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## Data-backed leadership

A little over a month since he took office at the Department of Agriculture, I asked agriculture secretary Francisco Tiu Laurel Jr. about the rising prices of vegetables. He looked at his mobile phone and rattled off the prices of a few. Yes, prices are rising but he is already working on the logistics side of the agriculture sector to make things better.

The DA Secretary looks like the right choice to lead the agriculture department at this time of food crisis. Sec. Laurel obviously understands food distribution, and being a businessman, his approach is pragmatic and results-oriented.

### DEMAND AND SUPPLY



BOO CHANCO

We have had politicians, bureaucrats, and academics on top of DA and they miserably failed. Perhaps this results-oriented executive will deliver outcomes we can see.

Now that he has been confirmed by the Commission of Appointments, expect him to clean up the DA staff of dead-woods who kept the sector at zero to one percent growth for many years. Imagine that... half a million new children are added to our population each year and our ability to grow our food declined or barely improved.

In his first press conference, Sec. Laurel complained about misleading statistics. He was studying agricultural data before he agreed to the appointment and his gut feel told him the official numbers are not right. The DA secretary started to cross check with people who know the agricultural market and confirmed his hunch about misleading data.

Woe to those who fed him wrong data. Private business executives like him have no tolerance for subordinates who feed wrong data. He didn't say it outright but it was obvious he was talking about rice.

The President,, by insisting on being agriculture secretary for a year, lost valuable time. He was making decisions based

on bullshit data on sugar, rice, onions, fisheries, and other food items. By allowing himself to be fooled, the President was complicit in our very high food inflation that raised our inflation rate to a level that forced the BSP to raise interest rates several times.

The good news is, things should start getting better. The bad news is, things will probably get worse before they get better. It takes a while to fix something as broken as our agricultural sector. Indeed, before Sec. Kiko can make things better, he has to avert a potential rice crisis first.

The fact that the *palay* (unhashed rice) price is through the roof is proof that something is wrong with DA's data. The DA Secretary knows his first test is to assure an adequate supply of rice, specially through the extended dry season brought about by El Nino.

For starters, he warned the rice importers to use their import permits right away or he will cancel them. The importers are reluctant to import rice because the price in Vietnam and Thailand, our traditional suppliers, have gone up beyond their ability to recover in our domestic market. Temporarily suspending the 35 percent tariff appears to be on the table and may happen when Congress goes on recess. That will significantly reduce the chance that traders will lose money by importing.

My free-market economist friends have been wrong to think that the traders, acting on the basis of market signals (potential shortage), will rush to import, rice to take advantage of that opportunity. The traders are acting on self-interest by refusing to import given historically record high international rice prices plus a stupid price cap and bodega raids.

Actually, we should have imported a few months ago and stockpiled the way Indonesia did. A million metric tons of rice were initially imported by Indonesia in anticipation of El Niño and made a subsequent order for another million.

In our case, our traders rescinded purchase orders when the export price breached \$600 per metric ton. Unfortunately, the Agriculture Secretary's hands are tied because the government can't import. So, no reasonable buffer stock.

But not to worry. Sec. Kiko was working on it even before

he took office. He pursued a diplomatic approach with India. The latest I heard is that the Indian government has looked positively at the suggestion to exempt us from the export ban earlier imposed on rice. A government-to-government agreement may be in the offing.

Still, Sec. Kiko doesn't want to be this helpless because the government can only boost our rice stockpile by buying from domestic farmers. To buy massively from local farmers, he needs a substantially increased budget for NFA. He wants a big enough stockpile that will help him moderate price movements of this very political commodity.

Sec. Kiko will propose to the President that NFA be given a wider leeway to increase the buying price in response to the market. He wants to reward the farmers who actually planted rice with a high buying price. This, he said, is better than the usual *ayuda* based on a list riddled with ghost farmers.

He wants NFA to be able to respond to the traditional traders who have now cornered whatever domestic rice supply there is. Their very high buying price for *palay* shows the intention of traders to hoard so they can call the shots if a rice supply crisis happens as early as next month.

As for sugar, Sec. Kiko also wants more timely importations to protect consumers, including businesses dependent on sugar. He is aware that El Nino has already caused a decline in production in Thailand, a major sugar producer. This means the landed cost of imported sugar will rise.

Sources tell me that we currently have a big excess stock from the last few rounds of imports. However, we still produce just around 1.8m MT, whereas consumption is around 2.5m MT. It is imperative that the SRA makes an import program in line with the interests of producers and consumers, not traders.

It is clear that Sec. Kiko has a full plate. He has been successfully running his own business and needs this job like a hole in his head. But he is eager and street smart and is doing this to help the country.

Good luck, Sec. Kiko. And drain the swamp at DA. That's the only way things will get better.

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## 'Allot excess rice tariffs for cash aid, crop insurance'

BY JASPER EMMANUEL Y. ARCALAS  
@sam\_medenilla

RICE planters are assured of receiving at least P15.5 billion in excess tariff collection next year and pundits said this could be used to increase the state's cash assistance and fund its crop insurance and diversification programs.

The latest Bureau of Customs (BOC) data analyzed by the BUSINESSMIRROR showed that it has collected P25.55 billion in rice tariffs from January to November, 22.85 percent higher than the P20.798 billion it collected in the same period last year.

With the latest figures, the BOC tallied a new record high in terms of rice tariff collection since the national government liberalized the country's rice trade regime through Republic Act 11203 in 2019.

Publicly available BOC data showed that the bureau collected more rice tariffs despite a 3.88-percent drop in total import volume during the 11-month period.

BOC data indicated that the country imported 3.108 million metric tons (MMT) of rice from January to November, some 125,000 MT lower than the 3.233

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## Rice tariffs...

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MMT it recorded in the same period last year.

Pundits and industry players said inbound shipments of rice fell due to higher global prices and supply constraints.

Nonetheless, the spike in world rice prices, induced by India's ban on its exports, has lifted the country's tariff collection.

Given this collection performance, at least P15.55 billion may now be considered as excess rice tariff collection since P10 billion

is automatically earmarked for the rice competitiveness enhancement fund (RCEF).

