

CLIPPINGS FOR TODAY SEPTEMBER 09, 2024

A. THE PHILIPPINE STAR:

Philippines appetite for rice whets Vietnam export prices

P85 million smuggled meat from China seized in Parañaque

DA to finish ASF vaccine procurement in October

B. PHILIPPINE DAILY INQUIRER:

Bulacan food, product fair a success despite 'Enteng' rains

P85-M poultry products seized in Parañaque

C. BUSINESS WORLD:

Rice inflation seen to cool once India lifts export ban

SRA hoping fertilizer additive saves costs for sugar farmers

World food prices ease slightly in August, UN says

Norway reports outbreak of bluetongue disease in sheep

D. MALAYA BUSINESS INSIGHT:

SRA boosts research on fertilizer alternative

E. BUSINESS MIRROR:

UA&P: Rice interventions didn't have dent on industry

Forecasters in BSP poll: Inflation trending down till '26

Field of Dreams

FAO: Vegetable oil quotations at 20-month high

Soy oil extends selloff on Canadian rapeseed competition woes

SRA opens laboratory for fertilizer supplement production

Red tide warning up in Bais Bay in Negros Oriental

PCC's bold move to protect farmers and consumers

THE PHILIPPINE STAR:

Philippines appetite for rice whets Vietnam export prices

[Jasper Emmanuel Arcalas](#) - The Philippine Star

September 9, 2024 | 12:00am



In its rice price update report, the FAO identified the Philippines as one of the major drivers in the uptick of Vietnamese rice export prices last month for both Indica and non-Indica segments.

[Philstar.com](#) / Jovannie Lambayan

MANILA, Philippines — Vietnamese rice export prices rose by as much as \$60 per metric ton in August, driven by higher demand from the Philippines, according to the United Nations' Food and Agriculture Organization (FAO).

In its rice price update report, the FAO identified the Philippines as one of the major drivers in the uptick of Vietnamese rice export prices last month for both Indica and non-Indica segments.

The FAO said non-Indica indexes such as Aromatic, Japonica and Glutinous increased on a monthly basis brought about by higher export prices seen in Thailand and Vietnam.

The price of Vietnam's five-percent fragrant rice last month rose by 10 percent to \$630 per metric ton from \$572.5 per metric ton in July on the back of stronger purchases from the Philippines and Africa, the FAO said.

Furthermore, export prices of both five percent and 25 percent broken rice from Vietnam rose on a monthly basis in August.

The five percent broken variety grew by 3.7 percent to \$555 per metric ton from \$535 per metric ton while the 25 percent broken variety increased by \$16 month-on-month to \$516 per metric ton, based on FAO data.

“Prices strengthened in Vietnam, as strong sales to Indonesia and the Philippines offset downward pressure exerted by harvest progress,” the FAO said.

Last month, local rice traders and importers said Vietnamese rice prices grew following the reduction of the country’s tariff on the commodity to 15 percent.

This, they noted, hindered the prospective decline in domestic retail rice prices.

Government officials have estimated that the rice tariff cut would slash retail prices by as much as P7 per kilogram.

Certain quarters of the agriculture sector have voiced out their growing frustration that the government’s promise of retail rice price reduction is not yet materializing two months after the tariff cut took effect.

For its part, the Department of Agriculture is maintaining its projection that the impact of the tariff reduction would be felt next month once substantial volume of stocks under lower tariff has been brought in by traders and importers.

Pundits have earlier pointed out that the projected effect of the tariff cut would not be felt immediately as traders and importers would still have to dispose of their previous stocks bought at a higher tariff rate of 25 percent.

The country’s rice imports in July and August have slowed to an average of 200,000 metric tons, half of the 400,000 MT average monthly arrival in the first half.

<https://www.philstar.com/business/2024/09/09/2383790/philippines-appetite-rice-whets-vietnam-export-prices>

THE PHILIPPINE STAR:

P85 million smuggled meat from China seized in Parañaque

[Evelyn Macairan](#) - The Philippine Star

September 9, 2024 | 12:00am



Frozen duck, chicken, pork and other food items with Chinese markings were allegedly imported without payment of customs duties and taxes.

AFP / File

MANILA, Philippines — Smuggled frozen meat products from China worth P85 million were confiscated recently at a warehouse in Parañaque, according to the Bureau of Customs (BOC).

“The audacity of these people to smuggle and hide agricultural products in Metro Manila is beyond us. They belittle our laws and make a mockery of Customs agents by thinking they can do illegal activities just a few kilometers from our port,” Customs Commissioner Bienvenido Rubio said.

Frozen duck, chicken, pork and other food items with Chinese markings were allegedly imported without payment of customs duties and taxes.

A composite team from the Customs Intelligence and Investigation Service-Manila International Container Port, Department of Agriculture and Philippine Coast Guard inspected the warehouse on Sept. 5.

The warehouse was padlocked to protect the products that will undergo final inventory, BOC officials said.

The BOC said owners of the warehouse have 15 days to present proper documents and prove they were not hoarding illegally imported agricultural products.

<https://www.philstar.com/nation/2024/09/09/2383819/p85-million-smuggled-meat-china-seized-paraaque>

THE PHILIPPINE STAR:

DA to finish ASF vaccine procurement in October

[Bella Cariaso](#) - The Philippine Star

September 9, 2024 | 12:00am



DA Assistant Secretary Arnel de Mesa said that validation continues for the ongoing vaccination of hogs in Lobo, Batangas, the “ground zero” of the outbreaks, and other provinces affected by ASF.

