

CLIPPINGS FOR TUESDAY, SEPTEMBER 12, 2023

A. SEC. PBBM QUOTED

PHILIPPINE DAILY INQUIRER

DTI chief: Rice price cap may be lifted in 2 weeks

THE PHILIPPINE STAR

Gov't to review price caps after 2 weeks

Marcos: Increase in rice production should benefit farmers

Shocked

BUSINESS WORLD

DTI says rice price cap may be lifted in 2 weeks

BUSINESS MIRROR

Marcos's vision: Double rice production with tech

Blindsided economic team backs rice price cap

MANILA BULLETIN

Economic team backs PBBM's rice price ceiling

House leaders hail Marcos, Romualdez's efforts stabilize rice prices

PBBM vows to continue dad's legacy

I hope you'll have good harvest from my face drawn on rice paddy – Marcos

REMATE

Diokno: Eco team 'di kinonsulta sa rice price cap

PILIPINO STAR NGAYON

Rice price cap suportado ng economic team

PEOPLE'S JOURNAL

PBBM, speaker commended

Cash aid to rice sellers pressed

Temporary rice tariff cut proposed

B. DA FAMILY

PHILIPPINE DAILY INQUIRER

Gov't should promote cultivation bamboo to help protect crops, combat climate change

THE PHILIPPINE STAR

PhilMech to build more coco processing facilities

Averting rice crisis permanently

Rice economics

THE MANILA TIMES

Corn output seen hitting 7.67 MMT

MALAYA BUSINESS INSIGHT

Gov't to review price caps on rice in 2 weeks: DTI

Export of mangoes to Australia resumes

BUSINESS WORLD

El Niño impact could result in 10-15% sugar output decline – SRA

BUSINESS MIRROR

2023-2024 raw sugar output could reach 1.85 MMT- SRA

The rice tariffication law and its role in the current rice crisis

Find Luzon veggies on NVAT online platform

MANILA BULLETIN

Rabies – free by 2030? Why not?

Rice price cap may be lifted in two weeks – Pascual

ABANTE TONITE

Taas-presyo nalihi sa imported bigas

PILIPINO STAR NGAYON

Rice price cap, dedesisyunan sa loob ng 2 linggo

PEOPLE'S JOURNAL

BPI sees fruitful future for Philippine mangoes

Kadiwa pop-up store for PDLs

C. AGRI-RELATED STORY

THE MANILA TIMES

Govt economic team back rice price cap

BUSINESS WORLD

Gov't rice dealer subsidy good for 'only a few sacks'

BUSINESS MIRROR

Temporary price ceiling

MANILA BULLETIN

Lower rice prices benefit poor Filipinos the most

Lower toll proposed for agri truckers

ABANTE

OTOP ayuda sa mga exporter, maliliit na negosyante

D. FOREIGN STORY

MALAYA BUSINESS INSIGHT

Wheat, corn ease

Indonesia's Widodo says rice stock sufficient

Lifting of rice price cap seen in 2 weeks

SEPT. 12, 2023

Page: A1 2A2



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DEPT. OF AGRICULTURE

DTI chief: Rice price cap may be lifted in 2 weeks

By Alden M. Monzon
and Ronnel W. Domingo
@Team_Inquirer

Trade and Industry Secretary Alfredo Pascual on Monday said that the price cap on rice could be lifted within two weeks, noting that the government would have a better grasp of the supply situation by then as the harvest season starts this month alongside the arrival of imports that could stabilize prices.

"So maybe within two weeks, we should be able to lift or see whether we can lift the price cap already," Pascual said in an interview on ABS-CBN News Channel.

Asked whether they consider the price ceiling as successful, Pascual said: "Yes, because we are able to make rice available to our mass consumers at P41 per kilo for (regular-milled rice) and P45 per kilo for well-milled rice. And I think that is what's important."

"Maybe a few are still selling beyond the ceiling, based on our own findings in all the localities that we have monitored, rice is available at the price caps," he added.

In Metro Manila, regular-milled rice produced locally retailed from P41 to P45 a kilo as of Monday, while local well-milled rice ranged from P45 to P49, according to the Department of Agriculture's price monitoring.

As part of efforts to bring down rice prices, the Department of Finance (DOF) earlier proposed a temporary reduction of the 35 percent rice import tariff rate to zero or a maximum of 10 percent.



PRICE IS RIGHT In this photo taken last week, a vendor in Sta. Ana, Manila, follows the government-mandated price ceiling for regular- and well-milled rice, set at P41 and P45 a kilo, respectively. The government says imposing the cap is a temporary measure to temper the rising prices of rice. —MARIANNE BERMUDEZ

On Monday, the Foundation for Economic Freedom (FEF) filed in the Tariff Commission a request to reduce tariffs on imported milled rice to 10 percent.

FEF, an advocate of market-oriented reforms and consumer welfare, said in its filing date on Sept. 7 that a reduction of tariffs would be effective in bridging the gap between supply and demand for the staple grain, and check the quickening pace of increases in food prices.

In their petition, FEF told tariff authorities that the price increase for imported rice had been the main factor for present rice prices.

Lawmakers are divided on the issue of lowering the tariff on rice imports.

According to House ways

and means panel chair Rep. Joey Salceda, the DOF's proposal to reduce rice import tariff rates will be a "temporary" but "viable" solution for rice price woes and is best left to the discretion of President Marcos, who can adjust tariff rates when Congress is not in session.

Opposition

However, two senators on Monday criticized the latest plan of the executive branch to lower the tariff on imported rice, arguing that this would again threaten the livelihood of local farmers who would be forced to deal with lower selling prices of their produce at the onset of the harvest season.

Sen. Imee Marcos, chair of the Senate committee on social

justice, welfare and rural development, hinted that "sinister forces" were controlling the country's rice industry.

She noted that the sequence of government actions all seemed to lead the government to resort to importation.

Opposition Sen. Risa Hontiveros said she would call for a Senate inquiry into what she described as "contradicting policies" among the agencies of the government, noting that the latest move to lower rice tariff again opens the country to more importation.

"The imposition of zero-tariff importation during the harvest season is another disaster that will strike our local farmers," she said.

She said she would seek the inquiry to allow agencies in the executive branch to "shed light" on their contradicting policies and to give them "a chance to talk to each other."

Meanwhile, at the launch in Ilocos Norte of the 2023 Mariano Marcos State University-Philippine Rice Research Institute Rice Paddy Art on Monday, Mr. Marcos said the government would maximize the use of new technology to ensure a stable supply of rice that is accessible and affordable to Filipinos.

Stressing the need to increase rice production in the Philippines to address rice prices in the market, Mr. Marcos underscored the importance of taking "new technology from the laboratory to the rice field."

—WITH REPORTS FROM
MELVIN GASCON, JULIE M. AURELIO,
JORDEENE B. LAGARE AND JEROME ANING INQ



Gov't to review price caps after 2 weeks

*Diokno: Despite
no consultation,
economic team
backs price caps*

By CATHERINE TALAVERA

The government may be able to decide on whether it will lift the price cap on rice in the next two weeks, according to Department of Trade and Industry (DTI) Secretary Alfredo Pascual.

"Maybe (in) another two weeks we will have a good idea of the availability of supply," Pascual said over ANC yesterday. "So maybe within two weeks we should be able to lift, or to see whether we can lift the price cap already."

Executive Order (EO) No. 39, which was implemented on

for regular-milled rice at P41 per kilo and P45 per kilo for well-milled rice.

Pascual emphasized that the imposition of the price cap for rice is not a standalone measure of the government.

"This was done alongside efforts to address the issue of hoarding, profiteering and cartelization," he said.

The DTI said earlier 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.

Over the weekend, the DTI participated in the start of the distribution of the P15,000 financial assistance for retailers affected by the rice price cap

Turn to Page 4



Gov't From Page 1

through the Department of Social Welfare and Development (DSWD)'s Sustainable Livelihood Program.

The DTI added that the government would also 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.

In a radio interview last week, Trade Assistant Secretary Agaton Uvero said 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.

Price caps backed

The economic team of the administration of **President Marcos** is in favor of the imposition of price control on rice through the issuance of EO 39.

"We agree with the President that implementing a price cap on rice is

the most prudent course of action at the moment to achieve two critical objectives: stabilizing rice prices and extending immediate support to our fellow countrymen," Department of Finance (DOF) Secretary Benjamin Diokno said in a statement. "However, this should not persist for an extended period."

"This will effectively serve as an 'active stop gap' to address the market's current circumstances. Conditions truly warrant a special mitigating measure," Budget Secretary Amenah Pangandaman also said.

"In an ideal scenario, we can let the market dictate prices. However, as NEDA noted, we are now faced with extraordinary factors that we have to consider," Pangandaman explained.

The budget secretary likewise reiterated the unified stand of the economic team on the price ceiling, saying that it is indeed a necessary although temporary measure to help vulnerable and disadvantaged sectors amid high prices of rice.

"We understand and fully support the decision of the President because there really are market players who have been misbehaving. Unfortunately, there really are hoarders and

speculators. We needed to act fast to effectively address this problem with a tit-for-tat strategy against unscrupulous traders, at least in the near-term," Pangandaman said.

"As what Secretary Ben Diokno said, this will serve as an effective measure against non-competitive practices by market players. We just have to carefully calibrate, implement and monitor it," she added.

Diokno had told reporters over the weekend that the economic team was not consulted and was "shocked" by the announcement of rice price caps.

His undersecretary, Cielo Magno, was told by Malacañang to resign after she posted a graph of the law of supply on demand as the order for the price caps was issued.

Diokno earlier said the Inter-agency Committee on Inflation and Market Outlook remains on top of monitoring the developments in food and non-food inflation. It will also closely monitor the implementation of EO 39 to help ensure that the short-term measure will be effective.

"The economic team remains resolute in its commitment to mitigate the impact of inflation and help protect our consumers, retailers and farm-

ers," Pangandaman said.

"We will put prime importance to the protection of our vulnerable sectors. We will help ensure the fast implementation of the government's targeted cash transfer program, the fuel subsidy program for qualified workers in the transportation sector, subsidies to registered small rice retailers as well as other programs that will help aid our *kababayans*," she emphasized.

A reliable source said the price cap was the idea of a politician and not of the DTI or the economic team.

Aid distribution

The DSWD started yesterday the distribution of P15,000 cash aid to rice retailers affected by the price limit in public markets in Zamboanga del Sur, Pateros and the cities of Navotas and Parañaque.

In a statement, DSWD Secretary Rex Gatchalian said it was the **Department of Agriculture (DA)** and the DTI that identified the 337 beneficiaries of the cash assistance - 15 in Pateros, 161 in Navotas, 129 in Parañaque and 32 in Zamboanga del Sur.

Last Saturday, the agency kicked off the release of the cash aid in Que-

zon City, San Juan and Caloocan City.

Decisive

In Congress, lawmakers have acknowledged the government's "decisive" action against suspected hoarders, along with the ceiling on the prices of rice, as among the reasons why prices of the staple have gone down.

"Their decisive actions, notably the implementation of a price ceiling on rice, have been instrumental in upholding stability in this vital commodity, even amidst the turbulent tides of the global market," said Quezon Rep. Mark Enverga, chair of the House committee on agriculture and food.

Albay Rep. Joey Salceda, who heads the House ways and means committee, said the price cap and raids conducted by Speaker Martin Romualdez "brought some sanity back to the trading of rice."

"The cap ended the rice price spike. It is now clear that soaring cost of the grain is artificial, driven by market speculation and rice traders driven by greed," Salceda said. - **With Bella Cariaso, Sheila Crisostomo, Louise Maureen Simeon, Delon Porcalla**

THE PHILIPPINE STAR

TRUTH SHALL PREVAIL

Date: SEPT. 12, 2023 Page: 124



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As an expression of support for the government's food security efforts, the Mariano Marcos State University and PhilRice launched a rice paddy art in Batac, Ilocos Norte yesterday, featuring the image of President Marcos and the administration's 'Bagong Pilipinas' slogan. Below, the President leads a wreath-laying ceremony at the monument of his father Ferdinand Sr. during the commemoration of the 106th birth anniversary of the former president in Batac.

PAGE: 3 OF 3

of _____



Marcos: Increase in rice production should benefit farmers

By ALEXIS ROMERO

Farmers should benefit from an increase in rice production, **President Marcos** said yesterday, as he cited the need to bring new technology to the rice field to ensure that the food staple remains accessible to ordinary Filipinos.

Marcos gave assurance that the agriculture department would tap the best technologies to address the problem.

"We really need new technologies because of all of these developments. And that's the part that institutions like MMSU (Mariano Marcos State University), like PhilRice (Philippine Rice Research Institute) and all the other agricultural research universities, stations do all around the country, that is the part that they play."

"So it's correct we have to increase our production. But we have to make sure that that increase in production redounds to the benefit of the farmer. Because it is equally important for me that the farmer makes a good living," the President said during the launch of the rice paddy art bearing his image in Batac, Ilocos Norte.

Marcos said new technologies have become so important because of climate change, but the problem lies on how to move them from the laboratory to the market, and how to produce a new product on a large scale.

"It is the government that will develop the technologies that are necessary. It is the government that will allow the farmers to process their new product. It is the government's job to bring now those new products to the market, and to make sure that whatever profits are made at the market, it will redound also to the benefit of the farmers," he added.

Rice paddy art

As an expression of support for the government's food security efforts, the MMSU and PhilRice launched a rice paddy art featuring the image of the President and the administration slogan "Bagong Pilipinas."

"MMSU and PhilRice decided to feature President Marcos in this year's paddy art in support of his vision of a new Philippines, particularly on achieving food security and reinvigorating the country's agriculture sector," the university said.

According to the MMSU, the rice paddy art was created using IR 1552, a traditional Korean purple variety, as the paint, and the NSIC RC 222 or Tubigan 18 as the green canvas. The NSIC RC 222 is a variety bred and released by the International Rice Research institute in 2010, which yields an average of 6.1 tons and maximum of 10 tons per hectare.

During the launch of the rice paddy art, Marcos joked about the taste of the palay that formed part of his image.

"I was teasing the students. I said I hope that the palay harvested from my image, I hope it will taste good. It may have a bitter taste, you may have to modify it. But I don't think that's going to be a problem. MMSU will figure it out, PhilRice will figure it out," he said.

Rice paddy art started in Japan in 1993.

No P5,000 cash aid

The Presidential Action Center warned the public yesterday against false information claiming that it would distribute rice and P5,000 cash aid.

"We want to clarify that this information is entirely false. The Presidential Action Center is not engaged in any such distribution and no such program is currently in operation," it said in a Facebook post.

The center advised the public to send an email to pace@op.gov.ph if they encounter information that raises doubts and concerns.

"Let us unite in our commitment to truth, for accurate information is our most powerful tool against misinformation," it added.

The Presidential Communications Office urged social media users to follow the official Facebook page of the Presidential Action Center for accurate information, announcements and reminders.

Agri online hub

A United States-supported online agricultural trading hub was launched to connect Filipino farmers to more businesses and help strengthen the Philippines' agricultural supply chain.

The US government, through the US Agency for International Development (USAID), in partnership with the Department of Trade and Industry (DTI) and the Nueva Vizcaya Agricultural Terminal (NVAT), launched a first-of-its-kind e-commerce platform to expand the market reach of Luzon-based farmer-traders and strengthen agricultural supply chain.

The NVAT Fresh Online Platform (NVATFresh.com), directly managed and operated by the Luzon-based agricultural hub, is a business-to-business online platform where farmers can list their produce for large enterprises such as supermarkets, food processing companies and restaurant chains.

Through the platform, farmers can leverage competitive pricing, secure a consistent income, reduce food wastage and ensure the delivery of fresh, affordable produce straight to businesses and consumers.

— With Pia Lee-Bravo

Date: SEPT. 12, 2023 Page: 6



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FIRST PERSON

ALEX MAGNO

Shocked

Some people have never learned. If you get the price wrong, you eventually get the supply wrong.

Ferdinand E. Marcos Sr. persisted in getting the price wrong. That led to periodic shortages of nearly every staple. He subsidized the price of oil through the OPSF and the price of energy through Napocor, bent on winning the support of his people. These subsidies required borrowing, that eventually threw the whole economy into a profound debt crisis that set our progress back by decades.