Under existing laws, rice tariffs in excess of P10 billion will be used to bankroll various programs outside the RCEF, which includes a cash assistance program for rice farmers tilling two hectares and below.

### 'Hike cash aid'

PUBLICLY available Department of Agriculture (DA) documents showed that there are some 2.384 million rice farmers registered in the Registry System for Basic Sectors in Agriculture (RSBSA) who are eligible for its rice farmers financial

assistance (RFFA) program.

At P5,000 each, the DA requires P12.09 billion to cover all the eligible rice farmers tilling below two hectares of land.

This would result in a surplus fund of at least P3.5 billion for the 2023 rice tariff collection.

Given the surplus, Roehlano M. Briones, senior research fellow at Philippine Institute Development Studies, said the unconditional cash assistance to rice farmers should be increased to utilize all the excess rice tariffs collected by the BOC.

If the number of eligible rice farmer beneficiaries next year would remain the same next year,

then each individual should receive at least P6,500, based on BUSINESSMIRROR's computations.

"That is the fastest way to give assistance. So that even rice farmers would have a Christmas bonus," Briones told the BUSINESSMIRROR.

He also urged the DA to consider setting aside some funds to update and revalidate the RSBSA list.

### Crop insurance, diversification

MEANWHILE, the Philippine Chamber of Agriculture and Food Inc. President Danilo V. Fausto said the P3.5-billion surplus can be used by the DA to rollout projects that will mitigate the impact of El



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Niño on the rice sector.

Fausto recommended the procurement of small irrigation facilities to ensure that farms will have sufficient water supply next year, when El Niño is expected to cause droughts in some 65 provinces.

He added that the DA could also use the funds to encourage rice farmers to diversify their crops, such as planting vegetables.

"If we just raise the cash assistance, the rice farmers will just become mendicant," he told the BUSINESSMIRROR.

Federation of Free Farmers Inc. National Manager Raul Q. Montemayor agreed with Fausto.

"Aside from production and income support, we have to help farmers cope with risks and expand their sources of income beyond palay," Montemayor told the BUSINESSMIRROR.

"I don't think cash transfer is the ideal way to spend the money. If the surplus would just be wasted, then it would be better to be given to the farmers directly then," he added.

Montemayor and Fausto noted that crop insurance and crop diversification are part of the original programs stipulated under the rice trade liberalization (RTL) law when it comes to the use of the excess rice tariff collection.

Last year, the state collected a total of P22.796 billion in rice tariffs of which P12.796 billion was earmarked for the RFFA program.

However, the excess rice tariff collection is over and above the amount that should be allotted to all the RSBSA-registered eligible rice farmers. At a total cost of P12.09 billion, the state has a surplus of some P706 million in rice tariffs this year.

Under existing laws, rice tariffs collected in a given year are certified by the BOC in the following calendar year.





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## NIA rolls out big-ticket projects

THE National Irrigation Administration (NIA) is rolling out big-ticket projects this week.

NIA will inaugurate the P1.276-billion Balbalungao small reservoir irrigation project (SRIP) in Lupao, Nueva Ecija and will break ground for the P2.435-billion Bayabas

SRIP in Doña Remedios Trinidad, Bulacan.

NIA will also turn over to field offices 141 units of wheeled excavator worth P776 million.

Balbalungao SRIP will irrigate 967.19 hectares of agricultural land in barangays of San Isidro, Balbalungao, Salvacion and Mapangpang

and will benefit 560 local farmers.

Aside from irrigation, the project is expected to provide other incidental benefits like hydroelectric power development, aquaculture, tourism and watershed management.

NIA said the Bayabas SRIP will help irrigate 27,978 hec-

tares of farmland on 17 municipalities in Bulacan and four towns in Pampanga tended by 20,016 farmers.

The project will also provide other economic benefits, such as aquaculture development, tourism and watershed management. - **Jed Macapagal**





## EDITORIAL

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### A national budget before Christmas

**E**ITHER the House of Representatives and the Senate combined have been very efficient in their work, or every lawmaker is happy with the way the speaker of the House and the Senate president are granting their project (read: financial) needs that the P5.768-trillion national budget has been approved days before the Christmas break.

The bicameral conference committee approved the reconciled provisions of the General Appropriations Act (GAA) for 2024 on Monday morning and the Senate ratified it in the afternoon.

With this development, the senators and representatives made good their promise that there would be no last-minute move to restore the P650-million confidential funds for the office of Vice President Sara Duterte and the Department of Education.

This supposed restoration which became the bone of contention during budget deliberations in both houses of Congress may not be consigned to the back burner, leaving permanent political scars to those who have fought ardently on this issue, whether for or against.

**‘Soon, President Marcos Jr. will sign the national budget and it becomes the government’s spending law. Hopes abound that the money would be spent wisely.’**

Sen. Sonny Angara, chairperson of the Senate Committee on Finance and head of the Senate bicameral contingent, is hopeful that the spending bill,

as approved, will push the nation towards growth and progress. In his bicameral report delivered at the plenary, the Angara committee agreed to increase the budget of the Department of National Defense, Armed Forces of the Philippines, and other government agencies focusing on peace and order.

Angara said funding support for the enhancement of the country’s self-reliance in agriculture was also maintained, not only to raise the incomes of farmers and fisherfolk but also to ensure the country’s food security.

We note that Congress has affirmed the funds for programs of the Department of Agriculture and its attached agencies, such as for rice, corn, livestock, high-value crops development, soil health, fisheries, agricultural research and development, and buffer stocking.

Although Vice President and Education Secretary Sara Duterte did not receive her initial request for confidential funds, she has been assured that education remains a top priority in the 2024 GAA.

“The increases made to our education agencies support ongoing efforts to make educational opportunities more available and accessible, specifically for Government Assistance and Subsidies of the DepEd to implement the Senior High School Voucher Program, for the Tulong Dunong Program of the CHED, and the Tulong Trabaho Fund, the Training for Work Scholarship Program, and the Special Training for Employment Program,” Angara said.

