED MACAPAGAL

FARMERS stand to lose P120 billion in one year on the proposed tariff cuts on rice, according to the Federation of Free Farmers (FFF).

Raul Montemayor, FFF national manager, in a statement said recommendations to reduce tariffs from 35 percent to 10 percent will shave as much as P6 per kilogram (kg) in the farm gate price of palay with possible farmers' income losses reaching P120 billion in one year.

Montemayor said this huge amount cannot be offset by the

Rice Competitiveness Enhancement Fund (RCEF) under the Rice Tarrification Law (RTL) which is only P10 billion.

FFF said government's foregone tariff revenues could reach P12 billion a year, based on current declared values of imports and assuming 3 million tons of imported rice.

The National Economic and Development Authority and some business groups earlier recommended the tariff reduction to arrest escalating prices of the commodity by encouraging importation to augment supply.

FFF said only "a drastic overhaul" of the RTL will help solve current issues.

The group said the RTL must include additional safeguards to protect local farmers in the reverse situation where farmgate prices are very depressed due to excessive imports as well as options to resolve a situation when production from both imports and local crops are low.

"The RCEF funds will not be enough and must be increased and new support programs have to be

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## FARMERS

introduced. The funds have to be spent properly. Focus on helping farmers produce more and more efficiently, give them good prices for their palay, as we reduce our dependence on imports," Montemayor said.

The group said rice importers have been undervaluing their shipment values by an average of 22 percent to reduce their tariff liabilities.

It said in June 2023 alone, the average declared landed cost of rice with 5 percent broken was only P22 per kg, compared to the P29 per kg reference price of the Bureau of Customs.

"In effect, importers have already been paying a net tariff of

almost 10 percent all along because of this practice of undervaluation," Montemayor said.

FFF said tariff reduction will be greatly beneficial for importers and traders but will have minimal benefit to consumers as importers may just opt to bring in mostly premium grade rice which provide better profit margins.

Meanwhile, Rowena Sadicon, lead convenor of the Philippine Rice Industry Stakeholders Movement (PRISM), said the group is assessing retailers in complying with the rice price caps.

PRISM lead convenor, said during the Laging Handa public briefing yesterday that the group is also making sure that retailers

part of its network will have an available supply of rice to be sold under the capped prices.

Based on monitoring by the Department of Agriculture on public markets in the National Capital Region as of Tuesday, the price of local well-milled rice ranged from P45 to P53 per kg; and regular milled at P41 to P52 per kg.

The price of imported well milled rice was P45 and regular milled was P43, slightly higher than the cap.

Imported rice ranged from P53 to P65 for special variety and P52 to P56 for premium.

For local rice, special variety was at P54 to P62 per kg and premium at P49 to P60 per kg.





## P20/kilo rice is 'daydreaming' - Duterte

By EDITH REGALADO

DAVAO CITY - Pegging the price of rice at P20 per kilo is "daydreaming" given the law of supply and demand in the world market, former president Rodrigo Duterte said yesterday.

Duterte said that retail prices of rice could even reach as high as P90 per kilo.

He said Filipinos should accept the fact that there is no way for the price of rice to go down to P20 per kilo, which is too low and not realistic, considering the present market situation.

Duterte said the prices of fertilizers and other farm implements are going up.

"By our standard, P20 is *masiyadong mababa yan* (too low), and rice-producing countries have also limited the volume of rice they could export as they also do not have enough land to plant rice on. It is development, from forestal to agriculture,

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## P20/kilo From Page 1

then to commercial," Duterte said.

He said the government should be ready to lose at least P3 billion for it to buy rice at a higher price and sell to the people at a lower price to prevent a possible "revolution" resulting from the food crisis.

To cushion the impact of the implementation of Executive Order 39, which sets a price ceiling on regular and well-milled rice, the Department of Social Welfare and Development (DSWD) launched its Sustainable Livelihood Program (SLP) in anticipation of small rice retailers' losses from the temporary price cap.

The EO took effect on Tuesday. It capped prices for regular-milled and well-milled rice at P41 and P45 per kilo, respectively.

The SLP is a capacity-building program that provides startup capital for those who wish to start a small business.

To cushion the impact of food crisis, the government must be able to get hold of the current supply of rice stored in various warehouses and place it on embargo.

This way, the government can control the existing rice supply.

