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No need to impose new rice price cap – DA

By JEL SANTOS

The Department of Agriculture (DA) does not see the need to reimpose a price ceiling on rice amid improving rice supply in the country.

"Sa dami ng palay, hindi namin nakikita na magkakaroon ng price ceiling," Agriculture Assistant Secretary Arnel de Mesa said in a radio interview on Sunday, Oct. 22.

"Maganda ang supply natin ng bigas sa buong bansa. Ngayong October, inaasahan natin na pinakamarami ang harvest for the wet season at magtatapos ito ngayong November (Our rice supply nationwide is looking good. This October, we are expecting the largest harvest for the wet season and it will end in November)," De Mesa added.

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No need to impose new rice price cap – DA 1◀

The Agriculture official further said that with this, they are expecting that the country's national stock inventory will be up to 94 days.

He added that the country's rice supply is "very stable" until the first quarter of 2024.

De Mesa pointed out that the reason behind implementing a price rice cap in September was due to high prices of the staple food commodity that reached over ₱50 per kilo for well-milled rice.

This time, De Mesa said, it is no longer the case as the price of regular and well-milled rice does not go over ₱41 and ₱45 per kilo.

While the DA stressed that the imposition of the rice price ceiling last month was key to lowering the rice prices at present, farmers do not believe that it addressed the most basic problems of rice farmers.

"Isang malaking anomalya na nasa panahon tayo ng anihan pero nakapakataas pa rin ng presyo ng bigas at hindi pa rin makatarungan ang presyo ng palay (It is a big anomaly that the prices of rice are still high amid the harvest season and the prices of palay are not fair,"

Danilo Ramos, chairperson of the Kilusang Magbubukid ng Pilipinas (KMP), said.

Ramos explained that imposing a price ceiling would not ease rice prices if cartels continue to dictate and control the supply of rice in the country. Even the government could not do anything about it, he added.

"We are justified in opposing high rice prices that burden consumers and even farmers who cannot afford to buy it anymore. However, Marcos Jr.'s price ceiling and other palliative measures do not explain why rice is expensive in the country, and more importantly, none of these address the most basic problems of rice farmers," Ramos stressed.

The group further said that the Marcos administration has done very little to rein in the large-scale rice smuggling, hoarding, and rice price manipulation saying, "the cartel continues to operate because the DA and the government allow them."

The group also asserts the immediate review and repeal of RA 11203 or the Rice Liberalization Law and demands significant agricultural subsidies for rice farmers.



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DA: Rice supply stable until Q1 of 2024

By **ROMINA CABRERA**

The country's rice supply will be stable over the holidays and until the first quarter of 2024 following the ongoing harvest season and previous imports, according to **Department of Agriculture (DA)** spokesman Arnel de Mesa.

He noted that prices have gone down to

around P41 to P45 per kilo for well-milled rice and down to P38 to P39 per kilo for regular milled rice in some provinces.

De Mesa said the current farmgate prices set by the National Food Authority (NFA), which range between P22.50 per kilo for dry palay and around P18 for wet palay, are advantageous to farmers.

"Farmers are happy that their rice is purchased at a higher (price)," he said in Filipino in an interview over radio *dzBB*.

As for the buffer stock, De Mesa said the country has 94 days in its national stock inventory following the strong harvest season this month and the almost 2.8 million metric tons of rice imported in the first half of the

year.

"We need to maintain our buffer stock. The NFA is purchasing locally. They are not allowed to import. They should maintain at least 300,000 to 350,000 MT of stock as per rice tariffication," De Mesa said.

He reiterated that there is no need to reimpose the rice price ceiling.



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Palay output forecast to hit record high this year

By **Jordeene B. Lagare**
@jordeenelagare

Despite the El Niño phenomenon, an official of the **Department of Agriculture (DA)** is projecting palay (unmilled rice) production to reach 20 million metric tons (MT) this year, the highest in the Philippines if achieved, due to better harvest conditions.

Agriculture Undersecretary Leocadio Sebastian said that assuming the same production scenario, the DA believes it is "still possible this time" to exceed the volume of palay produced in 2022 as a result of higher yields in the first six months.

"Hopefully, we will reach 20 million metric tons. If not, we're just a little short of that," Sebastian said.

Sebastian attributed the rosy outlook to the current harvest season, which he described as "fine," adding that no strong typhoon has hit the Philippines so far, "only heavy rains and pest outbreaks in some areas."



BUMPER HARVEST SEEN Farmers take advantage of the sunny weather to dry their harvest of palay in Apalit town, Pampanga province. —**NIÑO JESUS ORBETA**

He told reporters that the DA was assessing the impact of Typhoon "Egay" (international name: Doksuri) on the agriculture sector, particularly rice, and other weather disturbances that hit the country this year.

The agriculture sector sustained P4.66 billion in losses due to the combined effects of Egay and Typhoon "Falcon" (international name: Khanun), which wiped out P1.79 billion worth of rice, or almost 40 per-

cent of the total losses.

Cropping season adjustment

To maximize production, the DA is in coordination with the National Irrigation Administration to study the adjustment of the cropping season as part of "huge reforms" in the rice sector, according to Agriculture Undersecretary Mercedita Sombilla.

"If they're able to shift the planting season twice in the

dry season, the yields are very much higher than during the wet season," Sombilla said.

Palay output reached 9.03 MT in the first semester of 2023, up by 3.4 percent from 8.7 million MT in the same period a year ago, based on the data from the Philippine Statistics Authority.

