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'Contract growing will help boost rice output'

By JOVEE MARIE N. DELA CRUZ

[@joveemarie](#)

THE chairman of the House Committee on Appropriations said implementing a mechanism called contract growing will result in stable domestic rice prices.

Ako Bicol Party-list Rep. Elizaldy Co said in a statement that contract growing will benefit both consumers and farmers because it would not only result in steady rice prices but also ensure a profitable market for farmers.

He said contract growing should involve large agricultural corporations managing vast tracts of farmland.

The lawmaker proposed that a portion of the farmers' yield—possibly 50 percent—would be contracted at a pre-agreed price under the scheme while the remaining

yield would be sold at market rates to allow farmers to still capitalize on price surges.

However, he noted that while the contracted portion of the total yield may provide a sure profit for local farmers, the remaining yield outside the contract may also result in losses.

Co said farmers would not be shortchanged under the contract growing arrangement.

"It won't be bad [for farmers] because we can calculate how much the investment is per kilo of rice. We know that palay is only P9 maximum or P7 to P9 per kilo," he said.

Co said local farmers have sometimes adjusted their prices to match the rates of imported rice.

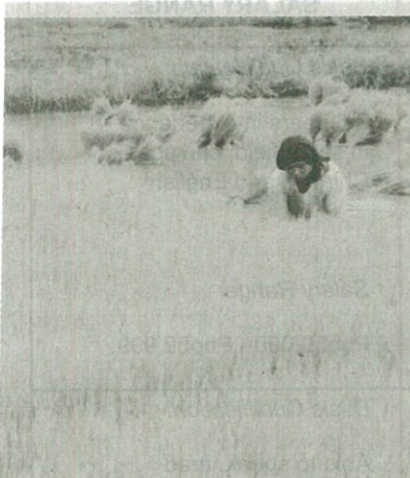
Apart from the contract-growing approach, he also proposed controlling the cost of important farming inputs like fertilizers.



FARMERS in Palawan are preparing to plant rice in this BUSINESSMIRROR file photo.

According to Co, farm inputs have also been subject to price manipulation, which may contribute to unstable rice prices.

Co suggested the need for targeted use of palay varieties and better irrigation, as well as increased production through solar fertigation, to help address rice



supply problems in the country.

Even before the recent surge in rice prices that prompted the Marcos administration to implement price caps via Executive Order (EO) 39, Co had been advocating for the contract growing model as "a proactive solution" to stabilize the market and support local farmers.

EO 39 puts a price cap on regular milled rice at P41 and well-milled rice at P45. It took effect on September 5.

Production estimates

By the end of September, the initial palay harvest is expected to reach 2 million metric tons (MMT), and up to 3 MMT in October, for a total of 5 MMT, based on estimates by the Philippine Rice Information System (PRISM) using satellite data as of August 14.

The figures were indicated in Agriculture Undersecretary for Rice Industry Development Leocadio Sebastian's report to President Ferdinand R. Marcos Jr.

"In all, for the second semester, or July to December, we estimate to produce more than 11 million metric tons, and barring strong typhoons in the remaining months of the year, we hope to hit

the 20-million MT level for 2023 national palay output," Sebastian added in a statement released by the Palace.

For the month of September, Sebastian said the Philippine Rice Industry Stakeholders Movement (PRISM) has reported that the bulk of the 2.3-MMT harvest would come from 12 provinces, namely: Isabela, Cagayan, Iloilo, Nueva Ecija, North Cotabato, Leyte, Oriental Mindoro, Camarines Sur, Palawan, Bukidnon, Zamboanga del Sur, and Davao del Norte.

By end of October, most of the estimated 2.9-MMT palay yield would come from 15 provinces—Nueva Ecija, Pangasinan, Tarlac, Isabela, Occidental Mindoro, Cagayan, Oriental Mindoro, Palawan, Bulacan, Iloilo, Bukidnon, Agusan del Sur, Ilocos Sur, Leyte, and Camarines Sur.

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'Delivery of avian flu vaccine to revitalize poultry industry'

THE Marcos administration will hasten the acquisition of avian flu vaccines to revitalize the country's poultry industry and ensure affordable chicken meat and egg prices, House Speaker Ferdinand Martin Romualdez said on Thursday.

Romualdez issued the statement after President Ferdinand R. Marcos Jr., who concurrently heads the Department of Agriculture, met late Tuesday with leading Indonesian animal health firm PT Vaksindo Satwa Nusantara.

According to the House leader, Vaksindo intends to cooperate with its local partner, Unahco Inc. (Univet Nutrition and Animal Healthcare Company) Philippines, on veterinary vaccines and plans to invest around \$2 million this year.

He said this plan would soon provide the Philippines with an avian flu vaccine.

"The early delivery of Vaksindo vaccines could spur the revitalization of our country's poultry industry, which has faced serious challenges due to the continuing threat of the avian flu," Romualdez said.

Among others, he noted that egg producers recently confirmed a 20 percent drop in their production due to the culling of at least 10 million chicken layers due to the effects of the avian flu, first reported in the country in 2017.

As a result, Romualdez added that prices of eggs spiked early this year, with the average cost of a medium-sized egg in Metro Manila markets rising from P6.90 to P8.70. In some markets, prices even reached P10 just for a regular-sized egg.

He said the price of whole chicken in Metro Manila ranged from P150 to P200 as of June this year, which could be partly attributed to the threat of the avian flu.

"The President is keenly aware of the plight of the poultry industry sector, and the engagement with Vaksindo is a positive step towards addressing the problem of avian flu that continues to beset this sector," Romualdez said.

"Making avian flu vaccines available to our poultry sector, along with the adoption of best practices, would help ensure we could sustain the encouraging signs of recovery in the industry."

Virology institute

THE Speaker expressed hopes for the enactment of a law that would establish the Virology and Vaccine Institute of the Philippines, which would focus on applied research and studies to develop diagnostic kits and vaccines not only for humans but also for animal and plant diseases.

In December 2022, the House of Representatives approved, on third and final reading, its version of the measure, House Bill 6452. The Senate has yet to pass the counterpart bill.

Meanwhile, Romualdez said the Marcos administration is likewise attending to similar challenges facing the livestock industry, noting that the President earlier stressed the "urgent need" to revitalize the livestock and poultry industries in pursuit of food security and global competitiveness.

Marcos had vowed to address the challenges besetting the two sectors and forge partnerships for their development.

"The sector not only puts food on the table for millions of Filipinos, it also provides a means of livelihood for countless farmers and other ancillary service providers," Marcos said. *Jovee Marie N. Dela Cruz*



Phl, Aussie partnership in soil research to boost agri productivity

By **HELEN FLORES**

The Philippines' five-year research collaboration with Australia on soil and land management will help boost agricultural productivity in the country amid skyrocketing food inflation, the Presidential Communications Office (PCO) has said.

It cited a memorandum of understanding (MOU) on "National Soil Health Strategy" signed by the Department of Science and Technology and the Australian embassy in the Philippines during the official visit of Australian Prime Minister Anthony Albanese to Manila last week.

"Healthy soil and increased agricultural productivity in the Philippines is the expected outcome of the understanding," the PCO said in a recent statement,

referring to the five-page MOU signed by Science Secretary Renato Solidum Jr. and Australian Ambassador Hae Kyong Yu.

Backed by a \$4.4-million Australian funding, the Philippines and Australia will carry out scientific and technological cooperation by identifying opportunities for collaborative research in soil and land management between research and development institutions and the designated agencies from the two countries for a period of five years unless earlier terminated, the MOU said.

It also provides that both countries would support researchers, policy-makers, managers, and other stakeholders to build and improve capacity in soil knowledge and management, including the offering of short courses, scholarships and other

relevant capacity-building mechanisms.

Aside from this, the MOU states that Philippines and Australia would "co-organize and co-support meetings, workshops and symposia to exchange knowledge, information and lessons on science and technology, strategy development and prioritization in support of the National Soil Health Strategy."

Both countries will conduct joint monitoring and evaluation of the implementation of activities at least annually.

President Marcos, during the first National Soil Health Summit in Manila in June, said there is a need to address the growing problem of the degradation, acidification, and pollution in Philippine soils.

Citing a report from the Department of Environment and Natural Resources, Marcos, who is also the agri-

culture secretary, said 75 percent of the country's total cropland is vulnerable to erosion in various degrees, with agriculture losing about 457 million tons of soil annually.

He said the conversion of lands for settlements and the loss of about 47,000 hectares of forest cover every year contributes significantly to soil degradation.

Marcos added that around 11 to 13 million hectares are considered degraded. This is on top of the 2.2 million hectares that suffer from insufficient levels of soil fertility.

The improper use of fertilizers and pesticides pollute and acidify our soil, the Chief Executive said.

"Needless to say, our soil is under threat and to continue to neglect this vital agricultural component will lead to an even worse crisis in the future," Marcos said.



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DOF urges tariff-free rice imports to ease prices

Temporary measure in lieu of price controls, says Diokno

By **Ronnel W. Domingo**
@RonWDomingoINQ

The Department of Finance (DOF) is singing in tune, at least partly, with advocates of market-oriented reforms and consumer welfare, by proposing a temporary reduction of import tariffs on rice.

This is amid the imposition of price caps on the commodity, which critics have pointed out to run contrary to basic economic principles.

Finance Secretary Benjamin Diokno told reporters that, even with the imposition of price controls, it is crucial that the government continue to adopt a comprehensive approach to help ensure that rice supply remains sufficient at reduced prices.

Diokno said that President Marcos might have been prompted to issue on Aug. 31 Executive Order No. 39 that imposed a price ceiling of P41 a

kilo on regular-milled rice and P45 on well-milled rice, "because there are market players that are misbehaving, much more so nowadays than during previous administrations."

The finance chief said such industry players were profiting through speculation, not only with rice but other agricultural commodities like onion previously, and now even tomatoes.

Zero to 10% proposal

Thus, "the DOF is proposing to reduce the 35-percent rice import tariff rates ... temporarily to 0 percent or maximum of 10 percent, to arrest the surge in rice prices," Diokno said.

He echoed a call made last week from the Foundation for Economic Freedom (FEF), which proposed a temporary lifting or at least a reduction of import levies as an alternative to price caps.

But unlike the FEF, Diokno

along with the National Economic and Development Authority (Neda) supports EO 39 as a way toward an immediate reduction of rice prices.

Stopgap measure

In a statement on Sept. 3, Neda also expressed "confidence" that the imposition of a price ceiling is only a temporary measure."

During a briefing with journalists on Friday, Diokno said the DOF also proposes for the government to encourage the timely importation of rice by the private sector, and to fully implement the Super Green Lane.

The Super Green Lane authorizes the use of Electronic Data Interchange that will allow for the advance processing and clearance of the shipments of the country's topmost qualified importers.

Further, the DOF proposes that the government should

work with tollway concessionaires and operators for the temporary exemption of trucks that cater to agricultural goods from the increase in toll fees.

"There is also a need to avoid a noncompetitive behavior in the rice industry by pursuing cases of hoarding, smuggling, and economic sabotage, when applicable, strictly monitoring the prices of imported rice in the logistics chain, and encouraging the public, including retailers, to report individuals violating price caps on rice," the finance chief said.

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

Travel more, eat less

WHILE Filipinos are struggling with rising prices of basic commodities and services, Malacañang is asking Congress for a 58 percent increase in President Ferdinand Marcos Jr.'s travel funds for 2024.

A minuscule 6 percent increase is proposed for the agriculture sector, from the current year's allocation of P186.54 billion to P197.84 billion in 2024, of which P167 billion will be for the Department of Agriculture (DA). Marcos concurrently serves as agriculture secretary.

The increase in the agriculture budget is inadequate, according to the Kilusang Magbubukid ng Pilipinas, which laments the administration's "non-priority of agriculture and food." The P167 billion DA allocation for next year is only 2.9 percent of the P5.768 trillion proposed budget program.

This despite the assurance from House Speaker Ferdinand Martin Romualdez that next year's proposed expenditure budget will prioritize boosting agricultural production and reducing the cost of transportation.

The DA originally proposed P396



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billion for 2024, but the Department of Budget and Management (DBM) trimmed it by 54 percent.

Meanwhile, Marcos' budget for his domestic and international trips will have a whopping 58 percent increase, from P893.57 million this year to P1.41 billion in 2024.

The DBM said the big jump in Marcos' travel budget is justified, citing the administration's agenda to promote the Philippines as an "investment hub."

As of June, the Presidential Communications Office (PCO) said in a press release that Marcos' trips abroad had generated "P3.48 trillion in investments."

The PCO press release said: "Total foreign investments committed during the president's official travels include in Indonesia, \$8.48 billion; Singapore, \$6.54 billion;



President Ferdinand Marcos Jr., with first lady Louise 'Liza' Araneta-Marcos, arrives in Malaysia for a state visit on July 25, 2023. PIA PHOTO

the United States, \$3.847 billion; Thailand, \$4.62 billion; Belgium, \$2.20 billion; China, \$24.239 billion; and Japan, \$13 billion.

"Of the commitments, \$4.349 billion, or P239 billion, have materialized with the companies in various stages of implementation of their projects in the country. Projects worth \$29.712 billion, or P1.7 trillion, have existing memorandum of understanding or letters of intent, while

confirmed projects worth \$28.863 billion are in the planning stage."

However, the Department of Trade and Industry reported the following month that "only around \$88 million worth of these investment pledges" from the President's foreign trips were expected "to materialize in 2023."

Secretary Alfredo Pascual said: "The number that we expect to materialize

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in 2023 will total around \$88 million; maliit pa 'no (it's still quite small)."

"Iyon lang iyong (That is only) up to June this year, and we expect some more to ripen and eventually

live to the inflow of investments," he added. "It's not so large as yet, but the potential is [that], as we announced before, we have a pipeline that we were able to build up,

amounting to around \$70 billion."

The proposed 2024 budget shows the administration's priorities for spending: a 58 percent increase in the President's travel

funds, while the agriculture sector gets a measly 6 percent more than its budget this year.

While the President plans to embark on more travels next year, the

latest survey of the Social Weather Stations shows that more Filipino families experienced involuntary hunger — or being hungry and not having anything to eat — at least

once in the second quarter of 2023.

Travel more for the President; eat less for Filipinos who can hardly afford three meals a day due to rising prices.

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Small rice retailers lang dapat tumanggap ng ayuda

Tiniyak ni Ako Bicol Rep. Elizaldy Co na ang maliliit na rice retailers lamang ang dapat na tumanggap ng ayuda mula sa pamahalaan.

Sa inisyatiba ni House Speaker Martin Romuladez ay nakipag-ugnayan si Co, chairman ng House Committee on Appropriations, sa Department of Budget and Management (DBM) tungkol sa probisyon ng ayuda sa mga retailers na apektado ng kasalukuyang rice price ceiling.

Anyang, tanging ang maliliit na rice retailers lamang ang tatanggap ng bahagi ng P2 billion aid mula sa gobyerno.

"Actually pinapahanap na natin 'yung mga — 'yung instruction din ng ating Pangulo at ni (DSWD) Sec. Rex (Gatchalian) sa DTI 'yung mga retailers, 'yung mga indigent lang kasi meron namang mga retailer at the same time importer or may mga condominium, may mga kotse, wag naman," sabi ni Rep. Co.

Naniniwala si Co na ang mga dambuhalang retailers ay kaya namang mag-absorb sa epekto ng price rice cap na P41 per kilo hanggang P45 per kilo ng bigas na utos ni Pangulong Ferdinand Marcos Jr.

"Yung mga talagang small retailers, nasa sari-sari store mga barangay, or nasa palengke na talagang hindi naman siya 'yung bigtime. 'Yung mga talagang affected lang, 'yung mga mayayaman na kaya namang i-absorb, hindi na siya covered kasi bawal po 'yun sa ating guidelines," sabi pa ni Co. (Doris Franche-Borja)

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Saklolohan ang mga magsasaka

MAY plano na naman ang Department of Social Welfare and Development (DSWD) na taasan ang inilaang P15,000 ayuda sa rice traders na apektado ng price ceiling sa bigas na itinakda ng pamahalaan. Ang price cap na itinakda ng executive order na pirmado ni Presidente Bongbong Marcos ay P41 sa pinakamura bawat kilo at P45 sa pinakamataas at hindi puwedeng presyohan ang bigas nang higit dito.

Ang sino mang lalabag sa price cap ay pagmumultahin ng P1 milyon. Layunin ng hakbang ng Presidente na mapigilan ang mabilis na pagtaas sa halaga ng bigas. Parang subsidy na rin iyan dahil sa ipagkakaloob na tulong-pampananalapi sa rice traders. Bale inaabonohan ng pamahalaan ang posibleng mawala sa traders bunga ng price cap.