On health services, the GAA gave allocations for the Department of Health’s Medical Assistance to Indigent and Financially-Incapacitated Patients and the Health Facilities Enhancement Programs.

“Funds were assured for rail transport, land public transport, aviation infrastructure, and the DPWH’s asset preservation, network development, bridges, its other convergence and special support programs for tourism and trade, and other social infrastructure, such as water systems, school buildings, public hospitals, and health centers,” Angara said.

Soon, President Marcos Jr. will sign the national budget and it becomes the government’s spending law. Hopes abound that the money would be spent wisely.



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EXPECTED IN FIRST HALF OF 2024

## DROUGHT TO HIT 65 PROVINCES DUE TO 'STRONG' EL NIÑO-DOST

At least 65 provinces might experience moderate-to-severe drought conditions from February to May next year due to a "strong" El Niño, a climate pattern characterized by the unusual warming of surface waters in the eastern tropical Pacific Ocean, the Department of Science and Technology (DOST) warned.

"By end of May, 77 percent of the provinces in the country will have potential for drought. That would be around 65 provinces and 7 percent potential for dry spell or around six provinces," Science and Technology Secretary Renato Solidum Jr. said at a Palace briefing on Tuesday.

Provinces in northern Luzon would experience drought while some parts of Mindanao would likely experience dry conditions.

"Essentially, all the rest of the country would be from dry condition to drought. Mostly drought," he said.

The DOST chief said there were indications that the strong El Niño would be "comparable" to the 1997 to 1998 episode, which was regarded as the worst El Niño event in the world.

"So, we need to plan ahead and we should make it fast," he said.

### Inter-agency plan

On Tuesday, President Marcos met with officials of the Department of Agriculture, the National Economic and Development Authority, the Department of Environment and National Resources,



Renato Solidum Jr.

es, and the National Irrigation Administration, and ordered them to categorize actions into short- and medium-term to mitigate the impact of El Niño.

"One important thing is to enhance the communication effort, and this will be handled by the Office of the President so that we can have a massive information campaign on what we need to do, what the government is doing and what our *kababayan* (countrymen) should also be doing," Solidum said.

The government, he said, has prepared a national action plan to ensure water, energy, food and health security during the El Niño phenomenon.

In another interview, Nathaniel Servando, administrator of the Philippine Atmospheric, Geophysical and Astronomical Services Administration, said there would be a "little possibility that we will have tropical cyclones this month."

Servando also assured the public of adequate water supply, as the reservoir levels in the country's biggest dams were still above their normal operating capacity. —NESTOR

CORRALES INQ





## NIA to launch P4.48B in projects

THE **National Irrigation Administration (NIA)** is set to inaugurate P4.48 billion worth of projects in pursuit of developing the irrigation sector.

An agency under the Department of Agriculture, NIA said on Tuesday that they will fast-track irrigation development in the country with the inauguration of three projects today, December 13.

One of the projects NIA will inaugurate is the P1.276-billion Balbalungao Small Reservoir Irrigation Project (Balbalungao SRIP) in Lupao, Nueva Ecija.

"In pursuit of innovations and modernizations in irrigation facilities, Balbalungao SRIP was constructed to irrigate 967.19 hectares of agricultural land in the barangays of San Isidro, Balbalungao, Salvacion and Mapangpang in the Municipality of Lupao," said NIA.

Around 560 local farmers and their families are seen benefiting from this irrigation project that will also provide the province with hydroelectric power and other benefits such as in aquaculture, tourism and watershed management.

On the same day, the groundbreaking ceremony for the P2.435-billion Bayabas SRIP will be hosted by the department in the town of DRT, Bulacan.

This water project is expected to irrigate 27,978 hectares of farmland, encompassing 17 municipalities in Bulacan and four towns in Pampanga. Around 20,016 farmers are expected to benefit from the project.

On the other hand, the turnover ceremony of several farming equipment will be held in Subic Bay Freeport Zone, Olongapo City, Zambales.

Some 141 units of wheeled excavators worth P776 million will be distributed to NIA field offices nationwide.

NIA said the equipment to be delivered is part of the first tranche of its Three-Year Re-Fleeting Program from calendar year 2023-2025, aiming to ensure efficient and proper use and maintenance of irrigation systems across the country.

"With the conduct of these events, NIA hopes to fast-track irrigation development, not just to alleviate poverty in rural communities, but also to create a huge impact in the irrigation sector," it said.

Moreover, NIA added that is also in line with the government's thrust toward improving agricultural productivity and increasing farmers' income.

**JANINE ALEXIS MIGUEL**



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## BFAR ISSUES RED TIDE WARNING IN EASTERN VISAYAS

**TACLOBAN CITY:** The Bureau of Fisheries and Aquatic Resources (BFAR) in Eastern Visayas reported on Monday that seawater samples obtained in Cancabato Bay, Tacloban City tested positive for *Pyrodinium bahamense*, an unsafe microorganism that caus-

es paralytic shellfish poisoning.

It was additionally reported that seawater samples obtained around San Pedro Bay in Basey, Samar were positive for the same microorganisms.

As a result, a local red tide warning has been issued in cer-

tain locations.

The public is cautioned not to collect, sell, or eat any shellfish or Acetes, locally known as alamang or hipon (shrimp) from these bays.

The same warning applies in the following areas: the coastal waters of Guiuan, Eastern Samar;

Irong-Irong Bay (Catbalogan City, Samar); and Matarinao Bay in Eastern Samar (General MacArthur, Quina-pondan, Hernani, and Salcedo).

Fish, squids, and crabs from these locations are safe for human consumption if they are fresh, well

washed, and have had their internal organs, such as gills and intestines, removed before cooking.

"The BFAR and the local government are closely monitoring these areas to safeguard public health and protect the shellfish industry," provincial fishery officer Loreginia

Briones said.

Red tide occurs when an excessive amount of algae grows, turning the water red, green, or brown. Certain algae release harmful substances that contaminate the shellfish that eat them.

**MOISES CRUZ**





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## 65 provinces face *El Niño* drought

By HELEN FLORES

Around 65 provinces in the country are likely to be hit by severe drought by the first half of 2024, government officials warned yesterday as the El Niño phenomenon further intensified.