BusinessWorld / File

MANILA, Philippines — The procurement of all 600,000 doses of vaccine against African swine fever (ASF) is expected to be completed next month, according to the Department of Agriculture.

DA Assistant Secretary Arnel de Mesa said that validation continues for the ongoing vaccination of hogs in Lobo, Batangas, the “ground zero” of the outbreaks, and other provinces affected by ASF.

“Validation of areas in and outside Lobo is ongoing so we can utilize the entire 10,000 doses for the vaccination of pigs,” De Mesa said.

Agriculture Secretary Francisco Tiu Laurel Jr. earlier approved the release of at least P350 million for the procurement of 600,000 doses of ASF vaccine.

“We expect to finish the procurement of the remaining balance of the 600,000 vaccine doses (next month), so the vaccination will be finished by December,” De Mesa said.

The 10,000 doses of ASF vaccine were acquired through emergency procurement amid reported outbreaks in several areas in Batangas.

The purchase of the remaining 590,000 doses is being done under the normal procurement process of the DA.

Stakeholders have asked Tiu Laurel to deputize them in the hog vaccination program being conducted by the Bureau of Animal Industry, an attached agency of the DA.

“We have a limited number of veterinarians. Stakeholders requested to deputize veterinarians from local government units, academe and the animal industry to hasten the vaccination of hogs,” De Mesa said.

He said the DA is planning to tap private laboratories in the testing of pigs to determine if the animals are healthy and qualified for vaccination.

“These are very important steps to ensure that the vaccination will continue smoothly,” he said.

Up to 41 hogs in Lobo were reportedly inoculated when the controlled vaccination started on Aug. 30.

Meanwhile, farmers’ group Samahang Industriya ng Agrikultura (SINAG) has warned of shortage in the supply of pork in 2025 due to ASF.

SINAG chairman Rosendo So assured consumers of adequate pork supply only until the holiday season.

So said the shortage is expected next year as hograisers are compelled to sell early their hogs that are supposed to be slaughtered in January and February for fear that the animals might contract the virus.

He said Tiu Laurel is expected to meet with hog raisers to discuss possible solutions to the problem.

<https://www.philstar.com/nation/2024/09/09/2383819/p85-million-smuggled-meat-china-seized-paraaque>

PHILIPPINE DAILY INQUIRER:

Bulacan food, product fair a success despite ‘Enteng’ rains

By: [Carmela Reyes-Estropo](#) - Correspondent / [@inquirerdotnet](#)

Philippine Daily Inquirer / 04:35 AM September 09, 2024



This year’s Buffex also highlighted some of the newest food products from the different towns and cities in Bulacan.

CITY OF MALOLOS, BULACAN, Philippines — Rains brought by Tropical Storm Enteng (international name: Yagi) did not stop food enthusiasts and other visitors from coming to the 12th Bulacan Food Fair and Exposition (Buffex), which precluded the weeklong “Sining Pangkalinangan ng Bulacan” (Singkaban) festivity in the province.

Corina Tengco-Bautista, president of the Bulacan Chamber of Commerce and Industry (BCCI), said 96 business locators, including municipal and city governments from the province, participated in the five-day trade fair held at the Pavilion of the Hiyas ng Bulacan Convention Center here from Sept. 2, the same say that Enteng was dumping heavy rains in Luzon and parts of the Visayas, until Sept. 6, when the tropical storm had already left the country.

Nearly a hundred stalls that showcased the variety of Bulacan’s famous sweets like pastillas de leche from San Miguel town, minasa and barquillos biscuits and cookies from Bustos, and many other “pasalubong” (gift) treats were visited by residents and local tourists.

“Many still come and patronize our own products, it is indeed another successful year of Buffex,” she told the Inquirer in a phone interview on Sunday.

Philippine Chamber of Commerce and Industry Central Luzon (Region 3) governor Cristina Tuzon said the annual Buffex showcases both the traditional and new food products and delicacies of Bulacan, including cultural and handicraft items, and novelties of the province’s micro, small and medium entrepreneurs.

Edna Dizon, Department of Trade and Industry Region 3 director, said this year’s Buffex also highlighted some of the newest food products from the different towns and cities in Bulacan, like cold drinks such as milk tea, fruit drinks, dairy products, as well as nuts, donuts and other bread delicacies among others.

Mother of festivals

Gov. Daniel Fernando, who along with Vice Gov. Alexis Castro were guests at the opening of Buffex on Sept. 2, said the annual trade fair is part of the Singkaban that gathers all other festivals in the 20 towns and four cities of the province.

Dubbed as the “mother of all festivals” in Bulacan, Singkaban will run from Sept. 9-15. Fernando said other than the usual agriculture, transport sector, youth, women sector, tourism, cultural, music, arts, poetry, food, beauty pageants, and costume design, this year’s Singkaban will also feature and highlight all local fiesta bands or mosiko.

“We Bulakenyos are also rich with these cultural bands, mosiko, which [have] rhythms [that] give us more of the feel of excitement and joy of the festivities during fiestas and major events. That’s why we have to keep them playing loud and alive. We have around 80 of them and we have to include them in our annual Singkaban,” he said.

“Let’s go bigger, let’s go better in our Buffex, in our Singkaban,” the governor added. He said that Bulakenyo youth should also be taught to engage in business by exposing them to trade fairs.

The provincial government has increased its current 16,000 scholars to 18,000 to help more of the local youth to acquire formal education, he added.