The January to June production represents 45.7 percent of the 19.76 million MT of the output recorded the previous year. However, last year's production is lower than the record high of 19.96 million MT attained in 2021.

Earlier, Sebastian said the initial palay harvest from the provinces of Isabela, Nueva Ecija and North Cotabato, estimated at 900,000 MT, would augment domestic supply and stabilize prices.

In a statement, the Presidential Communications Office quoted Sebastian as saying that the initial harvest of palay from the current wet season would occur until September. **INQ**



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What food summits may need to discuss



#MINDANAO

JOHN TRIA

Our inflation levels remain high. The price of food, constituting about a third to half of what makes up our inflation figures, needs to be brought down. To address these concerns, I expect that "food summits" and conferences will be called soon to bring stakeholders together to find solutions to these high prices.

I believe the first thing to do is to get the majority, this means more consumers to these summits. These include community, civic church, and business groups and enterprises such as restaurants and hotels. They may provide perspectives that others may not be aware of, and thus, policies and solutions to lower food prices will be more holistic and beneficial for all Filipinos.

Apart from this, there are recurring challenges that need to be addressed. First is that because of our archipelagic nature, the cost of transporting goods to and from various provinces is a bit higher when compared with countries with one land mass and a single transport vehicle can bring goods from farm to market. In our case, we will need to load and unload ships. Visit the port of Cagayan de Oro in the early evenings to see vegetables bound for the Visayas. This can add time and cost due to additional handling. This is passed on to consumers. The cost of transport needs to be brought down.

The more acute challenges are quite painful. These include intermittent weather and disasters. Throwing away food also harms food production. When a strong typhoon hits, agricultural damage means there will be less of a commodity available, causing prices in the months after to rise.

For these and other reasons, I believe that boosting local food production will be necessary. Since agriculture, is a devolved function under the Local Government Code, the regional offices of the Department of Agriculture will need to boost extension support. This consists of technical advice, and market-

ing assistance to LGUs and communities to help consolidate producers and their products within provinces and seek markets for excess produce outside the area. This means grouping farmers into larger production units so that inputs can be sourced more cheaply, and products can be produced in larger quantities to supply larger demand.

Moreover, the outputs of the various agriculture research centers within regions will need to be publicized to provide updated knowledge that farms can use. This knowledge is even more vital when we realize how changing climates and natural disasters are affecting production. The knowledge makes the existing farms more competitive.

In addition, the Department of Environment and Natural Resources (DENR) and the Department of Agrarian Reform can collaborate with other food-producing agencies to boost localized food production. The DAR works with agrarian reform beneficiaries to boost their production. The DENR has control over public lands that can also produce food, and can promote agroforestry activities that can also supply food particularly fruits from perennial crops.

The combined efforts of these three agencies can be amplified further with collaboration from other agencies will help ensure food availability at the local level and make farms more competitive.

Business and civil society groups can work with the government to ensure distribution and sales of the products to a much wider market. This keeps demand for the produce high, ensuring a steady market for the farm.

What this means, in a nutshell, is a two-pronged approach: Building a more resilient food system for producers and consumers and getting more and cheaper food for the majority will require a whole of society effort.



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Record palay harvest possible this year – DA

BY JANINE ALEXIS MIGUEL

LOCAL production of palay (unmilled rice) is expected to increase this year, a senior official of the Department of Agriculture (DA) said.

Agriculture Undersecretary for Rice Industry Development Leocadio Sebastian said that local palay output is estimated to reach 20 million metric tons (MT), higher by 1.5 percent from the 19.7 million MT recorded output in 2022.

He added that it is also possible that palay output will hit a record high this year.

"[We are expecting yield] higher from last year ... if not, just a small deficit [from last year's output]," Sebastian told reporters on the

sidelines of the 6th International Rice Congress on Oct. 19, 2023.

Palay production for the third quarter of this year is expected to increase by 0.3 percent compared to the same period in 2022, the Philippine Statistics Authority (PSA) said.

Data from the PSA showed that palay production for July to September was estimated at 3.80 million MT as of September, higher than the 3.79 million MT posted a year earlier.

Sebastian, meanwhile, said that the El Niño hasn't been felt yet as the rainy season is still prevailing in the country.

He added that the dry season usually results in better solar radiation, maximizing production in irrigated farm lands.

"If your solar radiation is good, growth of palay will be better, which will result in a better harvest," said Sebastian.

As for areas with no sufficient water supply, Sebastian said they are taking initiatives to adjust the planting calendar to an earlier period.

In terms of buying prices, the official said that the cost of palay is currently high, benefiting farmers.

"I don't hear any complaints from farmers, [which] they do

every year," he said.

Average palay prices at the national level went up to P22.16 per kilogram (kg) in August, indicating an increase of 25.8 percent from P17.61 per kg posted a year earlier.

On Sept. 18, 2023, the National Food Authority (NFA) Council chaired by President Ferdinand Marcos Jr. set a new price range for buying palay to improve the income of rice farmers in the country.

It was announced that the buying price for dry palay would be P23 per kg from P19 per kg and for wet, up from P19 per kg from P16 kg, respectively.

The President said the move was aimed at improving farmers' income and ensuring sufficient supply of the staple.



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DA sees record palay harvest this year

BY JED MACAPAGAL

THE country could experience record palay harvest this year despite the expected effects of the El Niño phenomenon, according to the Department of Agriculture (DA).

