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VIRTUAL REALITY

TONY LOPEZ

Prices

To most Filipinos, their No. 1 problem is prices – high prices. Of nearly everything. The rate of increase in prices is inflation. Most people don't understand what inflation means. But they know when prices are high, or are exceedingly high.

High prices make basic goods and services beyond the reach of ordinary people.

"Inflation is the single issue identified as urgent by most adults in the country," says Pulse Asia, a respected pollster. In its December survey of 1,200 respondents, 72 percent cited inflation as concern No. 1, down slightly from 74 percent in September 2023. Three of every four Filipinos – between 72 and 74 of every 100 – cite inflation, or controlling it, as their most urgent concern.

Inflation is the only issue Filipinos hold against their President. Despite the high prices, people still love Ferdinand Romualdez Marcos Jr.

BBM's approval rating is up slightly, at 68 percent, in December, from 65 percent in September 2023. Presidential approval is higher across all income classes: ABC – 63 percent, from 53, up 10 percentage points; D – 69 from 68 and E, 68 percent from 53, up 15 points, the highest gain among all income classes.

So if he could just bring down rice to his promised P20 per kilo, BBM could be the most popular Philippine president ever.

Per Pulse Asia, the next most urgent national concerns are so distant, you won't think they are concerns at all. Like increasing pay of workers, 40 percent in the December 2023 Pulse Asia survey (from 49 percent in September 2023); creating jobs 28 percent and reducing poverty, 25 percent.

Inflation is the urgent issue identified by the great of majority of Filipinos. All the others – wages, jobs and poverty – were identified by just a minority (less than half of the respondents).

In effect, people are saying, "Hindi baleng mababa sahod ko, o walang bagong trabaho o mahirap ako, huwag mo lang taasan presyo ng mga bilihin (I don't care if you don't raise my pay, nor are jobs being created, or if I remain poor, but please, don't increase prices)." That's how desperate people are about high prices.

Per Pulse Asia, BBM's administration enjoys majority approval ratings for its handling of these issues – protecting the welfare of overseas Filipino workers (78 percent), helping calamity-hit areas (76 percent), protecting the environment (62 percent), promoting peace (61 percent), defending national territorial integrity (61 percent), fighting criminality (56 percent) and enforcing the rule of law (51 percent). In contrast, the national administration posts its only majority disapproval rating (73 percent) on the issue of controlling inflation, the single issue identified as urgent by most adults in the country (72 percent).

Inflation steals people's money. If rice is P40 per kilo today and next month it goes up to P50, that's a P10 increase or a 25 percent inflation. The average household spends P15 for every P100 of expenditures on rice alone. Rice is the single biggest expense item. If the P15 per kilo of rice goes up by 25 percent or to P18.75, a housewife will have to cut back on other expenditures in her P100 budget. That includes electricity, transportation, food outside, clothing and even necessities like tuition money.

Conversely, if the inflation rate slows down, by say 25 percent (it rarely happens), dear housewife gains P25 for every P100 of purchasing power. She can then spend the extra money on better food, a movie, a piece of underwear or park it under her pillow or in her favorite bank. Or even buy a bracelet of plastic pearls at Greenhills or Market, Market at BGC. A decline in inflation (it happens, ask BSP) is actually like having a pay increase or getting an extra job.

If inflation is high, banks increase the interest rates, which is the price of their loans which is the capital of business. If capital is high, companies do any or all of three things: One, they don't borrow and cut back on production which means layoffs; two, they borrow but pass on the higher cost to consumers which means still higher prices of goods and three, if consumers resist the high prices, demand declines and the company is forced to cut costs or cut back on employment, which again means job losses.

The effect on the economy is a slowdown. Economic or GDP growth, after all, is net or minus the inflation rate. A robust economy, one growing at 6 to 7 percent, normally should create 1.5 million new jobs a year. If growth declines, those jobs are not created.

Since Marcos Jr. has been president since June 30, 2022, he naturally gets the flak for the price spiral during the first 17 months of his presidency. BBM gave up the agriculture Cabinet job on Nov. 3, 2023 when he appointed fisheries magnate Francisco Tiu Laurel as his successor at DA.

In the whole of 2023, average inflation rate rose to 6.0 percent, the highest in the last five years. The inflation rate was 5.2 percent in 2018, 2.4 percent in 2019 and 2020, 5.8 percent in 2022 and 6.0 last year.

Of the 12 months of 2023, the highest inflation rate was recorded in January 2023, 8.7 percent. The rate gradually decelerated to 3.9 percent by December to yield a 12-month average of 6 percent flat for 2023.

When BBM became president on June 30, 2022, rice nationwide was averaging P17.35 a kilo, according to the Philippine Statistics Authority. By November 2023, the average price of rice rose 26.6 percent to P21.96. It was up by 6.6 percent in a single month, from P20.209 per kilo in October to P21.96. In December 2023, Pulse Asia conducted its "Urgent Concerns" survey – when rice prices were elevated. Thus, Pulse Asia's respondents were not exactly in a good mood.

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The Manila Times®

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Victorias to craft food security plan

BACOLOD CITY: The City of Victorias in Negros Occidental will craft a food and security master plan this year based on the results of an impact assessment of its existing agriculture programs in partnership with a private agribusiness organization.

On Tuesday, the Agrea Agricultural Systems International Inc. facilitated data gathering and engagement for beneficiaries, including local farmers and fisherfolk.

In a statement, Mayor Javier Miguel Benitez said the six-month partnership with Agrea will allow the city to develop strategies to create a food security and nutrition master plan.

"We have allocated [a] three times bigger budget for agriculture this year. Victorias needs all the help it can get," he said.

Based on the memorandum of agreement forged between the local government unit (LGU) and Agrea on Jan. 5, 2023, the impact assessment will focus on the existing agricultural programs of the city relevant to food and nutrition security.

It will analyze program implementation and outcomes, formulate recommendations to improve programs, help develop a strategic plan and implement road map and policies.

The results could provide valuable insights into enhancing the city's food and nutrition security projects and rationalizing efforts through a strategic plan and policy road map.

The partnership will ultimately assist farmers and fisherfolk and uphold community nutrition and resilience with its target to develop food systems.

"We promise to guide the LGU in making its existing natural resources more investable and build Victorias as the center for food security and agribusiness," Cherrie Atilano, president and chief executive officer of Agrea, said in a statement.

Earlier, Benitez met with Agriculture Secretary Francisco Tiu Laurel Jr., who assured him of assistance to the agriculture initiatives of the city, such as the provision of an irrigation system, farm-to-market roads and farm machinery, as well as the setting up of a fertilizer demonstration farm.

Victorias, located in the northern part of Negros Occidental, is home to Victorias Milling Co., the largest refined sugar producer in the country.

PNA

BusinessMirror
A broader look at today's business

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DA: Group will prepare implementing rules for Price Act

THE Department of Agriculture (DA) formed a technical working group (TWG) that will draft the rules and regulations to implement provisions of the Price Act related to agricultural products.

Agriculture Secretary Francisco Tiu Laurel Jr. issued Special Order (SO) 18 which created the TWG. Laurel signed the order last January 5.

The DA said the Price Act, or Republic Act (RA) 7581, was enacted to stabilize the supply and prices of basic necessities and prime commodities, to safeguard consumers against unreasonable price hikes and ensure fair practices within the market.