Binabawalan ang traders na mag-markup nang higit sa itinakda ng executive order ni Presidente Marcos. Wala akong tutol diyan. Kaso, wala akong nababalitaang tulong ng gobyerno para naman sa mga magsasaka na ang puhu-



Aksyon
NGAYON
 NIAL G. PEDROCHE

nan ay hindi lamang pera kundi pawis at pagod. Sila ang bumabalikat sa cost of production na lubhang napakataas lalo na ang halaga ng fertilizer. Inaabot din ang mga magsasaka ng pagkasalanta ng kanilang mga pananim dahil sa sunud-sunod na bagyong nagaganap sa bansa.

Baka naman mayroong programa rin ang gobyerno sa kapakanan ng mga magsasaka. Kung mayroon man, hindi ito nababalitaan ng tumbayan gaya nang balitang puspusang ayuda sa traders. Lumalabas tuloy na ang bida ay rice traders lang at nababalewala ang mga tunay na nagsisikhay para may makain ang bawat Pilipino. Kama-kailan lang, nagprotesta ang grupo ng mga magsasaka dahil sa price cap na itinadhana ng pamahalaan.

May katwiran naman silang umalma dahil sa kasalu-

(Sundan sa pahina 5)

AKSYON NGAYON... Mula pahina 4

kuyang kalagayan nila ay halos hindi na sila kumikita. Kung may price ceiling, lalong babaratin ng mga mamimili ng bigas ang farmgate price ng kanilang ani. Kawawa naman sila. Naturingan nga tayong agricultural country pero nagkukulang ang pamahalaan sa pagtulong sa sektor ng pagsasaka.

Sa mga mauunlad na bansa na agriculture countries katulad ng New Zealand at Australia, ang pinakamayaman ay ang

mga magsasaka dahil binibigyan ng importansiya ng pamahalaan ang kanilang sektor. Sa ating bansa ay baliktad. Ang mga magsasaka ang pinakadahap sa mga mamamayan. Napipilitan tuloy silang tumigil sa nakamulan nilang hanapbuhay kaya ibinebenta na ang sarili nilang lupain. Kaya huwag tayong magtataka kung maraming lupain na ang nagiging subdivision imbes na taniman ng kabuhayan ng mga Pilipino.

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Manila lifts ban on chicken imports from South Dakota

MANILA has lifted the temporary ban on poultry imports, including day-old chicks and eggs, from South Dakota in the United States.

The **Department of Agriculture (DA)** issued Memorandum Order (MO) 61, which authorized the lifting of the ban, last September 6.

"Based on the evaluation of the DA, the risk of contamination from importing poultry meat, day-old chicks, eggs and semen is negligible," MO 61 read.

The DA based on its evaluation on the official report of the US to the World Organisation for Animal Health (WOAH) which indicated that all H5N1 highly pathogenic avian influenza (HPAI) reported events in South Dakota have ended and that there were no additional outbreaks.

"In accordance to the provisions of Chapter 10.4 of the WOAH terrestrial Animal Health Code, the

State of South Dakota, USA, is now free from HPAI," MO 61 read.

Manila issued MO 29 banning the importation of domestic and wild birds and poultry products, including poultry meat, from South Dakota and other US states in April 2022. The numerous outbreaks of H5N1 HPAI affecting domestic birds were confirmed by the National Veterinary Services Laboratories, according to the DA.

"[T]he rapid spread of H5N1 Highly Pathogenic Avian Influenza in the United States of America [USA] in a short period of time since its first laboratory detection necessitates a wider coverage of trade restriction to prevent the entry of HPAI virus and protect the health of the local poultry population," MO 29 read.

The lifting of the ban means that the DA would start the processing and the issuance of sani-

tary and phytosanitary import clearance for poultry from South Dakota.

The US was one of the Philippines's top suppliers of chicken meat last year, according to data from the Bureau of Animal Industry (BAI).

In 2022, the Philippines imported a record volume of 1.356 billion kilograms of meat products as the government banked on foreign supplies to temper price increases caused by supply concerns.

BAI data showed that total meat imports went up by 191 million kg, higher than the 1.165 billion kg recorded in 2021.

The agency attached to the DA reported that the increase in overall meat imports was driven by the 28.06-percent hike in pork imports to 710.362 million kg last year.

The country's chicken meat imports last year went up by 1.57 percent to 411.069 million kg from 404.711 million kilograms in 2021.

BAI data indicated that mechanically deboned meat (MDM) accounted for more than half of the total chicken meat imports last year. The country's imports of chicken MDM, a vital raw ingredient used by meat processors to manufacture processed goods like hotdogs, rose by 2.74 percent year-on-year to 243.219 million kg.

The Philippines imported 102.686 million kilograms of chicken leg quarters last year and 51.717 million kilograms of chicken cuts.

BAI data showed that Brazil was the country's top meat supplier as it accounted for 28 percent of the total meat import volume last year.

Brazil exported 384.095 million kg of meat products to the Philippines, bulk of which were chicken meat. Brazil was the country's top supplier of chicken meat products at 235.256 million kg followed by the US at 122.931 million kg.



SRA wants US as export market for raw sugar

By DANESSA RIVERA

The Sugar Regulatory Administration (SRA) is studying how to keep the US as an export market for raw sugar despite the country's struggle to produce the commodity.

The US maintained the Philippines' sugar allocation at 145,235 metric tons raw value (MTRV) this crop year Oct. 1, 2023 to Sept. 30, 2024.

The allocation is the third largest next to Dominican Republic (189,343 MTRV) and Brazil (155,993 MTRV).

The US in-quota allocation for crop year 2023-2024 is placed at 1.117 million MTRV, the minimum amount committed by the US to the World Trade Organization.

However, SRA acting administrator Pablo Luis Azcona said the allocation was not used in the past three years.

SRA data showed the last time the Philippines exported to the US was in crop year 2020-2021 when it shipped 112,008 MT.

"We are trying to find ways... It's very hard to justify because we are importing. However, we import refined sugar and the US market needs raw, which is locally produced. The quotas come to mind has been suggested by various stakeholders but we need to study it," Azcona said.

The SRA is now inquiring whether the country will lose the US market if it does not serve the allocation again this year.

The agency has also asked the sugar industry to submit their studies or proposals on how to balance local production and export to the US.

For this crop year, Sugar Order (SO) 1, which will be issued soon, will focus the country's

sugar production to "B" or the domestic market.

"My request to the people who brought up idea was come out with very good proposal. Number one, it should not affect farmgate price of the farmer," Azcona said.

"Basically, SO1 is purely domestic. If there is such a need so that we do not lose the quota and for other reasons, I'm just waiting for the proposal from the various stakeholders, so we can see if we really need to do it," he said.

Nonetheless, the SRA is keen on keeping the US market given its attractive price point, especially for sugarcane farmers.

"Even though we are running at a deficit every year, it is so hard to lose the US market. US is a premium market compared to the world market. If you're a local farmer, domestic is always highest, US is next,

then lowest price is world. It's a shame to lose such a good market," Azcona said.

Moreover, the world market is also projected to have a possible shortage from negative developments in major sugar producing countries, which the Philippines could take advantage of.

"Thailand is having bad weather, and it's seeing a decrease of 30 percent. Thailand is one of the biggest exporters. Brazil is the only country saying they will improve, but does not share in Asian side because it's too far, and it usually shifts to fuel and power when they have too much sugar. India has announced they will not export because they are short, so they will not export and they are looking at importing one million MT. More or less, the global prices are constantly going up," Azcona said.

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SKETCHES

ANA MARIE PAMINTUAN

Wanted: Hoarders

Day six in the imposition of price caps on rice, and still no one arrested for hoarding – the reason cited for the measure that throws askew the law of supply and demand.

As of yesterday, rice was still being retailed in my neighborhood at P50 to P60 – all varieties labeled as special rice. Several retailers were not selling regular-milled or well-milled. Those who did allocated only a sack for each variety, at the government-mandated caps of P41 and P45 a kilo, respectively.

Last Friday, the Grains Retailers Confederation of the Philippines said retailers would lose at least P49,000 in just a week of the price caps, with P5 lost for each kilo of well-milled rice sold at P45.

The P15,000 subsidy for them will barely cover the loss. And the *ayuda* is sourced from public funds. Since all of us in this country are taxpayers because of value-added tax, it means people's money is simply being juggled around to narrow the retail price gap between P20 a kilo rice and (horrors!) P60.

The rice subsidy distribution also gives politicians a chance to win brownie points with their constituents. The Commission on Elections must make sure the fund distribution is not linked in any way to the campaign for the upcoming barangay and Sangguniang Kabataan elections.

Because of their losses that are way over the P15,000 subsidy, the retailers have said they would comply with the price caps for a week, and then decide their next move. Are they planning legal action? The government does not have the right to drive legitimate businesses into bankruptcy.

Trade and agriculture officials have said the price caps could be lifted within three to four weeks. Within that period, they better present a rice hoarder or dealers engaged in cartel-type trading – and no small fry, please – to justify the burden they have imposed on retailers.

We keep hearing government officials blaming cartels, smugglers and hoarders for shortages and high prices of basic agricultural commodities, from rice to sugar to onions.

But the supposed ringleader of the onion cartel has been identified in several congressional hearings. Personnel of government agencies such as the Sugar Regulatory Administration have been accused of collusion in agricultural smuggling. Officials and politicians keep posing in front of mountains of supposedly hoarded or smuggled sugar and rice.

Yet here we are, still waiting for anyone to be formally indicted for hoarding, overpricing or smuggling of agricultural products.

Admittedly, hoarding can be tricky to prove. Where do you draw the line between sound business practice and hoarding? When warehouses containing white refined sugar were raided last year, the owners said the normal practice is they don't release their stocks all at



the same time. The government said at the time that the raids were meant as a warning. I don't remember anyone being actually prosecuted for holding on to their stocks.

Speculation is normal in commodities trading. There are even futures markets for various commodities including agricultural products.

But it's also true that speculation can go overboard, fueled by greed, and harm consumers. The government can then step in to moderate greed – the reason cited for the rice price cap.

The government can persuade the public that the reasoning is valid by showing that unscrupulous rice traders are caught and punished. This must be done within the period that the price caps are in place.

Instead of any arrest, we have been treated to the "non-renewal" of the tenure of Cielo Magno as undersecretary of the Department of Finance, for posting a graph on the law of supply and demand on the same day that Malacañang announced the rice price caps.

Malacañang described Magno as "unsupportive" and "clearly set on maligning" the P20-a-kilo-rice administration.

Appointees serve at the pleasure of the appointing power, so the Palace merely exercised its prerogative to dis-appoint or (as Malacañang put it) approve the immediate "expiration" of Magno's tenure.

She is expected to return to the University of the Philippines School of Economics, where she was an associate professor before being recruited to the Department of Finance. Magno's immediate superior in the DOE, fellow UPSE alumnus Benjamin Diokno, said over the weekend that the economic team, which he heads, was not consulted and was "shocked" by the rice price caps. It's shocking that Diokno was shocked.

Imposing the price ceiling was reportedly the idea of the Department of Trade and Industry and Department of Agriculture. All along I thought the DTI chief was part of the economic team.

Greed is also cited by many industry players for the continuing unreasonably high prices of sugar in our country. Yet the government seems to have abandoned the effort to bring down sugar prices, which have contributed to price hikes of items popular among the masses such as three-in-one coffee, *pandesal*, tasty and soft drinks.

Food inflation was again a key driver of last month's uptick in inflation. The government is addressing rice prices, but curiously ignoring sugar prices.

The buzz is that billions have already been raked in from the sugar overprice by the well-connected sugar traders. But I guess the mindset that one can never be too rich is back in vogue in our unfortunate nation, and moderating greed is an oxymoron.

In the coming days, because of the price caps, the public expects two things: the arrest of hoarders, and the lowering of rice prices without affecting supply.

The P20-a-kilo-rice administration wouldn't want Cielo Magno saying, after three or four weeks, "I told you so."

Diokno said the government may also temporarily cut the rice tariff to 0 to 10 percent to bring down prices.

Surveys by reputable pollsters have consistently shown Filipinos giving Marcos 2.0 the lowest marks in managing inflation.

The messy implementation of the rice price caps can only reinforce this perception.



Cash aid distribution in Mindanao starts

32 Zambo Sur rice retailers to get P15K each

BY JOCELYN MONTEMAYOR

DISTRIBUTION of the government's P15,000 cash relief to retailers affected by Malacañang's rice price cap will roll out in Mindanao this week, with payouts scheduled today for 32 rice traders in Zamboanga del Sur.

In a report submitted to President Marcos Jr. yesterday, the Department of Agriculture (DA) and the Department of Trade and Industry (DTI) said the subsidy will also be given today to 15 rice retailers in Pateros, 161 in Navotas, and 129 in Parañaque, all in the National Capital Region (NCR).

The Department of Social Wel-

fare and Development (DSWD) on Saturday soft-launched the distribution of the P15,000 cash aid under its Sustainable Livelihood Program (SLP) program, in San Juan, Caloocan and Quezon City.

The DSWD and the DTI have yet to come out with the final list of beneficiaries of the rice subsidy, which is supposed to be given to "small" rice vendors whose businesses will be adversely affected by the rice price cap which took effect on September 5.

In San Juan City, Mayor Francis Zamora said that on top of the P15,000 subsidy from the DSWD, the city government will distribute an additional P5,000 cash assis-

tance to rice vendors at the Agora public market.

Zamora also said they have offered a one-month free rental to rice retailers.

On Saturday, 24 out of 48 registered rice retailers in San Juan received their P15,000 cash aid from the DSWD.

President Marcos ordered the release of a rice subsidy to small rice sellers after he mandated a temporary price ceiling of P41.00 per kilo of regular milled rice and P45.00 rice kilo of well-milled rice nationwide amid the rising costs of the grains in markets nationwide.

Over the weekend, the DA reported a 94 percent compliance

(239 retailers in 37 markets) to the price cap among rice retailers in Metro Manila.

Agriculture Undersecretary for Rice Industry Development Leo Sebastian, in his report to the President, said more than 2 million metric tons (MMT) are expected to be harvested by the end of September, and around 3 MMT in October, based on estimates by the Philippine Rice Information System (PRISM) using satellite data.

"In all, for the second semester, or July to December, we estimate to produce more than 11 million metric tons and, barring strong

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32 ZAMBO

typhoons in the remaining months of the year, we hope to hit the 20-million MT level for 2023 national palay output," Sebastian said.

He said the bulk of the September harvest would come from 12 provinces, namely: Isabela (419,000+ MT), Cagayan (172,000+ MT), Iloilo (148,000+ MT), Nueva Ecija (137,000+ MT), North Cotabato (95,000+ MT), Leyte (91,000+

MT), Oriental Mindoro (77,000+ MT), Camarines Sur (76,000+ MT), Palawan (73,000+ MT), Bukidnon (61,000+ MT), Zamboanga del Sur (55,000+ MT), and Davao del Norte (52,000+ MT).

The October harvest would mostly come from 15 provinces, namely: Nueva Ecija (440,000+ MT), Pangasinan (258,000+ MT), Tarlac (172,000+ MT), Isabela (163,000+ MT), Occidental Mindoro (153,000+ MT), Cagayan (151,000+ MT),

Oriental Mindoro (110,000+ MT), Palawan (90,000+ MT), Bulacan (74,000+ MT), Iloilo (74,000+ MT), Bukidnon (69,000+ MT), Agusan del Sur (61,000+ MT), Ilocos Sur (59,000+ MT), Leyte (55,000+ MT), and Camarines Sur (53,000+ MT).

Sebastian said that to further boost the rice supply in the country, the DA's Masagana Rice Industry Development Program (MRIDP) will continue to provide clustered rice farmers with needed

high-yielding seeds, fertilizers, biofertilizers, soil ameliorants, farm machinery, and extension, financial, and marketing support.

He said the initial focus of the program is on fully irrigated clustered farms where farmers would plant high-yielding hybrid rice varieties to at least one million hectares (ha) which would result in an estimated six to eight metric tons of palay per hectare. — *With Christian Oineza*



Sugar exports to US to resume

THE Sugar Regulatory Administration (SRA) hopes to resume exports to the United States after three years of failing to do so.

Last July, the Office of the United States Trade Representative retained the Philippines' sugar export quota under the tariff-rate quota (TRQ) on imported raw cane sugar for fiscal year 2024 at 145,235 metric tons (MT).

