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Report Highlights:

FAS Manila forecasts an increase in milled rice production in Marketing Year (MY) 2025/26 compared to the previous MY, due to favorable weather conditions and an increase in government funding for the rice industry. FAS Manila forecasts rice imports to decline in MY 2025/26 compared to the previous MY, given a rebound in local production in MY 2025/26, higher stock carryover from MY 2024/25, and the imposition of the maximum suggested retail price on imported premium rice. FAS Manila forecasts corn production to increase in MY 2025/26 compared to the previous MY, due to favorable weather conditions. FAS Manila forecasts that the increase in local corn production will not keep pace with food and feed demand, resulting in a forecast increase in corn imports in MY 2025/26. FAS Manila forecasts wheat imports to grow in MY 2025/26 compared to the previous MY, due to increased demand for milling wheat, while feed wheat imports are expected to remain flat due to an increase in price competitiveness of feed corn.

Executive Summary

FAS Manila forecasts milled rice production to rebound in Marketing Year (MY) 2025/26 compared to the previous MY, due to more favorable weather conditions in MY 2025/26 and the increased government support through the Rice Competitiveness Enhancement Fund (RCEF). Budget appropriations for the RCEF expanded from Php 10 to 30 billion (Bn) until 2031 through the amended Rice Tariffication Law, signed by President Ferdinand R. Marcos Jr. in December 2024. The RCEF was initially scheduled to end in 2024. FAS Manila, meanwhile, forecasts rice imports to decline, given the forecast increase in local production in MY 2025/26, higher stock carryover from MY 2024/25, and the imposition of the maximum suggested retail price (MSRP) on imported premium rice.

FAS Manila forecasts corn production to increase in MY 2025/26 compared to the previous MY, due to more favorable weather conditions in MY 2025/26 and continued government support through the National Corn Program. FAS Manila, likewise, increases its forecast for corn imports in MY 2025/26, as the broiler, layer, aquaculture, and pet food industries continue to grow. The swine industry is also forecast to gradually rebound, given government programs that support hog repopulation. FAS Manila raises it forecast of food, seed, and industrial consumption (FSI) due to an increase in population, coupled with the growth in tourism, food retail market, and food processing and food service sectors. FAS Manila forecasts that the increase in local corn production will not keep pace with the country's food and feed demand.

FAS Manila forecasts an increase in wheat imports in MY 2025/26, given increased demand for milling wheat. Population growth, increase in household incomes, and diversification of diet towards both high-end and low-end wheat-based products are projected to drive the increase in demand for milling wheat. FAS Manila, meanwhile, forecasts demand for feed wheat to remain flat in MY 2025/26, as prices for imported feed corn (corn being the preferred animal feed ingredient by local feed millers) is forecast to gain price competitiveness in MY 2025/26 compared to feed wheat. Feed wheat demand in MY 2025/26 is sustained by the increase in overall animal feed requirements, specifically for animal diets that requires higher protein levels.

Philippine Food Supply is forecasted to grow by 1 percent in MY 2025/26, while the Philippine Energy Supply is expected to increase by 1.4 percent. Animal Protein Production, meanwhile, is also forecast to grow in MY 2024 and MY 2025 across all major animals consuming commercial and self-mix feeds.

Table 1: Philippine Food Supply (1000 MRE / MT / WGE)

Commodity	MY 2023/24	MY 2024/25	MY 2025/26	%Δ
Total	**22,300**	**23,050**	**23,280**	**1**
Rice	16,600	17,200	17,300	1
Corn	2,200	2,200	2,230	1
Wheat	3,500	3,650	3,750	3

Note: MRE - Milled Rice Equivalent; MT - metric tons; WGE – Wheat Grain Equivalent
Source: FAS Manila

Table 2: Philippine Energy Supply (1000 MT / WGE, Corn-Eq.)

Commodity	Corn Equiv.	MY 2023/24	MY 2024/25	MY 2025/26	%Δ
Total		**10,678**	**10,830**	**10,980**	**1.4**
Corn	100%	7,400	7,600	7,750	2
Wheat	95%	3,278	3,230	3,230	0

Source: FAS Manila

Table 3: Animal Protein Production (1000 MT)					
Commodity (a)	**2022**	**2023**	**2024**	**2025**	**%Δ (c)**
Chicken	1,437	1,499	1,570	1,630	4
Pork (CWE)	1,020	1,050	1,040	1,060	2
Aquaculture (b)	709	671	689	-	3
Chicken eggs	708	731	783	-	7

Notes:

(a) Figures on chicken and pork include estimates and forecast from the USDA-FAS, based on MY; aquaculture and eggs include actual figures from the Philippine Statistics Authority, based on Calendar Year (CY) 2022 to 2024

(b) Aquaculture includes milkfish, tilapia, and shrimps (tiger prawns, and penaeus vannamei)

(c) Percent change for chicken and pork is MY 2025 compared to MY 2024, while aquaculture and chicken eggs is CY 2024 compared to CY 2023

Sources: USDA-FAS (pork and chicken), and Philippine Statistics Authority (aquaculture and chicken eggs)