The agency was identified as the lead agency tasked to stabilize prices of agricultural crops, fish and other marine products, fresh meat, fresh poultry, dairy products, fertilizers and other farm inputs during emergencies.

Assistant Secretary for Policy Research and Development Noel A. Padre was designated as head of the 8-member TWG. Assistant Secretary for Regulations Atty. Paz Benavidez II was named co-chairperson while director Jerome Bunyi, Officer-in-charge for Policy Research Service, was appointed vice chairperson.

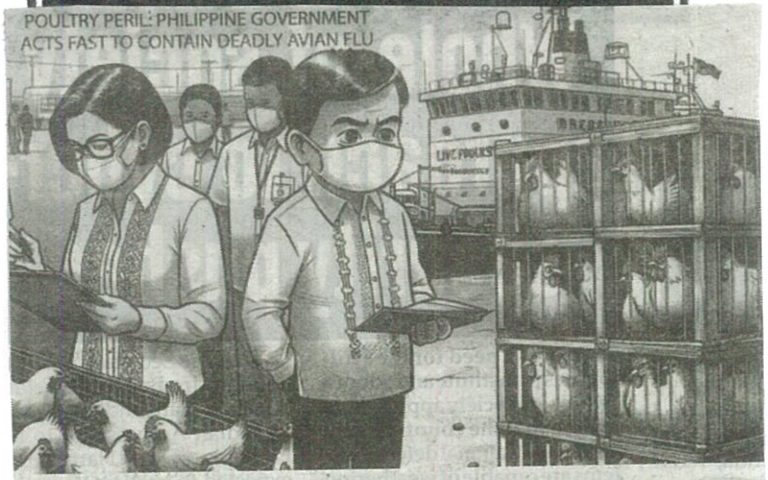
Laurel ordered the TWG to develop a clear and concise set of rules to implement Section 9 of the Price Act, engage the Department of Trade and Industry and other government agencies in developing the implementing rules and regulations (IRR), consult with relevant stakeholders including consumer groups and market experts, and ensure the IRR hews to the legal framework under the Price Act.

Personnel from the Policy Research Service, Office of the Assistant Secretary for Regulations and the Agribusiness and Marketing Assistance Service will form part of the TWG's secretariat and provide technical and administrative support to the group.

The Price Act or RA 7581 was approved in May 1992. Section 2 of the law indicated that "it is the policy of the State to ensure the availability of basic necessities and prime commodities at reasonable prices at all times without denying legitimate business a fair return on investment.

It is also a declared policy of the State to provide effective and sufficient protection to consumers against hoarding, profiteering and cartels with respect to the supply, distribution, marketing and pricing of said goods, especially during periods of calamity, emergency, widespread illegal price manipulation and other similar situations."

PEOPLE'S JOURNAL
Everybody's Newspaper



EDITORIAL

Avian flu scare

THE Philippine government has banned the importation of poultry, hatching eggs, semen and other poultry products from two European countries.

The prestigious World Organization for Animal Health (WOAH) had earlier received reports of the outbreak of avian flu in Belgium and France.

Immediately, Department of Agriculture (DA) authorities reacted by imposing the ban on poultry imports from the two European countries.

Admittedly, the outbreak of the Highly-Pathogenic Avian Influenza (HPAI) in Belgium and France worries the people, notably the poultry workers.

"We are doing this (ban) to protect the health of our local poultry population as well as poultry workers and consumers," according to DA.

In fact, Agriculture Secretary Francisco Tiu-Laurel Jr., a close friend of President Marcos, said H5WI is a virus that can be transmitted to humans.

Under the order, traders are banned from bringing in Belgian and French poultry meat, day-old chicks, hatching eggs and poultry semen into the country.

Government records show that last year, the country's poultry meat importation totaled 426,620 metric tons worth $418,130,353.

Reports reaching Asia, including impoverished Philippines, said that the sight is frightening in countries where there are avian flu cases.

"Talagang nakakaalarma dahil kung makarating sa atin ang sakit na ito ay marami ang maaapektuhan," said a small-time poultry farm owner.

That's why we, like other well-meaning Filipinos, commend the DA for imposing the ban on meat imports from the two European nations.

THE PHILIPPINE STAR
TRUTH SHALL PREVAIL

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Phl urges speedy PJEPA review

By CATHERINE TALAVERA

The Philippines is wants a faster conclusion of the ongoing general review of the Philippines-Japan Economic Partnership Agreement (PJEPA), even as it continues to push for improved market access for some of its products, according to an official of the Department of Trade and Industry (DTI).

In an interview with reporters Trade Undersecretary Allan Gepty said that one of the priorities of the country in the general review is to seek enhanced market access for its bananas, particularly bringing down the tariffs.

"But now, we're really advocating and we're pushing Japan to accelerate the review and the pending issues and other interests that we would like to be covered, to be concluded already," he said.

"Of course, there are also certain products that we're working on that hopefully will be given additional or enhanced market access in Japan," he added.

Asked about the timeline for completing the general review, Gepty said that it would depend on the ambitions of both countries.

"It's a negotiation. So, right now if you're going to ask me as to the timeline, of course there are many issues, many elements that we intend to cover, so basically it would really depend on the ambitions of Japan and the Philippines," Gepty said.

"But for the Philippines, our offensive interest and policy direction on that is very clear. And we would like to conclude that ASAP," he added.

Gepty said that one of the priorities of the country in the general review is to seek enhanced market access for its bananas, with a particular focus on bringing down the tariffs.

"So, our producers are lobbying to improve their market access for bananas, and that includes other tropical fruits that we are constantly advocating to improve," Gepty said.

Based on Japan's tariff schedule as of Jan. 1, bananas imported from the Philippines from Oct. 1, 2023 to March 31 are subjects to a tariff of 18 percent. This is higher than the eight percent tariff slapped on Philippine bananas during the summer season or from April 1 to Sept. 30.

In a recent statement, the Department of Agriculture (DA) said it is already coordinating with the DTI to secure a preferential tariff rate for Philippine bananas, which is under threat from rising shipments from Cambodia, Laos, Mexico and Vietnam. Japan gives a zero or preferential tariff for bananas coming from those countries.

"Philippine bananas are staples for Japanese consumers, accounting for 22 percent of their food basket. The Philippines' proximity to Japan allows the country to deliver low-cost bananas and other tropical fruits compliant with Japanese food standards," the DA said.

On the part of Japan, Gepty said they are pushing for lower tariffs on automotive parts and industrial goods.

The PJEPA is the country's first bilateral free trade agreement that entered into force in 2008.

It covers trade in goods, trade in services, investments, movement of natural persons, intellectual property, government procurement, competition, and improvement of business environment, among others.

THE PHILIPPINE STAR
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18,463 MT of imported rice arrive in Phl

By **BELLA CARIASO**

At least 18,463 metric tons of imported rice from Vietnam, Thailand and Pakistan arrived in the Philippines as of Jan. 4, according to the Bureau of Plant Industry (BPI).

Based on BPI's latest data, the bulk of imported rice came from Vietnam, 11,423 MT; followed by Thailand, 6,500 MT and Pakistan, 540 MT.

The total imported rice arrival in 2023 reached 3.567 million MT, which was seven percent lower than the total importation in 2022 of 3.826 million MT.

The BPI, an attached agency of the Department of Agriculture (DA), issues sanitary and phytosanitary import clearance (SPSIC) to importers.

At least 5,460 SPSICs were issued in 2023, with a total volume of 4.825 million MT.