The country's quota for Oct. 1, 2023 through Sept. 30, 2024 is the third largest allocation following Brazil's 155,993 MT and Dominican Republic's 189,343 MT.

TRQ allow countries to export specified quantities of a product to the US at a relatively low tariff but subject all imports of the product above a pre-determined threshold to a higher tariff.

The Philippines is one of those countries given with an annual allocation of sugar export to the US market at a premium.

"We are trying to find ways, it's very hard to justify because we are importing. However, we import refined sugar and the US market needs raw which is locally produced," said

Pablo Azcona, SRA acting administrator, at the sidelines of a forum in Makati City last week.

Stakeholders have pushed the idea of meeting the quota on fears the Philippines will altogether lose the US market.

But Azcona said "whoever proposed the idea should come up with a very good proposal."

"Number one, export should not affect farm gate price... i'm just waiting for the proposal from the various stakeholders, so we can see if we really need to do it,"

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SUGAR

he said.

Azcona said it "is so hard to lose the US market" in the face of a deficit every year.

"US is a premium market compared to the world market and if you're a local farmer, domestic is always highest, US is next, then lowest price is world market," Azcona said.

The SRA said sugar production is expected to increase by at least

50,000 MT in crop year 2023-2024 with additional hectares of land planted with sugarcane.

Raw sugar production in 2022-2023 was down 1.6 percent to 1.79 million MT from 1.82 million MT the previous crop year.

Azcona cautioned sugar production could fall 10 to 15 percent if the effects of El Niño will be extreme.



Palay prices declining; steps to stabilize supply proposed



Rice on wheels. DTI, in coordination with Bulacan rice millers and traders, kicked off its "Rice on Wheels Program for Retailers" with a dry run on Sept. 8, 2023 in Novaliches, Quezon City. (DTI Photo)

BY JED MACAPAGAL

THE Rice Industry Development office of the Department of Agriculture (DA) said the onset of harvest in Nueva Ecija earlier this month had been showing declining trends in palay farm gate prices.

This developed as the Department of Finance (DOF) pitched several measures to ensure sufficient rice supply at reduced prices, as well as those that will address the negative impact of the implemented rice price ceiling.

Leo Sebastian, DA undersecretary, yesterday said prices may drop further when harvest peaks in late September and October.

Sebastian said based on a field survey done by the National Rice Program in several towns of Nueva Ecija last week, prices of fresh palay have gone down to P17 and P18 per kilogram (kg).

He said farmers predict prices may fall to P15 to P16 per kg when harvest for the wet season crops begins to peak by mid-September.

These prices are from a high of P22 to P25 per kg in June and July, at a time when farmers were appealing for government intervention to get better rates for their produce and not be at the mercy of prices to be dictated by the traders, agents and millers.

Farmers lament local production had been substantially decimated by the recent prolonged downpour caused by typhoons and the southwest monsoon, resulting in many of standing crops bending to the soil, making them irrecoverable.

DA's National Rice Program inspection showed among those heavily affected by the prolonged downpour were the farms of Licab, Quezon, Zaragoza and other areas.

The Department of Trade and Industry (DTI) noted the need to address the issues on rice prices

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on the farm level hand in hand with all forms assistance to consumers and traders.

DTI Secretary Alfredo Pascual said the agency will continue helping increase rice production through the distribution of seeds and fertilizer as this would ultimately improve farmers' incomes while bringing down the cost of the grain.

Meanwhile, the DOI has proposed the following measures to ensure supply and prices of rice are stable: reduction of the 35 percent rice import tariff rates, both Asean and most-favored nation rates, temporarily to zero percent or maximum of 10 percent to arrest the surge in rice prices; encouraging the timely importation of rice by the private sector; full implementation of the Super Green Lane that authorizes the use of Electronic Data Interchange that will allow for the advance processing and clearance of the shipments of the country's topmost qualified importers; and cooperation with tollway concessionaires and operators for the temporary exemption of trucks that cater to agricultural goods from the increase in toll fees.

"There is also a need to curb non-competitive behavior in the rice industry by aggressively pursuing cases of hoarding, smuggling and economic sabotage; strictly monitoring the prices of imported rice in the logistics chain; and encouraging the public, including retailers, to report individuals violating price caps on rice," finance secretary Benjamin Diokno said in a press briefing last Friday.

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

Malacanang recently issued executive order no. 39 which slapped mandated price ceilings on regular milled and well-milled rice, at P41 and P45 per kilogram, respectively.

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

While Diokno believes price controls, when "carefully calibrated and closely implemented," are effective in the near-term, he said government recognizes that it also has adverse effects if allowed to linger for a longer period.

"Number one, the farmers won't plant. Secondly, the importers won't import, and of course, there's a strong likelihood that supply will disappear, because if you're losing money, you just close your shop," he added.

By "near-term," Diokno said he means when the conditions that led to the imposition of price ceilings no longer exist.

"For example, if hoarders have been apprehended, and if there is a harvest or if importation is already underway. (Farmers) have now started to harvest in Mindanao, and within two weeks, it will be the harvest season for Q4. There are importations coming in soon. I would say, given these conditions, it might take around one month."

Rice tariffs

The Foundation for Economic Freedom (FEF) has appealed to the Tariff Commission to lower the existing 35 percent tariff on imported rice to 10 percent to resolve the current demand-supply gap for rice, address food inflation and ease the rice prices that affects

consumers.

"The protectionist 35 percent rice import tariff is the most significant driver of the cost of imported rice. A back-of-the-envelope calculation suggests that duty-free importation of rice, even at \$600 per ton, should bring the landed cost of imported rice at parity with wholesale well-milled rice of P39 per kg, which is consistent with a retail price of P45 per kg the current well-milled rice price ceiling," the group said.

The Kilusang Magbubukid ng Pilipinas (KMP) said the worsening global rice price and supply situation must force the government to give priority to and strengthen the domestic rice industry.

"We do not see the rice situation easing in the next months, based on global and local indicators. All sectors of society, especially those feeling the brunt of incessant rice and food price hikes should assert for the junking of the Rice Liberalization Law and the reinstatement of state regulation and control over the rice industry," Ronnie Manalo, KMP secretary general, said in a statement.

KMP said based on the Food and Agriculture Organization's monthly all rice price index, global rice prices increased by near 10 percent in August to reach a nominal 15-year high which was aggravated by the trade disruptions due to India's decision to ban exports of non-basmati rice in July.

Rice on wheels

The DTI said it will also officially roll out today the Rice on Wheels Program after its dry run last Saturday which was simultaneous with the start of the disbursement of financial aid to rice retailers affected by the price caps on the grain.

In his speech at the distribution of financial assistance to rice retailers in Agora Market, San Juan City,

Pascual vowed to speed up the distribution of the assistance to other parts of the country.

Through the Sustainable Livelihood Program (Cash Assistance for Micro Retailers), the Department of Social Welfare and Development will give P15,000 to retailers affected by EO 39. The initial rollout also covered public markets in Caloocan City and Quezon City.

Also last Saturday, the DTI in coordination with Bulacan Rice Millers and Traders launched its rice caravan in Novaliches, Quezon City to ensure the availability of affordable regular and well-milled rice to the general public. Through this caravan, the DTI targets to supply retailers in the public market with affordable rice stock.

"The DTI will work closely with different government agencies and private stakeholders to ensure that Filipino families will be able to access affordable rice during the implementation of Executive Order No. 39. We will continue to find ways and means to work with the private sector to stabilize the supply and price of rice in the market.

Some public markets in Makati, Parañaque and Manila City were also covered by the dry run.

Monitoring

Based on monitoring by the DA on public markets in the National Capital Region as of Friday, the price of local well-milled rice is at P45 per kg; and regular milled ranging between P40 to P52 per kg.

The price of imported well milled rice is also at P45 per kg and regular milled, P41 to P45 per kg.

Imported rice ranged from P53 to P65 for special variety and P55 to P58 for premium.

For local rice, special variety was at P54 to P65 per kg and premium at P49 to P60 per kg. - *Angela Celis and Irma Isip*



PROJECTS IN MINDORO, DAVAO, BARMM, ZAMBOANGA

COCONUT INDUSTRY FACILITIES GET PHILMECH BOOST

By Jordeene B. Lagare
@jordeenelagare

The construction of the P27-million coconut processing facility in Oriental Mindoro has commenced, touted as the first of its kind in the province, and is seen to increase the income of coconut farmers.

The Philippine Center for Postharvest Development and Mechanization (PHilMech) said the Bongabong Coconut Farmers Multipurpose Cooperative (Bocofamco) will receive the facility designed to process white copra and cooking oil.

Situated in Bongabong town, the coconut processing facility is expected to benefit almost 1,500 coconut farmer-members of Bocofamco and other farmers within the area.

Meanwhile, a shared pro-

cessing facility for white copra and cooking oil in Baganga town in Davao Oriental, with a project cost of P31 million, is now underway.

This is the first white copra and cooking oil processing facility in the province and the second in the Davao Region, which would directly benefit almost 580 coconut farmers.

It will be operated and managed by the Agroforestry Farmers Producers Cooperative.

The Bangsamoro Autonomous Region in Muslim Mindanao is also a recipient of the P41 million worth of shared processing facilities, allowing the region to produce more quality coconut products.

PHilMech said earlier that a stakeholders consultation meeting and workshop would be held later this month to

identify qualified project proponents and the type of facilities to be built.

In the forthcoming gathering, stakeholders will look into the situation of the Bangsamoro coconut sector, coconut value chain analysis and market demand for coconut products.

Meanwhile, P86.5 million worth of coconut processing facilities are being constructed in the Zamboanga Peninsula.

These projects form part of a plan to develop shared processing facilities nationwide under the Coconut Farmers and Industry Development Plan, which spells out initiatives to increase the income and productivity of 2.5 million coconut farmers nationwide.

This blueprint guides government in utilizing the P75-billion coco levy fund. **INQ**

Date: SEPT. 11, 2023 Page: B4



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SRA WANTS TO HEAR FROM STAKEHOLDERS

POSSIBILITY OF SUGAR EXPORTS TO US WEIGHED

The Sugar Regulatory Administration (SRA) is soliciting inputs from stakeholders to assess if the sugar industry has sufficient supply to export sugar to the United States this time.

"The quotas come to mind has been suggested by various stakeholders but we need to study it. My request to the people who brought up [the] idea was [to] come [up] with a very good proposal," SRA Administrator Pablo Luis Azcona said.

Azcona said these recommendations should not negatively impact the farm-gate

price (or the selling price between farmers and traders) of local producers.

The SRA is conducting its due diligence to determine if the Philippines will lose access to exporting raw sugar to the United States at a low tariff rate should it still fail to meet its allotment.

"We are trying to find ways. It's very hard to justify because we are importing. However, we import refined sugar and the US market needs raw, which is locally produced," Azcona said.

Azcona explained that the local market's buying price is highest

compared to the United States and world markets. "It's *sayang* (a waste) to lose such a good market."

"Even though we are running at a deficit every year, it is so hard to lose the US market. The United States is a premium market compared to the world market," he told reporters.

Over the last three years, the Philippines has not been fulfilling its export quota to the United States as it had earmarked its production solely for domestic use.

At the same time, the government relied on imports.

—JORDEENE B. LAGARE INQ



5M tons of palay harvest seen to stabilize rice prices

By Jerome Aning
@JeromeAningINQ

The government estimates that rice farmers will harvest up to 5 million metric tons (MT) of palay until October and stabilize prices, Malacañang said on Sunday citing Department of Agriculture (DA) projections.

Quoting a report by Agriculture Undersecretary for Rice Industry Development Leo Sebastian, the Palace said that the palay harvest in September is expected to reach 2 million MT with another 3 million MT coming in October for a total of 5 million MT.

The estimates were based on satellite data of the Philippine Rice Information System, as of Aug. 14, Sebastian said.

"For the second semester, or July to December, we estimate to produce more than 11 million MT, and barring strong typhoons ... we hope to hit the 20-million MT level for 2023," he added.

He said the Philippine Rice Industry Stakeholders Movement (Prism) reported that the bulk of the 2.3-million MT harvest in September would come



STOCKING UP As rice prices spike, a man is seen loaded with sacks of rice on a motorcycle along Dagupan Street in Manila.

—RICHARD A. REYES

from 12 provinces.

Other farmers from 15 provinces would harvest the 2.9 million MT by the end of October.

Masagana rice program

Come the dry season next year, Sebastian said the DA would continue its Masagana Rice Industry Development Program and provide clustered rice farmers with high-yielding seeds, fertilizers, biofertilizers, soil ameliorants, farm machinery, and extension, financial, and marketing support.

He said the government would initially focus on fully irrigated clusters totaling at least 1 million hectares so that each farm—expected to produce six to eight MT per hectare—could produce a total of 6 to 8 million MT.

At the same time, the Palace said in a separate statement that there would be another round of cash aid payouts on Monday in Metro Manila and in Zamboanga del Sur to retailers affected by the government's rice price cap.

The Department of Social Welfare and Development

(DSWD) said in a report that P15,000 cash grants would be distributed to 337 beneficiaries in Pateros, Navotas, Parañaque and Zamboanga del Sur.

Hunt for agri chief

The Palace said that while the government's cash assistance continues, the DSWD and the Department of Trade and Industry would be meeting on Monday to identify other beneficiaries.

Meanwhile, Sen. Imee Marcos, sister of President Marcos, speculated that the President may be looking for a possible agriculture secretary so that he could relieve himself of duties as concurrent agriculture secretary.

The senator, who was in Bacolod City on Friday, was responding to a question on whether she was in favor of her brother's looking for a permanent agriculture secretary.

"I think he is actually looking now," the senator said, although she initially said no one can better address the profound problems of the agriculture sector except the President himself. —WITH A

REPORT FROM CARLA GOMEZ INQ



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PHILIPPINE STAR/KJ ROSALES

Palay farmgate price seen falling further in major rice growing center Nueva Ecija

THE farmgate prices of palay, or unmilled rice, is expected to continue declining to P15-16 per kilogram (kg) as supply expands during the harvest, the **Department of Agriculture (DA)** said in a statement on Sunday.

Farmgate prices — what traders pay farmers for their harvest, and an indicator of the strength of farmer earnings — were at between P17 and P18 per kg, according to a field survey conducted by the DA's National Rice Program.

"The onset of the harvest in Nueva Ecija in early September had led to a declining trend in palay farmgate prices, which might drop even more when the harvest peaks in late September and October," it said.

It added that the harvest for the wet-season crop will peak in mid-September.

Nueva Ecija is a major rice producing province with productive, well-irrigated land. The efficiency of rice growing in the province means its farmers will be able to weather low prices better than farmers on more marginal land.

The DA said that farmers were affected by prolonged rains caused by recent typhoons and the southwest monsoon.

In its recent bulletin, the DA said that total damage and losses brought by the southwest monsoon enhanced by Typhoon Goring (international name: Saola) was P1.14 billion. Damage to the rice crop was 41,238 metric tons amounting to P979.42 million.

It added that the recent price controls on rice, implemented on Sept. 5, helped push palay prices lower.

Executive Order No. 39 imposed a temporary price ceiling of P41 per

kilogram for regular-milled rice and P45 per kilogram for well-milled rice.

The DA said farmers have expressed fears that traders, millers, and other merchants would buy their harvest at a "uniform lower price."

Farmers have clamored for their own subsidy because of the reduced palay prices, alongside the cash aid received by rice retailers.

Rice retailers, who will not be able to realize a profit due to the price controls, were granted a P15,000 subsidy to be disbursed by the Department of Social Welfare and Development, the same department that distributes cash aid to the poor.

"(Farmers) also appealed to (President Ferdinand R. Marcos, Jr.) to order the National Food Authority to buy fresh (wet) palay at the farmgate level," it said. — **Adrian H. Halili**



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Farm industry says subsidy for rice retailers costing government P2 billion

FARMERS said the P15,000 subsidy for rice dealers being squeezed by the price controls on the grain is expected to cost the government P2 billion.

"Mapapagastos pa ang gobyerno ng P2 billion para ayudahan ang mga retailer (The government now has to spend P2 billion to aid the retailers)," Raul Q. Montemayor, national manager for the Federation of Free Farmers, said in a Viber message.

Farmers have expressed fears that traders will low-ball them on purchases

of palay, or unmilled rice, to compensate for the margin squeeze resulting from the price controls.

Executive Order No. 39 imposed a temporary price ceiling of P41 per kilogram for regular-milled rice and P45 per kilogram for well-milled rice.

