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# PBBM touts PHL's perks for RE investors

By SAMUEL P. MEDENILLA

[@sam\\_medenilla](#)

**P**RESIDENT Ferdinand R. Marcos Jr. prioritized seeking more investments on renewable energy during his ongoing working visit in Singapore to bring down the country's high electricity rates and help in achieving the country's "climate targets."

During a roundtable meeting with businessmen at the sidelines of the 10th Asia Summit Fireside Chat in Singapore on Wednesday, the chief executive said the country now provides significant incentives for foreign investors.

He noted they can now enjoy 100 percent equity in the explo-

ration, development, and utilization of solar, wind, hydro, and ocean or tidal energy resources.

"With this development, I encourage our Singapore partners to consider the Philippines and take part in the country's goal of increasing renewable share in power generation and offering lower cost and cleaner energy to the general public," Marcos said.

In his interview with Stonepeak managing director Steven Ciobo in the Summit, the President noted insufficient power supply and "out-of-control bureaucracy" were the two main factors which discourage new investments in the country.

Last year, the Philippine

Chamber of Commerce and Industry (PCCI) expressed concern over the high electricity rate in the Philippines compared to neighboring countries Malaysia, Indonesia, Vietnam and Thailand.

Marcos said the country is now trying to increase the country's power supply, particularly renewable energy.

### Other options

ASIDE from power, he said other sectors offering potential high return of investments are physical and digital connectivity, water resources, agriculture, and health.

He also urged Singaporean businesses to consider the numerous

investment opportunities from the country's start-up ecosystem.

"The Philippines' start-up ecosystem also possesses great potential with our young and competent talent who are—with strong government support and dedicated start-up community," Marcos said.

"I invite you to look at the Philippines as your destination for your investment supporting a smart and innovative economy," he quipped," he added.

The Maharlika Investment Fund (MIF), the country's sovereign wealth fund, is also another attractive option for foreign investments.

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Marcos said the MIF will allow foreign investors, multilateral institutions, and other sovereign wealth funds to co-finance government programs and projects "in strategic, high-impact sectors including infrastructure."

Presidential Communications Office (PCO) Secretary Cheloy Velicaria-Garafil met with other businessmen on Thursday to encourage them to invest in the country.

### Grand prix

THE chief executive's working visit in Singapore will end on September, 17, 2023.

During the trip, he will also attend the Formula One Singapore Grand Prix 2023 upon the invitation of Singaporean Prime Minister Lee Hsien Loong.

The Bagong Alyansang Makabayan (Bayan) criticized the President for accepting the said invitation as the country is faced with "economic crisis and crushing debt."

It noted Marcos should have "politely declined" the offer and instead focused on addressing the country's high rice prices.

"Living it up as if it was 1972 sends the wrong message to Filipinos who up to now are struggling to find the so-called P41 rice in local markets," Bayan said.

Marcos issued Executive Order No. 39 earlier this month, which set a price cap of P41 per kilogram (kg) for regular milled rice (RMR) and P45 per kg for well-milled rice (WMR) nationwide.

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## Farmers lament 'haste' in rice tariff hearing

Farmers lamented what they called as "haste" in the conduct of public hearing on the proposed reduction in rice tariffs from 35 percent to 10 percent.

The Federation of Free Farmers (FFF), the largest farmers' union in the country, in a statement called the scheduled tariff hearing a "farce". The Tariff Commission (TC) has scheduled an online public hearing on rice tariffs on Sept. 15 following a petition by the Foundation of Economic Freedom (FEF) to reduce rice tariff to 10 percent from 35 percent.

FFF National Manager Raul Montemayor said that the proposal was ill-timed, since farmers are about to harvest the main season crop and rice prices will naturally go down.

"Encouraging additional imports through tariff reduction will further depress palay prices and discourage

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## Farmers lament...

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signed by **President Ferdinand Marcos, Jr.**

farmers from expanding their future production, thereby making the country even more dependent on imports," Montemayor said in a statement.

He reiterated that a tariff cut will not benefit poor consumers, because 85 percent of imports are

for premium grades of rice for sale to relatively well-off consumers.

Montemayor further said that FFF's analysis of data from the Philippine Statistics Authority (PSA) revealed,

among others, that consumers saved a measly P52 per year during the first three years of the Rice Tariffication Law, which opened up the domestic market to unlimited volumes of cheap imports.

Montemayor noted that the advisory the tariff hearing also came soon after public announcements – endorsing tariff cuts – by National Economic and Development Authority (NEDA) Director-General Arsenio Balisacan and Finance Secretary Benjamin Diokno.

The TC will submit its findings and recommendations to NEDA, which has to wait for Congress to recess on September 30, before an executive order authorizing a tariff decrease can be

Instead of going through the executive to reduce tariff, the FFF would like Congress to act on tariff adjustments, as the authority to adjust tariff rates is vested in Congress.

"The authority to adjust tariffs is constitutionally vested in Congress. This power can be delegated to the President only during extraordinary situations. The economic managers are abusing this privilege by waiting for Congress to recess on September 30, so that they can ask the President to cut rice tariffs through an Executive Order," Montemayor said in a statement.

Montemayor also expressed doubt their voices will be heard in the public hearing.





## BBM: Reliance on rice imports not a wise choice

By ALEXIS ROMERO

Relying on importation to augment the supply of rice and other food commodities is not a "wise choice," President Marcos said, as he emphasized the importance of developing the country's agriculture sector to ensure that food remains sufficient and accessible

to every Filipino.

"This is a lesson that we immediately learn. I said, we cannot now continue to depend on importation, which is what has happened for the Philippines. In the past years, it became the easy way out. Just import more, import more rice, import more corn,

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import more everything," Marcos said during the 2023 Asia Summit in Singapore last Wednesday.

"And the pandemic showed us that this was not a wise choice to have made and so we have continued to develop our agricultural sector and the aspiration once again is that we are able to provide sufficient supply of food at prices that people can afford," he added.

Marcos admitted that the Philippines is "not there yet" in terms of achieving its food supply goal but has made "many important" steps toward it.

"We are trying to put the value chain, especially of agriculture, we are trying to put that value chain together, all the way from R&D (research and development), all the way to retail, to the market," the President said.

"There are bits and pieces of it that already exist but they do not work as one system and that's what we are trying to achieve and we are slowly making inroads into that problem."

The United States Department of Agriculture has reported that the Philippines has overtaken China as the world's top rice importer. It noted that in 2008, the country began to buy larger volumes of the commodity as prices rose. According to the USDA, the Philippines is delaying purchases this year as it waits for prices to drop.

Rice prices worldwide have climbed to their highest levels in 15 years following the latest export





ban policy of India, which supplies about 40 percent of the global rice trade, the US agriculture agency said. The Philippines has imported 2.33 million metric tons of rice as of Sept. 7, according to data from the Bureau of Plant Industry.

Because of escalating rice prices, Marcos signed Executive Order No. 39, which imposed price caps on regular milled and well-milled rice. The price ceilings, which took effect last Sept. 5, seek to ensure that rice remains affordable to ordinary Filipinos. Under the order, the mandated price cap on regular milled rice is P41 per kilogram while the price ceiling on well-milled rice is P45 per kilogram.

The Marcos administration has also started providing cash aid to small rice retailers affected by the price ceilings.

### 'Bright future'

At a roundtable discussion with Singaporean businessmen also last Wednesday, Marcos predicted a "bright" future for the Philippines and Singapore, noting that their ties started at the people-to-people level.

"In that time between the very beginning of that relationship, we haven't come across really any significant issues, diplomatic, political or otherwise between Singapore and the Philippines," Marcos said.

"And I think that is the reason why, at some point, Singapore was the largest source for foreign investment in the Philippines," he added.

"So for me, the future is bright for the Philippines and Singapore. And I

see more opportunities than we have ever had before in fact, and it's just up to us to identify those and to agree on how to best respond to the changes that we now face," he said.

Marcos noted that the Philippines' exports to Singapore rose by 16.98 percent to \$4.91 billion last year from \$4.2 billion in 2021. Singapore was also the Philippines' largest source of foreign direct investments in 2021 with a net investment of \$761 million, according to a Malacañang statement.

Marcos also assured Singaporean businessmen that Maharlika, the Philippines' sovereign wealth fund, would be handled by professional fund managers, not by politicians.

"It is not run by the government. It is run by professional fund managers and that is one of the main assurances that I had to give. Because when the politicians get involved, then the decisions are no longer purely financial in nature and that causes failure, I think. And it doesn't make it an efficient management of the fund," Marcos said.

"So, those are the ways that we see. This will go into infrastructure, into power development. Again, those main elements are health care—all of the areas that we have identified as priorities," he added.

Created through Republic Act 11954, the Maharlika Investment Fund was intended to become a vehicle to make profitable and strategic investments in vital sectors. The law also seeks to fast-track the implementation of key infrastructure projects and to support efforts

to attain the Philippines' economic targets.

Marcos also called on businesses in Singapore to consider the Philippines as their investment hub for renewable energy. He noted that foreign investors in the Philippines can now enjoy 100 percent equity in the exploration, development and use of solar, wind, hydro and ocean or tidal energy resources.

"The policy change comes as the Philippines seeks to attract foreign investments to boost the renewable energy sector and to meet our long-term climate targets," the President said.

"With this development, I encourage our Singapore partners to consider the Philippines and take part in the country's goal of increasing renewable share in power generation and offering lower cost and cleaner energy to the general public," he added.

### Build, build, more

Marcos likewise asked Singaporean businesses to participate in infrastructure projects under the "Build, Better, More" program.

"There are numerous projects that can be explored in the areas of physical and digital connectivity, water resources, agriculture, health, and energy," he said.

"So, to our partners in Singapore, I offer you the assurance of our greatest efforts in supporting businesses as we work together in achieving our economic agenda and making the Philippines your destination of choice for investment." — With Delon Porcalla





## Should we continue eating rice?

**AN** 84-year-old friend of mine likes to credit his enviable good health — low sugar, low carb, stable blood pressure, etc. — to the fact that he has not been eating rice. He has simply taken it out of his daily diet. This literally exempts him from the rice crisis that's gripping the nation, but it has not spared him from being asked what **President Ferdinand Marcos Jr.** should do to stabilize the staple's supply and cost.