As for the upward trend in the retail price of rice, the DA said it will continue due to the high cost of the grains in the international market.

Agriculture officer-in-charge for operations Undersecretary Roger Navarro said at least 495,000 MT of imported rice from Taiwan and India will arrive starting this month until February in preparation for the possible impact of El Niño on palay production.

The country's daily rice consumption is pegged at 36,000 MT per day or 1.08 million MT monthly.

Based on DA's monitoring of Metro Manila markets, the retail price of local regular milled rice was as high as P53 per kilo; local well-milled rice, P55 per kilo; local premium rice, P62 per kilo; local special rice, P68 per kilo; imported well-milled rice, P58 per kilo; imported premium rice, P62 per kilo and imported special rice, P65 per kilo.

Suggested retail price

Meanwhile, Central Luzon rice traders and farmer leaders expressed apprehension over the proposed suggested retail price (SRP) of rice, which Agriculture Assistant Secretary Arnel de Mesa said could be released next week.

Anonymous traders from the Intercity Industrial Estate and Golden City Business Park in Bocaue and Balagtas towns in Bulacan claimed that the proposal made rice retailers, wholesalers and farmers jittery.

Samahang Industriya ng Agrikultura president Rosendo So told **The STAR** that the landed cost of imported rice from Vietnam and Thailand is $625 per metric ton or P50 per kilogram net for rice importers, which leads to the high retail cost of imported rice in the local market.

Federation of Free Farmers national manager Raul Montemayor said the SRP should be based on local palay costs plus reasonable margins of profit for traders, millers, wholesalers and retailers.

Regional Farmers Action Council chairman in Central Luzon Eugene Ramirez told **The STAR** the SRP should be based on the P25-27 per kilo market price of local palay due to its high production cost. – **With Sheila Crisostomo, Ramon Efren Lazaro**

THE PHILIPPINE STAR
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FIRST PERSON

ALEX MAGNO

Potemkin

The Department of Agriculture announced that suggested retail prices (SRP) on rice will be issued next week. At first blush, this seems to be another dubious "solution" to spiking rice prices from the same minds that brought us price caps last year.

For the life of me, I never fully understood what SRP means.

Since we are a market economy, government should never be caught price-setting. Our ingenious bureaucrats found a way to get around that, using the SRP to basically set prices.

"Suggested" is a slippery word in this concept. There should be no penalties imposed on retailers who chose to ignore government price advisories and instead obey market forces.

The prescription of SRPs allows bureaucrats to manufacture photo opportunities showing them to be patrolling market stalls, haranguing or bullying small sellers and otherwise creating a mockery of our market economy. One trade secretary made much political capital of this parody and sought higher elective office peddling himself as "Mr. Palengke."

In the many years of imposing SRPs, however, government never once managed to stem inflation – especially if an inflationary episode is driven by cost spikes.

We all saw what happened last year when government imposed laughable price caps on rice. Wholesalers forced farmers to sell unhusked rice even cheaper, producing deeper rural poverty. Ordinary rice varieties were re-labelled to skirt around the price caps. More expensive rice varieties became, well, more expensive.

Then government, belatedly realizing the disastrous effects of the price caps on small retailers, offered to compensate them for the injury the policy wrought. We have never been provided a final accounting of the subsidies paid out, but it is easy to assume they ran into the billions. Those billions could have been better spent improving farm efficiency with more lasting effects.

On the whole, the rice caps failed to stem food inflation. They made truly edible rice varieties more expensive. Only the poorly milled, barely edible varieties were put out on the shelves to demonstrate compliance with the price caps. Then government made a show of selling rice confiscated from "smugglers" and "hoarders" at P25 in selected Kadiwa outlets. There was never enough of that rice-for-show to alter the food inflation picture.

That disastrous price caps policy on rice may be compared to creating "Potemkin villages" – those showy cardboard facsimiles once erected along the river bank through which Catherine the Great passed. It hid the real misery behind the props – and fooled no one, not the least the Empress.

The failure of the price caps will not deter bureaucrats anxious to erect an illusory economy, however. Their anxiousness has been magnified by continuing food inflation and poll numbers that show that 7 out of 10 Filipinos give government a failing grade for inflation management. These bureaucrats are under great political pressure to produce short-term results in the effort to contain food inflation.

I am not sure how SRPs on rice will be a more effective instrument than last year's ill-fated price caps. To begin with, SRPs are a weaker version of the price caps. We cannot expect it to overwhelm market forces. This is bound to be another bureaucratic trick to falsely create the impression government is doing something to curb rising rice prices.

Imposing SRPs on rice will be like setting up checkpoints at the exits of expressways. Doing so will create a traffic buildup that negates the advantage expressways bring in the first place. The entire process of delivering a staple food to the final consumer will be stalled at endpoint.

Retail prices for rice, after all, are merely symptoms of what is wrong with our agriculture. It is not the cause. Rising production and logistics costs are the causes. The root cause is ultimately an agricultural system that we cannot modernize unless we reverse the breakup of the land into small inefficient subsistence farms.

Militant farmers' groups oppose the impending SRPs on rice for all the wrong reasons.

They argue that it is the liberalization of rice trade that should be reversed. This is self-serving. It will be harmful for all consumers.

If we reverse liberalization of rice trade, there will be no check on high rice prices induced by an inefficient farm system. Consumers will be made to pay for the inefficiency of our domestic rice production. Domestic rice prices will be as expensive here as in Japan, where rice nationalism forces consumers to pay atrocious prices for a product produced at much lower costs elsewhere.

SRPs are a way of stemming the tide of food inflation downstream instead of upstream. It will always be a futile bureaucratic exercise.

Our agriculture is broken. The sooner we begin from that premise, the better we will be able to cure food inflation.

Last week, we were treated to the spectacle of upland vegetables such as carrots and cabbage being given away for free by farmers unable to sell them. Our vegetable production toggles between oversupply and severe shortages.

What this tells us is that the small farms we chose to maintain over all other options are unable to properly read market signals. Our agribusinesses are basically unable to process food stocks to extend their shelf lives. Our logistics system for food stocks is primitive.

We have to take a longer, more comprehensive view of what ails our agriculture. Stop-gap measures such as price caps and SRPs will not deliver a robust and reliable agricultural system for the nation.

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PHILIPPINE DAILY INQUIRER
BALANCED NEWS + FEARLESS VIEWS

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EDITORIAL

Blacklist of erring contractors

It's not going to be business as usual for contractors of the Department of Agriculture (DA).

In a recent order, the DA announced that it will create a committee that would look into complaints on the commission of offenses or violations during competitive bidding and contract implementation by contractors, manufacturers, suppliers, and consultants of the DA and its bureaus and attached agencies.

Upon receipt of the complaint, the committee shall conduct the proper investigation to determine its veracity. Thereafter, it shall decide whether or not to recommend the suspension or withdrawal of the contractor and the forfeiture of its bid security.

If blacklisted, the erring contractor shall, pursuant to existing regulations, be barred from participating in future bidding for a given period unless later delisted.

With a budget of P167.5 billion in 2024 to fund food production, agricultural support, fertilizer assistance, and other related programs, the DA is fertile ground for businesses that want to have a piece of its budgetary pie.

Competitive bidding

To ensure that the government gets the best price or incurs the least cost possible without sacrificing quality in the procurement of goods and services from the private sector, the law requires competitive bidding.