The Federation of Free Farmers (FFF) rejected proposals to temporarily reduce tariffs on imported rice to ease prices of the staple as this could lead to further losses to farmers.

As rice was a major inflation driver in August, which accelerated by 8.5 percent, the National Economic and

Development Authority (NEDA) suggested to temporarily reduce tariffs to help lower domestic prices.

At present, importers are enjoying a reduced tariff of 35 percent on rice until year-end as provided under EO 10, from the original rate of 50 percent.

The FFF said some recommended to reduce this further to 10 percent, supposedly to allow cheaper imported rice to augment local stocks.

In a statement, FFF national manager Raul Montemayor said the suggestion could cause palay prices to drop by P6 per kilo, leading to farmers' income losses amounting to P120 billion in a year.

He said the losses could not be offset by the P10-billion allotment for the Rice Competitiveness Enhancement Fund as provided under Republic Act 11203 or the Rice Tariffication Law.

Montemayor expressed doubts that a tariff reduction would result in cheaper prices as retail prices continued to increase even after the government slashed tariffs on rice coming from non-ASEAN member-states to 35 percent from 50 percent starting in 2021.

Instead of heeding tariff reduction proposals, the FFF said President Marcos should hold its proponents accountable for the damage they have inflicted on small farmers and the agriculture sector resulting from their past flawed prescriptions.

- With Danessa Rivera,  
Ramon Efren Lazaro, Bella Cariaso



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## Industrial crop output higher in six months

By **DANESSA RIVERA**

Production of most of the country's major non-food and industrial crops saw marginal increases in the first half of the year due to slower expansion in the second quarter, according to the Philippine Statistics Authority (PSA).

Out of the seven crops, five registered slightly higher production volumes from January to June.

Based on PSA's quarterly bulletin, coconut production grew 1.6 percent to 6.67 million MT from 6.56 million MT.

Davao Region was the largest producer, accounting for 13.5 percent of the country's total production in the second quarter.

Production of abaca fibers inched up by 0.4 percent to 32,662.59 metric tons (MT) from 32,527.44 MT.

While the first quarter output went up by 3.2 percent, abaca production contracted by 1.8 percent in the second quarter.

The major producer of abaca fiber was still Bicol Region, accounting for 33.9 percent of the total production.

Cacao saw a 1.3 percent rise in production to 4,697.93 MT from 4,639.08 MT.

It saw production expand by 4.1 percent in the second quarter, reversing the 1.4 percent contraction in the previous quarter.

Davao Region was the leading cacao-producing region, accounting for 71.2 percent.

Total tobacco produc-

tion went up by 4.4 percent to 47,422.33 MT. For both quarters, tobacco registered increases albeit slower growth recorded in the second quarter.

Ilocos was the top producer of tobacco, accounting for 66.4 percent of the total.

Other tobacco (Burley) was the most produced variety at 43.8 percent of the total production.

Coffee production increased by 1.4 percent to 12,195.94 MT from 12,022.16 MT.

Of its four types, only Arabica recorded a decline during the period.

Meanwhile, Robusta coffee remained to have the highest production.

The Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) was the largest coffee producer, accounting for 25.6 percent of the total.

In contrast, the PSA data showed sugarcane production reached 11.5 million MT in the first half, down 15.7 percent from 13.6 million MT a year earlier.

The drop was mainly driven by lower centrifugal sugar, which accounted for 95.6 percent of the total production.

Western Visayas remained the main producer of sugar cane, accounting for 47.2 percent of the total.

The production of rubber cup lump also declined by 7.6 percent to 157,415.467 MT from 170,448.87 MT.

BARMM was the leading contributor to rubber production with 38.3 percent of the total production.





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## Rebel returnees get trained in sugar processing

IN support of government's integration of rebel returnees into the mainstream of society, the Department of Labor and Employment (DoLE)-Region 2 (Cagayan Valley) office trained former rebels alongside small-scale sugarcane planters in sugarcane processing in Ilagan City, Isabela.

Evelyn Yango, chief of DoLE-Isabela, said the training is an offshoot of the P700,000 financial assistance given by DoLE to identified beneficiaries for a sugarcane processing project, in partnership with the Armed Forces of the Philippines and the City Government of Ilagan.

She said there were 35 former rebels and sugarcane farmers who are members of the Sitio Lagis Farmers and Fisherfolk Association, who were trained in processing sugarcane into vinegar, juice, wine and sugar.

