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Philippines

Agricultural Situation

Performance of Philippine Agriculture - 1999

2000

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Report Highlights:

Agriculture contributes around 20 percent to the country's GDP. The dismal performance of the sector in 1998 as a result of the EL Nino drought pulled down GDP to (0.5). Preliminary estimates for 1999 place agriculture's growth at 7 percent thereby raising GDP 2.6 percent in Jan - Sep. The return to more normal weather conditions in the second quarter of 2000 will result in shifts in agricultural production. Production for the 2 major crops, rice and corn, production for the year will likely be nearer to their output in calendar year 1997. Coconuts, however, will likely start to recover and rebound this year.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Manila [RP1], RP

Executive Summary

According to the most recent Report on the Performance of Agriculture for 1999 by the Philippine Bureau of Agricultural Statistics (BAS), at constant prices, the agriculture sector grew 6.49 percent in calendar year 1999 to reach P243 billion (\$6.0 billion) from the P228 billion (\$5.7 billion) the previous year. The increase was due to better production made possible by generally more favorable weather conditions throughout the country and generally higher prices. All sub-sectors (crops, livestock, poultry, fishery) posted output increases.

Value of Production

Output of agricultural crops in 1999 grew by 10.34 percent from the drought-stricken -14.22 percent contraction the previous year. Rice and corn output considerably grew with increases of 37.78 and 19.92 percent, respectively. Among the other major crops, gains were also observed for sugarcane (28.61 percent) and bananas (6.72 percent). Notable declines were observed for the second year in a row, however, for mango (-18.81 percent), tobacco (-9.48 percent), coconuts (-9.43 percent), and garlic (-31.14 percent).

The livestock industries grew by 4.23 percent in 1999. Except for water buffalos or carabaos, which slowed down from their 1998 level, all livestock components displayed strong growth. Leading the sector was the dairy sub sector which grew 6.60 percent in 1999 reversing the -6.09 shrinkage the year before. The hogs sub sector, a consistent contributor to agriculture's growth, accelerated from the 3.59 percent growth rate in 1998 to 4.27 percent in 1999. Meanwhile, even the domestic poultry industries recovered from the -0.39 contraction in 1998 to record a slight growth (0.96) in 1999. In general, Post expects the livestock and poultry sectors to continue to deliver strong performance through year 2000.

The fishery sub-sector contributed 2.68 percent of total agricultural production during the reference period improving its marginal 0.75 growth in 1998. Commercial fisheries slowed down but was amply compensated by the surge in municipal fisheries and aquaculture production. Aquaculture production, is predicted to gradually increase its percentage contribution to the growth of the fisheries sector in the near future.

Table1. Value of Production in Agriculture, at constant prices, January to December

Sub-Sector	In Million Pesos			Percent Change	
	1997	1998	1999	97/98	98/99
AGRICULTURAL CROPS	133,771	114,750	126,609	-14.22	10.34
MAJOR CROPS	98,691	82,389	94,225	-16.52	14.37
Palay	36,962	28,060	38,660	-24.09	37.78

Corn	12,911	11,393	13,662	-11.75	19.92
Coconut	20,169	17,744	16,071	-12.02	-9.43
Sugarcane	6,719	5,547	7,134	-17.45	28.61
Banana	6,755	6,252	6,672	-7.45	6.72
Pineapple	3,030	2,754	2,809	-9.12	2.00
Coffee	3,016	2,837	2,690	-5.93	-5.19
Mango	7,708	6,406	5,201	-16.89	-18.81
Tobacco	987	936	847	-5.13	-9.47
Abaca	433	459	477	6.12	3.93
OTHER CROPS	35,081	32,361	32,385	-7.75	0.07
Peanut	220	210	215	-4.29	2.26
Mongo	323	335	343	3.56	2.28
Cassava	2,761	2,445	2,529	-11.45	3.45
Camote	1,200	1,054	1,047	-12.15	-0.69
Tomato	591	472	510	-20.08	8.03
Garlic	934	590	406	-36.82	-31.14
Onion	534	544	532	1.85	-2.22
Cabbage	442	396	403	-10.44	1.88
Eggplant	930	781	759	-15.99	-2.83
Calamansi	285	268	317	-6.03	18.36
Rubber	1,005	1,011	974	0.66	-3.68
Cotton	26	21	20	-17.96	-3.54
Other Fibercrops	240	201	202	-16.31	0.53
Others	25,592	24,033	24,128	-6.09	0.39
LIVESTOCK	31,615	32,769	34,154	3.65	4.23
Carabao	1,281	1,365	1,436	6.51	5.22
Cattle	4,899	5,081	5,284	3.71	4.00
Hog	24,454	25,333	26,415	3.59	4.27
Goat	930	945	970	1.54	2.71
Dairy	51	46	49	-9.59	6.60
POULTRY	34,225	34,092	34,421	-0.39	0.96
Chicken	24,860	24,586	24,846	-1.10	1.06
Duck	1,785	1,803	1,801	1.02	-0.12
Chicken eggs	6,390	6,509	6,591	1.87	1.25
Duck eggs	1,191	1,194	1,184	0.26	-0.85
FISHERY	46,318	46,665	47,914	0.75	2.68