Science Secretary Renato Solidum Jr. likened the prevailing El Niño to the 1997-1998 event

– the worst experienced by the country that left billions of pesos in damage to agriculture.

“Now, based on recent conditions, moderate to severe drought conditions are likely from February to May 2024. And by end of May, there would be

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77 percent of the provinces of the country that will have potential for drought – that would be around 65 provinces; and seven percent potential for dry spell or around six provinces,” Solidum said at a Malacañang press briefing.

“And because of this, we need to further intensify our efforts to make sure that we are ready for this,

especially on the various fields that were already mentioned like health, water, agriculture, sanitation and of course, peace and order; and we also need to involve everyone in this effort,” he added.

According to Solidum, the effects of El Niño are currently felt in some areas in the country, and this is characterized by the reduction of rainfall up to 80 percent which led to dry conditions. President Marcos met with various agencies, including the weather

bureau and the Department of Agriculture, at Malacañang yesterday to tackle consolidated measures to mitigate the impact of El Niño, stressing the need to intensify efforts and ensure timely release of assistance to affected areas.

Solidum said majority of the global climate model suggests that El Niño will likely persist until the second quarter of 2024.

The President has directed agencies to categorize actions into short- and medium-term, Solidum said.





# DROUGHT MAY STRIKE 65 PROVINCES—DOST

By SAMUEL P. MEDENILLA

@sam\_medenilla

**A**S 65 out of the country's 82 provinces are projected to suffer drought in the coming months due to El Niño, the government has updated its mitigation measures to cope with the projected lower rainfall next year, according to the Department of Science and Technology (DOST).

The DOST said the number of drought-affected provinces could reach 65 by May 2024. The agency noted that majority of global climate models suggest that El Niño will likely persist until the second quarter of next year.

"Based on recent conditions, moderate to severe drought conditions are likely from February to May 2024. And by the end of May, 77 percent of the provinces of the country will have potential for drought—that would be around 65 provinces," DOST Secretary Renato U. Solidum said in a press briefing in Malacañang last Tuesday.

"We need to further intensify our efforts to make sure that we are ready for this especially on the various fields that were

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## Drought...

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already mentioned like health, water, agriculture, sanitation and of course, peace and order; and we also need to involve everyone in this effort," he added.

President Ferdinand R. Marcos Jr. has ordered the creation of a task force led by the National Disaster Risk Reduction and Management Council (NDRRMC) to coordinate the El Niño-related efforts of the government.

"We'll have to organize first the task force. This is the time to put every condition together," Marcos said during a sectoral meeting last Tuesday.

The chief executive also approved the "Updated National Action Plan on El Niño," which focused on food security, energy security, health, and fire mitigation measures.

During the meeting, Solidum said among the issues which were discussed were the additional budget requests of several government agencies for their El Niño-related interventions as well as a comprehensive government water conservation campaign.

"And it [information campaign] will be a whole-of-government approach. The request is for the whole website of the government [to be tapped for the campaign] so the efforts will be more concerted," Solidum said.

He said water conservation measures should be put in place since dams have sufficient water levels. In fact, he said the Angat Dam was forced to release water due to its high water level.

Based on the forecast of DOST, the impact of El Niño will start to significantly worsen next month raising the number of provinces experiencing drought to 11.

Currently, there are 6 provinces under dry condition or areas which experienced below normal rainfall for 2 consecutive months.

Another 18 provinces are suffering a dry spell. These are areas which have below normal rainfall conditions for three consecutive months or way below normal rainfall conditions for two consecutive months.

Currently, only 1 province is experiencing drought, which occurs when rainfall in area is below normal for five consecutive months or is "way below normal" for three consecutive months.



# Higher farmgate sugar prices to help farmers

**P**RIOR to 2019, the government had intervened in the rice market via the National Food Authority (NFA). As the agency's primary mandate was to ensure the stable supply and prices of the staple, the NFA bought rice even at high prices and sold it at a fixed rate. The goal was to discourage unscrupulous traders from taking advantage of certain events, like typhoons, which could make products like rice more expensive.

The "buy high, sell low" policy of the NFA, however, caused the agency's debts to balloon. By the time it stopped intervening in the domestic rice market, the agency owed financial institutions some P160 billion, according to the Department of Finance. RA 11203 mandated the NFA to stop selling rice in the local market and focus instead on buffer stocking by purchasing the output of Filipino farmers.

The same scheme that the NFA abandoned is now under consideration by the Department of Agriculture (DA) in its bid to prop up the farmgate prices of sugar. Under the buy-and-sell scheme that the agency is keen on implementing, government funds will be used to buy sugar from farmers at higher farmgate prices and this will be sold to consumers at lower prevailing market prices. **(See, "DA keen on scheme that will boost farmgate prices of sugar," December 11, 2023, BUSINESSMIRROR).**

The plan was conceptualized in response to the clamor of sugar planters for "government intervention" amid the decline in the farmgate prices of the sweetener. For one, the United Federation of Sugar Producers (Unifed) said the prevailing farmgate price of raw sugar is no longer attractive for planters. The group said current sugar prices fell by as much as 22 percent compared to levels seen a year ago.

Despite the decline in the farmgate prices of sugar, retail prices, particularly in urban areas, remain elevated. In Metro Manila, data from the Sugar Regulatory Authority as of December 1 showed that average retail prices of refined sugar sold in wet markets and groceries settled at P89.77 per kilo and P99.43 per kilo, respectively. Unifed lamented that these high prices do not benefit planters.

If the scheme being proposed by the DA pushes through, it would do well for those responsible for implementing it to make judicious use of government funds. They must see to it that the program would truly benefit small-scale planters who have been badly affected by the spike in the cost of inputs. Government resources are limited as it is, given the record debt it has already incurred, so each peso that will be allotted for this buy-and-sell scheme must be put to good use.

While this buy-and-sell scheme could provide some relief, government must see to it that it is also putting in place much-needed reforms to make sugarcane production more efficient. The high cost of inputs, particularly fertilizer, is discouraging planters from producing food. And this burden is exacerbated by the lack of necessary infrastructure, such as farm-to-market roads, and access to capital.