Rice

Production, Supply, and Distribution

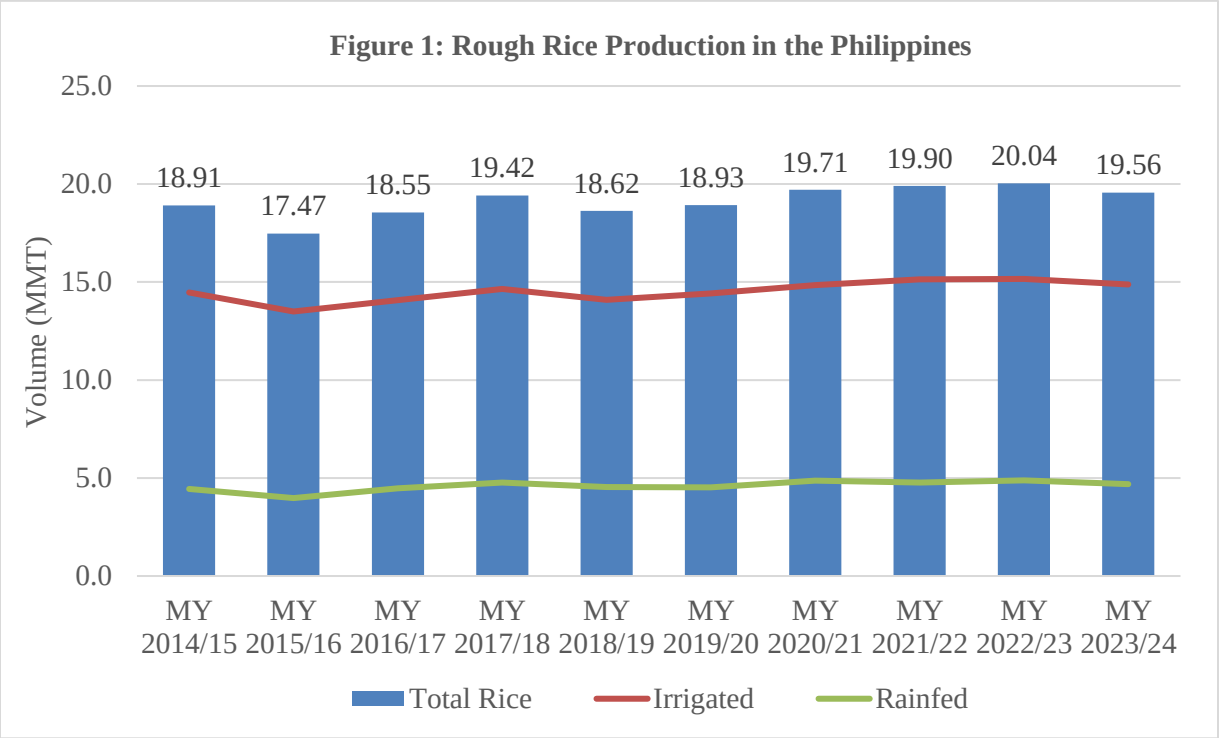
Table 4: Rice, Milled	2023/2024		2024/2025		2025/2026	
Market Year Begins	Jul 2023		Jul 2024		Jul 2025	
Philippines	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	4744	4744	4600	4600	0	4700
Beginning Stocks (1000 MT)	3378	3378	3603	3603	0	3703
Milled Production (1000 MT)	12325	12325	12000	12000	0	12250
Rough Production (1000 MT)	19563	19563	19048	19048	0	19444
Milling Rate (.9999) (1000 MT)	6300	6300	6300	6300	0	6300
MY Imports (1000 MT)	4500	4500	5300	5300	0	5200
TY Imports (1000 MT)	5450	5190	5400	5400	0	5300
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	20203	20203	20903	20903	0	21153
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Consumption and Residual (1000 MT)	16600	16600	17200	17200	0	17300
Ending Stocks (1000 MT)	3603	3603	3703	3703	0	3853
Total Distribution (1000 MT)	20203	20203	20903	20903	0	21153
Yield (Rough) (MT/HA)	4.1237	4.1237	4.1409	4.1409	0	4.1370

(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 2024/2025 = January 2025 - December 2025

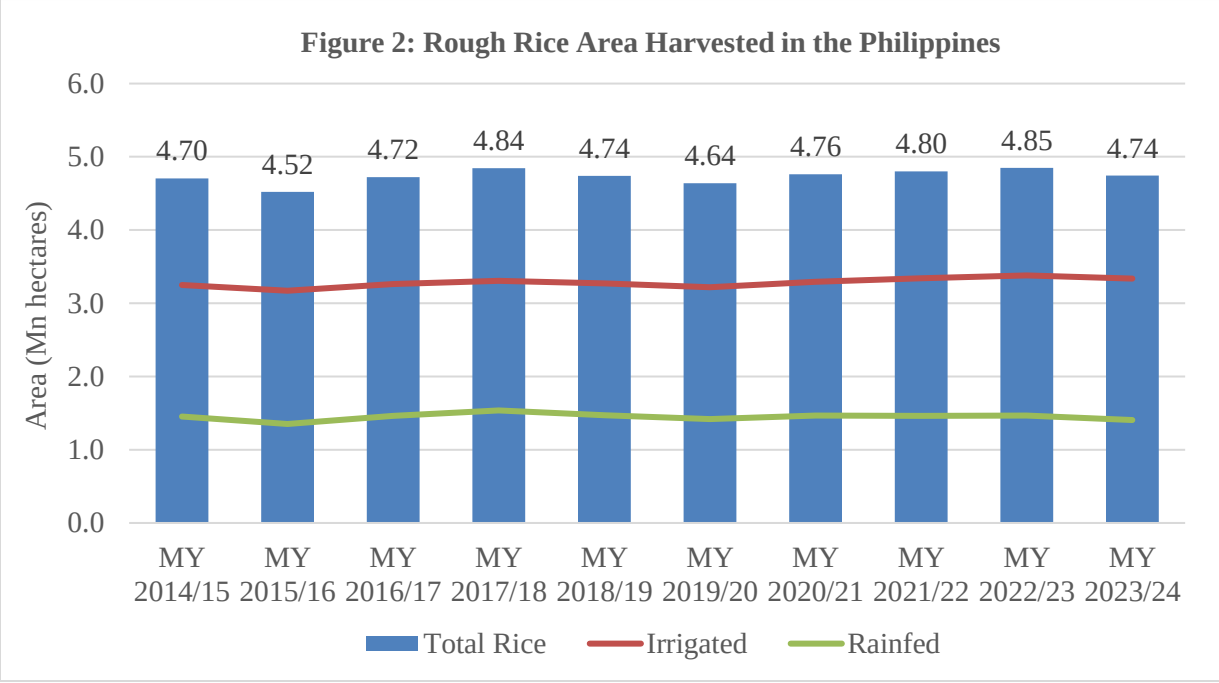
Production

FAS Manila forecasts milled rice production to increase by 2.1 percent to 12.25 million metric tons (MMT) in MY 2025/26 compared to the previous MY. FAS Manila, likewise, forecasts area harvested to increase by 2.2 percent to 4.70 million (Mn) hectares (ha) in MY 2025/26 compared to the previous MY. FAS Manila increases its MY 2024/25 estimate of rough rice production to 12.00 MMT, aligning with USDA Official.

