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THE PHILIPPINE STAR
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DA bucks reimposition of rice price cap

By DANESSA RIVERA

The Department of Agriculture (DA) has shut down the possibility of reimposing the rice price cap next month after a farmers' group asked President Marcos to implement the price ceiling anew to prevent an "artificial rice price crisis" toward the end of the year.

"No, the price cap should really be a short-term one... There are probably other measures that we can already do," DA Undersecretary for policy, planning and regulations Mercedita Sombilla said in an interview with reporters on the sidelines of the 6th International Rice Congress yesterday.

Farmers' group Samahang Industriya ng Agrikultura (SINAG) yesterday said that Marcos should reimpose the price ceiling in November "to preempt new attempts to artificially increase the retail price of rice."

"We are all worried of a possible repeat of the rice price spikes last August where traders tried to justify the increase in rice prices because of the high farmgate prices of palay," SINAG chairman Rosendo So said in a statement.

"We are also aware that a scenario of increasing rice prices (is) being timed with the fresh proposal to reduce the tariffs on imported rice, corn and pork," he added.

Instead of imposing a price ceiling, the Federation of Free Farmers (FFF) suggested the government should focus on monitoring stocks, prices, hoarding and price manipulation and providing alternative marketing outlets that will keep other traders "honest."

India gives Phl biggest rice export allocation

The Philippines received the highest rice export allocation from India with 295,000 metric tons of non-basmati white rice.

Among the countries importing from India, the Philippines has become its largest rice importer.

"Request made at the leadership level and the positive decision reflects the growing confidence in the bilateral relationship," the Indian embassy in Manila said in a statement.

Six other countries set to receive the export of around 1.034 million MT of rice are Cameroon (190,000 MT), Malaysia (170,000 MT), Cote d'Ivoire and Republic of Guinea (142,000 MT each), Nepal (95,000 MT) and Seychelles (800 MT).

FFF expressed concern over the price of India's rice exports.

"In the past, our local importers have not secured rice from India despite significantly lower prices, most probably due to concerns about quality and reliability of supply," FFF national manager Raul Montemayor said in a statement.

Rice retailers group Grains Retailers Confederation of the Philippines (Grecon) yesterday said that the 295,000 MT of rice from India will help stabilize the supply and prices of rice in the country.

"It's a good sign especially with the threat of El Niño phenomenon for the first quarter of 2024. There will be no fears of possible rice shortage as 295,000 MT is big. We will ensure food security in the country," said Grecon national spokesman Orly Manuntag.

India had banned the export of non-basmati white rice – its largest rice export category – in July to ease domestic prices that climbed after rains caused significant crop damage.

The ban further tightened global supply and sent world prices even higher since India supplies around 40 percent of the global rice trade.

President Marcos, concurrently agriculture secretary, said in July that the Philippines may seek a rice supply deal with India.

According to the United States Department of Agriculture (USDA), the Philippines has overtaken China as the world's top importer of rice.

In its latest "Grain: World Markets and Trade" report, the USDA projected that Philippine rice importation will reach 3.8 million metric tons in marketing year 2023-2024 while China's imports will drop to 3.5 million MT.

Price ceiling

So yesterday said that the farmgate price of palay has reached P27 per kilo, adding that the spike in the retail price of rice should be expected in November amid the upward trend in the buying price of the staple food.

He told **The STAR** that the rice price ceiling should return next month.

On Oct. 4, President Marcos lifted Executive Order 39 imposing a P41 and P45 per kilo price ceiling on regular and well-milled rice almost a month after it was implemented on Sept. 5, noting that the retail price of rice has stabilized with the start of the harvest season.

In Isabela, the buying price of palay is now at P27 per kilo, So said.

"As a result, traders go to Pangasinan and the buying price in Pangasinan is almost P26 (per kilo)," he added.

The upward trend in the buying price of palay was due to competition among traders, So noted.

"(Traders competing to secure the palay harvest of farmers) is one of the reasons why the farmgate price of palay in Isabela is high. Traders also go to other provinces to buy palay, causing the buying price of palay to go up," he said.

"If the farmgate price of palay is increasing, the retail price of rice will also go up. The P27 (per kilo) buying price of palay is equivalent to P43 (per kilo) of rice. If the rice is delivered in Metro Manila, the markup price of wholesalers and retailers could reach P47 per kilo," he explained.

So confirmed that the buying price of dry palay in Pangasinan and Nueva Ecija is now at P26 per kilo and P21 per kilo for fresh harvest; P27 per kilo for dry palay in Isabela and 23 per kilo for fresh harvest; and P26 per kilo for dry palay in Cagayan and P22 per kilo for fresh harvest.

As for warehouse raids, So said it did not affect the importation of traders, contradicting reports that some importers chose not to import amid fears brought by the recent confiscation of rice stocks.

The buying price of rice in Thailand is now at $580 per metric ton, he added.

Based on the DA's monitoring, the retail price of local regular milled rice ranged between P41 and P45 per kilo; local well-milled rice, between P48 and P48 per kilo; local premium rice, between P45 and P48 per kilo; and local special rice, between P54 and P62 per kilo.

The retail price of imported regular milled rice was pegged at P43 per kilo; imported well-milled rice, between P45 and P48 per kilo; imported premium rice, between P52 and P58 per kilo; and imported special rice, between P53 and P60 per kilo.

– With Pia Lee-Brago, Bella Cariaso

PHILIPPINE DAILY INQUIRER
BALANCED NEWS + FEARLESS VIEWS

Date: 09. 20, 2023 Page: A6

NOT A SOLUTION

DA OFFICIAL DISPUTES NEED FOR NEW RICE PRICE CAP

By Jordeene B. Lagare
@jordeenelagare

An official of the Department of Agriculture (DA) disputed an agricultural group's proposal to reimpose a price ceiling on rice prices, with its official saying on Thursday it is only a temporary solution aimed at easing upward pressures on retail prices.

"[Any] price cap should really be a short-term one. I don't think we will resort to that," Agriculture Undersecretary Mercedita Sombilla said when asked about Samahang Industriya ng Agrikultura's (Sinag) recommendation to reimpose the P45-per-kilogram price ceiling for well-milled rice.

Sombilla said DA will look into other measures, such as "encouraging" domestic farmers to bring their produce to Metro Manila to make the staple food more affordable for Filipino consumers through various interventions.

"We were really forced to impose a price cap because we were not seeing local prices going down," she said on the sidelines of the International Rice Congress 2023 held in Pasay City. "We really wanted it to be very, very short."

She opined that even the one-month implementation of the price cap was "a little long."

Early in August, President Ferdinand Marcos Jr. issued Executive Order No. 39 on the enforcement of a price ceiling of P41 per kg for regular-milled rice and P45 for the well-milled variety which took effect on Sept. 5.