That procedure may be dispensed with only in well-defined emergency situations that may later be audited by government auditors to determine the validity of that action.

Although bidders in government projects are required to act independently from each other or make their bids based on their respective capabilities, it is common knowledge that some bidders agree among themselves to, among others, make their bids show apparent differences in prices or scope of services, withdraw from a bid to limit the choice of bidders, or deliberately be noncompliant with the terms of reference to allow a pre-arranged bidder to win the bid.

The latter scheme is resorted to so all the bidders get a chance to win a bid. It's a classic case of "you scratch my back, I'll scratch yours."

Manipulative and deceptive acts

These manipulative and deceptive acts are known to the members of bids and awards committees. For the right price, they can look the other way or do something that would legitimize or justify errors in compliance with the bid documents.

And because the winning bidder has to pay "lubrication fees" (or give something to the boys) that cannot be recovered from the awarded bid price, the only way for that bidder to recover that additional cost is to covertly violate the terms and conditions of the contract or comply with them in the least effective way without attracting attraction.

By creating that committee and ordering it to submit its recommendations within 30 days from receipt of a complaint, the DA is sending a strong message to its contractors that they risk losing their contracts or being blacklisted if they fail to scrupulously comply with the bidding process or the terms and conditions of awarded bids.

Other government offices that are similarly situated, i.e., are obliged to engage with private businesses to enable them to meet their mandated duties and responsibilities, can take a leaf from the DA's action.

Although it is next to impossible to root out corruption in government bidding processes in spite of the procedures the law has put in place, the fact that a committee is specifically created to address that problem could hopefully make potential offenders (and their cohorts in the government office) to think twice before attempting to manipulate or make a mockery of the bidding and awards processes.

Political pressure

No doubt, there are risks involved in cracking the whip on unscrupulous contractors and blacklisting them from future bidding for government projects.

There is no dearth of lawyers who will gladly assist losing or blacklisted bidders in going to court to question the validity of that action or compel the government office concerned to act in its favor.

Or for the same purpose, file a complaint with the Ombudsman for alleged violation of the anti-graft and corruption laws and engage in a media campaign to put the officials concerned in a bad light.

If that bidder happens to be a close associate or strong financial supporter of a politically influential person or a member of Congress, it is not far-fetched that political pressure would be made to bear on the government office through the threat of a congressional investigation or reduction of its budget come budget deliberations time.

It would take a lot of guts and political will for the head of a government office to stand his or her ground when any of those threats arises.

The Manila Times®

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Cagayan group produces chips, noodles from Guraman

THE Women in Fisheries Enterprises of Gonzaga (WFEG) in Cagayan province has adopted the technology of the Bureau of Fisheries and Aquatic Resources (BFAR) in producing nutritious seaweed chips and seaweed noodles.

Sanny Cortez, WFEG head, said their products use Guraman (Gracilaria species) as base material as it is "a unique ingredient that adds to the nutritive value of the finished products."

The Marketing Section of the Fisheries Production and Support Services Division of BFAR Region 2 (Cagayan Valley) said it is actively involved in the marketing and promotion of science-based innovative products like those produced by WFEG.

Gracilaria, a type of seaweed species that is locally known as Guraman, belongs to the red algae family.

BFAR said this seaweed species holds ecological importance by supporting aquatic ecosystems as habitats and food sources not only for Cagayan Valley but also for the whole country.

Guraman is edible and can be farmed to support local agar production, a versatile substance used in food, pharmaceuticals and cosmetics.

Known for their high agar content, Gracilaria species contribute to the food industry and are consumed as food in some cultures.

It is also a viable source of income among fisherfolk in the coastal towns of Gonzaga, Buguey and Claveria in Cagayan and in other coastal areas where Guraman abundantly thrives.

"The production of Gracilaria sp[ecies] is one of the bureau's programs to increase seaweed production in suitable farming sites as well as to showcase the technology in culturing these commercially important seaweeds for local consumption and for distribution to fisherfolk beneficiaries to feed Rabbit fish," BFAR said.

LEANDER C. DOMINGO

■ Photo shows the seaweed-based products of the Women in Fisheries Enterprises of Gonzaga based in Cagayan. CONTRIBUTED PHOTO

BusinessWorld

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Budget, infra constraints expected to hinder DA food stockpile plan

THE lack of storage infrastructure and funding may pose challenges as the Department of Agriculture (DA) gears up to stockpile agricultural commodities in response to possible shortages, analysts said.

Roy S. Kempis, a retired Pampanga State Agricultural University professor, said in a Viber message that infrastructure like shared community facilities, equipment, and farm-to-market roads will be a challenge if the government plans to build up reserves of agricultural products.

On Monday, the DA said that it is drafting the implementing rules and regulations (IRR) for Section 9 of the Price Act.

Section 9 of the law authorizes the allocation of funding for the procurement, purchase, import, or stockpiling of basic necessities or prime commodities, and determine ways to distribute these items during shortages or in the event of a need to influence market prices.

Philippine Institute for Development Studies Senior Research Fellow Roehlano M. Briones said that the DA would need the spending capacity to continue stockpiling commodities like rice if it is to move market prices significantly.

"The big problem is the cost of the rice stockpile; we'll need a much larger budget if we want to have a stockpile large enough to stabilize prices," Mr. Briones said in a Viber message.

The National Food Authority (NFA) is authorized to purchase domestically grown rice and hold it in reserve in the event of shortages or calamities, as outlined in the Rice Tariffication Law of 2019 (Republic Act No. 11203).

Philippine Chamber of Agriculture and Food, Inc., President Danilo V. Fausto said NFA warehouses, which are typically used for rice storage, should also be configured to store prime commodities like high-value crops.

"It is not just funding that they need, but storage as well. I recommend the use of NFA facilities for storage," Mr. Fausto said by telephone. — **Adrian H. Halili**

BusinessMirror
A broader look at today's business
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PHL frozen pork inventory falls by almost 28%

THE Philippines's inventory of frozen pork as of January 1 shrank as imports plunged, according to data from the National Meat Inspection Service (NMIS).

Figures from the attached agency of the Department of Agriculture (DA) indicated that the inventory of frozen pork in local cold storage facilities fell by nearly 28 percent to 69,192.74 metric tons (MT).

Imported frozen pork, which constituted the bulk of the inventory during the period, declined by 27 percent to 67,795.13 MT. Last year, frozen pork in imports in local cold storage facilities reached 93,352.41 MT.

Local pork accounted for only 1,397.61 MT of the total inventory as of January 1. In 2023, the figure was nearly double at 2,717.05 MT.

Cold storage facilities in Region 3 had the highest volume at 19,580.98 MT, followed by Region 4-A and the National Capital Region (NCR), which accounted for 18,211.79 MT and 16,583.89 MT, respectively.

In contrast, the inventory of dressed chicken as of January 1 was higher by 13 percent to 52746.29 MT, according to data from the NMIS.

Imports again accounted for the bulk of the inventory at 34,145.36 MT. However, the figure was slightly lower than the 35,654.63 MT recorded on January 2, 2023.

Local poultry in cold storage facilities reached 18,330.93 MT as of January 1, 72 percent higher than the 10,635.63 MT recorded a year ago.

Cold storage facilities in Region 3 had the highest volume of dressed chicken at 16,624.83 MT. It was followed by Region 4-A (13,031.15 MT) and NCR (10,569.31 MT).