The Rice Competitiveness Enhancement Fund (RCEF) authorized through the Rice Tariffication Law in 2019, appropriated Php 10 billion (Bn), annually, for six years from 2019 to 2024 to fund for rice industry supporting programs, such as rice farm machinery and equipment; rice seed development, propagation and the distribution of certified inbred seed varieties; expanded rice credit assistance; and rice extension services. This program contributed to rough rice production growing from 18.62 MMT to 20.04 MMT from MY 2018/19 to MY 2022/23, growing by an average rate of 1.9 percent year-on-year.



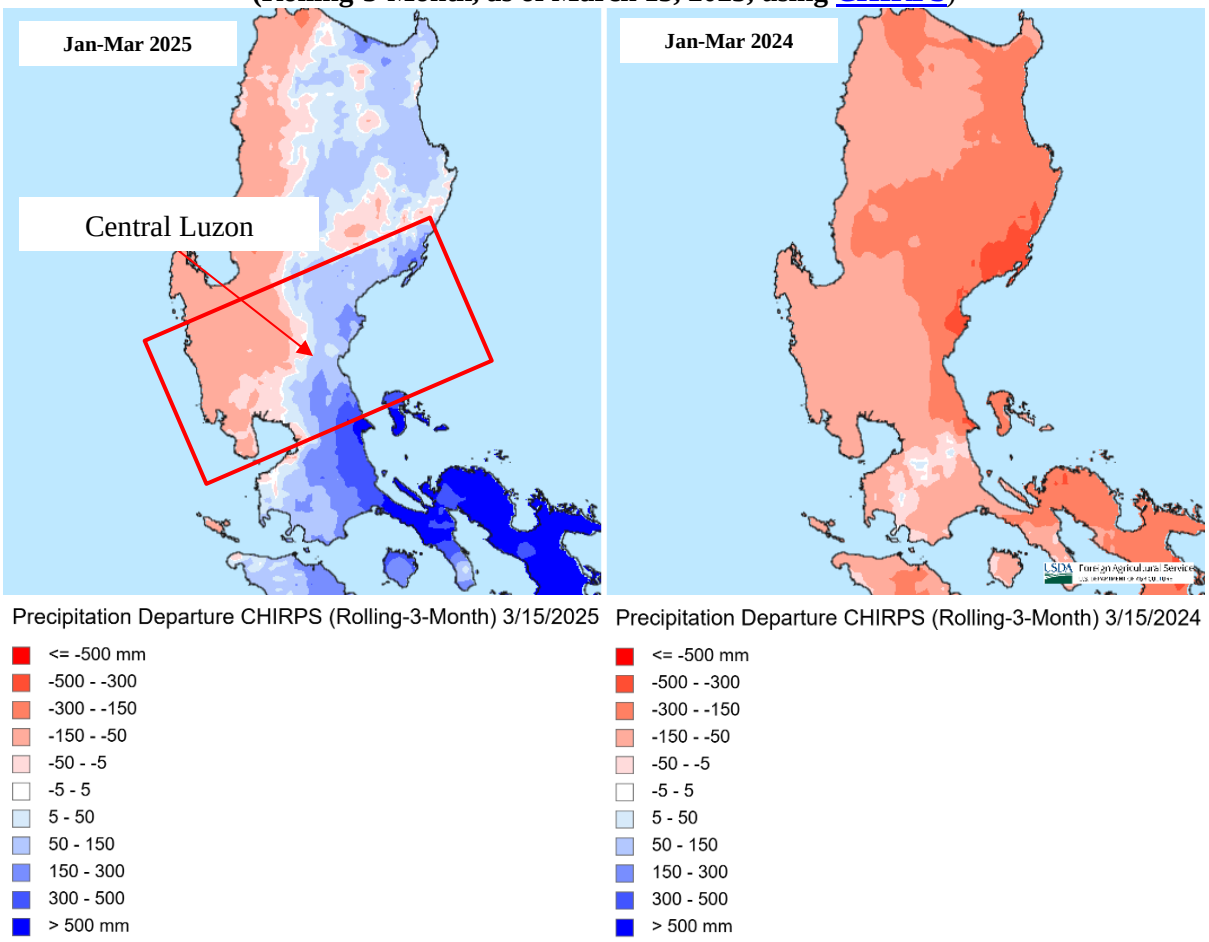
Source of basic data: [Philippine Statistics Authority]



Source of basic data: [Philippine Statistics Authority]

In terms of weather conditions, precipitation levels in the Central Luzon region from January to March 2025 are improved compared to the same period last year. Central Luzon was the largest rough rice producer in MY 2023/24. In general, the dry season crop was planted in November-December in this region of the Philippines and is in the growing stage during the February to April timeframe. Precipitation levels from January to March 2025 will result in increased water collection in dams, ensuring that the irrigation needs of rice fields are met for both the remaining dry season crop (harvested during MY 2024/25) and supporting the May-June planting of the wet season crop that will be harvested in Quarter (Q)1 harvest in MY 2025/26.

Figure 3: Comparison of Precipitation Departure in January-March 2025/2024 (Rolling-3-Month, as of March 15, 2025, using CHIRPS)



Source: USDA-Foreign Agricultural Service Global Agricultural & Disaster Assessment System