Mr. Marcos, concurrently serving as the country's agriculture chief, made the issuance on the joint recommendation of the DA and the Department of Trade and Industry to address rising food prices.

At that time, market vendors in Metro Manila were selling regular-milled and well-milled rice from P48 to P55 per kg.

Now, locally produced regular-milled rice is sold from P41 to P45 per kg as of Thursday against P38 per kg in the same period a year ago, based on the DA's price monitoring. Local well-milled rice is priced from P45 to P48 per kg against P42 per kg.

Imported regular milled rice is sold for P43 per kg, higher than last year's P38 per kg while imported well-milled rice retailed from P45 to P48 per kg compared to P41 per kg previously.

Yet, wanting to preempt new attempts to create an artificial increase in the retail price, Sinag said it would ask President Marcos to intervene by reinstituting the price cap of P45 per kg for well-milled rice, acting on the recommendation of its members from farmers and local millers.

Sinag executive director Jayson Cainglet said the group will submit its formal request to the President upon his return from the maiden summit between the Association of Southeast Asian Nations and the Gulf Cooperation Council in Saudi Arabia.

Cainglet said some traders and millers are purchasing palay (unhusked rice) between P21 and P23.50 per kg of fresh harvest and P26 to P29 per kg of dry palay, higher than the prevailing farm-gate price (selling price between farmers and traders). INQ

The Manila Times®

Date: OCT. 20, 2023 Page: A3

Asean-GCC meet to tackle food security

PRESIDENT Ferdinand Marcos Jr. on Thursday said that the inaugural summit between Southeast Asian leaders and Gulf states will help boost efforts to address energy and food security in the region.

Marcos, before leaving for Saudi Arabia, said the 2023 Association of Southeast Asian Nations-Gulf Cooperation Council Summit (Asean-GCC) will serve as an important platform for the Philippines to highlight the need for cooperation in energy and food security, logistics, supply chains, digital information, free flow of goods, people and services, and enhancement and protection of rights of our overseas workers.

"We will emphasize our advocacy for rules-based international order to maintain peace, security and stability in our regions," he said.

The President will also be meeting with the Filipino community in Riyadh to share with them important developments in the Philippines and thank them for their invaluable contributions.

He noted that GCC countries are home to an estimated 2.2 million Filipinos working in critical fields.

"We will see to it that our constructive engagement with Asean and our partners will continue to serve our national interest and the well-being of the Filipino people," Marcos said.

The relationship between the Asean and the GCC dates back to 1990, and the summit aims to optimize cooperation between the two regional organizations, Foreign Affairs Assistant Secretary Daniel Espiritu said during a pre-departure press briefing on Monday.

"It is very important because the GCC is composed of highly developed Arab economies, and they are petrochemical powerhouses. They can help Asean in addressing energy and food security," Espiritu told reporters.

During the summit, Espiritu said the President is expected to put a positive word on his administration's flagship legislation — the sovereign wealth fund.

"Part of the discussion could be the presentation of the Maharlika fund to the Kingdom of Saudi Arabia and its businesses, the protection of our nationals abroad, especially in terms of labor reforms being proposed for the Kingdom of Saúdi Arabia, and Arab assistance to the development of the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM)," Espiritu said.

The President is also expected to hold bilateral meetings with officials of Saudi Arabia and Bahrain to talk about the Philippines' diplomatic relationships with the two nations.

This will be Marcos' ninth foreign trip in 2023 and the 15th since he assumed office.

Countries he visited this year include China, Switzerland, Japan, the United States, the United Kingdom, Indonesia, Malaysia and Singapore.

The President will visit the US again in November for the Asia-Pacific Economic Cooperation Economic Leaders' Meeting, and the United Arab Emirates in December for the United Nations Climate Change Conference.

CATHERINE S. VALENTE

The Manila Times®

Date: OCT. 20, 2023 Page: B1 & B3

DA: Rice from India to help lower prices

RICE from India will help lower retail prices in the Philippines and help alleviate the impact of the El Niño weather pattern, a senior Department of Agriculture (DA) official said on Thursday.

India, which in June ordered a ban on exports of non-basmati white rice, on Wednesday announced allocations for seven countries including the Philippines.

Agriculture Undersecretary Mercedita Sombilla said the 295,000 metric tons of rice allotted, "if that comes in ... will definitely provide us with the supply that we will be needing, especially at the end of the [ongoing harvest season]."

It will add to the stocks for the coming planting season in January to February and also help cushion an expected drop in output due to El Niño-caused dry spells.

"Hopefully, the impact of El Niño will not be severe ... that volume will be very important and necessary for us to be able to get through if the El Niño happens," Sombilla said.

Imports will have to be handled by the private sector, she continued. India's National Cooperative Exports Ltd. has been designated to handle the shipments from New Delhi's end.

"Definitely, it's not going to be government to government, we are not allowed to do that," Sombilla said.

Federation of Free Farmers national manager Raul Montemayor has said that shipments were not a given.

"In the past, our local importers have not secured rice from India despite significantly lower prices, most probably due to concerns about quality and reliability of supply," he claimed on Wednesday.

Meanwhile, the Samahang Industriya ng Agrikultura (Sinag) on Thursday said the government should reimpose price caps on rice to preempt attempts to artificially raise retail prices.

"We would be requesting the President (Ferdinand Marcos Jr.) to reimpose the price cap on well-milled rice this November," Sinag Chairman Rosendo So said.

The organization claimed that it had received reports that some millers and traders were offering to buy fresh palay (umilled rice) for P21 to P23.50 per kilo and from P26 to P29 per kilo for dry palay.

"While this is positive for our farmers, we are all worried of a possible repeat of the rice price spikes last August where traders tried to justify the increase in rice prices because of the high farmgate price of palay," So said.

President Marcos capped rice prices in September but this had little effect. Overall inflation surged to 6.1 percent from 5.3

➤India B3

INDIA FROM B1

DA: RICE FROM INDIA TO HELP LOWER PRICES

percent as food and transport costs rose.

Rice inflation, in particular, surged to a 14-year high of 17.9 percent from August's 8.7 percent.

Sombilla, meanwhile, said that there were other measures that the government could do to stabilize rice prices aside from imposing a price ceiling.

"The price cap should really be a short-term [solution]," she said. **JANINE ALEXIS MIGUEL**

Abante TONITE
MABILIS SA BALITA

Date: Oct. 20, 2023 Page: 3

Agri group inalarma ipit-bigas modus

Muling ipatutupad ang P45 per kilo na price cap sa well-milled rice sa Nobyembre.

Ito ang panawagan ng Samahang Industriya ng Agrikultura (SINAG) kay Pangulong Ferdinand Marcos Jr. dahil may nakikita umano sila na tangkang ipitin ang paglabas ng bigas para muling sumirit ang presyo nito.