Leo Sebastian, DA undersecretary for rice industry development, told reporters on the sidelines of a forum hosted by the International Rice Research Institute last week that local palay production this year can "hopefully" reach up to 20 million metric tons (MT) or just slightly below that figure.

In 2021, Philippine local rice production hit a record 19.96 million MT, but slightly

dropped to 19.76 million MT last year.

The DA said the optimistic projection is driven by the around 300,000 MT yield increase of palay for the first semester of the year compared to a similar period in 2022.

Sebastian added that the effects of El Niño are not yet present so the DA is preparing for its possible effects that will likely amplify temperature for the dry season next year.

However, Sebastian noted the phenomenon's positive and negative effects which the government could prepare for.

"Our irrigated areas are where we maximize production for the dry season because usually, El

Niño will result in better solar radiation. When solar radiation is good, the growth of rice is good, so the yield is higher," Sebastian said.

"That's why in the areas where there is expected to be a shortage of water, that will be hit. If you plant rice during that time when you already know there will be a lack of water, you will really be hit. So, what we are doing there in the areas that we know will be hit by lack of water, we are adjusting the planting calendar to earlier for the arrival of February, March harvest time," Sebastian added.

Mercedita Sombilla, DA undersecretary for policy, planning and regulations, said the agency

acknowledges that among the challenges faced by the Philippines in terms of production is the lack of arable lands.

Sombilla said the Philippines has fewer arable land compared to Vietnam and Thailand, adding that these countries also have access to rivers for irrigation.

"That's why we're trying to find means by which we could really increase production. (Among them) is to shift another dry season crop to a dry season. So, we will have two dry seasons which are going to be more... we can better control weather that way and with proper irrigation, we would be able to increase our production, have higher yields during those times," Sombilla said.



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DA sets best-case scenario for palay output at 20 million MT

OUTPUT of palay, or unmilled rice, could hit 20 million metric tons (MT) in the best-case scenario put forward by the **Department of Agriculture (DA)**, which cited the increased land area planted to the grain.

"We expect it to be higher than last year...the highest we could reach is about 20 million MT," Undersecretary for Rice Industry Development Leocadio S. Sebastian told reporters on the sidelines of the International Rice Congress last week.

Mr. Sebastian added that during the first half, the harvest was ahead of the year-earlier pace by about 300,000 MT.

Last year, palay output fell to 19.76 million MT from 19.96 million MT a year earlier, according to the Philippine Statistics Authority (PSA).



Mr. Sebastian said that El Niño has yet to affect the current harvest.

"There is no El Niño yet, the effect we are seeing is a lot of rain. We will prepare for it in the dry season," he added.

The government weather service, known as PAGASA (Philip-

pine Atmospheric, Geophysical and Astronomical Services Administration), has said that El Niño is likely to peak in late 2023 and early 2024.

Separately, International Potato Center Asia Regional Director Samarendu Mohanty said he does not consider rice self-sufficiency to be easy to achieve for the Philippines amid an increasing population.

"I don't think you'll be self-sufficient, with the population growth you have. You still have to address it through imports. And if you (resort to) imports, then you have this uncertainty (in the form of) exporting countries' restrictions," Mr. Mohanty said.

India's Director of Foreign Trade announced on last week the easing of its export ban on non-basmati white rice, allocating 250,000 MT to the Philippines.

Vietnam, the Philippines' top source for rice, announced plans to reduce rice exports to four million tons a year by 2033.

In a report the PSA said that Philippine's rice self-sufficiency ratio declined to 77% in 2022 from 81.5% a year earlier.

Asked to comment, Mr. Sebastian said rice self-sufficiency can be attained via the government's Masagana Rice Industry Development Program.

The program aims to stabilize the supply of the staple grain at between 24.99 million MT and 26.86 million MT, in the process keeping the annual growth of rice prices at less than 1%.

"We have to exert a lot of effort, we need to focus on initially irrigating about 1.5 million hectares, maximize the productivity in that area... (and) we could get higher yields, he said. — **Adrian H. Halili**

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DA tests red onion seeds in Davao de Oro

By MANUEL T. CAYON

[@awimailbox](#)

DAVAO CITY—The Department of Agriculture tested the adaptability of red onions in the province of Davao de Oro, formerly Compostela Valley, in a move to spread out the production of this important spice in the kitchen, the price of which has skyrocketed several times beyond the reach of common households.

The test planting was started on October 6 for Onion 68, Onion 88, Super Pinoy, Red Pinoy, Red Moon, and Red Dragon varieties in a demonstration area of 880 square meters in Barangay Batiniao, New Bataan town.

Each variety is planted to a

30-square-meter lot. The onions are expected for harvest in December.

This test planting was actually the second attempt after the first test planting on May 4 failed due to the continued heavy rains in the test area in Barangay Pasion in Monkayo town.

The second planting was undertaken by the Batiniao Cabacungan Sto. Nino Irrigator's Farmers Association (Bacasifia Inc).

Four seed companies—the RAMGO International Corp., Allied Botanical Corp., East-West Seed Co. and Pilipinas Kaneko Seeds Corp.—participated in the DA test planting in what the agency called a production derby.

"The Department of Agriculture-RFO XI initiated this

project through its High-Value Crops Development Program, in partnership with the Provincial and Municipal Governments, National Irrigation Administration, Department of Labor and Employment, and Seed Companies, designed to help with food security, poverty reduction, and long-term growth," said DA XI Field Operation Division Chief Marie Ann Constantino.

She said that "with soaring market prices for onions, we devised a plan to conduct a red bulb onion production derby in order to guarantee our food security and sufficiency."