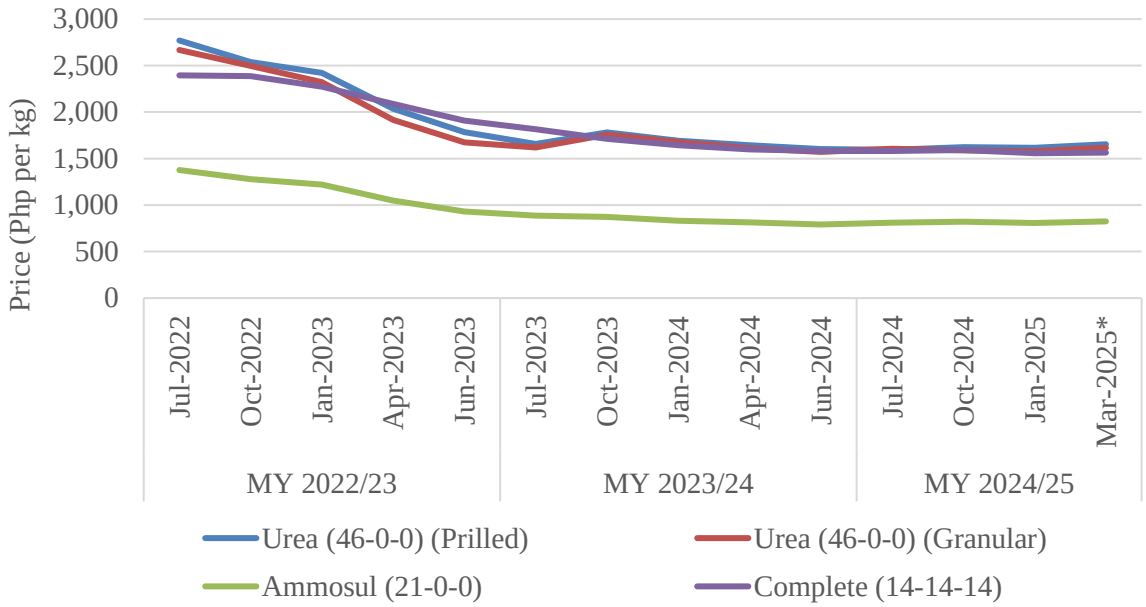
In terms of government support, in December 2024, President Ferdinand R. Marcos Jr. signed the amended Rice Tariffication Law, which triples the Rice Competitiveness Enhancement Fund (RCEF) from Php 10 to 30 Bn until 2031. The RCEF appropriates funding for farm machinery and equipment, rice seed development, propagation, and promotion, and other priority programs, activities, and projects for rice, including training and extension services, financial and credit assistance, composting facilities, pest and disease management, solar-powered water irrigation, soil health improvement, and farming support of the DA and the National Irrigation Administration on contract farming. Post forecasts that these government support programs will boost domestic rice production and encourage local farmers to continue cultivating rice, contributing to the forecast increase in harvested area and milled rice output in MY 2025/26.

The National Food Authority (NFA) continues its procurement program through its Price Range Scheme (PRICERS), which supports local production by buying from farmers at a higher than market price. Under the NFA PRICERS program, the NFA buys from local farmers at Php 23 to 30 per kilogram (kg) for clean and dry palay (13-14 percent moisture content), while fresh/wet palay are priced Php 17 to 23 per kg (22 to 29.9 percent moisture content). The average non-subsidized farmgate price from July 2024 to January 2025 was Php 22.63 per kg for dry fancy palay, and Php 21.75 per kg for dry other varieties. Post forecasts that the continued and increasing government support through the RCEF will contribute to higher rice production in MY 2025/26, while the NFA PRICERS program will help stabilize the local rice industry in MY 2025/26.

In terms of farm inputs, on average, fertilizer prices have exhibited a declining trend from July 2024 to March 2025 compared to the same period last year, based on data from the Fertilizer and Pesticides Authority. However, prices for urea (both prilled and granular) registered an uptick of less than 1 percent each in March 2025 compared to the same period last year. Prices for ammosul, likewise, increased by 0.3 and 1.3 percent in February to March 2025, respectively, compared to the same period last year. Prices for complete fertilizer, meanwhile, continue to steadily decline from July 2024 to March 2025.

A portion of the required agricultural inputs, such as seed, fertilizers, and fuel, are subsidized by the government, while the rest are purchased by the farmers (e.g., through cash advances from traders or farmer purchases). The expansion of the RCEF will offset the increase in fertilizer prices in MY 2025/26, which should allow farmers to apply appropriate amounts of fertilizer for better yield. FAS Manila, likewise, forecasts that the increased distribution of high-quality seeds in MY 2025/26 through the RCEF will result to higher farm productivity.

Figure 6: Average Fertilizer Retail Prices per 50 kg Bag



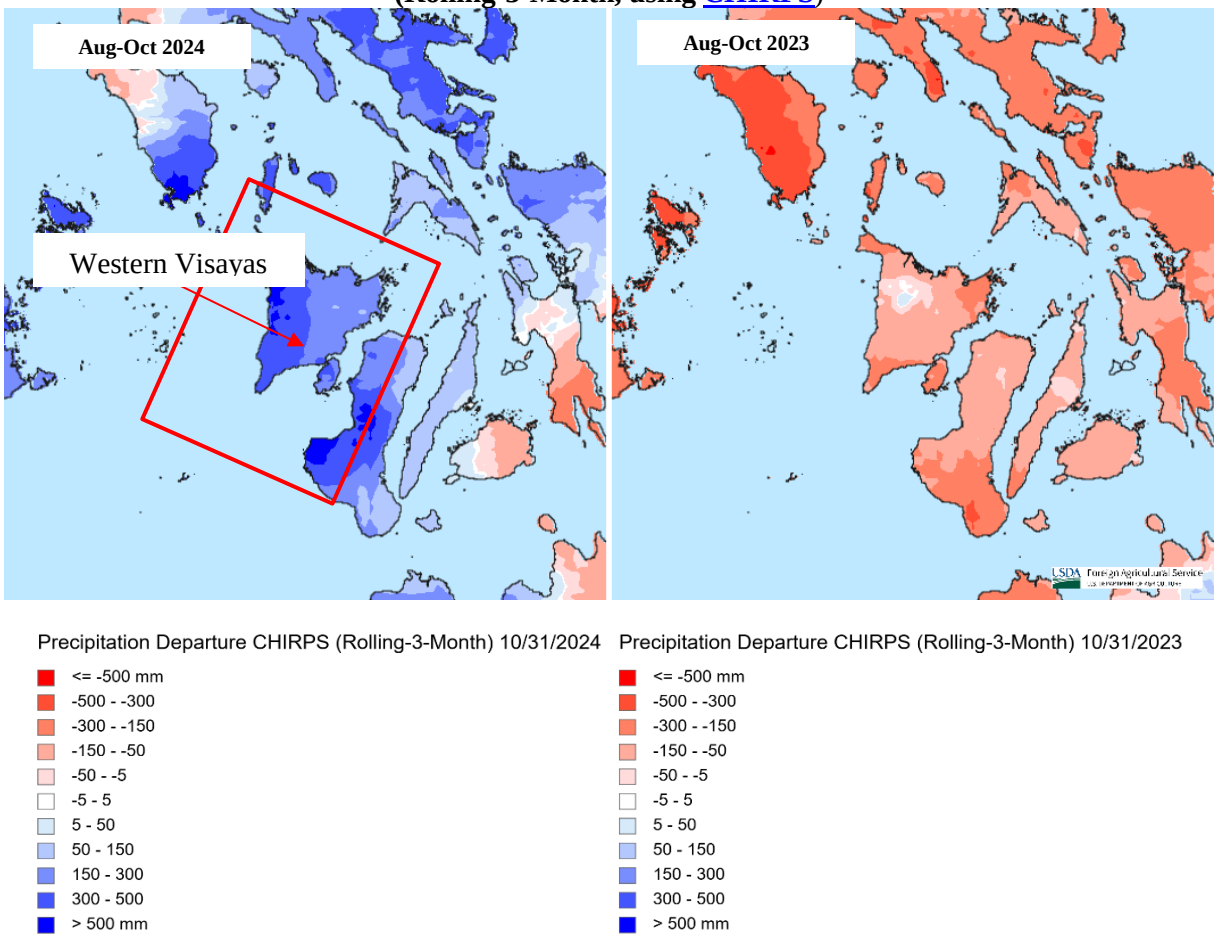
Note: the weekly national prices for fertilizers were averaged to get the monthly mean prices; prices are as of March 10-14, 2025