**FIRST THINGS FIRST**  
**FRANCISCO S. TATAD**

►TatadA5

As a former government official, he offers a variety of options: well-milled rice, if you can afford it; poorly milled rice, if that's all you can buy; and no rice at all, if you can imitate his own rice-free diet. He sometimes suggests, in a sardonic tone, that if he were in power, he might prohibit the population from eating rice at all. But that would be too draconian, and he is not even in power at all.

Ferdinand E. Marcos, to whom we owe so many things, good and even controversial, was the first president who taught us that rice was an extremely sensitive political commodity that should never be allowed to threaten the stability of government. Marcos believed that the minute rice disappeared from the poor man's table political support for the government also disappeared. So he never allowed the supply of rice to dip beyond normal levels.

In his first term, Marcos tasked his technocrat-executive secretary Rafael Salas to work with the International Rice Research Institute and related institutions in Los Baños, Laguna to make sure that the nation becomes self-sufficient in rice. IRRI trained many successful agronomists from all over Southeast Asia, whose agricultural production in their own countries even surpassed the record of their Filipino counterparts in the Philippines. By the time Salas left the government to pursue a different career at the United Nations, the government was already considering exporting rice to other countries.

In his second term, Marcos relied on a new bunch of technocrats to implement his food self-sufficiency program. These included Secretary of Agriculture Arturo "Bong" Tanco and National Food Authority (NFA) administrator Jesus Tanchanco, who made sure the market never ran out of the essential grain. Tanco was one of Marcos' most lovable technocrats. He cultivated a reputation of being always in the field talking to farmers; whenever he would show up late for a Cabinet meeting, he would put on his slightly muddled pair of shoes to show that he had just been talking to the farmers.

Given this background, and the fact that the government has declared food security as a top priority of the administration, it is not easy to see how the government could have sleepwalked into the present rice crisis. In fact, when the President decided to assume the position of Agriculture secretary in a concurrent capacity, we understood it to mean that he was taking no chances on his food security program.

What has happened since?

A letter from Mr. Raul Montemayor, national manager of the Federation of Free Farmers, published in *The Manila Times* issue of September 13, provides an expansive analysis of what has gone wrong. Titled "the Rice Tariffication Law and its role in the current rice crisis," the letter points out that the 2019 Rice Tariffication Law (RTL), which its proponents said would solve the incipient rice crisis, became the very reason for it.

"Blaming government import controls," the letter said, "RTL proponents argued that the private sector could manage the rice market more efficiently. As a result the 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, up 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."

Over and above all the points raised in this letter and in relevant forums during this crisis, we continue to hope that the government will continue to fight for the Filipino rice farmers just as the Japanese government, in the last WTO negotiations, fought for the Japanese rice farmers like it was the most important issue in the world. We continue to hope that the Filipino rice farmer and consumer would see that their government is fighting for them, and that we are nowhere near the point where our hungry and undernourished children would have to decide whether to continue eating rice or not.

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## Legislation key to rice problem

BY ARIC JOHN SY CUA

**A**GRI party-list Rep. Wilbert Lee said that long term measures such as amending existing laws and creating new ones are needed to stabilize the supply of rice in the country.

Lee said the price cap on rice ordered by President Ferdinand Marcos Jr. is just a palliative solution that must be closely monitored.

"There is no perfect formula for that. For me, these are just policies from the government that they have to focus on. These are all just temporary and time-bound ... the price ceiling, the lowering of the tariff, all these have to be time-bound, checked, and have to be monitored closely because it will have a negative effect on our farmers," Lee told *The Manila Times* on Wednesday.

Lee suggested amending Republic Act 10845 or the "Anti-Agricultural Smuggling Act of 2016" to ensure heavier punishment for rice price manipulators.

Lee added that he filed House Bill 9020 or the "Cheaper Rice Act" so the price of the staple grain could be as low as P20 per kilogram as promised by Marcos who is also the Agriculture secretary.

The President signed Executive

Order 39 on Aug. 31, 2023 setting the price ceiling of regular-milled rice at P41 per kilo and well-milled rice at P45 per kilo.

Lee said the price cap for rice should have been implemented in the middle of September so supply could last for two weeks from the date of the order's effectivity.

On Tuesday, Sen. Ana Theresia "Risa" Hontiveros filed a resolution for a Senate probe into the

"uncoordinated and contradicting" policies on rice regulation. The President earlier promised that the price cap on rice is temporary.

"This is just temporary, this will not last. We are already harvesting rice in the Philippines. Also, the rice we imported will soon arrive. We will bring these to the market and we will let the rice find its own price," Marcos said.



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## Payout of P15K rice cash aid completed by Sept 29 – DSWD

BY JOCELYN MONTEMAYOR

THE Department of Social Welfare and Development (DSWD) yesterday said it expects to complete by September 29 the nationwide distribution of the P15,000 cash grant for small and micro rice retailers affected by the price ceiling on regular and well-milled rice imposed by Malacañang effective September 5.

The DSWD has initially targeted to complete the distribution of the Sustainable Livelihood Program (SLP)-Cash Assistance for Micro Rice Retailers by September

14 (Thursday), a day before the election spending ban related to the Barangay and Sangguniang Kabataan Elections (BSKE) takes effect on September 15.

The Commission on Elections (Comelec) has allowed the DSWD to continue distributing the SLP even during the election period, a privilege which Social Welfare Rex Gatchalian said gave the agency more days to finish the cash assistance distribution to retailers who failed to get their subsidy during the scheduled payout dates in their areas.

The payout of the P15,000 cash

assistance started on September 9. On Wednesday, the DSWD started the distribution in the Visayas.

The DSWD said it would hold simultaneous payouts from September 15 to 29 to accommodate those who have yet to receive their financial aid.

The one-time cash grant aims to cushion the effects of the imposition of the price caps for regular (P41 per kilo) and well-milled (P45 per kilo) rice as mandated under Executive Order No. 39.

The DSWD represented by So-

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# Malaya Business Insight

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## PAYOUT

cial Welfare Secretary Rex Gatchalian, the Department of Trade and Industry (DTI) represented by Undersecretary Carol Sanchez, and the Department of the Interior and Local Government (DILG) represented by Undersecretary Marlo Iringan, met late Wednesday about the continuing implementation of the SLP until September 14 as scheduled and the planned payout for the rest of the month for micro-retailers who missed their payout schedules, as well as

for sari-sari store owners who are listed as rice sellers in the database of the Business Permit and Licensing Offices (BPLOs) of local government units (LGUs).

The three agencies agreed to focus on their respective tasks, namely: continue to produce the clean list of beneficiaries for DTI, handle the logistics including information dissemination to beneficiaries on the payout dates for the DILG in partnership with the local government units, and continue conducting the payout activities for DSWD.

DSWD Field Office VI in West-

ern Visayas kicked off the SLP distribution in the Visayas on Wednesday in Iloilo City in Iloilo province, and in Bacolod City in Negros Occidental.

DSWD VI Regional Director lawyer Carmelo Nochete said PP720,000 worth of cash grants were paid out during the "first batch" of cash distribution.

Aside from the DSWD regional director, also present during the payout in Iloilo were Iloilo City Vice Mayor Jeffrey Ganson, Department of Agriculture (DA) Regional Executive Director Dennis Arpia, DTI

OIC Regional Director Ermelinda Pollentes, and DSWD SLP-ERS Focal Person Mary Ann Masculino.

DSWD Assistant Regional Director for Operations Arwin Razo, along with DTI Assistant Regional Director Rachel Nufable, DA Assistant Regional Director engineer Jose Albert Barrogo, and Bacolod City Administrator lawyer Pacifico Maghari III led the payout in Negros Occidental.

In Marikina City, the local government announced it would grant tax incentives, relief and an additional P5,000 cash aid to rice

retailers to help them cope with income losses due to the price cap.

Mayor Marcelino Teodoro said the city government has approved Ordinance no. 68 series 2023 which grants relief on rental payments to rice retailers at the Marikina Public Market.

"In consideration of the economic challenges due to the said imposition of a price ceiling, rice retailers who are renting stalls in the Marikina City Public Market, are hereby granted relief through the waiver of rental payments for the months of September and October 2023," the ordinance read.

Teodoro also signed Ordinance No. 69 Series of 2023 exempting rice retailers in the city from paying

business taxes on their gross sales or receipts for the third and fourth quarter of this year while the price cap is in effect. The exemption, however, does not cover supermarkets and convenience stores.

Teodoro likewise issued Ordinance No. 70 Series of 2023 which authorized the grant of an additional P5,000 cash assistance to the city's rice vendors.

"To provide immediate financial relief to rice retailers affected by the price ceiling on rice, the City Government of Marikina shall extend cash assistance. There are 149 rice retailers registered in the city's BPLO which are expected to benefit from the cash aid from the city government. - *With Christian Oineza*





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FREPIK

## Raw sugar prices expected to remain stable, SRA says

THE Sugar Regulatory Administration (SRA) said it expects the farmgate price of raw sugar to remain stable after starting to decline in February 2022.

"Since February 2022, farmgate prices for raw sugar have declined to P60 per kilogram and it has maintained (its price) to date," Administrator Pablo Luis S. Azcona said in an Laging Handa briefing on Thursday.

"Thursday is our bidding day and hopefully (the farmgate price) remains at P60 per kilo," Mr. Azcona added.

He said that retail prices for refined sugar have remained stable since February last year at P80 per kilo to P110 per kilo in supermarkets.

"For now, we are pushing to improve production; since farmgate prices are already stable, we have seen an increase in area (planted to sugar) in various places, which is a good sign.

According to the regulator's Sugar Order No. 1, raw sugar production was estimated at 1.85 million metric tons (MT) during the 2023 to 2024 crop year.

Mr. Azcona has said that this would mainly be driven by a 3,000

hectare increase in total area planted to sugar, which would mean a 50 thousand MT jump in output for the year.