The Department of Agriculture (DA) has received complaints from farmers that traders might collude to pay a "uniform lower price" to make up for the price controls.

The effect has been to lower the price farmers receive for their harvest, leading

to calls for a farmer subsidy as well to compensate them for lost revenue.

Samahang Industriya ng Agrikultura Executive Director Jayson H. Cainglet described the retailer subsidy as assistance in acquiring more expensive inventory.

"Yung ayuda ay para maitawid lang yung pagbili nila ng mas mahal na bigas mula sa mga wholesalers or millers (The subsidy is just to cover their purchase of more expensive rice from wholesalers or millers)," he added.

He estimated that the subsidy was sufficient to procure 7,000 kilograms (kg) of rice, equivalent to 280 sacks of rice at 25 kilos of rice.

He said the inventory of a typical retailer turns over every seven to 10 days.

He said that average rice stocks from retailers usually last for seven to 10 days.

The Department of Social Welfare and Development (DSWD) started handing out the P15,000 cash aid to rice retailers in Quezon City, San Juan, and Caloocan.

About 232 rice retailers received the subsidy, with 48 were from Quezon City, 136 from Caloocan City, and 48 from San Juan.

The Presidential Communications Office said in a statement on Sunday, that the Departments of Agriculture and Trade and Industry (DTI) have identified another 337 beneficiaries who are set to receive cash aid on Sept. 11.

Among these are 15 rice retailers in Pateros, 161 in Navotas, 129 in Parañaque, and 32 in Zamboanga del Sur. — **Adrian H. Halili**



Managing the current rice price crisis without reversing the Rice Tariffication Law

The global rice market is going through a price crisis, which, in my view, is still beginning relative to that in 2008. It is concerning because we have had the Rice Tariffication Law (RTL) since 2019, which allowed private sector instead of National Food Authority (NFA) to import rice for us. In a way we are assessing how well advised our legislators were in passing the RTL law.

Those who disagreed with RTL see in this crisis a confirmation of what they had been saying all along: that the RTL risks our food security situation. If the global

INTROSPECTIVE RAMON L. CLARETE

rice market is in disarray like now, the private sector could not import. Since we are presently grossly behind rice self-sufficiency at world price levels, there is great risk that we may not have enough rice to eat.

This has prompted the government to impose a rice price cap. This measure does not truly solve the problem, and usually makes the shortage worse. We are just wasting public funds in sub-

sidizing rice retailers to enforce it. We don't have enough funds to cover the losses of rice retailers. We only end up destroying our local rice trading. Rice queues may not be far behind if we continue with this measure. Thus, in a few weeks, I bet the government would give up rice price control.

This proposed solution is worrisome. Opponents of RTL are calling now for a review of that law. They argue that if we rely on the global market for our food, and it is not able to supply us with rice at affordable levels for whatever reason, then this law is

breeding food insecurity in our country. They call for a reversal of it and to go back to the days of the NFA, or at least some features of PD 4, the charter of the NFA.

HOW BAD IS THE GLOBAL RICE CRISIS NOW?

I examined the behavior of the Thai rice price, which is taken to be the global rice price. The data is obtained from the World Bank.

Figure 1 shows the plot of monthly rice prices since 1990. At the very end of this price plot, we see monthly rice prices surging. In August, it was \$635 per ton. But there were similar episodes of

TABLE 1.

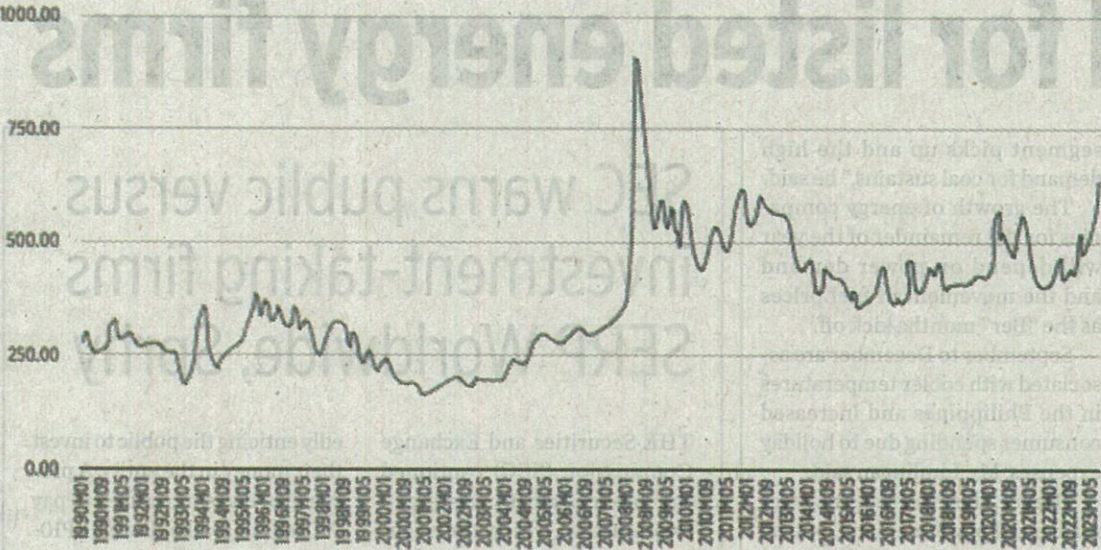
Frequency of global rice fluctuations

Column 1	Count	Percentage
0	199	49.26%
0.05	146	36.14%
0.1	44	10.89%
0.15	10	2.48%
0.2	1	0.25%
0.25	3	0.74%
0.3	0	0.00%
0.35	1	0.25%
	404	1



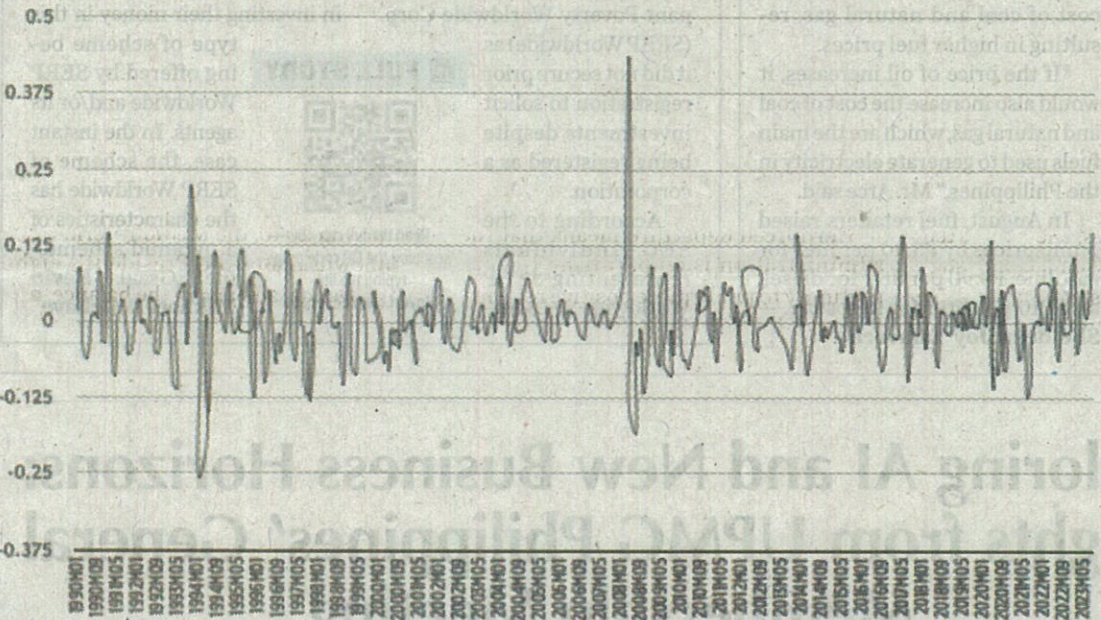
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FIG. 1.
Monthly World Rice Price, 1990 to 2023
(USD PER TON)



SOURCE OF BASIC DATA: WORLD

FIG. 2.
World Rice Price Volatility



SOURCE OF BASIC DATA: WORLD BANK

rice price surges in the past.

I used two indicators to check on how bad the current rice price surge is: extreme rice volatility and the level of rice prices. Price volatility is defined as the proportionate surge of monthly rice prices. Figure 2 shows the plot of global rice price volatility since 1990. The majority of fluctuations are 10% or below. Any volatility higher than 10% is extreme.

Table 1 shows the distribution of global monthly rice price fluctuations from 1990. Discounting rice price declines, nearly half of the price increases were at 10% or below. Extreme price volatility accounted for 2.7% of the data.

The current rice price fluctuation is just getting to be extreme. In August 2023, its volatility measured 14%.

I go back to the plot of the monthly prices and identify the episodes of rising world rice prices since 1991. An episode may be defined as the number of months when rice prices are increasing to their peak. Peak monthly prices are those followed by falling monthly prices.

Following these definitions, six price surge episodes may be identified from the chart of monthly world prices of rice (Figure 1). These were in February 1990, February 1991, July 1991, January 1994, October 1995, July 1995, May 2008, May 2012, and April 2020. The current monthly price for August 2023 is on a rising price surge, but we have yet to know if that would continue to increase.

The steepest price surge occurred in 2008. This was when Vietnam and India bent politically to their respective constituencies and banned rice exports. A



ment offered to use their World Trade Organization rice buffer to alleviate the price surge. Just the mere announcement by the Japanese on selling rice to the Philippines brought global rice prices down sharply.

The current rice price surge in the global market may continue, but in my view, it is very unlikely that it could worsen into a 2008-like rice price crisis. It may be like the 1995 global rice price crisis. And locally we likewise had a crisis then. And that was because the NFA was late in importing rice. The late Agriculture Secretary Bobot Sebastian had to resign because of that problem.

WHAT MAY WE DO THEN?

In my view it is a big mistake to reverse the RTL because of this crisis. Like other commodities, rice prices fluctuate. Currently rice is displaying extreme price volatility and is showing rising prices. But if we look back, this may just be for a few months. The world has learned from 2008 that one important measure to strengthen the situation during a global rice price crisis is to coordinate with one another. The ADB promoted an ASEAN Rice Forum during 2008 where rice suppliers and buyers met regularly to assess the rice market situation.

Bringing the NFA back to what it was is over-insuring ourselves for food insecurity. Some improvements may be made to RTL, particularly on the use of the Rice Competitiveness Enhancement Program (RCEP), but it's ending the NFA rice monopoly is its soundest feature for food security. The NFA invoiced taxpayers with P250 billion in corporate debt if I am not mistaken. This is just a high insurance premium for food security.

Some advisers to the government have not learned that price controls do not work. They are not enforceable, and they make the situation worse. Public funds are not enough to pay for the retailers' losses, which prompts them to hide rice in the hope that price controls may be lifted in the next few weeks. That worsens the shortage.

The government can be more helpful if they convert the subsidy to a consumption subsidy targeted for the poor, and not disturb the market. The middle-income consumers would still bear the losses,

but if this crisis only lasts less than a year based on what we observed in the past, that may be a better option than imposing price controls.

But there is always this question. The RTL enabled the private sector to import rice. But except for a few large traders, they may not import any if global rice prices continue to rise. These few large traders can manipulate the market, increasing rice prices further. Without the other smaller rice importers going into the global rice market, this risk is likely.

If this crisis develops into something like 2008, the government should be ready to import — but not through the NFA. That takes a long time because we must reverse the RTL for that solution. This would just be an ad hoc importation to serve as a counterweight to the few traders who may manipulate rice prices. The imported rice may be distributed through the Kadiwa program.

FOCUS ON INCREASING RICE PRODUCTIVITY

The RTL is not a perfect law. In my view, the RCEP part of it can be improved. The RCEP money could be used to promote rice productivity, but not in the way RTL has prescribed. For example, CP Foods has a good business model in modern swine farming involving clusters of backyard farmers in contract growing arrangements. Relatively large agribusiness companies can develop a similar arrangement in the rice industry. Capital investments of farmers can be lent to farm clusters supported by agreements between these farmers and these companies using RCEP.

Farmers could themselves likewise do farming all the way. We see successful cooperatives like the Soro Ibaba Development Cooperative in Batangas City. That is our largest agricultural cooperative, and they are managing their business relatively well.

I am not promoting the agencies of the Department of Agriculture distributing the RCEP money. That would not increase productivity and we would just be wasting money. Government agencies can support technology developments, provide public goods, and regulate to ensure fair trade between the cluster of small farmers and the large private agribusiness companies. ■



RAMON L. CLARETE is a professor at the University of the Philippines School of Economics.

third country contributed to that crisis by importing an unprecedentedly large amount of rice in just a period of four months. That was us during the administration of former President Gloria Macapagal Arroyo.

I checked if these episodes of rising prices were what we referred to in the past as rice price crisis. The episodes that elicited concern were in years where they occurred with extreme price volatility. I averaged the price volatility by year, and I came up with the following years — 1993, 1995, 2007, 2008, and 2020 — as displaying extreme price volatility of at least 10%. Combining these with the years where there were episodes of rising rice prices, I selected three years when the global rice market displayed rice price crises. They were 1995, 2008, and 2020. The years 1993, 2004, and 2007 exhibited extreme price fluctuations, but the rice prices did not surge to high levels.

The rice price crisis of 2008 was particularly concerning. It involved the highest price volatility and the steepest price surge. The other concerning years, 1995 and 2020, had relatively flatter price surges. Perhaps the volatility in 2020 may be explained by the global recovery from the global economic depression caused by COVID-19.

The average duration of the three rice price crises was just less than a year. The world was able to recover and rice prices were brought back to their stable and affordable levels.

When rice prices peaked in May 2008, the Japanese govern-



Date: 11 SEP 2023

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Cash aid distribution to NCR, Zambo Sur rice retailers set today; palay, rice prices expected to stabilize soon

BY BETHEENA UNITE and ARGYLL CYRUS GEDUCOS

The government is set to hold the second round of cash payouts in Metro Manila and Zamboanga del Sur today, Sept. 11, to small rice retailers affected by the nationwide price ceilings even as it expects the prices of palay and rice

to stabilize soon with the onset of the harvest season.

The Presidential Communications Office (PCO), citing a report from the Department of Social Welfare and Development (DSWD), said the cash aid distribution will take place in Pateros, Navotas, Parañaque, and

Zamboanga del Sur.

By the end of this month, initial palay harvest is expected to reach two million metric tons (MMT), and up to three MMT in October.

This was based on estimates by the Philippine Rice Information System (PRISM) using satellite data as of Aug. 14, Agriculture Undersecretary Leo Sebastian said in a report to President Marcos.

"In all, for the second semester, or July to December, we estimate to produce more than 11 million metric tons, and barring strong typhoons in the remaining months of the year, we hope to hit the 20-million MT level for 2023 national palay output," Sebastian said.

For the month of September 2023, Sebastian said PRISM has re-

ported that the bulk of the 2.3-MMT harvest would come from 12 provinces—Isabela, Cagayan, Iloilo, Nueva Ecija, North Cotabato, Leyte, Oriental Mindoro, Camarines Sur, Palawan, Bukidnon, Zamboanga del Sur, and Davao del Norte.

By end of October 2023, most of the estimated 2.9-MMT palay yield would come from 15 provinces—Nueva Ecija, Pangasinan, Tarlac, Isabela, Occidental Mindoro, Cagayan, Oriental Mindoro, Palawan, Bulacan, Iloilo, Bukidnon, Agusan del Sur, Ilocos Sur, Leyte, and Camarines Sur.

For the 2023-2024 dry season, Sebastian said the Department of Agriculture under the Masagana Rice Industry Development Program (MRIDP) will continue to provide clustered rice farmers with needed

high-yielding seeds, fertilizers, bio-fertilizers, soil ameliorants, farm machinery, and extension, financial, and marketing support.

"Initially, we will focus on fully irrigated clustered farms to optimize palay yield, where farmers would plant high-yielding hybrid rice varieties, to at least one million hectares (ha), and we expect them to produce an average of six to eight MT per hectare, for a total of 6 to 8 MMT," he said.

The DA will implement MRIDP with its regional field offices, National Irrigation Administration (NIA), Bureau of Soils and Water Management (BSWM), local government units (LGUs), Department of Agrarian Reform (DAR), the private sector, and organized farmers' groups, particularly Irrigators' Associations

(IAs), Farmers' Cooperatives and Associations (FCAs), Agrarian Reform Beneficiaries Organizations (ARBOs), and Small Water Irrigation System Associations (SWISAs).

