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## **Report Name:** Grain and Feed Annual

**Country:** Philippines

**Post:** Manila

**Report Category:** Grain and Feed

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### **Report Highlights:**

FAS Manila forecasts MY 2024/25 milled rice production will increase to 12.125 million MT as the country emerges from the current El Nino and government spending on inputs and machinery contributes to increased yield. FAS Manila forecast rice imports for MY 24/25 flat at 4 million MT as domestic production covers the slight increase in demand. FAS Manila forecasts wheat imports for MY 24/25 higher at 5.9 million MT as global prices stabilize. Finally, FAS forecasts corn production for MY 24/25 at 8.4 million MT, with imports increasing to 1 million MT to cover the increase in feed consumption.

## Executive Summary

FAS Manila forecasts increased MY 2024/25 milled rice production as the country emerges from the current El Nino and government spending on inputs and machinery contributes to increased yield. Consequently, FAS Manila forecasts rice imports flat compared to MY 23/24 because domestic production will cover the slight increase in demand. FAS Manila forecasts higher wheat imports for MY 24/25 because of stabilizing global prices. FAS Manila forecasts unchanged corn production compared to the previous marketing year, as increased government funding and increased use of hybrid seeds maintain yields, and as the effects of El Nino fade. FAS forecasts higher corn imports because of increased demand coupled with flat domestic production. FAS Manila forecasts unchanged barley imports because of low demand and uncompetitive price quotes.

Philippine Food Supply is expected to increase by 2 percent for MY 2024/25. Philippine Energy Supply in corn equivalent terms is forecasted to increase by 2 percent, while Philippine animal protein production is forecasted to increase by 3 percent.

<b>Table 1: Philippine Food Supply (1000 MT)</b>				
<b>Commodity</b>	<b>MY 2022/23</b>	<b>MY 2023/24</b>	<b>MY 2024/25</b>	<b>%Δ</b>
<b>Total</b>	<b>21,749</b>	<b>21,500</b>	<b>22,030</b>	<b>2</b>
Rice	15,500	16,050	16,480	3
Corn	2,249	2,350	2,350	0
Wheat	4,000	3,100	3,200	3

Source: FAS/Manila

<b>Table 2: Philippine Energy Supply (1000 MT, Corn-Eq.)</b>					
<b>Commodity</b>	<b>Corn Equiv.</b>	<b>MY 2022/23</b>	<b>MY 2023/24</b>	<b>MY 2024/25</b>	<b>%Δ</b>
<b>Total</b>		10,345	9,465	9,649	<b>2</b>
Corn	100%	7,020	6,900	7,150	4
Wheat	95%	3,325	2,565	2,499	-3

Source: FAS/Manila

<b>Table 3: Philippine Animal Protein Production, (1000 MT)</b>				
<b>Commodity</b>	<b>MY 2022/23</b>	<b>MY 2023/24</b>	<b>MY 2024/25</b>	<b>%Δ</b>
<b>Total</b>	<b>3,870</b>	<b>3,883</b>	<b>3,995</b>	<b>3%</b>
Chicken	1,443	1,455	1,495	3%
Pork (CWE)	1,020	1,050	1,080	3%
Aquaculture*	750	780	805	3%
Chicken Eggs	657	598	615	3%

Sources: FAS/Manila (pork); PSA (chicken, chicken eggs and aquaculture);

Aquaculture includes milkfish, tilapia, and shrimp.