"This association has demonstrated resilience and adaptability by engaging in diverse livelihood activities to sustain its members and contribute to the local economy and to the government's food security agenda," said Yango.

She added the association received a sugar cane crusher, filtering equipment, packing materials and stainless tables.

She also said that the project's goal is to improve the association's standard of living by providing them with the technical capabilities and needed resources.

"The success of the project, in the



■ Photo shows the 35 people training in sugar processing sponsored by the Department of Labor and Employment in Ilagan, Isabela. PIA PHOTO

long run, would be determined by how well the association members are able to grow economically and achieve independence through their efforts to process sugar cane," she said.

The organization is engaged in various agricultural activities in an area classified as a rebel-infested zone and affected by the issue of increasing number of child laborers, particularly in sugarcane plantations.

To also equip the beneficiaries in running a business, the DoLE, in collaboration with the 502nd Infantry

Battalion and the City Government of Ilagan, also organized another two-day entrepreneurship development training on business planning, marketing, sales, budgeting, legal regulatory compliance, product quality and process improvement, and product safety standards.

During the processing training, the participants were able to produce a total of 100 bottles of cane vinegar, two gallons of sugar cane juice and 5 kilograms of brown sugar.

Faustino Gamino, association president, an agriculture graduate and

a former rebel, expressed his gratitude to the government for the support given to them, vowing to nurture and develop further the livelihood opportunity given to them.

"This assistance opened a better door of opportunity to improve our living status. We can now earn to augment our families' needs. This is also a ray of hope for economic development in our community," he said.

The association members are eyeing to improve production to satisfy not only domestic demands but also the export market in the future. **TM**





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## Inflation rate up in Ilocos Region

BY GABRIEL CARDINOZA

**C**ALASIAO, Pangasinan: The inflation rate in the Ilocos Region increased from 3.6 percent in July to 4.6 percent last month, according to a report released by the Philippine Statistics Authority (PSA) on Tuesday.

Although the inflation rate was higher by 1 percentage point, it is still 1.6 percentage points lower than the inflation rate of 6.2 percent in August 2022.

The inflation rate is the annual

rate of change or the year-on-year change of the consumer price index, which is computed based on the weekly and bimonthly survey on the changes in the prices of commodities consumed and

services availed of by an ordinary Filipino household.

Inflation is interpreted in terms of the declining purchasing power of money.

The PSA report, which was signed by Juanito Yabes, PSA chief statistical specialist, said that the higher inflation in the Ilocos Region last month was primarily influenced by the "considerable increase" in the inflation of food and non-alcoholic beverages at 10.6 percent and transport at -1.7 percent.

The two factors contributed 71.8 percent and 27.3 percent, respectively, to the inflation trend.

On the other hand, restaurants and accommodation services, personal care, miscellaneous goods and services, furnishings, household equipment and routine household maintenance had lower annual increments compared to the previous month's inflation rates.

This trend is also true for alcoholic beverages and tobacco, health, clothing and footwear, recreation, sport and culture, information and communication, housing, and water, electricity, gas and other fuels.

The PSA said financial services had zero percent annual growth,

retaining the previous month's inflation rates.

The PSA also reported that the food index in the Ilocos Region increased to 10.9 percent last month, from 6.5 percent in July. In August last year, the food index was 5.0 percent.

Among the food groups that exhibited higher annual increments last month were cereals and cereal products at 13.5 percent; vegetables, tubers, cooking bananas and pulses at 42.6 percent; fruits and nuts at 9.2 percent; and meat and other parts of slaughtered land animals at 0.4 percent.

Among the provinces, La Union posted the highest inflation rate at 5.3 percent last month. It is followed by Pangasinan at 4.9 percent, Ilocos Norte at 3.8 percent and Ilocos Sur at 3.1 percent.

Compared to their respective levels in August last year, all the provinces recorded a lower inflation rate, except for the province of La Union, which exhibited an increased inflation rate of 2.0 percentage points.

Ilocos Sur was lower by 4.6 percentage points, Ilocos Norte by 3.6 percentage points and Pangasinan was lower by 1.6 percent.





## Ensuring food security in Asean

I WAS invited to speak at the Asean Business Advisory Council Round Table in Jakarta, Indonesia, where I presented views on how the Association of Southeast Asian Nations (Asean) can level up its food system through cooperation and how the private sector can actively participate in that.