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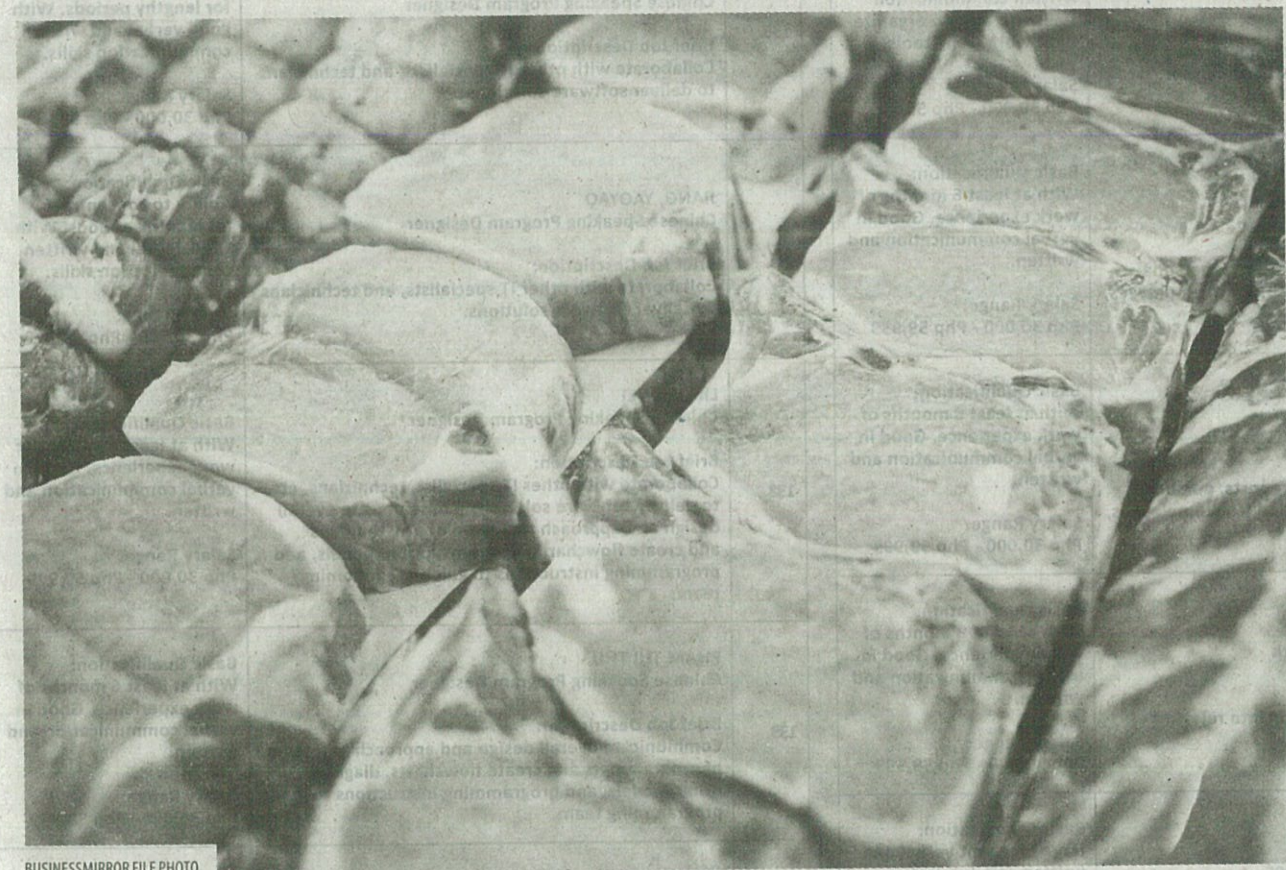
BUSINESSMIRROR FILE PHOTO

The Philippines imports meat products, particularly pork, to beef up domestic supply. The government had even lowered tariffs for pork products to keep prices in check.

Based on data from the Bureau of Animal Industry, the country's meat imports reached 1.115 billion kilograms or 111.55 million metric tons (MMT) before the holiday season started in 2023. This was lower than the 1.252 billion kilos or 1.25 MMT shipments that arrived in the same period of 2022.

Imports in November 2023 stood at 96.315 million kilos, a 22.3-percent decline from the 123.95 million kilos shipped to Manila in November 2022.

Last December, Malacañang issued Executive Order (EO) 50 which maintained the low tariffs on certain agricultural products, including pork.

The government cited the continuing prevalence of African swine fever (ASF) as rationale for maintaining the current tariffs on imported pork products.

Under EO 50, the tariff rates on the following commodities will remain until end-2024: 15 percent and 25 percent for in-quota and out-quota pork imports, respectively; 5 percent and 15 percent for in-quota and out-quota corn imports; and a 35-percent uniform rate for rice imports.

ASF, which is fatal to hogs, struck the Philippines in 2019 and continues to threaten local pork production. Based on data from the Philippine Statistics Authority, ASF was one of the major reasons behind the failure of government to hit its farm growth target in 2019.

Abante
TONITE
MABILIS SA BALITA

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Magsasaka umaray sa napesteng sibuyas

Muling dumadaing ang mga magsasaka ng sibuyas sa Nueva Ecija dahil sa pananalasa ng army worms o harabas sa kanilang mga pananim na inaasahan na sanang aanihin ngayong buwan hanggang Marso.

Nailahad sa **Abante** ni Bongabon, Nueva Ecija Mayor Ricardo Padilla ang daing ng kanyang mga kababayan na hanggang ngayon ay naghihintay pa ng resulta ng ipinagamit na pamatay peste sa kanila ng Department of Agriculture.

"May ginamit na gamot galing sa DA, 'di ko pa alam kung epektibo pero minalas na naman kaming tinamaan" saad ni Mayor Padilla.

Kuwento pa ng alkalde na nito lang Enero 6 ay napasyalan niya ang pampamilyang bukirin na 7 ektarya na maganda ang itsura ng mga nakatanim na puti at pulang sibuyas.

Gayunman pagkaraan ng 2 araw ay naubos ng peste ang mga dahon kaya't napilitan siyang ipabunot ito kaysa tuluyang malusaw lahat.

Ayon naman kay retired police officer Ric Villanueva ng Brgy. Popolon, Palayan City nalusaw din ng harabas ang kanilang mga pananim na sibuyas. (**Jojo De Guzman**)

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The need to upscale agtech adoption

MOVING FORWARD

WILLIAM D. DAR

I RECENTLY came across a report from Mckinsey showing that adoption of agriculture technology, now known as agtech, is very low in Asia.

The report, published over the Mckinsey website (https://www.mckinsey.com/) in early 2023, stated that North America and Europe are leaders in agtech adoption but Asia is lagging behind very badly. South America is also ahead of Asia in adopting agtech.

Specifically, what the Mckinsey report surveyed was the level of current adoption and plans to adopt among farmers across the various regions in the next two years from 2022. It covered 5,500 row- and specialty-crop farmers in 2022.

The survey showed that the global average in agtech adoption is 39 percent, while it is 62 percent in Europe, 61 percent in North America, 50 percent in South America and only 9 percent in Asia.

The Mckinsey report showed that farm-management software had the highest adoption among farmers at 21 percent, while remote-sensing and precision agriculture hardware was at second at 15 percent.

A lower adoption rate, or 5 percent, were seen in sustainability-related technology like software and hardware measuring carbon emissions and sequestration, and optimizing water usage in irrigation.