## Rice

### Production, Supply, and Distribution

Table 4: Rice, Milled Market Year Begins	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Philippines</b>						
<b>Area Harvested</b> (1000 HA)	4848	4700	4800	4800	0	4800
<b>Beginning Stocks</b> (1000 MT)	3103	3020	3478	3095	0	3500
<b>Milled Production</b> (1000 MT)	12625	11975	12300	12000	0	12125
<b>Rough Production</b> (1000 MT)	20040	19008	19524	19048	0	19246
<b>Mill. Rate (.9999)</b> (1000 MT)	6300	6300	6300	6300	0	6300
<b>MY Imports</b> (1000 MT)	3750	3600	4200	4000	0	4000
<b>TY Imports</b> (1000 MT)	3900	3600	4100	4000	0	4000
<b>TY Imp. U.S.</b> (1000 MT)	0	0	0	0	0	0
<b>Total Supply</b> (1000 MT)	19478	18595	19978	19095	0	19625
<b>MY Exports</b> (1000 MT)	0	0	0	0	0	0
<b>TY Exports</b> (1000 MT)	0	0	0	0	0	0
<b>Cons. and Res.</b> (1000 MT)	16000	15500	16500	16050	0	16480
<b>Ending Stocks</b> (1000 MT)	3478	3095	3478	3500	0	3145
<b>Total Distribution</b> (1000 MT)	19478	18595	19978	19095	0	19625
<b>Yield (Rough)</b> (MT/HA)	4.13	4.0443	4.07	3.968	0	4.009

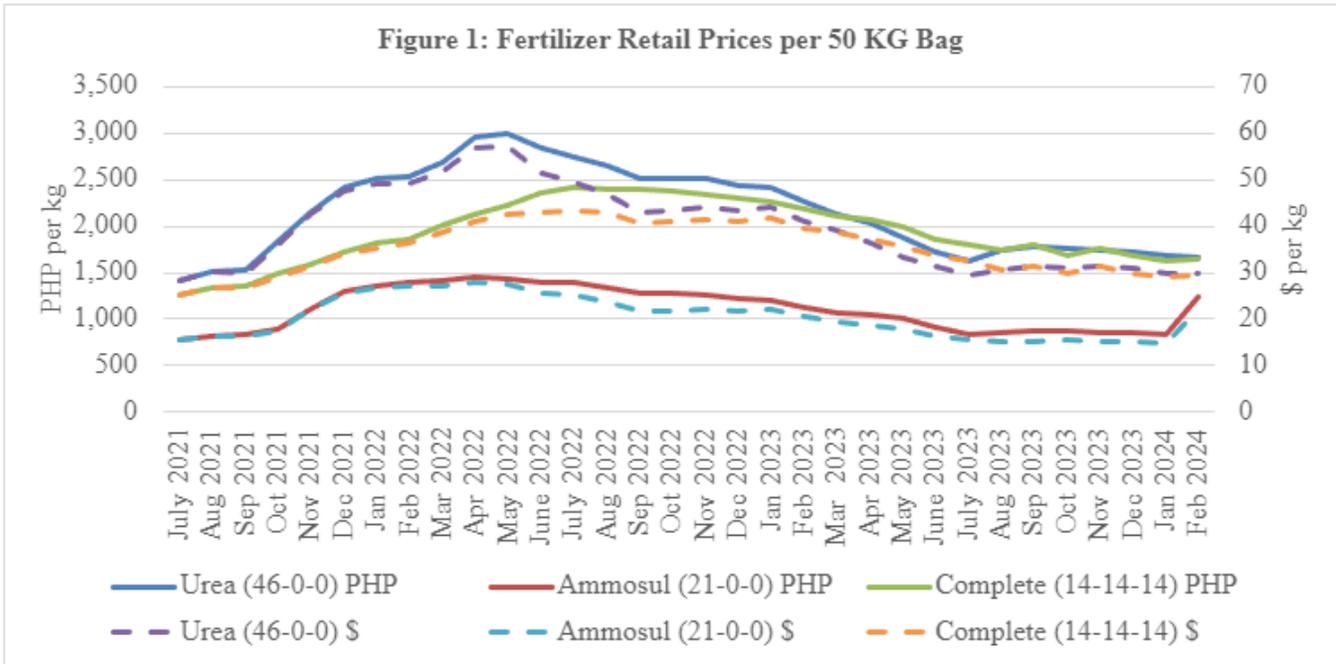
(1000 HA), (1000 MT), (MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2023/2024 = January 2024 - December 2024