Ferdinand R. Marcos Jr. took bizarre advice and hurriedly issued an executive order putting price caps on rice for an indefinite period. The order was not illuminated by consultations with stakeholders nor by the insight of regime economists. Now we are watching the dominos fall.

Almost immediately after the price caps took effect, everyone realized the great toll this would take on rice retailers. The administration ordered retailers compensated in the amount of P15,000 for the losses price controls inflicted on them. It turns out, the minimum needed for reparations is about P40,000 a week.

Now the price pressure is coming down on our farmers. Unmilled rice prices have been pushed down by at least P3 per kilo. That means many farmers will go into debt. A farmers' group is now asking government to subsidize palay prices to help the farmers survive.

At some point, as the caps remain in place, we will have to provide the farmers some form of subsidy to keep them planting. Otherwise, the rice fields will be abandoned en masse.

An economic policy advocacy group, the Foundation for Economic Freedom, put out a position paper arguing that the more feasible strategy to curb the spike in rice prices would be to cut the tariff rate on rice imports. The tariff rate is currently at 35 percent.

Understandably, this option is unpalatable to bureaucrats and farmers. The bureaucrats will lose the huge revenue from tariffs that they can play around with in the name of "modernization." The farmers will have to compete with imported rice with no protection.

Consumers will win. They will get reasonably priced and good quality rice without tariff interference. But without some form of protectionism, our inefficiently organized rice production will be forced out of the market.

Any lasting solution must be anchored on lifting our rice farms out of subsistence production. But that will run against the grain of our land redistribution program that, for decades, we have mistakenly equated with social justice.



For as long as we continue failing to consolidate and industrialize our agriculture, we will suffer shortages and price spikes like a recurring nightmare. At some point, when we have run out of remedies, we will stop equating redistribution of land with social justice. It is a curse on all consumers.

Finance Secretary Ben Diokno finally admitted, after losing a brilliant undersecretary to this useless controversy, that the economic team was not consulted regarding the price caps. He, along with the rest of the economic management team, were in Tokyo when the executive order was issued. The order shocked them.

Diokno does not have the same personal relationship with the President that his predecessor Sonny Dominguez had with his president. Dominguez and Duterte were literally childhood friends. The former president never once fancied himself an economics expert and yielded to Sonny at every turn – trying to get even by chiding his finance secretary as "Dr. No."

So who is making economic policy outside of the economic management team?

My guess is, on the matter of the rice price caps, the aging bureaucrats at the Department of Agriculture (DA) are to blame. That agency has been trapped in a subsidy mindset for decades. For them, there is no problem subsidy cannot solve.

And so it is that all the DA does to "modernize" our agriculture is to give away subsidies at every opportunity. They give away rice seedlings, small farm implements and fertilizers. This is an agency skilled at superficial "solutions." It is an agency shaped by political patronage – which has made the President serving concurrently as Agriculture Secretary a politically appealing proposition.

When this badly conceived rice price caps policy begins to unravel, we know who to blame.

As things stand, retailers are bringing out their deteriorated stocks, barely edible rice, to conform with the order. The more edible varieties are promoted to luxury categories and sold at a higher price. Consumers better able to pay good pesos for good rice are migrating upmarket. The net result is that the rice price regime simply sidesteps the price caps and moves on to the new price regime.

The farmers will have to make tough decision the next few weeks. They may choose to leave their land to fallow rather than gamble with the unrealistic price caps. Happening on a large-enough scale, this spells a serious drop in productivity and a greater reliance on imports from a tighter international market.

My bet is that the price caps policy will be superfluous in the end, like a single sandbag put in to stop a flood.

Rice prices, like everything else, must soon conform to the price regimes shaped by a long period of accumulated inflation. All the cost items relating to rice production have increased. The cost push has simply become irresistible.

In his wildest dreams, the Speaker of the House thinks international rice prices will drop on our say-so. Good luck with that.





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DTI says rice price cap may be lifted in 2 weeks

By **Luisa Maria Jacinta C. Jocsón** *Reporter*

THE GOVERNMENT may lift the price ceiling on rice in two weeks when the local harvest starts and more imports arrive, Trade Secretary Alfredo E. Pascual said on Monday.

"Within September, we are looking at 2 million metric tons of harvest and some entry of imported rice. So maybe within two weeks we should be able to see whether we can lift the price cap," he said in an interview with ANC on Monday.

The government has been implementing a nationwide rice price cap since Sept. 5 to address a spike in prices of the national staple amid reports of hoarding and price manipulation by cartels.

The ceiling has been set at P41 per kilo for regular milled rice and P45 per kilo for well-milled rice.

Mr. Pascual told reporters that the price ceiling is needed to prevent a spike in retail prices of rice.

"In the next two or one and a half months, because we already started harvesting, we are looking towards a total harvest of 5 million metric tons and that is from our local farmers," he said on the sidelines of the Asian Regional Conference in Support of Accelerated Life Sciences Innovation on Monday.

The Department of Trade and Industry (DTI) chief said around 90% of retailers in public markets have complied with the price ceiling.

"Our people actually gave warnings to retailers selling over the price ceiling. But what is important is that we have the supply and that the majority of the (retailers) are compliant," he added.

Rice, S1/5

BusinessWorld™

Date: SEPT. 12, 2023 Page: 51/1 + 51/5



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Rice,
from S1/1

Meanwhile, President Ferdinand R. Marcos, Jr. said that there is a need to ramp up rice production to bring down prices.

"We have had to control the prices of rice because the markets are very volatile, so we are trying to stabilize it here," he said during a speech at the Mariano Marcos State University in Ilocos Norte on Monday.

"So, it's correct that we have to increase our production. But we have to make sure that the increase in production redounds to the benefit of the farmer."

Finance Secretary Benjamin E. Diokno reiterated that the economic team is in "full support" of the price cap on rice.

"We agree with the President that implementing a price cap on rice is the most prudent course of action at the moment to achieve two critical objectives: stabilizing rice prices and extending immediate support to our fellow countrymen," he said in a statement.

This comes after Mr. Diokno told reporters on Friday the eco-

nomic team were "surprised" about the announcement of the price cap, as they were in Japan at that time.

ZERO TARIFF POLICY

Meanwhile, analysts said the government should lift the price cap on rice instead of implementing a zero-tariff policy on rice imports.

"The zero tariff of course will bring down the price of rice, but supply shortage, especially in the aftermath of Indian rice export ban, and increasing local demand will still exert upward pressure on prices," Filomeno S. Sta. Ana III, coordinator of Action for Economic Reforms, said via Facebook Messenger chat.

"But if the market price still exceeds the price ceiling, despite the zero tariff, don't expect the exports to come in. So, remove the price ceiling. The price ceiling is not working, based on the stories of rice sellers. It will only exacerbate the shortage. The sooner it is removed, the better," he added.

The Department of Finance (DoF) has proposed to temporar-

ily slash the 35% rice import tariff rate to 0% or maximum of 10% to "arrest the surge in rice prices."

Earlier, the Foundation of Economic Freedom (FEF) submitted a petition to the Tariff Commission to reduce the tariff rate on rice to 10%.

Former Agriculture Undersecretary Fermin D. Adriano said that the zero-tariff rate should be implemented until "rice prices stabilize near (to) what they used to cost during normal periods."

However, Raul Q. Montemayor, national manager for the Federation of Free Farmers, said that the tariff cut will not benefit poor consumers, as most rice imports are premium grade.

"And there is no guarantee that importers and traders will pass on any tariff savings since they know that well-off consumers can afford to pay higher prices," he said in a Viber message.

Mr. Montemayor said that reducing the tariff to 10% could result in a tariff loss of P9 per kilogram, which translates to a "po-

tential decline in palay (unmilled rice) prices of P6 per kilogram."

Meanwhile, the temporary reduction in tariff rates and toll fees could lower retail prices and alleviate inflationary pressures, ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said in a Viber message.

"This, however, may have an impact on domestic producers. This could be more market oriented and introduce less distortion to the market for food," he added.

Apart from the tariff cut, the DoF is asking toll road operators to temporarily exempt trucks transporting agricultural goods from paying the recently adjusted toll fees.

"I support DoF's position on exempting trucks from further toll fee increases so that operators will not raise delivery cost, which ultimately consumers pay through high food prices," Mr. Adriano said.

Ateneo de Manila University economics professor Leonardo A. Lanzona, however, said that it is "unfair" to only exempt trucks,

which favors large traders over smaller ones.

"Furthermore, it would not be fair to ordinary road users engaged in other forms of businesses. Worse, it does not really solve the problem of hoarding and smuggling, and may in fact reinforce it," he added.

Mr. Montemayor also said that the exemption will not "significantly reduce rice prices or ensure the efficient transportation of rice."

"The recent toll fee increase for large trucks is only P98 per passage. These trucks carry around 25,000 kilos of rice, so the savings amount to only P0.004 per kilogram," he added.

The DoF's proposal also includes encouraging the timely importation of rice by the private sector and fully implementing the super green lane.

"Giving them access to a super green lane will only encourage importers to undervalue their shipments and escape detection," Mr. Montemayor added. — with Justine Irish D. Tabile



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Marcos's vision: Double rice production with tech

By SAMUEL P. MEDENILLA [@sam_medenilla](#)

PRESIDENT Ferdinand R. Marcos Jr. wants to at least double the country's rice production per hectare (ha) using new technology to keep the food staple affordable.

Speaking at the 2023 Mariano Marcos State University (MMSU)-Philippine Rice Research Institute (PhilRice) rice paddy art exhibition on Monday, the chief executive disclosed he wants the local rice production to be on a par with other countries.

"Production is very important. We need to increase our production. In other countries, they are doing 10 tons per hectare, eight tons per

hectare on average...and their production cost is low," Marcos said partly in Filipino.

Based on data from the Philippine Rice Research Institute (PhilRice), the average rice harvest yield in the country last year was 4.11 metric tons per ha.

The President stressed the importance of increasing the country's rice production amid the threat of climate change on international

food supplies.

He said he is hopeful the agriculture research and development from PhilRice and other local schools such as the MMSU will help boost farmland production.

"There are so many things [in agriculture] that need to be changed and studied so that we can make sure that we have a stable source of supply and that that supply is affordable to ordinary Filipinos... So that is the process that we are trying to do. And that's the part that MMSU, PhilRice, such institutes such as yours play," the chief executive said.

Stable price

A SUFFICIENT supply, he said, will keep the price of rice stable.

"We have had to control the prices of rice because the markets are very volatile, so we are trying to stabilize it here in the Philippines...we need to increase our production," the President said.

Last week, Marcos issued Ex-

ecutive Order (EO) No. 39, which temporarily imposed a P41 per kilogram price cap for regular milled rice (RMR) and P45 per kilogram for well-milled rice (WMR) so the food staple will remain affordable, especially for the poor.

The measure was in response to alleged attempts by some hoarders to keep the price of rice high through market manipulation despite the sufficient local supply of the food staple.

However, as a consequence of the price cap, some retailers will have to sell their RMR and WMR at a loss.

The government allocated P1 billion for the cash aid to be distributed by the Department of Social Welfare and Development (DSWD) to the affected retailers.

During the weekend, DSWD was able to distribute P15,000 cash aid to around 300 retailers in Quezon City, and the cities of San Juan and Caloocan. More are expected to get assistance this week.



Blindsided economic team backs rice price cap

By JASPER EMMANUEL Y. ARCALAS

@jearcalas

THE economic team of the Marcos Jr. administration is throwing its "full support" behind the state's mandated price ceiling on rice, even if the measure was not subjected to their scrutiny prior to imposition.

In two separate statements, the Department of Finance (DOF) and the Department of Budget and Management (DBM) emphasized that they are in "favor" of the price ceiling on rice to address the surge in local prices.

Finance Secretary Benjamin E. Diokno described the price ceiling measure as an "essential stop-gap measure" to address the rise in do-

mestic rice prices.

"We agree with the President that implementing a price cap on rice is the most prudent course of action at the moment to achieve two critical objectives: stabilizing rice prices and extending immediate support to our fellow countrymen," Diokno said on Monday.

Budget Secretary Amenah F. Pangandaman concurred with Diokno, adding that the present market conditions "warrant a special mitigating measure" like price ceiling.

"In an ideal scenario, we can let the market dictate prices. However, as Neda [National Economic and Development Authority] noted, we are now faced with extraordinary factors

that we have to consider," Pangandaman said on Monday.

Economic team blindsided

THE statements were issued a few days after Diokno revealed that the economic team was not consulted about the imposition of the rice price ceiling.

Diokno said the economic team was taken aback when President Marcos Jr. issued Executive Order 39 imposing a price ceiling on regular-milled and well-milled rice sold in the domestic market.

At the time that Marcos issued the EO, Diokno together with Pangandaman and Socioeconomic Planning Secretary Arsenio M. Balisacan were in

Tokyo, Japan for the 14th Philippines-Japan High-Level Joint Committee Meeting on Infrastructure Development and Economic Cooperation.

However, the power of the President to impose a mandated price ceiling does not require any prior consultation with his economic team.

Under the Price Act, the President can implement the measure upon the recommendation of an implementing agency of the law or the Price Coordinating Council.

The implementing agencies of the Price Act are the Department of Agriculture (DA), concurrently headed by Marcos himself, and the Department of Trade and Industry (DTI).

SEE "BLINDSIDED," A2

Under EO 39, Marcos explained that the imposition of price ceiling was a joint recommendation by the DA and the DTI.

Nonetheless, Diokno maintained that a price on rice could be "proven effective" in the "near term" but should not last for an "extended period." He earlier disclosed that he foresees the price ceiling being lifted after a month of implementation since local rice farmers have started harvesting their crops.

"The imposition of a price cap on rice is geared at addressing non-competitive practices by some market players and discourages hoarding, thereby reducing the price of rice," Diokno said.

"We understand and fully support the decision of the President because there really are market players who have been misbehaving. Unfortunately, there really are hoarders and speculators. We needed to act fast to effectively address this problem with a tit-for-tat strategy against unscrupulous traders, at least in the near-term," Pangandaman said.

The Neda earlier pointed out that the price ceiling on rice would give Filipinos a much-needed reprieve in terms of high inflation as well as discourage hoarding. **(Related story: <https://BUSINESSMIRROR.com.ph/2023/09/04/neda-rice-price-cap-temporary-necessary/>)**



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Economic team backs PBBM's rice price ceiling

BY CHINO S. LEYCO

Finance Secretary Benjamin E. Diokno said the economic managers are standing behind **President Marcos'** decision to impose rice price ceilings, emphasizing it is a crucial step to fight non-competitive practices and promote a fair market environment.

Diokno said the economic team recognized the crucial role of Executive Order No. 39, which set price ceilings on regular and well-milled rice, in providing necessary relief to Filipino consumers struggling with the soaring rice prices.

The President's economic managers include Diokno, National Economic and Development Authority (NEDA) Secretary Arsenio M. Balisacan, and Budget Secretary Amenah F. Panagandaman.

"We agree with the President that implementing a price ► **8**

Date: 12 SEP 2023 Page: 1/8



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DEPT. OF AGRICULTURE

Economic team backs PBBM's rice price ceiling 1◀

cap on rice is the most prudent course of action at the moment to achieve two critical objectives: stabilizing rice prices and extending immediate support to our fellow countrymen," Diokno said in a statement on Monday, Sept. 11.

Under EO No. 39, the mandated price of regular milled rice is ₱41 per kilogram while well-milled rice is at ₱45 per kilogram.

"Executive Order No. 39 was issued by the President as the chief executive and the concurrent secretary of the Department of Agriculture (DA). EO 39 serves as a lifeline, extending much-needed relief to Filipinos grappling with the high rice prices," the finance chief said.

Diokno's statement came after he admitted that the economic team was not consulted by Malacañang before issuing EO 39.

The DOF chief, however, noted that the executive order can be proven effective only in the near term, and should not persist for an extended period.

The President has directed the economic team to implement measures that will mitigate the negative impact of the price controls on rice retailers and farmers, Diokno said.

The Department of Finance (DOF) has proposed a comprehensive approach, including the temporary reduction of the 35 percent rice import tariff rates, both ASEAN and Most Favored Nation (MFN) rates, to zero

percent or a maximum of 10 percent.

Additionally, Diokno clarified the importance of encouraging timely rice imports by the private sector.