"Input costs for fertilizer have also increased. Farmers are now spending more since they are hopeful for a stable farmgate price," he said.

He added that the SRA is continuing its block farm program, in which it organizes smaller farmers tilling one to two hectares into consolidated farms of 30 hectares or more.

"We also hand out cash assistance for their startup capital, as well as new tractors... That's all to improve small farmers' mechanization and production levels," he said.

The regulator has received 80 tractors and other farm equipment from the Japanese government's Non-Project Grant Aid.

It will hand out 51 tractors to sugarcane farms in the Visayas, with Negros Occidental getting 24 units, Negros Oriental 11, Iloilo six, Leyte four, and Cebu and Capiz three each.

The SRA also received 48 sugarcane planters, 48 lateral flail mowers, and five power harrows.

— **Adrian H. Halili**



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## DA: '23 rice

# imports lower than USDA projection

By JASPER EMMANUEL Y. ARCALAS

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**T**HE Philippines's rice imports this year and next year would be below 3.9 million metric tons (MMT), contrary to projections by the United States Department of Agriculture (USDA), due to better local output and higher carryover stocks, an agriculture undersecretary said.

Agriculture Undersecretary for Rice Leocadio S. Sebastian argued that the rice imported by the country last year was "much more" than the domestic supply deficit, thereby trimming the needed importation this year.

The Philippines imported a record-high 3.82 MMT of rice last year, Bureau of Plant Industry (BPI) data showed.

For next year, Sebastian said that improved domestic production would prevent the country's rice imports from hitting 3.8 MMT.

"We expect to import much less than USDA's [3.9] MMT projected in 2023. This indicates that the volume we imported in 2022 was much more than the deficit," he said in a statement to reporters on Thursday.

"We also expect that with the intensified efforts to produce more rice locally, we will import less than the projected 3.8 MMT in 2024. The uncertainty of depending on external sources for our staple and the high price of imported rice makes it imperative for us to produce more locally," he added.

Sebastian made the remarks after the USDA's latest monthly report on the world grain market showed that the Philippines might overtake China this year as the world's rice top importer again.

The September report of USDA projected that the Philippines could be importing a total of 3.9 MMT this year and 3.8 MMT next year. Both quantities are higher than China's projected rice imports of 3.5 MMT for both this year and next year.

The USDA data showed that the Philippines will surpass China in terms of rice imports because of tepid import demand from the latter due to "reduced price-competitiveness of imports versus domestic rice."

USDA data showed that China's rice demand for this year is set to decline to 154.944 MMT from last year's 156.36 MMT and would further decrease to 152 MMT next year. Unlike China, the Philippines is poised to sustain the increase in its rice consumption to a record-level of 16.4 MMT next year, according to the USDA.



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If the USDA's forecast materializes, then it is not the first time that the Philippines became the top rice importer in the world.

The Philippines was the top rice buyer in the global market in 2019, the same year that it liberalized and deregulated its domestic rice industry, allowing freer entry of imported stocks. (Related story: <https://businessmirror.com.ph/2020/01/14/phl-ends-decade-as-worlds-top-rice-importer/>)

Prior to the passage of the rice trade liberalization (RTL) law in 2019, the Philippines was the top rice importer for three consecutive years: 2008, 2009 and 2010, according to the USDA. And even before that, the Philippines was the biggest buyer of rice in the world market in 2005, historical USDA data showed.

However, the USDA noted that the Philippines's buying pattern this year is different from what it exhibited in 2008.

"In 2008, top importer the Philippines continuously bought larger volumes as prices escalated; this year, it is delaying purchases, awaiting lower prices," it said.

In the past three years (2020-2022), the Philippines has been the second biggest buyer of rice in the world market, according to the USDA.

Regardless of whether the Philippines is the number one or number two in terms of imports, Federation of Free Farmers National Manager Raul Q. Montemayor emphasized that since 2019 the share of rice imports to the country's total supply has been growing to about 20 percent.

This was an increase from a 10-percent share of imported rice to total rice stocks prior to the implementation of the RTL law,

Montemayor added.

The rise in the share of imported rice stocks to the country's overall supply would mean that it can now further influence the domestic rice prices, he said.

"It only goes to show that our local deficit is increasing. Our production is unable to catch up with the demand so we need to import more to fill up that gap," he told reporters on Thursday.

"The implication is that we are more reliant on imports," he added, noting that it would entail being subjected to price movements in the world rice market.

The Philippines is projected to produce 12.631 MMT of rice this year, about 3.369 MMT short of its estimated consumption of 16 MMT, based on USDA data.

USDA data showed that the country would have an ending rice stock of 3.484 MMT for both 2023 and 2024.

The United Nations' Food and Agriculture Organization (FAO) earlier reported that the Philippines is "underpinning" the world demand for rice. In particular, the FAO cited the Philippines as one of the drivers for the increase in fragrant rice quotations.

"In the fragrant and Japonica segments, August price increases mostly concerned Vietnamese quotations, which rose due to a strong pace of exports and low stocks, as was the case of short-grain rice, or were influenced by Indica price movements, as was the case of fragrant rice owing to strong buying interest from Filipino buyers for mixing," FAO said in its latest Rice Price Update report.

The BPI, an attached agency of the Philippine DA, data showed that the country has imported 2.332 MMT of rice as of September 7.





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FARMING IN DIGITAL AGE

## PUBLIC-PRIVATE FOOD TERMINAL MOVES VS HOARDERS VIA B2B

By Jacob Lazaro  
@INQjacobreports

Unfazed by the shenanigans of unscrupulous traders and profiteers, one of the most successful food terminals in the country pushed back and rolled out their online business-to-business (B2B) platform for the produce of Nueva Vizcaya.

With help of the government and the United States Agency for International Development (USAID), the Nueva Vizcaya Agricultural Terminal Inc. (NVAT) launched last month its NVAT Fresh Online Platform (NFOP).

The e-commerce platform was designed to match the marketing needs of farmers in Nueva Vizcaya with the supply requirements of retailers, groceries, food companies, restaurants and similar establishments not only in Metro Manila, but the entire country.

Nueva Vizcaya is certainly not the only or even the first food terminal in the country, but it is one of the most successful.

The La Trinidad Trading Post in Benguet may be the most profitable, and the food hubs in Urdaneta City in Pangasinan and Cabanatuan City in Nueva Ecija are close and keen competitors.

But NVAT is racing up from behind and shows the great things local governments can do when they listen to their constituents.



TO YOUR PANTRY Terminal officials show off produce about to be dispatched for delivery. —PHOTO FROM US EMBASSY IN MANILA

Former Nueva Vizcaya Gov. Rodolfo Agbayani put up NVAT only in 2015 with money the province won in a competition organized by the **Department of Agriculture**.

Agbayani used the prize money to build a facility and farmers, both big and small, soon gained interest in the project.

While the government initially put up a fourth of the terminal's capital, private individuals and cooperatives now control more than 80 percent of the corporation, which is managed entirely by private individuals.

"Through the platform, farmers can leverage competitive pricing, secure a consis-

tent income, reduce food waste and ensure the delivery of fresh, affordable produce straight to businesses and consumers," the US Embassy in Manila said.

### Innovation

Based on projections, the terminal expects to initially generate the sale of some 5,000 tons of produce, which accounts for 3 percent of NVAT's total volume.

But by its fifth year of operation, the B2B platform is expected to assist the sale of roughly 20,000 tons, which could amount to P500 million.

Senior Agriculture Undersecretary Domingo Panganiban said that such innovative use

of technology for agricultural purposes would give farmers more opportunities to boost their sales.

"In agriculture, we can attribute that swift increase [of technological innovation] to the presence of strong dynamic networks of collaboration between development institutions like USAID, the national government and local extension services. I am confident the new online platform will help to guide our ties with farmers and agribusiness entrepreneurs of Nueva Vizcaya for decades to come," Panganiban said.

USAID Philippines deputy mission director Rebekah Eubanks emphasized 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 digitization to help improve the lives of farmers and agricultural traders, and more importantly, enhance the country's food security," Eubanks said.

USAID, through its Strengthening Private Enterprises for the Digital Economy, dedicated P1 billion to technical assistance, onboarding support and training for NVAT and its users. **INQ**





# Phl may import rice all the way from Argentina

By MICHAEL PUNONGBAYAN

Amid the high prices of rice in the country, the Philippines is looking at importing the Filipinos' staple as far as from South America.

Foreign Affairs Secretary Enrique Manalo and Santiago Andres Cafiero, Argentina's minister for foreign affairs, international trade and worship, considered the possibility of the importation during their meeting at Palacio San Martin in Buenos Aires on Wednesday.

A press statement released to the media yesterday said the ministers "also looked into the possibility of the Philippines importing rice from Argentina," but provided no other details.

Thailand and Vietnam are the top two sources of imported rice in the Philippines this year, with the country's current rice import now at 2.33 million metric tons – 4.46 percent from Thailand and 89.85 percent from Vietnam.

Manalo is currently undertaking a historic visit to Buenos Aires upon the minister's invitation to commemorate the 75th anniversary of diplomatic relations between the Philippines and Argentina.

The United States Department of Agriculture, in its latest "Grain: World Markets and Trade" report, projected that Philippine rice importation will reach 3.8 million metric tons in the marketing year 2023-2024, overtaking China as the world's top importer of rice – a projection that

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## Phl may From Page 1

rice watchdog Bantay Bigas blamed on President Marcos.

It said that while the while the country's importation would balloon, that of China will drop to only 3.5 million MT.

"President Marcos should be held accountable as he is the main proponent why the Philippines is now considered as top rice importer while continuing the killing of the local agriculture industry," said Bantay Bigas spokesperson Cathy Estavillo yesterday.

"Since his assumption in office, importation always comes out from Marcos' mouth as he even pleaded to other countries for imported rice de-

spite the country's ability to produce rice," Estavillo added.

She noted that Marcos failed to develop the local palay production due to a lack of comprehensive program in pushing for national food security and the country's self-sufficiency.