### Production

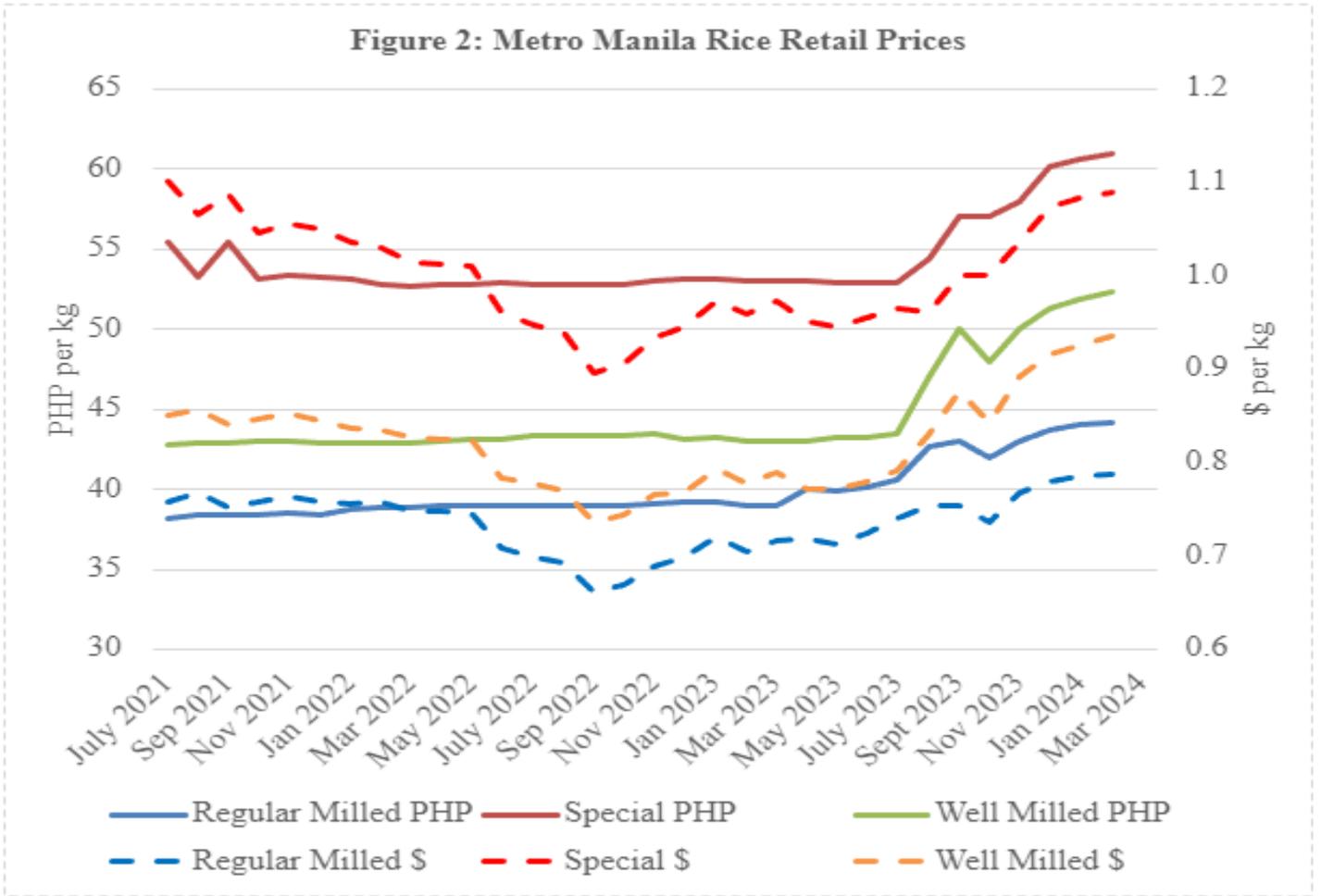
FAS Manila forecasts MY 2024/25 milled rice production at 12.125 million metric tons (MMT) as El Nino is forecast to weaken by April-May, the government continues to prioritize the sector with funding, and farmers increase use of fertilizer and hybrid seeds. The Philippines Department of Agriculture's (DA) Masagana Rice Program, which aims to help 2.3 million farmers, will receive PHP 30.8 billion (USD \$556 million) this year, roughly the same as in 2023, but double the PHP 15.8 billion it received in 2022. Area harvested is expected to remain the same. The fertilizer price data, meanwhile, from the Fertilizer and Pesticides Authority shows fertilizer prices more stable than in previous years, with the exception of a continued rise in ammonia prices. FAS Manila lowered MY 23/24 production based on the effects of El Nino.