The full implementation of the Super Green Lane, which allows for advance processing and clearance of shipments for the country's top-qualified importers, has also been proposed to expedite rice imports.

"We are advocating cooperation with tollway concessionaires and operators to temporarily exempt trucks catering to agricultural goods from increased toll, ensuring the efficient transportation of rice," Diokno said.

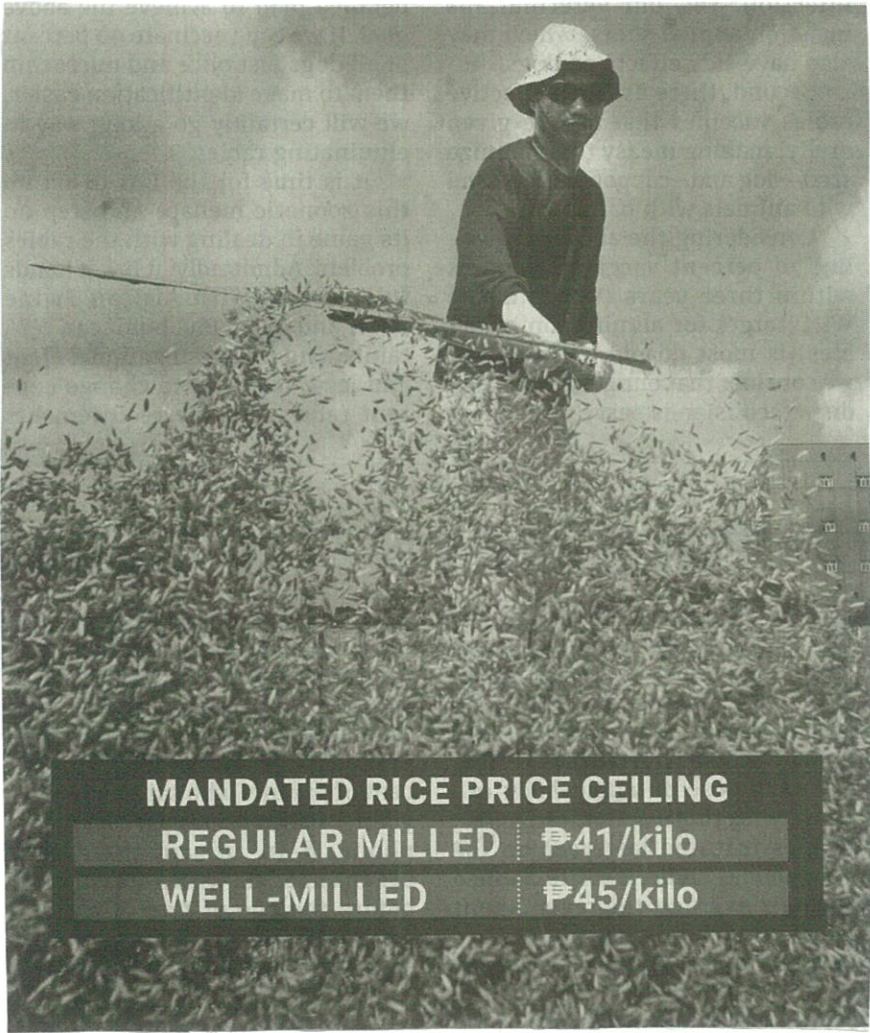
The government also aims to curb non-competitive behavior in the rice industry by actively pursuing cases of hoarding, smuggling, and economic sabotage.

Diokno said that there should also be strict monitoring of the prices of imported rice throughout the logistics chain.

The President has directed the DA and the Department of Trade and Industry (DTI) to monitor rice prices by making rounds in markets and storage facilities.

The Inter-Agency Committee on Inflation and Market Outlook (IAC-IMO), which the DOF co-chairs, will continue to monitor developments in food and non-food inflation in order to effectively identify the measures needed to mitigate inflationary pressures.

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MANDATED RICE PRICE CEILING
REGULAR MILLED : ₱41/kilo
WELL-MILLED : ₱45/kilo



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House leaders hail Marcos, Romualdez's efforts to stabilize rice prices

By ELLSON QUISMORIO

The unrelenting efforts of **President Marcos** and House Speaker Martin Romualdez to stabilize local rice prices haven't been lost on ranking congressmen.

Over the weekend, Quezon 1st District Rep. Wilfrido Mark Enverga and Albay 2nd District Rep. Joey Salceda recognized these moves from the top leaders in government, which is said to have contributed to the reduction in global prices of rice.

Enverga chairs the House Committee on Agriculture and Food, while Salceda chairs the House Committee on Ways and Means.

According to Enverga, Marcos' decision to impose price ceiling on rice, complemented by a series of warehouse inspections on suspected rice hoarders carried out by the Bureau of Customs (BOC) and Speaker Romualdez, has helped stabilize the rice market despite global market uncertainties.

"President Marcos and Speaker Romualdez have showcased exemplary leadership and visionary strategies in tackling the intricate matter of rice pricing," he said.

Enverga, a Nationalist People's Coalition (NPC) stalwart, was referring to Executive Order (EO) No. 39, which set a price cap on regular milled rice at ₱41 per kilo and well-milled

rice at ₱45 per kilo. It took effect on Sept. 5.

"Their decisive actions, notably the implementation of a price ceiling on rice, have been instrumental in upholding stability in this vital commodity, even amidst the turbulent tides of the global market," he said.

Enverga said the price ceiling "was a well-calculated move aimed at protecting the interests of consumers and Filipino rice farmers alike."

For his part, Salceda said the combination of the price cap and warehouse raids brought some "sanity" back to the trading of rice.

He said the India rice export ban and the specter of an El Niño episode that could hurt local harvest drove

prices up despite the sufficient domestic supply of the staple grain.

"The cap ended the rice price spike. It is now clear that soaring cost of the grain is artificial, driven by market speculation and rice traders driven by greed. Now, we have to manage our rice inventory better to avoid fueling the speculation here and in the global rice market," Salceda explained.

He said Marcos and Romualdez's commitment to address the public's concerns is evident in their effort to ensure affordable and accessible food for all Filipinos, adding that their actions have "alleviated economic pres-

ures on households and have bolstered the livelihoods of rice farmers."

"The global market shift following their intervention is a testament to their ability to navigate complex economic landscapes. It highlights the Philippines' capacity to influence and contribute positively to international food markets," Salceda pointed out.

Data from US-based Markets Insider showed the world market price for rice has seen a remarkable 21 percent decrease, dropping from \$384 per metric ton in July to \$332.4 per metric ton this month.

The speaker has said that Malacañang's decision to institute a price cap was not only justified but also the most effective way to discourage hoarders and price manipulators from perpetuating their illicit activities.



PBBM vows to continue dad's legacy

By RAYMUND ANTONIO
and ARGYLL CYRUS GEDUCOS

President Marcos on Monday, Sept. 11, led the celebrations for the 106th birth anniversary of his father, former president Ferdinand Marcos Sr., in his hometown of Batac, Ilocos Norte.

He was joined by the First Family for a Thanksgiving Mass at the Immaculate Conception Parish-Batac before the wreath-laying ceremony at the monument of his father in Batac.

"Your legacy lives on, and for as long as I'm here, I will use everything I learned from you to continue your work," the President said on his official Facebook page.

The President described his late father and namesake as a true Filipino and Ilocano.

In his speech, Marcos described his father as "a true Filipino and Ilocano icon whose exceptional mind matched the nation-loving spirit that he possesses and that he demonstrates."

He said Marcos Sr. will be remembered for the "peace and order that he fought and stood for," which inspired Filipinos to build on and feel the dreams that he left in the hearts of many.

President Marcos likewise urged

the youth and government officials to aspire for more significant roles and meaningful endeavors.

"It is my earnest hope that my late father's values, ideals, and visions for the country will spur you into aspiring for greater roles and more meaningful endeavors—much like how these have inspired me," he said. "Let us act in our own small and unique ways to support the government, to support our people in all the initiatives and programs, and continue to instill in every Filipino the sense of ownership and accountability in building our great nation."

The chief executive reminded everyone of the Philippines' value and the work that needs to be done, noting the "unwavering pursuit of unity" his father passionately espoused to the people.

"The Philippines is ours to love, and the path to a new Philippines—a more equitable, sustainable, and resilient one—is ours to make," Marcos said.

"In his memory, may our actions from this point on be directed by the desire to preserve and share the rich heritage of our province, of our nation," he added.

Malacañang had earlier declared Sept. 11, 2023 as a special non-working holiday in Ilocos Norte to mark



FM BIRTH ANNIVERSARY — President Ferdinand R. Marcos Jr. speaks after a Mass during the 106th birth anniversary of his father, former President Ferdinand E. Marcos Sr., in Batac City, Ilocos Norte on Monday, Sept. 11, 2023. (PPA)

Marcos Sr.'s birth anniversary.

After the wreath-laying ceremony, the President joined cooks from various municipalities in Ilocos Norte for the "Natnateng Cook-Off Showdown."

It showcased local vegetable dishes and other delicacies that the province is famous for.

He also graced the official launch of the 2023 Mariano Marcos State University-Philippine Rice Research

Institute (MMSU-PhilRice) Rice Paddy Art at the MMSU campus in Batac.

The rice paddy art this year features the younger Marcos himself and his administration's "Bagong Pilipinas" tagline, which aims to support the government's goal of achieving food security and improving the agriculture sector for the benefit of Filipinos.

The project was established in 2018 between the MMSU and PhilRice.

First Lady Liza Araneta Marcos joined the President in the ceremony.

Also present were Ilocos Norte 2nd District Rep. Angelo Marcos Barba, Ilocos Norte Vice Gov. Cecilia Araneta Marcos, Armed Forces of the Philippines (AFP) Chief of Staff Gen. Romeo Brawner Jr., Philippine National Police (PNP) chief Gen. Benjamin Acorda Jr., Mayor Albert Chua, and other government officials and employees.

Date: 12 SEP 2023

Page: 1 of 9



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I hope you'll have good harvest from my face drawn on rice paddy – Marcos

By BETHEENA UNITE

President Marcos is hoping that the palay that would be harvested from a rice paddy art in Ilocos Norte featuring his face and his administration's "Bagong Pilipinas" tagline would taste good and not bitter.

Marcos made the light statement as he was praising this year's rice paddy art project at the Mariano Marcos State University (MMSU) in Batac, Ilocos Norte, on Monday, Sept. 11.

"I was teasing the students. I said I hope the palay, yung palay na aanihin ninyo sa ► 9

mukha ko, I hope masarap ang lasa, baka ang lumabas nyan mapait, kailangan n'yo baguhin (that you will be harvesting from my face would taste good, and not bitter because you might have to redo it)," the President said as he was concluding his remarks during the unveiling ceremony.

He was, however, quick to add that regardless of the outcome, the university and the Philippine Rice Research Institute (PhilRice) would be able to figure out necessary steps to be done.

"But I don't think it's going to be a problem. MMSU will figure it out. PhilRice will figure it out," he said.

During his speech, the chief executive was citing how the country, particularly with institutes like the MMSU and PhilRice, has demonstrated its understanding of agricultural products cultivation through showcasing rice paddy art annually since 2018.

Marcos stressed that while the project was "very entertaining," it also signifies the development being done in the agriculture sector through research and development.

"Since 2018, we have seen the successful collaboration of MMSU and the PhilRice to the rice fields that you have turned into canvasses. And through this partnership, the

nation has also seen the novel rice production systems and technologies that we can pursue in the years to come," he said. "It is particularly important, of course it's very entertaining to see your picture, drawn on a rice field. But what it demonstrates—and it is a very kind gesture—is how much we already know about the cultivation of rice and other agri products."

The chief executive also commended MMSU for coming up with "exemplary" research, saying "we have seen how much improvement and knowledge we have gained over the many years that we have been doing here."

This year's rice paddy art that features Marcos' image and the administration's "Bagong Pilipinas" tagline aims to support the government's goal of achieving food security and improving the agriculture sector. It pays tribute to exemplary Filipinos who contribute to the development of the country's agriculture and nation-building. It also promotes agri-tourism and showcases various rice production technologies in the province.

According to MMSU, the rice paddy art project also serves as a continuing effort to encourage the youth in pursuing agriculture-related careers.



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IN HIS IMAGE — President Ferdinand R. Marcos Jr. (center) is joined by First Lady Liza Araneta Marcos, other family members, and students of the Mariano Marcos State University (MMSU) at the official launch of the 2023 MMSU-Philippine Rice Research Institute (PhilRice) Rice Paddy Art that bears the President's image and his administration's 'Bagong Pilipinas' tagline at the MMSU campus in Batac, Ilocos Norte on Monday, Sept. 11, 2023. (PNA)



Diokno: Eco team 'di kinonsulta sa rice price cap

HINDI kinonsulta ang economic team hinggil sa pagpapatupad ng price ceilings sa iba't ibang uri ng bigas na karaniwang binibili ng buong pamilya.

Umamin si Finance Secretary Benjamin Diokno, hepe ng economic manager ni Pangulong Ferdinand Marcos Jr. na hindi man lang nagpasintabi at kinonsulta ang economic team ng administrasyon sa implementasyon ng price ceilings sa ilang uri ng bigas na karaniwang binibili ng pamilya sa mga tindahan at pamilihan.

Inalala ng kalihim na ang economic managers, ang mga kalihim ng DoF at Department of Budget and Management at maging ng National Economic and Development Authority —na nasa Japan nang ipalabas ang Executive Order No. 39 at ianunsyo sa publiko.

Tinuran ni Diokno na nagulat siya sa anunsyo.

"Nasa Japan kami talaga when that was announced. Magkatabi kami ni Arsi. Nagulat nga kami, lumabas. Nagulat siyempre," ang sinabi ni Diokno, tinukoy si NEDA Secretary Arsenio Balisacan.

Matatandaang ipinalabas ni Pangulong Marcos ang EO 39 noong Agosto 31, na may 'mandated price ceiling', para sa regular milled rice ay P41.00 per kilogram habang ang mandated price cap para sa well-milled rice ay P45.00 per kilogram, simula noong Setyembre 5. Inamin ni Diokno na hindi sila kinonsulta sa usaping ito sabay sabing "hindi naman nga kami na-consult."

Sa kabilang dako, sinabi naman ni Diokono na "Pagdating namin, ang justification naman ng Presidente, kasi under ideal market

condition, hindi talaga magwo-work yung price control. Pero sabi niya hindi naman talaga ideal... kasi may mga hoarding."

"The justification is meron market players who are misbehaving. Under ideal condition hindi dapat nagpa-price control. Siguro, the conditions are not ideal. Nangyari na 'yan 'di ba? Tataas sibuyas, garlic, ngayon kamatis naman so baka kailangan talaga ang ganung measure," aniya pa rin.

KRIS JOSE

Date: 11 2 SEP 2023 Page: 2



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Diokno naglinaw...

**Rice price cap suportado
ng economic team**

Suportado ng economic team ang desisyon ni Pangulong Ferdinand Marcos Jr. ang pagpapataw ng price cap sa bigas.

Sa pahayag ni Finance Secretary Benjamin Diokno, sinabi nito na ang Executive Order No. 39 ay nagsisilbing lifeline na kailangan ng mga Filipino para makaagapay sa mataas na presyo ng bigas.

Iginiit din ni Diokno na nakikita nila ang EO bilang mahalagang stop-gap measure.

Dahil dito kaya sang-ayon umano sila sa Pangulo sa pagpapatupad ng price ceiling sa bigas na ang pinakamainam na gawin sa ngayon para mag-stabilize ang presyo at agarang matulungan ang mga tao.

Paliwanag pa ng kalihim na ang pagpapataw ng price cap ay ang pipigil sa manipulasyon ng presyo at hoarding na gawain ng ilang negosyante na magreresulta sa pagbaba ng presyo.

Inamin naman ni Diokno na bagamat magiging epektibo ang price cap ay hindi pa rin ito dapat patagalin at dapt magkaroon ng komprehensibong mga hakbang para masiguro ang pang matagalang stability ng presyo ng bigas. (Gemma Garcia)



PBBM, SPEAKER COMMENDED

By Jester Manalastas

SEVERAL House leaders have lauded President Ferdinand "Bongbong" Romualdez Marcos Jr. and Speaker Ferdinand Martin G. Romualdez for their unwavering efforts in driving down the cost of rice in the Philippines, an achievement that significantly contributed to the subsequent drop in global rice prices.