"Despite the harvest in October, another 500 million MT of imported rice from India will arrive," Estavillo said as she noted that Marcos also sought a five-year rice supply agreement from Vietnam, which "means that the flooding of imported rice will persist."

### Blame economic managers

Meanwhile, former agriculture secretary Emmanuel Piñol yesterday



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blamed the economic managers for the country's dependence on rice imports.

"It is a very hurtful development. The mere fact that the International Rice Research Institute (IRRI) is here, we have our own research body for rice but now we are the biggest rice importer when we have enough land. This is a symbol of the wrong beliefs of our economic managers – that our farmers have no capacity to produce more," Piñol said.

He claimed that economic managers resorted to importation in the belief that the country does not have enough area to plant palay to ensure sufficiency in rice supply when there are at least 4.9 million hectares planted with palay, which gives an average production per hectare of four metric tons.

"Is it possible that we can increase the production in these areas? Yes, because right now in Nueva Ecija, the normal yield is at 10 tons per hectare. You increase the productivity of the farmers by simply using good seeds, high yielding seeds, enough irrigation, correct fertilization, reasonable farmgate price to motivate the farmers to plant more and of course mechanization," Piñol stressed.

Piñol also reiterated the need to amend the Rice Tariffication Law (RTL) or Republic Act 11203 to return the powers of the **National Food Authority (NFA)**.

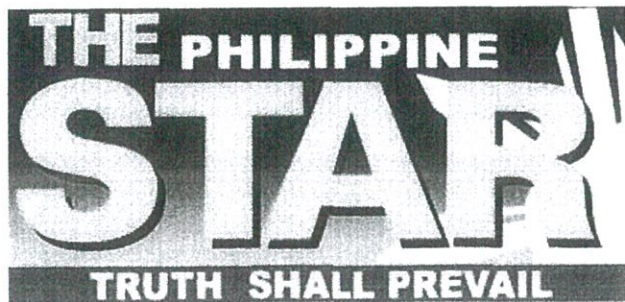
"The NFA has no power to inspect warehouses, it is now being done by the Bureau of Customs. But, you have to understand the inspection will be limited to imported rice (and) does

not cover the locally procured rice being hoarded by traders," he said.

He added that the promise of the RTL proponents that the retail prices of rice would go down by P7 per kilo simply did not materialize.

"Former president (Rodrigo) Duterte was convinced to approve the RTL because that time, (finance) secretary (Carlos) Dominguez said the prices will go down if the RTL is approved. Of course that did not happen. Right now, the rice industry is controlled by the rice cartel. It (RTL) should be amended. The government cannot give up on the control and supervision of a very important staple food, eaten by Filipinos and allow the rice cartel to manage rice," Piñol reiterated.

– With Bella Cariaso



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## Metro Manila chili prices soar to P800 per kilo

The retail price of local chili (*labuyo*) reached as high as P800 per kilo in Metro Manila amid the shortage in supply after at least 100 hectares of plantations were damaged by recent typhoons and the southwest monsoon.

Based on monitoring of the Department of Agriculture (DA), local chili is currently sold between P500 and P800 per kilo in Metro Manila markets.

"We are now looking for alternative areas to supply Metro Manila to be able to bring down the prices in the next weeks or

months," Bureau of Plant Industry (BPI) deputy spokesperson Henry Esconde said, adding that the farmgate price of local chili also increased.

"Based on the report from the provinces, as of Sept. 13, the farmgate price reached P500, P400, P300 particularly in Cagayan Valley, Central Luzon and Calabarzon," he said.

Among the areas being eyed to supply local chili to the National Capital Region are Mindanao, particularly Davao Oriental, and the Visayas.

Esconde clarified that the spike was not due to hoarding.

Meanwhile, the wholesale prices of tomatoes and other vegetables started to go down after a spike in the cost of farm products in the past weeks, according to the Nueva Vizcaya Agricultural Terminal (NVAT).

The wholesale price of tomatoes now ranged between P90 and P100 per kilo compared to the prevailing price in the food terminal last week of P100 to P120 per kilo, NVAT general manager Gilbert Cumila said.

– Bella Carias





## Editorial

### Soil degradation threatens food security

**T**HE newly minted strategic partnership between the Philippines and Australia opens the door to a more comprehensive road map of cooperation between the two countries.

Among the wide array of fields covered by the partnership is soil and land management. Specifically, it is about how the Philippines can draw from Australian expertise in framing a national soil health plan.

Under a memorandum of agreement, Australia will provide \$4.4 million to fund a five-year collaboration in scientific and technological research to improve initiatives in soil knowledge and management.

Soil degradation is triggered mainly by agricultural, industrial and commercial pollution. Farm lands are under siege from urban expansion, unsustainable agricultural practices and prolonged climatic changes.

Soil degradation is now a global scourge. Almost a third of the world's arable land has disappeared in the last four decades, based on figures from the United Nations. It is estimated that all of the Earth's topsoil could become unproductive within 60 years if current rates of loss continue.

The results could be catastrophic. As agricultural lands shrink, farm productivity drops, and the world's food supply is severely threatened. Countries in Asia and Africa that depend heavily on agriculture for economic growth are the most vulnerable, but the entire planet will feel the fallout.

The Philippines has long wrestled with the problem of soil degradation. A paper by five agricultural scientists as far back as 2009 noted that 5.2 million hectares were "seriously degraded, resulting in a 30 to 50 percent reduction in soil productive and water retention capacity."

A National Action Plan for 2004 to 2010 identified the control of soil degradation as a major research priority. The paper also cited the "need for a coordinated and continual appraisal and protection" of the country's soil resources.

The government has responded by trying to put together a regulatory, institutional and financial structure to address land degradation.

One bold step was to integrate sustainable land management (SLM) policies into the development plans of local governments, with guidance from a broad spectrum of government agencies that include the Department of Agriculture and the Housing and Land Use Regulatory Board, and the participation of community groups and other stakeholders.

In this cross-sectoral approach, demonstration sites will be set up where farmers can learn and adopt various methods of soil conservation farming and water resources conservation.

The National Soil Health Plan being worked out by Manila and Canberra is expected to incorporate or build on many of the features of the SLM program. But the main thrust of the agreement is to identify areas of collaborative studies in soil and land management between research and development institutions and the designated agencies from the two countries.

The partners will also "co-organize and co-support meetings, workshops and symposia to exchange knowledge, information and lessons on science and technology, strategy development and prioritization," and jointly monitor and evaluate the implementation of activities under the memorandum.

It will not be the first time Australia is helping the Philippines fight back against soil degradation. In 2019, an Australian project explored soil and nutrient management strategies to boost low vegetable yields in Samar, Mindanao, Leyte and Bohol.

#### El Niño challenge

Among that project's recommendations was to develop strategies to improve efficiency of fertilizers and overcome soil acidity. Many farms had become barren because the topsoil had lost its nutrients due to inefficient single-cropping methods.

Now more than ever, the Philippines needs a viable and sustainable program to curb land degradation. The agriculture sector is already straining under the weight of declining crop yields, soaring fertilizer costs, dropping farmgate prices and creeping inflation.

A bigger challenge looms with the onset of a severe El Niño episode that is expected to last until early next year. The dry spells and drought that it will spawn could devastate farmlands, and many may not be able to regain their productivity.

Healthy soil and increased agricultural productivity is the objective of the team-up between Australia and the Philippines to stem land degradation. Our government must see to it that the program is promptly and properly implemented.

The fate of the country's food security depends on it.





## Are we educating Filipinos for food security?

As we are obsessed debating over many national issues, we are distracted from discussing the major realities of our agricultural education and our long-term food security. Food security is anchored on our self-reliance to produce them. The term "food security" is defined as the state where all the members of a community have access to "culturally acceptable, nutritionally adequate food through local, non-emergency sources at all times." (Brown and Carter 2003)

Reality check: the average age of farmers in the country is 58. This agricultural country has only produced a total of 11,262 professional agriculturists for the past three years (4,035 in 2022, 5538 in 2021, and 1689 in 2020). And many of the graduates are employed by the multinationals engaged in agriculture here and abroad. As the nation with the fifth longest coastline in the world, the Philippines has only produced 1,949 fisheries professionals (716 in 2022, 731 in 2021, and 502 in 2020). The passing rate of the few takers is notably low at 32 percent for the Licensure Examination for Fisheries Professionals and 37 percent for the Agriculturists Licensure Examination. Compare these with the hundreds of thousands of teachers, nurses and criminologists taking their own licensure exams every year.

### Hope in academe

But there is hope in state universities and colleges — and a few private ones — that are academically and institutionally prepared to offer a contextually relevant agricultural curriculum. The Edurank website lists the 18 best agricultural science schools in the Philippines as follows: UP Los Baños, UP Diliman, De La Salle



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University, Visayas State University, Central Luzon State University, Mapua University, Ateneo de Manila University, University of the Philippines Manila, University of Santo Tomas, Benguet State University, University of Southern Mindanao, Mindanao State University, UP Visayas, Isabela State University, University of San Carlos, Central Mindanao University, Mindanao State University-Iligan and Caraga State University.

The K to 12 program offers strands leading to agriculture competencies as well. But is it palatable to young people?

### Discouraging quality of life

We need to engage young people in the business of food security.

But what percentage of the 14 million self-rated poor families (51 percent of Filipinos, SWS, 2023) are involved in agriculture? Farmers have a poverty incidence rate of 30 percent, and this sector has the highest proportion of individuals belonging to families with income below the official family thresholds compared to the other basic sectors (PSA, 2021). Who would want their children to suffer the same fate as theirs?

The study of Macusi, et al. has shown that fishers were aging (>45 years old), while others were aged 70 and still fishing. Those 60 years old and above are among the most physically vulnerable in their livelihood as they have less stamina to endure when fishing. The low

revenue for fishers creates other socioeconomic consequences, including low economic standing, nonexistent social welfare or pension systems for fishers, and poor health and living standards for their families (Béné, 2009; Muallil et al., 2013). With restricted financial access to credit, this compounds their problems as there are many fishers with insufficient food, clothing and shelter. This effect deters fishers from passing the same type of livelihood to their children (Béné, 2009; Muallil et al., 2011; Katikiro et al., 2015).