Cash aid

The PCO said ₱15,000 in cash grants will be distributed to the following affected rice retailers: 15 in Pateros, 161 in Navotas, 129 in Parañaque, and 32 in Zamboanga del Sur.

The Department of Interior and Local Government (DILG) will help inform the identified beneficiaries about the cash grants.

As the government's cash assistance continues, the DSWD and the DTI (Department of Trade and Industry) will meet on Monday to discuss the list of beneficiaries for the rest of the National Capital Region (NCR) and those in the provinces, among other measures.

President Marcos recently approved the recommendation of the DTI and the DA (Department of Agriculture) to implement the mandated ₱41 rice price ceiling on regular milled

rice and the ₱45 rice price cap on well-milled rice nationwide amid the surge of rice prices in the market.

The order took effect Sept. 5.

As of Sept. 9, the DA reported that 239 retailers monitored in 37 markets in NCR, or 94 percent of the rice retailers in the region, have complied with the mandated price ceilings.

Anticipating the effects of the mandated rice price ceilings on small-scale rice retailers, President Marcos ordered the DSWD to extend ₱15,000 cash assistance to them through its Sustainable Livelihood Program (SLP). Simultaneous distribution of cash assistance started on Sept. 9 at the Commonwealth Market in Quezon City, led by DSWD Secretary Rex Gatchalian and Mayor Joy Belmonte, and at the Agora Market in San Juan City by DTI Secretary Alfredo Pascual and Mayor Francis Zamora.

DILG Secretary Benhur Abalos Jr., Congressman Oscar Malapitan, and Mayor Dale Malapitan led the distribution of cash grants at the Maypajo Market in Caloocan City.



Balisacan as DA chief? 'Sound proposal,' says Diokno

By CHINO S. LEYCO

Finance Secretary Benjamin E. Diokno has expressed his endorsement of National Economic and Development Authority (NEDA) Secretary Arsenio M. Balisacan as Department of Agriculture (DA) secretary.

During last Friday's Chat with SBED, reporters floated the idea that Balisacan could be the agriculture secretary, a suggestion that Diokno deemed a "sound proposal". President Marcos concurrently holds the agriculture portfolio.

The finance chief emphasized Balisacan's familiarity with the agricultural sector and his previous experience within the department.

Diokno also revealed that he had



BALISACAN

senator Edgardo Angara and former president Gloria Macapagal-Arroyo, both of whom also held positions as

personally conveyed "many times" his endorsement of Balisacan to the post, emphasizing his belief in his suitability for the agriculture secretary role.

Balisacan's prior experience as an agriculture undersecretary during the terms of the late

DA secretaries, further strengthens his qualifications.

Balisacan's educational background also complements his credentials, having completed his undergraduate studies in Agricultural Economics at the Don Mariano Marcos Memorial State University in La Union, before pursuing further education at the University of the Philippines (UP) Los Baños.

President Marcos, commenting on his role as concurrent DA chief, said that he would not appoint a secretary until he has finished "all the hard things" first at the agency.

In light of the increasing difficulties faced by the agricultural sector, President Marcos believes that his dual role gives him a unique advantage in implementing necessary reforms.



A firefighter in the farm

By JAMES TABABA

Jerry Mar Rafael, 28, from San Mateo, Isabela, is a firefighter at the Bureau of Fire Protection and the proud owner of Jerry D'Agri Integrated Farm.

Born and raised in a farming family, Jerry developed a deep-rooted relationship with growing crops. He pursued a degree in agriculture at Isabela State University, where his entrepreneurial spirit bloomed as he began selling seedlings and vegetables while still a student.

In 2021, Jerry joined the Young Farmer's Challenge, a grant program of the Department of Agriculture (DA) aimed to support young individuals in launching new agri-fishery enterprises. Jerry's proposal was a farming production model that employs zero waste.

Jerry was one of the national awardees who received a cash grant which he wisely invested in farming, diligently working the land until he generated enough income to allow him to purchase his own farm land where he currently engages in agricultural activities.

"I believe I won the competition due to my efforts to influence youth engagement in agriculture," Jerry said in Tagalog. "I served as the president of the 4H club, which is a part of the agricultural extension program led by the DA." The program aims to offer young people opportunities to develop life skills through agriculture.

Seedling and vegetable production

Jerry engages in vegetable seedling production. This idea was inspired by the practice of some farms in Bulacan where they supply seedlings to other nearby farmers. Jerry created his own planting mediums using a mixture of vermicast, carbonized rice hull, and cocopeat. The seedlings were sold to vegetable farmers he met when he was a field agronomist for a private company.



JERRY MAR RAFAEL, owner of Jerry D'Agri Integrated Farm, and his eggplants.

"I realized that there were no other farmers selling seedlings here, so I decided to resign and become a full-time supplier of seedlings," Jerry said.

Upon acquiring his own land, Jerry decided to plant various vegetables, including eggplants, chili peppers, bitter gourds, and tomatoes. On his land, a lively mix of native ducks, chickens, and goats also found a home. Alongside this endeavor, he ventured into cultivating oyster mushrooms.

While he initially engaged with traders supplying Manila, the offered market prices fell short of Jerry's expectations. As a solution, he began directly selling his produce to local offices. By doing so, he managed to secure a more satisfactory return for his hard-earned efforts.

From hybrid to open-pollinated varieties

While not fully committed to organic farming, Jerry acknowledges the role of fertilizers and pesticides in his agricultural practices. However, he is currently in the process

of transitioning from hybrid to native and open-pollinated vegetable varieties.

"This is because utilizing hybrid varieties requires a significant amount of nutrients from commercial fertilizers to achieve the highest possible yield, which organic fertilizers cannot immediately provide," Jerry said. "If I were to plant hybrids with organic fertilizer, my harvest would not be as abundant."

Consequently, he has opted to prioritize native and open-pollinated seeds because the seeds can be harvested and recycled. Unlike hybrids that should be bought every planting season.

Despite the fact that open-pollinated varieties tend to yield less compared to hybrids, Jerry appreciates the significant reduction in production costs. This is because these varieties display greater resilience against pests and diseases, thus lowering the expenses associated with pest management.

Furthermore, Jerry has noticed that open-pollinated varieties often



offer a superior taste, allowing him to command higher prices for his produce in the market. Jerry has found vegetable production to be a profitable venture.

"In eggplant production, for instance, harvesting is carried out every four days," Jerry said. "The yield from harvesting isn't consistent, but it can range between 300-400 kilos per harvest with 2,500 eggplant plants."

Jerry employs a diversified approach to his farming endeavors. "I practice simultaneous and rotational planting of different crops, including corn, chili, bitter melon, okra, and tomatoes," he said. "This strategy helps balance the fluctuating market prices. If the price of one crop is low during a season, the earnings from the other crops can compensate for the financial loss."

Jerry reflects on a past instance where he planted a half-hectare land solely with eggplant. Unexpectedly, the market price for plummeted, resulting in an unprofitable outcome. He notes that the input costs, particularly for items such as fertilizers, were considerably high, especially given the use of hybrid varieties.

At first, Jerry faced the challenge of a low seedling survival rate. However, he dedicated time to mastering various techniques and methods for seed propagation, enabling him to enhance the growth of his seedlings.

Living in the northern region, Jerry constantly contends with the threat of typhoons and calamities. When these natural disasters strike, he anticipates a complete loss of harvest. In response, he simply replants after the storm passes.

The cost of farming inputs has consistently been a significant hurdle. To navigate this challenge, Jerry opted to make his own organic fertilizers, a decision that aligns with his resourceful approach to farming.

The extreme heat in Isabela during the dry season poses yet another obstacle. "During the dry season, my mushroom cultivation suffers," Jerry said. "Instead of investing in mushrooms during this period, I redirect my funds to other

productions."

Remarkably, marketing his products is not a struggle for Jerry. He has successfully cultivated a base of loyal customers who regularly purchase his products. Winning the Young Farmers Challenge provided a platform to introduce his products to the market and also facilitated the expansion of his customers.

Jerry's vision extends beyond mere agricultural operations. He envisions his land becoming a destination for tourists. His plan involves creating a space where visitors can witness the agricultural processes firsthand and find pleasure in activities like fruit picking.

Balancing his current role as a firefighter with his agricultural endeavors is not easy. Jerry, however, manages this juggling act by enlisting the help of a team on his farm. Leveraging his schedule, which grants him seven days off after seven consecutive working days, he invests this time in tending to his agricultural enterprise.

"Many people tend to view agriculture as a profession for the economically disadvantaged," he said. "I am determined to challenge the notion that agricultural engagement is a menial occupation. Through my persistent efforts, I have managed to spark interest in agriculture among some of the local youth."

Observing the rising trend of Filipino youth becoming addicted to online gaming, Jerry contemplates why this time isn't channeled into more productive endeavors, such as cultivating crops for supplementary income. He perceives online gaming as a liability, wherein financial resources are expended. In his eyes, the potential lies in exploring diverse agricultural avenues for income generation.

"Let's shift our perspective to agriculture," Jerry said. "It's not solely about planting crops — it involves diligent effort and a grasp of business skills, ultimately leading to earnings. Every profession presents its challenges — there's no such thing as an effortless job. Attaining success needs diligence and resourcefulness."



Editorial

PH, Australia deepen ties as strategic partners

THE Philippines and Australia have entered into a landmark security and economic alliance that firms up their cooperation in bringing about "an open, stable and prosperous Indo-Pacific region."

The Joint Declaration on Strategic Partnership was signed last week by President Ferdinand Marcos Jr. and Australian Prime Minister Anthony Albanese.

It is one of the most comprehensive cooperation pacts the Philippines has sealed with its allies, considering its scope, which covers areas ranging from defense and security to climate change and education.

President Marcos hailed the declaration as an indication of "our mutual commitment to deepening collaboration across a spectrum of areas that are vital to both our countries' growth and prosperity."

Prime Minister Albanese extolled the declaration as "an important symbol of the strength of our relationship and our shared commitment to do more together."

The security aspect of the agreement factors in the geopolitical turbulence in the region stirred by China's increasingly aggressive expansionist actions, particularly in the South China Sea.

In a joint statement, Marcos and Albanese reaffirmed their countries' commitment "that all disputes should be resolved peacefully, without the threat or use of force or coercion, in accordance with international law, particularly the 1962 United Nations Convention on the Law of the Sea (Unclos), and that the South China Sea arbitration award of 12 July 2016 is final and legally binding on both parties, and call on both parties to abide by the award."

China has refused to recognize the 2016 arbitral ruling after the Philippines successfully challenged Beijing's claim to practically the entire South China Sea.

The declaration brings cooperation one step further, announcing that the two countries plan "bilateral joint patrols in the South China Sea and in areas of mutual interest to support regional peace and stability."

They also reiterated their "commitment to Asean centrality and recognize the importance of an inclusive Asean-led architecture for regional peace, stability and prosperity..."

The signing of the agreement could not have come at a more opportune time. Just hours earlier, boats delivering supplies to Philippine troops on Ayungin Shoal eluded a blockade of Chinese coast guard and militia vessels to complete their mission.

China has been trying to cut off the supply line to the Ayungin outpost, a remote bastion of Philippine sovereignty in the West Philippine Sea, by bullying resupply boats.

Bilateral agreements have enabled the Philippines and Australia to maintain security and defense ties. The 2007 Philippine-Australia Status of Forces Agreement (SOFA), for one, provides legal guarantees to Australian forces conducting joint counter-terrorism exercises in the Philippines.

The SOFA has striking similarities to the United States' Visiting Forces Agreement (VFA), which came into effect in 1999. The Australian version, however, was never fully implemented.

The SOFA, in fact, almost faded into history after President Rodrigo Duterte turned his back on traditional allies like Washington and Canberra and looked eastward toward Beijing.

Last year, with a new president at the helm, Canberra began to re-energize its security alliance with the Philippines. The strategic partnership is evidence of that renewed impetus.

The economic aspect of the partnership is equally impressive. The two countries pledged to "explore opportunities to broaden mutual economic cooperation, including developing resilient supply chains, supporting the climate and the clean energy transition."

They vowed to work toward enhancing free trade agreements between them, including the Regional Comprehensive Economic Partnership (RCEP) and the Asia-Pacific Economic Cooperation (APEC).

Australia was the Philippines' 14th-largest trading partner in 2022 and its 11th-biggest source of official development assistance (ODA), amounting to \$180 million.

The new partnership deal aims to ramp up those figures.

Bearing fruit

There are signs that the partnership is beginning to bear fruit, literally. The Department of Agriculture has announced that after 10 years, the Philippines has resumed shipping carabao mangoes to Australia. Australian authorities had barred the fruit, saying it was below international standards.

The initial 1,500 kilograms of mangoes from Davao were shipped to Perth and Sydney last week.

Taken as a whole, the strategic partnership with Australia presents the ideal template for building a framework for closer cooperation with the Philippines' other allies.



Farmgate prices seen falling as harvest starts

BY JANINE ALEXIS MIGUEL

THE farmgate price of palay (unmilled rice) is seen going down as harvest for the wet season starts, the Department of Agriculture (DA) said on Sunday.

The DA's National Rice Program said that from a high of P22 to P25 a kilogram (kg) in June and July, there are several towns in Nueva Ecija where fresh palay is selling from P17 to P18 per kg.

"Farmers said [it] might drop to as low as P16 or P15 when harvest for the wet season crops begins to peak by mid-September," the DA said.

Meanwhile, a survey conducted by the program showed that most rice farmers in Nueva Ecija said that they are saddened by the abrupt decline in palay farmgate prices from about P22 to P24 per kg in late August to just P16 to P17

per kg as of the latest.

They said that aside from the heavy rains, another factor that led to the sudden decline in palay prices was the imposition of the price cap on rice prices on September 5.

"We're afraid that traders, millers, and other merchants would buy our harvest at a uniform lower price," they said.

The rice farmers also called for better prices for their produce, not rates controlled by traders, agents and millers.

Farmers also said that they lost many of their standing crops to past typhoons and monsoon rains.

Due to the recent typhoons, Servillano Yabut, director of Farmer Business Service Cooperative of Aliaga, said they expect to harvest only 60 to 70 percent of their planted palay, with an average yield of 130 cavans per hectare and rice recovery of only 65 cavans.

"But for some who harvested earlier, they were able to benefit from the high prices from their palay and did not suffer losses, unlike the majority who would be harvesting in the coming weeks," DA said.

The farmers affected by the lower palay prices also suggested that they too should be given assistance because the government is giving cash aid to rice vendors in Metro Manila affected by the price cap on rice.

During the dry season cropping for 2023, the top five production areas of Nueva Ecija were: Guimba with 124,943.56 metric tons (MT); San Antonio with 112,126.97 MT;

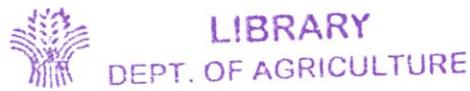
Muñoz with 85,947.21 MT; Talavera with 72,681.60 MT; and Gapan with 67,265.69 MT.

In terms of yield per hectare during the dry season cropping, the top five localities were: Muñoz with 9.5 MT; San Antonio, 9.2 MT; Sto. Domingo, 8.89 MT; Jaen, 8.55 MTL; and Sta. Rosa, 8.44 MT.

"These LGUs (local government units) have yet to start the wet season harvest by mid-September to October. But few harvests have already been made at Aliaga and parts of Quezon and Licab," said DA.

Currently, the DA is pushing the Masagana Rice Industry Development Program, which aims to raise rice farmers' income through higher-yielding seed varieties, both inbred and hybrid.

It also aims to increase their savings from production costs through a cocktail of fertilizers and by directly linking farmers to potential buyers and credit providers.



DA: Presyo ng bigas, magiging matatag na ngayong anihan

Kumpiyansa ang Department of Agriculture (DA) na magiging matatag na ang presyo ng bigas at palay sa pagsisimula ng anihan sa bansa ngayong Setyembre at Oktubre.

Nabatid na target ng pamahalaan na magkaroon ng inisyal na hanggang limang milyong metriko toneladang (MMT) ani ng palay sa mga nasabing buwan.

Base sa pagtaya ng Philippine Rice Information System (PRISM) hanggang noong Agosto 14, inaasahang aabot sa 2 MMT ang inisyal na ani ng palay sa katapusan ng buwang ito.

Ang karamihan o bulto ng ani ay inaasahang magmumula sa mga lalawigan ng Isabela, Cagayan, Iloilo, Nueva Ecija, North Cotabato, Leyte, Oriental Mindoro, Camarines Sur, Palawan, Bukidnon, Zamboanga del Sur, at Davao del Norte.