Quezon Rep. Mark Enverga, chairman the House committee on agriculture and food, said the President's decision to impose price ceiling on rice, complemented by a series of warehouse inspections on suspected rice hoarders carried out by authorities, including Speaker Romualdez, has helped stabilize the rice market despite global market uncertainties.

"President Marcos and Speaker Romualdez have showcased exemplary leadership and visionary strategies in tackling the intricate matter of rice pricing. Their decisive actions, notably the implementation of a price ceiling on rice, have been instrumental in upholding stability in this vital commodity, even amidst the turbulent tides of the global market," Enverga, a stalwart of the Nationalist People's Coal-

ition (NPC), said.

According to recent reports, Vietnam's rice prices experienced a notable decline over two consecutive days last week, attributed to the Philippines' decision to cancel rice orders, driven by concerns about potential losses resulting from the implementation of rice price ceilings within the country.

The price of Vietnam's 5 percent broken rice experienced a notable decrease of 2.3 percent from September 5 to September 7, reaching \$628 per ton. This drop marks the most substantial price decline since India's ban on non-basmati white rice exports.

"Recognizing the importance of rice as a staple food for the Filipino population, President Marcos and Speaker Romualdez took decisive action to mitigate rising rice prices. The decision to impose a price ceiling was a well-calculated move aimed at protecting the interests of consumers and Filipino rice farmers alike," Enverga said.

Meanwhile, Albay Rep. Joey Salceda, chairman of the House ways and means committee, said Marcos' im-

sition of the price ceiling and subsequent raids conducted by Speaker Martin Romualdez, brought some sanity back to the trading of rice.

Salceda said the India export ban and the specter of an El Nino episode that could hurt local harvest drove rice prices to unreasonable levels, especially with the sufficient supply of the grain domestically.

"The cap ended the rice price spike. It is now clear that soaring cost of the grain is artificial, driven by market speculation and rice traders driven by greed. Now, we have to manage our rice inventory better to avoid fueling the speculation here and in the global rice market," Salceda stressed.

He said the commitment of President Marcos and Speaker Romualdez to address the concerns of the public is evident in their commitment to ensuring affordable and accessible food for all Filipinos, adding that their actions have "alleviated economic pressures on households and have bolstered the livelihoods of rice farmers."

"The global market shift following their intervention is a testament to their ability to navigate complex economic landscapes. It highlights the Philip-

pines' capacity to influence and contribute positively to international food markets," Salceda pointed out.

Previously, Speaker Romualdez highlighted that the substantial reduction in global rice prices can be attributed to President Marcos' recent Executive Order (EO) No. 39, which implemented nationwide price ceilings on rice.

Data from US-based Markets Insider showed the world market price for rice has seen a remarkable 21 percent decrease, dropping from \$384 per metric ton in July to \$332.4 per metric ton this month.

Romualdez, who leads the 311-member House of Representatives, maintained that the decline in global rice prices resulted from widespread cancellations of imported rice orders by rice traders and importers in response to the newly imposed price ceilings.

The Speaker asserted that the decision by Malacañang to institute a price cap was not only justified but also the most effective means of discouraging hoarders and price manipulators from perpetuating their illicit activities.

Jester Manalastas



Cash aid to rice sellers pressed

By Jester Manalastas

IN line with President Ferdinand R. Marcos Jr.'s directive to assist small rice retailers affected by the rice price ceilings, another set of cash payouts was held simultaneously in several public markets in Metro Manila and Zamboanga del Sur.

The Department of Social Welfare and Development (DSWD) announced that this week's payout has started in the municipality of Pateros and the cities of Navotas, and Parañaque in the National Capital Re-

gion as well as in Zamboanga del Sur.

Each retailer receives P15,000 cash grants from the DSWD.

The Department of Agriculture (DA) and the Department of Trade and Industry (DTI) were the ones who identified the 337 beneficiaries who will receive the cash aid with 15 rice retailers in Pateros, 161 in Navotas, 129 in Parañaque, and 32 in Zamboanga del Sur.

The cash assistance to the affected rice retailers was drawn from the funds of the DSWD's Sustainable Livelihood Program

(SLP), according to DSWD Sec. Rex Gatchalian.

Under EO No. 39, a price cap of Php41 per kilo was placed on regular milled rice while a ceiling of Php45 per kilo was mandated for well-milled rice. The price cap was aimed at controlling the surge of rice prices in the market.

As the DSWD-SLP cash assistance for micro retailers continues, the DSWD and the DTI met on Monday to discuss the list of beneficiaries for the rest of the NCR and those in the provinces.



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TEMPORARY RICE TARIFF CUT PROPOSED

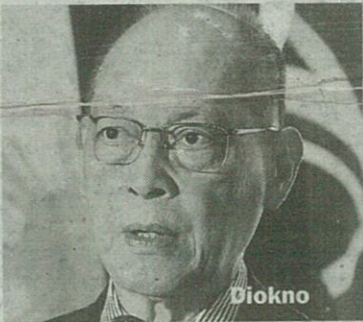
THE Department of Finance (DOF) is proposing the temporary reduction of rice import tariffs to help reduce prices.

In his weekly press chat, Finance Secretary Benjamin Diokno said while price controls, when carefully calibrated and closely implemented, are effective in the near term, they also have adverse effects if allowed to linger for a longer period.

"The President has directed the economic team to implement measures that will mitigate the negative impact of the price controls on rice retailers and farmers," Diokno said. "We need to adopt a comprehensive approach to help ensure that rice supply remains sufficient at reduced prices."

Diokno said the DOF in particular is proposing the reduction of the 35 percent rice import tariff rates, both Association of Southeast Asian Nations and MFN (most favored nation) rates, temporarily to zero percent or a maximum of 10 percent to arrest the surge in rice prices.

The DOF is also encouraging the timely importation of rice by the private sector; full implementation of the Super Green Lane that authorizes the



Diokno

use of Electronic Data Interchange that will allow the advance processing and clearance of the shipments of the country's topmost qualified importers; and cooperation with tollway concessionaires and operators for the temporary exemption of trucks that cater to agricultural goods from the increase in toll fees.

Diokno also cited the need to curb non-competitive behavior in the rice industry by aggressively pursuing cases of hoarding, smuggling, and economic sabotage; strictly monitoring the prices of imported rice in the logistics chain; and encouraging the public, including retailers, to report individuals violating price caps on

rice.

"At the same time, we have to pursue programs to protect vulnerable sectors by safeguarding our farmers from the effect of the price ceiling; provide targeted subsidies to small traders and retailers of rice; and provide support to low-income households to address the impact of the surge in rice prices," he said.

Diokno said the national government is also implementing improvements to its rice information analysis, with focus on forward-looking indicators.

"To help guide policy decisions, it is important to have timely, granular, and accurate information on the status of the rice industry. In this regard, the government must also devote more resources in satellite-based technology and data analytics to complement the dashboard," he said.

Diokno said the Inter-Agency Committee on Inflation and Market Outlook also continues to monitor and anticipate developments of key commodities through the creation of an agricultural monitoring dashboard, and the use of science and technology in agricultural monitoring, evaluation, and analysis. PNA

Date: SEPT. 12, 2023 Page: A7



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GOV'T SHOULD PROMOTE CULTIVATION OF BAMBOO TO HELP PROTECT CROPS, COMBAT CLIMATE CHANGE

ENVIRONMENT Secretary Antonia Yulo-Loyzaga called for the planting of more trees to help beat the heat all over. We hasten to add that bamboo would more effectively address the current problem of global warming and climate change, but it is not a tree, as it belongs to the subfamily *Bambusoideae* of the grass family *Poaceae*.

Numerous references, actual proofs, and experiences—including ours as an active advocate of bamboo—attest to the wonder of this grass which can be summed up in one sentence: Bamboo can save the world!

Bamboo is the world's fastest-growing plant, with

certain species attaining full growth in about just a year, compared to trees that take up to several years to mature; gives off 30-35 percent more oxygen and sequesters 10 times or more tons of carbon dioxide than trees. Bamboo can store large amounts of water in its roots and stems, as a reservoir during droughts. The roots protect the soil from landslides and erosion.

Bamboo provides food, medicine, paper, clothing, kitchen utensils, furniture, musical instruments, materials for transportation, houses, and buildings, and can replace wood and cement. Iron bam-

boo, for example, is stronger than steel. Check out more than 1,000 more uses. Unlike trees, bamboo would not be decimated. With judicious harvesting, it keeps growing.

Bamboo would help bring about a sound environment and economy.

However, a big challenge is posed by illegal claimants of watersheds—which are owned by the state, off-limits to human settlements, beyond the commerce of man.

The Department of Environment and Natural Resources (DENR) has yet to confront this problem which we have actually encountered in our efforts to

plant bamboo. The stems and shoots from the seedlings we had earlier planted had been uprooted or hacked, and armed men threatened us from proceeding further.

Add to that illegal logging, wanton quarrying, and destructive mining—negating the benefits that bamboo could bring.

The Department of the Interior and Local Government (DILG) under Secretary Benjamin Abalos Jr. should also help address this problem which seriously deters the establishment and protection of bamboo plantations. Likewise, the Department of Agriculture (DA) should make good Undersecre-

tary Deogracias Victor Savellano's announcement that government would help mitigate climate change with the nationwide cultivation of bamboo—a welcome remark as the House of Representatives, where he came from as congressman of the first district of Ilocos Sur, reportedly has not acted for the longest time on the bills promoting the planting and propagation of bamboo.

As for the Department of Agrarian Reform's (DAR) recent move under Secretary Conrado Estrella III to condone all unpaid amortizations of agrarian reform beneficiaries, bamboo planting and cultiva-

tion could greatly help protect the crops of the farmers, add to their income from bamboo, and rehabilitate or enhance their farmlands.

Much more needs to be done for DENR, DILG, DA, and DAR to stand up strong for the state and the people, confront those defying laws and that of nature; and work together—without delay—in all good efforts to pursue this greening mission nationwide.

JOEY C. PAPA AND
ANA CELIA A. VER-PAPA
convenors,
Bangon Kalikasan Movement,
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PhilMech to build more coco processing facilities

By **DANESSA RIVERA**

The Philippine Center for Postharvest Development and Mechanization (PhilMech) is continuing to establish coconut processing facilities in various parts of the Philippines in a bid to boost the country's coconut industry.

PhilMech said the Bongabong Coconut Farmers Multipurpose Cooperative (BOCOFAMCO) would receive a P27-million coconut processing facility under the Coconut Farmers Industry Development Program – Shared Processing Facility (CFIDP-SPF).

The program is expected to benefit almost 1,500 coconut farmer-members of the coop and other coconut farmers within their vicinity.

The project, which will rise in Brgy. Sagana, Bongabong, Oriental Mindoro, will process white copra and cooking oil, making it the first of its kind in the province.

PhilMech will also put up a P31-million coconut processing facility for white copra and cooking oil in Brgy. Salingcomot, Baganga, Davao Oriental.

The project, which will be the second to rise in Region XI, but the first in the province of Davao Oriental, is expected to directly benefit almost 580 coconut farmers.

The Agroforestry Farmers Producers Cooperative (AFPC), as the recipient of the facility, will operate and manage the facility.

Baganga Mayor Ronald Lara said they are the first area in the province to establish such a facility.

PhilMech will also introduce the CFIDP-SPF to the coconut industry in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), allowing the region to produce more quality coconut products.

As the fifth top coconut-producing region, BARMM has a total fund allocation of almost P41 million under the CFIDP for establishing various SPF.

The CFIDP-SPF program will officially commence in the region this month upon the signing of the Memorandum of Agreement (MOA) between

PhilMech and the region's Ministry of Agriculture, Fisheries, and Agrarian Reform, PhilMech's Interim head of the Coconut Trust Fund-Field Management and Operation Division, Andres Tuates, Jr. said.

A stakeholders' consultation meeting and workshop will be held after the MOA signing to formally launch the SPF program.

These events aim to identify qualified project proponents and determine the types of facilities they will propose, based on the situation of the Bangsamoro coconut sector, findings from coconut value chain analysis, and market demand for different coconut products.

Coconut farmers' cooperatives from Maguindanao and Lanao del Norte, with the potential to manage and operate a coconut processing enterprise, will be invited to participate in the said activity, tentatively scheduled for Sept. 21 to 22.

Member of Parliament (MP) Jaafar "Jambo" Matalam first convened the regional implementing agencies of the Coconut Farmers and Industry Development Plan (CFIDP) in January, alongside their counterparts from Bangsamoro offices, to discuss the challenges faced by coconut farmers and how the various components of the plan could drive economic development in the coconut industry of the region.

Earlier, PhilMech said it has shortlisted 27 coconut FCAs as recipients of SPFs that will be funded by the Coconut Farmers and Industry Trust Fund (CFITF) as stipulated by Republic Act 11524 or the Coconut Farmers and Industry Trust Fund Act.

In July, PhilMech director Dionisio Alvindia said the agency has also started the process of enabling farmers cooperatives and associations (FCAs) to manage, operate and maintain the SPFs with trainings conducted since early this year, while more coconut FCAs will be added to the shortlist.



Date: SEPT. 12, 2023 Page: 7

PERCEPTIONS

ARIEL NEPOMUCENO



Averting rice crisis permanently

Whether or not the price cap on rice is a sound policy is the wrong debate. At best, as the President himself explained, this is temporary. Meaning, the intention is to solve the short-term pressure being felt by consumers in availing of our staple food.

We must address the deeper causes on why we are perennially threatened by inadequate rice supply and its increasing prices. The larger concern is food security itself, which is vital in any country's stability.

We must have the mastery on how to contain the looming crisis that can adversely affect the perception on the government's ability to deliver the most gut concern of the masses. Food on the table is the most basic yet potentially the most sensitive gut issue, especially to the more than 20 million Filipinos who live in extreme poverty.

The fundamental challenge in resolving the issue on rice, plus other agricultural products, is the choice between courageously adapting long-term solutions or desperately embracing short-term solutions. I used courage in relation to long-term solutions because the needed solutions here entail sacrifices such as possible higher prices today in exchange for a more stable supply in the future. This can also demand allotting bigger portions of our national budget to finance engineering solutions in building a robust agricultural infrastructure to irrigate our available lands, connect the farms to the market and encourage the expansion of strategic agro-industrial complexes that can gear towards competing in the international market.

Truth is, it is extremely urgent to save our farmers. For many decades, being a farmer is indeed synonymous to being poor, or extremely poor. As I explained in my previous columns, farmers are deprived of the access to good nutrition, quality education, decent housing and even the most essential human dignity because of the material deprivations caused by low earnings. A farmer in the Philippines can only make a monthly average income of P8,000 to P14,000 or a maximum of P161,189 annually.

The dilemma in the fields is caused by several factors. First is the uncompetitive sizes of our small farms. 78 percent of our farmers own less than three hectares of farmlands only. This minute size will not provide the opportunity of achieving scale and therefore, not grant the capability to achieve bigger earnings from larger productions. And 70 percent of our farmers don't own lands (USAID, 2021).

According to the Philippine Statistics Authority (PSA), in 2021, the average

of farm dedicated to rice production is P68,519 per year or P21,430 net income only. As they say, we don't need a PhD to understand this obvious objective limitation. Do the math. Others may argue that PSA can be inaccurate. The income can be double. Just the same, make it even triple the reported averages. Farmers are still poor even if you quadruple their income.

Second factor is the lack of dependable irrigation. For everyone's appreciation, the equation is simple. No water, no production. Irrigation systems provide the backbone of farm productivity. The administration of PBBM is fully aware on empowering additional lands by providing them stable source of water. This is the marching order given to Engineer Eduardo Guillen, the administrator of the **National Irrigation Administration (NIA)**. I am convinced and confident that he can formulate the blueprint on how to navigate the huge task given to him by PBBM. He has the competence to pursue the much-needed engineering infrastructure that will convert at least a million additional hectares of unproductive lands for our growing agricultural demand.

Third, but not the last among several factors, is the constant onslaught of natural calamities. Our country has to brace for at least 20 tropical cyclones every year. Nature is beyond our control. But we can mitigate the impact of strong typhoons that cause destructive floods and landslides. Again, engineering interventions must be deployed such as building effective water catchment basins in strategic areas and conducting effective dredging of major river systems, though these are considered expensive, especially if not done properly. Building of dams to harness the power and volume of waters from the mountains to the farmlands is a crucial component of our overall package of solutions.