Sabi ni SINAG Chair Rosendo So, nababahala ang kanilang grupo na gawin ang pagmamanipula sa presyo at suplay ng bigas habang pinag-uusapan ang pagbaba ng taripa sa bigas, mais, at baboy.

Nauna nang itinulak nina Finance Secretary Benjamin Diokno at National Economic and Development Authority (NEDA) Secretary Arsenio Balisacan na babaan ang taripa sa bigas habang naka-recess ang Kongreso na hindi sinunod ng Malacañang.

"Nakita at napanood na natin ito," sabi ni So.

Muling gagawa umano ng paraan ang mga importer at traders para magkaroon ng krisis sa bigas kaya nananawagan ang SINAG kay Pangulong Marcos na makialam uli para maudlot ang planong ito.

Sabi ni So, malaking tulong sa mga local producer, konsyumer at pamahalaan ang hindi pagpayag ng Pangulo na ibaba ang taripa ng bigas. Nakatulong aniya ito na pagandahin ang kita ng mga magsasaka dahil nasa P23 hanggang P25 per kilo na ang presyo sa farmgate ng palay kaya marami ang nahikayat na magtanim muli.

Aniya pa, nakatulong din ang pagbaba ng presyo ng bigas sa mga konsyumer at dumami ang kita ng pamahalaan dahil hindi nabawasan ang taripa kaya mas may pondo ang gobyerno para tumulong sa sektor ng agrikultura. **(Eileen Mencias)**

THE PHILIPPINE STAR
TRUTH SHALL PREVAIL

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Farmers' group blames black market vaccine for ASF spread

By **BELLA CARIASO**

The spread of African swine fever in the country can be attributed to the illegal sale of 300,000 vials of ASF vaccine to hog raisers, an official of the farmers' group Samahang Industriya ng Agrikultura (SINAG) said.

SINAG chairman Rosendo So yesterday said he already wrote to Senators Cynthia Villar and Imee Marcos, urging them to investigate the release of ASF vaccines in the market even when the Food and Drug Administration has yet to approve the certificate of product registration in the country.

The 300,000 vials of ASF vaccine reportedly came from Vietnam.

"We are afraid that vaccines are causing the spread (of ASF) as we received reports that the 300,000 vials which arrived in the country are being sold in the market. This should be checked as this will further cause the spread of ASF. We want this investigated," So told **The STAR** in an interview.

Aside from seeking the assistance of Villar and Marcos, So also wrote to Executive Secretary Lucas Bersamin and Agriculture Undersecretary Deogracias Victor Savellano to point out that the proliferation of unauthorized ASF vaccines in the market creates doubt on the impartiality of the Bureau of Animal Industry (BAI).

"There are reports and eyewitness accounts that the said ASF vaccines currently on trial are now being sold commercially and some of our colleagues have tried it to horrendous results," So said in his letter.

He also said that hog raisers cannot share the results on the use of the ASF vaccine due to the non-disclosure agreement with the importer.

"We also heard of vaccine shredding seen in some BAI farms which can be a cause for alarm since it may mutate to a more virulent form," So added.

Outbreaks of ASF were reported for the past weeks in Oriental Mindoro, Ilocos Sur and Nueva Vizcaya provinces, forcing the concerned local government units there to declare a state of calamity in their jurisdictions.

BAI Assistant Director Arlene Vytiaco earlier said the agency targets to import 600,000 doses of ASF vaccines this year once the FDA issues the certificate of product registration to address the outbreak of the disease.

Vytiaco said that the field trial for the AVAC ASF live vaccine was conducted in six farms in Luzon.

PHILIPPINE DAILY INQUIRER
BALANCED NEWS + FEARLESS VIEWS

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Regional management for water security

COMMENTARY

ERNESTO M. ORDOÑEZ

To better manage our water resources, we should make full use of our severely underutilized Regional Water Basin Councils (RWBCs). This is the last of the three major strategic initiatives recommended in seven water summits that I personally attended in 2017.

Two of the three were finally implemented during this administration. The first initiative was to create an integrated water management unit.

Last year, the Department of Water Resources was identified as a legislative priority. A Water Resources Management Office was also created to coordinate 32 government water-related agencies that previously did not communicate systematically with each other.

The second was to increase our deplorable 4-percent water harvesting rate (note that India's is 60 percent). Early this year, Environment Secretary Maria Antonia Yulo-Loyzaga announced that for the first time, the Department of Environment and Natural Resources (DENR) is coordinating closely with the Department of Public Works and Highways to identify and use a significant portion of its budget for water-impounding and small dams.

The third is to strengthen the RWBCs for local water governance. This mechanism has been successfully used worldwide, but has regrettably not been done here.

As mentioned in the Oct. 18 Senate deliberation on the proposed DENR budget for 2024, each of the 18 major RWBCs only gets below P1 million on average a year.

Water crisis

Last Oct. 15, Dr. Qu Dongyu, Food and Agriculture Organization director general, wrote: "Unless we act urgently, we are on course to increase our water use by more than one-third by 2050 globally."

He identified what must be done: "We need to implement an Integrated Resource Management (IRM) through coordinated development and management of water, land, and related resources. We need national and regional designs."

Our regional design has not effectively begun. An annual budget of less than P1 million for each RWBC is obviously not enough.

The RWBC can only implement an IRM with an P8-million budget each for the necessary coordination and integrating work. The amount will allow it to harness, coordinate and synergize the millions of pesos in the coffers of government water-related agencies.

Duplication and waste happen because an RWBC cannot do its coordination work.

Aside from P8 million for coordination, an additional P20 million (at least) is needed for basic instrumentation. How can one improve if one cannot measure?

Taking into account all 18 major river basins spread across our country, the cost for minimum instrumentation is P360 million. The total cost for both instrumentation and coordination is, therefore, P504 million.

To add perspective to this, since agriculture consumes 70 percent of our water, P504 million is only one-fourth of 1 percent of the Department of Agriculture's proposed 2024 budget.

Coordinating body

A river basin is the area from which all the water flows. This includes watersheds, which consist of surface water ales, streams, reservoirs and wetlands, and all the underlying ground water.

The RWBC is the premier coordinating body that exercises advisory, guidance and monitoring functions for the basin's management and development. It is composed of the governor, mayor, the regional head of the government water-related agencies, and representatives from business and civil society.

It is clear that the councils are very important bodies, with their representatives being the primary stakeholders for water governance. But this governance cannot be effectively utilized because of the meager budget of less than P1 million each per year.