<https://newsinfo.inquirer.net/1981190/bulacan-food-product-fair-a-success-despite-enteng-rains>

PHILIPPINE DAILY INQUIRER:

P85-M poultry products seized in Parañaque

Philippine Daily Inquirer / 04:50 AM September 09, 2024

MANILA, Philippines — Smuggled poultry products from China, valued at approximately P85 million, were confiscated from a warehouse in Parañaque City, the Bureau of Customs (BOC) said on Sunday.

The operation, carried out on Sept. 5, uncovered frozen duck meat, frozen chicken meat, frozen pork meat, frozen food items with Chinese markings and various food and beverage items with foreign markings, said Customs Intelligence and Investigation Service Director Verne Enciso.

Intelligence Group Deputy Commissioner Juvymax Uy said the warehouse owners will be given 15 days to present the necessary documents to refute the allegations of hoarding imported agricultural products, the BOC said. —*Jane Bautista*

READ MORE

<https://newsinfo.inquirer.net/1981243/p85-m-poultry-products-seized-in-paranaque>

BUSINESS WORLD:

Rice inflation seen to cool once India lifts export ban

September 9, 2024 | 12:33 am



Rice prices are expected to further go down as lower tariffs take effect. — PHILIPPINE STAR/KJ ROSALES

By **Beatriz Marie D. Cruz**, *Reporter*

RICE INFLATION may further cool in the coming months once India relaxes a ban on exports, analysts said.

“India may reconsider its export ban, impacting international prices further. The stronger peso will also make imports cheaper, easing inflation further,” Union Bank of the Philippines, Inc., Chief Economist Ruben Carlo O. Asuncion said in a Viber message.

Market participants are anticipating that India, the world’s top rice exporter, could soon ease export restrictions on rice.

Last year, global rice prices spiked after India suspended exports of non-basmati white rice.

Headline inflation eased to 3.3% in August from 4.4% in July due to the slower rise in food and transport costs, the Philippine Statistics Authority (PSA) said last week.

In August, rice inflation slowed to 14.7% from 20.9% a month earlier. This was the lowest rice inflation since the 13.2% print in October last year.

Rice was the top contributor to the August inflation basket, accounting for 32.7% or 1.1 percentage points.

National Statistician Claire Dennis S. Mapa has said rice inflation is expected to fall to a single digit in September due to base effect.

It could be recalled that the consumer price index (CPI) for rice first hit double digits in September last year at 17.9%.

However, the effects of the recent Typhoon Enteng as well as higher oil prices may stoke rice inflation, Security Bank Corp. Chief Economist Robert Dan J. Roces said.

“Rice inflation falling to a single digit in September is possible, but it may be difficult to say for sure at the moment with the extent of the recent typhoon damage,” he said in a Viber chat.

Agricultural damage brought by Typhoon Enteng has risen to P659 million, the Department of Agriculture said over the weekend.

“We must remain vigilant of global factors like oil prices and domestic challenges like the impact of typhoons on rice supply, as these could affect future inflation,” Mr. Roces added.

Last week, the Organization of the Petroleum Exporting Countries and their allies including Russia agreed to delay its oil output increase to October and November as crude prices fell to a nine-month low, Reuters reported.

PSA’s Mr. Mapa also noted that the lower tariffs on rice imports have yet to significantly bring down retail prices.

In the last 45 days, the prices of regular and well-milled rice per kilo dropped by an average of 30 and 40 centavos respectively, PSA data showed.

“It’s slow, but we hope to see bigger drops in the coming months,” Mr. Mapa said.

In June, President Ferdinand R. Marcos, Jr. reduced the tariff on rice imports to 15% from 35% until 2028 to tame rice prices.

While the tariff cuts are expected to bring down rice prices, its effects may not be felt by most households, said Ateneo de Manila University economics professor Leonardo A. Lanzona.

“The expected effects of reduced tariffs are concentrated on premium quality rice which the public seldom buys. These types of rice are now relatively cheaper but still more expensive than the locally produced variety consumed by the majority,” he said in a Facebook Messenger chat.

The average price of a kilo of regular milled rice fell to P50.66 in August from P50.90 a month earlier, while well-milled rice prices declined to P55.56 from P55.85, data from the local statistics agency showed.

MORE **RATE** **CUTS**
Meanwhile, the Monetary Board is expected to continue with its easing cycle amid the slower inflation in August.

“The recent drop in Philippine inflation, especially rice prices, is a promising sign that our monetary and fiscal policies are working. This should pave the way for more interest rate cuts,” Mr. Roces said.

Mr. Asuncion said they now expect a 25-basis-point (bp) cut in October, and “a probable 1-2% reduction of the RRR (reverse repurchase rate) toward the end of 2024.”

The Bangko Sentral ng Pilipinas (BSP) cut policy rates by 25 bps at its Aug. 15 meeting, bringing the benchmark rate to 6.25% from 6.5% previously.

BSP Governor Eli M. Remolona, Jr. has signaled another 25-bp cut before the year ends. The Monetary Board has two remaining rate-setting meetings this year, on Oct. 17 and Dec. 19.

<https://www.bworldonline.com/top-stories/2024/09/09/619667/rice-inflation-seen-to-cool-once-india-lifts-export-ban/>

BUSINESS WORLD:

SRA hoping fertilizer additive saves costs for sugar farmers

September 9, 2024 | 12:03 am



REUTERS

THE Sugar Regulatory Administration (SRA) said that it is looking to increase the use of non-traditional fertilizer additives for sugar cane production.