"We also encourage you to think beyond food security but to have the sufficiency to compete on a global scale, as this could raise

your standard of living," she said.

The result of the study will be the basis for the government procurement of red bulb onion seeds to be distributed to qualified farmers in the province.

Assistant Provincial Agriculturist Ronald C. Sibayan said he hoped for the study's success "as this would benefit the people of Davao de Oro."

"If this would be successful, the next step is to mass-produce the onions. The provincial government is open to this endeavor because this is one the priority of the governor to address the complaint of farmers," he added.

Executive Assistant Fr. Nick Consencino, representing Governor Dorothy P. Montejo-Gonzaga, said "This is one rare opportunity for us. Hopefully this would succeed. By December, let us return here to a harvest festival."



HOUSE TO CONTINUE PRICE WATCH

By Jester Manalastas

THE House Committee on Agriculture and Food will continue checking the prices of rice, onions and other agricultural products.

Committee chairman Quezon Representative Mark Enverga said upon the instruction of Speaker Martin G. Romualdez and in line with the desire of President Ferdinand Marcos Jr. to make food products affordable, the panel will observe and address food inflation.

Enverga said the panel would conduct public hearings and inquiries and hold consultations with stakeholders, if necessary, to avert any unreasonable increase in prices of basic staples.

"We will not be intimidated by pressure from any source. We are here to serve our people's interests under the PBBM administration," Enverga said.

Enverga added that he and his colleagues should not be

distracted by the controversy surrounding the request and use of confidential and intelligence funds (CIFs).

"That's water under the bridge now because the House has already decided to realign those funds to agencies concerned with the country's security and territorial integrity. Those affected should respect the House decision," Enverga stressed.

Early this year, the Enverga

committee conducted a four-month inquiry into the sudden increase in the price of onions, which skyrocketed to as much as P800 a kilo.

The hearings resulted in the drastic drop of onion prices from P700 to P160 per kilo.

Partly as a result of the inquiry, the National Bureau of Investigation has filed charges against three Department of Agriculture officials and three officers of a cooperative.



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EDUCATION, INSPIRATION Searca and Unilab's holding of the seminar aims to educate and inspire farmers to make informed decisions in their financial endeavors, marketing strategies and daily dietary habits.
CONTRIBUTED PHOTO

Searca, Unilab provide health, financial literacy to farmers

LOS BAÑOS, Laguna: To provide health and financial literacy seminars to farmers in this town, the Southeast Asian Regional Center for Graduate Study and Research in Agriculture (Searca) collaborated with the United Laboratories Inc. (Unilab), a leading pharmaceutical company in the Philippines.

Dr. Glenn Gregorio, Searca director, said the farmers need to be educated and inspired to make informed decisions in their financial endeavors, marketing strategies and daily dietary habits.

Associate Prof. Joselito Florendo, Searca deputy director for administration, said farmers need to be equipped with knowledge and resources to enhance their productivity and livelihood.

"It is time we gave importance to the physical and financial health of our farmers," Florendo also said.

He noted that very recently, on Oct. 16, 2023, Searca, through

its Partnerships Unit, and Unilab conducted a half-day Seminar on Health and Financial Literacy for Smallholder Farmers at the Searca Drilon Hall here.

During the seminar, Jeff Evangelista, Unilab's presiding officer of the 41st Employees Council, briefed 17 farmers from Timuga n in this town about the company's corporate advocacy program, "Ala gang Unilab," in his opening message.

The seminar featured three talks on topics identified by the farmers.

First, Jenny Lyn de Jesus, a Sunlife financial advisor, delivered a presentation on "Achieving Financial Freedom," providing farmers with strategies and tips for managing their finances effectively.

Secondly, Zara Mae Estareja, Searca senior associate for public relations, shared practical insights on leveraging Facebook to promote and sell agricultural products in her presentation, "Facebook for Marketing Agri

Products."

Lastly, Mara de los Santos, a nutritionist-dietitian at RelianceUnited, a subsidiary of Unilab, discussed the significance of a balanced diet and nutrition in maintaining overall well-being in her presentation, "Importance of Diet and Nutrition in our Daily Lives."

Gregorio said Searca and Unilab distributed vitamins and vegetable seeds to the farmers during the event which encapsulated the institutions' mutual commitment to community support, sustainability and good health and well-being.

Searca also facilitated the handing over of Unilab's donation of three units of computers to the Dagatan Family Farm School (DFFS) in Lipa, Batangas.

DFFS is a valued partner school of the center and is a recognized learning site for agriculture by the Department of Agriculture-Agriculture Training Institute.

LEANDER C. DOMINGO

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Sen. Villar cites co-ops' role in boosting local economy devt

SEN. Cynthia Villar hailed over the weekend the exemplary achievements of cooperatives in boosting local economic development.

Addressing the opening of the Coopreneurs Avenue Bazaar 2023 in Vistamall, Taguig, Villar, chair of the Senate Agriculture committee, reminded: "No cash prize can ever sufficiently reward the very important accomplishments of cooperatives in improving people's lives."

At the outset, Villar observed that the Coopreneurs Avenue Bazaar 2023 in Vistamall, Taguig, "showcases the entrepreneurial skills of residents of Taguig and nearby places." She noted it was sponsored by Simbayanan ni Maria multi-purpose Cooperative, a parish-based cooperative led by Fr. Anton Pascual of Our Lady of the Holy Rosary Parish.