Proper institutional backing is especially important now, during a water crisis. It is believed that the Senate will address this critical national problem immediately—through their wise guidance and the appropriate budget support. INQ

The author is Agriwatch chair, former secretary of presidential flagship programs and projects, and former undersecretary of the Department of Agriculture and the Department of Trade and Industry. Contact is agriwatch_phil@yahoo.com

MANILA BULLETIN

Date: Oct. 20, 2023 Page: 10

A strong agriculture industry leads to a secure nation

AVANT GARDENER

YVETTE TAN

The agriculture and fisheries sector continues to decline. Last year it accounted for only 2.9 percent of the nation's GDP, the lowest in five years. This, despite increasing and insistent calls to strengthen the industry amid continuously rising food prices.

Despite alarms raised about the dire effects a food shortage will have on the country, there seems to be little done to increase growth and development among local farmers and industry insiders, probably because it isn't seen as "high value" or to put it crassly, "sexy." This is faulty thinking and if left unchecked, will be the cause of a severely weakened Philippines.

Agriculture is the backbone of the economy, particularly "in economic recovery efforts, especially in improving food supply and creating livelihood," Former Secretary of the Department of Finance (DoF) Margarito "Gary" Teves said in his Talking Points on PH Food, Agriculture, Fisheries and Forestry Sector. "Every one billion worth of new investment in agriculture could create at least 16,000 new jobs for the poor."

Unfortunately, several factors continue to keep the industry from performing at an optimum. Some in Teves' list include fragmented farmlands, which make it hard to leverage economies of scale to make farming profitable; a declining workforce due to the sector's (accurate) reputation for low and unstable wages, among other injustices; a lack of support from financial institutions that force many farmers to borrow from loan sharks, keeping them in a cycle of debt and poverty which gets worse with every natural disaster or plunge in crop prices; and a lack of government support, particularly because of its' rice-centric budget and lack of infrastructure and post-harvest facilities.

Post-harvest losses, in particular, make up a huge part of industry wastage. According to the Department of Science and Technology (DOST), in 2017, "post-harvest loss for fruits ranged from five to 48 percent, between 16 to 40 percent for vegetables, and 15 percent for grains (rice and corn)," which is "higher than the global average of 14 percent for both fruits and vegetables." Imagine how much lower food prices would be and how many more people would have access to fresh, nutritious food if this could be prevented.

This is worrying, since it means not only does fresh produce go to waste, but the labor and inputs used to grow them, as well as potential profits, are lost as well.

Factors that contribute to this massive amount of waste include poor post-harvest handling techniques and inadequate warehousing and cold storage, which hastens deterioration and results in poor quality produce which farmers have no choice but to sell at lower prices. Another is inadequate logistics that force many farmers to depend on middlemen, some of whom can be unscrupulous, for transport. According to the Department of Trade and Industry (DTI), logistics includes transportation, documentation, and various clearances, and can account for as much as 24-53 percent of wholesale prices and as much as five percent of retail prices.

Another aspect that has a negative effect on food prices is hoarding, wherein products are "effectively taken out of circulation in the market." This can lead to artificial shortages, which in turn can lead to an increase in prices. This doesn't help either farmer or consumer, as consumers have to contend with high prices, while the high market prices usually don't affect farmers' earnings, as they rarely (if ever) are able to dictate the prices they sell their produce at.

Something I've heard from many vegetable farmers is also a lack of a government planting calendar and planting plan that can help predict harvests and lessen instances of overproduction.

The solution to a problem with such convoluted causes will not be simple, and will demand cooperation from different sectors, not to mention the political will to implement laws and policies and curb criminal activity. The private sector can support the industry by providing knowledge transfer, access to inputs, investing in storage and logistics, or simply buying local.

The national government can further support the industry by engaging in actions such as increasing the agriculture budget in 2024 providing the Department of Agriculture (DA) can "show a significant improvement in its absorptive capacity to convince Congress to appropriate a larger budget for the department in succeeding years as well as by making agriculture development a key strategy in poverty reduction, which means engaging different departments such as the Department of Trade and Industry (DTI), Department of Science and Technology (DOST) and Department of Public Works and Highways (DPWH) in this endeavor.

Revitalizing the agriculture industry affects not just the people who work in and with it, but everyone in the nation. A thriving agriculture industry is a key to national security. After all, everyone needs to eat, and a full populace is also a happy one.

The Manila Times®

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Meager private sector investments

FINER POINTS

FERMIN ADRIANO

LAST Monday, I served as one of the guest speakers in the Stratbase ADR Institute Business Roundtable Discussion on the topic "Cultivating Investments in the Philippine Agro-Industrial Manufacturing for Food Security." Instead of elaborating on the elements needed to attract private-sector investments, my presentation took the reverse route. I talked about why the private sector is largely hesitant on investing in the agri-food industry.

I noted that the last huge commercial investments in agriculture came in the 1960s and the 1970s with the entry of Dole, Del Monte, Stanfilco, etc., in our banana and pineapple industries. Such significant investments never took place with regard to other commodities such as coffee, cacao, mango, avocado, durian, etc., and even aquaculture despite the country having a comparative advantage.

Lucky for me, there is existing literature on the factors discouraging private-sector investments in our agri-food industry. This was mainly because during our term in the Department of Agriculture (DA), former Agriculture secretary William Dar and myself, as one of his undersecretaries, were so convinced that only if the private sector heavily participated would we see the full development of Philippine agriculture and food processing industry.

The reason is simple: resources in the hands of the private sector far outweigh that of the government, and the private sector also prioritizes economic efficiency to gain more profits, not winning electoral votes.

Acknowledging the critical role of the private sector in agricultural development, Dar instructed the late Ramon Yedra, former director of the DA's Agricultural Marketing Assistance Service, to conduct a thorough study on the matter. The result was a monograph entitled, "Private Sector Investments in Agri-Food Sector: Constraints and Challenges," published in 2021.

The study was the result of 10 focus group discussions among 53 small, medium and large companies engaged in the production of banana, cacao, coconut, coffee, cashew, cassava, dragon fruit, purple yam, etc.; running cold chain and logistics facilities; and operating investment and financial services. Discussions revolved around two major themes: investment climate and the ease of doing business. The ease of doing business conversation was further subdivided into ease in starting business and business operations concerns.

Under the investment climate issue, the respondents identified the following bottlenecks to private-sector investment in our agri-food sector:

– Difficulty in achieving scale as a result of the agrarian reform program that fragmented farmlands into miniscule sizes;

– Agriculture is perceived to be a high-risk sector given the country's vulnerability to climate change and the spread of animal and plant pests and diseases;

– Inadequate government support in mitigating risks due obsolete crop insurance policy schemes and inadequate facilities to detect and prevent the spread of animal and plant pests and diseases;

– Outdated incentives and lack of awareness among potential investors; and

– Taxes, custom and tariff duties that prevent the entry of cheaper raw materials for the food processing industry.

Under the ease of doing business concern, the main impediments were obtaining business licenses/permits and accessing capital. As for business operations concerns, the main bottlenecks encountered were procurement of raw materials (which should be adequate and competitively priced), logistics and infrastructure.