Samantala, nasa hanggang 3 MMT naman ang aanihing palay sa susunod na buwan, na inaasahang manggagaling sa Nueva Ecija, Pangasinan, Tarlac, Isabela, Occidental Mindoro, Cagayan, Oriental Mindoro, Palawan, Bulacan, Iloilo, Bukidnon, Agusan del Sur, Ilocos Sur, Leyte, at Camarines Sur. (Mer Layson)



BPI PINABABA IMPORTED SIBUYAS

Umiiyak umano ang mga magsasaka dahil sa pagpasok ng imported sibuyas na masyadong mababa ang presyo.

Ito ang sinabi ni Nueva Ecija Rep. Rosanna Ria Vergara kasabay ng kanyang apela sa Bureau of Plant Industry (BPI) na tigilan na ang pagbibigay ng import permit para sa sibuyas.

"Sapat pa ang ating stock ng locally produced onions samantalang nag-import na ang ating... pumayag na na mag-import ang ating gobyerno. Kaya ngayon, ang iyak ng mga magsasaka, walang gustong bumili ng locally produced red onions," sabi ni Vergara sa panayam sa radyo.

Ayon kay Vergara, ang landed cost ng imported na sibuyas ay P35 kada kilo na malayo sa P65 hanggang P70 kada kilo na farm gate price sa bansa.

"Dagdag n'yo pa po d'yan 'yung cold storage so aabot 'yan, papatak 'yan mga P90 to P100 para maka-break even po ang mga magsasaka," ayon kay Vergara.

"Ngayon ang iyak nila walang gustong bumili at kung bibilhin P70 (kada kilo) eh sobrang palugi naman po 'yun. Nakakalungkot po itong nangyayari

ngayon sa sibuyas," dagdag pa ng mambabatas.

Ang presyo umano ng imported na sibuyas ay nasa P120 lamang kada kilo kapag itininda sa mga palengke kaya napakalaki ng kinikita ng mga importer.

Nanawagan din si Vergara sa gobyerno na tulungan ang mga magsasaka na maibenta ang kanilang produkto.

"Kahit P110-P120 ibebenta na ng mga magsasaka para mabawi 'yung puhunan na P100 dapat 'yan ibenta sa merkado ng P140, P130," sabi ni Vergara. "Para panalo po lahat, panalo ang magsasaka, panalo rin ang consumer, at tinutulungan natin ang self-sufficiency at food security ng ating bansa sa onions," paliwanag ni Vergara.

Nagpahayag din ng pangamba si Vergara na baka mangyari sa sibuyas ang nangyari sa bawang.

"Pag hindi kumita ngayon (ang mga magsasaka), hindi na magtatanim sa susunod na taon, magiging import dependent po tayo," ani Vergara. "Parang nangyari sa bawang dati po we're self-sufficient ngayon po we keep importing from China." (Billy Begas)



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NEWS BRIEF

DA bokya sa bakuna kontra rabies

WALA umanong pondo ang Department of Agriculture (DA) para makabili ng bakuna laban sa rabies.

Sa deliberasyon ng panukalang budget ng DA kamakailan, ikinalungkot ni House Deputy Leader at Iloilo Rep. Janette Garin ang kawalan ng budget ng DA para laban ng rabies na nakamamatay sa tao.

"Nakakapagtaka this preventable disease has actually slowed down the past years pero ngayon tumaas siya and supposedly the Department of Agriculture (DA) would have been spending rabies vaccine for our dogs, lalo na 'yong mga stray dog. Parang nawalan na yata ng pondo," sabi ni Garin.

"May I know why rabies vaccination has been taken out among the priorities of the Department?" dagdag pa nito.

Ayon kay DA Undersecretary Agnes Catherine Miranda dati ay mayroong budget ang ahensiya para rito subalit ngayon ay ibinigay na umano ang mandatong ito sa mga lokal na pamahalaan.

Sinabi ni Garin na nasa P10 lamang ang anti-rabies vaccine laban sa aso samantalang libo-libo ang presyo ng human anti-rabies vaccines. (Billy Begas)



Farmgate prices declining as wet season harvest begins

FROM a high of P22 to P25 a kilo in June and July, the onset of harvest in early September had been showing declining trends in palay farmgate prices, which might drop even more when harvest peaks in late September and October.

A field survey done by the National Rice Program in several towns of Nueva Ecija this week showed prices declining for fresh palay up to P17 and P18 a kilo, which farmers said might drop to as low as P16 or P15 when harvest for the wet season crops begins to peak by mid-September.

According to a Depart-

ment of Agriculture (DA) news release on Sunday, farmers are appealing to President Ferdinand R. Marcos Jr. to intervene so that they would get better rates for their produce and not be at the mercy of prices to be dictated by the traders, agents and millers.

They lamented that their production had been substantially decimated by the recent prolonged downpour caused by the typhoon and southwest monsoon or "habagat", resulting in many of their standing crops bending to the soil, making them irrecoverable.

But for some who harvested earlier, they were

able to benefit from the high prices from their palay and did not suffer losses unlike the majority who would be harvesting in the coming weeks.

Heavily affected by the prolonged downpour from "habagat" and typhoons, were the farms in Licab, Quezon and Zaragoza towns, an inspection done by the Department of Agriculture National Rice Program showed.

Most of the Nueva Ecija farmers interviewed said they were saddened by the abrupt decline in palay farmgate prices from about P22 to P24 in late August to just P16 to P17 a kilo now.

They said aside from

the downpours, another factor that led to the sudden decline in palay prices was the imposition of price cap on Sept. 5.

"We're afraid that traders, millers, and other merchants would buy our harvest at a uniform lower price," they said.

Many farms in Nueva Ecija are beginning to harvest their wet season crop, which is expected to peak by mid-September until late October.

The National Food Authority (NFA) does not buy fresh palay but only those with moisture content of 14.1 to 30 percent, clean and dry, which it pays for P19 per kilo.

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Gov't to cut rice tariff to bring down prices

By **LOUISE MAUREEN SIMEON**

The head of the Marcos administration's economic team is pushing to temporarily cut rice import tariffs to zero or just a maximum of 10 percent as early as October in a bid to arrest the continued surge in prices of the commodity.

In a briefing, Finance Secretary Benjamin Diokno maintained that there is a need to adopt a comprehensive approach to ensure that rice supply is adequate at affordable prices.

Diokno is proposing that the current 35 percent tariff rate be slashed temporarily to zero or just 10 percent at most.

This also comes after the National Economic and Development Authority called for a review of the existing tariff levels on rice. NEDA, however, has yet to recommend specific tariff rates.

"The reduction is forward-looking because the price of rice is going up globally," Diokno said. "The problem here is that we cannot do this while Congress is in session."

Based on the process, the Tariff Commission (TC) would have to conduct hearings before a draft executive order is submitted to President Marcos for signing upon the recommendation of the economic team.

According to the legislative calendar, Marcos can only issue an executive order (EO) cutting tariff rates once Congress takes a break starting Sept. 30.

Rice is also included in the existing EO 10 that subjected the commodity, alongside fresh, chilled or frozen swine meat, maize and coal to the

most favored nation rates for 2023 after inflation spiked last year.

The measure, however, will expire by yearend.

Diokno clarified that as of now, rice is the priority of the government to have the tariff rates further slashed.

"Rice is the priority right now because it's been the biggest contributor to the increase in inflation," Diokno said.

Data showed that inflation quickened to 5.3 percent in August, breaking six months of easing, with the headline rate largely driven by food and non-alcoholic beverages.

In terms of food commodities, rice and vegetables contributed the most following the onslaught of recent typhoons.

The finance chief noted that the reduced rice tariffs would likely last for a year, subject to a review after six months of implementation.

While the move could reduce collections of the Bureau of Customs, Diokno said the government cannot just think of revenues.

"The government addresses many things simultaneously. We cannot just protect our revenue [targets] and give up on lower tariffs if it will resort to lower inflation," Diokno said.

He also argued that more people will benefit from the measure even as farmers are expected to be at the losing end.

"In government, you always think of the greatest good for the greatest number. We have more consumers than farmers. That is really the case," Diokno said.



DoF eyes temporary zero tariffs on rice

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

THE DEPARTMENT of Finance (DoF) is proposing to temporarily slash the tariff rates for rice imports to zero to curb the spike in retail prices of the national staple.

"We need to adopt a comprehensive approach to help ensure that rice supply remains sufficient at reduced prices," Finance Secretary Benjamin E. Diokno said in a press chat on Friday.

He said the DoF proposed the "reduction of the 35% rice import tariff rates, both ASEAN (Association of Southeast Asian Nations) and MFN (Most Favored Nation) rates, temporarily to zero percent or maximum of 10% to arrest the surge in rice prices."

This as inflation unexpectedly quickened to 5.3% in August from 4.7% in July, driven by the rise in pump prices and food costs, particularly rice.

The government began implementing a nationwide price ceiling on rice last week, as part of efforts to address increasing prices of the national staple amid reports of hoarding and price manipulation by cartels.

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

Mr. Diokno said price ceiling on rice would likely last only a month. He noted that price controls, if "closely implemented," are effective in the near term.

"However, the government recognizes that it also has adverse effects if allowed to linger for a longer period. The President has directed the economic team to implement measures that will mitigate the negative impact of the price controls on rice retailers and farmers," he said.

The Finance chief admitted he was "surprised" when Mr. Marcos first announced the price cap on rice on Sept. 1. At that time, Mr. Diokno was in Tokyo with National Economic and Development Authority Secretary Arsenio M. Balisacan, and Budget Secretary Amenah F. Pangandaman for the Philippines-Japan High-Level Joint Committee Meeting.

"We were in Japan when that was announced. I was beside Arsi (Mr. Balisacan). We were surprised, of course," he said in mixed English and Filipino.

On the proposed cut in rice tariffs, Mr. Diokno said this can only be approved when Congress is in recess. Congress is set to adjourn on Sept. 30 and resume session on Nov. 6.

The tariff reduction will also only require an executive order (EO) for its implementation.

"There's no need for Congress... The President may adjust the tariff when Congress is not in session," he said. "There is just a hearing, then the Tariff Commission will recommend, it needs an EO. The Tariff Commission will draft an EO to the President."

Mr. Diokno said the temporary tariff cut will only be applied to rice and not include the other MFN rates for pork, corn and coal.

"The relaxing of the tariff is forward-looking because the price of rice is going up globally... rice is really, I think, the biggest contributor to inflation," he said.

Tariffs, SI/12

Tariffs,
from SI/1

Food inflation quickened to 8.2% in August from 6.3% in the previous month. This was partly driven by rice inflation, which surged to 8.7% in August from 4.2% in July.

Apart from the tariff cut, Mr. Diokno said the government is seeking "cooperation with tollway concessionaires and operators for the temporary exemption of trucks that cater to agricultural goods from the increase in toll fees."

Mr. Diokno noted that this would mean trucks would still pay the regular toll, but not the recently adjusted increases.

"The private concessionaires agreed with the proposal, they're just trying to define the guidelines on how to identify these delivery trucks," Finance Undersecretary Zeno Ronald R. Abenoja said.

The Toll Regulatory Board (TRB) will be in charge of issuing the guidelines for the toll exemption, he added.

To curb rice price increases, Mr. Diokno said the government will encourage the timely importation of rice by the private sector and fully implement the Super Green Lane to expedite rice imports.

"There is also a need to curb noncompetitive behavior in the rice industry by aggressively pursuing cases of hoarding, smuggling, and economic sabotage; strictly monitoring the prices of imported rice in the logistics chain; and encouraging the public, including retailers, to report individuals violating price caps on rice," Mr. Diokno said.

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Govt must provide more support to small farmers—Go

SENATOR Christopher “Bong” Go calls on government to provide more support to small farmers as they are the backbone of the nation’s economy and play a crucial role in maintaining the country’s food security.

Go, member of the Senate Committee on Agriculture, has been supportive of legislative efforts aimed at uplifting the lives of Filipino farmers, particularly in these challenging economic times. He contributed to the passage of Republic Act No. 11953, known as the New Agrarian Emancipation Act, which he co-sponsored and co-authored in the Senate.

This landmark legislation condones loans, including inter-

ests, penalties, and surcharges, incurred by agrarian reform beneficiaries. By doing so, it aims to alleviate the financial burdens faced by over 600,000 agrarian reform beneficiaries across the Philippines, thereby enhancing their economic resilience.

In addition to this, Go also authored and co-sponsored RA 11960, or the One Town, One Product (OTOP) Philippines Act. This law decentralizes economic opportunities by empowering each town and province to develop and promote their unique products.

By doing so, it not only fosters community-led innovation but also bridges the urban-rural economic divide, providing small

farmers with more avenues to market their produce.

Go also emphasized the importance of encouraging end users to directly purchase from producers. This not only helps the farmers but also ensures that consumers get fresh and affordable produce.

“It’s not only about us not needing to import from other countries. It’s about recognizing and supporting our local farmers and agrarian reform beneficiaries,” Go added.

As the nation navigates through economic challenges, Go reiterated that the most important thing is that no one goes hungry.

“Dapat po, walang magutom. Importante po dito tiyan ng bawat Pilipino,” he said.

According to the Philippine Statistics Authority, inflation rate rose to 5.3 percent in August, up from 4.7 percent in July. The increase in inflation was primarily due to the faster rise in prices of food and non-alcoholic beverages.

Specifically, inflation for food and non-alcoholic beverages accelerated to 8.1 percent in August. The year-on-year growth rate for rice prices rose to 8.7 percent from 4.2 percent.

The government has implemented a cap on rice prices to reduce costs and penalize hoarding, although this measure has sparked discussions about its impact on both farmers and consumers.



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DOF WANTS ZERO TARIFF ON RICE TO EASE PRICES

By JASPER EMMANUEL Y. ARCALAS @jearcalas

THE Department of Finance (DOF) is pushing for the reduction of rice tariffs to as low as zero percent to cushion the impact of rising world market rice prices and temper the increase of the price of the staple locally.

Finance Secretary Benjamin E. Diokno said reducing the rice tariffs temporarily to zero or up to a maximum of 10 percent would help in "arresting" the surge in local rice prices.

Diokno pointed out that the proposal is part of the DOF's slate of

recommendations to ensure that the country would have sufficient rice supply at "reduced prices."

The tariff reduction proposal will cover both the Asean and most favored nation (MFN) rates for rice imports, Diokno added.

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DOF...CONTINUED FROM A1



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"It is crucial that the government continue to adopt a comprehensive approach to help ensure that rice supply remains sufficient at reduced prices," he told reporters in a recent press briefing.

The reduction on rice tariffs would bring the "greatest good to the greatest number" of Filipinos in the country, he stressed.

Diokno said the earliest possible time that the executive branch would be able to modify the tariffs on rice would be next month, when Congress is no longer in session. Congress is set to adjourn session by the end of the month.

Under existing laws, the President can modify tariffs when Congress is not in session, upon the recommendation of the National Economic and Development Authority (Neda).

The Neda had earlier signaled that the state could implement a calibrated reduction in rice tariffs to reduce the price of imported rice. (**Related story:** <https://BUSINESSMIRROR.com.ph/2023/09/06/neda-eyes-calibrated-cuts-in-rice-tariffs-to-ease-prices/>)

Diokno explained that the tariff reduction on rice imports is "forward looking" since global rice prices continue to increase.

15-year high in prices

THE United Nations' Food and Agriculture Organization reported that global rice prices in August reached a 15-year high driven by the domino effect caused by India's export restrictions on rice.

Diokno also pointed out that given the current market conditions, he sees the price ceiling imposed by the state on rice to be lifted after just a month. He noted that rice farmers are already harvesting, which would boost domestic supply and influence price movements.

He also pointed out that the price ceiling can be removed earlier prior to lowering of rice tariffs.

Nonetheless, he said that the proposed further reductions on rice tariffs could last for at least a year, citing previous tariff reduction durations.

"If the increase in rice prices is drastic, then the reduction [in tariffs] should be drastic," said Diokno, noting that the DOF is okay whether the rice tariffs are at zero or 10 percent, whichever the Tariff Commission (TC) recommends.

The Philippines currently slaps a uniform 35 percent tariff on rice after reducing MFN rates as part of the national government's anti-inflation measures. The 35-percent MFN rate on in-quota and out-quota imports would expire by end of this year and shall revert to 40 percent (in-quota) and 50 percent (out-quota), respectively.

The DOF's disclosure came on the heels of a petition by the Foundation for Economic Freedom (FEF) before the TC, asking it to reduce the country's rice tariffs to 10 percent.