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## Philippine agribusiness and the lack of strong institutions





(Part 5)

**T**he country that religiously followed the advice given 10 years ago in a McKinsey Report is Vietnam, which has done wonders with its agricultural sector during the last decade or so, thus leaving the Philippines behind in both economic growth and poverty eradication.

The McKinsey Report in 2012 opined that in Vietnam's drive to become a key player in the global agricultural stage, its rural sectors needed to develop greater expertise and more technical training to produce higher-quality products that can command higher prices. Upon joining the World Trade Organization, the Vietnamese government agencies, with some support from NGOs, started in earnest to teach producers the intricacies of good agricultural practices so that they could compete more effectively in the world markets. They did this so well in the coffee sector that today Vietnam has become the second largest exporter of high-quality coffee in the world, supplanting Colombia as number two to Brazil. Now there are on-

## HUMAN SIDE OF ECONOMICS BERNARDO M. VILLEGAS

going efforts to replicate this feat in the export of seafood products through the creation of a more comprehensive and modern infrastructure to certify the sustainability and safety of its aquaculture products. It is hoped that now that our new Secretary of Agriculture is first and foremost an expert in the fisheries sector, we can compete with Vietnam in becoming a world power in the export of seafood products.

The lessons learned from our neighboring ASEAN countries have generated two different sets of policy conclusions according to the late Dr. Rolly Dy. The main difference between these two contrasting views lies in the timing and pace of economic transition to a higher level of productivity of the agricultural sector.

The first focuses on the primordial importance of the small farmer. According to this view, there should be increased in-

vestment of the Government in agriculture and rural development. This will involve strong state support for major inputs, marketing services, infrastructure development, and democratic processes of land reform. Price and market incentives will have to be in place.

There should be an emphasis on efforts to improve the productivity of staple crops that are not internationally traded but consumed mostly by the poor and traded domestically. As research and development into these crops attract little private sector support, there will be a need for public funding. In addition, research needs to take greater account of differing natural resource endowments, more focused and more region specific.

The alternative view would stress the need to achieve the best outcome for the poor from fast changing trends. Initiatives should focus on commercial production of non-staple cash crops, particularly those with strong links to the non-farm sector, as the latter will provide jobs for the rural poor. Also, there must be ac-

cess to the markets of developed countries for more processed and high-quality products. The rural poor can be best assisted by improving their access to basic services (health and education) to enhance their human condition and their social mobility.

In today's circumstances in which agricultural and rural development are intricately intertwined, it is necessary to combine the small-holder approach and the corporate farming model. The State should take greater responsibility for assisting the small farmers to increase their productivity and income. The private sector can assume responsibility in investing in commercial or corporate farming as well as in the service and manufacturing phases of agribusiness. Agribusiness goes much beyond farming. Agriculture does not thrive in a vacuum. In the process of development, its links with industry and services deepen and widen. The farm sector purchases machinery, fertilizer, insecticide, etc. Agricultural raw materials are processed or manufactured into higher value

goods. To bring these two major economic sectors into dynamic mode, services such as transport, storage, finance, and trade are critical, not to mention scientific and technical research and development. One study found that while farming accounts for about 11% of GDP, the whole agribusiness value chain comprises 25% to 30%.

One final word from Rolly. The backwardness of Philippine agriculture can be attributed to the lack of strong institutions.

In this regard, he quotes the famous book of Professors Acemuglo and Robinson (2012) titled *Why Nations Fail*: "It is man-made political and economic institutions that underlie economic success (or lack of it). Korea, taking just one of their fascinating examples, is a remarkably homogenous nation, yet the people of North Korea are among the poorest on earth while their brothers and sisters in South Korea are among the richest. The South forged a society that created incentives, rewarded innovation, and allowed everyone to participate in economic op-

portunities. The economic success thus spurred was sustained because the government became accountable and responsive to citizens and the great mass of people. Sadly, the people of the north have endured decades of famine, political repression, and very different economic institutions — with no end in sight. The difference between the Koreas is due to the politics that created these completely different institutional trajectories."

He then cited one example of institution building that was dear to his heart because he had an opportunity to work for it. As Dr. Fermin D. Adriano reported in his eulogy, Rolly had the opportunity during his stint at the World Bank (1979-1983) to work on the Malaysian government's agricultural projects called the Federal Land Consolidation and Rehabilitation Authority (FELCRA) and the Federal Land Development Authority (FELDA). The World Bank extended financial assistance to these development projects and appointed Rolly as its project team leader.





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## Palace orders agencies to prepare plans to mitigate El Niño impact

PRESIDENT Ferdinand R. Marcos, Jr. has ordered the Department of Science and Technology, the Department of National Defense, and other agencies to prepare programs that will mitigate the impact of El Niño, which will bring about a dry spell that is expected to last until the second quarter of 2024.

Science and Technology Secretary Renato U. Solidum, Jr. said at a Palace briefing on Tuesday that the National Action Plan for El Niño "will include a comprehensive strategy covering water security, food security and energy security."

Mr. Solidum said its part of the plan, which will be executed with the Office of Civil Defense and the government weather service, known as PAGASA (Philippine Atmospheric, Geophysical and Astronomical Services Administration), seeks to minimize power interruptions and the outbreak of illnesses resulting from the weather phenomenon.

He said moderate to severe drought conditions are likely to occur between February and May.

In a Dec. 6 advisory, PAGASA said a strong El Niño has intensified in the Tropi-

cal Pacific, with sea temperature anomalies exceeding 1.5 degrees centigrade from normal levels.

Mr. Solidum said that 77% of the provinces in the country might experience drought, while 65% of the provinces may see a dry spell.

PAGASA defines a drought as three consecutive months of below-normal rainfall or two straight months of significantly below-normal rainfall. A dry spell means two straight months of below-normal rainfall.

At a meeting with the President on Tuesday, Defense Secretary Gilberto C. Teodoro, Jr. presented an online database on the impact of El Niño, state-run Radio Television Malacañang said in a Facebook post.