The findings were not surprising given that these have been cited by the private sector in past forums. Curiously, the usual response of the government was either to increase the budget for a certain commodity, purportedly to raise productivity, or create a task force or committee to address the problems being experienced. As expected, nothing eventually happens and the problems persist. The result is what we currently see: minimal private sector investments in our agri-food industry.

One will notice that for agricultural commodities where government intervention is heavy, these never become efficient,

➤Finer B2

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FINER FROM B1

Meager private sector

competitive and modernized. These commodities have been overregulated because of the belief that they are strategic for the country's economic development. The precept produced the reverse result.

Clear examples of these are sugar, coconut, rice and corn. The first two were once the country's leading agricultural export. They were our major export revenue sources in the 1950s to the 1970s. But no thanks to the heavy hand of the government, we are now a net importer of sugar and a heavy importer of palm oil. For rice and corn, we were almost capable of meeting local demand but now we are importing millions of tons of these grains. Again, rice and corn saw the government's hand: almost all aspects of the crops' operations (from production down to marketing) are regulated by the state.

In contrast, the banana and pineapple industries grew to become our major agricultural exports as operations were largely handled by the private sector. The government practically has no regulatory measure along their supply chain. In fact, the banana variety that was initially planted in the country was through the efforts of the private sector. It was not a product of the government's varietal improvement research institution.

The obvious solution is for lesser government intervention in the agriculture sector. If at all, it should be focused on ensuring that agrifood products are safe and healthy for human and animal consumption. These regulations should also be supported by scientific evidence and not dictated by the whims of DA regulators.

In various forums, past and present, all sorts of ideas are proffered to attract greater private-sector investments, recognizing the vital importance of their participation in agricultural development. The reality is that there is already a proliferation of studies on this issue. Unfortunately, we have refused to learn and apply the lessons from these studies.

This reminds me of a previous conversation with Thai agricultural officials who were former agriculture graduate students from UP Los Baños, who gratefully acknowledged that they learned a lot from their Filipino mentors by intently listening to their analyses and recommendations. With the treasure troves of insights and learnings from Filipino agricultural experts, they told me that all they had to do was to apply them in Thailand.

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Malaya
Business Insight

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No plans to reimpose price caps: DA

THE Department of Agriculture (DA) is not considering reimposing the price ceilings on rice amid calls by a local farm group which warned of a possible artificial shortage.

The Samahang Industriya ng Agrikultura (SINAG) said in a statement yesterday the reimposition of a P45 per kg price cap on well-milled rice next month will "pre-empt new attempts to artificially increase the retail price of rice."

SINAG warned unscrupulous players could create artificial price hikes to justify the extension of the reduce most favored nation tariff rates on rice.

However, Mercedita Sombilla, DA undersecretary for policy, planning and regulations, told reporters at the sidelines of a forum hosted by the International Rice Research Institute in Pasay City price caps are just short-term solutions.

"We were just forced to implement price caps before… local prices (were not) going down despite the fact that …retailers ha(d) supply of regular and well-milled rice… (but were) selling at P48 to P52 to P55 per kg.," Sombilla said.

The DA previously implemented the caps of P41 and P45

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Rice varieties are sold in a stall in Negros Oriental. *(PNA file photo)*

NO

on regular-milled and well-milled rice, respectively, from September 5 to October 4.

Rosendo So, SINAG chairman, said farmers and millers have reported some traders are offering to buy palay between P21 and 23.50 per kg of fresh harvest and P26 to P29 per kilo of dry palay.

"While this is positive for our farmers; we are all worried of a possible repeat of the rice price spikes last August where traders tried to justify the increase in rice prices because of the high farmgate prices of palay. We are also aware that a scenario of increasing rice prices is being timed with the fresh proposal to reduce the tariffs on imported rice, corn and pork," So said.

SINAG said at present, importers can sell imported well-milled rice at P42 to 43 per kg to retailers while local well-milled rice can be sold between P41 and P45 per kg.

Local farmgate prices of palay range from P23 to 25 per kg. Imported rice is at P29,800 per metric ton (MT) including freight.

Meanwhile, Sombilla said India's allocation of as much as 295,000 MT of non-basmati white rice for the Philippines can help assure supply at the end of the harvest season.

"That will add supply to our January-February stocks as it is the time usually for the planting season. Hopefully the impact of El Nino will not be that worse as that volume (from India) will be very important and necessary for us to be able to get through if the El Nino (damage to crops) happens," Sombilla said.

Earlier this month, Gerald Glenn Panganiban, director of the Bureau of Plant and Industry (BPI), said the Philippines will have stable supply of rice in the last quarter of the year.

Panganiban said the country is expected to harvest 1.9 million MT of rice this month which will boost national buffer stocks of the staple to 74 days from 52 days at present.

Based on DA's monitoring of public markets in the National Capital Region, the price as of yesterday of local well-milled rice is between P45 to P48 per kg and regular milled, P41 to P45 per kg.

The price of imported well milled rice is at P45 to P48 per kg, while imported regular milled rice is at P43 per kg.

Imported rice ranges from P53 to P60 for the special variety and P50 to P56 for premium.

For local rice, the special variety costs P54 to P62 per kg and premium, P47 to P60 per kg.

According to data from BPI's National Plant Quarantine Services Division, as much as 2.68 million MT of imported rice arrived in the country as of October 5.

The bulk, or 2.4 million MT that is equivalent to 89 percent of the total shipments, was from Vietnam while 13,579.39 MT or 0.5 percent came from India. - ***Jed Macapagal***

BusinessMirror
A broader look at today's business

Date: Oct. 20, 2023 Page: A4

NFA eyeing contract growing arrangement with rice farmers to boost dry season yield

By Jasper Emmanuel Y. Arcalas
@jearcalas

THE National Food Authority (NFA) is mulling over entering into contract growing agreement with rice farmers in the dry season to guarantee its buffer stocks, high-ranking agriculture officials said.

Agriculture Undersecretary for Rice Industry Development Leocadio S. Sebastian said the NFA's plan to enter into contract growing with local farmers is being considered for the upcoming dry season.

Under the recommendation, the NFA will have a contract growing agreement with rice farm clusters grouped by the Department of Agriculture (DA).

Under the agreement, the rice farm clusters would receive various interventions from the DA like seeds and fertilizers in exchange for selling a share of their harvest to the NFA for its buffer-stocking mandate.

"Farmers will now have an option to sell their harvest to the NFA or sell to the private sector. That way, the NFA has a contract with the farmers to sell at least half of their harvest to the NFA," Sebastian said in a radio interview on Thursday.

"That is what we want to happen especially during this dry season so that NFA can really procure," he added.