Source: Fertilizer and Pesticides Authority

### Consumption

FAS Manila forecasts rice consumption for MY 2024/25 to increase in line with population growth. Global wheat prices have stabilized, but there was no measurable shift from rice to bread over the past year as both staples experienced inflation. As of the time of publication, the dry season harvest was having a slight downward effect on retail rice prices. Thus far, rice consumption has proven durable despite inflation.



Source: Philippine Statistics Authority

### Stocks

FAS Manila lowers its ending stocks for MY 2024/25.

### Trade

FAS Manila is forecasting MY 2024/25 imports at the same level as MY 2023/24 as the weakened El Nino forecast will support improved growing conditions for the wet season rice crop resulting in stable import demand.

President Marcos extended the lower tariff of 35 percent (in-quota and out-quota) on rice until December 31, 2024 through [Executive Order No. 50, Series of 2023](#). On January 1, 2025, tariff rates are scheduled to revert to 40 percent in-quota and 50 percent out-quota. The Implementing Rules and Regulations (IRRs) of the Rice Tariffication Law set the minimum access volume (MAV) or tariff rate quota for rice imports at 350,000 tons. Since at least 90 percent of the imported rice comes from ASEAN countries, it renders the rice MAV largely irrelevant.

The National Food Authority (NFA) is mandated to procure domestic rice and maintain buffer stocks of 350,000 MT. NFA, as a government entity, and the private sector both hold rice stocks.

## Wheat

### Production, Supply, and Distribution

Table 5: Wheat Market Year Begins	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Philippines</b>						
<b>Area Harvested</b> (1000 HA)	0	0	0	0	0	0
<b>Beginning Stocks</b> (1000 MT)	1375	1838	1096	1133	0	1063
<b>Production</b> (1000 MT)	0	0	0	0	0	0
<b>MY Imports</b> (1000 MT)	5743	6865	5900	5800	0	5900
<b>TY Imports</b> (1000 MT)	5743	6865	5900	5800	0	5900
<b>TY Imp. from U.S.</b> (1000 MT)	1956	2685	0	0	0	0
<b>Total Supply</b> (1000 MT)	7118	8703	6996	6933	0	6963
<b>MY Exports</b> (1000 MT)	22	70	20	70	0	70
<b>TY Exports</b> (1000 MT)	22	70	20	70	0	70
<b>Feed and Residual</b> (1000 MT)	2850	3500	2800	2700	0	2630
<b>FSI Consumption</b> (1000 MT)	3150	4000	3150	3100	0	3200
<b>Total Consumption</b> (1000 MT)	6000	7500	6000	5800	0	5830
<b>Ending Stocks</b> (1000 MT)	1096	1133	976	1063	0	1063
<b>Total Distribution</b> (1000 MT)	7118	8703	6996	6933	0	6963
<b>Yield</b> (MT/HA)	0	0	0	0	0	0