The Simbayanan was a recipient of various awards like the Most Outstanding Cooperative in 2019 by the Cooperative Development Authority and the Gawad Parangal

Award 2019 Regional Outstanding Cooperative under the Large Billion Category Cooperative Development Authority.

"It was also one of the winners in the 2015 Villar SIPAG Awards wherein P5 million in cash were given to 20 cooperatives in their annual nationwide search for outstanding organizations and community enterprises which serve as models in mitigating the country's poverty," related Villar.

The Villar SIPAG (Social Institute for Poverty Alleviation and Governance) was established by the Villar family to improve the living conditions of the poor and to give recognition to enterprises through the Villar SIPAG Awards on Poverty Reduction.

"Through this initiative, Villar SIPAG is able to acknowledge the work of cooperatives in supplementing government efforts to fight poverty," added Villar. She recalled that SIPAG Awards for Poverty Reduction was launched in August 2013. **Butch Fernandez**

Malaya Business Insight

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Corn futures retreat

CHICAGO- Chicago Board of Trade corn futures closed lower after hitting their highest price since August on Friday, while soybean futures retreated from a one-month high.

Traders took profits after the markets rose earlier on concerns about a drought in Brazil disrupting grain shipments on rivers and slowing soy plantings, analysts said. Technical buying and hopes for additional US export demand also supported futures earlier in the session.

US farmers with crops to sell welcomed a temporary return of corn prices above \$5 a bushel as many continue to harvest their fields, bringing fresh supplies to the market.

But most-active corn futures ended below that key price level, with the December contract falling 9-1/2 cents to \$4.95-1/2

a bushel. The market earlier reached \$5.09-1/2, its highest price since Aug. 2.

"Corn was up overnight, and tried to stay that way early in the day session, but fell off hard late on harvest hedging and chart selling," Charlie Sernatinger, executive vice president of Marex Capital Markets, said in a note.

Soybean futures touched \$13.18-1/2 a bushel, its highest price since Sept. 21, before closing 13-1/4 cents lower at \$13.02-1/4. Soymeal reached its highest price since June.

Farmer sales of soybeans have accelerated in recent days, with strength in the futures market and basis gains combining to push cash prices above \$13 a bushel in many areas, an Iowa dealer said. However, some growers continue to hold out for even higher prices.

- Reuters



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ASIA RICE

India prices retreat; Vietnam's increase

PARBOILED rice export prices in top hub India declined for the third straight week on sluggish demand, primarily due to the extension of export duties until March 2024.

Prices for India's 5 percent broken-parboiled variety fell to \$510-\$520 per metric ton from \$515-\$525 last week.

"Last week, buyers were waiting for the government's decision on the duty. This week, some of them started buying after the government provided clarity ...However, demand is still far lower than normal," said Akash Jhunjhunwala, a rice miller based in Lucknow, Uttar Pradesh.

India announced an extension of the 20 percent export duty, initially set to expire on Oct. 15, to March 2024.

Last week, India said it will maintain the floor price for basmati rice until further notice, as it continues to restrict overseas shipments.

But the country said it will permit the export of non-basmati white rice to several countries, including Nepal, Cameroon, Malaysia, the Philippines, Seychelles, Ivory Coast, and the Republic of Guinea.

Thailand's 5 percent broken rice prices also eased to \$575-



Farm laborer's planting rice saplings in a field on the outskirts of Ahmedabad, India. (Reuters Photo)

\$580 per metric ton from \$580-\$600 last week.

"Demand was coming in from Asian and African countries," said a Bangkok-based trader, adding supply from the most recent harvest was expected by month-end.

Vietnam's 5 percent broken rice prices rose to \$625-\$630 per met-

ric ton versus \$615-\$625 last week.

"Prices edged up slightly because supplies are flat as the summer-autumn harvest has ended," a Ho Chi Minh City-based trader said, adding high global demand and Middle East tensions as contributing factors.

Preliminary data showed

271,600 tons of rice to be loaded at Ho Chi Minh City port during Oct. 1-22, most of it headed to the Philippines, Indonesia and Cuba.

In Bangladesh, officials said the government had hiked the price it would pay farmers for the upcoming harvest, aiming to purchase 700,000 tons. -Reuters



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Brazil's Lula vetoes bill favored by farm lobby restricting Indigenous land claims

BRASILIA — Brazilian President Luiz Inacio Lula da Silva has vetoed the core parts of a bill backed by the country's powerful farm lobby that would have limited claims to ancestral lands where Indigenous people have lived by 1988.

"The president vetoed everything that was unconstitutional and not consistent with our Indigenous peoples policy," his Institutional Relations Minister Alexandre Padilha announced.

The government will retain some parts of the bill in keeping with its Indigenous policy and sign it into law, he said.

Brazil's first Indigenous People Minister Sonia Guajajara, appointed by Mr. Lula, said the veto was a big victory for the country's 1.6 million Indigenous people, who have strived to protect their land rights threatened by the advance of the agricultural frontier into the Amazon region.

"The important thing is that Indigenous rights are guaranteed by the veto," she said at a news conference with Mr. Padilha after a meeting with Mr. Lula to decide the matter.

The number of land conflicts has increased with Brazil's rapidly expanding agriculture. Indigenous communities across the country claim land that farmers have settled and developed, in some cases for decades.

The core of the bill sought to establish in law a cut-off for new reservations on lands Indigenous people did not live on by Oct. 5, 1988 when Brazil's Constitution was enacted.