And for this column, I will discuss the major points of my presentation during that round table.

The regional meeting gave food security experts a chance to share their views on how to make their country and the region's agriculture sector more resilient, and what steps to take moving forward to resolve the challenges that food producers face, particularly in the region.

I said that the call of the times remains: efficient and resilient food production and distribution systems that will allow all of us to feed our ever-growing population, now and in the future.

And I recall that in 2021 as the pandemic was still not over, roughly 20 percent of the population in member countries of the Asean was at risk of moderate to severe food insecurity.



### MOVING FORWARD

**WILLIAM D. DAR**

I also concur with the Food and Agriculture Organization's account on the four key areas of food security demanding urgent attention: availability, access, utilization and stability. Against the backdrop of the perfect storm — the pandemic, geopolitical war and tensions, and climate change — we must take strides to bolster investments in sustainable food and agricultural practices that will be of utmost advantage to our core of influence, which is Asean.

### Addressing food security challenges

Ideas have been exchanged to bring about tangible, positive and transformative change to the region's food systems. Subsequently, the policy recommendations to address challenges in food security must take stock of critical issues attentive to urgent responses.

So, let me highlight and expound on three points that we need to truly focus on so Asean can have a more food secure future.

First, we need to fully comprehend and maintain the balance and ease of trade, as this is fundamental in the seamless flow of inputs, which can foster regional integration that can eventually contribute to greater cooperation moving forward.

This should result in the greater sharing and trading of resources and technology. Hence, there is a need to streamline every trade process that ensures a stable and more sustainable supply chain. In short, we should make trade in the region less restrictive so we can also attract more investors and key players into the agriculture and food sector.

Second, we have to harness and fully leverage the power of technology and the data-driven system if we want to accelerate progress and maximize efficiency.

Third, we must effectively build up, now more than ever, good governance and private sector investments as a way to retool existing approaches to enhance

the agri-food systems we desire. I am talking about consolidating market forces; mandating a framework of incentives; and promoting inclusive business models that reduces the innovation gap between the public and private sectors.

Now, how do we carry these out? The most logical answer is for all of us to collectively use every tool, every mechanism, every opportunity that is available to us as a region.

Science and technology is also vital, if not the most vital in these very challenging times, in transforming agri-food systems. Science provides the knowledge foundation; technology then translates this knowledge into more tangible solutions. Combined with cooperation in trade, they open breakthroughs on sustainable farming practices, climate resilient crop varieties, precision-farming tools — the possibilities are endless.

Also, let me emphasize that the private sector must take a very active role in transforming the agriculture sector in the region, as they can have more access to the latest in technology and have more financial resources on hand to move forward the agri-fishery

industry in the region.

### Private sector initiative in the Philippines

In the Philippines, I can proudly declare that the private sector is also taking the lead in transforming the country's agriculture industry. I am referring to the brainchild of Asean BAC Philippines Chairman Jose Maria "Joey" Concepcion 3rd's Kapatid Angat Lahat Agri Program, or Kalap.

This program thrives on the principle that we want everyone in the agriculture value chain to level up, especially our agricultural frontliners — our farmers and fisherfolk. This is primarily attained by forging big brother-small brother partnerships in tandem with government, so smallholder agricultural producers can be integrated into the value chain. The small brothers are no other than the smallholder agricultural producers, while the big brothers are major or giant agri-food companies.

The aim of this initiative is to also promote inclusivity and social equity and, more importantly,

to transform agriculture into an industry.

To date, Kalap has facilitated the forging of at least 32 big brother-small brother partnerships involving major commodities like rice, coconut, cacao, coffee, tobacco, among many others.

As Asean BAC Philippines chairman, Concepcion is now taking agri-medium and small enterprise development to new heights, scaling this up to the Asean community, encouraging collaboration among the big industry players, upholding the principle of inclusivity.

As food security leaders, it is our moral duty to establish a level playing field that will position our respective countries into a food secure, food sovereign nation.

Amid these trying times, we must not let our food systems fail. If that happens, the effects are wide-ranging or will affect health, education, security, and peace and order — ravaging economies and societies.

Hence, we have a lot of work to do from hereon, and as a community, cooperation is also the key to ensuring that every citizen in Asean will have a food-secure future.





## Economists hike inflation forecasts

A FASTER-THAN-EXPECTED Philippine inflation rate in August has prompted several economists to raise their forecasts for this year and 2024.