Source of basic data: Fertilizer and Pesticide Authority

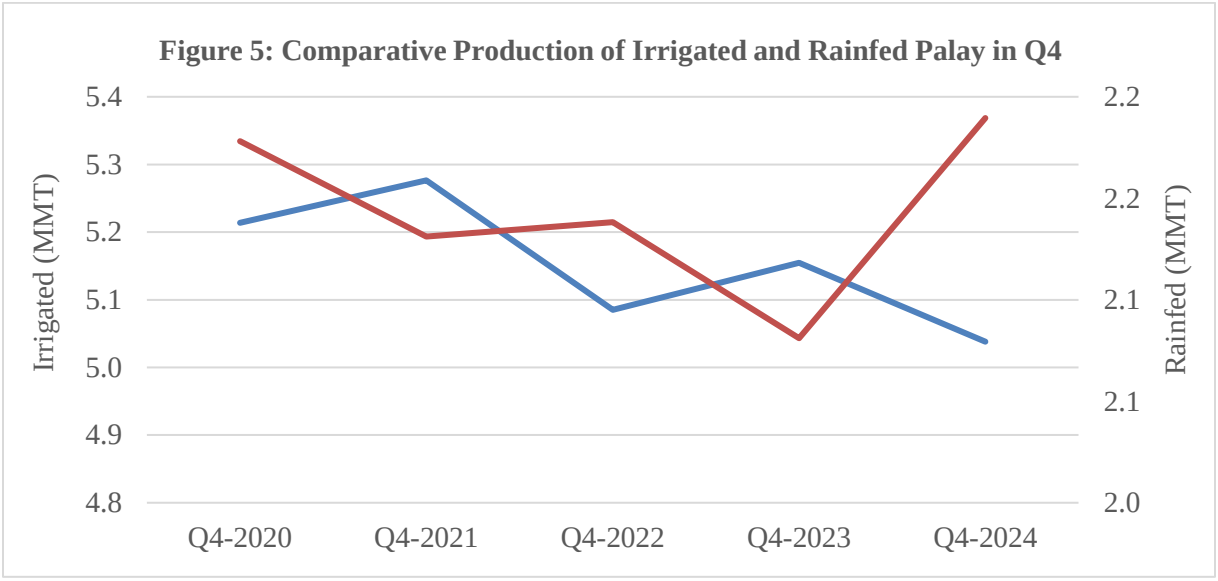
Meanwhile, in MY 2024/25, FAS Manila increased its estimated rough rice production, aligning with USDA Official. This increase is driven by an improvement in the rainfed rough rice production in Q4 2024, which was 5.2 percent higher compared to the same period last year. The increased rough rice production of rainfed rice

areas in Q4 2024 partially offset the volume losses incurred by the irrigated rice areas in Q4 2024. The Western Visayas production, which ranked as the third largest rough rice producer in MY 2023/24, was 10.6 percent higher in Q4 2024 compared to the same period last year. This was attributed to better production in rainfed areas, which increased by 22 percent from 381,366 MT in Q4 2023 to 464,961 MT in Q4 2024.

Figure 4: Comparison of Precipitation Departure in August-October 2024/2023 (Rolling-3-Month, using CHIRPS)



Source: USDA-Foreign Agricultural Service Global Agricultural & Disaster Assessment System



Source: Philippine Statistics Authority

Table 5: Regional Production of Irrigated and Rainfed Palay

Region	MY 2023/24		Type of Production in MY 2023/24 (%)		Total Palay in Q4 (MT)		
	Total Rough Production (MT)	Percent Share in Total Rough Production	Irrigated	Rainfed	2023	2024	%Δ
Central Luzon	3,518,871	18	97	3	1,288,429	1,273,852	-1.1
Cagayan Valley	2,949,908	15	91	9	946,774	943,240	-0.4
Western Visayas	2,197,617	11	49	51	740,020	818,569	10.6
Ilocos	1,978,884	10	71	29	1,299,181	1,282,168	-1.3
Bicol	1,282,937	7	72	28	446,881	381,058	-14.7
Soccsksargen	1,211,434	6	83	17	357,204	355,396	-0.5
Mimaropa	1,169,401	6	73	27	583,744	585,815	0.4
BARMM	889,829	5	32	68	198,693	219,106	10.3
Eastern Visayas	831,296	4	59	41	250,454	241,335	-3.6
Northern Mindanao	806,073	4	88	12	229,851	259,043	12.7
Zamboanga Peninsula	681,854	3	65	35	172,538	184,422	6.9
Caraga	561,792	3	62	38	185,738	195,290	5.1
Davao Region	491,990	3	91	9	123,141	124,434	1.1
Calabarzon	385,314	2	83	17	144,390	78,939	-45.3
CAR	311,616	2	84	16	141,687	127,758	-9.8
Central Visayas	294,927	2	67	33	126,795	157,168	24.0
Philippines	19,563,741	100	76	24	7,235,520	7,227,594	-0.1