The caucus representing agribusiness in Brazil's Congress said they would seek to vote to overturn Mr. Lula's veto, adding that lawmakers' decisions must be respected by the other branches of government.

The Supreme Court ruled last month that the deadline proposed was unconstitutional. Farmers have said the bill would ensure greater legal security of their land ownership, curtailing land conflicts.

Minister Guajajara responded in an interview with Reuters that it would undermine the ancestral land rights of Indigenous people and threaten their way of life, and she urged Mr. Lula to veto it completely. — **Reuters**

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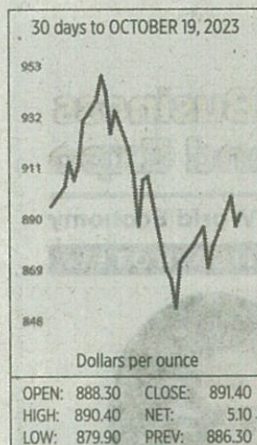


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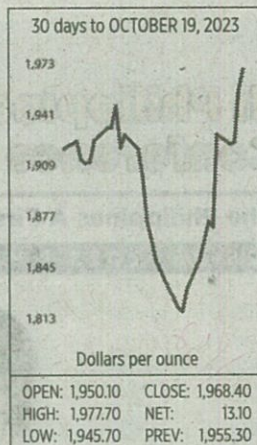
US COMMODITY FUTURES

SOURCE: REUTERS
THURSDAY, OCTOBER 19, 2023

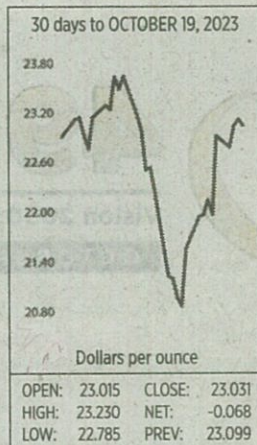
PLATINUM (NOVEMBER CONTRACT)



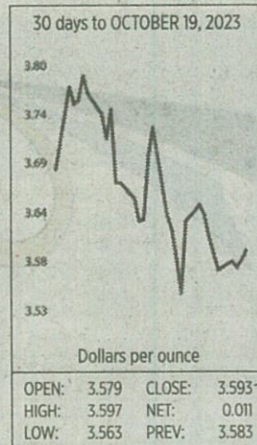
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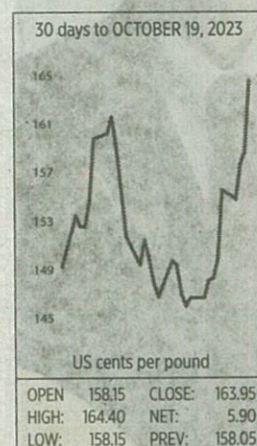
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COPPER (NOVEMBER CONTRACT)



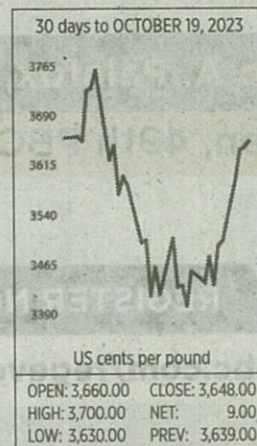
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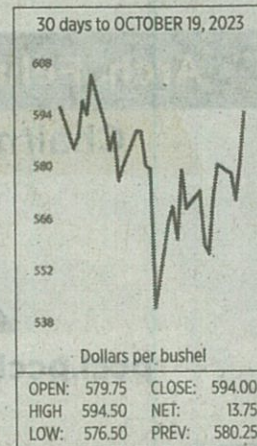
SUGAR (MARCH CONTRACT)



COCOA (DECEMBER CONTRACT)



WHEAT (DECEMBER CONTRACT)



Cocoa hits highest price in a century

NEW YORK — London cocoa futures on ICE rose to the highest price in a century on Friday despite disappointing data on demand in North America, while both arabica and robusta coffees gained strongly in the week and hit one-month highs.

COCOA: March London cocoa settled up £52 or 1.6% to £3,225 per metric ton, after setting a peak of £3,230, the highest price since futures started trading in 1920. The contract gained 6% in the week.

Plants in North America processed 17.9% less cocoa in the third quarter versus a year ago, industry data showed. Brokers and analysts were expecting a fall of 8%-14%.

Dealers said the negative data was offset by an outlook where industry cover is tight and a third

successive supply deficit is widely expected this season.

Also, cocoa demand in Europe, Ivory Coast, and Brazil has held up well in the face of high prices, while the fall in Asian third-quarter demand was not as severe as expected.

December New York cocoa rose \$46 or 1.3% to \$3,694 a ton.

COFFEE: January robusta coffee rose \$77 or 3.2% at \$2,479 a ton, having hit a month-high of \$2,520. It gained 9% in the week.

Premiums for 5% black and broken-grade 2 robusta in top robusta producer Vietnam remained high this week at \$200-\$400 a ton as supply from the new season will not be available until next month.

December arabica coffee settled up 1.3 cents or 0.8% at \$1.6525 per pound (lb), having hit a month-

high of \$1.6680. The contract jumped 6.7% in the week after gaining 6% in the previous week.

Exporters are reporting delays in coffee shipments from top producer Brazil due to the tight availability of trucks and containers. Meanwhile, ports are strained due to record volumes of soy, corn, and sugar.

Colombia, the world's top washed arabica supplier, will close this year with production of 11.6-12 million 60-kg (130-lb) bags, ending three years of output falls.