As for automation and robotics adoption, a low adoption rate of only 2.5 percent was noted, according to the Mckinsey report.

There were also constraints noted in the adoption by farmers of agtech, of which the top two are high costs and unclear return on investment.

With the Mckinsey report saying that Asia has the lowest adoption of agtech globally, it is very clear that there is an urgent need for collective and concerted action to upscale the adoption of agtech in the Philippines.

And the actors, stakeholders and policymakers in the country's agriculture sector should keep abreast of the current and emerging agtechs for reasons that are obvious: a growing population; lesser land to plant crops; dwindling water supply; aging farmers and fishers who mostly have sons or daughters not interested in agriculture; and climate change.

So, what needs to be done to scale up agtech adoption in the Philippines?

Definitely, policy support and a massive change in the mindset of both bureaucrats and food producers are needed to upscale agtech in the country.

The private sector can also take the lead in introducing and upscaling agtech in the Philippines as most advances in the field were made by private sector companies.

According to the Mckinsey report, there is a big number of agtech development startups with the United States having nearly 3,500, the United Kingdom nearly 700 and Canada at least 630 as of 2022. It was also mentioned that the precision agriculture market in Canada reached $870 million in 2022.

Those figures clearly demonstrate the great interest of the private sector in the aforementioned countries in agtech development, which should be good news as that would give us more technology options to improve crop production in the Philippines.

Current and emerging agtech trends

The following are the current and emerging agtech trends that I believe will transform agriculture in the next five to 10 years: farm-management software; remote-sensing and precision agriculture; drones or unmanned aerial vehicles; autonomous farm equipment; regenerative agriculture; and biotechnology.

Farm-management software is part of the digitalization trend in agriculture, and we all know that digitalization is now part of our everyday lives. There are also a number of free management software or apps that can be downloaded from the internet, allowing farmers the chance to try the technology and upgrade to the more advanced programs later.

Meanwhile, remote sensing has made rapid advances with satellite-based programs now available. Remote sensing can also use drones to monitor field conditions.

Also, the use of drones for various applications in farming like applying inputs is becoming popular. Currently, there are hundreds of drone manufacturers globally, which can result in the prices of unmanned aerial vehicles going down in the next years.

As for autonomous farm equipment, Mordor Intelligence pointed out that the projected global market size for such machines will reach $1.3 billion this year and grow to $4.15 billion by 2029. That is a compound annual growth rate of 2[illegible] percent.

[illegible]lso said that the largest market for autonomous farm equipment is the Asia-Pacific region, although the fast-growing market is North America.

I also see regenerative agriculture as an agtech that would be upscaled given the calls for global agriculture to shift to more sustainable practices and systems. Regenerative agriculture also primarily emphasizes the optimized use of soil and water resources, utilization of natural or organic materials and harmonizing farming with the natural ecosystem.

And finally, there is no stopping the wider adoption of biotechnology including here in the Philippines because of the advances made in the field in the past decades by established global players.

With what I have discussed in this column, I believe that we should not waste time in scaling up the application of agtech in the Philippines. And holding a series of forums and conventions to raise awareness on agtech current and future trends and applications is a very good start.

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Antique coop opens consolidation center

SAN JOSE DE BUENAVISTA, Antique: The Barbaza Multi-Purpose Cooperative (MPC) opened a consolidation center to help its members market their products.

Barbaza MPC agriculturist Jose de la Cruz Jr., in an interview on Wednesday, said the Agri-Produce Consolidation Center, or "Bagsakan Center," that opened on January 10 in the municipality of Sibalom, will initially cater to 25 farmer-beneficiaries producing vegetables, including high-value crops.

"Initially, the products displayed right now at the center were produced by the 25 farmer-beneficiaries from the towns of Sibalom, San Remigio and Belison," he said.

Sixty percent of their income will go to the farmer-beneficiaries, while 40 percent will go to the cooperative for their capital buildup.

The Cooperative-National Confederation of Cooperatives (Coop-NatCCO) Partylist, with P250,000 funds from the Department of Labor and Employment Pangkabuhayan Program, helped establish the first consolidation center in Antique.

Coop-NatCCO Partylist Rep. Felimon Espares sourced the funding to purchase equipment, such as weighing scales and vegetable containers, and the operation of the center.

Goods at the center are selling at a lower price compared with the prevailing market price.

Squash and sayote (vegetable pear), which are being sold at the market for P40 per kilo, are just being sold for P35 per kilo at the center.

De la Cruz said that aside from vegetables and other high-value crops, they will soon sell rice, considering that Sibalom is the rice granary of Antique. **PNA**

Members of the Barbaza Multi-Purpose Cooperative can now market their agricultural products at the Agri-Produce Consolidation Center or Bagsakan Center located in Sibalom, Antique. PNA PHOTO

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Indonesia Prima, Searca eye projects

BY LEANDER C. DOMINGO

INDONESIA Prima, a business support and strategic partner for accelerating farmers' entrepreneurial mindsets, and the Los Baños-based Southeast Asian Regional Center for Graduate Study and Research in Agriculture (Searca) are exploring joint initiatives on empowering women in agribusiness and advancing digital agriculture.

Diah Yusuf, Indonesia Prima chief executive officer and strategic expert, met with heads and staff of the Searca's Emerging Innovation for Growth Department (EIGD) and Partnerships Unit, and shared his company's commitment in supporting small agribusiness firms.

She added that they are currently assisting Indonesian durian farmers to access better technology to improve their yield.

"We also help the durian farmers look for local and international market opportunities," Yusuf said.

The Indonesia Prima chief also noted that since they are just starting their venture into agriculture, and it would be beneficial if they could align their goals with Searca.

Meanwhile, lawyer Eric Reynoso, Searca-EIGD program head, introduced to Yusuf the Grants for Research toward Agricultural Innovative Solutions (Grains) that provides starter funds to researchers, scientists, inventors and agripreneurs to scale up their technology or innovation model.

Under Grains, Reynoso said that the notable completed projects include Project AIRIN, an automated irrigation and nutrient management system for Filipino small-scale farmers; and the Indonesia-based Dakota digital platform that strengthens the supply chain and traceability of okra through blockchain technology.

Citing some of the new projects under Grains, one of which is a government-led project on big weather data in Thailand, Lichelle Carlos, an EIGD program specialist, said the project has been helping 20 farming communities get early weather advisories.

Carlos said the center is partnering with a startup in Singapore that developed a diagnostic kit that detects the presence of disease in shrimp farm water samples, aiding farmers in preventing major outbreaks.

She said Searca works on projects in Brunei Darussalam, Indonesia and Malaysia to connect halal product manufacturers to institutional buyers and suggested a potential collaboration on marketing Indonesia Prima's durian harvests.

Carlos also shared with Yusuf the Innovation Olympics 2.0, an agri-hackathon, where young innovators develop innovative solutions to the challenges faced by urban and rural smallholder vegetable farmers.

She also talked about the Food is Life Exemplified Promoting Planetary Health Diet competition.

"This fostered the development of mobile applications guiding consumers in making informed food choices based on their nutritional needs, the food's health benefits and its production's impact on farmer income and the environment," Carlos added.

Sharon Malaiba, Searca Partnerships unit head, also informed Yusuf of the center's initiative on carbon farming and youth engagement in agriculture.