Apart from their being vulnerable financially, socially, ecologically, and being constantly exposed to natural disasters, small-scale fishers also face problems with the intrusion of commercial fishers (boats > 3 t) into their fishing grounds (Pomeroy et al., 2007). This may keep the small-scale fishers from getting a bigger share in catches as one ringnet fishing boat can catch as much as 1,000 kilograms (Muallil et al., 2014b; Macusi, 2017).







Price we pay for food security

The USDA has raised its projection of rice imports for the Philippines to 3.8 million metric tons in 2024. The Philippines is the second biggest importer of rice next to China. In 2022, the Philippines imported a total of \$1.2 billion worth of rice.

In January 2022, there was a fish supply shortfall of 119, 000 metric tons, according to BFAR. And the Department of Agriculture has approved the importation of 35,000 metric tons of fish for wet markets for the last quarter of 2023. Vietnam had a 47-percent share of this importation in 2022, which amounted to \$49 million (P2.5 billion).

Crossing the Brandt line

To see the bigger picture, we need to understand the Brandt line introduced by Willy Brandt, the German chancellor, in 1980 that created a partition between the “developed” North and “developing” South.

Brandt suggested that countries north of the division were more developed, as they had been able to interact successfully with others, benefiting from higher levels of trade and thus boosting the quality of life for their population.

But as global economic welfare has changed greatly over the past 30 years, today’s leaders question the relevance of Brandt’s North-South division. Inequality within countries has also been growing and some commentators now talk of a “Global North” and a “Global South,” referring respectively to richer or poorer communities that are found both within and between countries.

In the Global South, 58 percent of the labor force is engaged in agriculture, compared with only 50 percent in the Global North. People in the Global South concentrate on agricultural production because, since their incomes are low, their first priorities are food, clothing and shelter, and also because of the primitive nature of technologies, poor organization and limited physical and human capital inputs (Todaro).

The Global South is dependent on and vulnerable to the Global North. The Global North being stronger than the Global South, the unequal strength between the two is manifested not only in the dominant power of the Global North to control the pattern of international trade and agreement regulating it, but also in their ability often to dictate the terms, whereby technology, foreign aid and private capital are transferred to the Global South.

The Global South is characterized by healthy ecosystems with high levels of biodiversity. However, ecosystems such as forests, grasslands or aquatic ecosystems in the Global South have suffered — and will suffer even more — pressures due to increasing demand of agricultural production and commodities from the Global North (Anseeuw, W. et al. 2012).

With the coming of the 4th Industrial Revolution, there is anticipation of even more advanced technological use in the farming industry. Therefore, high food production trends are likely to continue being biased toward countries in the developed nations because most of these technological advances will be out of reach for most farmers in the developing world.

Extreme inequality is a factor that is already a problem and for which no solution appears on the horizon. Extreme inequality makes it easier for the powerful to influence political decision-making for their own advantage at the cost of the poor. The poor and the deprived are much more vulnerable to be exploited by those who have more resources and power. The poor are more likely to lose their land and to offer their labor for cheap wages.

We can only hold on to hope, with our children in mind.





**BONANZA** SRA Administrator Paul Azcona tests the 80 newly delivered tractors from the Japanese government worth P314 million in support of the local sugarcane industry farm mechanization program.  
PHOTOS BY EUGENE Y. ADIONG

## JAPAN DELIVERS 80 TRACTORS FOR SUGAR SECTOR PROGRAM

**BACOLOD CITY, Negros Occidental:** The Sugar Regulatory Administration (SRA) has received 80 tractors and other farm equipment from the Japanese government in support of the sugarcane industry farm mechanization program funded under the Japan nonproject grant aid amounting to P314 million.

SRA Administrator Paul Azcona thanked the Japanese government for "this much needed gift to our sugar farmers to increase productivity and efficiency."

Azcona said 51 of the tractors will be deployed to sugarcane areas in the Visayas with Negros Occidental getting the bulk at 24

units, Negros Oriental with 11 units, Iloilo will get six units, Leyte with four tractors while Cebu and Capiz will be getting three each.

Luzon sugar areas will be getting 15 tractors while those in Mindanao will have 14 units for their use.

Included in the shipment as well were 48 sugarcane planters,

another 48 lateral flair mowers and five power harrows.

Under the grant agreement, which was entered into by the Department of Finance and the SRA with the Japanese government in 2021, the agency will be the owner of these pieces of farm machinery and implements procured through

the grant and will submit an impact assessment report to the DoF and the Japanese government three years after its implementation.

To ensure the sustainability of the program, the farm equipment will be consigned to select farmers groups for a fee that is proportional to the cost of maintenance and upkeep of these.

"This blessing is very much timely as we just started the new milling season and we in the industry are grateful to both the Japanese government and our own for this initiative that will go a long way in helping our sugar farmers become more efficient and productive," Azcona said.

**EUGENE Y. ADIONG**





## Sugar harvests could drop by 15%

BY JANINE ALEXIS MIGUEL

**THE Sugar Regulatory Administration (SRA) sees a possible drop in sugar harvest for this crop year due to El Niño.**

In a public briefing on Thursday, SRA Administrator Pablo Luis Azcona said that the projected sugar production of 1.85 million metric tons (MT) for crop year 2023 may decline by 10 to 15

percent due to El Niño.

However, Azcona said that the initial estimate for crop year 2023 is still higher compared to the 1.79 million MT raw sugar output the previous year.

"As of now [the sugar supply] is still OK, as the expected El Niño is by November. So, we will monitor the severity, and we will see if it will bring a decrease in the estimated production or not," he said.

According to SRA, the total domestic raw sugar withdrawal for crop year 2023 to 2024 is estimated at 2.20 million MT.

Azcona said that the government's order to have at least two months buffer stock for raw sugar was

achieved since the harvest season.

"We also have enough buffer stock for refined sugar," he said.

In terms of prices, the SRA official said that it decreased to P60 per kilogram (kg) of raw sugar from February 2022 and has stayed at that level until now.

The retail price of refined sugar, meanwhile, was recorded at P85 to P110 per kg.

The SRA will continue to push for an increased production in

sugar as farmgate prices of the sweetener stabilized while the supply of inputs such as fertilizers has increased.

Azcona added that their block farming program continues, wherein the SRA organizes small farmers tilling 1 to 2 hectares into block farms of 30 hectares or more.

Afterward, the SRA will give cash assistance to them to use as start up capital and brand-new farm tractors.

Last Tuesday, the SRA received farm equipment amounting to P314 million consisting of 80 tractors and other machinery funded under the Japan Non-Project Grant Aid to support the mechanization of sugar farms in the Philippines.

Azcona said that the donation is very timely with the start of the new milling season, adding this will help increase sugar production in the country and will help farmers of the crop become more efficient.





## Bound to fail?

THE passage of Republic Act 11203, or the "Rice Tariffication Law (RTL)," in 2019 was hailed by local and international scholars — including leading analysts in multinational and bilateral organizations — who were knowledgeable about Philippine agriculture, as a landmark reform measure.

The main reason was that the RTL aimed to promote greater resource allocation efficiency as the government would move away from its rice obsession to supporting other agricultural commodities where the Philippines had a comparative advantage and were of high value, therefore enabling farmers to earn more.

The RTL also provided that a P10-billion fund should be set aside annually from taxes on rice imports to support productivity-enhancing programs for rice farmers. Its passage took more than 30 years of advocacy among agricultural experts and economists in the country, thus its enactment was for them a cause of celebration.

For the populist and leftist groups and politicians, however, the RTL was the last nail in the coffin for small rice farmers. They predicted that small farmers would no longer plant palay (unmilled rice) because they would have to compete with cheap rice imports. They added that palay (and rice) prices would



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drastically decline because of cheap imports and as a result, lead to shrinking farmer incomes.

Of course, this did not happen. There was even an expansion of areas planted to palay post-RTL passage and prices remained relatively stable after the immediate signing of the law.

Palay and rice prices are now skyrocketing, and populist and leftist groups, and politicians are blaming the RTL. Their main reason is that the law removed the power of the **National Food Authority (NFA)** to import. They argue that if the NFA is again allowed to do so, it will be able to stabilize supply and tame rice prices.

The main loophole in this argument is that how can the NFA, assuming its power to import is restored, bring prices down when imported rice is currently more expensive than local rice? Well, they could proffer the argument that the NFA could have imported during the time when international rice prices were cheaper, which would have enabled it to build its stock.

But it could also be argued that the NFA should have bought from

local palay producers during the time when palay prices were low to beef up inventory. Buying from our local farmers was specifically stipulated in the RTL to ensure that public funds are used for supporting local producers.

Which brings me to my point that the success of the RTL in rationalizing and enhancing the competitiveness of our rice industry largely hinges on whether the NFA and the **Bureau of Plant Industry (BPI)**, two institutions under the **Department of Agriculture (DA)**, do their jobs properly according to the roles assigned to them by the law. If they don't, it is most likely that the RTL is bound to fail.

While it removed the agency's power to import, the law mandated the NFA to build its buffer stock by procuring palay from our farmers. If the NFA bought during the dry harvest season earlier this year (when prices were still low) it would have built a significant rice inventory by now. Its buffer stock could have been increased to more than nine days if it secured approval for additional funds from the NFA Council.

Unfortunately, the NFA bureaucracy is not used to actively procuring palay at the lowest prices from our farmers because its previous monopoly control over rice trading accustomed it to waiting for sellers to bring their produce to NFA warehouses. The NFA was

dictating the terms of trade then but the RTL changed the rules.

The agency's limited stock has since been used for political gimmickry as reported by a farmers' group. These were sold to the Kadiwa stores to partially fulfill the President's political campaign promise of bringing rice prices down to P20 per kilo.