Commercial	14,004	14,889	15,089	6.32	1.34
Municipal	13,396	12,913	13,482	-3.60	4.41
Aquaculture	18,918	18,864	19,343	-0.29	2.54
TOTAL	245,929	228,276	243,098	-7.18	6.49

Source: Bureau of Agricultural Statistics

Volume of Production

Agricultural crops contributed 55.09 percent to the total value of agricultural production during the period. Palay or paddy rice production during the year reached 11.8 million tons for a 37.78 percent increase from the previous year's record. Corn production likewise went up 19.92 percent from its 1998 level. Adequate rainfall resulted in increased area planted/harvested and better yields. Both were enhanced by the occurrence of fewer-than-normal typhoons. Both crops in 2000 are expected to approximate their 1999 production levels.

Second only to the growth in paddy rice, sugar cane production grew by 28.61 percent from the negative -17.45 percent rate the previous year. All other major crops grew in 1999 compared to their previous levels except for coconuts (-9.43 percent) which has yet to fully recover from the El Nino drought, mangoes (-18.81 percent) which suffered from too much rainfall during the flowering stage, tobacco (-9.48) which experienced drying problems, and coffee (-5.19) which is mainly composed of old trees.

The other crops category reversed its -4.30 contraction in 1998 to grow 2.27 percent in 1999. The performance on a per crop basis were mixed but generally good growth rates compared to their previous year's performance were observed for calamansi - the local lime, which grew 18.36 percent from the negative -6.03 rate experienced the previous year and tomatoes which managed to improve its -20.08 percent contraction the year before and grow 8.03 percent in 1999. On the other hand, among the other crops which experienced production declines in 1999, garlic production continued to perform the least although it improved from its -36.82 contraction in 1998 to -31.31 percent in 1999.

In 1999 all segments of the livestock sub-sector registered positive production growth mainly due to better prices and strong demand, despite the slowdown in carabao or water buffalo production. Most notable among these was the 6.60 percent growth of the dairy industry in 1999 from the negative-9.59 percent contraction the previous year. Chicken production, after contracting -1.10 percent in 1998 slightly grew (1.06 percent) last year. 1998 was the year large chicken integrators cut back on production due to an oversupply and recovery is expected to be more pronounced in 2000.

Fisheries registered positive growth rates in 1999 albeit slower than the previous year's level. Commercial, municipal and aquaculture industries all posted positive growth rates.

Sub-Sector	In Thousand Metric Tons			Percent Change	
	1997	1998	1999	97/98	98/99
AGRICULTURAL CROPS					
MAJOR CROPS					
Palay	11,269	8,555	11,787	-24.09	37.78
Corn	4,332	3,823	4,585	-11.75	19.92
Coconut	13,183	11,598	10,504	-12.02	-9.43
Sugarcane	20,997	17,333	22,293	-17.45	28.61
Banana	3,774	3,493	3,727	-7.45	6.72
Pineapple	1,638	1,489	1,518	-9.12	2.00
Coffee	130	122	116	-5.93	-5.19
Mango	1,060	881	715	-16.89	-18.81
Tobacco	65	62	56	-5.13	-9.48
Abaca	67	71	74	6.12	3.93
OTHER CROPS					
Peanut	26	25	25	-4.30	2.27
Mongo	27	28	29	3.57	2.28
Cassava	1,958	1,734	1,794	-11.45	3.45
Camote	631	555	551	-12.15	-0.69
Tomato	166	133	144	-20.08	8.03
Garlic	20	13	9	-36.82	-31.14
Onion	85	87	85	1.85	-2.22
Cabbage	96	86	87	-10.44	1.88
Eggplant	195	164	159	-15.99	-2.83
Calamansi	55	52	61	-6.03	18.36
Rubber	221	223	215	0.66	-3.68
Cotton	4	3	3	-17.96	-3.55
Other Fibercrops	48	40	40	-16.31	0.53
Others	9,549	8,968	9,003	-6.09	0.39
LIVESTOCK					
Carabao	106	113	119	6.51	5.22
Cattle	251	261	271	3.71	4.00
Hog	1,358	1,407	1,467	3.59	4.27
Goat	71	72	74	1.54	2.71