Proceed with the permanent engineering and policy solutions. We are an agricultural country. Supposed to be, rice production is our strength, along with other high-value crops. Our natural resources are abundantly present. We have to fully support the needed steps that will take years before we benefit from them.

Our farmers lack the moral boost to pursue their traditional trade. This is not due to their inability to work well. But this is because of the reality that their sacrifices are hardly reciprocated by the society they dearly serve.

Time for us to move as a nation to courageously end the unnatural agricultural menace.



VIRTUAL REALITY

TONY LOPEZ

Rice economics

In college, I took up six units of Economics plus three units of Economics as an elective. In the MBA school, I took up six units of Economics and Managerial Economics.

Imbibing so many units of Economics does not make me an economist nor an expert on the economy. But it qualified me to teach Economic Journalism at Asia's oldest university for three and a half years, with the rank and pay of an associate professor.

I claim some degree of expertise in an activity every Filipino who can count from one to ten indulges himself in – consumption. With a population of 115 million, the Philippines is the 12th largest consumer market on earth. Philippine GDP is worth \$1.29 trillion in what the dollar can buy in local goods, the 29th largest in the world.

When I was a boy of six or seven, two or three times a week, my mother would send me on an errand to the *talipapa* three blocks away from our house in Manila. With five pesos, I was to buy a kilo of fish (usually *galunggong*, today a luxury at P200 a kilo), plus a cut or a few pieces here and there of pork, tomatoes, garlic, *kangkong*, okra, aubergine (*talong*) and *kalabasa* (I can cook *pinakbet*).

The fish and the vegetables had better be fresh or I would be asked to go back to the market and demand from the vendors a refund or a replacement for the rotten goods I bought. With the five pesos, I was to buy a *ganta* or two of rice as well. A *ganta* is a less than a kilo of rice. Today, a *ganta* of quality rice is P60. Today, if you do serious public marketing, P5,000 may not be enough.

Also, once a week as a boy, at four in the morning, I would accompany my mother to do marketing at Divisoria. I was her porter. My reward for the two-hour effort was a cut of delicious rice cake and a piece of overripe mango.

When I started my professional journalism in 1970, agriculture was one of my major beats. Why? Reporters did not find the agriculture beat sexy. Nor did they understand agriculture. In my case, I bought many books on Philippine agriculture, talked to farmers to understand farming and rice production, visited the IRRI and UP Los Baños, a number of times. I have interviewed more banana plantation, sugar plantation and coconut plantation owners (or farmers) than an average Filipino reporter.

Around the Quezon City Memorial Circle were a number of national government offices having to do with agriculture – the Department of Agriculture, the Department of Agrarian Reform, Philippine Sugar Institute and, of course, UP. In those days, daily newspapers had limited space for police and national



news stories (three pages). But they had plenty of space for business and agriculture stories (12 pages) daily. I worked on per column-inch basis, not on a monthly salary. I made ten to 20 times more than a salaried reporter's pay, monthly.

I relate this experience as a background to why I favor President Marcos Jr.'s imposing of price ceilings on rice – P41 for regular milled rice and P45 for well-milled rice.

Milled is having the husk, bran and germ of palay removed. If you ask me, regular milled rice is a better buy than well-milled rice because the former is more nutritious, although the latter looks better. Converting palay to rice is very inefficient in the Philippines. Losses range from 20 percent to 40 percent of the harvest, enough to cover an annual rice shortage of three million metric tons and enough to feed 14 million hungry Filipinos.

The Philippines is an amazing place. It has the world's best college of agriculture, UP Los Baños. It has the world's best rice research center, the International Rice Research Institute (IRRI) which is run by foreigners (non-Filipinos) but manned by Filipino scientists. The Philippine government has its own Philippine Rice Research Institute (PRRI).

When IRRI was founded in Los Baños in 1960, the Philippines was a rich country, richer probably than Japan, which was devastated by two atomic bombs, one of which was unnecessary. Rice shortages were not a problem. Also, world hunger was not a problem. Today, 12 percent of Filipinos, or three million families, are hungry. Another 800 million are hungry, globally. What happened, IRRI?

In signing the price ceilings order, President BBM was not thinking primarily of lowering rice prices. The objective, I think, was observe the dynamics of the market place, how hoarders and speculators would behave and not necessarily arrest them. Arrest is hard to execute. The speculators and hoarders have government officials and politicians as partners.

Cynics and critics have criticized BBM for his order. It defies the law of supply and demand. In the first place, the law of supply and demand works only in conditions of *ceteris paribus*, the economist's term for all things being equal. In the Philippines, there is no such thing as equality. Outside of Africa, Phl has the world's worst income inequality.

By the way, that story about then President Ramon Magsaysay (Dec. 30, 1953-March 17, 1957) ordering the repeal of the law of supply and demand is true.

The late Carlos P. Romulo, who was a good friend and who I interviewed a number of times for magazine cover stories, related the story to me. Then Ambassador Romulo was RM's foreign affairs adviser. The one who advised RM against repealing the law was Commerce Secretary Cornelio Balmaceda, a Harvard MBA.

So is BBM, who was educated at Oxford and Wharton, trying to repeal the law of supply and demand? No. He is, I think, trying to repeal our mindset, about high rice prices.

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Corn output seen hitting 7.67 MMT

DOMESTIC yellow corn output is projected to increase to 7.67 million metric tons (MMT) next year, said the Department of Agriculture (DA).

The Philippine Council for Agriculture and Fisheries (PCAF) said through a statement on Friday that the DA's National Corn Program (DA-NCP) presented the status of its roadmap to the National Sectoral Committee, and agencies and bureaus under the DA.

DA-NCP technical staff Riciena Louise Bulingot said that the forecast for 2024 was higher in comparison to the 6.95 MMT projection for 2023.

The DA said the demand for yellow corn grains is expected to increase in the next 10 years due to the increasing demand for animal feeds globally, and

by 2040, it is predicted that production will reach 8.93 MMT.

"Production can significantly improve 2.5 times by 2040 assuming an adoption of a new technology similar to the conditions experienced during the 1980s up to 1990s," it said.

"A highly optimistic scenario of 3.8 times production growth can be achieved if the country will again experience the similar benefits brought by biotechnology adoption during the 2000s," the DA added.

Meanwhile, DA-NCP Director U-Nichols Manalo mentioned that P4.20 billion was earmarked for public investment in yellow corn this year.

PCAF said that the investment was divided into five key areas, which include

the efficient and stable supply chain of industry inputs such as seeds and fertilizer; corn produced through efficient production systems; efficient post-harvest systems; improved corn-based value chains; and efficient marketing infrastructure and information system.

DA Undersecretary for Policy, Planning, and Regulations Mercedita Sombilla emphasized the important role of the private sector in reviewing and implementing the roadmaps.

"The roadmap is created by the government and the private sector, that's why it must also be reviewed by both. We need your help and inputs in reviewing these roadmaps to ensure their success," said Sombilla.

JANINE ALEXIS MIGUEL



ECO TEAM BACKS EO

Govt to review price caps on rice in 2 weeks: DTI



Micro retailers affected by the imposition of rice price ceilings from Navotas City receive the P15,000 Sustainable Livelihood Program cash assistance from the DSWD on September 11 at the City Sports Complex. (PNA Photo)

BY IRMA ISIP

THE Department of Trade and Industry (DTI) yesterday said government will review in two weeks whether or not the price ceilings on rice should be lifted following the assurance of the availability of 2 million metric tons (MMT) of rice supply this month.

DTI Secretary Alfredo Pascual and the rest of the economic team also yesterday expressed full support to the price caps imposed through Executive Order (EO) 39.

The assurance comes days after Finance Secretary Benjamin Diokno was quoted as saying the team, which he chairs, was not consulted on the move.

Speaking to reporters yesterday, Pascual assured there is enough supply of the regular milled and well-milled rice whose prices have been capped at P41 per kilogram (kg) and P45 per kg, respectively, until the end of October with

total harvest of 5 MMT expected to come.

He said the Department of Agriculture (DA) has assured there is enough supply of the grain till the end of the year.

Pascual also said according to estimates, if palay is bought at P32 per kg, there is enough margin to continue selling at P41 and P45 per kg, after milling and logistics, even after the caps are lifted.

"Based on our monitoring, a big percentage (of retailers) follow price caps... about 95 percent," said Pascual, adding some retailers which did not comply have been issued warnings.

Pascual said the price caps are not a stand alone relief and that the government is undertaking parallel steps to address hoarding, smuggling and cartelization in cooperation with the Philippine Competition Commission, the Department of Justice, the National Bureau of Investigation and the

Bureau of Customs.

"These parallel anticompetitive actions are all meant to make sure supply is taken care of," Pascual said.

Diokno in a statement said EO No. 39 was issued by the President as the chief executive and the concurrent DA secretary and "serves as a lifeline, extending much-needed relief to Filipinos grappling with the high rice prices."

Diokno said the economic team views EO 39 as an essential stop-gap measure, and underscored the importance of supplementing it with additional measures to achieve long-term rice price stability in the country.

"We agree with the President that implementing a price cap on rice is the most prudent course of action at the moment to achieve two critical objectives: stabilizing

See GOVT > Page A2

Malaya Business Insight

Date: SEPT. 12, 2023 Page: A1 & A2



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DEPT. OF AGRICULTURE

GOVT

rice prices and extending immediate support to our fellow countrymen," he added.

Last Friday, Diokno admitted the issuance of the order came as a surprise to him, as well as to National Economic and Development Authority (NEDA) secretary Arsenio Balisacan, as the announcement was made while the economic team was overseas discussing Philippine investment opportunities to the Japanese government and potential investors.

Diokno, however, noted EO No. 39 can be proven effective in the near-term, but should not persist for an extended period.

Conditions on price caps

Secretary Amenah Pangandaman in a statement said the imposition of price caps will effectively serve as an "active stop gap" to

address the market's current circumstances.

"Conditions truly warrant a special mitigating measure," Pangandaman said as she enumerated certain conditions that entail some form of regulated price caps: emergency situation during natural disasters or other emergencies; temporary measures to address market disruptions and; targeting certain sectors to correct market failures

R&D crucial

President Marcos Jr. yesterday highlighted the importance of research and development, including the use of new technologies, in increasing and stabilizing the rice supply amid climate change.

The President was in Batac in Ilocos Norte to witness the launch of the 2023 Mariano Marcos State University (MMSU)-Philippine Rice Research Institute (PhilRice) rice paddy art which pays tribute

to the exemplary individuals who have made significant contributions to agricultural development and nation-building while showcasing innovative rice production technologies and promoting agri-tourism in Ilocos Norte.

During the event, he emphasized the role of the government in bringing these new technologies from the lab where they are studied and developed to the field and the farmers who would use them.

He said the DA in coordination with different institutions such as the MMSU-PhilRice gets the newest and most useful technology, which he said "has become so important because of climate change," and further develops it and tests it before eventually releasing it to the public, particularly the farmers, to use it to increase the production and eventually stabilize the supply and prices.

- *With Angela Celis and Jocelyn Montemayor*



Export of mangoes to Australia resumes

AFTER 10 years, Australians will soon be tasting the Guinness Book of World Records “sweetest mango in the world” as the first batch of shipment arrived in Sydney and Perth on September 7.

The initial shipment of the most popular mango variety, Carabao, were harvested from the local farms in Malalag, Digos, Bansalan and Magsaysay municipalities in Davao del Sur.

The Philippines announced in June that it will start to send an initial shipment of fresh carabao mangoes to Australia, the first after almost 10 years since a trial shipment was made in 2013.

From the 94,000 metric tons (MT) output in the same quarter of 2022, the Philippine mango production during the first quarter of 2023 projected an increase of 2 percent at 96,000 as published by the Philippine Statistics Authority.

Meanwhile, data from the Philippine Department of Agriculture's High Value Crops Development Program showed that the country's export of fresh mango increased from 8,804 MT in 2018 to 11,498 MT in 2022, with Hong Kong being the top market, next is Korea and Japan respectively.

“The Department of Trade and Industry (DTI) maximizes the

country's untapped export potential through the launch of the Philippine Export Development Plan (PEDP) and in conjunction with the Regional Comprehensive Economic Partnership Agreement's (RCEP) entry in to force last June. The PEDP aims to address challenges that the Philippines face in different sectors of the economy particularly the exports sector by capitalizing on the country's export growth opportunities,” said DTI Secretary Alfredo Pascual in a statement.

Arrangements are made possible by FastboxPH, a Sydney-based e-Commerce and logistics company and 3SIXTY5 Freight and Customs Pty Ltd with the support of the Philippine Trade and Investment Center in Sydney and the Bureau of Plant Industry-National Plant Quarantine Services Division of the Department of Agriculture.

The Australia Philippines Business Council (APBC), the premier business organization dedicated to promoting trade and investment between Australia and the Philippines, welcomed this positive trade development between the two countries.

APBC further affirmed that mango export not only boosts agri-trade between Western Aus-



The first batch of Carabao mangoes arrived in Sydney and Perth on Sept. 7, 2023. (Photo by PITC Sydney)

tralia and Mindanao but also contributes to the sustainability of the Manila-Perth-Manila flight recently launched by Philippine Airlines (PAL).

PAL is the only carrier that can offer seamless transfer from Davao or General Santos City to Manila and immediately connect to Perth under one warehouse.



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El Niño impact could result in 10-15% sugar output decline — SRA

RAW SUGAR production could decline by 10-15% depending on the severity of the ongoing El Niño, though the official production estimate of 1.85 million metric tons (MT) remains above year-earlier levels.

The estimates were contained in the Sugar Regulatory Administration's (SRA) Sugar Order No. 1, covering the 2023-2024 crop year.

The SRA said the El Niño has been determined by the government weather service to be active

throughout most of the crop year, which runs between Sept. 1, 2023 and to Aug. 31, 2024.

Official weather projections put the peak of the El Niño at late 2023 and early 2024.

SRA Administrator Pablo Luis S. Azcona told reporters

last week that sugar production could benefit from an estimated 3,000-hectare increase in land planted to sugar cane.

Sugar production dropped to about 1.8 million MT, in the recently concluded crop year, from 2.1 million MT a year earlier.

The sugar regulator said that 100% of domestic market sugar production will be allocated to millers.

"SRA may from time to time adjust the percentage allocation/distribution to other classes of sugar in accordance to its power

and function and to establish domestic, export and reserve allocations," it said.

It added that total domestic withdrawals from inventory for the crop year are estimated at 2.2 million MT. — **Adrian H. Halili**



2023-2024 raw sugar output could reach 1.85 MMT–SRA

THE Philippines's total raw sugar production could remain below 2 million metric tons (MMT) for the third consecutive crop year, according to the state's Sugar Regulatory Administration (SRA).

The SRA projected that the raw sugar output in crop year 2023-2024 could reach 1.85 MMT, which could be the highest volume produced by the country in the past three crop years.

However, the SRA cautioned that the projected output could decline by 10 percent to 15 percent depending on the severity and impact of the anticipated El Niño phenomenon occurring in the present crop year.

The SRA's estimated raw sugar output is higher by about 50,000 MT than the previous crop year's nearly 1.8 MMT recorded production.

Since crop year 2021-2022, the Philippines' raw sugar production fell below 2 MMT, which was the country's average output for at least two decades.

The last time that the country's raw sugar output was consecutively below 2 MMT was more than two decades ago.

For three crop years, from 1999 to 2002, the Philippines's raw sugar output was below 2 MMT before recovering to 2.162 MMT in crop year 2002-2003.

The SRA estimated that total raw sugar withdrawal in the current crop year would be at 2.2 MMT.

To ensure stable domestic sugar supply, the SRA board decided to allocate the current crop year's production for domestic consumption, according to Sugar Order (SO) 1, which was published on Monday.

This marks the third consecutive crop year that the Philippines did not allocate a single metric ton of raw sugar for export to the US market.

SO 1 sets the sugar policy for a given crop year, which starts on September 1 and ends on August 31 of the following year.

