



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 1/22/1999

GAIN Report #RP9002

## **Philippines**

### **Oilseeds and Products**

## **Copra and Products Update - January 1999**

### **1999**

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#### **Report Highlights:**

**Copra production will drop sharply in MY98/99 owing to the delayed effects of the El Nino phenomenon as well as three successive typhoons that hit the country in late 1998. The production decline will result in a decline in exports and domestic consumption during the period.**

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Includes PSD changes: Yes

Includes Trade Matrix: No

Unscheduled Report, RP

Copra production in MY96/97 and MY97/98 was adjusted upwards as damages of the El Nino drought apparently was less-than-expected. Increased production made possible higher crush levels during the period . Export levels in MY97/98 were also adjusted upwards based on trade estimates from the United Coconut Associations of the Philippines (UCAP) . For MY98/99, a considerable drop in copra output is expected as effects of the El Nino drought and three successive typhoons that passed through the country late 1998 become more pronounced. The southern island of Mindanao, where the majority of coconut trees are located, was hit hardest by the drought. Copra crush and exports are likely to decline in MY98/99 from their year-ago levels because of the scarcity of copra. Two major copra crushing facilities temporarily shut down operations in the last quarter of 1998 due to inadequate copra supply. They have since reopened.

PSD Table						
Country:	Philippines					
Commodity:	Copra					
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		10/1996		10/1997		10/1998
Area Planted	3050	3050	3050	3050	3050	3050
Area Harvested	2950	2950	2950	2950	2950	2950
Trees	284000	284000	284000	284000	284000	284000
Beginning Stocks	51	51	126	91	69	25
Production	2250	2400	2150	2370	1900	1800
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	2301	2451	2276	2461	1969	1825
MY Exports	0	0	7	11	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	2175	2360	2200	2425	1950	1775
Food Use	0	0	0	0	0	0
Feed, Seed, Waste Dm.Cn.	0	0	0	0	0	0
Total Dom. Consumption	2175	2360	2200	2425	1950	1775
Ending Stocks	126	91	69	25	19	50
TOTAL DISTRIBUTION	2301	2451	2276	2461	1969	1825
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	7	0	5	0	0
Calendar Yr Exp. to U.S.	0	0	0	0	0	0

Copra meal production was adjusted upwards in MY96/97 and MY97/98 as a result of higher copra crush adjustments. Total domestic consumption was also adjusted upwards starting MY96/97 onwards mainly to accommodate expected losses as a result of increased crush activity and prolonged storage during the period. Copra meal exports in MY97/98 will likely exceed earlier estimates. Copra meal production in MY98/99 will decline compared to the the previous year's level commensurate to the expected decline in copra production. Exports for the same period are likely to be down because of this.

PSD Table						
Country:	Philippines					
Commodity:	Copra Meal					
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		10/1996		10/1997		10/1998
Crush	2175	2360	2200	2425	1950	1775
Extr. Rate	0.33	0.32	0.32	0.32	0.33	0.33
Beginning Stocks	37	37	111	161	161	219
Production	707	767	715	788	634	577
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	744	804	826	949	795	796
MY Exports	523	523	550	600	550	550
MY Exp. to the EC	390	390	440	400	440	400
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom.Consum.	110	120	115	130	120	150
Total Dom. Consumption	110	120	115	130	120	150
Ending Stocks	111	161	161	219	125	96
TOTAL DISTRIBUTION	744	804	826	949	795	796
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	571	571	530	550	525	525
Calendar Yr Exp. to U.S.	0	0	0	0	0	0

Higher copra crush in MY96/97 resulted in higher coconut oil production increasing stock levels coming into MY97/98. This and increased coconut oil production in MY97/98 enabled the surge in coconut oil exports during the period. Increased exports were driven by high coconut oil export prices through most of MY97/98. Domestic consumption during the same period was also trimmed down as a result of decreased food and industrial utilization. To export more coconut oil, blending of coconut oil with cheaper vegetable oils such as imported soybean oil likely increased for domestic edible oil use. Industrial consumption, on the other hand, declined as the industrial sector slowed. For MY98/99, coconut oil production will decline owing to lower copra crush. There will be less exports and domestic consumption will decrease compared to the previous year.

PSD Table						
Country:	Philippines					
Commodity:	Coconut Oil					
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		10/1996		10/1997		10/1998
Crush	2175	2360	2200	2425	1950	1775
Extr. Rate	0.63	0.63	0.63	0.63	0.63	0.63
Beginning Stocks	68	68	106	222	97	20
Production	1370	1487	1386	1528	1229	1118
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	1438	1555	1492	1750	1326	1138
MY Exports	950	950	1000	1375	900	750
MY Exp. to the EC	327	327	500	645	400	400
Industrial Dom. Consum	125	125	130	110	130	100
Food Use Dom. Consum.	230	230	235	220	235	200
Feed Waste Dom. Consum.	27	28	30	25	30	25
Total Dom. Consumption	382	383	395	355	395	325
Ending Stocks	106	222	97	20	31	63
TOTAL DISTRIBUTION	1438	1555	1492	1750	1326	1138
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	1080	1080	1060	850	920	700
Calendar Yr Exp. to U.S.	385	385	450	500	350	350