Dairy	10	9	10	-9.59	6.60
POULTRY					
Chicken	930	919	929	-1.10	1.06
Duck	51	51	51	1.02	-0.12
Chicken eggs	223	227	230	1.87	1.25
Duck eggs	53	53	53	0.26	-0.85
FISHERY					
Commercial	885	941	953	6.32	1.34
Municipal	924	891	930	-3.60	4.41
Aquaculture	957	955	979	-0.29	2.54

Source: Bureau of Agricultural Statistics

Average Farm-gate Prices

In general terms, farm gate prices of agricultural commodities increased by 2.88 percent. Prices of crops appreciated by an average of 2.61 percent. Paddy rice and corn prices, however, were 2.85 percent and 7.89 percent lower than in 1998, respectively due to adequate supply. It is mainly due to this that inflation for the year was kept at single digit level. Rice, the staple of the majority of Filipinos, constitutes around 25 percent of the Filipino's food basket. Inflation in calendar year 1999 was kept at single-digit level (average 7.5 percent for the first three quarters) and rice prices were fairly stable. The highest price increases were recorded for garlic (90.34 percent), onions (74.70 percent), and eggplants (38.65 percent). The crops with the most substantial price declines, on the other hand, included cotton (39.55 percent), cabbages (31.08 percent), and rubber (18.83 percent).

Sub-Sector	Pesos per Kilogram			Percent Change	
	1997	1998	1999	97/98	98/99
AGRICULTURAL CROPS				10.31	2.61
MAJOR CROPS				11.14	1.54
Palay	7.81	8.07	7.84	3.33	-2.85
Corn	6.42	5.95	5.95	-7.32	-7.89
Coconut	2.44	3.80	3.80	55.74	9.51
Sugarcane	0.69	0.82	0.82	18.84	0.00
Banana	4.41	4.47	4.97	1.36	11.19

Pineapple	6.89	6.92	6.47	0.44	-6.50
Coffee	39.83	55.65	51.86	39.72	-6.81
Mango	15.05	17.78	22.11	18.14	24.35
Tobacco	58.20	48.96	67.20	-15.88	37.25
Abaca	18.00	18.39	20.24	2.17	10.06
OTHER CROPS					
Peanut	15.58	15.81	14.87	1.48	-5.95
Mongo	23.11	23.45	22.89	1.47	-2.39
Cassava	3.26	3.78	3.57	15.95	-5.56
Camote	4.75	5.27	4.83	10.95	-8.35
Tomato	6.24	8.51	9.26	36.38	8.81
Garlic	46.89	51.85	98.69	10.58	90.34
Onion	13.38	21.90	38.26	63.68	74.70
Cabbage	7.92	12.87	8.87	62.50	-31.08
Eggplant	9.13	7.40	10.26	-18.95	38.65
Calamansi	10.28	10.84	9.40	5.45	-13.28
Rubber	8.42	8.02	6.51	-4.75	-18.83
Cotton	15.00	31.43	19.00	109.53	-39.55
Other Fibercrops	9.07	9.21	8.62	1.54	-6.41
Others	5.34	5.67	5.92	6.18	4.41
LIVESTOCK					
Carabao	34.11	32.81	39.31	-3.81	19.81
Cattle	45.67	44.05	40.14	-3.55	-8.88
Hog	48.81	48.49	51.12	-0.66	5.42
Goat	40.21	40.25	45.88	0.10	13.99
Dairy	11.50	12.50	13.18	8.70	5.44
POULTRY					
Chicken	50.10	54.08	51.74	7.94	-4.33
Duck	51.18	50.08	52.03	-2.15	3.89
Chicken eggs	45.94	50.71	54.05	10.38	6.59
Duck eggs	39.91	45.22	47.46	13.30	4.95
FISHERY					
Commercial	29.32	31.62	34.01	7.84	7.56
Municipal	29.63	32.50	33.51	9.69	3.11
Aquaculture	28.60	27.42	27.55	-4.13	0.47

Source: Bureau of Agricultural Statistics