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Experts push 'effective' industrial, trade policies to boost PHL exports

By Andrea E. San Juan
@andreasanjuan

LOCAL economists said the government should develop an "effective" trade and industrial policies that would take advantage of the country's demographic transition, among others, to boost the country's exports.

They issued the recommendation after the Philippine Statistics Authority (PSA) disclosed on Wednesday that the trade deficit in November 2023 rose by 26.3 percent to $4.69 billion. Data showed that this is the widest trade gap in seven months.

The gap stemmed from the import receipts which grew 0.02 percent to $10,82 billion and the export earnings, which declined to $6.13 billion by 13.7 percent in November 2023.

Imports posted a positive growth in November 2023 for the first time in nine months, while exports have been posting a decline for three consecutive months or since September 2023.

Ateneo de Manila University economist Leonardo Lanzona explained that exports are declining because "there is hardly any government program that is encouraging their development."

Lanzona also noted that the trade gap could point to "much of what is exported is based on imports as domestic resources are not being utilized either to enhance comparative advantage or develop ideas that can create products demanded in the market."

De La Salle University economist Maria Ella Oplas echoed Lanzona's statement as she told the BusinessMirror "even our manufacturing industry is highly dependent on importation of raw materials. Hence, whatever we export, is also made up of imported materials."

With this, Lanzona cited the need to leverage on the demographic transition that is occurring in the country right now to bring about a

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"structural transformation" in the country's economy with respect to trade.

"As the population reaches a stage where a significant proportion of people are in their working ages, it is necessary to develop a comprehensive and effective trade and industrial policy," Lanzona said in a Viber message on Wednesday to the BusinessMirror.

He noted that while there may have been a "bad experience" concerning industrial policies in the past, the country "cannot simply rely on markets to bring about this structural transformation."

Failing to take advantage of the working population in the country, he noted, "means that we lose our chances of benefiting from this demographic transition that comes only once in our nation's history."

Recognizing the country as being "import dependent," Oplas noted that "there is a lot to fix internally" as she raised the food security issue in the country.

"We have a very inefficient agriculture sector. It costs a lot to produce, for example rice, probably because of the presence of scrupulous intermediaries like the informal credit providers that take advantage of our farmers and maybe our local banks who are not scared of the Agri-Agra law requiring them to allot capital for our farmers," Oplas said.

She also pointed out that the youth no longer see the "value-added" in going into the agriculture sector and instead opting for careers away from the sector as "a lot of farm lands are converted to subdivisions."

"Government should really prioritize the agriculture sector...make it promising for people to go back to the provinces and venture on agri," Oplas said, stressing that the government should make available efficient technologies by "mechanizing" farmers, protecting farmers from informal traders, among others in order to address production issues, especially in the agriculture sector.

Further, Oplas prodded the government to support the country's local scientists and inventors "so that new, more efficient technologies can be uncovered and used to make our production competitive."

She also underscored the need to promote the country's automotive industry, as the country is "rich" with mechanical engineers. But, Oplas said, "The problem is we only assemble."

"So if we can bring back automotive back, it will not only spur export but create employment and local economic activity," she said.

Shifting from domestic to global issues, George Manzano, former tariff commissioner, told the BusinessMirror "the bulk of the export slowdown for the month is weak electronic exports."

"The market for electronic products worldwide, particularly gadgets, has been soft. It appears that consumers are buying electronic products but not at the pace of the pre-pandemic," Manzano said.

He cited geopolitical tensions, which include maritime risks, such as the incidents in the Red Sea, as the factors that "weaken" international demand.

From January to November 2023, PSA disclosed that the country's export earnings amounted to $67.03 billion, an annual decline of 8.4 percent from the $73.18 billion recorded in the 11-month period in 2022.

In the 11-month period, electronics exports amounted to $37.98 billion, down 10.4 percent from the $42.37 billion recorded in January to November 2022.

Still, in November 2023 alone, electronic products continued to be the country's top exports with earnings of $3.44 billion or 56.1 percent of the country's exports pie. This was followed by other manufactured goods with an export value of $334.42 million, with 5.5 percent share in the exports pie and other mineral products with $230.93 million or 3.8 percent share.

In terms of export destination, PSA noted that exports to the United States comprised the highest export earnings amounting to $970.22 million or 15.8 percent share to the country's exports in November 2023.

This was followed by Japan with $949.66 million, or 15.5 percent share; People's Republic of China, with $821.53 million or 13.4 percent share; Hong Kong, with $721.54 million or 11.8 percent share and Republic of Korea with $326.48 million or 5.3 percent share.

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Lower tariffs on commodities seen to keep inflation stable

By Cai U. Ordinario @caiordinario

LOWER tariffs for rice, corn, coal and pork are the key factors that would keep inflation stable this year and next year, according to an economist from The Hongkong & Shanghai Banking Corp. Ltd. (HSBC).

HSBC Economist for Asean Aris Dacanay told reporters last Wednesday that without the extension of the lower tariffs for these commodities, inflation could be higher by as much as 1.4 percentage points.

Dacanay said HSBC's forecast for the Philippine inflation is an average of 3.5 percent for this year and 3.8 percent in 2025. The higher rate expected for next year, only took into consideration the possibility that the lower tariffs for the commodities will not be extended anew.

"We did the math. If you let it expire, that's 1.4 percentage points. The reason why it's (only) 0.3 (percentage points higher) is because we expect rice to finally cool down as well. So that's an offsetting factor," Dacanay said.

Based on HSBC's calculations, the non-extension of lower rice tariffs would mean an addition of 0.9 percentage points; coal, 0.2 percentage points; pork, 0.2 percentage points; and, corn, 0.1 percentage points.

Dacanay noted that the country is set to order a million metric tons of rice, a third of what the country imports. This, he said, will be a major boost to efforts to stem any increase in inflation until 2024.

"With lower tariff rates for rice, corn, coal, and pork, you could expect inflation to stabilize in 2023. And particularly, I think it will range, except for the second quarter, it will range within the BSP's (Bangko Sentral ng Pilipinas) target band, 2 percent to 4 percent target band, giving the BSP space to cut interest rates," according to a briefing paper provided by HSBC.

But, Dacanay said, the Philippines needs to closely monitor rice policies implemented around the world such as rising protectionism and trade barriers such as the export restrictions imposed by India.

He added that global rice prices are at the highest since the last food crisis year of 2008. The elevated rice prices in the international market could provide "a floor under how much inflation can actually moderate in the Philippines."

Dacanay earlier said HSBC expects the BSP to begin its easing cycle alongside the US Federal Reserve beginning in the second quarter of this year ***(Full story here: https://businessmirror.com.ph/2024/01/05/inflation-eases-to-3-9-in-december-with-2023-full-year-average-at-6-psa/).***

He reiterated last Wednesday that the BSP is expected to move in lockstep with the Fed not only in terms of timing but in terms of size.

Dacanay said the central bank is expected to start reducing interest rates by 25 basis points in June. This will be followed by succeeding 25 bps rate cuts until the target reverse repurchase (RRP) rate reaches 5.75 percent by yearend.

Currently, the target RRP is unchanged at 6.5 percent. A reduction to 5.75 percent means a total rate cut of 75 bps this year.

"With the inflation outlook better, again, as mentioned, finally, the BSP has room to ease policy; it's just a matter of when. Now, of course, there's a limit to that, and that limit is the Fed. We don't think the BSP will be able to cut ahead of the Fed, mainly because our current account deficit is still pretty wide," Dacanay said.