Sebastian noted that the NFA is currently drafting the contracts for the proposed measure.

"Hopefully, we can do it this dry season," he said.

Sebastian said the rice buffer-stocking agency is finding a hard time competing with rice traders since they are buying palay well-above the NFA's buying price.

"The NFA has to focus on areas where palay prices are low, they can buy there. If it is in Central Luzon or Region 2, they will find a hard time buying palay," he said.

Furthermore, Sebastian said one of the perennial problems of the NFA is the lack of logistical means, such as trucks, to be able to go to farms to directly procure palay from farmers.

"Kung pupuntahan ka ng traders sa bukid, tapos [iyong] NFA pupuntahan mo sa opisina, saan ka pupunta?" Sebastian said.

"The [NFA] does not have trucks to go to farms. They should really procure in areas where palay prices are down," Sebastian added.

The NFA Council, led by President Ferdinand R. Marcos Jr. in his concurrent capacity as agriculture chief, approved the increase in the rice agency's buying price in late September. The NFA is now buying dry palay at P23 per kilogram and wet palay at as much as P19 per kilogram.

Last week, the BusinessMirror reported that the state-run NFA stands ready to borrow money from state-run banks should it need more cash in meeting its target of buying 500,000 metric tons (MT) of palay from local farmers this harvest season. ***(Related story: https://businessmirror.com.ph/2023/10/09/nfa-ready-to-borrow-to-buy-500k-mt-palay-from-farmers/)***

BusinessMirror
A broader look at today's business
Date: Oct. 20, 2023 Page: A1 & A2

DA cool to groups' call to reimpose rice price cap

By Jasper Emmanuel Y. Arcalas
@jearcalas

An alliance of agriculture groups has urged government to reimpose a price ceiling on rice next month, but the Department of Agriculture (DA) is lukewarm to the proposal, arguing that there are other options to ensure that domestic staple prices remain stable and affordable.

"I do not think [we have to reimpose the price cap]. The price cap should really be a short term. I don't think we will resort to that, we will have to study [that]," Agriculture Undersecretary for Policy, Planning and Regulations Mercedita A. Sombilla told reporters in an interview on Thursday.

"There are probably other measures that we can already do," Sombilla added.

Sombilla pointed out that the imposition of the price cap in September was an emergency measure

See "DA," A2

DA...

Continued from A1

to arrest the unexplained spike in the retail prices of rice. She emphasized that the government was just "forced" to implement the price ceiling on regular and well-milled rice.

"*Talagang napilitan lang tayo noon na mag-price* cap [We were really just forced to resort to a price cap]. We wanted it very very short, one month is quite long for that purpose," she said.

Other factors that the government can lean on to ensure rice prices would remain affordable is the anticipated bumper harvest for palay, according to Sombilla.

Sinag's call

The Samahang Industriya ng Agrikultura (Sinag) on Thursday proposed that the national government reimplement the P45 per kilogram price ceiling on well-milled rice, both for locally produced and imported stocks.

The proposal, the group argued, is aimed at "preempting" the alleged attempts of "unscrupulous" rice industry players to cause an "artificial" spike in the retail price of the staple.

The group noted that the prevailing buying price for fresh palay is currently ranging between P21 and P23.5 per kilogram while dry palay fetches P26 to P29 per kilogram.

"While this is positive for our farmers; we are all worried of a possible repeat of the rice price spikes last August where traders tried to justify the increase in rice prices because of the high farmgate price(s) of palay," it said.

"We are also aware that a scenario of increasing rice prices is being timed with the fresh proposal to reduce the tariffs on imported rice, corn and pork," it added.

Sinag claimed that the landed cost of imported well-milled rice is hovering around P40.23 per kilogram, which could be passed to retailers at P42 to P43 per kilogram.

Meanwhile, the group pointed out that local well-milled rice could be sold between P41 to P45 per kilogram based on a P23 to P25 per kilogram farm-gate price of palay.

"They are again wanting to create another artificial rice price crisis. So we are asking again our President to intervene and address this potential problem," it said.

Furthermore, Sombilla pointed out that the 295,000 metric tons (MT) import allocation that the Philippines secured from India would also help ensure sufficient rice stocks in the country, especially if the forecasted El Niño would have a detrimental impact on local palay production.

"If that comes in, it will definitely provide us with the supply that we will be needing especially at the end of the harvest season. That will add to supply to our January to February stocks," she said.

"Hopefully, El Niño will not have a huge impact. [Nonetheless], that [import] volume will be very improtant and necessary for us to be able to get through if the El Niño happens," she added.

Related story: https://businessmirror.com.ph/2023/10/18/phl-gets-imported-rice-allocation-from-india/

Abante
UNA SA BALITA

Date: Oct. 20, 2023 Page: 2

VILLAR NABURYONG SA NIA, NAG-WALKOUT

HINDI napigilan ni Senador Cynthia Villar ang kanyang galit at nag-walkout sa pagdinig ng 2024 proposed budget ng National Irrigation Administration.

Nag-ugat ito sa report ni NIA administrator Eduardo Guillen kaugnay sa mga irrigation projects ng NIA kung saan lumalabas na 5 percent lamang ang natatapos makalipas ang ilang taon.

Ilan sa mga proyekto ay panahon pa ni dating Pangulong Noynoy Aquino sinimulan at hanggang ngayon ay nakatiwangwang.

Sinabi ni Sen. Villar, hindi dapat nagsisimula ng maraming proyekto ang NIA kung hindi rin matatapos sa takdang panahon.

"Kung ganyan ang ano mas maganda pa less project pero mas ginagawa kaysa sa kadamidami niyong project, puro 5 percent, 10 percent, ano 'yan? Eh walang impact iyan sa tao, ano bang kalokohan iyan!" diin ni Villar sabay tayo sa kanyang upuan.

Habang nasa isang gilid ng kuwarto, patuloy ang sermon ni Villar kay Guillen.

Makalipas ang isang minuto, bumalik ito sa kanyang upuan at ipinatawag ang kinatawan ng Department of Budget and Management habang patuloy naman ang panenermon sa NIA chief.

Noong magpapaliwag si Guillen, muling tumayo sa upuan si Villar at naglakad-lakad. Habang nasa isang sulok, maririnig ang sinasabi nito na "noong una, napansin ko sa inyo puro kayo feasibility study. Ba't kayo magfe-feasibility study wala nga kayong pera?"

"Puro salita lang iyan, walang ginagawa. Kaya pala ganito agriculture natin," banat ni Villar.

Paliwanag ni Guillen, hindi buo ang nilalabas na pondo ng DBM kaya nabibitin ang kanilang mga proyekto. Halimbawa umano ang P1 bilyon na alokasyon pero P100 milyon lang naman nire-release ng DBM.