(1000 HA), (1000 MT), (MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

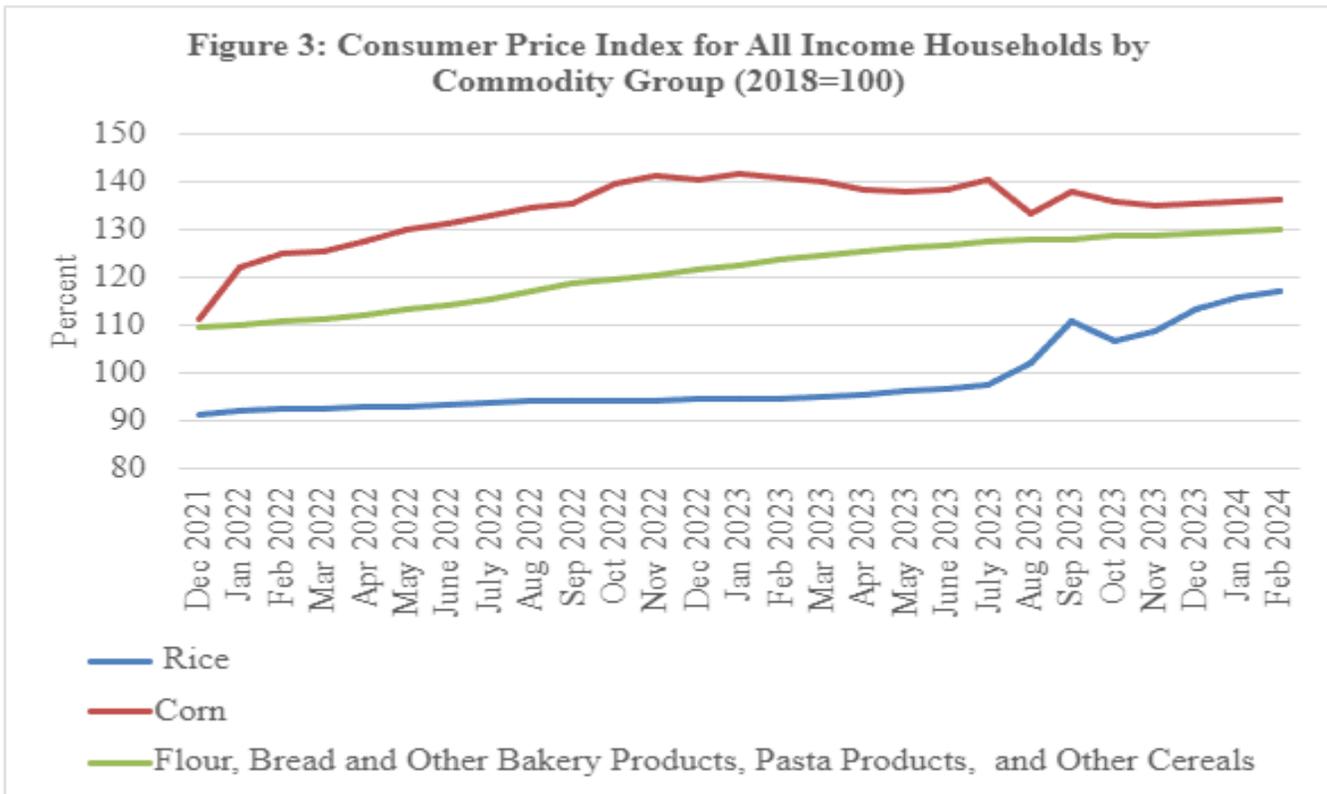
TY = Trade Year, which for Wheat begins in July for all countries. TY 2023/2024 = July 2023 - June 2024

### Consumption

FAS Manila forecasts slightly lower MY 2024/25 feed wheat consumption compared to the previous marketing year because of extended lower corn tariffs through December 31, 2024, and increased global production of corn, which incentivizes corn utilization over wheat for feed. FSI Consumption is forecast to increase as inflation for bread has slowed. Global milling wheat prices have crested, so Philippine wheat imports will start to recover.

## Stocks

The heat and humidity of the Philippines is not conducive to holding stocks for extended periods of time. FAS Manila maintains ending stocks flat from the previous year.



Source: Philippine Statistics Authority

## Trade

FAS Manila estimates wheat imports for MY 2024/25 to be higher compared to the previous marketing year as global wheat prices are trending downward. While an increase is forecast for milling wheat imports, feed wheat imports will not gain market share while competing with favorable corn tariff rates through December 31, 2024.

Industry contacts categorized wheat exports to the Philippines as hard wheat and soft wheat. Hard wheat is used to produce pandesal, Pinoy Tasty, and other breads. Soft wheat is used in cakes, pastries, noodles, and crackers. A unique characteristic of Philippine pasta is that it is made with 50 percent hard wheat and 50 percent soft wheat. There is minimal importation of durum, the typical choice for pasta. Fast food continues to drive demand for bread. Pandesal and Tasty are regulated in terms of prices while

other types of bread are not. Cake sales are declining because of higher costs, which are driven by elevated wheat and higher sugar prices. Noodles continue to grow, as they are easily prepared at home. Pasta demand is seasonal; it tends to be stronger during the Christmas holiday season as a celebratory meal at home.

