



Voluntary Report - Voluntary - Public Distribution

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Report Name: Food Security Emergency on Rice Declared in the Philippines

Country: Philippines

Post: Manila

Report Category: Policy and Program Announcements, Grain and Feed

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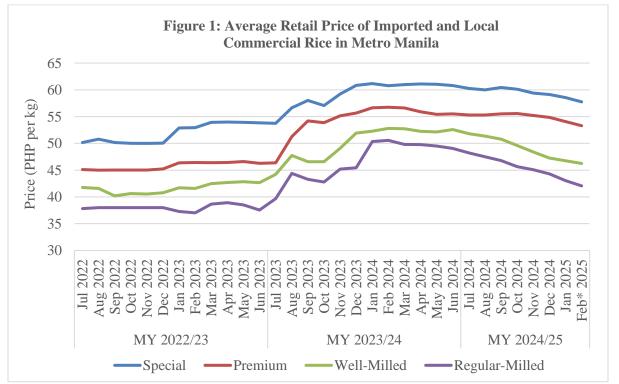
Report Highlights:

The Philippine Department of Agriculture (DA) declared a food security emergency related to rice on February 3, 2025, citing an extraordinary increase in prices. This declaration allows the DA to sell National Food Authority rice buffer stocks to government agencies and entities, local government units, and "Kadiwa" outlets to help ease prices and prepare government warehouses for the upcoming harvest season.

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY On February 3, 2025, the Philippine Department of Agriculture (DA) issued <u>Department Circular (DO) No. 3</u>, <u>Series of 2025</u> declaring a food security emergency related to rice, citing an extraordinary increase in rice prices. Under the <u>amended Rice Tariffication Law (RTL)</u> (Republic Act 12078, 2024), the DA Secretary, upon the recommendation of the National Price Coordinating Council (NPCC), is authorized to declare a food security emergency related to rice an extraordinary increase in prices.

During such an emergency, pursuant to Section 6 of the amended RTL, the DA may sell existing rice buffer stocks held by the National Food Authority (NFA) to government agencies and entities, local government units (LGUs), and the public through "Kadiwa" outlets (i.e., government-run stores that follow a farm-to-consumer market chain). This measure targets areas experiencing a rice supply shortage or an extraordinary increase in rice prices.

According to the DA, the <u>NFA will release at least 150,000 tons of rice</u> – half of its 300,000-ton buffer stock – over the next six months or, at this rate, approximately 25,000 tons per month. The average national rice consumption is around 37,000 tons per day. While the DA cited an extraordinary increase in retail prices, the agency clarified that <u>there is no rice supply shortage</u>. According to the DA, the release of NFA stocks is intended to help bring down rice prices, stating that prices remained elevated despite lowering rice tariffs from 35 to 15 percent in July 2024. In addition, the release of NFA stocks would <u>prepare government warehouses for the upcoming palay procurement season</u>.



Note: computed by averaging the lower- and upper-bound daily prices of imported and local commercial rice, based on prices as of February 6, 2025

Source of basic data: Philippine Department of Agriculture

Implementation

The NFA plans to roll out the sale of its rice buffer stocks, through the <u>Food Terminal Incorporated</u>, to interested LGUs at Php 33 per kilogram (kg) beginning the week of February 10, 2025. The <u>LGUs can resell the NFA rice at</u>

<u>Php 35/kg</u>. The priority areas include Metro Manila. Regions with high retail prices, as identified by the Philippine Statistics Authority, will also be targeted. The DA noted that the highest prices outside Metro Manila were observed in Region 7, particularly in Cebu.

Attachments:

No Attachments.