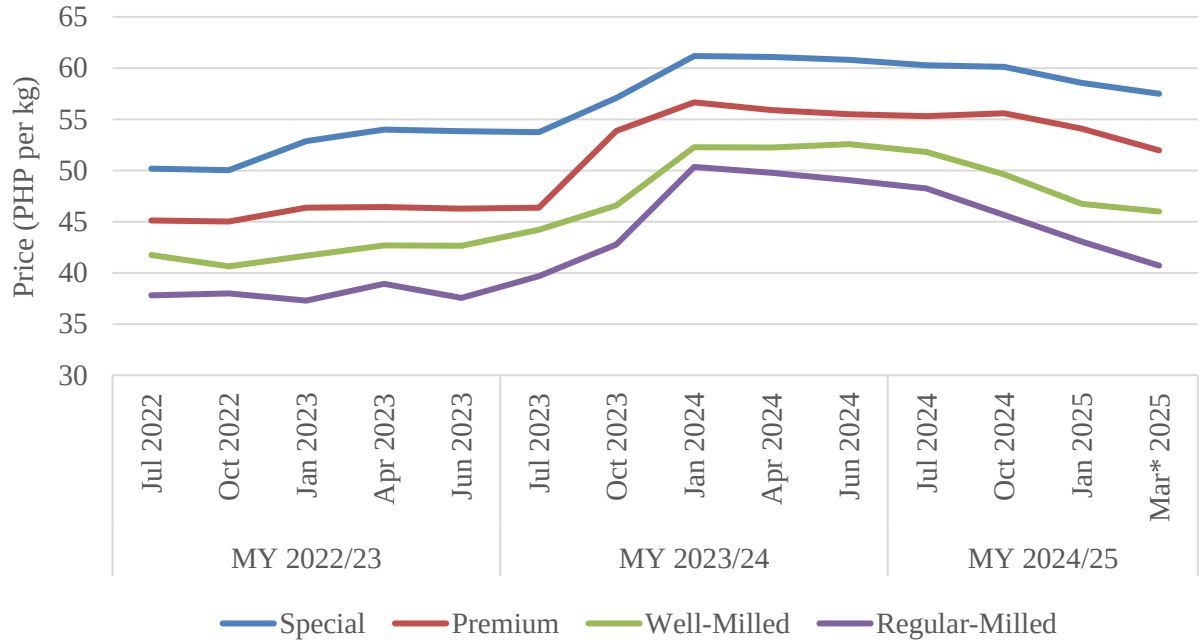
Source of basic data: Philippine Statistics Authority

Consumption

FAS Manila forecasts rice consumption to increase by 0.6 percent to 17.30 MMT in MY 2025/26 compared to the previous MY. The increase in consumption is largely driven by steady population growth, moderating inflation levels, and growing income levels. Based on data from the U.S. Census Bureau, the Philippine population is projected to grow from 118.28 to 121.94 Mn people from CY 2024 to 2026, which fuel the demand for more food products, including rice.

Local retail prices for rice are gradually declining due to softening of global prices, which allows consumers to buy more rice and other food products. To help mitigate food inflation, the government also sells subsidized products and prime commodities, including rice at wholesale prices, in Kadiwa stores. Beginning mid-February 2025 until March 17, 2025, the price of well-milled rice at Kadiwa stores was Php 35 per kg, based on data from the Philippine Department of Agriculture (DA). On average, as of March 17, 2025, the price of imported well-milled rice averaged Php 45.07 per kg, while local well-milled rice averaged Php 46.93 per kg. The DA, likewise, implemented a gradual decrease in the maximum suggested retail price (MSRP) for rice, from Php 58/kg on January 20, 2025 to Php 49.00/kg effective March 10, 2025. The suggested price ceiling was implemented for imported premium rice and imported 5-percent broken rice, with the intention of curbing rice inflation.

Figure 6: Average Retail Price of Imported and Local Commercial Rice in Metro Manila



Note: computed by averaging the lower- and upper-bound daily prices of imported and local commercial rice, as of March 17, 2025

Source of basic data: Philippine Department of Agriculture

Trade

FAS Manila forecasts rice imports to decline by 1.9 percent to 5.2 MMT in MY 2025/26, due to the forecast increase in local production, higher stock carryover from MY 2024/25, and the imposition of the MSRP on imported premium rice. While FAS Manila estimates rice imports to decline in MY 2025/26, Post forecasts Vietnam and Thailand to remain as the key suppliers of rice to the Philippine market in MY 2025/26. This is due

to established trade relationships, competitive prices, and geographical proximity of Vietnam and Thailand to the Philippines. Post, however, forecasts a decrease in supply of imported 5-percent broken rice in the Philippines in MY 2025/26, given the ongoing implementation of the MSRP on imported premium rice. Imported rice is subject to a 15 percent tariff until 2028, subject to periodic review every four months.

Table 6: Key Rice Exporters to the Philippines (MRE)					
Reporter	Full MY		July to January		
	MY 2022/23	MY 2023/24	MY 2022/23	MY 2023/24	MY 2024/25*
World	3,746,269	4,490,888	2,029,520	2,515,844	2,961,918
Vietnam	3,294,705	3,380,703	1,729,053	1,720,125	2,441,173
Thailand	156,247	645,428	99,228	470,213	356,043
Others	295,317	464,757	201,239	325,506	164,702