"We need to further intensify our efforts to make sure that we are ready for this, especially in the various fields that were already mentioned like health, water, agriculture, sanitation, and of course, peace and order; and we also need to involve everyone in this effort," Mr. Solidum said. — **John Victor D. Ordoñez**





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## DOST: 67 provinces to experience drought

**BY JOCELYN MONTEMAYOR**

AT least 67 provinces or 77 percent of the provinces in the country will experience drought by the end of May next year due to the "strong El Niño" that has intensified and is likely to persist until the second quarter of next year, Department of Science and Technology (DOST) Secretary Renato Solidum Jr. said Tuesday.

Solidum, in a media briefing after a sectoral meeting with President Marcos Jr. in Malacañang, said around six provinces or 7 percent of the total provinces nationwide are also likely to experience a dry spell. One province is expected to experience dry condition.

DOST defines a dry condition

as having two consecutive months of below normal rainfall condition, or 21 to 60 percent reduction from average rainfall, while a dry spell is having three consecutive months of below normal rainfall and two months of way below normal rainfall or more than 60 percent reduction of average rainfall.

A drought is having three consecutive months of way below normal rainfall condition and five consecutive months of below normal rainfall.

Solidum said the dry spell would be felt in North Luzon while dry conditions would prevail in some parts of Mindanao.

He said the effects of El Niño

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## DOST

are being felt in some areas as evidenced by the reduced rainfall of up to 80 percent; dry condition is experienced in 17 provinces and dry spell is felt in six provinces, mostly in Luzon.

Solidum said the current El Niño is comparable to the strong El Niño from 1997 to 1998, which was also the worst El Niño that the country

has experienced.

President Marcos Jr. ordered the updating of the national action plan that would ensure water security, food security, energy security, health and public safety amid the El Niño phenomenon.

The President yesterday ordered the creation of a coordinating body

to consolidate all measures to mitigate the impact of El Niño.

The task force will be led by the National Disaster Risk Reduction and Management Council.

Defense Secretary Gilberto Teodoro Jr. presented the National Action Plan for El Niño, which focused mitigating measures on five

areas namely: water, food, power, health, and public safety.

Marcos also said that there is a need to intensify efforts and ensure timely release of assistance to affected areas and for a massive information campaign that would remind the people to conserve resources, such as water and energy.





# 65 provinces face severe drought

BY CATHERINE S. VALENTE

**A**T least 65 provinces will experience severe drought from February to May next year due to a "strong" El Niño, the Department of Science and Technology (DoST) said on Tuesday.

Science and Technology Secretary Renato Solidum said around six provinces or 7 percent of the total provinces nationwide may experience a dry spell.

"Based on recent conditions, moderate to severe drought conditions are likely from February to May 2024. And by end of May, 77 percent of the provinces will

have potential for drought — that would be around 65 provinces, and 7 percent potential for dry spell or around six provinces," Solidum told reporters.

He warned that "the maximum temperature in Northern Luzon around April or May can go up to 41 degrees centigrade."

➤DroughtA8





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## ■ DROUGHT FROM A1

# 65 provinces face

However, the heat index, the measure of how hot it actually feels when humidity is factored in, could bring up the temperature by 5 to 15 more degrees.

In Metro Manila, the temperature could reach 38.3 degrees, while in lowland Luzon, it can be as high as 39.9 degrees. Mindanao could sizzle in April at 39.5 degrees.

Solidum said the country must prepare for a "strong" El Niño.

"We need to further intensify our efforts to make sure that we are ready for this, especially in the various fields that were already mentioned, like health, water, agriculture, sanitation, and peace and order, and we also need to involve everyone in this effort," he added.

The Philippine Atmospheric, Geophysical and Astronomical Services Administration (Pagasa) earlier warned that the provinces of Batangas, Cavite and Oriental Mindoro will likely start experiencing drought in December this year.

Pagasa Officer in Charge Nathaniel Servando said severe dry conditions will affect Abra, Ilocos Norte, Bataan, Zambales, Occidental Mindoro and Metro Manila.

A dry spell is defined as three consecutive months of below-normal rainfall conditions, while a dry condition is defined as two consecutive months of below-normal rainfall conditions.

Areas hit by drought have three consecutive months of way below-normal rainfall conditions, or a 60

percent reduction from average rainfall.

Solidum warned that the El Niño episode could be comparable to the episodes in 1997 and 1998, which were regarded as the worst.

He said the government had prepared a national action plan (NAP) to ensure water security, food security, energy security and public safety.

The NAP will be implemented by various government agencies in collaboration with local communities.

"The details of the plan will be further elaborated by the concerned departments, ensuring a comprehensive and coordinated response to the challenges posed by El Niño," he said.

The official stressed the need for a massive information campaign on what citizens and the government can do to mitigate the effects of El Niño.

"We need to plan ahead, and we should make it fast," he said.

During the sectoral meeting in Malacañang on Tuesday, Solidum said President Ferdinand Marcos Jr. ordered the coordination of all the plans to mitigate the effects of El Niño on water, agriculture, energy, health, security and education.

"The directive of the President would be to categorize actions into short and medium. The short must be implemented promptly, the easy ones. We have to be realistic," Solidum said.



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## PH coconuts sell big in German trade fair

Philippine coconuts proved to be profitable as coconut exporters earned around \$10.78 million in consolidated potential sales and \$200,000 in actual sales during the Anuga Trade Fair last October in Cologne, Germany. According to the Department of Trade and Industry - Export Marketing Bureau (DTI-EMB), 10 coconut export businesses joined the Philippine delegation in one of the largest global food and beverage exhibitions that has hosted 140,000 trade visitors, and featured 7,900 companies from 118 states. These include AG Pacific Nutraceuticals Corporation, Ahya Coco Organic Manufacturing Corporation, Amazing Foods Corporation, Cocoplus Aquarian Development Corporation, Dignity Products and Services, Inc., Greenlife Coconut Products Philippines Inc., Pasciolco Agri Ventures, Tongsan Industrial Development Corporation, Tropicana Food Products Inc., and Wellnesscare International Corporation. "This is our first-time exhibiting products in Europe, and it has been an enriching experience. We not only learned about the requirements of European buyers but also got good contacts in Europe. We thank the organizers for giving us the opportunity to showcase our business abroad," said a representative from the Dignity Products and Services, Inc. Aside from the DTI-EMB, the delegation was supported by the International Trade Center (ITC) supported the companies particularly in the Outbound Business Matching Mission (OBMM) and Promotion of Philippine Coconut Products under the European Union (EU)-funded ARISE Plus Philippines project. (Khriscielle E. Yalao)