In a statement, the regulator said that a recently opened Beneficial Micro-Organisms (BMO) facility could expand the use of the fertilizer additive.

“(The) BMO proved helpful during the prolonged dry spell early this year because it is a foliar fertilizer and can reduce regular fertilizer inputs by about 30% or more,” Ma. Theresa Alejandrino, the facility’s supervising science research specialist, said.

Sugarcane production declined 42.3% year on year during the second quarter to 1.63 million metric tons (MMT), according to the Philippine Statistics Authority (PSA).

The SRA said the P6-million facility has the potential to reduce the cost of fertilizer inputs for sugarcane growers. Its funding was authorized by the Sugar Industry Development Act or Republic Act 10659.

“It is actually a technology that has been used as early as the 1990s as it basically functions as prevention for plant diseases, but it is only recently that farmers were interested in using it amidst rising cost of fertilizers,” Ms. Alejandrino said.

SRA board member David Andrew L. Sanson said cane farmers were able to save about P6,000 per hectare due to the use of the BMO additive.

“The SRA can increase BMO production that we hope will be utilized by our farmers, especially the small farmers that comprise a huge chunk of our sugar producers, and make sugar farming sustainable,” Mr. Sanson added.

Last year, the SRA distributed more than 10,000 gallons of BMO to over 200 beneficiaries. It was used on up to 1,000 hectares of land planted to sugarcane.

Ms. Alejandrino said that the use of the additive promotes germination, flowering, fruition, and ripening of cane crops.

“It also improves physical, chemical, and biological environment of the soil and produces high levels of beneficial enzymes and organic acids that help build solid soil structure,” she added.

Based on the SRA’s initial estimates, raw sugar production could drop to 1.78 MMT for the 2024-2025 crop year, compared to the 1.92 MMT actual output for the 2023-2024 crop year. — **Adrian H. Halili**

<https://www.bworldonline.com/agribusiness/2024/09/09/619618/sra-hoping-fertilizer-additive-saves-costs-for-sugar-farmers/>

BUSINESS WORLD:

World food prices ease slightly in August, UN says

September 9, 2024 | 12:02 am



REUTERS

LONDON — The United Nations' (UN) world food price index eased slightly in August, data released on Friday showed, as lower prices for sugar, meat, and cereals more than offset higher dairy and vegetable oil prices.

The price index, compiled by the UN Food and Agriculture Organization (FAO) to track the most globally traded food commodities, slipped to 120.70 points in August from a revised 121 in July.

The FAO index hit a three-year low in February this year as food prices retreated from a record peak set in March 2022 following Russia's invasion of Ukraine.

The August value was 1.1% lower than its level a year ago and 24.7% below its peak from March 2022.

In a separate report, the FAO lowered its forecast for global cereal production in 2024 by 2.8 million metric tons to 2.851 billion tons, putting it almost on a par with the previous year's output.

The decrease largely reflects reduced prospects for coarse grain crops in the European Union, Mexico, and Ukraine, thanks to hot and dry weather conditions.

The forecast for world cereal utilization in 2024/2025 was lowered by 4.7 million tons versus July to 2.852 billion tons, reflecting a 0.2% increase from 2023/2024.

The agency also cut its forecast for world cereal stocks at the close of seasons in 2025 by 4.5 million tons to 890 million. — **Reuters**

<https://www.bworldonline.com/agribusiness/2024/09/09/619617/world-food-prices-ease-slightly-in-august-un-says/>

BUSINESS WORLD:

Norway reports outbreak of bluetongue disease in sheep

September 9, 2024 | 12:01 am



REUTERS

PARIS — Norway has reported an outbreak of bluetongue disease on a sheep farm in the southern part of the country, the World Organisation for Animal Health (WOAH) said.

Bluetongue can be deadly for domestic ruminants such as sheep, cattle, and goats. A new variant of the disease has been circulating in northern Europe since late last year, leading to vaccination campaigns in affected countries like France.

The outbreak in Norway was the country's first since 2010, though the strain of the virus was not yet identified, WOAH said in a note, citing information from the Norwegian authorities.

“Two affected sheep were killed for animal welfare reasons before disease confirmation. Samples were taken on those two animals and sent to be analyzed to the Norwegian Veterinary Institute, which confirmed the disease,” WOAH said in the note. The sick animals were part of a flock of 56 sheep, it said. — **Reuters**

<https://www.bworldonline.com/agribusiness/2024/09/09/619616/norway-reports-outbreak-of-bluetongue-disease-in-sheep/>

SRA boosts research on fertilizer alternative

By Jed Macapagal

September 9, 2024



The Sugar Regulatory Administration (SRA) inaugurated over the weekend a P6- million research laboratory for beneficial micro-organisms (BMO) production at the agency's La Granja Agricultural Research and Extension Center in La Carlota City, Negros Occidental.

SRA said in a statement yesterday the facility will supplement inorganic fertilizer use for sugar cane growing.

The facility was funded through the Sugar Industry Development Act .

Ma. Theresa Alejandrino, SRA supervising science research specialist, said the new laboratory will help increase the capacity of producing BMO that has been proven effective as a fertilizer additive. This thus helps reduce the cost of production inputs of sugar cane growers.

Alejandrino said BMO proved helpful during the prolonged dry spell early this year because it is a foliar fertilizer and can reduce regular fertilizer inputs by about 30 percent or more.

“It is actually a technology that has been used as early as the 1990s as it basically functions as prevention for plant diseases but it is only recently that farmers (have become) interested in using it amidst rising cost of fertilizers,” Alejandrino said.