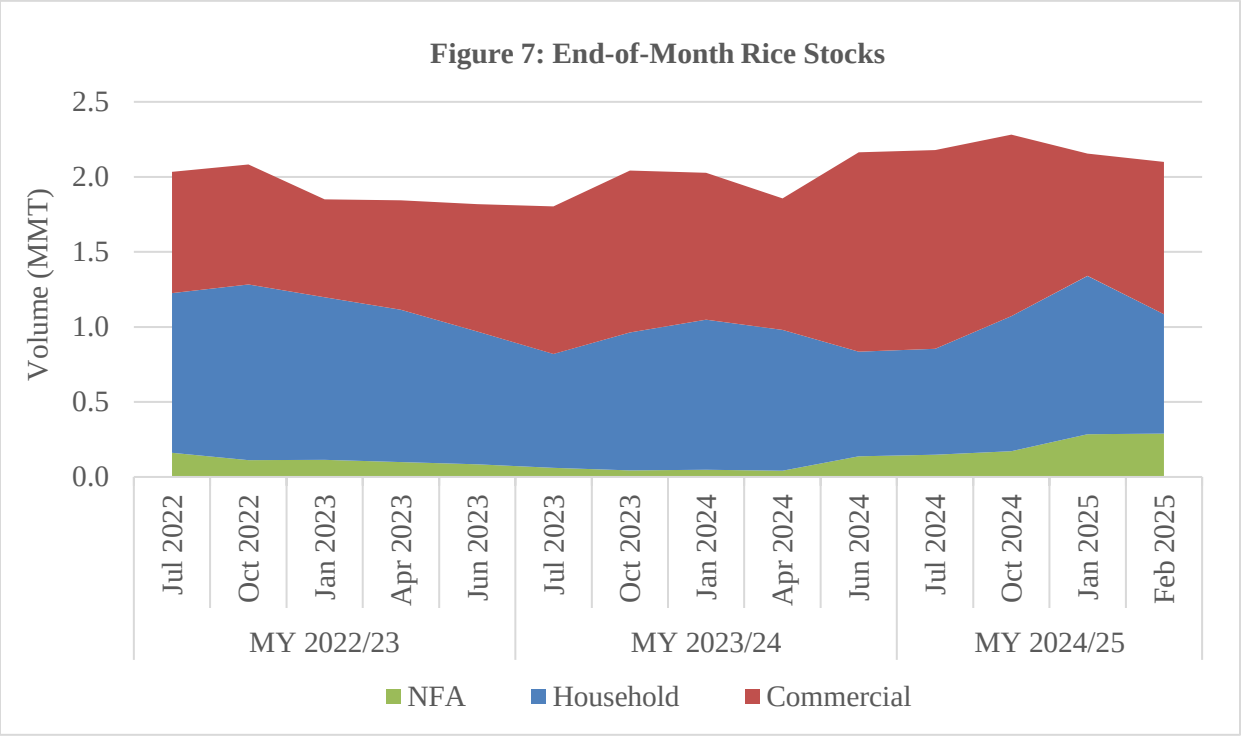
Sources of basic data: Trade Data Monitor, Vietnam Customs, and Philippine Department of Agriculture-Bureau of Plant Industry

Stocks

FAS Manila forecasts rice stocks to increase by 4.1 percent to 3.85 MMT in MY 2025/26, due to an increase in the procurement activities of the NFA, coupled with the ongoing rice importation from the Commercial Sector. Meanwhile, given declining retail prices of rice, rice stocks held at the Household level are forecast to decline in MY 2025/26, as lower prices reduce the need for Households to hold excessive stocks.

A food security emergency on rice was declared on February 3, 2025, allowing the NFA to release its existing rice buffer stocks to help ease retail prices and prepare its warehouses for the procurement of new harvests beginning mid-February. Based on the DA's monthly allocation, the NFA will release 625,600 bags of rice (50-kg each), equivalent to 187,680 tons (31,280 tons per month), to identified LGUs through the Food Terminal Inc. According to the DA, the national daily consumption of rice averages at 37,000 MT.

The NFA is targeting to procure as much as 870,000 metric tons (MT) of palay in Calendar Year (CY) 2025. Aligning with the Philippine Statistic Authority's updated milled recovery rate of 63 percent, this would translate to around 550,000 MT of milled rice, leading to the higher forecast of rice stocks in MY 2025/26.



Source: Philippine Statistics Authority

Table 7: End-of-Month Stocks by Sector								
Sector	**End-of-Month Stocks: February**				**Δ%**			
	2022	**2023**	**2024**	**2025**	**2023/22**	**2024/23**	**2025/24**	**Average**
Total	1,609,248	1,523,033	1,510,977	2,099,054	-5.4	-0.8	38.9	10.9
Commercial	545,273	541,210	778,888	1,015,409	-0.7	43.9	30.4	24.5
Household	882,743	877,033	685,199	794,467	-0.6	-21.9	15.9	-2.2
NFA	181,232	104,790	46,890	289,178	-42.2	-55.3	516.7	139.8

Source of basic data: Philippine Statistics Authority

Policy

In terms of tariff rates, under the Executive Order (EO) No. 62, 2024, the rice tariff is reduced to 15 percent from 35 percent until 2028, subject to periodic review every four months. In terms of government programs, the expanded RCEF from Php 10 to 30 Bn until 2031 will support rice production and area harvested in MY 2025/26 and beyond, encouraging local farmers to continue cultivating rice given definite government assistance for rice supporting programs. Local farmers are encouraged to plant rice, given government subsidy. However, if government subsidies for rice are reduced, farmers consider planting other crops that require fewer inputs than rice cultivation, such as vegetables.

Corn

Production, Supply, and Distribution

Table 8: Corn	2023/2024		2024/2025		2025/2026	
Market Year Begins	Jul 2023		Jul 2024		Jul 2025	
Philippines	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	2490	2490	2550	2491	0	2500
Beginning Stocks (1000 MT)	432	432	452	471	0	451
Production (1000 MT)	8100	8119	8300	8150	0	8200
MY Imports (1000 MT)	1521	1521	1500	1630	0	1750
TY Imports (1000 MT)	1784	1784	1650	1750	0	1850
TY Imp. from U.S. (1000 MT)	110	98	0	0	0	0
Total Supply (1000 MT)	10053	10072	10252	10251	0	10401
MY Exports (1000 MT)	1	1	0	0	0	0
TY Exports (1000 MT)	1	1	0	0	0	0
Feed and Residual (1000 MT)	7400	7400	7600	7600	0	7750
FSI Consumption (1000 MT)	2200	2200	2200	2200	0	2230
Total Consumption (1000 MT)	9600	9600	9800	9800	0	9880
Ending Stocks (1000 MT)	452	471	452	451	0	421
Total Distribution (1000 MT)	10053	10072	10252	10251	0	10401
Yield (MT/HA)	3.2530	3.2606	3.2549	3.2718	0	3.2800