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# Drought in 65 provinces seen

## Marcos orders intensified efforts to mitigate effects of El Niño

By RAYMUND ANTONIO and BETHEENA UNITE

**S**ixty-five provinces—about 77 percent of the country—may experience drought in May 2024.

Department of Science and Technology (DOST) Secretary Renato Solidum Jr. bared this on Tuesday, Dec. 12, during a Palace briefing as the government gears up for the impact of the El Niño phenomenon.

With Solidum's forecast, President Marcos ordered an intensified effort to mitigate the effects of El Niño on water, agriculture, energy, health, security, education, and other effects into an updated National Action Plan on El Niño. He also ordered the creation of a National Disaster Risk Reduction and Management Council (NDRRMC)-led task force that will be under the Office of the President.

Speaking after a sectoral ► **10**





## Drought in 65 provinces seen 1◀

meeting with President Marcos, Solidum explained that "moderate to severe drought conditions" will be felt from February to May 2024. During that period, 65 provinces may experience potential drought. Around seven percent—or six provinces—will have the potential for a "dry spell."

Solidum said "the maximum temperature in Northern Luzon around April or May may be up to 41°C (degrees centigrade) and that would be the actual temperature."

But he stressed that the heat index—the measure of how hot it actually feels when humidity is factored in—could bring up the temperature by 5°C to 15°C.

In Metro Manila, the DOST official said the forecast is 38.3°C, while lowland Luzon can be as high as 39.9°C. Mindanao by April would experience 39.5°C in temperature.

Solidum admitted that there would be a "strong" indication of El Niño next year, so it's important to be prepared for it.

"And because of this, we need to further intensify our efforts to make sure that we are ready for this, especially the various fields that were already mentioned like health, water, agriculture, sanitation and of course, peace and order; and we also need to involve everyone in this effort," he added.

President Marcos ordered government agencies to coordinate plans to mitigate the impact of the El Niño phenomenon.

Marcos stressed the need to prioritize efforts based on short-term and long-term interventions of the government.

Under the National Action Plan for El Niño, the government has identified five sectors where plans and activities are being laid out to mitigate the effects of El Niño, namely in water, food, power, health, and public safety.

National Defense Secretary Gilberto Teodoro Jr. presented to the President the National Action Plan (NAP) for El Niño, a comprehensive strategy covering water security, food security, energy security, health security and public safety.

It aims to enhance community resilience and address the anticipated impacts of the 2023-2024 El Niño.

Teodoro also introduced the National El Niño Online Platform (NOP), a database designed to facilitate the development of well-informed, data-driven plans and programs to combat the effects of El Niño.

Marcos stressed the need to intensify efforts and ensure timely release of assistance to affected areas and told officials to encourage the public to take part in the government efforts.





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## Bulacan provincial gov't opens new agri office and training center

By **FREDDIE VELEZ**

Governor Daniel R. Fernando and Vice Governor Alexis C. Castro led the opening of the new Provincial Agriculture Office at the 2nd floor of the Capitol Compound in the City of Malolos on Monday, Dec. 11.

The brand-new two-storey building also hosts the Farmers/Fisherfolks Training Center (FFTC) Program Management, Agribusiness and Marketing Assistance Division, Farmers' Information and Technology Services (FITS) Center, the Provincial Agriculture and Fisheries Extension Center (PAFEC), and the Training Rooms on the first floor.

The second floor also houses the Crops Development Division, the Fisheries Development Division, the Conference Room, and the Administrative Division and Office of the Provincial Agriculturist.

Meanwhile, a separate building was also inaugurated to serve as the FFTC dormitory and guest rooms.

"Sa wakas po ay natapos na

at ngayon nga ay magagamit na ng ating mga kawani mula sa PAO at mga Bulakenyong magsasaka at mangingisda na sasailalim sa mga pagsasanay ang gusaling ito. Nawa ay makatulong ang ating ipinagawang imprastraktura upang mas higit na yumabong ang sektor ng agrikultura at pangisdaan

sa ating lalawigan," (Finally it's finished and now our staff from PAO and Bulakenyo farmers and fishermen who will undergo training can use this building. May the infrastructure we have created help make the agriculture and fishery sector in our province more prosperous)," Fernando said.

Provincial Agriculturist Ma. Gloria SF. Carrillo said that with the new office, one of her aspirations for the Bulakenyo farmers and fisherfolks has come true.



**NEW PAO AND FFTC BUILDING** — Gov. Daniel R. Fernando and Vice Gov. Alexis C. Castro lead the ribbon-cutting with Provincial Agriculturist Ma. Gloria SF. Carrillo, Chairman of Provincial Agriculture and Fishery Council Ruperto Hernandez, and Bausa Integrated Farm and Training Center, Inc. Chairman Luis D. Bausa during the inauguration of the Provincial Agriculture Office and Farmers/Fisherfolks Training Center as well as the FFTC dormitory on Monday, Dec. 11, 2023, at the Provincial Capitol Compound, City of Malolos, Bulacan. Also in photo are Provincial Engineer's Office Head Engineer Glenn D. Reyes, Provincial Veterinarian Dr. Voltaire G. Basinang, Provincial Information Technology Office Head Engr. Rhea Liza L. Ramos-Valerio, and Provincial General Services Office Head Carina SP. Espiritu. (Photo courtesy of PPAO)





# Drought to hit 65 provinces by end of May 2024 -- Solidum

**AT least 65 provinces or 77 percent of the total provinces of the country are forecast to experience drought by the end of May 2024 due to a "strong" El Niño, Science and Technology Secretary Renato Solidum Jr. said yesterday.**

In a Palace briefing, Solidum said around six provinces or 77 percent of the total provinces nationwide may experience a dry spell.