SO 1 of crop year 2023-2024 was signed by the following officials: Agriculture Senior Undersecretary Domingo F. Panganiban, SRA Administrator and CEO Pablo Luis S. Azcona, Board Member (Miller's representative) Ma. Mitzi V. Mangwag and Board Member (Planters' representative) David Andrew L. Sanson. **Jasper Emmanuel Y. Arcalas**



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The Rice Tariffication Law and its role in the current rice crisis

By RAUL MONTEMAYOR

IN 2018, the country underwent a rice crisis. By October, retail prices of well-milled rice (WMR) reached almost P50 per kilo, up 14 percent over prices in the previous year. Prices for regular-milled rice (RMR) rose by 16 percent. This coincided with the depletion of National Food Authority stocks, delays in import arrivals, and a dip in local production. It was only when then President Rodrigo Duterte ordered NFA to immediately import and allow private traders to bring in rice did rice prices stabilize.

The current situation is eerily similar. NFA stocks are down to just one day's national consumption. Entering the 3-month lean period in July 2023, overall inventories (held by farm households, private traders and NFA) sufficed for only about 60 days. Rice from abroad was supposed to cover the 30-day gap, but the war in Ukraine, climatic disturbances and the Indian export ban rendered rice importation expensive and risky. As stocks began thinning out in August and September, prices ascended to levels beyond those in 2018.

The 2018 rice crisis triggered the rapid passage of the Rice Tariffication Law in February 2019. Blaming government import controls, RTL's proponents argued that the private sector could manage the rice market more efficiently. As a result, NFA's importation, regulatory and price stabilization functions were abolished. The agency was relegated to buffer stocking for calamities. The private sector was given free and unlimited rein over rice importations.

Imports immediately surged to 3.17 million tons in 2019, from previous annual levels of 2 million tons or less. In 2022, they registered an all-time high of 3.85 million tons. These voluminous inflows, especially during local harvests, led to severe drops in palay prices. Between 2019 and 2021, farmers' incomes declined by P4,500 per hectare per season, compared to normal pre-RTL figures.

Low farmgate prices disincentivized farmers; more so, when fertilizer and fuel costs rose starting in 2021.

While improving slightly, total rice output did not keep pace with growth in population and demand. Our self-sufficiency ratio, or the percentage of total food and other requirements produced by our farmers, decreased from 90 percent prior to RTL to 79 percent in 2021. We became increasingly dependent on foreign suppliers. Rice imports accounted for an average of 19 percent of our total annual supply during the RTL period, compared to only 14 percent before that.

Meanwhile, RTL's promised benefits to consumers in terms of lower rice prices did not materialize. Studies by the Federation of Free Farmers show that net savings to consumers in the first three years of RTL amounted to a measly P52 per person per year. Importers and traders pocketed the gains from cheaper imports, even as many undervalued their shipments to reduce their tariff obligations. Many now call the RTL the "Rice Traders Liberalization Law."

The country's growing reliance on imports, coupled with our farmers' diminished capacity to satisfy our rice requirements, are the proximate causes of the current crisis (extremely tight supplies and prohibitive prices of rice). While the proponents of RTL may not have intended this to happen, they bear responsibility for hastily pushing for its enactment and for peddling their faulty theories and bloated projections about the virtues of full-scale liberalization and deregulation of our rice markets.

According to the Department of Agriculture (DA), as of August 1 this

year, the country's rice stocks had fallen to 39 days level of consumption. This meant that rice good for an additional 21 days of consumption—about 750,000 metric tons—needed to be sourced either from imports or early palay harvests (before the main harvests could start replenishing inventories from late September onwards).

Unfortunately, imports did not come in as expected. As international prices increased, foreign suppliers started renegeing on contracts. Local importers themselves scaled down their imports; a few reportedly cancelled their orders. The raiding and padlocking of warehouses of supposed hoarders, and the subsequent imposition of price ceilings on major rice grades, aggravated the problem and caused importers to adopt a wait-and-see stance.

Throughout all this, government was left almost powerless to control events. It could have stepped in early to augment supplies once it detected traders' reluctance to import. However, RTL specifically prohibited NFA from importing. RTL's implementing rules do allow the Philippine International Trade Corporation to undertake importation "only in the event of (a) rice supply shortage." However, the DA repeatedly claimed that there was no rice shortage.

RTL also severely curtailed government's ability to monitor the rice industry. It removed NFA's powers to license market players, inspect warehouses, and track stock movements.

This led to essentially fishing expeditions by law enforcers and some legislators to apprehend alleged hoarders, and the recent imposition of price ceilings to ferret out unidentified profiteers! The price caps eventually led retailers to lose money, government to spend money to compensate the retailers, and farmers to suffer from drops in palay prices, with no hoarder or profiteer being apprehended so far.

The same economic agencies and interests that advocated RTL's passage are now recommending tariff cuts on rice imports from 35 percent

to 10 percent, ostensibly to bring down rice prices and control inflation. True to form, they again look abroad to salvage the situation—which their pro-importation policy bias created in the first place.

A tariff reduction will only further discourage our farmers from redoubling their productive efforts. It will make our food security even more dependent on external players and factors. Nor is there any guarantee that importers and traders will pass on any tariff savings to consumers.

Before humoring these economic theorists and interests again, let us hold them to account for the harm that their wrong prescriptions have inflicted on millions of our small farmers and poor consumers. Let us not allow them to repeat the same mistakes and force others to pay for them.

If El Niño persists until next year, and international prices remain high, we could end up in an even worse predicament, come the lean months of 2024.

There is still some time to prepare for this contingency. We should provide our farmers with the right price incentive in the coming harvest season, so that they will scale up production during the next production cycle. We should put in place the necessary post-harvest facilities to reduce losses and enhance the quality and market value of their produce. We can give farmers the option to store their harvests in idle NFA warehouses, borrow money against their deposits, and then sell them in the open market when commodity prices improve. And we can set up systems that will enable farmers and their organizations to sell their products directly to consumers—with government, together with the private sector, providing logistical support.

Most important, we should renew trust and confidence in our own farmers, and exorcise the myth that open markets are the best guarantee for our food security.

Raul Montemayor is the National Manager of the Federation of Free Farmers.

Date: SEPT. 12, 2023 Page: A18/A2



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Find Luzon veggies on NVAT online platform

By MALOU TALOSIG-BARTOLOME

✉ @maloutalosig

CHEAPER upland and lowland vegetables from Luzon are now available online through a "trailblazing" joint project of the United States government, the Department of Trade and Industry, and farmers and entrepreneurs from Nueva Vizcaya.

Tomatoes, which have skyrocketed to P150-220 per kilo this week, are available at P130 only through the e-commerce platform entitled NVAT Fresh Online Platform (NVATFresh.com).

Red onion is P145 per kilo, cheaper compared to a number of

Metro Manila markets which sell it at P150-190 per kilo.

Imported garlic is also offered at P110 per kilo, P10-50 cheaper than those offered in markets in NCR.

Other vegetables in the platform include broccoli, cauliflower, carrots, squash, sayote, ampalaya, wombok, cabbage and seedless native orange.

NVAT stands for Nueva Vizcaya Agricultural Terminal, which is based in Bayombong. It is one of the best-performing food terminals in the country, with extensive wholesale markets directly sourced from Benguet, Ifugao and Pangasinan. It delivers 60 percent of its fresh

fruits and vegetables to Metro Manila and Central Luzon.

The US Agency for International Development (USAID) provided technical assistance and training for the NVAT to launch this website.

The e-commerce website aims to strengthen the Philippines' agricultural supply chain.

According to the US Embassy in Manila, this is the first of its kind e-commerce platform that expands the market reach of Luzon-based farmer-traders.

"The NVAT Fresh Online Platform (NVATFresh.com), directly managed and operated by the Luzon-based agricultural hub, is a business-to-business (B2B) online

platform where farmers can list their produce for large enterprises such as supermarkets, food processing companies, and restaurant chains," the Embassy said.

Aside from Nueva Vizcaya, produce coming from Benguet, Ifugao and Pangasinan are also being traded in the e-commerce website.

"Through the platform, farmers can leverage competitive pricing, secure a consistent income, reduce food wastage, and ensure the delivery of fresh, affordable produce straight to businesses and consumers," the US Embassy said in its statement.

SEE "VEGGIES," A2

NVAT Fresh Online is projected to sell 5,000 tons of produce, accounting for 3 percent of NVAT's total volume.

After five years, they projected that sales would surge to 20,000 tons, generating P500 million (USD8.8 million).

USAID Philippines Deputy Mission Director Rebekah Eubanks stressed the crucial role that farmers play in achieving inclusive and resilient economic growth.

"As your partner in prosperity, the United States remains committed to supporting the Philippines in advancing digitalization to help improve the lives of farmers and agricultural traders, and more importantly, enhance the country's food security," Eubanks said.

The USAID has a five-year project worth P1 billion (US\$18 million) to strengthen and expand the transformation of private enterprises for the digital economy.

"Thank you, USAID, for heeding our call. To say that NVAT is a trailblazer is an understatement. The birth of NVAT Fresh [Online] is a significant accomplishment," DTI Secretary Alfredo Pascual said in remarks delivered by DTI Undersecretary and Chief of Staff Ana Carolina Sanchez.

Department of Agriculture Senior Undersecretary Domingo Panganiban said platforms like NVAT Fresh Online has an impact on farmers.

"The most striking feature of progress in agriculture today is the rapid increase in the utilization of information technology to provide both farmers and consumers alike with reliable, data-driven information and guidance," Senior Undersecretary Panganiban said.

BusinessMirror

A broader look at today's business

Date: SEPT. 12, 2023 Page: A18/A2



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FROM left to right: USAID SPEED Chief of Party Vice Catudio, USAID Philippines Deputy Mission Director Rebekah Eubanks, and Nueva Vizcaya Agricultural Terminal (NVAT) General Manager Gilbert Cumila hold wombok cabbages from farmer-traders. PHOTO COURTESY USAID



Rabies-free by 2030? Why not?

Rabies is the most dreaded zoonotic disease that kills its victims with 100 percent efficiency. The Philippines' rabies death toll is 250–300 cases a year. Rabies patients suffer a most horrible death.

The facts justify the intense fear that grip animal-bite victims (around a million annually), driving them to seek post-exposure prophylaxis (PEP) offered in over seven hundred animal-bite treatment centers nationwide. They endure multiple injections of rabies-immune globulin and rabies vaccines, and fork out over ₱3,000 per treatment.

The economic costs of rabies and animal-bite treatment are enormous (₱33 billion nationwide) not only in terms of the treatment but also in lost work hours, not to mention the emotional toll of waiting to see if you'll develop the dreaded disease.

From the above statistics, it is certain that the Philippines, despite its rabies-control program over the years, is far from attaining rabies-free status. That speaks volumes of the program's lack of success. It's time to rethink how we can do better.

First and foremost, let us apply the latest scientific research to our approach. The requirement of vaccinating a dog for rabies yearly is no longer scientifically valid, since research shows that certain rabies vaccines provide protection against infection up to five or more years. The reliance on rabies titers as a measure of protection is deceiving, since immune systems develop memory cells that rapidly ramp up anti-rabies antibodies after many years, offering protection from infection. Yet, our veterinarians insist on annual shots, which may also have side effects on dogs.

Second, there are now effective rabies vaccines that can be given orally, making it easy to immunize stray-dog and -cat populations and wild animals with baits.

Considering the above, achieving 70 percent vaccination rates within three years (which is the WHO target for elimination of rabies) is most doable, especially if we consider that our geographically dispersed islands serve as barriers

to migration of both domestic and wild animals that can carry the rabies virus.

The best way to eliminate rabies is simply to ensure 70 percent or more vaccination of domestic animals, mainly dogs, which are responsible for the great majority of rabies cases. Focus on this goal and in three to five years, we can achieve a rabies-free Philippines.

We must put together a coalition of government agencies (**Bureau of Animal Industry or BAI**, LGUs), veterinary associations (Philippine Veterinary Medical Association or PVMA and Philippine Animal Hospital Association or PAHA), pet businesses (veterinary-drugs and vaccine companies), pet food manufacturers and dealers, pet shops, dog-centered organiza-

The best way to eliminate rabies is simply to ensure 70 percent or more vaccination of domestic animals, mainly dogs, which are responsible for the great majority of rabies cases. Focus on this goal and in three to five years, we can achieve a rabies-free Philippines.

tions (Philippine Canine Club Inc. or PCCI), and animal-welfare organizations (Animal Kingdom, CARA, PAWS), all of which should hold a Rabies Summit to map out a detailed plan to achieve the above goal. If we can vaccinate 90 percent of all dogs just once and microchip them to make identification easier, we will certainly go a long way in eliminating rabies.

It is time for the BAI to act on this zoonotic menace and step up its game in dealing with the rabies problem. Admittedly, it has its hands full dealing with African Swine Fever and Avian Flu, but it can certainly lend its organizational clout and legal mandate to change current rabies-vaccine requirements

to a three-year validity and add oral rabies vaccines to its formulary.

Our local government units have been tasked with implementing the rabies-control program at ground level. The problem is, they don't fund it enough and there are not enough trained and equipped staff, especially veterinarians, in all localities, thus providing an excuse not to pursue the program's goals.

Veterinary associations should lead in applying current research to implement a national rabies-vaccination program without thought of losing income for its practitioners who vaccinate the same dog populations. Recommendations for oral rabies vaccines will broaden vaccination coverage among stray animals and enable non-veterinarians to administer these vaccines at the community level.

Pet businesses importing, manufacturing, and distributing dog foods, supplies, and grooming products such as dog shampoos and the like make big profits, which they should give back in the form of corporate social responsibility by funding the campaigns.

The Philippine Canine Club Inc., being the foremost organization promoting dog health and welfare, should also be in the forefront of ensuring that dogs don't die of rabies. Its members also get to benefit from a rabies-free Philippines so their dogs can be freely exported and participate in dog shows internationally sans the need for rabies titers that many countries require us to obtain as a rabies-endemic country.

If they really care about animals, animal-welfare organizations should concentrate on controlling rabies instead of just rescuing individual dogs willy-nilly to get publicity and funding.

Let us put aside our differences and concentrate on this very important matter that concerns both human and animal health. No person or animal should suffer and die from rabies if we pull together.



UNDER THE MICROSCOPE

RAYMUND W. LO, MD, FPSP



Date: 12 SEP 2023

Page: B-1, 2 B-2

Rice price cap may be lifted in two weeks – Pascual

With the rice harvest season approaching, the government may be able to lift the rice price cap mandated under Executive Order No. 39 by the end of this month – roughly in two weeks – as there will be enough rice supply for the rest of the year.

"Within September, we're looking at two million metric tons of harvest and some entry of imported rice, so maybe within the two weeks, we should be able to see whether we can lift the price cap already," Trade Secretary Alfredo E. Pascual said on Monday, Sept. 11, in an interview by ANC.

Pascual said that the majority or a high of 95 percent of the rice retailers are following the price ceiling, based on their monitoring.

He is also confident that the government will have a sufficient supply of rice

until the end of the year, as the harvest season comes and as assured by the Department of Agriculture (DA).

"As of now, based on what we hear from the Department of Agriculture, we have a sufficient supply of rice, with the harvest, until the end of the year," he said.

Pascual said the government has been successful in implementing the rice caps for being able "to make rice available to our mass consumers at ₱41 per kilo for regular rice and ₱45 per kilo for well-milled rice."

"There may be a few that are still selling beyond the ceiling, but the important thing based on our own findings is that in all the localities that we have monitored, rice is available at

►B-2



(MB FILE photo by ALVIN KASIBAN)

the price caps," he added.

Despite admitting that the price cap implementation is just a band-aid solution by the government, Pascual reasoned that "it's the solution that's called for given the circumstances, which this EO 39 was issued."

He further explained that the price cap was not implemented as a standalone measure, but "it was alongside efforts to address the issue of hoarding, profiteering, smuggling and cartelization and there were parallel efforts to take care of these actions – anti-competitive market actions by involving number of government agencies like the

Philippine Competition Commission, the Department of Justice, together with the NBI, and also Bureau of Customs."

Meanwhile, Pascual believes that the country is not experiencing an emergency situation when it comes to the supply of rice.