SUGAR: March raw sugar fell 0.44 cent or 1.6% at 26.85 cents per lb. The contract ended the week at negative 0.7%.

December white sugar fell \$11.30 or 1.5% at \$726.50 a ton, and was flat for the week. —

Reuters



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Corn ends below \$5/bushel

CHICAGO — Chicago Board of Trade corn futures closed lower after hitting their highest price since August on Friday.

Traders took profits after the markets rose earlier on concerns about a drought in Brazil disrupting grain shipments on rivers and slowing soy plantings, analysts said. Technical buying and hopes for additional US export demand also supported futures earlier in the session.

US farmers with crops to sell welcomed a temporary return of corn prices above \$5 a bushel as many continue to harvest their fields, bringing fresh supplies to the market.

But most-active corn futures ended below that key price level, with the December contract falling 9-1/2 cents to \$4.95-1/2 a bushel. The market earlier reached \$5.09-1/2, its highest price since Aug. 2. — **Reuters**



Ukraine's grain sector losses could exceed \$3.2 billion in 2023

KYIV — Ukrainian grain and oil-seeds crop sector losses could exceed \$3.2 billion in 2023 due to the high cost of logistics as well as fuel and fertilizer price hikes, which threaten to reduce sown areas in the next and coming years, farmers unions said.

Ukraine is one of the leading global producers and exporters of food and its agrarian sector has been traditionally profitable.

Ukrainian authorities and farmers did not report financial results in 2022. Before the Russian invasion, Ukraine shipped the bulk of its exports through deep-water ports in the Black Sea, which have been fully or partially blocked since February 2022.

Limited export opportunities, now centered on the small ports of the Danube River and the railway to Eastern Europe, have multiplied the logistics component and consequently reduced the price traders can offer farmers.

The port closures have also led to a sharp rise in the price of imported fuel, seeds, fertilizers and spare parts for agricultural machinery.

The Agrarian Council, Ukraine's largest agribusiness group, said the cost of wheat production in 2023 was about \$146 a metric ton, with an average selling price of \$102.

Farmers spend \$149 to grow maize and they can sell it for \$94. The Council said that in 2023, even sunflower and rapeseed production would be unprofitable and only soybeans would give some profit to farmers.

Producers said the large losses have already led to reduced plantings for the 2024 crop.

"We planned to sow 2,000 hectares of winter wheat, but sowed only 1,000 hectares," said Ruslan Holub, director of the Tak farm, which has more than 10,000 hectares in central and southern Ukraine.

"Farmers will determine the area they can sow based primarily on their financial capacity," said Oleh Khomenko, the head of Ukrainian Agribusiness Club, a business association.

Farmers unions declined to forecast the area to be sown for the 2024 wheat harvest, while the Ukrainian agriculture ministry is still keeping its winter wheat sowing forecast at around 4.4 million hectares.

Not only financial difficulties, but also the unfavorable weather may significantly reduce the sowing area this autumn.

Ukraine is a traditional grower of winter wheat, barley and rapeseed. State weather forecasters said this week that prolonged absence of rain across most Ukrainian regions had created unfavorable conditions both for the ongoing sowing of winter crops and for the plants already sown.

They said the worst situation in terms of soil moisture was in the Odesa, Kherson, Mykolaiv, Kirovohrad, Vinnytsia, Cherkasy, Kharkiv regions where up to 20 cm of upper soil layers were completely dry.

Farmers have sown 3.02 million hectares of winter wheat as of Oct. 16 compared with 2.5 million hectares at the same date a year ago, agriculture ministry data showed. — **Reuters**



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El Niño to continue into mid-2024 — FAO

SANTIAGO — The El Niño weather phenomenon will last at least through the first half of 2024, according to the latest United Nations forecasts, with abnormal rainfall due across Latin America raising fears for the agricultural sector.

Pacific sea surface temperatures soared in recent months, "with stronger warming along the South American coast," said the report from the Food and Agriculture Organization of the United Nations (FAO) accessed by Reuters.

Forecasts for the first quarter of 2024 show more rain than usual in southern cone countries such as Peru and Ecuador,

as well as Mexico, alongside ongoing dry conditions in Brazil, Guyana and Suriname.

The current dry spell in Central America, however, is set to last only until the end of this year. The report also stresses that agriculture, which includes crops, livestock, forests and fishing, is particularly vulnerable given the sector can absorb 26% of economic losses during extreme weather conditions and up to 82% during drought.

Key fish species like anchovies and tuna on the northern coast of Peru and southern Ecuador are particularly at risk, it said.

Ecuadorian fishermen reported a 30% decrease in tuna catching since February, it said. The El Niño and its opposing La Niña weather patterns have impacted the production of key crops such as wheat, rice and corn in Latin America, which are highly dependent on raw materials.

Extreme conditions brought by El Niño are hitting the region, which is also simultaneously facing climate change effects such as heat waves, the report said.

The FAO said it has launched a plan to mobilize financial resources for vulnerable communities in several countries affected by the extreme weather. — **Reuters**



'AI, digital tools make agrifood systems climate-resilient'

TO revolutionize the agri-food sector, farmers and consumers must harness the power of digital tools and provide better and safer access to innovation. These were the key calls to action from the "AI and Digital Tools for Climate Resilient Agrifood Systems" event held last Thursday at the Food and Agriculture Organization of the United Nations (FAO).