SRA said based on its study, the use of BMO promotes germination, flowering, fruition and ripening of plants while also improving physical, chemical and biological environment of the soil apart from the production of high levels of beneficial enzymes and organic acids that help build solid soil structure.

Last year, SRA gave out more than 10,000 gallons of BMO to over 200 beneficiaries.

David Sanson, SRA board member, said based on data gathered from the field, sugar farmers were able to save as much as P6,000 on fertilizer cost for each hectare they till for using BMO.

“SRA can increase BMO production that will hopefully be utilized by our farmers, especially the small farmers that comprise a huge chunk of our sugar producers and make sugar farming sustainable for them,” Sanson said.

https://malaya.com.ph/news_business/sra-boosts-research-on-fertilizer-alternative/

UA&P: Rice interventions didn't have dent on industry

Andrea E. San Juan
September 9, 2024

RICE interventions that aim to improve productivity and farm efficiency did not make a “significant dent” on the industry, according to the University of Asia and the Pacific’s Center for Food and Agribusiness (CFA).

According to former CFA executive director Senen Reyes, many factors account for the lack of impact.

These include frequent changes in leadership, lack of continuity of programs, slow adoption of high-yielding varieties, and modern agronomic technologies, costly farm labor with still low usage of mechanization and post-harvest facilities, and low milling efficiency.

“Recommended interventions backed up by studies and research have not been wanting but the crux of the matter lies in the swiftness with which these are budgeted, adopted, and implemented on the ground sustainably,” Reyes said in a statement.

According to Reyes, the Rice Tariffication Law (RTL) implemented in 2019 which liberalized the importation, exportation, trading of rice, and the lifting of rice quantitative import restrictions was one intervention “seen to improve the situation of the industry, ensure food security, and allow rice retail prices to be more affordable.”

The RTL created a Rice Competitiveness Enhancement Fund (RCEF) which allocates P10 billion for farm mechanization (P5 billion), inbred seeds (P3 billion), rice credit assistance (P1 billion), and rice extension service (P1 billion).

However, he noted that despite the RTL in the last five years, imports have averaged over 3 million metric tons (MMT) with retail prices hovering more than P40 per kilo or “twice the desired level when the new government came in.”

“As such, the country has been dubbed the world’s top rice importer in 2023 and predicted to remain at the top in 2024,” Reyes said.

‘Far from over’

According to Reyes, the rice industry is “far from overcoming” the challenges that would lead to increased productivity and income for the rice farmers and farm workers along the value chain.

“The benefits of the RTL and RCEF will likely not be realized within the prescribed six-year period of the fund allocation. Thus the rice fund and its use will need to be continued,” he said.

However, he noted that the development and addition of the Masagana Rice Industry Development Program (MRIDP) which aims for a higher rice sufficiency level with increased productivity through the use of modern mechanized technologies, farm consolidation and clustering, and other infrastructure “may somehow close the gap.”

“A national yield of 5 to 6 tons per hectare, production cost of P10 per kilogram, and retail price of P20 per kilogram are still beyond the horizon.”

Reyes also cited the bill seeking to amend the RTL passed the third and final reading and was approved by the House of Representatives.

Among the amendments is the proposal to extend the RCEF for another six years, increase the annual allocation from P10 billion to P15 billion and authorize the reallocation of the fund within the core components as the need arises.

“It is hoped that these legislative steps together with a yet to be finalized Philippine Rice Industry Roadmap will provide the directions towards increased rice productivity and farmers’ incomes, affordable and stable prices and supply to ensure food security.”

<https://businessmirror.com.ph/2024/09/09/uap-rice-interventions-didnt-have-dent-on-industry/>

Forecasters in BSP poll: Inflation trending down till '26

Cai U. Ordinario
September 9, 2024



Morning market scene in Barangay San Roque, Parola, Cainta, Rizal, where residents navigate fluctuating prices. Despite inflationary pressures, recent declines in oil and rice prices offer some relief, though higher electricity rates and the cost of meat still weigh heavily on household budgets.

THE worst may be over in terms of the rise in commodity prices as external forecasters surveyed by the Bangko Sentral ng Pilipinas (BSP) expect inflation to trend downward until 2026.

Based on the Monetary Policy Report (MPR), BSP said external forecasters now expect inflation to ease to 3.5 percent as of August 2024, slower than the 3.7 percent estimated in May 2024.

According to the MPR, forecasts also decreased to 3.1 percent from 3.5 percent for 2025, and 3.2 percent from 3.4 percent for 2026.

“Analysts’ forecasts continued to move closer to the midpoint of the target range. Risks to the inflation outlook are broadly balanced, with local inflation expected to trend lower for the rest of the year,” the MPR stated.

Much of this optimism of slowing commodity prices stem from the reduction in rice tariffs. Through Executive Order 62, the Philippines reduced rice tariffs to 15 percent from 35 percent.

BSP said in its report that analysts also anticipate downward inflationary pressures from a stronger peso against the US dollar, as well as favorable base effects.

It can be noted that the Philippines is a net food and oil importer and as such makes it a beneficiary in terms of cheaper dollar purchases of these commodities through currency appreciation.

However, the main upside risk is expected to arise from second-round effects, such as higher electricity costs brought about by a potential uptick in oil prices amid geopolitical conflicts.

Survey results

Per the MPR, forecasts provided by 18 out of 23 respondents indicated an 86.4-percent chance that inflation will remain within the 2–4 percent target range for 2024.