Matapos ang dalawang beses na pag-walkout, bumalik din si Villar sa kanyang upuan para ipagpatuloy ang budget deliberation ng NIA.

PEOPLE'S JOURNAL
Everybody's Newspaper

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TEAM ENERGY EMPOWERS ABACA FARMERS IN CAPIZ WITH HYBRID SOLAR-POWERED MACHINE

A group of small scale abaca farmers with 70 members in Jamindan, Capiz are now able to produce higher quality abaca fibers that will help increase their income after they received a state-of-the-art hybrid-solar-powered abaca spindle machine donated by TeaM Energy.

In partnership with the Department of Energy (DOE) Visayas Field Office, the local government of Jamindan, Capiz Electric Cooperative, Inc. (CAPELCO), and the Philippine Fiber Industry Development Authority (PFIDA), TeaM Energy Foundation Inc. (TEFI, the social development arm of TeaM Energy), funded the purchase of the abaca spindle machine that was turned over to the Pasol-o Small Coconut Farmers Association (PASCFA).

"This hybrid solar powered system donated by TeaM Energy uses the abundant sunlight in the community during daytime to drive the spindle machine. Unutilized energy or excess solar power when not in use will be credited to the account of the community association which serves as the net metering component of the project. This reduces the reliance on conventional energy sources and benefits both the environment and the local economy," explains Deanna B. Maningding, Program Manager of TEFI.

Traditionally, farmers in Barangay Pasol-o where PASCFA is based have employed manual methods to process abaca fibers, laboriously pulling the fibers by hand. This manual approach typically results in thicker abaca strips, which fetch a lower market price, averaging around 50 pesos per kilo. With TeaM Energy's donation of the hybrid solar-powered abaca spindle machine, farmers will now have access to advanced technology that yields more refined abaca strips, which command a significantly higher price of approximately 90 pesos per kilo. These abaca strips are mainly used as raw material for barongs and other local garments.

The hybrid solar-powered spindle machine not only enhances the quality of the abaca fiber; it also increases the efficiency and productivity of the farmers.

TeaM Energy also organized training sessions for members of PASCFA on the operation and maintenance of the abaca spindle machine and the solar power system. Through these training programs, the farmers will be able to maximize the benefits of the new equipment while ensuring its long-term sustainability.

"TEFI's donation of the abaca spindle machine represents a significant step forward in enhancing the livelihood of farmers in Jamindan, Capiz," says Maria

Members of the Pasol-o Small Coconut Farmers Association inspect their brand new, solar-powered abaca spindle machine donated by TeaM Energy. This spindle machine will help increase the income of local abaca farmers as it allows them to produce higher quality abaca strips that will be used as raw materials for barongs and other local garments.

Teresa C. Lopez, Vice President of TEFI. "By modernizing abaca fiber production and harnessing the power of renewable energy, this initiative elevates the economic prospects of the community," she adds.

TeaM Energy Foundation is the social development arm of TeaM Energy, which operates two coal-fired power plants: the 1,200 MW Sual Power Station in Pangasinan, and the 735 MW Pagbilao Power Station in Quezon Province. It also has a 50% stake in the 420 MW Pagbilao Unit 3 Power Project in Quezon.

PEOPLE'S JOURNAL
Everybody's Newspaper

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295K MT of rice coming from India

INDIA is exporting 295,000 metric tons of non-basmati white rice to the Philippines, the highest allocation it has given to a foreign country after lifting the restriction to specific nations.

The Indian government, through the Ministry of Commerce and Industry, issued a notification dated Oct. 18 that the Philippines together with Nepal, Cameroon, Cote d'Ivore, Malaysia, Seychelles, and the Republic of Guinea are now eligible for the exports.

"It is with immense pleasure to inform you that the highest allocation of rice export was made to the Philippines," the Indian Embassy in Manila said in a statement on Wednesday.

"Request made at the leadership level and the positive decision reflects the growing confidence in the bilateral relationship," it added.

India, the world's largest rice exporter, banned the export of non-basmati rice in July in a bid to allay rise in prices in its domestic market.

The Department of Agriculture has been in talks with the Indian government since August to allow the imports to the Philippines "on humanitarian grounds" amid the high prices of rice. *PNA*

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FREEPIK

PHL pinning hopes on Indian rice to help plug deficit in early 2024

THE rice export quota assigned to the Philippines by India could be tapped to address the expected shortage in January, when the supply of grain typically diminishes as planting season starts, an agriculture official said.

"If (the Indian rice) comes in, that will definitely provide us with the supply that we will be needing at the end of the harvest," Agriculture Undersecretary Mercedita A. Sombilla told reporters on the sidelines of the International Rice Congress.

Ms. Sombilla said Indian shipments will add to the supply during January and February, when planting season begins.

"Hopefully the impact of El Niño will not be severe; that volume will be very important and necessary for us to be able to get through," she added.

India's Director of Foreign Trade announced on Wednesday a rice export quota for the Philippines of 250,000 metric tons (MT). It also approved smaller quotas for Nepal, Cameroon, the Ivory Coast, Guinea, Malaysia, and the Seychelles.

Earlier, India had banned the export of non-basmati white rice to ensure adequate domestic supply. Basmati is the preferred domestic variety in India, while non-basmati white rice is the most-traded international variety.

India is the world's largest rice exporter, and its export ban had exerted upward pressure on international rice prices. The Philippines is the world's largest rice importer.

Philippine rice imports totaled 2.49 million MT as of Sept. 21, according to the Bureau of Plant Industry, with India accounting for 13,493.39 MT, equivalent to 0.6% of the total.

Vietnam remained the Philippines' top source of rice, shipping 2.24 million MT or 89.96% of Philippine imports for the period.

The government weather service, known as PAGASA (Philippine Atmospheric, Geophysical and Astronomical Services Administration), expects El Niño to strengthen towards late 2023, persisting until the first quarter of 2024.

Ms. Sombilla said imports will help curb surging retail prices of the staple grain.

High retail prices of rice prompted President Ferdinand R. Marcos, Jr. to order price controls on Sept. 5. This fixed the maximum price at P41 per kilogram for regular-milled rice and P45 for well-milled rice, caps which have since been withdrawn.

The Samahang Industriya ng Agrikultura (SINAG) cited the need to re-impose the P45 per kg price cap on well-milled rice in November, alleging that traders are creating "artificial" supply conditions to justify high prices.

"Rice farmers and millers have reported to us that some millers and traders are offering to buy palay between P21-23.50 per kilo of fresh palay (unmilled rice) and between P26-29 per kilo of dry palay," SINAG Chairman Rosendo O. So said.

"While this is positive for our farmers, we are all worried about a possible repeat of the rice price spikes last August," Mr. So added.

Asked to comment, Ms. Sombilla said that there are other measures available to curb any increases in rice prices.