The BPI's role, meanwhile, is critical in determining the volume of rice import arrivals through the issuance of sanitary and phytosanitary (SPS) clearances. SPS is like a "clean bill of health" as it certifies that imports are free of pests and diseases harmful to human, animal and plant health. If BPI does not issue SPS clearances, traders cannot legally bring in rice. Thus, if the DA wants to regulate entry of rice imports, it can instruct the BPI to manage SPS clearance issuances.

This is when the problem arises. If the DA's senior management wants to restrict rice imports because it subscribes to the populist idea that we can achieve rice self-sufficiency (an unattained goal for almost 50 years now), it will simply instruct the BPI to enforce stricter SPS rules.

There was a time during my stint in the DA that we practically lectured the BPI head on when rice imports should arrive and when their entry should be regulated. We drew a chart showing the months when palay planting seasons (both

dry and wet) happen, which coincide with lean rice supply, and when the harvest months occur, leading to ample supply of rice.

We exhorted the BPI to allow more imports to arrive in the lean months (late December-February and late May to early August) and restrict entry during the harvest months (March to early May and late September to early December). This will ensure ample rice supply during the palay planting season while avoiding prices from plummeting during the harvest season. Unfortunately, our recommendation was not followed because opportunistic forces in the market. The point I am driving at is that contrary to the claim that the law at the outset was faulty, it is instead bound to fail if the key institutions supposed to implement it are geared toward undermining it. Expectedly so because the bureaucracy lost the powers and privileges that the old rice policy regime bestowed on them with the enactment of the RTL.

The law did away with a lot of the rent-seeking activities that could happen along the rice value chain. Those who benefited from the old system are blaming the RTL and fretting over their lost income opportunities, powers and privileges. They want a return to their happy good old days.





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## Small rice retailers from Manila, Pasay Cities get gov't subsidy

THE Department of Social Welfare and Development (DSWD) started to distribute financial assistance to small rice retailers yesterday morning in Manila and Pasay cities.

Mayor Honey Lacuna-Pangan, Vice Mayor Yul Servo Nieto, and Trade and Industry Assistant Secretary Agaton Uvero led the distribution of P15,000 cash under the DSWD Sustainable Livelihood Program (SLP) to 192 rice retailers from the public markets and two from the private markets at the San Andres Sports Complex.

"Batid po natin na hindi sapat ang maibibigay sa inyong assistance sa pagkakataong ito, pero sabi nga po nila, na lagi ring sinasabi ng atin pong dating alkalde Mayor Isko Moreno Domagoso na anything above zero is positive. Sana po ay makatulong ito sa inyo kahit ngayon man lamang po," Mayor Lacuna-Pangan said in her speech.

"Ang alam ko po mahigit pa sa 192 ang ating mga

rice retailers. Kami naman po sa Pamahalaang Lung-sod ng Maynila ay nagsisikap na bumalangkas ng mga paraan kung paano pa po kayo matutulungan," the mayor added.

In Pasay City, Mayor Imelda "Emi" Calixto-Rubiano, together with the representatives of DSWD, DILG, and DTI, also distributed P15,000 cash assistance to 56 rice retailers from the Pasay City Public Market who are beneficiaries of rice subsidy.

Mayor Emi said beneficiaries of rice subsidy underwent a rigorous screening process to make sure that only qualified rice retailers will receive financial assistance from the national government.

"Bukod sa P15,000 bibigyan din natin sila ng karagdagang P5,000 financial assistance mula sa lokal na pamahalaan at food packs at grocery package mula naman sa aking tanggapan," Mayor Emi said during the distribution held at the Session Hall of the Pasay City Hall.

**Edd Reyes**





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## Cong dismayado na agri lugmok, nilalapastangan pa

Nadismaya ang isang mambabatas sa ulat ng US Department of Agriculture kung saan nangunguna na umano ang Pilipinas bilang importer ng bigas sa buong mundo.

Ayon kay Nueva Ecija Rep. Ria Vergara, patunay ito sa kakulangan ng suportang natatanggap ng sektor ng agrikultura.

"Nakakalungkot subalit ito ang katotohanan, dati ang number 1 importer ay China, pangalawa lamang ang ating bansa. Subalit dahil lumalaki ang ating populasyon (110M ngayon ang forecast ay 145M by 2050), hindi nakakaya ng ating domestic production na sumabay sa paglaki ng ating bansa at kailangan talagang mag-import ng bigas. Hindi option na magutom ang ating mga kababayan," sabi ni Vergara.

Ayon sa US Department of Agriculture (USDA) inaasahang mag-aangkat ang Pilipinas ng 3.8 milyong metriko tonelada ng bigas para sa trade year 2023-2024 na lagpas sa inaasahang aangkatin ng China na 3.5 milyong metriko tonelada.

"Kahit may higit P10 bilyon ang Rice Competitive Enhancement Fund (RCEF) para sa ating magsasaka, kulang pa din ito dahil hindi naman lahat ng rice farmers lalo na ang maliliit ay natutulungan. Kaya ang inaasahan natin na tumaas ang domestic production ng bigas ay hindi pa natin nakakamit sa kasalukuyan," sabi pa ni Vergara.

Sinabi ni Vergara na kulang ang pondo ng **National Irrigation Administration (NIA)** para mapaganda ang mga pasilidad nito gayundin ang Philippine Crop Insurance Corporation (PCIC) na makatutulong sana sa mga magsasakang labis na maaapektuhan ng masamang panahon.

"Marami ng problema may mga taong nagsasamantala pa—hoarders, smugglers, ang rice cartel na gumagawa ng artificial shortage para maitaas ang presyo, para mas lumaki ang kita," ayon pa kay Vergara. **(Billy Begas)**



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# BSP: NEW RATE HIKE NOT LIKELY ON FOOD 'SHOCKS'

By CAI U. ORDINARIO  
@caiordinario

**S**UPPLY shocks that led to high food prices in August could "dissipate fairly quickly," making it unnecessary for the Bangko Sentral ng Pilipinas (BSP) to raise key interest rates anew.

BSP Governor Eli M. Remolona Jr., however, said the current situation would still not merit easing the central bank's monetary policy. The Monetary Board is scheduled to meet next week.

In August, the Philippine Statistics Authority (PSA) reported that headline inflation rose to 5.3 percent from 4.7 percent in July. With this, inflation averaged 6.6 percent in the January to August 2023 period.

"I think if that's all there is, if it's just the uptick, as you know with food prices (which) caused the uptick, these kinds of supply shocks dissipate usually fairly quickly. If that's all there is, there are no further supply shocks beyond that uptick in August, then it won't be necessary to hike the policy rate. It won't justify an easing but it won't be necessary to raise the policy rate," Remolona said.

Remolona said the BSP remains serious about price stability. He said while the BSP's target range is 2 to 4 percent, this is not enough for the central bank.

This is especially crucial, given that the recent supply shocks experienced by the Philippines drove food prices to increase. Skyrocketing food prices significantly impact the poor in the country.

SEE "BSP," A2



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## BSP...

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Based on the Consumer Price Index (CPI), the weight of food in the basket was 51.38 percent for the poorest households. The weight of rice, one of the top contributors to inflation in August, was at 17.87 percent for the Bottom 30 percent of households.

"The supply shocks are especially harmful to the poor. The food prices, the energy prices, so that's part of the reason we have...a price stability objective," Remolon said. "But hitting the target range is not enough. We want to be comfortably within the target range for the year or so to follow."

Earlier, successive typhoons caused commodity prices to surge in August with vegetables like tomatoes and the country's staple, rice, leading the charge to increase inflation to 5.3 percent, according to the PSA.

The poorest Filipinos experienced an even higher rate of inflation at 5.6 percent as food inflation for the bottom 30-percent income households at the national level moved at a faster pace of 7.7 percent in August 2023 from 6.1 percent in July 2023 and 7.1 percent in August 2022.

However, the BSP as well as the

National Economic and Development Authority (Neda) remain confident the country's inflation rate will slow to 2 to 4 percent by the last quarter of 2023.

The prices of tomatoes nearly doubled, marking an inflation rate of 90.5 percent, the third highest it recorded in the series. Last year, tomato prices surged 130 percent in April 2022 and 125 percent in May 2022.

Regular-milled rice prices and well-milled rice prices also increased nationwide by 8.9 percent by averaging at P43.34 per kilo while well-milled rice prices grew 8.1 percent and averaged P47.63 per kilo. Overall, rice prices grew 8.7 percent in August 2023.

For the Bottom 30 percent, the inflation rate for rice was much higher at 9.1 percent while vegetable prices, including tomatoes, increased by 23.6 percent in August 2023.

The PSA explained that the impact of more expensive food items is greater among the poor because a larger part of their income is allocated for food. This does not mean the poor eat more but this is a function of their small incomes.

It added that paying for the same goods that richer households pay for at the same prevailing prices means a larger part of the poor's meager income goes to food expenses.





## PH, Argentina tackle agri, energy cooperation

By JOSEPH PEDRAJAS

Department of Foreign Affairs Secretary Enrique Manalo on Wednesday, September 13, met his Argentinian counterpart,

Minister for Foreign Affairs, International Trade, and Worship Santiago Andres Cafiero, to discuss agriculture, energy, and science cooperation between Manila and Buenos Aires.

Manalo is in the Argentinian capital Buenos Aires to mark the 75th anniversary of diplomatic relations between the Philippines and Argentina.

"The visit comes at a crucial time

when Philippines-Argentina relations are both maturing and enjoying renewed vigor," the Department of Foreign Affairs (DFA) said on Thursday, September 14.

The possibility of the Philippines importing rice from Argentina, nuclear and renewable energy cooperation, and partnership on space, science, and pathology was among those discussed by the two diplomats, according to DFA.

Manalo and Cafiero also noted the "positive developments in bilateral trade and investments" between the two countries and recognized other potential for increased trade, DFA added.

Trade between the two countries reached \$674 million by the end of 2022 from an average of \$400 million in the past years.

The two diplomats sought to enhance ties in the multilateral arena, such as the UN and the South-South Cooperation, among others.

"As democratic nations with a shared vision and values, the Philippines and Argentina are united in their unwavering support for the role of multilateralism in advancing transformative and positive change in the global context," the DFA said.