Inflation unexpectedly accelerated for the first time in seven months in August, as food and transport costs rose. Headline inflation quickened to 5.3% in August from 4.7% in July, ending six months of decline.

Nomura Global Markets Research raised its Philippine inflation projection to 5.9% for this year from 5.3% previously. It also hiked its 2024 inflation forecast to 3.6% from 3.1%.

GlobalSource Partners also upwardly adjusted its inflation forecast to 5.8% for this year from 5.5% given in August.

Pantheon Macroeconomics hiked its inflation projection to 5.6% (from 5.4% previously) for 2023 and 2.8% (from 2.6%) for 2024.

Also, Citigroup, Inc. raised its inflation expectation for this year to 5.6% from 5.4% previously. It hiked its 2024 inflation forecast to 3.1% from 2.9% previously but

kept its 3.3% projection for 2025.

The BSP currently sees inflation averaging at 5.6% for this year before easing to 3.2% for 2024.

Nomura Chief Association of Southeast Asian Nations (ASEAN) Economist Euben Paracuelles said in a note that risks to food inflation have materialized early.

In August, food inflation alone quickened to 8.2% from 6.3% in July amid a spike in rice and vegetable prices.

"We expect upward pressure on food prices to intensify in the coming months owing to the ongoing El Niño phenomenon and the lagged effects of rising international food prices, which are likely to be exacerbated by increased protectionism among food exporters," he said.

The El Niño weather event is expected to strengthen towards the latter part of the year and persist until the first quarter of 2024.

Citi said inflation expectations have risen due to elevated food prices, but inflation should return to the BSP's 2-4% target band by the fourth quarter.

*Inflation, 51/5*





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## Inflation, from S1/1

Nomura also raised its core inflation forecast to 6.4% from 6.2% previously, amid likely spillovers from high food and fuel prices. However, it noted that second-round effects may be more limited due to weakening demand.

Core inflation, which excludes volatile prices of food and fuel, eased to 6.1% in August, from 6.7% in July, but above 4.6% in the same month last year.

Nalin Chutchotitham, economist for the Philippines at Citigroup, Inc., said in a note on Wednesday that the country is still vulnerable to rice inflation.

Rice inflation accelerated to 8.7% in August from 4.2% in July, its sixth straight month of increase. It was also its fastest pace since the 9% print in November 2018 when the country experienced a shortage of rice.

Ms. Chutchotitham said recent typhoons and El Niño could impact rice supply in the second half and up until next year.

"The government said it will allow more imports to ensure adequate supply, but the private sector appears to be waiting for global prices to stabilize before securing more imports," she added.

### RICE PRICE CAP

Analysts said the recently imposed price cap on rice may help alleviate inflationary pressures.

"Government measures such as the price ceiling on rice and a possible reduction in import tariffs should help ease these pressures, but likely only temporarily owing to the lack of fiscal space," Nomura's Mr. Paracuelles said.

The government on Tuesday began implementing a price ceiling of P41 per kilogram for regular milled rice and P45 per kilogram for well-milled rice, as it sought to combat price manipulation and hoarding.

"The authorities are hoping to nip this renewed upward pressure in the bud... (rice) is a staple in the Philippines and, together with vegetables, was mainly to blame for the latest leap in prices," Pantheon Chief Emerging Asia Economist Miguel Chanco said in a Sept. 6 report.

He noted that September inflation data would show if the price ceiling is effective in relieving upward pressures or if it will "inadvertently lead to widespread shortages."

"Nevertheless, the longer-term outlook for food inflation appears benign, as it is yet

to reflect fully the more subdued gains globally, which leads by roughly half a year. The action in food prices last month masked big crosscurrents in oil-sensitive components," he added.

GlobalSource analyst Marie Christine Teng in a note on Sept. 5 said that the price ceiling will be able to arrest the rapid increase in prices.

"However, forecasts suggest that rice stocks will still be tight even as the country heads into another El Niño weather disturbance later this year. Hence, prices may stay high, especially if import costs remain higher than the price caps," she added.

### POLICY

Meanwhile, analysts said the BSP is unlikely to end its policy pause despite the quicker August inflation.

"In terms of monetary policy, we maintain our forecast that BSP will leave its policy rate unchanged at 6.25% over the next few months, although we see a rising risk of BSP resuming its hiking," Mr. Paracuelles said.