"The price cap should really be a short-term (measure). I don't think we will resort to that... *Napilitan lang talaga mag-*price cap *noon* (we were forced to impose price controls at the time)," she added. — **Adrian H. Halili**

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IRRI signs on as partner to develop yield-based crop insurance program using satellite mapping

THE Philippine Rice Research Institute (PhilRice) and the Philippine Crop Insurance Corp. (PCIC) said they entered into a partnership with the International Rice Research Institute (IRRI) to develop a satellite-enhanced crop insurance program which will compile a map of riceland yields.

"This partnership is a step towards making insurance protection available to Filipino farmers at a crucial time when we are facing severe weather challenges," PhilRice Executive Director John C. de Leon said.

The yield database will help the PCIC assign a value to policies taken out by rice farmers.

The three organizations intend to collaborate in bringing crop insurance to about 2.4 million rice farmers.

The program will use data from the rice mapping and monitoring system known as PRISM (Philippine Rice Information System) to design and test an Area-Based Yield (ARBY) index.

ARBY considers historical yields of plots of land to help determine insurance payouts in the event of losses.

"The fusion of satellite technology and advanced modeling is revolutionizing how we can insure crops," IRRI Interim Director-General Ajay Kohli said.

"(The) satellite-based ARBY index insurance for rice can help simplify the much-needed coverage for small farmers," Mr. Kohli added.

PCIC President Jovy C. Bernabe said technology has the potential to help improve insurance products and services.

"(It) can bring efficiencies to our operations compared to traditional indemnity-based crop insurance models which involve site visits and verification of every claim," Mr. Bernabe added.

The PCIC said about 1.6 million rice farmers carried insurance in 2022. — **Adrian H. Halili**

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Urgency of investing in agriculture, food grows as climate change threat looms

THE agrifood sector was identified as a priority area for global investment, though investment prospects currently offer limited visibility going forward, the United Nations Conference on Trade and Development (UNCTAD) said.

In a report, UNCTAD said high debt levels and a volatile investment climate are key obstacles to attracting global investment.

Philippine Chamber of Commerce and Industry (PCCI) President George T. Barcelon said global economies are facing supply chain disruptions caused by geopolitical uncertainties.

"Even among ASEAN countries, we rely heavily on imported fertilizer ... geopolitical tensions will impact the supply of this key ingredient," he said.

UNCTAD estimated the global investment gap in developing countries at $4 trillion a year.

Mr. Barcelon said ministers at UNCTAD's 8th World Investment Forum are also now seeing the implication of climate change.

"Some countries used to have predictable harvests of rice and wheat ... but now we are seeing droughts," he said.

FREEPIK

Michael L. Ricafort, chief economist of Rizal Commercial Banking Corp., said that prioritizing agrifood is crucial for food security, citing the particular need to invest in improving productivity.

He noted the availability of technology to raise the level of mechanization, as well as the presence of higher-yielding varieties of crop, and cited the potential of improved irrigation and infrastructure.

"(These will) further bring down costs and prices of food and other agricultural products," he said.

He added that assigning priority to the sector is a "more effective and a more structural approach in improving the supply chains of food and other agricultural products in a more sustained manner over the long term."

"It would also force competitors to adopt the best available technologies (funded by) foreign direct investment," he added.

UNCTAD said that the ministers attending the forum reached a consensus on the need for a business-friendly environment, attracting environmentally responsible investment, and establishing strategic public-private partnerships.

"They deemed investment in transformative and sustainable technologies to be crucial for a paradigm shift in global food security and environmental sustainability," UNCTAD said.

"This involves accelerating the transition to renewable energy, harnessing green technologies and promoting supportive business environments," it added. — **Justine Irish D. Tabile**

BusinessWorld

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Cocoa consolidates just below record peak

NEW YORK — London cocoa futures on ICE were marginally lower as the market consolidated just below the prior session's recent peak, while raw sugar prices were little changed.

COCOA

March London cocoa settled down £2 or 0.1% to £3,138 a metric ton after setting a record high of £3,154 pounds on Tuesday.

Dealers said the market may be set to consolidate in the short-term after its recent strong advance although it remains underpinned by the prospect of a third consecutive global deficit in the 2023/2024 season (October/September).

The market was keenly awaiting third-quarter grind data from North America and Asia for any indication that high prices may be curbing demand. Both reports are expected to be issued on Thursday.

The European third-quarter grind, issued last week, fell a much smaller than expected 0.9% from a year earlier.

December New York cocoa rose $4 or 0.1% to $3,639 a ton.

SUGAR

March raw sugar was little changed at 27.48 cents per pound (lb).

Dealers noted concerns about delays to shipments from top exporter Brazil.

"Heavy rains in Brazil are slowing the loading of vessels at ports, which will likely push some shipments which were scheduled for October into November," ING said in a note. "These logistical delays come at a time when there is already plenty of supply concern in the sugar market due to expectations of poorer output from both India and Thailand in the 2023/24 season."

December white sugar rose $2.90 or 0.4% at $741.80 a ton.

COFFEE

January robusta coffee rose $15 or 0.6% at $2,335 a ton.

December arabica coffee rose1 cent or 0.6% at $1.5805 per lb.

Broker StoneX said in a note that current fundamentals are more positive for robusta than arabica, in general, since the El Niño weather pattern could hurt robusta output in Asia while prospects for arabica production in Brazil in 2024 seem good. — ***Reuters***

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Date: Oct. 20, 2023 Page: A6

Soybeans hit 3-week high

SINGAPORE- Chicago soybean futures were flat on Thursday, after climbing earlier in the session to a three-week high as prices found support in strong demand from US oilseed processors and a drought in rival exporter Brazil.

Wheat gained ground amid tight supplies in India, a leading wheat consumer, while corn eased.

"The soybean market is taking into account US demand and dry weather in Brazil," said one Singapore-based oilseed trader. "But China's demand will be key to prices going forward."

The most-active soybean contract on the Chicago Board of Trade (CBOT) held its ground at $13.10 a bushel, as of 0325 GMT, after hitting its highest since Sept. 27 at $13.15 a bushel earlier on Thursday.

Wheat added 0.7 percent to $5.84 a bushel, while corn lost 0.1 percent to $4.91-3/4 a bushel.

Soybean futures are being supported by strong US local demand and on news that US exporters had sold 132,000 metric tons of soybeans to China for the 2023-2024 marketing year.

A severe drought in Brazil, the world's biggest soybean exporter, is providing further support to prices.

The Amazon River fell to its lowest level in over a century on Monday at the heart of the Brazilian rainforest as a record drought upends the lives of hundreds of thousands of people and damages the jungle ecosystem.

The drought in the Amazon is forcing Brazilian grain exporters to divert a small number of export cargoes to southern port terminals instead of northern ports, grain exporters group Anec said on Wednesday. *-Reuters*