Solidum noted that dry spell would be felt in Northern Luzon and Northern Extreme Luzon while dry conditions would prevail in some parts of Mindanao.

"By the end of May, 77 percent of the provinces of the country will have potential drought. That would be around 65 provinces," he said.

"So, essentially, the rest of the country would be from dry condition to drought, mostly drought," Solidum added.

A dry spell is defined as three consecutive months of below normal rainfall condition while a dry condition is defined as two consecutive months of below normal rainfall condition, both 21 to 60 percent reduction from average rainfall.

Drought is three consecutive months of way below normal rainfall condition or 60 percent reduction from average rainfall.

Solidum said the effects of El Niño are currently felt and have been experienced in some areas in the country, noting the reduction of rainfall up to 80 percent, which led to dry conditions or dry spells.

"Based on recent conditions, moderate to severe drought conditions are likely from February to May 2024," Solidum said.

He warned that there is an indication that the strong weather phenomenon is "comparable" to the 1997 to 1998 episode, which was regarded as the worst El Niño

event in the world.

He said El Niño is nearing its peak in the coming months and will likely persist until the second quarter of 2024.

According to Solidum, efforts must be intensified to ensure that the country is "ready" for the phenomenon.

Solidum said the government has prepared a national action plan that aims to ensure water security, food security, energy security, and health public safety amid the El Niño phenomenon.

"We need to plan ahead and we should make fast progress. The evaluation changed from the previous one," he said. "We also need to involve everyone in this effort," he added.

In November, Marcos directed concerned government agencies to give production support to provinces that are vulnerable to the impacts of El Niño. (PNA)





## RICE PRODUCTION NG PH DODOBLE SA INDONESIA M70D RICE VARIETY

INAASAHANG dodoble ang rice production ng bansa sa tulong ng Indonesia M70D rice variety at pagsasalubungan ng seguridad sa pagkain para sa "climate adaptation" o pagbabago ng klima at kakayahang mag-ayos nito.

Ito ang inihayag ni Commissioner Albert Pagcu dela Cruz, ng Climate Change Commission, makaraang dumalo ito sa 28th session of the Conference of the Parties (COP 28) to the United Nations o United Nations Climate Change Conference sa Dubai, United Arab Emirates na isinagawa mula Nobyembre 30 hanggang Disyembre 12, 2023

sa naturang bansa.

Layunin ng naturang conference na pagsama-samahin ang mga world leader, negotiator, observer organization at stakeholders mula sa iba't ibang bansa para talakayin at pagkasunduan ang mga pamamaraan kung paano matutuguan ang climate crisis.

Kasabay nito, iprinisinta ni

Commissioner Dela Cruz kay Indonesia President Joko Widodo ang kanyang aklat na may titulong "Climate Innovation Book II."

Inisistehan siya ni Indonesian businesswoman at Philanthropist na si Sofia Koswara.

Sa naturang COP 28 conference, isa sa kanyang mga intervention sa technology transfer works stream ay para sa integra-

tion at transformative innovation ng artificial intelligence para sa Climate Action, tulad ng "Forest and Biodiversity management."

Bahagi rin umano ng final text at work program ng Climate Technology Centre and Network at bg Technology Executive Committee ng United Nation Framework Convention on Climate Change.

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## Soybeans up; wheat down

CHICAGO- US soybean futures rose on Monday as concerns re-emerged that drought conditions in Brazil are having a detrimental effect on crops in the top-producing nation and after the US government announced another export sale.

Wheat futures plummeted after rallying last week to four-month highs, while corn was pressured by spillover weakness from wheat.

Chicago Board of Trade most-active soybeans rose 2.5 percent to \$13.36 a bushel - its

highest close in December - on weather forecasts that show the northern half of Brazil may still not be getting enough rain to offset drought conditions that are threatening crops. The nation is still on pace to produce its largest crop ever, according to analysts and the US government.

Brazil's 2023/24 soybean planting had reached 91 percent of the expected area as of Thursday, consultancy AgRural said, compared to 95 percent a year earlier.

- Reuters





## Cocoa sets 46-year high; sugar at 5-1/2-month low

NEW YORK — New York cocoa futures rose to a 46-year high on Monday as crop problems in West Africa tightened global supplies, while raw sugar prices slid to a 5-1/2-month low.

COCOA: March New York cocoa receded to close 1.4% lower at \$4,211 per metric ton after hitting a 46-year peak of \$4,308 earlier in the session.

Dealers said fundamentals remained supportive with a third successive global deficit expected in the 2023/2024 season and port arrivals in top grower Ivory Coast currently running 35.8% below a year earlier.

"Indicators are pointing to growing upside pressures, and if futures break above the trend resistance, we would expect to gain positive momentum in the near term," broker Sudden Financial said.

March London cocoa fell 1.5% to £3,517 a ton after hitting a record high of £3,581.

Dealers noted the December contract was due to expire on Tuesday with the open interest still comparatively high at 8,473 lots, as of Friday, equating to 84,730 metric tons of cocoa.

SUGAR: March raw sugar settled 0.81 cent or 3.6% lower

at 21.65 cents per pound (lb), after setting a 5-1/2-month low of 22.17 cents.

Dealers said a change in India's ethanol policy last week which should boost sugar output had contributed to the recent slide, along with stronger-than-expected production in Center-South Brazil.

Brazil's industry group Unica will likely release production data for the second half of November on Tuesday. A survey by S&P Global Commodity Insights indicates sugar production at 1.25 million tons in the period, 20% up from a year earlier.

Dealers noted funds have been scaling back a net long position during the recent sharp decline in prices.

March white sugar fell 2.6% at \$637.70 a ton.

COFFEE: March robusta coffee gained 3.8% to \$2,622 a ton, boosted partly by a decline in exports from top robusta producer Vietnam.

March arabica coffee rose 3.9% at \$1.841 per lb, climbing back up towards a six-month peak of \$1.8850 set earlier this month.

Brazil exported 18% more green coffee in November, industry group Cecafe said on Monday. — **Reuter**