"I don't think the situation is getting worse... But I'm confident that with the harvest season, commencing, we're looking at harvesting a million metric tons of rice between now and the end of October. I think we are not in a rice emergency so to speak," he said. (Ma. Joselie C. Garcia)



TAAS-PRESYO NALIHIS SA IMPORTED BIGAS

Bumuhos ang negatibong reaksiyon sa panukala ng tanggapan ni Finance Secretary Benjamin Diokno na pansamantalang tanggalin ang taripa o buwis sa mga imported na bigas upang bumaba umano ang presyo nito sa bansa.

"Ang pagpapatupad ng zero-tariff importation sa panahon ng anihan ay disaster na sasalanta sa ating mga lokal na magsasaka. Alam ito ng Department of Agriculture, baka bukas kay Undersecretary for Rice Sebastian naman tayo makarinig," pahayag ni Senador Risa Hontiveros.

Ayon sa senador, hindi dapat bahain ng imported na bigas ang bansa lalo na't nalalapit na ang harvest season bukod sa malaki ang maging epekto nito sa

mga magsasaka.

"The Diokno proposal also does not say that the importation will only be for the National Food Authority's buffer stock, which means that the importation will be done by the private sector," sabi ni Hontiveros.

"Magulo because this goes against the administration's goal of importing rice from Vietnam through government-to-government trade. Ano ba talaga?" dagdag pa niya.

Inihayag ni Hontiveros na hihilingin niya sa isang resolusyon ang imbestigasyon na salungat na mga polisiya ng pamahalaan sa isyu ng bigas.

Pinalagan din ni Gabriela Party-list Rep. Arlene Brosas ang mungkahi ni Diokno na zero tariff na lalo anyang ibabaon ang mga mag-

sasaka ng bigas.

Aniya pa, asahan ang pagbaha ng imported rice sa zero tariff na siguradong makikinabang ang cartel dahil magiging madali nang magpuslit ng bigas.

Samantala, nalilito na umano ang Samahang Industriya ng Agrikultura (SINAG) sa plano ng gobyerno na mag-import ng bigas gayong ang problema ng bansa ay ang taas-presyo nito at hindi ang kakulangan ng supply.

"Yun nga po ang ating medyo ipinagtataka dahil ang issue natin ngayon ay 'yung mataas na presyo ng bigas,' ayon kay SINAG executive director Jayson Cainglet sa panayam ng dzBB. "Wala naman po nagsasabi na meron tayong kakulangan o may shortage."

Reaksiyon ito ni Cainglet sa balitang iki-

nasa ni Pangulong Ferdinand Marcos Jr. ang kasunduan para sa trade agreement sa Vietnam at Cambodia upang maging matatag ang suplay ng bigas sa bansa.

Ayon kay Cainglet, mas mahal ang presyo ng imported na bigas kaya nagtataka sila kung bakit ganito ang nais gawin ng pamahalaan.

Sa panukala ng Department of Finance, bukod sa pagtanggap ng taripa sa bigas, nais din nitong magpatupad ng super green lane para sa mga imported na bigas upang makapasok agad ito sa bansa. **(Dindo Matining/ Eralyn Prado/Eileen Mencias)**

Date: 12 SEP 2023 Page: 2



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Rice price cap, dedesisyunan sa loob ng 2 linggo *Kung aalisin o mananatili*

Sa susunod na dala-wang linggo pa maaaring makapagdesisyon ang Department of Trade and Industry (DTI) kung tatanggalin na ang ipinatutupad ngayon na 'price ceiling' sa retail ng bigas.

Sinabi kahapon ni

DTI Secretary Alfredo Pascual na ito ay dahil sa inaasahan na ang pagdating ng panahon ng anihan sa mga susunod na linggo.

"Maybe within two weeks, we should be able to lift or to see whether we can lift the

NI DANILO GARCIA
price cap already," saad ni Pascual.

Sa ilalim ng Executive Order No. 39, na epektibo nitong Setyembre 5, maaari lamang ibenta ang 'regular-milled rice' ng P41 kada kilo at ang 'well-milled rice' ng P45 kada kilo.

Iginiit ni Pascual na hindi lamang ang paghi-

higpit sa retail prices ang ipinatupad nila, bagkus ay kasabay umano nito ang kampanya nila laban sa 'hoarding, profiteering, at smuggling'.

Inaasahan na aabot sa 2 milyong metriko tonelada ng bigas ang aanihin ngayong buwan.

"[If] we're talking of the next few weeks we're facing already a harvesting season... in Septem-

ber alone, we expect 2 million metric tons of rice will be harvested and that will be followed also by the entry of some imported rice that would help fill the supply," paliwanag ng kalihim.

Sa ngayon base umano sa Department of Agriculture, may sapat nang suplay ng bigas hanggang sa katapusan ng taon.



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BPI sees fruitful future for Philippine mangoes

By Joel dela Torre

THE return of fresh mangoes to the markets of Australia after 10 long years, is a big step towards the development of the Philippines' mango industry, the Department of Agriculture said.

According to Bureau of Plant Industry director Gerald Glenn Panganiiban, the export of our own local mangoes is a milestone achievement to the agricultural sector - thanks to the meticulous planning, rigorous adherence to international quality standards and continuous efforts of the local farmers and exporters.

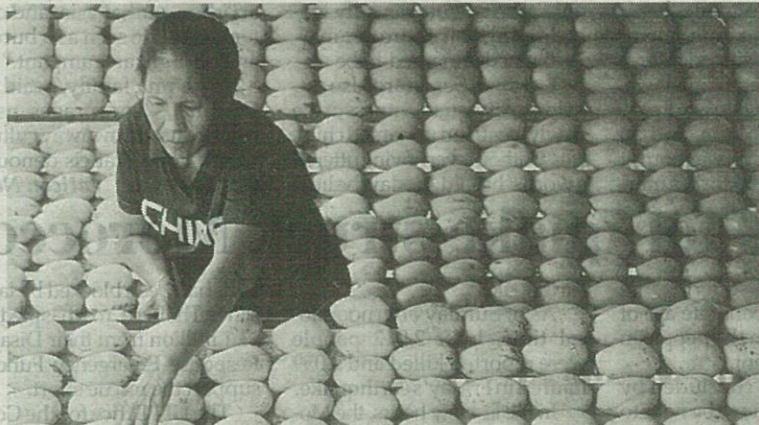
The Philippines started exporting fresh mangoes again to Australia with an initial shipment of 1,500 kilograms of Carabao mangoes during a simple send-off ceremony on September 6, 2023 at the Philippine Airlines (PAL) Cargo Terminal.

Assistant Director for Research, Development and Production Support Services Herminigilda Gabertan said that the Philippines' last exportation of mango to Australia was in 2013.

"Since 2013 pa po kasi ang last nating export ng mango to Australia, so this a big step towards our mango industry development considering na kailangang kailangan po natin talagang i-promote ang ganitong mga produkto sa labas ng ating bansa," she said.

The DA official said that this endeavor opens new horizons for the country's agricultural produce and strengthens the bonds of international trade.

In partnership with the DA-BPI,



Bureau of Customs (BOC), and PAL, the Hi-Las Marketing Corporation shipped the mangoes to Sydney and Perth, which marked the first fresh mango export from the Philippines to Australia in 10 years.

"With this commencement of the export to Australia, we hope that we

are able to ship more of our good quality products across the globe para bumalik ulit tayo sa mercado. We're very thankful for the opportunity talaga that we are able to penetrate some new foreign market again. Hopefully, this will result to higher export volume," DA said.



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Kadiwa pop-up store for PDLs

PERSONS deprived of liberty (PDL) in New Bilibid Prison, Muntinlupa City as well as the residents and employees of the Bureau of Corrections (BuCor) will now have direct access to fresh and affordable food and basic commodities with the setting up of the first Kadiwa pop-up store inside the detention facility.

The Department of Agriculture (DA), in collaboration with the Bureau of Corrections (BuCor), launched its first Kadiwa pop-up store at the New Bilibid Prison last Sept. 8.

"Ang DA ay laging handang tumugon sa mga komunidad na nagnanais

na magkaroon ng Kadiwa project. Ang DA ay patuloy din sa pagpapatupad at pagpapalaganap ng adhikain upang matugunan ang food security ng bansa," said Ruel Gesmundo, Assistant Director for Regulatory Services of the Bureau of Plant Industry during the inauguration ceremony.

Meanwhile, BuCor Director General Gregorio Catapang warmly welcomed the opening of the Kadiwa store, recognizing its benefits for the entire community.

"Ang Kadiwa ay para sa mga empleyado, PDL at residente ng Bilibid para mailapit sa kanila ang mura at de-kalidad na pagkain na alam na-

man natin ngayon ay nagtataasan ang presyo. Ito'y alinsunod din sa utos ng ating Pangulo Ferdinand R. Marcos Jr. at Justice Secretary Jesus Crispin Remulla na tumulong sa food security ng bansa," he said.

The products being

sold at the Kadiwa pop-up store in Bilibid include assorted highland and lowland vegetables, fruits, eggs, assorted smoked and dried fish, mushroom products, coffee, noodles, cooking oil, and herbal oils.

Through its Agribusi-

ness and Marketing Assistance Service, the DA has been actively expanding Kadiwa outlets across Metro Manila in a bid to empower the farming community through the establishment of a direct and efficient food supply chain.

Cory Martinez



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Govt economic team backs rice price cap

THE country's economic managers voiced support for capping the price of rice, saying it is an effective short-term measure to stabilize the price of the staple.

"This will effectively serve as an 'active stop gap' to address the market's current circumstances. Conditions truly warrant a special mitigating measure," Budget Secretary Amenah Pangandaman said in a statement on Monday.

"In an ideal scenario, we can let the market dictate prices. However, as the National Economic and Development Authority (NEDA) noted, we are now faced with extraordinary factors that we have to consider," Pangandaman said.

Executive Order 39, signed by President Ferdinand Marcos Jr. on August 31, capped the price of regular-milled rice at P41 per

kilo and well-milled rice at P45 per kilo.

Before the price ceiling was imposed, regular milled rice was selling for P42-P55 and well-milled rice for P48-P56 in Metro Manila markets.

Pangandaman also said the economic team affirmed that the price cap is a vital but temporary step to assist marginalized and disadvantaged groups.

"I join the chairman and co-chairman of the Economic Development Group of the Cabinet in supporting this measure because it is necessary at this time to help those most affected by the otherwise uncontrollable sharp increase in the price of rice," she said.

The Cabinet's Economic Development Group is led by Finance

►RiceA8

■ RICE FROM A1

Govt economic team backs

Secretary Benjamin Diokno as chairman and Socioeconomic Planning Secretary Arsenio Balisacan as co-chairman.

In a separate statement, Diokno stressed the importance of implementing measures for long-term rice price stability.

"We agree with the President that implementing a price cap on rice is the most prudent course of action at the moment to achieve two critical objectives: stabilizing rice prices and extending immediate support to our fellow countrymen," Diokno said.

He said that while EO 39 can be effective in the short run, a more comprehensive approach to the rice price problem must be implemented.

This includes reducing the 35 percent rice import tariff rates to either zero percent or a maximum of 10 percent for both Asean and Most Favored Nation (MFN) rates.

Pangandaman also reiterated that the government is determined to crack down on hoarding, smuggling and economic sabotage.

"We understand and fully support the decision of the President because there really are market players who have been misbehaving," she said. "Unfortunately, there really are hoarders and speculators. We needed to act fast to effectively address this problem with a tit-for-tat strategy against unscrupulous traders, at least in the near term."

Together with increased market monitoring, supply-side assistance like potential government-to-government imports, changes in import tariffs, quality checks, and support for vulnerable groups are all part of the government's comprehensive plan to ensure that markets benefit consumers, small farmers and retailers,

Pangandaman said.

"As Secretary Ben Diokno said, this will serve as an effective measure against non-competitive practices by market players. We just have to carefully calibrate, implement, and monitor it," she added.

Pangandaman said the government will step up programs like targeted cash transfers, fuel subsidies for eligible transportation workers, subsidies for registered small rice sellers and other initiatives aimed at protecting vulnerable groups.

"The rollout of the fuel discount program for the agriculture and fisheries sectors shall also be expedited," she said.

Pangandaman reiterated that the government's economic team "remains resolute in its commitment to mitigate the impact of inflation and help protect our consumers, retailers and farmers."

NIÑA MYKA PAULINE ARCEO



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Gov't rice dealer subsidy good for 'only a few sacks'

By **Adrian H. Halili**
Reporter

RICE RETAILERS said that the P15,000 in cash aid to compensate them for complying with price controls on the grain is equivalent to a few 25-kilogram sacks of rice.

Rosie B. Quinquin, a rice retailer at Mega Q Mart in Quezon City, said the subsidy is likely to run out before the temporary price controls expire.

"Baka mga ilang sako ng bigas lang ang mabibili nun, hindi nga ata tatagal 'yun sa amin (It might buy a few sacks of rice, and won't last long), she told BusinessWorld.

Another rice seller said retailers are also dealing with higher market rents, making selling rice a losing proposition.

"Kung kukwentahin, parang kukulangin dahil sa lahat ng mga babayaran dito hindi siya makukuha sa P15,000," Jennifer A. Tomas said.

The retailers said a 25-kilogram sack of rice costs between P2,000 and P2,500.

"I-ilang sako lang ang mabibibili nun, kasi sa P2,000 pataas mga seven na sako lang ang mabibili ko, pero mahigit pa kasi sa P2,000 ang isang sako (I can only buy seven sacks at P2,000 but less so if the price is

more than P2,000), Ms. Tomas said.

Last week, the government issued Executive Order No. 39, which temporarily capped rice prices at P45 per kilo of well-milled rice and P41 for regular-milled.

The Department of Social Welfare and Development (DSWD) meanwhile, was ordered to disburse up to P15,000 in cash aid to small rice retailers.

Both Ms. Quinquin and Ms. Tomas said that they have yet to receive the subsidy.

Geny F. Lapina, an economist from the University of the Philippines-Los Baños, said some rice retailers may end up not receiving the subsidy.

"Given the tight fiscal space... you cannot give it to everyone, so (they) should prioritize the poorest," Mr. Lapina said in an online briefing.

He added that the government should also aid to poorer farmers and households.

Also on Monday, the DSWD distributed the subsidy to 337 beneficiaries, which had been listed by the Departments of Trade and Industry and Agriculture. The recipients are from Pateros, Navotas, and Parañaque City.

About 15 rice retailers received the subsidy in Pateros, 161 in Navotas, 129 in Parañaque, and 32 in Zamboanga del Sur.



'Temporary price ceiling'

**Manny B. Villar**

THE ENTREPRENEUR

PRESIDENT Ferdinand Marcos Jr. underscored the importance of keeping consumer prices stable when he ordered a temporary cap on rice prices to make sure our main staple remains affordable to all.

That is a Solomonic solution that good leaders resort to—intervene in the market for the sake of the majority. While it is not a long-term solution, the rice price ceiling demonstrates the government's priority to put inflation under control in the face of supply constraints.

It is timely in the wake of the Philippine Statistics Authority's report that the headline inflation rate kicked higher in August, following six months of deceleration. We know rice in the basket of goods as measured by statisticians has the biggest contribution to inflation in the Philippines. Rice inflation climbed to 8.7 percent in August from 4.2 percent in July, highlighting the urgency to prevent the price volatility.

Per the PSA, headline inflation climbed to 5.3 percent in August from 4.7 percent in July. The figure brought the average in the first seven months of 2023 to 6.6 percent, above the government's target range of 2 percent to 4 percent for the year. The target range refers to what the government thinks is appropriate for

a rapidly growing economy like the Philippines.

The higher August inflation was led by the faster price increases of rice, vegetables and fish amid the supply disruptions caused by recent typhoons. Non-food inflation also went up in line with the series of petroleum price hikes.

What the President recently did is he tried to remove the distortions in the market by ordering the opening of big warehouses and imposing a price cap that will discourage traders from hoarding grains. While some economists disagree with such action, the measure reminds us that the government has the responsibility to ensure food security for everyone.

The National Economic and Development Authority, the government's highest economic planning body, supports the President's Executive Order No. 39 that imposes a price ceiling of P41 per kilogram of regular milled and P45 per kilo of well-milled rice. Neda assured the public the government is work-

ing to ensure food security, protect consumers and provide assistance to farmers.

Per Neda Secretary Arsenio Balisacan, the price of rice rose in August on expected lower rice production with the anticipated El Niño dry spell, as well as the export ban imposed by major rice producers, such as India and Myanmar. The Philippines is a net rice importer and relies on other Asian countries to augment local supply.