However, BSP noted that this was less compared to the 87.2 percent recorded in July 2024. Analysts estimated a 12.5-percent chance that inflation will exceed the target range. This is higher than the 12 percent recorded in July 2024.

For 2025 and 2026, the probability of inflation staying within the target range also decreased to 80.6 percent from 84.3 percent and 82.7 percent from 86.8 percent, respectively. BSP said BSP's preliminary August survey results showed that most analysts expect the BSP to cut the policy rate by 25 bps in the third quarter of 2024, with a follow-up reduction in the fourth quarter of the year.

Forecasters also anticipated a total cut of 50 bps by the end of 2024. This is consistent with the forward guidance issued by BSP Governor Eli M. Remolona Jr. as early as May 2024, that the Monetary Board may cut rates twice toward the second half of the year. (See: <https://businessmirror.com.ph/2024/05/17/bsp-keeps-rates-but-eyes-2-cuts-in-2nd-half/>).

Moreover, the MPR noted that external forecasters expected the BSP to lower the rate by 50 to 250 bps in 2025, with additional cuts of up to 100 bps by the end of 2026.

Last month, the Monetary Board reduced key policy rates ahead of the United States Federal Reserve in the hope that lower interest rates may encourage better access to credit for Filipinos.

The BSP delivered one of at least two of the expected 25- basis-point rate cuts this year. The policy move brought down BSP's Target Reverse Repurchase (RRP) Rate to 6.25 percent from 6.5 percent.

The central bank also said the interest rates on the overnight deposit and lending facilities were adjusted downward to 5.75 percent and 6.75 percent, respectively.

Remolona said based on the recent performance of the economy, the 6.3- percent growth was driven by construction and strong public spending.

Data from the Philippine Statistics Authority (PSA) showed construction posted a 16.1- percent growth in the second quarter while Government Final Consumption Expenditure grew 10.7 percent.

PSA data also showed that public construction, which is also the data for "general government," grew by 21.8 percent in the second quarter of 2024.

This, Remolona said, may not be sustainable, especially since Household Final Consumption Expenditure (HFCE) was relatively weak. The PSA said while HFCE accounted for over 70 percent of GDP, it only grew 4.6 percent in the second quarter.

Image credits: [Bernard Testa](#)

<https://businessmirror.com.ph/2024/09/09/forecasters-in-bsp-poll-inflation-trending-down-till-26/>

FIELD OF DREAMS

BusinessMirror
September 9, 2024



A farmer in Jaen, Nueva Ecija, inspects his rice field, embodying the resilience of Filipino agriculture. The Philippines has secured funding from the International Fund for Agricultural Development (IFAD) to uplift 86 agrarian reform communities in key regions such as South Cotabato, Cotabato, Sultan Kudarat, Sarangani, General Santos City, and the Cordillera Administrative Region.

This initiative, part of a broader effort to drive rural development, aims to enhance productivity, infrastructure, and income for farmers across the country.

NONIE REYES

<https://businessmirror.com.ph/2024/09/09/field-of-dreams/>

FAO: Vegetable oil quotations at 20-month high

Ada Pelonia
September 9, 2024



A worker extracts palm oil to check consistency at a Palmicultores del Norte SAS plantation in the Catatumbo region near Tibu, Norte de Santander department, Colombia, December 5, 2023.

The average international quotation for vegetable oil reached a 20-month high in August due to increases in palm oil prices, the Food and Agriculture Organization of the United Nations (FAO) reported Friday.

FAO said the vegetable oil price index averaged 136 points in August, 0.8 percent higher on a month-on-month basis.

According to the UN agency, the marginal increase primarily reflected higher world palm oil prices, more than offsetting lower soy, sunflower and rapeseed oil quotations. International palm oil prices rose for the third consecutive month.

“Despite strengthening seasonally, the output in Indonesia remained below its full potential, providing support to global prices. Conversely, international soy oil prices declined, mainly influenced by prospects of ample global soybean production in the 2024/25 season.”

Meanwhile, after rising for multiple months, FAO said world prices of sunflower and rapeseed oils also dropped, largely reflecting a slowdown in global demand and a seasonal rapeseed harvest pressure in Canada, respectively.

Data from the Philippine Statistics Authority showed that animal and vegetable oils was one of the top agricultural imports of the country in the second quarter. The Philippines bought 367,690 metric tons (MT) of animal, vegetable, or microbial fats and oil during the period, 60.2 percent higher than the previous year’s 229,490 MT.

The Malaysian Palm Oil Council noted that coconut and palm oil account for 93 percent of the Philippines’s total oils and fats production, with 90 percent of the coconut oil being exported due to its premium prices.

“As a result, the country’s oils and fats consumption rely heavily on imports. Palm and palm kernel oil were the most imported oils in the Philippines, totaling 939,000 tons in 2023 and making up 87 percent of the country’s total oils and fats imports.”

Despite the increase in quotations for vegetable oil, the FAO Food Price Index, which tracks monthly changes in the international prices of a set of globally traded food commodities, averaged 120.7 points in August, marginally down from its revised figure for July. The index is now 1.1 percent lower than its corresponding value one year ago.

The FAO Cereal Price Index dropped by 0.5 percent from July, driven by lower global wheat export prices amid competitively priced Black Sea supplies and higher-than-expected production in Argentina and the United States.

The UN agency said world maize prices firmed slightly, reflecting the impact of heatwaves on yields in parts of Europe and North America.

“The FAO All-Rice Price Index increased by 0.6 percent, as quotations for non-Indica varieties increased under the influence of seasonal tightness and currency appreciations of some exporting countries against the United States dollar.”