FEF was one of, if not the first, to lobby for the reduction of tariffs on rice imports as a measure to temper and eventually pull down domestic rice prices.

The rise in imported rice prices, FEF argued, has been the "main cost push" for the increase in domestic rice prices.

"This tariff decrease would tackle the demand-supply gap for rice, address food inflation, and ease the rice prices that hurt the everyday Filipino consumer," the group said in a recent statement.

"The high cost of imported rice with the tariff is causing traders to scramble for scarce palay stocks, leading to high prices cascading down the value chain," the group added.

Based on its calculations, the FEF said the landed cost of imported rice at zero tariff—even at a quotation of \$600 per metric ton—would be at P39 per kilogram.

This, the group claimed, would allow retailers of imported rice to meet the P45 per kilogram price ceiling on well-milled rice.

Nonetheless, FEF has thrown its support behind deeper rice tariff reductions, arguing that the closer the tariffs are to zero, the greater the impact it would have on the local market.

"FEF submits that reducing tariffs will bring significant relief to the domestic rice market. The greater the reduction—down to zero or close to it—the greater the relief. A cut down to a 10-percent rate will have a significant impact," the FEF said.

FFF objects

MEANWHILE, the Federation of Free Farmers (FFF) is opposing the reduction in rice tariffs, claiming that it would not have a significant impact on domestic prices.

"A tariff reduction will only further discourage our farmers from redoubling their productive effort," the group said.

"It will make our food security even more dependent on external players and factors nor is there any guarantee that importers and traders will pass on any tariff savings to consumers," it added.

The FFF explained that domestic rice prices are bound to fall since harvest season has started, which is expected to pick up in the coming months.

"There is still some time to prepare for this contingency. We should provide our farmers with the right price incentive in the coming harvest season, so that they will scale up production during the next production cycle," it said.



Millers, bakers expect stable bread prices during 'ber' months

In contrast to the rising cost of rice in the country, prices of Filipinos' second staple food — bread — are expected to remain steady even during the "ber" months, both millers and bakers assured.

"Flour prices are stable. With good harvests expected in US, Australia, and Canada among others, raw material wheat is expected to be in good supply," said Ric Pinca, executive director of the Philippine Association of Flour Millers (PAFMIL).

He said for the moment, the prevailing price of bread flour ranges from ₱975 to ₱1,000 per 25-kilo-gram bag depending on the brand.

Lucito "Chito" Chavez, president of the Asosasyon ng Panaderong Pilipino, also told Manila Bulletin that bread prices have remained stable because prices of flour have been

steady since early this year.

Chavez noted that even as several basic necessities and prime commodities (BNPCs) have already petitioned the Department of Trade and Industry (DTI) for price adjustments in their suggested retail prices, bread prices remained unchanged.

"There is no threat of Pinoy Tasty and Pinoy Pandesal, considering DTI is also closely monitoring these products," he said.



"This is big help since bread is second to rice for Filipinos," Chavez added.

In February this year, the DTI adjusted the suggested retail price or SRP of Pinoy Tasty to ₱40.50 from ₱38.50 for a 450-gram pack while Pinoy Pandesal was raised to ₱25 from ₱23.50 for a 10-piece pack.

The adjustment in SRP followed as the country's inflation rate in January rose to 8.7 percent, highest in 14 years on higher costs in housing, power, water and select food items.

Chavez also said that bakers are starting to re-open businesses, especially in the provinces.

Chavez himself is opening a new "Tinapayan" in Cuenca, Batangas, home to the original panaderos (small bakers), after it closed an outlet in Pureza, Manila during the pandemic. (Bernie Cahiles-Magkilat)

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DTI, rice millers, traders roll-out 'Rice on Wheels'

The Department of Trade and Industry (DTI) is rolling-out a caravan on Monday, Sept. 11, to provide an affordable supply of rice stock to the retailers in the public market.

In coordination with Bulacan rice millers and traders, the "Rice on Wheels Program for Retailers" aims to ensure the availability of affordable regular and well-milled rice to the general public.

DTI Secretary Alfredo E. Pascual said, "the DTI will work closely with different government agencies and private stakeholders to ensure that Filipino families will be able to access affordable rice during the implementation of Executive Order No. 39. We will continue to find ways and means to work with the private

sector to stabilize the supply and price of rice in the market."

To prepare for the program's official launch, the DTI already brought 12,500 kilos of rice from Bulacan Rice Millers and Traders for sale in Brgy. Gulod, Novaliches, Quezon City on Sept. 8. It was followed by simultaneous dry-run in public markets located in Makati, Parañaque, and Manila City.

Through the Rice on Wheels for Retailers, the rice millers and traders of Bulacan wanted to show their support to the government's temporary price stabilization effort under the EO 39.

Further, the DTI and Department of Social Welfare and Development (DSWD) also started on Sept. 9 the distribution of financial aid to small retailers as part of the ongoing efforts to address the concerns on the implementation of the rice price ceiling.

Guaranteeing that everyone has access to more affordable rice supplies, the DTI said it will work consistently with other government departments and private stakeholders using a whole-of-government approach as it aims to nurture a stronger, more accessible market for all. (Ma. Joselie C. Garcia)



Supporting local startups will boost innovation



#MINDANAO

JOHN TRIA

One of the prominent issues facing local economies is the need to add more value to the economy. This means creating more income out of the products and services available in the local market. Producing goods of higher value means more income for businesses and employees. As a result of this collective effort, the economy expands. Time and again we have discussed in many forums how innovation will be needed to achieve this. This week I would like to focus on specific areas where local innovation can add value and how startup businesses can drive innovation.

One area is agriculture, which is faced with the challenge of increasing yield to meet local food security goals while tackling climate-related challenges. Innovative solutions will be needed in developing climate-smart agriculture. In particular, this includes methods and technologies for increased crop yields to meet food security goals despite shifting weather patterns due to climate change.

On the ground and at the farm, climate change manifests as either having too much rain or too much heat within certain periods, breaking long-established climate patterns on which farmers schedule interventions, such as applying fertilizer. Depending on the crop characteristics the yields will either increase or decrease.

For example, fruit-bearing crops require enough heat and sunshine to facilitate flowering that produces the fruit. Too much rain hurts the plant's ability to flower since rain causes the buds to fall from their branches. In turn, fewer flowers mean fewer fruits per tree or plant, or per hectare as the case may be. When costs such as fertilizer go up, additional expenses shrink revenue. On a yearly basis, it means less farm income.

Having less yield matters when your community has set goals for ensuring local food security.

Worse, higher transport costs between regions in recent years hikes logistics expenses. These additional travel costs are passed on to buyers and consumers and manifest as higher inflation. Many communities will need to invest in local food production to manage the additional cost challenges since shorter routes from farm to market can lower costs.

Another area is housing. As more Filipinos move to urban areas the 6.5 million housing backlog becomes more prominent. Having decent living spaces is critical to ensure our family's well-being. This is even more acute in areas where access to clean water is a challenge.

Innovation in the use of locally available resources and materials has the potential to boost local housing development since they can allow local houses to be built at lower costs. It is time to engage our startups to push ideas and enterprises to solve this problem.

To deal with the previously discussed challenges, innovation is a key strategy, since it harnesses creativity, technology and skill and can address costs to solve problems. With this, a key enabler of local innovation is the startup community in our respective cities.

It is good that agencies such as the Department of Information and Communications Technology and the Department of Trade and Industry are identifying and mapping start-ups and organizing start-up communities. Matching them with partners, funders and financing institutions must include encouraging venture capital funds at the local level.

This, in my view, will accelerate the creation of more startups. With financial technology apps and new tools such as digital banks providing easy access to credit, I believe the future will see more startups blazing paths in innovation, solving problems and adding value to the local economy.



Finance wants rice tariffs cut to 0-10%

BY NIÑA MYKA PAULINE ARCEO

THE Finance department will seek the temporary reduction of rice import tariffs to either zero or 10 percent at most, among other measures, to address rising prices of the staple.

"We need to adopt a comprehensive approach to help ensure that rice supply remains sufficient at reduced prices," Finance Secretary Benjamin Diokno told reporters last Friday.

In a fact sheet, the department said it was "proposing to reduce the 35 percent rice import tariff

rates, both Asean (Association of Southeast Asian Nations) and MFN (most favored nation) rates, temporarily to 0 percent or maximum of 10 percent to arrest the surge in rice prices."

The government last week capped domestic rice prices for an indefinite period, which Dio-

kno indicated would be temporary given possible supply shortages.

"Price controls, when carefully calibrated and closely implemented, are effective in the near term, the Finance chief said.

"However, the government recognizes that it also has adverse effects if allowed to linger for a longer period."

He acknowledged criticism that price caps would discourage farmers from planting and importers from shipping in the grain, indicating that the limits would only stay in effect until upcoming harvests came in.

"The reduction of tariffs is

forward-looking because the price of rice is going up globally," Diokno added.

Executive Order 39, signed by President Marcos Jr. on August 31, mandated price ceilings of P41 per kilo for regular milled rice and P45 per kilo for well-milled rice.

Prices in Metro Manila markets prior to the issuance of the order were said to be P42-55 for regular milled rice and P48-56 for well-milled rice.

After inflation came in at a higher-than-expected 5.3 percent in August, with rice inflation alone rising to 8.7 percent from

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Finance wants

4.2 percent in July, Socioeconomic Planning Secretary Arsenio Balisacan proposed "a temporary and calibrated reduction in [rice] tariffs."

Import duties on the staple, along with pork, corn and coal, were temporarily reduced last year as inflation surged in the wake of Russia's invasion of Ukraine. An extension was ordered before 2022 ended.

The reduced 35-percent tariff on rice is scheduled to expire at the end of this year.

The Federation of Free Farmers (FFF) quickly rejected Balisacan's proposal, claiming that tariff cuts would cause palay prices to drop by P6 per kilo and reduce farmer incomes by up to P120 billion per year.

"Moreover, government's foregone tariff revenues could reach P12 billion a year, based on current declared values of imports and assuming 3 million tons of imported rice," FFF national manager Raul Montemayor said last week.

Importers, he further claimed, have long been paying a net 10-percent tariff by undervaluing shipment values.

"Gains from [current rice] tariff reduction are simply being captured by importers and traders, with minimal benefit to consumers, and at the expense of farmers," Montemayor continued.

Along with the reduction in rice tariffs, the Finance department wants the private sector to ramp up rice imports, fully implement the use of "Super Green Lanes" at the Bureau of Customs to facilitate shipments, and provide temporary exemptions from higher toll fees for trucks that transport agricultural products.

Cases of hoarding, smuggling, and economic sabotage will be pursued if needed, rice prices will be strictly monitored, and the public will be encouraged to report violations of the price ceilings.

Programs to safeguard farmers from the impact of the price cap, targeted subsidies for small traders and rice retailers, and support for low-income households will also be implemented, the Finance department said.

It also reiterated a push to use satellite-based technology and data analytics to get a better picture of the situation for rice and other key crops.

"To help guide policy decisions, it is important to have timely, granular, and accurate information on the status of the rice industry," Diokno said.



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BIGAS HOARDING LUMALA SA PRICE CAP

NAGBABALA ang isang senador na lalo lamang lalala ang hoarding ng bigas sa pagpapairal ng price cap ng gobyerno.

Ayon kay Senadora Grace Poe, chair ng Senate committee on public services, ikalulugi ng maraming rice trader ang pagbebenta ng murang bigas kaya mas gustuhin nilang itago na lamang ito.

"Yong mga retailer tsaka 'yong mga suppliers ayaw nang magbenta kasi malulugi sila. Kung magbenta man sila, puwedeng i-adulterate nila 'yong halo. Ihahalo nila 'yong regular sa well milled," paglalahad ni Poe sa isang radio interview.

"Yong mga special rice, 'yon ang marami sa merkado kasi mas mahal pero 'yong mga regular rice nauubos kasi nawawalan ng supply, nagtatago na 'yong iba dahil hindi sila kikita, magbebenta sila nang palugi," dugtong pa niya.

Aniya, marami ang hindi umaasang makakabawi sila sa pagkalugi dahil sa P15,000 subsidy dahil nasubukan nang palpak ang gobyerno sa pamamahagi ng subsidy sa mga public utility driver na apektado ng pagsirit sa presyo ng produktong petrolyo.

"Eh 'yong subsidy nga ng fuel hindi nabibigay ng gobyerno nang

mabilis sa mga driver eh, papano nila ibibigay ito? Eh 'di ba may mga nagtintinda kahit malilit na sari-sari store sa gilid glid, eh mahahanap ba nila ito? Kaya ba ang P2 billion subsidy dito? Parang ang labo," ani Poe.

Sinabi ni Poe na dapat ay pinag-isipan nang husto ng gobyerno ang subsidy sa mga rice retailer bago ito ipinatupad noong Sabado.

"Maganda ang intensiyon ng ating pangulo na matulungan ang ating kababayan pero sa nakikita ko ngayon dapat maghanap ng ibang solusyon," giit pa ni Poe.

Sa ilalim ng Executive Order 39, ang presyo ng regular milled rice ay dapat P41 lamang bawat kilo, habang P45 per kilo naman ang well milled rice. Ipinairal ito simula noong Setyembre 5, 2023.



China slows fertilizer exports, raising industry concerns

BEIJING/MUMBAI- Around half a million metric tons of urea are held up at Chinese ports after China curbed exports of the key fertilizer following a price surge, an analyst and Indian company official said.

As the world's largest producer of urea, China accounts for about a third of global supplies of the nitrogen-based fertilizer, which is critical to growing crops.

Two Chinese state-owned urea producers will prioritize domestic supply, company notices this month showed, while port inspections on some cargoes of the chemical have been suspended, Gavin Ju, principal fertilizer analyst at CRU Group, said.

China's National Development and Reform Commission (NDRC) did not immediately respond to a request for comment.

About half a million metric tons of urea bought by Indian Potash Limited (IPL) is currently being held at the Chinese port of Tianjin, awaiting inspections and

clearance, said Ju.

An Indian fertilizer industry official told Reuters there had been an unusual delay in the loading process because of inspections.

An official at China's general administration of customs said it could not immediately comment on the situation.

India's Rashtriya Chemicals and Fertilizers Limited (RCF) may also struggle to secure large purchases of over one million tons in a recently issued tender, said Ju.

Neither Indian company immediately responded to requests for comment.

Urea futures on China's Zhengzhou Commodity Exchange reached 2,600 yuan (\$353.84) per ton on Sept. 1, the highest level since March, after a surge in demand from India, triggering efforts to slow shipments.

CNAMPGC Holding Ltd, one of China's top fertilizer exporters, said it will proactively decrease exports and "make every effort" to ensure domestic supply and

price stability, according to a notice dated Sept. 2 on its website.

State-owned China National Offshore Oil Company (CNOOC) has also urged its subsidiaries to prioritize urea supply to the domestic market ahead of the autumn sowing season, according to a Sept. 4 notice seen by Reuters.

CNOOC did not immediately respond to a request for comment.

China's urea futures have declined about 4 percent since the Chinese companies' announcements.

But the Chinese curbs will raise global prices and spending by India on fertilizers, said Indian company officials, who declined to be named because of company policy.

India imports about 30 percent of around 35 million metric tons needed each year for its vast agriculture sector and China was its second largest supplier last year.

Supplies from Oman, Saudi Arabia, Egypt, and Russia could fill the gap, said an Indian industry official. **-Reuters**



A worker wearing a face mask transporting fertilizers for export at a port in Nantong, Jiangsu province. (Reuters Photo)

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Wheat down, soy up

CHICAGO- Chicago Board of Trade wheat futures hit their lowest price in more than three months on Friday, while soybean futures rose from a two-week low as traders waited for updated US crop data.

Trading was choppy and subdued before the US issues its monthly World Agricultural Supply and Demand Estimates (WASDE) report on Sept. 12.

"It's just simple consolidation, basically ahead of next Tuesday's WASDE report," said Karl Setzer, brokerage research lead for Mid-

Co Commodities.

"When we have these early-week WASDE reports, you tend to see - the Thursday, Friday beforehand - the consolidation and shoring up of positions."

Most-active wheat futures ended down 4 cents at \$5.95-3/4 a bushel. The contract earlier fell to \$5.90-1/2, its lowest price since May 31.

Poor overseas demand for US supplies hung over the market, analysts said. Traders also assessed ongoing efforts to preserve exports from war-torn Ukraine. - Reuters



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DESPITE RICE SURGE

FAO: World food price index back at 2-year low

PARIS- The United Nations food agency's world price index fell in August to a new two-year low, reversing a rebound seen the previous month, as a decline in most food commodities offset increases for rice and sugar.