Manalo, in his post on X (formerly Twitter), said he offered flowers at the monument of Gen. Jose de San Martín, Argentina's national hero and one of Latin America's great liberators before his meeting at the Palacio San Martín with Cafiero.

"As the Philippines and Argentina enter a new era in their diplomatic relations, the ministers expressed satisfaction at the many milestones achieved in the last 75 years, and underscored the importance of sustaining momentum to ensure that the bonds of friendship remain strong and vibrant," DFA said.



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### MULTILATERALISM

The Philippines has expressed commitment to work with Argentina in advocating multilateralism to achieve rule of law and address various global challenges.

Manalo cited the importance of the international stage as he spoke in a forum in Buenos Aires upon his visit for a bilateral talk with Cafiero.

Manalo said Manila will work with Buenos Aires, among other partners, on multilateralism to address various challenges, such as international risks and threats, climate change, humanitarian crises, and health.





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## Taiwan's delicious, mysterious sweetpotato

Last week, I wrote about how I went on vacation to Taiwan fully intending to detach from work, but ended up appreciating their agriculture industry and mulling over ours anyway.

Now I'd like to focus on the star of my trip: the roasted sweetpotato sold in convenience stores across Taiwan. They're easy to find: just duck into a convenience store and you'll find them being kept steaming hot inside a small transparent heated cabinet. Tongs and a paper bag are supplied so that you can pick the sweetpotato of your choice and bring it to the counter.

This isn't your average sweetpotato. Roasted, it's dark brown on the outside, sometimes with glossy black bits, as it had been brushed with sugar. But nothing has been added; the sweetpotatoes are roasted

as is. Break one open and the eater is treated to an interior that is deep orange, extremely sweet and soft, with no trace of the fiber that sometimes mars the eating experience of lesser varieties.

I think of myself as a kamote connoisseur of sorts — I truly, madly, deeply love sweetpotatoes in any form. To quote hobbit gardener turned adventurer Samwise Gamgee in the Lord of the Rings movie, who in this case was talking about regular potatoes, "Boil 'em, mash 'em, stick 'em in a stew..." Not to mention steamed, roasted, in pies, as kamote cues, and so on. So trust me on this when I say that these are the best I've ever had. They're so good I still dream about them, my heart



AVANT GARDENER  
YVETTE TAN

aching at the thought of not being able to have them whenever I want.

I ended last week's column wondering what variety it was and now I have the answer: nobody, save probably for a select few, knows. That's because the variety is a closely guarded secret, and very few people are allowed to see it raw, much less as planting material.

Taiwan invests heavily in its agricultural R&D, and no crop is too small. I wasn't able to get the statistics on this specific root crop, so I cannot tell you what their yield is, how many farmers grow it, or its division among its main consumers. All I know is that it's available in almost every, if not all, convenience stores in Taiwan, always hot, and from my experience, half the time close to selling out. You don't have to be a numbers whiz to know that that's a lot of kamote, a crop that's abundant and fairly easy to grow. If a country can devote that much engineering to a staple root crop, what more its other, more complicated plants? No wonder the country is well known for its produce, agritechnology, and agritourism.

This isn't a sponsored article. I was there on a private trip as a private citizen. It's just that the ingredients there were of such superior quality that I couldn't help but trace it back to the

*Roasted, it's dark brown on the outside, sometimes with glossy black bits, as it had been brushed with sugar. Break one open and the eater is treated to an interior that is deep orange, extremely sweet and soft.*

country's support for its agriculture workers in all aspects of the industry. Besides, my friends are sick of me talking about Taiwan's convenience store sweetpotatoes, so now you, my readers, will have to hear about it.

All I'm saying is, if ever you're in Taiwan, try to find time in between restaurant and night market hopping to duck into a convenience store and try one of the roasted sweetpotatoes on display (I recommend picking a deeply-colored one over a lightly roasted one). If you like kamote, I promise you won't regret it.





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## Figaro to export coffee

By JAMES A. LOYOLA

**F**igaro Coffee Group, Inc. (FCG) is now aiming to go global by exporting Philippine coffee products after a subsidiary received its certification from the Philippines Economic Zone Authority (PEZA).

In a disclosure to the Philippine Stock Exchange, the firm said Figaro Innovation and Development, Inc. (FIDI), a wholly-owned subsidiary of FCG's operating Figaro Coffee System, Inc. (FCSI) has received Certification of Registration No. 2023-000126-PEZA-EX-C10-1 from PEZA.

This certification, issued in accordance with PEZA's charter and Title XIII of the National Internal Revenue

Code of 1997 (as amended by Republic Act no. 11534, known as the Corporate Recovery and Tax Incentives for Enterprises or CREATE act), officially recognizes FIDI's registration with PEZA.

FIDI has been designated as an Ecozone Export Enterprise authorized to engage in the production of various roasted coffee blends, including House Reserve, Espresso Blend, and French Roast.

These operations will be based at the company's facility located at 116 East Main Avenue Phase V, Laguna Technopark-Special Zone (LT-SEZ), Binan City, Laguna.

"The primary mission of FIDI is to drive innovation in the Food and Beverage (F&B) industry by developing

pioneering products and processes," FCG said.

It added that, "Their aim is to enhance operational efficiency for their clients while also promoting Filipino brands, products, and raw materials on a global scale."

As a PEZA-registered entity, FIDI is entitled to a range of incentives, including income tax holiday for five years, special corporate income tax for 10 years, duty exemption for 15 years, and VAT exemption and zero rating for 15 years.

With its PEZA registration and associated incentives, FCG said FIDI is poised to make significant contributions to the coffee industry and to the broader economic landscape in the Philippines.





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## PH coffee producer wins award in international contest

PHILIPPINE coffee entries Kalamansig Coffee and Kulaman Coffee from Sultan Kudarat won Paris Gourmet Medals at the highly prestigious ninth International Contest for Coffees Roasted at Origin.

The contest was organized by the Agency for the Valorization of Agricultural Products (AVPA), a Paris-based association.

AVPA was a nongovernment, nonprofit organization that was composed of coffee producers, coffee industry experts and taste enthusiasts. The association's objective was to contribute toward the enhancement of the value of agricultural products and the

recognition of the excellence of some producers.

The event marked the fifth and sixth time that the Philippines achieved an award in the prestigious international coffee competition that had the primary objective of elevating coffee to the status of a gourmet product.

In 2017, Bana's Coffee from Sagada won the award with the Coffee Heritage Project.

This was followed by 2018's Mirabueno Coffee (Bukidnon) and SGD Coffee (Northern Sagada).

In 2020, amid the Covid-19 lockdown, North Star Upi Coffee (Maguindanao) bagged the

Philippines' latest medal in the international competition together with the Coffee Heritage Project.

This year the Coffee Heritage Project collaboration, once again, placed the Philippines on the world coffee map. The Coffee Heritage Project was a nonprofit, private initiative that was dedicated to help farmers grow quality-focused coffee.

With the internationally reputed contest now on its ninth edition, the International Contest for Coffees Roasted at Origin of AVPA has more than 700 producers from around the world participating in the contests every year.



■ Katrina Banzon (right), commercial counselor and director of DTI Paris - Philippine Trade and Investment Center, receives the awards on behalf of the team behind the Coffee Heritage Project.  
CONTRIBUTED PHOTO





## 247 rice retailers each get P15K in distress aid

**TRECE MARTIRES CITY, Cavite:** The provincial offices of the Department of Trade and Industry (DTI) and the Department of Social Welfare and Development (DSWD) here in Cavite province are working together for the distribution of cash assistance at the provincial gymnasium in

Trece Martires City.

DTI-Cavite said the cash assistance distribution that started on Wednesday aims to provide financial assistance to 247 rice retailers in the province.

Micro rice retailers who were affected by the government imposed rice price cap

were given P15,000 each.

DTI and DSWD officers and staff are continuing the distribution at People's Park in Barangay Lapidario also in Trece Martires City.

The DTI calls on retailers to work with the department to ensure access to afford-

able rice.

It said it is ready to assist retailers in searching for other sources of rice that will enable them to earn a profit while working with the government to ease the burden of consumers.

**DENNIS ABRINA**



**FALL IN LINE, PLEASE** The provincial offices of the Department of Trade and Industry and the Department of Social Welfare and Development begin distributing cash assistance to micro rice retailers at the provincial gymnasium in Trece Martires City on Thursday, Sept. 14, 2023.

PHOTO BY DENNIS ABRINA



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## Rice rising

THE Philippine Statistics Authority released on Sept. 5, 2023 its Summary Inflation Report Consumer Price Index (2018 = 100) for August 2023. Of particular interest in this report are the following:

Overall inflation grew from 4.7 percent in July to 5.3 percent in August. Inflation for the year (January–August 2023) is 6.6 percent.

Food inflation, in particular, rose to 8.2 percent in August, compared with 6.3 percent in July and 6.5 percent in August the year before. Rice was mainly responsible for the increase in food inflation. Rice inflation stood at 8.7 percent in August vis-à-vis 4.2 percent in July.

This is the context of Executive Order (EO) 39, series of 2023, whereby the president imposed a price ceiling on regular milled rice at P41 per kilogram and P45 per kg for well-milled rice beginning September 5.

My co-host at DZRJ 810 AM-Radyo



VANTAGE  
POINT

VAN  
YBIERNAS

Bandido, Maricar Serrano, and I, together with special guest Sass Rogando Sasot, discussed this issue at length in our September 4 show. Price ceilings are often imposed on consumer staples (i.e., food, fuel, medicine, etc.), usually under emergency circumstances, such as after calamities, disasters and other crisis events that artificially send costs skyrocketing. The idea is that prices are abnormally — and temporarily — high, but will go down to normal levels once the emergency passes.

Serrano, Sasot and I questioned whether the exorbitant market price of rice before the commencement date of EO 39 s.2023 (September 5) was indeed abnormal.

If it was, then it should naturally go down later to market-dictated levels. Hence, the price ceiling will have reached its objective.