We are among the biggest consumers of rice in the world, with many Filipino families taking three rice meals each day despite the availability of other crops. Other staple foods in rest of the world include corn, oats, barley, rye, millet, sorghum, soybeans, potato, sweet potato, cassava, yam, other roots and tubers, bananas, plantains, cabbage, lettuce and wheat-based products, such as bread and noodles.

Our heavy reliance on rice makes us vulnerable to supply issues. According to Neda, alleged hoarding incidents, artificial shortage and speculative business decisions of market players may have put further upward pressure on the domestic retail prices of rice in August. There was also the impact of Typhoon Egay and enhanced monsoon rains that resulted in rice and vegetable production losses.

Given all these factors, the government decided to impose the rice price ceiling along with other measures to help consumers, small-scale retailers and farmers who would be affected by the decision. The Department of Social Welfare and Devel-

opment was tasked to roll out the Food Stamp Program to assist poor consumers and the Sustainable Livelihood Program to provide cash aid to small-scale rice retailers affected by EO 39.

There are also proposals to review the tariff rate on rice, which is now at 35 percent. This is worth looking into to lower the cost of the staple and counterbalance the rise in global prices.

Our Congress in 2019 passed the Rice Tariffication Act to allow the private sector to import the commodity, but the still-high tariff rate prevents the Filipino consumers from enjoying its full benefit.

Rice is our main staple, so its contribution to inflation will remain significant in the years to come. Local production is not enough to meet national demand, and imports are needed to augment supply.

The government is always trying to strike a balance between ensuring adequate rice supply and protecting local farmers. Both are crucial and complementary to each other. Stable rice prices will benefit farmers because they are also consumers, while improving farm productivity will lead to higher supply.

A temporary price ceiling on rice, in my opinion, works for the common good. It is the government's way of prioritizing the interest of consumers and farmers at the same time. It ensures price and economic stability, which is good for the nation.



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Lower rice prices benefit poor Filipinos the most

With the average Filipino being a voracious rice eater, consuming almost one-third kilo of the staple daily, there's no doubt that rice is the most basic of all food items needed to survive.

So basic indeed that before price control took effect on Sept. 5, the scarcity of rice selling below ₱50 per kilo was causing so much anxiety among poor consumers. If those with fixed income were bothered with the high prices, one can imagine the much worse impact on the jobless and those with no regular income.

The prices of other basic food items such as eggs and vegetables like tomatoes have also risen anew, but because very poor Filipinos often subsist on rice only (usually rice porridge or lugaw), it is the exorbitant price of the staple that is extremely troubling to families frequently hit by the pangs of hunger.

Thus, for the sake of this large segment of Philippine society immensely burdened by the galloping prices of the food staple, I view as a necessity the issuance by President

Ferdinand Marcos Jr. of EO 39 imposing price ceilings on rice "to combat hoarding, profiteering, smuggling, and cartelization."

Many economists argue that mandating price ceilings on regular milled rice at ₱41/kilo and well-milled rice at ₱45/kilo is the wrong move, mainly because the situation could worsen with a resulting decrease in supply and lower income for farmers.

But to understand the logic behind EO 39, one needs to grasp what the National Economic and Development Authority (NEDA) said: "We are facing difficult times, and concerning the agriculture sector, the El Niño Southern Oscillation (ENSO) phenomenon is a major disruptor. The ENSO has intensified the Southwest Monsoon and is expected to result in below-normal rainfall towards the end of the year in many countries along the Pacific. These extreme weather events ad-



**FINDING
ANSWERS**
ATTY. JOEY D. LINA
FORMER SENATOR

versely impact the agriculture sector, particularly rice.

"Moreover, the trade-restricting protectionist behavior of certain rice-exporting countries, such as India's ban on non-basmati rice exports to keep prices low at home, and the aggressive move of rice-importing countries to secure supply have resulted in a decrease in the volume of rice being traded and expected to be traded in the global market. The government's priority amid this situation is to ensure that the country has an ample supply of affordable rice.

"Currently, the country has enough rice supply for the third quarter. With the upcoming harvest season starting in September and additional import orders already secured, there will also be enough rice for the rest of the year.

"That said, we note that 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 manipulating the expected impact of ENSO to depict a shortage at this time.

"The imposition of a price ceiling on rice will address this issue 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.

"The imposition of a price ceiling on rice is not a standalone initiative. Law enforcement authorities continue their valiant efforts to crack down on individuals who hoard, excessively profit from, smuggle, or participate in rice cartels."

NEDA's official statement, issued on Sept. 3, concluded this way: "We are confident that the imposition of a price ceiling is only a temporary measure. We expect the rice harvest to commence soon and anticipate that other initiatives will produce the desired result."

The desired result, of course, is sufficient rice supply at prices the poor can afford. And other initiatives should include making the Rice Competitiveness Enhancement Fund (RCEF), established by RA 11203 or the Rice Tariffication Law of 2019, really work for our rice farmers.

The RCEF has allocated ₱10 billion annually to support rice farmers over a six-year period. The support shall be for rice farm machineries and equipment (50 percent), rice seed development, propagation, and promotion (30 percent), credit assistance (10 percent), and extension services (10 percent).

Keeping prices of rice affordable is essential, especially because high prices compel very poor families to pour all their meager funds to buy the staple, leaving nothing to buy other food items that can provide much needed nutrition.

And when nutrition is compromised, our malnutrition crisis worsens. As it is now, data on malnutrition and hunger are very troubling: 95 Filipino children die daily, 27 out of every 1,000 kids do not get past their fifth birthday, and one of every three children is irreversibly stunted by age 2.

Thus, lowering prices of rice is life-saving and it benefits poor Filipinos the most. (Email: finding.lina@yahoo.com)

Date: 12 SEP 2023

Page: 1 of 8



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Lower toll proposed for agri truckers

The Department of Finance (DOF) said the government has requested tollway concessionaires and operators to waive the toll increase for trucks carrying agricultural goods.

Finance Secretary Benjamin E. Diokno said exempting trucks is one of the government's steps to address the high costs of fresh produce, fruits, and vegetables, particularly rice.

"Our recommendation is co-operation from tollway concessionaires and operators, [but] this is only for the increase in toll, and this is not mandatory, we are just pleading," Diokno told reporters during his "Chat with SBED" on Friday, Sept. 9.

To recall, the Manila-Cavite Expressway (Cavitex) raised its toll in August, while the North Luzon Expressway Corporation (NLEX) started collecting higher toll rates on June 15.



Lower toll proposed for agri truckers 1

Meanwhile, Finance Undersecretary Zeno Ronald R. Abenoja has stated that the private concessionaires have already given their consent to the proposal of the government, even at this early stage.

"They are just trying to define the guidelines on how to identify these delivery trucks," Abenoja said.

The Toll Regulatory Board

(TRB), responsible for issuing the guidelines, held a meeting with the concessionaires and operators two to three weeks ago, Undersecretary Abenoja said.

In July, a group of truckers staged a protest along a street in Manila against the toll increase on NLEX.

The truckers denounced the toll hikes as "unjustifiable and unfair,"

citing the worsening conditions they faced due to inflation.

They asserted that the increases imposed by the TRB were in direct contradiction to the government's directive to transportation agencies to help alleviate costs for logistics workers.

They urged the board to immediately revoke the toll increases. (Chino Leyco)



OTOP ayuda sa mga exporter, maliliit na negosyante



LRAY VILLAFUERTE

Para naman sa ating mga maliliit na negosyante o mamumuhunan at mga exporter itong ating kolum ngayon.

Nito lamang August 25 ay pinirmahan na ni Pangulong Marcos ang Republic Act (RA) 11960, ang batas na magtataguyod sa One Town, One Product (OTOP) program sa buong bansa.

Ayon nga mismo kay Speaker Martin Romualdez, malaking tulong itong OTOP law sa mga small entrepreneur. Aniya pa, ang OTOP Act ay isang perpektong post-pandemic law na aalalay sa mga tinatawag nating micro, small and medium enterprises (MSMEs) para makarekober sila sa tinatawag na economic scarring na dulot ng pandemya ng COVID-19.

Ang "OTOP Philippines Act" ay tunay na sumasalamin sa ninanais natin na "Filipino first" policy—ang ugaling kailangang praktisin nating mga Pinoy para tulungan ang ating MSMEs, na bumubuo ng 90 porsiyento ng mga lokal na negosyo natin sa buing bansa.

Ako po ay isa sa may akda ng naturang batas sa Kongreso

Ayon sa batas, makikinabang ang mga maliliit na mamumuhunan dahil nilalayon ng OTOP Law na maitatag ang mas self-reliant at independent national economy na kontrolado nating mga Pilipino sa pamamagitan ng ilalatag na mga polisiya at programa na magsusulong at magpapalakas ng mga lokal na negosyo.

Uunahin ang pagkuha sa mga Pilipino bilang manggawa, gagawing prayoridad ang paggamit ng domestic materials, at mga produktong lokal at magtatatag ng mga hakbangin para maging higit ng competitive ang ating mga export sa global market.

Sa ilalim ng batas, magiging prayori-

dad ang paggamit ng mga produkto ng isang lugar, tututukan ang mga lokal na talento at skills.

Aasistehan ang mga MSMEs sa pagdebelop ng mga produkto upang lalo pang maiangat ang kalidad, ang disenyo mula sa packaging at pagbuo ng mas pinagandang produkto upang mas madaling maibenta lalo na sa ibang bansa.

Nilalayon din ng OTOP law na tulungan ang mga komunidad sa kanayunan sa pagpapalago ng lokal na ekonomiya at mapaigting ang pagtutulungan ng mga local government units (LGU), pambansang ahensiya ng pamahalaan at pribadong sektor sa pagbuo at pagtataguyod ng mga lokal na produkto ng Pilipinas upang maisulong ang export industry nito.

Ang Department of Trade and Industry (DTI) ang magiging pangunahing tagapagpatupad ng OTOP Philippines Program. Itatag nito ang OTOP Program Management Office na siyang direktang mangangasiwa sa bagong programa.

Itatag din ng DTI ang OTOP Philippines Trustmark, na siyang garantiya na ang mga produkto sa ilalim ng programa ay tunay na masasabing "our country's best".

Ang OTOP program ng DTI ang magtutalak ng strategic program para maisulong ang Philippine Export Development Plan (PEDP) 2023-2028, na siyang inasahan ng pangulo na magbibigay-daan upang maging mas competitive ang mga produkto ng 'Pinas sa iba't ibang panig ng mundo.

Ito ang titiyak na magiging mas "resilient and inclusive" ang ating ekonomiya kaagapay ng mas pinalakas na mga MSME.

Ang bagong OTOP Law ang magiging sandigan ng PEDP 2023-2028 na may layuning makilala ang Pilipinas bilang export powerhouse na may de-kalidad na mga produkto at serbisyo bago o sa oras na matapos ang termino ng Pangulong Marcos sa 2028.

Napapanahon nga po ang naunang approval ng 19th Congress sa OTOP bill dahil sumakto ito sa pag-aprub ng pangulo sa noo'y DTI-drafted PEDP sa gitna ng hu-

mihinang export sector na resulta naman ng nagbabadyang global economic slowdown.

Tunay ngang napapanahon ang OTOP Law dahil kakasali lamang ng Pilipinas sa Regional Comprehensive Economic Partnership (RCEP), ang pinakamalaking free trade pact na magbibigay benepisyo sa Filipino exporters sa pamamagitan ng inasahang mas mataas na benta ng kanilang lower-taxed goods sa iba pang RCEP member-economies

Tulad po ng sinabi ni Trade Secretary Fred Pascual, ang PEDP 2023-2028 ay naglalayong palakasin ang competitiveness ng bansa sa merchandise exports dahil sa ngayon ay nahuhuli tayo. Ang OTOP Philippines Act ang magiging solusyon sa kahinaan natin sa export.

Sa pamamagitan ng mga panukalang inaasahang magpapaganda sa kalidad ng mga produkto na kilala sa bawat bayan ay maisusulong ng gobyerno ang pagsalya ng mga ito sa ibang bansa.

Kung magagawa nating i-level up ang kalidad ng ating mga lokal na produkto sa tulong ng OTOP law at kung magiging mas agresibo ang promosyon nito sa pandaigdigang merkado ay mas magiging competitive tayo sa gitna ng mga samutsaring pagsubok tulad ng mahinang demand sa ibang bansa bunga ng paghina ng global economy.

Hindi lamang po ang mga kababayan nating OFW, teacher, PWD, senior citizen at mga mahihirap ang nangangailangan ng ayuda at pagtulong ng pamahalaan.

Kailangan din ng ayuda ng mga maliliit na negosyante dahil kung mapapalakas natin sila ang pambansang ekonomiya ay lalakas. At sa paglakas ng ekonomiya ay mag reresulta sa maraming trabaho na mangangahulugan naman ng mas malaking kita at mas magandang buhay ng nakararaming Pilipino.

Sa pagkakaroon ng mas competitive na MSMEs at mga exporter na handang-handa at kayang-kaya makipagsabayan sa global market, tiyak na buong bansa ang makikinabang sa kalaunan.

Sabi nga ng pangulo, walang maiiwanan sa pag-unlad. Sama-sama tayong aasenso!

Malaya Business Insight

Date: SEPT. 12, 2023 Page: AG



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Wheat, corn ease

SINGAPORE- Chicago wheat lost ground on Monday, trading close to the last session's 14-week low on pressure from abundant supplies from top exporter Russia and a lack of demand for US cargoes.

Corn eased while soybeans ticked higher, with traders waiting for updated crop estimates from the US government on Tuesday.

"There is no immediate issue with wheat supplies as there is a lot of wheat being shipped from Russia," said one Singapore-based trader.

The most-active wheat contract on the Chicago Board of Trade (CBOT) gave up 0.2 percent to \$5.94-3/4 a bushel after falling to

\$5.90-1/2 on Friday, the lowest since May 31.

Soybeans were 0.4 percent higher at \$13.68-3/4 a bushel, while corn lost 0.1 percent to \$4.83-1/4 a bushel.

Bumper Russian exports and weak overseas demand for US wheat supplies continued to weigh on prices.

The European Union castigated Russia on Saturday for pulling out of the Black Sea grain deal, but Russia demanded that its conditions be met and Turkey's president said any initiative on the deal that isolated Russia would likely fail. -Reuters



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Indonesia's Widodo says rice stock sufficient

JAKARTA- President Joko Widodo on Monday said Indonesia has sufficient rice stock at home, seeking to allay concerns about supplies as prices of the staple hit multi-year highs due to periods of drought and low output.

Rice prices rose at the fastest pace in over a decade in August, even as the inflation rate remained relatively low. The average climbed as much as 16 percent from the same month a year earlier to 14,000 rupiah (91 U.S. cents) per kilogram, the highest since at least March 2017, when records began, central bank data showed.

Jokowi, as the president is popularly known, said Indonesia has 1.6 million metric tons of government-owned rice stock in warehouses, with another 400,000 tons of imported supply currently being shipped.

"Normally we only have 1.2 million tons, now we have 2 million tons. So we do not need to worry," Jokowi said after visiting a warehouse owned by state food procurement company Bulog in Bogor, near the capital Jakarta.

The president launched an 8 trillion rupiah (\$520 million) rice assistance program from the warehouse, under which the government will hand out 640,000 tons of rice to 21.35 million low-income households over three months.



Aerial view of a rice field in Badung, Bali Island. (Reuters Photo)

Jokowi said the program is aimed at shielding low-income households from rising rice prices.

Rice is a staple for most of Indonesia's 270 million people and price movement is politically sensitive, especially ahead of elections due in February.

The National Food Agency estimated drought in parts of the

tropical country, worsened by the El Nino weather phenomenon, could shrink rice output by 5 percent to 7 percent this year from 31.54 million tons last year.

Indonesia has authorized 2.3 million tons rice imports this year to blunt the impact of El Nino, but 453,000 tons has yet to be contracted, a Bulog official told a separate coordination meeting on

food supply on Monday.

Jokowi, who has just returned from the G20 leaders' summit in India, said he has been talking to countries including Cambodia, China and Bangladesh to seek a standby agreement for future import needs.

Bulog typically imports from major sellers Thailand, Vietnam and India. **-Reuters**