Farmers are battling the increasing number of challenges brought on by the climate crisis: erratic weather patterns, shifting precipitation cycles, rising temperatures and extreme weather events, among them. With the end result being crop failures, reduced yields and decreased food security, smallholder farmers, in particular, need climate resilient solutions to secure and bolster their livelihoods.

With the right access to technological tools, farmers can wield these advances for more efficient and resilient agriculture, revolutionizing traditional agricultural practices into sophisticated, data-driven systems. Modern agriculture must incorporate these important innovations to tackle challenges like climate change and dwindling natural resources.

"AI [artificial intelligence] should be a tool for agrifood system transformation and rural development," said FAO Director-General Qu Dongyu.

Digital tools should be leveraged and designed with farmers in mind, he added.

Moderated by FAO Chief Information Officer Dejan Jakovljevic, the panel was formed by Najat Mokhtar, Deputy Director-General and Head of the Department of Nuclear Sciences and Applications of the International Agency for Atomic Energy (IAEA) Vincent Martin, FAO Director of the Office of Innovation Alan Belward, Head of Food Security Unit at the European Commission Joint Research Centre Sebastian Bosse, Head of Interactive & Cognitive Systems Group at the Fraunhofer Heinrich Hertz Institute and Rikin Gandhi, Founder and Chief Executive Officer of Digital Green.

The event, part of the Science and Innovation stream of the World Food Forum focused on highlighting concrete examples of technological innovations already modernizing and revolutionizing

agriculture.

In his keynote speech, FAO Chief Economist Máximo Torrero, drew attention to some exciting examples of digital tools already developed by FAO. One of the most recent is a digital application dubbed FLAPP (the FAI Food LossApp), that enhances the ability to analyze where and why food losses happen, allowing for more targeted interventions in reducing wastage.

Playing a short explanatory video, Torrero also pointed to the on-the-ground impact of one digital tool, called "Ugani Kiganjani," for farmers in Tanzania. This mobile application, part of the FAO Digital Services Portfolio, provides farmers with weather forecasts and advisory services so that they can prepare the land or harvest accordingly. This app is helping farmers adapt to the variable weather patterns caused by climate change.

IAEA's Mokhtar highlighted the innovative use of cosmic ray neutron sensors as an agricultural solution. An area of work within the Joint FAO/IAEA Centre of Nuclear Techniques in Food and Agriculture, these sensors allow scientists to track neutrons in the atmosphere and determine how much water is already in the soil. This information offered to farmers can then guide them on when or when not to irrigate.

All the speakers additionally highlighted the importance of responsible use and ethics of these tools and FAO's Martin recalled the Organization's signing of the Rome Call for AI Ethics, a document that supports a transparent, inclusive, responsible, impartial, reliable and secure approach to AI.

All panelists agreed on the potential of AI and digital tools to address some of the many challenges posed by the climate crisis. There were, nonetheless, broad calls for caution in using these tools in an inclusive and responsible manner, recommending validation and quality assurance of AI outputs and stressing that unchecked use of these tools can create more bias, result in less inclusion or even widen the digital divide.

The safe and ethical uses of digital tools and technological practices, on the other hand, are proving crucial for sound agrifood systems of the future.

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The US is losing the race with Brazil for soybean dominance

By TARSO VELOSO

Bloomberg

A SEVENFOLD jump in Brazilian soybean shipments to China for next month highlights how the US is losing influence over one of the world's most important agricultural markets.

China, the biggest soybean importer globally, booked at least 95 cargoes of the crop from Brazil for now until the end of November. For next month, there are 52 vessels already scheduled, compared with seven for the same week last year, according to shipping agency Alphamar Agencia Maritima.

In contrast, export sales of US soybeans for this season are down 40 percent from a year earlier. It's a striking drop, considering the ideal timeframe for

American shipments usually starts in October to coincide with the harvest and continues for months. This year, that key window has narrowed to weeks.

US soybean sales to other countries totaled \$34 billion last year, making it the top agricultural export commodity.

Drought and the hottest summer ever have shriveled the Mississippi River, which funnels barges of soybeans from the Midwest to Gulf Coast ports. Freight costs have soared, making US exports less competitive at a time when the harvest would typically make them cheaper relative to supplies from other countries. Brazil, meanwhile, still has stocks available from its record crop earlier this year, with shipments poised to beat estimates.

The narrowing of the key window for US soybean exports is a sign that shipments

this season could further trail official estimates, underscoring how the nation is losing its global agricultural clout. Wheat, corn and soy surpluses were one a powerful tool of American statecraft. Now, as US exports wane, rival suppliers like Brazil are filling the void.

"The US exporting window is not a months-long event and it will be competing with Brazilian offers all the way until early 2024," said Victor Martins, Latin America risk manager at brokerage Amius Ltd.

That suggests that Brazilian exports will likely be higher than the 97.5 million metric tons that the US Department of Agriculture forecast in October, while US exports should be reduced, Martins said. Meanwhile, US exports sales to China are the lowest level since 2019.

Brazilian prices have benefited from a weaker currency and falling premiums in the producing regions, keeping offers more competitive against the US until December, said Martins. That will start to change once Brazilian stocks are depleted and rains lift the Mississippi water levels, cutting freight costs and turning US beans cheaper. Freight costs in the US are trending lower after reaching a peak in September.

There are early signs that Brazilian soybean stocks are being depleted before its harvest begins in February. Local processors are bidding for beans above export prices, which will drive Brazilian prices for delivery to China higher in relation to the US Gulf. That should ultimately mean fewer Brazilian supplies available for export, Martins said.