Meat prices declined by 0.7 percent from July, with poultry, pig, and ovine meat prices all down amid lackluster import demand, even as world bovine meat prices increased slightly.

The FAO Sugar Price Index fell by 4.7 percent in August to reach its lowest level since October 2022.

“The drop was underpinned by an improved production outlook for the upcoming sugarcane harvests in India and Thailand, as well as lower international crude oil prices. However, concerns about the impact of fires on sugarcane fields in key growing areas of Brazil led to sharp sugar price increases in late August.”

Meanwhile, the FAO Dairy Price Index rose, increasing 2.2 percent in August. Whole milk powder increased, driven by a surge in import demand for spot supplies.

“International cheese prices also climbed due to higher global import demand, while international butter quotations reached an all-time high fueled by increased uncertainty over the adequacy of milk supplies in Western Europe.”

Image credits: [Ferley Ospina/Bloomberg](#)

<https://businessmirror.com.ph/2024/09/09/fao-vegetable-oil-quotations-at-20-month-high/>

Soy oil extends selloff on Canadian rapeseed competition woes

Bloomberg News
September 8, 2024



Rapeseed fields in Constanta, Romania, on April 20, 2023.

Soybean oil futures slumped to a two-week low as a broader selloff in commodity markets added to woes about increased supplies of Canadian rapeseed oil into the United States.

Contracts for December delivery of the feedstock used in cooking oil and biofuel dropped as much as 3.9 percent, the biggest loss among main US-traded commodities, to the lowest since August 23 in Chicago. The futures were on track for a 5.8-percent loss this week.

China has initiated an anti-dumping probe into imports of Canadian rapeseed, which is also crushed into oil for cooking and fuel, raising fears that some supplies may be redirected into the US market and compete with the soybean byproduct. Oilseeds in general have been under pressure this year, with global supplies expanding faster than demand.

Most commodities slumped Friday as a weak US jobs report added to concerns about an economic slowdown.

Palm oil falls

Palm oil headed for its lowest close in two weeks on intensifying competition with rival soybean oil and as weaker prices of petroleum reduced the tropical oil's biofuel appeal.

Some buyers are turning to soybean oil, which is now trading almost on par with palm oil, said Abdul Hameed, director of sales at Manzoor Trading in Lahore.

Soybean oil's premium over palm oil has become almost zero now, compared with a high of \$565 in the past 12 months, partly due to a 15-percent slump in soyoil on the Chicago Board of Trade this year. Benchmark palm oil prices have gained 4.4 percent so far in 2024 in Kuala Lumpur.

Weaker petroleum prices are also putting pressure on the market, Hameed said.

Crude oil is set for its deepest weekly loss in almost a year on worries about weaker demand and ample supplies. Prices have been falling since early July on concerns about demand from key consumers, particularly China.

Corn prices

Corn futures are headed upward for a second week as forecasts for US crops are cut and dry weather concerns lingers over Europe.

US production estimates for the grain were cut to 15.1 billion bushels by brokerage StoneX despite higher yields. Hot and dry weather in the European Union, Mexico and

Ukraine are also seen impacting yields for coarse grain according to the UN's Food and Agriculture Organization.

The most active futures contract has risen around 5 percent in the past two weeks after four consecutive weeks of declines. Strong forecasts for the US crop had driven prices below \$4 per bushel for the first time since 2020.

“US export prices have increased and are now on par with South America and Ukraine and that could slow the current rally,” wrote analysts at The Hightower Report. If prices fall below \$4 per bushel level again buyers may be encouraged back to US crops, they said.

Image credits: [Andrei Pungovsch/Bloomberg](#)

<https://businessmirror.com.ph/2024/09/08/soy-oil-extends-selloff-on-canadian-rapeseed-competition-woes/>

SRA opens laboratory for fertilizer supplement production

Ada Pelonia
September 9, 2024

The Sugar Regulatory Administration (SRA) launched a research laboratory for Beneficial Micro-Organisms (BMO) production that could reduce input costs for sugarcane growers.

The P6-million laboratory at the agency's La Granja Agricultural Research and Extension Center in La Carlota City, Negros Occidental was funded through the Sugar Industry Development Act (SIDA) "to boost research and development and make the industry globally competitive and sustainable."

Ma. Theresa Alejandrino, the Supervising Science Research Specialist, said BMO "proved helpful" during the prolonged dry spell early this year because it is a foliar fertilizer and can reduce regular fertilizer inputs by about 30 percent or more.

"It is actually a technology that has been used as early as the 1990s as it basically functions as prevention for plant diseases but it is only recently that farmers are interested in using it amid rising cost of fertilizers," Alejandrino said in a statement.

Their study showed that using BMO promotes germination, flowering, fruition, and ripening of plants.

"It improves the soil's physical, chemical, and biological environment and produces high levels of beneficial enzymes and organic acids that help build solid soil structure."

Last year, SRA said it gave out more than 10,000 gallons of BMO to over 200 beneficiaries. With the application of 10 gallons for one hectare, more than 1,000 hectares of sugar land used BMO as a fertilizer supplement.

SRA Board Member David Sanson said based on the data gathered from the field, “our sugar farmers were able to save as much as P6,000 on fertilizer cost for each hectare they till because they opted to try BMO.”

Rising farm inputs, particularly fertilizer costs have had “a tremendous effect” on sugar farming in recent years. Sanson said that with this new facility, “SRA can increase BMO production that will hopefully be utilized by our farmers, especially the small farmers that comprise a huge chunk of our sugar producers and make sugar farming sustainable for them.”