However, if the prices are completely market-driven and devoid of manipulation, the price ceiling will have an adverse effect on the market, forcing sellers to abandon the market unless the government provides a subsidy to cover the difference between the market price and the price ceiling. Without such a subsidy, the sellers will be forced to sell rice at a huge loss and will ostensibly refuse to operate under those wretched conditions.

Should the government decide to subsidize the cost of rice in the market in order to defend the price ceiling, it will constitute a heavy burden on the public coffers. Moreover, it is not even clear where authorized funds for such an intervention will come from.

Either way, imposing a ceiling on regular — not manipulated or

otherwise artificially set — market price of rice will have a disastrous effect, both in the short and long term. Interestingly enough, there are reports that Finance Undersecretary Cielo Magno was “asked to resign” — and has actually resigned — after she gave contrary views about EO 39 s.2023.

There have been suggestions given the prohibitive price of rice that consumers shift to other sources of carbohydrates (i.e., the cheaper camote, for instance) for their diet. This is impossible due to the deep historical and cultural imprint of rice in the great Asian civilizations, including the Philippines. Rice cultivation is as old as these civilizations.

The historian Karl Wittfogel first suggested that political hierarchies in Asia were a byproduct of centralized control of water through a system of artificial irrigation necessary for large-scale rice cultivation. Quoting

Wittfogel, historian Fernand Braudel wrote: “A civilization based on rice implies a system of artificial irrigation, which in turn requires strict civic, social and political discipline.”

To be sure, in the Philippines, rice cultivation was responsible for political centralization and hierarchicalization in concert with maritime trade, particularly in coastal communities. However, it seems that impulse for political centralization and hierarchicalization from maritime trade, historically, came much later in comparison to rice cultivation. By the time the Spaniards arrived in the archipelago in the 16th century, there seems to have emerged an economic division of labor between coastal communities focused on maritime trade and upland/inland communities devoted to rice cultivation.

Nevertheless, there are some historical examples where both

coastal and upland/inland communities are under a single, albeit expanded, leadership structure. In some cases, if the two communities fell under separate leadership structures for some reason, they maintained friendly and cooperative relations with each other motivated by political necessity and frequent economic (i.e., exchange of goods and services) intercourse.

Rice supply and prices are not simply economic issues but, from a cultural standpoint, translate into vital national political concern that often reflects on a leader's fitness for leadership. This has not been studied in great detail in Philippine historiography but is well-established in our Cambodian counterpart, for instance. In Cambodian history, rice cultivation and artificial irrigation — a vital part of the temple complexes of Angkor Wat, for example — are a matter of national politico-religious significance.



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### ***Rice retailers may 'full package' na ayuda sa Marikina LGU***

Pinagkalooban ng Marikina City government ang mga rice retailers sa lungsod ng mistulang 'full package' na ayuda sa pamamagitan ng tatlong ordinansa.

Kabilang dito ang anim na buwang business tax exemption, dalawang buwang libreng renta sa palengke at cash aid.

Nabatid na nilagdaan ni Marikina City Mayor Marcelino 'Marcy' Teodoro kahapon ang tatlong ordinansa upang matulungan ang mga naturang rice retailers na apektado ng rice price cap na ipinaiiral ng pamahalaan.

Kabilang sa mga ordinansa na nilagdaan ni Teodoro ay ang Ordinance No. 68 Series of 2023 o ang "Ordinance Granting Relief on Rental Payments to Rice Retailers at the Marikina Public Market in the City of Marikina."

Alinsunod na sa naturang ordinansa, binibigyan ng dalawang buwang relief sa pagbabayad ng renta sa mga stalls sa Marikina City Public Market, para sa mga buwan ng Setyembre at Oktubre 2023.

"Inulit natin 'yung ginawa natin noong nakaraang pandemya kung saan 'yung mga maliit na nagtitinda ng bigas sa Marikina Public Market ay hindi na muna natin sila pagbabayaran ng renta sa susunod na dalawang buwan hanggang maging stable na ang supply ng bigas at ang presyo ay manumbalik na sa dati. Iyon ang una nating panukala at sa ngayon ay pinirmahan natin bilang ordinansa," ani Mayor Marcy.

Nabatid na nilagdaan din ni Teodoro ang Ordinance No. 69 Series of 2023 o ang "Ordinance Granting Relief on Business Tax Payment to Rice Retailers in the City of Marikina."

Sa ilalim ng ordinansa, ang mga rice retailers na nag-operate sa Marikina ay exempted sa pagbabayad ng business taxes sa kanilang gross sales o resibo para sa third at fourth quarter ng taong ito, o sa loob ng anim na buwan.

Bukod dito, nilagdaan din ni Mayor Marcy ang Ordinance No. 70, Series of 2023 o ang "Ordinance Granting Cash Assistance to Rice Retailers in the City of Marikina."

Sa ilalim ng ordinansa, pagkalooban ng P5,000 cash assistance ng lokal na pamahalaan ang mga eligible rice retailers na apektado ng price ceiling sa bigas. (Mer Layson)



# Malaya Business Insight

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## Wheat falls, corn rise

CANBERRA- Chicago wheat futures fell on Thursday as concerns over supply from war-torn Ukraine eased due to large exports of cheap grain from Russia, keeping prices near 33-month lows.

Soybean and corn futures rose slightly.

Wheat markets are expected to tighten in the coming months as the focus switches to harvests in southern hemisphere countries such as Argentina and Australia, where crops have been hit by dry weather.

But for the time being, northern hemisphere harvests, particularly Russia's, are pumping supply into the market, said Ole Houe at Australian agricultural brokerage

IKON Commodities.

"That puts a lid on prices and prevents any near-term rallies," he said.

The most-active wheat contract on the Chicago Board of Trade (CBOT) was down 0.8 percent at \$5.92-3/4 a bushel. On Friday, prices fell to \$5.70 a bushel, the lowest since December 2020.

CBOT soybeans were up 0.1 percent at \$13.50-1/2 a bushel and corn was 0.1 percent down at \$4.81-3/4 a bushel.

Ukrainian grain exports plunged to 783,000 metric tons between Sept. 1 and Sept. 13 from around 1.5 million tons in the corresponding period in 2022, agriculture ministry data showed on Wednesday. - *Reuters*





## WTO chief pushes deals on fishery, agri subsidies, says it will be tough

By Norman P. Aquino  
Special Reports Editor

GENEVA — World Trade Organization (WTO) Director-General Ngozi Okonjo-Iweala expects several groundbreaking deliverables at the 13<sup>th</sup> Ministerial Conference in Abu Dhabi in February, including the entry into force of a deal against overfishing and making headway in doing away with harmful subsidies in agriculture.

"Let's concentrate on those things that the multilateral trading system can deliver," she told a news briefing on Wednesday, as she cited an "atmosphere of pessimism" in the leadup to the conference amid protectionist policies that are slowly eroding the world's trading system.

"There is quite a list and if we can get two or three out of that list, I think we would have had success," she added.

WTO ministers are also working on reforms to make the WTO process more open, transparent and inclusive, as well as fix the dispute settlement system that has been hampered by a nonfunctioning Appellate Body for almost four years now.

The WTO Agreement on Fishery Subsidies is part of the "Geneva Package" adopted at the 12<sup>th</sup> Ministerial Conference in June 2022 and marks a major step forward for ocean sustainability by prohibiting harmful fishery subsidies that the WTO said are a key factor in the depletion of the world's fish stocks.

"Our oceans are 50% overfished, which means we cannot

waste so much time in ratifying this agreement," Ms. Okonjo-Iweala said. "The longer we wait, the more overfishing there is. This is one reason why we are fighting for it."

Forty-three WTO members have ratified the deal, and the WTO needs 110 votes for it to take effect, she said.

The Philippines has yet to ratify the accord.

The Geneva Package also includes the WTO response to emergencies including a waiver of certain requirements on compulsory licensing for coronavirus disease 2019 (COVID-19) vaccines, food safety and agriculture, and WTO reforms.

Ms. Okonjo-Iweala said the next step is to complete the second wave of fishery subsidy negotiations, which will consider giving developing nations policy space, special and differential treatment that will allow other members to treat them more favorably.

"We want to make sure that their development needs are factored into this second part," the WTO chief said. "We hope to complete that. It will not be easy. It's very tough but so far, we are moving on with it."

WTO ministers are also working on the food security aspect of agriculture amid volatile global prices, Ms. Okonjo-Iweala said.

The WTO, for one, wants to ensure that governments don't impose export restrictions on food bought for humanitarian purposes under the World Food Program.

WTO, S1/9

WTO,  
from S1/1

Some WTO members want to work on how much trade-distorting subsidies in agriculture are harming competition, while others are focusing on how countries with a big population can safeguard food stocks while still facilitating trade, Ms. Okonjo-Iweala said.

"This is one where we have not had one success in the past," the WTO chief said, referring to agricultural subsidies. "Agriculture is quite difficult. If we can get some agreements on the food security aspect again, and how to make that work better, that will also be a good thing."

### 'COMMON GOOD'

Also on the table in Abu Dhabi is the existing moratorium on customs duties on electronic transmissions, the last extension of which was agreed in June 2022, Ms. Okonjo-Iweala said.

"Now that trade is going digital, this is a very important agreement," she said. "We've been able to extend it every year. We need to now decide: Do we do that again or do we permanently agree [about not imposing it]?"

The WTO chief said the consensus system gives each country a voice — no matter how small it is. "I still think it works in the sense that we should at MC12 (12<sup>th</sup> Ministerial Conference), that you can still get a multilateral agreement, that members can still overcome differences and make an agreement for the common good."

Ms. Okonjo-Iweala admitted though that decisions could not be enforced in the absence of the WTO's Appellate Body, which is the final arbiter of trade disputes.

The global economy is said to be edging closer to survival-of-the-fittest mode as major economies skirt the post-World War II trading system in favor of a more restrictive and transactional approach to world commerce.

US President Joseph R. Biden, Jr. has kept his predecessor's tariffs on steel, aluminum and about \$200 billion worth of Chinese imports, all illegal under the WTO rules.