The Monetary Board last month paused for a third straight meeting, keeping its key policy rate at a near-16 year high of 6.25%. From May 2022 to March 2023, the central bank hiked benchmark interest rates by 425 basis points (bps).

Pantheon Macroeconomics' Mr. Chanco said that the recent inflation print is "unlikely to have a bearing on the BSP's current pause."

Citi's Ms. Chutchotitham said that she does not expect further rate hikes from the BSP amid easing core inflation, weak second-quarter growth, and the government's efforts to bring down rice prices.

"We continue to expect no change in the policy rate through early 2024. The BSP had cautioned about upside risks to inflation, but several factors would support the BSP's continued pause," she added.

Mr. Paracuelles said the central bank may be encouraged to resume its tightening cycle if core inflation stops declining.

"For now, despite the weakening growth outlook, BSP will likely maintain its hawkish rhetoric, underscoring that it remains vigilant against inflation risks and that it will continue to pledge its readiness to act if conditions warrant," he added.

The Monetary Board is set to meet on Sept. 21. — **Keisha B. Ta-asan**



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**BOWED BY TOIL, BOUND BY HOPE** Meet Leo de Vera, a 50-year-old farmer from Taytay, Rizal. Despite enduring losses and hardships, he works tirelessly to restore his rice fields after the devastation of typhoons Goring and Hannah. Leo's struggles highlight the challenges farmers face, as government subsidies and pesticides often prove insufficient to counter the low prices paid by traders for their palay. His story embodies the unwavering resilience of farmers, who aspire to see fair prices and a brighter future for Philippine agriculture. **BERNARD TESTA**



# Malaya Business Insight

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## Soybeans, wheat climb

SINGAPORE- Chicago soybean futures rose on Wednesday, recouping the last session's losses, after a weekly US report showed that crop conditions had deteriorated more than expected due to high temperatures.

Wheat rose for a second session as low rains in leading exporters Australia, Argentina and Canada underpinned the market.

"US soybean and corn crops are getting ready for harvest and we are seeing some more damage due to hot and dry weather," said one Singapore-based trader.

The most-active Chicago Board of Trade (CBOT) soybean con-

tract rose 0.6 percent to \$13.73 a bushel. CBOT corn added 0.1 percent to \$4.86-1/4 a bushel and wheat gained 0.2 percent at \$6.00-1/4 a bushel.

The US Department of Agriculture (USDA), in a weekly crop progress report, rated 53 percent of the US soybean crop as good to excellent, down 5 percent from a week ago and below the 55 percent expected on average by 11 analysts surveyed by Reuters.

The USDA rated 53 percent of the US corn crop as good to excellent, down 3 percent from last week and beneath analysts' expectations of 54 percent. - Reuters



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## IFAD asks public development banks to help fight hunger

**P**UBLIC development banks (PDBs) should direct funding to efforts aimed at combating hunger, poverty and climate change, according to the chief of the United Nations' International Fund for Agricultural Development (IFAD).

IFAD President Alvaro Lario made the statement during the fourth annual Finance in Common Summit 2023 (FICS) held in Cartagena, Colombia from September 4 to 6. The summit focused on four topics—SMEs and financial inclusion, climate and biodiversity, sustainable infrastructure, and the institutional agenda of PDBs.

"Public development banks must ensure that their significant financial resources better serve the fight against hunger, poverty and climate change," said Lario.

IFAD noted that PDBs supply two-thirds of the world's food systems financing, and collectively invest around \$2 trillion to \$3 trillion per year. At FICS, IFAD urged national PDBs to play a "stronger role" in making food systems more sustainable, resilient and equitable.

"We must relentlessly continue our efforts to ensure that PDBs deploy more capital and offer services best tailored to the needs of the rural populations and small-scale food farmers who produce one third of the world's food. They are key to global food security and biodiversity preservation," said Lario.

"They urgently need to adapt to a rapidly changing climate, and cannot continue to live in hunger and poverty. They need access to finance, technologies and markets to grow their production and incomes."

The war in Ukraine and the Covid-19 pandemic, IFAD said, have clearly exposed the fragility and inefficiencies of food systems. Over 3 billion people were unable to afford a healthy diet in 2021. Up to 783 million people suffered

from hunger in 2022.