Industry contacts report they continue to diversify flour production or customize according to customer requirements. Unused milling capacity is expected to lead to more industry consolidation in the coming years.

## Corn

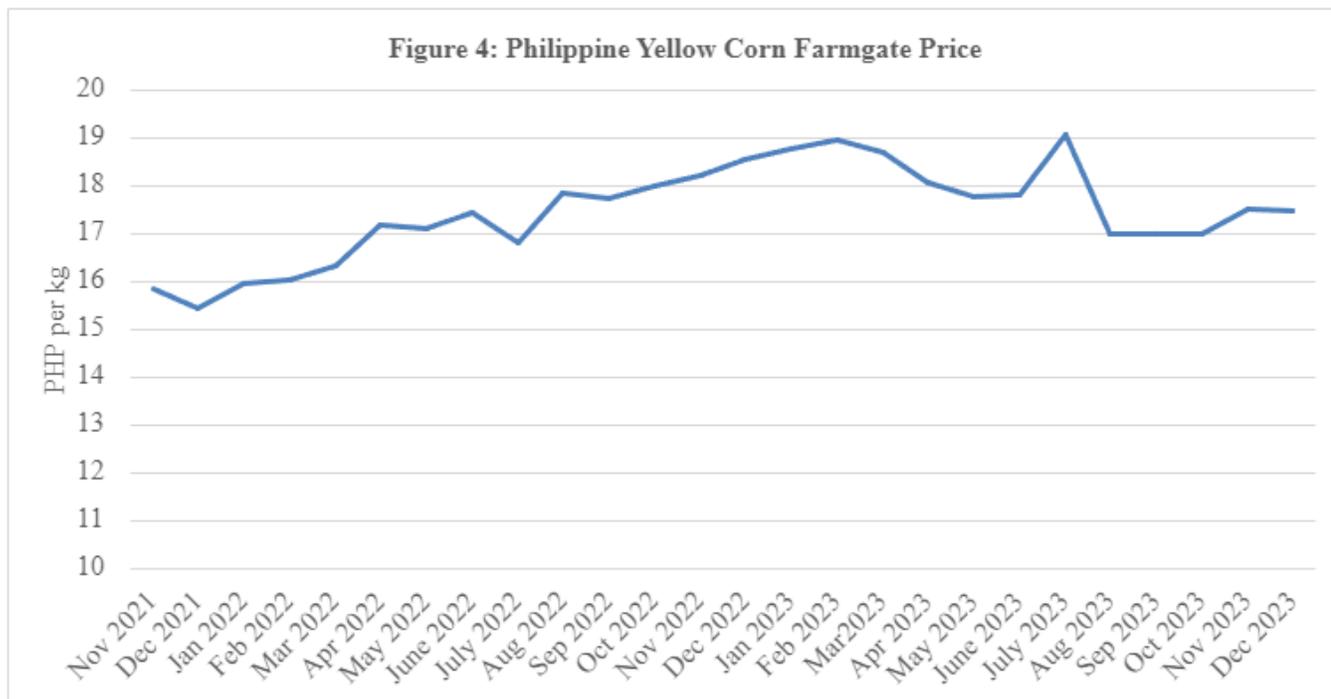
### Production, Supply, and Distribution