Last month, days before the expiration of the lowering of tariffs for rice, corn, pork and coal, President Ferdinand R. Marcos Jr. extended the temporary modification of rates of import duty on rice, corn, and meat products until December 31 next year.

In Executive Order 50, Marcos cited the impact of El Niño on the price of goods, alongside the effects of the African Swine Fever and trade restrictions in exporting countries. He also cited the "present economic condition" that called for the reduction of tariff rates on rice, corn and meat of swine (fresh, chilled or frozen).

The application of the reduced tariff rates on goods will "maintain affordable prices for the purpose of ensuring food security, managing inflationary pressures, help augment the supply of basic agricultural commodities in the country, and diversify the country's market sources," Marcos has said.

Malaya
Business Insight

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Soybeans ease; wheat falls

SINGAPORE - Chicago soybean futures fell on Wednesday, shedding gains from the previous session, with forecasts of more rains in Brazil this week likely to further improve the maturing oilseed crop.

Wheat and corn lost ground with investors in agricultural markets focussed on key US reports on Friday for a price direction.

"We are in weather market as far as soybeans are concerned," said one Singapore-based oilseed trader. "Brazilian weather looks good for now with rains expected this week. But it going to turn dry after that."

The most-active soybean contract on the Chicago Board of Trader (CBOT) was down 0.3 percent at $12.44-3/4 a bushel, after closing marginally higher on Tuesday.

Wheat fell 0.4 percent to $6.07-3/4 a bushel and corn gave up 0.1 percent to $4.58-3/4 a bushel.

Weather charts pointed to more rain in a swathe of Brazil this week before drier conditions return next week.

Recent rains have eased concerns over dryness, which had been threatening soybean crop yields in Brazil, the world's No. 1 exporter of the oilseed. - ***Reuters***

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Rice prices in Asia poised to stay elevated on tight market

THE rice market is set to remain tight at the start of the year on India's ongoing export restrictions and an expected boost from festival demand, providing impetus for elevated prices to climb even higher.

The grain is vital to the diets of billions and further price gains would stretch household budgets. Thai white rice 5 percent broken—an Asian benchmark—eased to $646 a ton on Wednesday, slipping for the first time since early December, but still remains near a 15-year high.

"We know rice markets will remain tight for the foreseeable future, largely due to India's export ban," according to Peter Clubb, a commodities market analyst at the International Grains Council in London. "We also have Eid coming up in April, and the period before Eid tends to see good demand from markets with significant Muslim populations in Asia and Africa."

Top shipper India is expected to keep its export restrictions in place until at least a general election in April or May, as Prime Minister Narendra Modi seeks to contain local prices before voters head to the polls. The onset of El Niño and its potential impact on key growing areas has added to supply concerns.

Nations across Asia and Africa have scrambled to secure supply since India ramped up its restrictions in July. Rice inflation in the Philippines has surged, while Indonesia has asked its military to help farmers boost output. The nation is a major importer and is gearing up for a presidential election next month.

Still, prices are unlikely to revisit the 2008 record above $1,000 a ton, which coincided with broader export bans. Farmers in Vietnam's Mekong Delta could start harvesting their new crop this month, alleviating some supply concerns. The winter-spring harvest typically yields the nation's biggest crop.

Thailand's rice exporters association, which sets Thai white 5 percent broken prices, also expects the nation's exports to drop this year as demand eases, most notably from Indonesia following its election. Thailand is the world's second-biggest exporter of the grain, while Vietnam is the third largest. ***Bloomberg News***

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Floods trap cows, harm crops as wild weather hits Australia

HEAVY rains and flooding across Australia's southern state of Victoria has damaged crops and stranded cattle as a months-long run of wild weather on the nation's east coast leaves a trail of destruction.

Severe storms have lashed Victoria since October, with parts of Queensland and New South Wales impacted over the following months, including a cyclone that damaged sugar crops in the country's far north. The latest deluge has inundated fruit orchards and continues to delay the harvest of wheat and barley.

Simon McKenry, a livestock and wheat farmer in western Victoria, said he has already downgraded some of his crop to animal feed after multiple rain events, and has only been able to harvest just over a day each week due to the wet conditions. Growers typically start harvesting their grains from November.

The persistent rain has come even after the onset of the El Niño weather pattern, which usually brings hotter and drier conditions to Australia and prompts authorities to prepare for an uptick of wildfires.

Recent heavy rain has triggered flood warnings across parts of Victoria, leading to evacuation orders and floodwaters inundating homes, including in the small rural of Seymour on the banks of the Goulburn River.

"I know one farmer just out of Seymour who's had to hire a boat so he can get out to feed his cattle," said Victorian Farmers Federation President Emma Germano. "The water is over three meters at its deepest point, and there was some concern that some of his cows might have even been swept away."

Cattle standing in water for long periods are also at risk of developing infection issues with their hooves, she added.

Some plum and peach farmers in Victoria's Goulburn Valley have been forced to let damaged fruit drop to the ground and rot after rain over the weekend and Monday, said Michael Crisera, grower services manager at industry group Fruit Growers Victoria. That follows a devastating hailstorm a week ago which damaged 500 hectares of apple, pear and plum trees in the same area, he added.

Around half of the past El Niño events have included heavy rainfall, particularly across parts of eastern Australia, the Bureau of Meteorology said in a statement. Very high temperatures in the Tasman Sea and the presence of a positive Southern Annular Mode—which is unusual to see during El Niño—likely contributed to rainfall events in eastern Australia in December and January, it said.

'More bad floods'

THE spate of wild weather—which includes a tornado that hit the Gold Coast in Queensland on Christmas evening—is likely to lead to mounting insurance claims. Insurance Australia Group Ltd. said last week that it had received around 17,000 claims from events in December.

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FLOODWATER inundates Rochester township on January 9. DIEGO FEDELE/GETTY IMAGES/BLOOMBERG NEWS

Parts of Queensland were hit with flash flooding again on Tuesday, with local media reporting water lapping at doors.

Neil Baker, a fourth-generation beef and pork farmer who lives on the banks of the Tweed River in New South Wales, is facing another cleanup from flooding—the fifth in seven years. His three farms were inundated by major floods in the region on New Year's Day.

"We're expecting that's not even going to be the worst of it," he said. "Over the next few months, we expect there will be even more bad floods."

US beef

SEVERE winter weather is curtailing America's meat production, with two of the biggest beef packers idling Kansas slaughter plants as blizzard conditions swept through the region this week.

Cargill Inc.'s plant in Dodge City, Kansas, suffered a partial power outage, and 50 workers were temporarily stranded at the plant Monday due to a road closure. The plant will be reopened when power is restored and it's deemed safe for workers. Tyson Foods Inc. also had a plant impacted in the state.

"We realize that some employees got stuck on the road outside the plant. We are working with local authorities and have hired tow truck drivers to assist them and other motorists," Cargill said in a statement.

When meat plants close, protein prices can start surging if supplies run thin. Meanwhile, farmers may face lower prices for their livestock with demand for the animals disrupted.

The number of cattle slaughtered in the United States fell to 94,000 on Tuesday, compared with 128,000 a year earlier, according to US Department of Agriculture data. It's the lowest weekday total so far this year.

Tyson Foods canceled two shifts at its beef plant in Holcomb, Kansas, on Tuesday, the company said in a statement. Employees on Monday were offered hot meals and a place to seek shelter amid dangerous travel conditions.

Bloomberg News