SRA also inaugurated the newly refurbished soil laboratory and their greenhouses that will propagate high-yielding variety canes as part of upgrading their research and development arm.

Last week, SRA issued its sugar policy which indicated that raw sugar production in the current crop year could fall by 7.29 percent to 1.78 million metric tons (MMT) from the previous year’s 1.92 MMT. Crop year 2024-2025 started last September 1.

“[The projection] is based on the effect of El Niño on standing crops—those that were planted from October 2023 to May this year,” SRA Administrator Pablo Luis Azcona told reporters.

Sugar Order 1 said the production estimate for the current crop year was due to the anticipated negative effect of the prolonged dry spell, “unless the La Niña phenomenon brings about an increase in production.”

<https://businessmirror.com.ph/2024/09/09/sra-opens-laboratory-for-fertilizer-supplement-production/>

Red tide warning up in Bais Bay in Negros Oriental

BusinessMirror
September 9, 2024

Dumaguete City—The Bureau of Fisheries and Aquatic Resources (BFAR) has issued a red tide warning to the public following positive laboratory results of paralytic shellfish poison (PSP) in shellfish collected from Bais Bay in Bais City, Negros Oriental.

In its warning dated September 6 and posted on its Facebook page on Saturday, the BFAR-Negros Oriental said shellfish samples collected and analyzed by the regional fisheries laboratory last August 12 tested positive for PSP using the lateral flow immunochromatographic and enzyme-linked immunosorbent assay method. PSP can cause serious illnesses in humans who consume shellfish contaminated with toxins due to harmful algal blooms.

Early symptoms of PSP include tingling of the lips and tongue, which may begin within minutes of eating poisonous shellfish or may take an hour or two to develop. Depending upon the amount of toxin a person has ingested, symptoms may progress to tingling of fingers and toes and then loss of control of arms and legs, followed by difficulty in breathing. The public is advised to refrain from gathering, selling, and eating all types of shellfish and “alamang” (small shrimp) scientifically known as *Acetes* sp. from the waters of Bais Bay pending the results of confirmatory analysis. The BFAR here also said it is “safe” to eat fish, squid, crab, and shrimp, provided these are thoroughly washed and the entrails are removed before consumption.

BFAR 7 officer-in-charge Regional Director Marion Ruinata signed the red tide warning.

<https://businessmirror.com.ph/2024/09/09/red-tide-warning-up-in-bais-bay-in-negros-oriental/>

PCC's bold move to protect farmers and consumers

Atty. Jared C. Vicencio
September 9, 2024

The recent move by the Philippine Competition Commission (PCC) to file charges against 12 onion importers and traders is a welcome and long-overdue action that demonstrates the government's commitment to protecting consumers and fair market competition. (Read the BusinessMirror story: "Competition body files raps vs onion importers, traders," September 5, 2024).

The allegations of cartel-like behavior, including market allocation and collusion to limit competition, are serious offenses that have had a devastating impact on both consumers and onion farmers. By artificially controlling the supply and driving up prices to exorbitant levels, these unscrupulous traders have exploited the public and sabotaged the broader economy.

The cartel's actions, including market allocation and the exchange of sensitive business information, effectively stifled competition and caused immense hardship for consumers. The price of onions, a staple in Filipino cuisine, skyrocketed to P700 per kilo in 2022, a stark example of the cartel's exploitative behavior.

The scale of the proposed fines, which could total as much as P2.4 billion, underscores the gravity of the situation. These hefty penalties should send a clear message that such anti-competitive practices will not be tolerated. Moreover, the potential for tripling the fines due to the involvement of a basic commodity like onions is a significant deterrent that reflects the severity of the transgressions.

Beyond the financial punishments, the move to prohibit these traders from applying for future import permits is an important step in preventing them from continuing their harmful activities.

The resolute stance taken by Agriculture Secretary Francisco Tiu Laurel Jr. in supporting the PCC's actions sends a clear message that those who exploit the system

for personal gain at the expense of farmers and consumers will face consequences. The proposal to blacklist unscrupulous traders and revoke accreditations of complicit facilities signifies a commitment to holding all parties involved accountable for their role in perpetuating the cartel.

The enforcement actions undertaken by the PCC in response to the onion cartel scandal exemplify a crucial milestone in the fight against anti-competitive practices and economic exploitation. As the legal proceedings progress and further measures are implemented to prevent future abuses, it is essential for all stakeholders to remain vigilant in upholding the principles of fairness, transparency, and competition that are vital to a thriving and equitable marketplace.

While fines and import restrictions are necessary, the public's call for these unscrupulous traders to face criminal charges is also justified. The sabotage of the national economy and exploitation of both consumers and farmers warrants the strictest possible consequences. Mere financial penalties may not be enough to deter such egregious behavior in the future.

The PCC's decisive action, supported by the Department of Agriculture, is a significant step in the right direction. It shows government's willingness to confront anti-competitive practices head-on and protect the interests of the Filipino people. Going forward, it is crucial that the government continues to prioritize the enforcement of competition laws to ensure fair and transparent markets that serve the common good.

The pursuit of justice in this case reaffirms the government's commitment to promoting a level playing field for all participants in the economy. Let this be a reminder that the rule of law will prevail, and those who seek to undermine it will be held to account for their actions.

<https://businessmirror.com.ph/2024/09/09/pccs-bold-move-to-protect-farmers-and-consumers/>