<b>Table 6: Corn Market Year Begins</b>	<b>2022/2023</b>		<b>2023/2024</b>		<b>2024/2025</b>	
	<b>Jul 2022</b>		<b>Jul 2023</b>		<b>Jul 2024</b>	
	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>
<b>Philippines</b>						
<b>Area Harvested</b> (1000 HA)	2500	2562	2500	2600	0	2600
<b>Beginning Stocks</b> (1000 MT)	405	429	410	424	0	524
<b>Production</b> (1000 MT)	8300	8344	8300	8400	0	8400
<b>MY Imports</b> (1000 MT)	907	920	1000	950	0	1000
<b>TY Imports</b> (1000 MT)	1024	920	1050	950	0	1000
<b>TY Imp. from U.S.</b> (1000 MT)	9	10	0	0	0	0
<b>Total Supply</b> (1000 MT)	9612	9693	9710	9774	0	9924
<b>MY Exports</b> (1000 MT)	2	0	0	0	0	0
<b>TY Exports</b> (1000 MT)	2	0	0	0	0	0
<b>Feed and Residual</b> (1000 MT)	7100	7020	7200	6900	0	7150
<b>FSI Consumption</b> (1000 MT)	2100	2249	2100	2350	0	2350
<b>Total Consumption</b> (1000 MT)	9200	9269	9300	9250	0	9500
<b>Ending Stocks</b> (1000 MT)	410	424	410	524	0	424
<b>Total Distribution</b> (1000 MT)	9612	9693	9710	9774	0	9924
<b>Yield</b> (MT/HA)	3.32	3.2568	3.32	3.23	0	3.23
(1000 HA), (1000 MT) ,(MT/HA)						
MY = Marketing Year, begins with the month listed at the top of each column						
TY = Trade Year, which for Corn begins in October for all countries. TY 2023/2024 = October 2023 - September 2024						

### Production

FAS Manila forecasts flat MY 2024/25 corn production as continued subsidies (e.g., hybrid seeds) to the sector help to maintain yields. Quarterly production estimates from the Philippine Statistics Authority

indicate corn production has not been significantly affected by the current El Nino. This is due in part to the slightly later growing season and the varying effects of El Nino on different growing regions.



Source: Philippine Statistics Authority

### Consumption

FAS Manila forecasts increased corn feed consumption in MY 2024/25 because of the expansion of the livestock and poultry sectors coupled with the extension of lower tariffs until December 31, 2024. Corn is the preferred feed ingredient especially for broilers and layers. FAS Manila forecasts flat FSI consumption in MY 2024/25.

### Stocks

FAS Manila forecasts MY 2024/25 stocks to decrease compared to the previous marketing year.



Source: Philippine Statistics Authority

## Trade

FAS Manila forecasts higher MY 2024/25 corn imports compared to the previous marketing year because domestic corn production will lag behind the expansion of the livestock and poultry sectors. Also, [Executive Order No. 50, Series of 2023](#) extends lower corn tariff rates until December 31, 2024, maintaining 5 percent in-quota and 15 percent out-quota with MAV of 216,940 MT. This will preserve many global sourcing options for importers.

**Table 7: Philippines Corn (HS-1005) Imports (MT)**

Reporter	Tariff Rate until 12/31/2024	Tariff Rate on 01/01/2025	MY 2022/23	MY 2022/23 (Jul to Dec)	MY 2023/24 (Jul to Dec)	%Δ
<b>Total</b>			<b>933,713</b>	<b>716,650</b>	<b>714,243</b>	<b>-0.3</b>
Myanmar	5	5	260,009	212,226	54,059	-75
Brazil	5/15	35/50	237,386	237,704	202,227	-15
Indonesia	5	5	213,002	114,501	218	-99
Vietnam	5	5	119,943	68,946	161,809	-135
Argentina	5/15	35/50	84,448	76,831	336,624	338
United States	5/15	35/50	11,459	4,223	5,732	36
Pakistan	5/15	35/50	0	0	44,257	*
Others			7,466	2,219	1,831	17

\*undefined as a percentage

Source: Trade Data Monitor, LLC

## Barley

FAS Manila forecasts flat barley imports for MY 2024/25, as it has failed to gain traction with feed millers. Unfamiliarity with using barley in feed formulation means occasional monthly import spikes are only based on price. Industry contacts have said barley should be priced at least \$50 lower per metric ton before it will be considered as a feed ingredient in place of feed wheat.

<b>Table 8: Global Barley Exports to Philippines</b>					
<b>Reporter</b>	<b>Tariff Rate</b>	<b>MY 2022/23</b>	<b>MY 2022/23 Jul-Dec</b>	<b>MY 2023/24 Jul-Dec</b>	<b>%Δ</b>
<b>Total</b>		<b>251,462</b>	<b>38,379</b>	<b>131,558</b>	<b>342</b>
Australia	0	251,462	38,379	131,558	342
Others		0	0	0	0

Source: Trade Data Monitor, LLC

### Attachments:

No Attachments