The Food and Agriculture Organization's (FAO) price index, which tracks the most globally traded food commodities, averaged 121.4 points in August against a revised 124.0 for the previous month, the agency said on Friday.

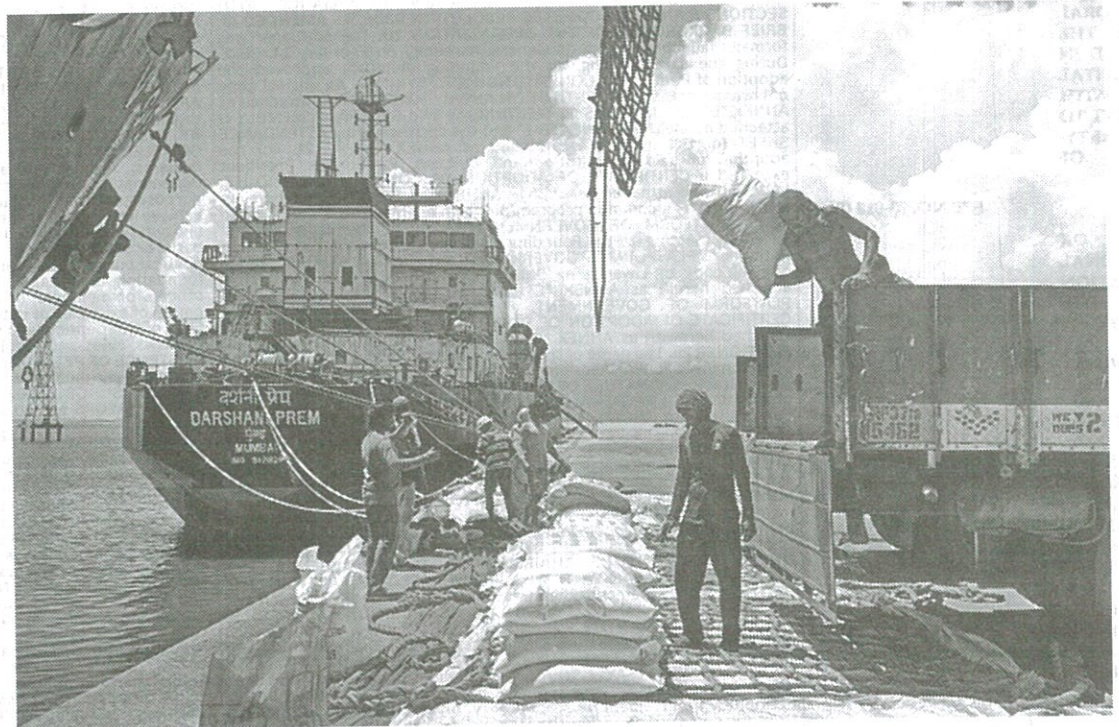
The July reading was initially given as 123.9 in a rebound from a two-year low in June.

The August figure was the lowest since March 2021 and also 24 percent below an all-time high reached in March 2022 in the wake of Russia's invasion of Ukraine.

The drop in the overall index reflected declines for dairy products, vegetable oils, meat and cereals, despite a jump in FAO's rice benchmark to a 15-year high following Indian export restrictions, the agency said.

FAO's cereal index edged down 0.7 percent from July as wheat prices fell in the face of northern hemisphere harvests while maize (corn) fell for a seventh straight month to a near three-year low, pressured by a record Brazilian crop and the approaching US harvest, it said.

In contrast, the agency's



Laborers unload rice bags from a supply truck at India's main rice port at Kakinada Anchorage in the southern state of Andhra Pradesh. (Reuters Photo)

rice index surged by almost 10 percent month-on-month as India's decision in July to ban Indica white rice exports disrupted trade at a time of tight availabilities ahead of new-crop harvests, FAO said.

FAO's sugar index rose 1.3 percent month-on-month in August, putting it 34 percent above the year-earlier level, supported by concerns about impact of the El

Nino weather pattern on global production.

Vegetable oil prices were down 3.1 percent in August, while dairy prices slipped 4 percent, an eighth straight monthly drop that reflected ample supply in Oceania and slower Chinese imports.

In a separate report on cereal supply and demand, the FAO forecast world cereal production this year at 2.815 billion tons, down

slightly from a previous estimate of 2.819 billion.

The latest forecast was nonetheless up 0.9 percent on 2022 and matched record output from 2021, the FAO said.

The downward revision mainly reflected a cut to projected wheat output as dry weather affected Canada and the European Union and heavy rain affected Chinese crops, FAO said. -Reuters



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Rice crisis in the Philippines sounds a global inflation alarm

SURGING RICE PRICES in the Philippines could be a warning sign for other major importers of the food staple as the fallout from India's export restrictions continues to reverberate across Asia and West Africa.

Rice inflation in the Southeast Asian nation increased at the fastest pace in almost five years in August, reviving mem-

ories of a 2018 shock that led to the end of a two-decade-old limit on imports. The Philippine central bank warned this week that it's ready to resume monetary tightening if needed, while diplomacy and deals reign elsewhere as other countries rush to secure supply.

"We're seeing a great deal of uncertainty," said Shirley Mustafa,

an economist at the United Nations' Food and Agriculture Organization. "Price pressure is being exacerbated by the restrictions."

India's restrictions have upended the market and prompted worried nations to secure supply as they try and contain the rising cost of rice, which is a vital part of the diets of billions

of people across Asia and Africa. Manila has placed a cap on prices, a measure that's led to the downfall of a finance official. — **Bloomberg**

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Ghana's 2022/2023 cocoa output expected to be off target by 11%

ACCRA — Cocoa output from the world's second biggest producer Ghana for the 2022/2023 season is expected to miss by around 11% the target of 750,000 tons due to smuggling and illegal gold mining on farmland, sources told Reuters.

Ghana last week brought forward the closure of the 2022/2023 season by a month, and decided to start the 2023/2024 season on Sept. 8, a month earlier than usual, saying it needed to tackle disruptions in the internal marketing of cocoa.

Neither the government, nor the cocoa regulator COCOBOD, provided details about the disruptions.

Two sources, one from COCOBOD and the other from the state-run Cocoa Marketing Co. (CMC), told Reuters that Ghana's cocoa output slumped due to increased smuggling to neighboring Ivory Coast and Togo where the beans fetched higher prices.

Around 50,000 tons of cocoa was lost through smuggling, the sources said. A director of a cocoa exporting company and a cocoa pod counter who both requested anonymity, said, however, that continuous illegal gold mining on farmlands in Ghana, known locally as galamsey, was to blame for Ghana's falling cocoa output.

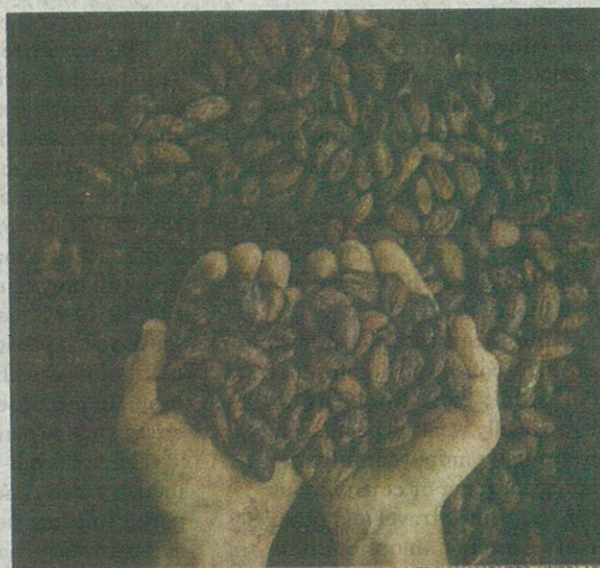
"The smuggling to Ivory Coast and Togo has been minimal and cannot explain everything. The problem is deeper, and the galamsey are to be blamed," the director said.

For the 2023/24 season which is expected to start on Friday, Ghana's cocoa regulator expects output to reach 800,000 tons, according to the COCOBOD source.

"Our projections are 800,000 tons for the new season. The weather conditions have been more favorable," the COCOBOD source said.

COCOBOD will be seeking \$1.2 billion to finance cocoa purchases for the 2023/2024 season, compared with \$1.3 billion it raised in the previous season, the COCOBOD source and a source from the CMC said.

"We are looking for around \$800 million from the private bank consortium and \$400 million from the private



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sector for the 2023/24 season. We are confident that, as usual, we will receive more than we need because we have the trust of investors," the CMC source said.

COCOBOD and Ghana's government did not respond to requests for comment.

The optimism from the Ghanaian regulator is not shared by exporters and pod counters, who forecast 2023/2024 output at between 650,000 tons and 700,000 tons due to the impact of galamsey mining, which has led to the destruction of cocoa plantations in the past three years.

"I am not as optimistic as the CMC and COCOBOD about this year's production. We have been observing a decrease every year for the past three years, and it is lasting because the plantations are entirely destroyed by gold miners," another director of a cocoa exporting company said.

"These plantations are not being replaced," the director added. — **Reuters**



Global rice prices rise to 15-year high

PARIS: Global rice prices reached a 15-year high in August after top exporter India banned some overseas sales of the grain, the Food and Agriculture Organization (FAO) said Friday.

While global food prices eased in August, those of rice rose 9.8 percent compared to the previous month, "reflecting trade disruptions in the aftermath of a ban on Indica white rice exports by India," the FAO said in a monthly report.

"Uncertainty about the ban's duration and concerns over export

restrictions caused supply-chain actors to hold on to stocks, renegotiate contracts or stop making price offers, thereby limiting most trade to small volumes and previously concluded sales," the UN agency said.

Rice is a major world food staple and prices on international markets have soared in the wake of the Covid pandemic, the war in Ukraine and the impact of the El Niño weather phenomenon on production levels.

➤ **Rice B3**

■ RICE FROM B1

Global rice

India announced in July a ban on exports of non-basmati white rice, which account for around a quarter of its total.

The consumer affairs and food ministry said at the time that the move would "ensure adequate availability" and "allay the rise in prices in the domestic market."

India accounts for more than 40 percent of all global rice shipments.

The ban was expected to hit African nations, Turkey, Syria and Pakistan, all of which were already struggling with high inflation, data analytics firm Gro Intelligence warned in a note in July.

The Philippines, one of the world's top importers of rice, reached a five-year agreement with Vietnam on Thursday to buy rice.

El Niño effect

World rice stocks are forecast to reach an all-time high of 198.1 million tons, with India and China

holding nearly three quarters of this volume like in previous seasons, according to the FAO.

This total represents around 38 percent of rice consumption forecast over the same period.

But aggregate rice reserves held by the rest of the world are expected to end the year with a second successive contraction, it added.

El Niño could also have a negative effect on the next harvests.

The turmoil in the rice market comes as global food prices have been progressively easing from a peak last year after war broke out

between major grain producers Russia and Ukraine.

The FAO's global food price index, which tracks monthly changes in international prices of a basket of food commodities, averaged 121.4 points in August, down 2.1 percent from July.

The index was 24 percent below the summit it reached in March 2022.

Prices of cereal, meat, dairy and vegetable oils all fell in August.

Sugar prices, however, rose by 1.3 percent due to "heightened concerns over the impact of the El Niño phenomenon on sugarcane

crops, along with below-average rains in August and persistent dry weather conditions in Thailand."

'Modest' recovery

Global food prices had slightly rebounded in July when Russia pulled out of a deal brokered by the UN and Turkey that had enabled Ukraine to ship grains via the Black Sea.

The FAO said on Friday it had lowered its forecast for world trade in cereals in 2023 and 2024 to 466 million tons — a 1.7 percent drop from the previous marketing season.

"Traded volumes of wheat and maize are all predicted to decline, due to a mix of reasons, including falling exports by Ukraine due to trade disruptions associated with the ongoing war," it said.

"FAO has also lowered its forecast for world trade in rice from the July figure considering the stepped-up export restrictions by India," the FAO added.

An expected recovery of the rice trade in 2024 would be "modest" if the India restrictions are protracted and El Niño disrupts production in other Asian exporters.

AFP



Global rice, sugar prices higher in August—FAO

INTERNATIONAL quotations for rice and sugar went up in August mainly due to the adverse impact of weather on crops and trade restrictions imposed by exporters, according to the latest report published by the Food and Agriculture Organization of the United Nations (FAO) last Friday.

Based on its monthly Food Price Index, FAO noted that the All Rice Price Index rose by nearly 10 percent in August to reach a 15-year nominal high.

"[This reflects] trade disruptions in the aftermath of a ban on Indica white rice exports by India, the world's largest rice exporter," FAO said.

"Uncertainty about the ban's duration and concerns over export restrictions caused supply-chain actors to hold on to stocks, re-negotiate contracts or stop making price offers, thereby limiting most trade to small volumes and previously concluded sales."

FAO's Sugar Price Index, meanwhile, rose by 1.3 percent from July, averaging in August as much as 34.1 percent higher than its value a year ago.

"The increase was mainly triggered by heightened concerns over the impact of the El Niño phenomenon on sugarcane crops, along with below-average rains in August and persistent dry weather conditions in Thailand," FAO said.

"The large crop currently being harvested in Brazil limited the upward pressure on international sugar quotations, as did lower ethanol prices and the weakening of the Brazilian Real."

Despite the increases in rice and sugar prices, the general food price index fell in August. It averaged 121.4 points in August, down 2.1 percent from July and as much as 24 percent below its March 2022 peak.

FAO said the Vegetable Oil Price Index fell by 3.1 percent in August, partly reversing a sharp 12.1 percent upward move in July.

"World prices of sunflower oil declined by nearly 8 percent during the month amid weakening global import demand and abundant offers from major exporters," its report read.

"World quotations for soy oil dropped owing to improving soybean crop conditions in the United States of America, while those for palm oil fell moderately amid seasonally rising outputs in leading producing countries in Southeast Asia."

FAO said the Cereal Price Index declined by 0.7 percent from July. International wheat prices fell by 3.8 percent in August amid higher seasonal availabilities from several leading exporters, while international coarse grain prices fell by 3.4 percent amid ample global supplies of maize from a record harvest in Brazil and the imminent start of the harvest in the United States.

The Dairy Price Index was also lower by 4 percent from July led by international quotations for whole milk powder and abundant supply from Oceania. International butter

and cheese prices also dropped, due in part to lackluster market activities associated with the summer holidays in Europe.

"The FAO Meat Price Index dipped by 3.0 percent. World ovine prices fell the most, underpinned by a surge in export availabilities mainly from Australia and weaker demand from China. Robust supplies also nudged downwards the prices of pig, poultry and bovine meats," the UN agency said.

Global cereal supply

FAO also released a new Cereal Supply and Demand Brief, which forecasts that world cereal production in 2023 will increase by 0.9 percent from the previous year to reach 2 815 million tons, on par with the record output realized in 2021.

"While global wheat production is set to decline by 2.6 percent from 2022, coarse grains total output is forecast to rise by 2.7 percent, with maize production seen reaching a new record of 1 215 million tons, buoyed by strong yields in Brazil and Ukraine," it said.

Despite a slight downward revision since July, world rice output in 2023/24 is still seen recovering by 1.1 percent from the previous season.

World cereal utilization in the season ahead is forecast at 2 807 million tons, 0.8 percent above the 2022/23 level.

FAO said world cereal stocks at the close of 2023/24 marketing seasons would reach 878 million tons, a 2.2-percent annual increase, pointing to a world stocks-to-use ratio for cereals of 30.5 percent, which it deems an "overall comfortable global supply level from a historical perspective."

World rice stocks are forecast to reach an all-time high of 198.1 million tons, driven up by India which together with China are estimated to hold nearly three quarters of this volume, like in previous seasons.

"Aggregate rice reserves held by the rest of countries are seen ending the year with a second successive contraction to a four-year low pegged at of 51.4 million tons."

FAO lowered its forecast for world trade in cereals in 2023/24 to 466 million tons, a 1.7-percent drop from the previous marketing season. Traded volumes of wheat and maize are all predicted to decline, due to a mix of reasons, including falling exports by Ukraine due to trade disruptions associated with the ongoing war.

It has also lowered its forecast for world trade in rice from the July figure considering the stepped-up export restrictions by India. Although the duration of these restrictions and their extent of application are uncertain, if protracted and if El Niño induces production constraints in other Asian exporters, they could keep the predicted recovery in 2024 trade in rice modest, FAO said.