"The small-scale producers who are the backbone of food production receive just 6 cents for every dollar worth of food they produce. About 80 percent of the world's poorest live in rural areas. By contributing one third of global greenhouse gases emissions, food systems have also a heavy environmental footprint."

At FICS, IFAD also showcased the progress accomplished by the Public Development Banks Platform for Green and Inclusive Food Systems that the UN agency leads with the strong support of the French Development Agency (AFD).

With a doubling of its members over the last year reaching today over 130 PDBs from 98 countries, IFAD noted that the Agricultural Public Development Bank platform "is gaining momentum and promoting collective action to deliver change at scale."

The PDB Platform facilitates regular exchanges of best practices among its members on topics of common interest including digitalization, support to small and medium-sized enterprises, financing adaptation to climate change, helping to build capacity and becoming a major instrument of shared best practices and peer-to-peer technical assistance to foster stronger capacity to deliver investments for food systems transformation and climate action.

"For example, recently the FIRA bank (Mexico) has been engaging with Le Credit Agricole du Maroc (Morocco) and the Agricultural Bank of China on their best practices to inform the preparation of its new sustainability strategy."

The European Union has recently approved funding for EUR2.3 million for the platform becoming the first external donor supporting the platform besides IFAD and AFD.



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## World's top sugar trader sees sixth year of shortages ahead

THE world's largest sugar trader expects a sixth straight year of deficits in the coming season as a poor outlook for India's crops is set to drive down global stockpiles of the sweetener.

"The world will be as close to running out of sugar as it can be," said Mauro Virgino, trading intelligence lead at Alvean, a trading house controlled by Brazilian producer Copersucar SA.

Extreme weather in India will probably keep the world's No. 2 supplier from shipping any sugar overseas for the season starting in October, according to Virgino. Below-average monsoon rains will also probably keep Indian farmers from planting sugar cane, harming future production, he said in an interview.

Alvean also expects difficulties in Thailand, another key exporter,

as higher profits from growing cassava continue to drive farmers away from sugar cane.

Global markets will face a 5.4 million metric ton deficit of the sweetener in the coming season, Virgino said. That's higher than the 1 million ton shortfall of the current season and will mark the sixth year of shortages, according to company estimates.

The tightness in supplies is set to shrink inventories even further, according to Virgino, bringing a measure of stockpiles-to-consumption down to levels similar to 2011. At that time, raw sugar futures surged to a three-decade high.

Threats of a global shortage loom even as top supplier Brazil continues boosting output, with the current season's production expected to approach 40 million tons—near

a record—and forecasts of a similar output next year.

"Brazil is doing a good job supplying the global market, but the country alone cannot do the trick," Virgino said.

### El Niño in Peru

MANY Peruvians can no longer afford to eat their own national dish, ceviche, as the El Niño weather pattern hits harvests and stokes food price inflation.

Heavy rains have devastated local lime crops, sending prices up by almost 70 percent just in August. Since lime juice is a key ingredient in Peruvian cuisine, that created a national furor and forced the finance minister to call for calm.

Rapid food price rises are preventing headline inflation from slowing to target as fast as poli-

cymakers would like, and creating hardship for poorer Peruvians. The damage done to the agricultural sector by El Niño tipped the economy into recession in the second quarter.

"It's important that we use what is called consumer sovereignty," Finance Minister Alex Contreras said in a TV interview on Sunday. "If this week I was planning to cook ceviche, I can switch it for a chicken stir fry."

Memos on social media now show stacks of the citrus fruit as a sign of wealth. One portion of ceviche can require five or more limes to create the marinade used to cure raw fish.

The Lima inflation rate tracked by the central bank slowed to 5.6 percent last month, from 8.5 percent at the start of the year. But food and non-alcoholic beverage inflation was more than double that, at 11.5 percent. The bank targets annual



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**A WORKER** harvests sugarcane in Meerut, Uttar Pradesh, India. PRAKASH SINGH/BLOOMBERG

consumer price rises of 2 percent.

Worse is expected next year, when El Niño is forecast to intensify, further disrupting agriculture. Peru is a major exporter of crops such as blueberries, asparagus and grapes.

Peru's central bank is likely to cut

interest rates at some time between September and December, according to a forecast by Felipe Hernández, who covers Latin America for Bloomberg Economics. Chile and Brazil have already started cutting rates, and Colombia is forecast to follow suit next month. *Bloomberg News*