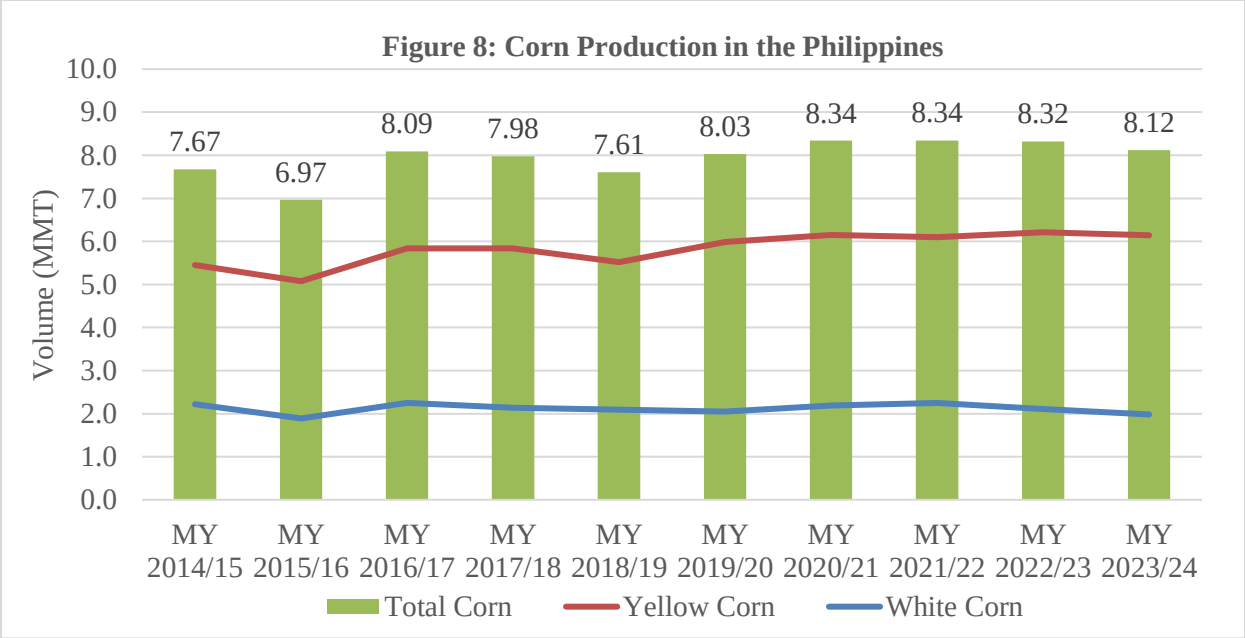
(1000 HA), (1000 MT), (MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Corn begins in October for all countries. TY 2025/2026 = October 2025 - September 2026

Production

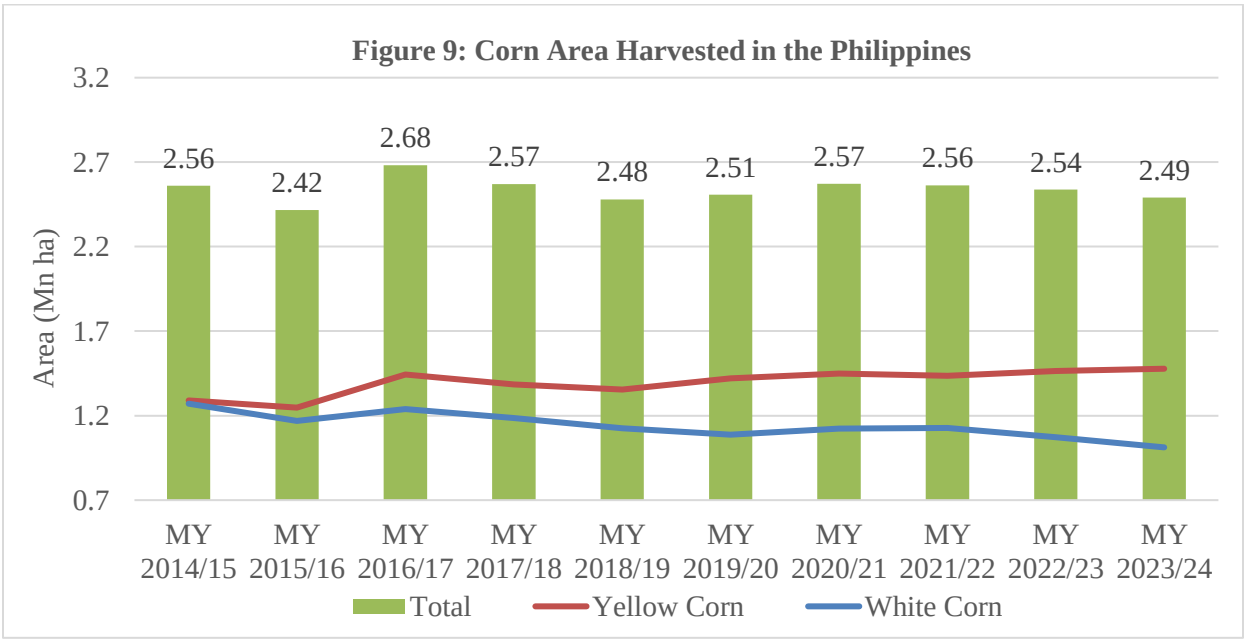
FAS Manila forecasts corn production to marginally increase by 0.6 percent to 8.20 MMT in MY 2025/26 compared to the previous MY. Likewise, FAS Manila forecasts area harvested to marginally increase by 0.4 percent to 2.50 Mn ha in MY 2025/26. FAS Manila forecasts production and area harvested to marginally rebound in MY 2025/26 due to more favorable weather conditions compared to the previous MY (i.e., absence of El Niño), continued government support programs that are focused on improving corn yields (specifically the DA's National Corn Program), and increasing demand for animal feed.

Based on production estimates in July to December 2024, yellow corn accounted for 72 percent of the total local production, while the remaining 28 percent accounted for white corn. Distinguising yellow corn and white corn production provides a clearer analysis of the domestic corn industry. Yellow corn is primarily used as an ingredient for animal feed, while white corn is mostly grown for human consumption (i.e., a rice substitute for some areas, or for local snack foods). Over the past 10 years from MY 2014/15 to MY 2023/24, the production of white corn contracted by an average of 1.1 percent year-on-year, while the production of yellow corn increased by 1.2 percent. There is higher local demand for yellow corn due to its industrial applications in animal feed

manufacturing and food processing industries, which influences its production and overall marketability in the domestic market.



Source of basic data: Philippine Statistics Authority



Source of basic data: Philippine Statistics Authority

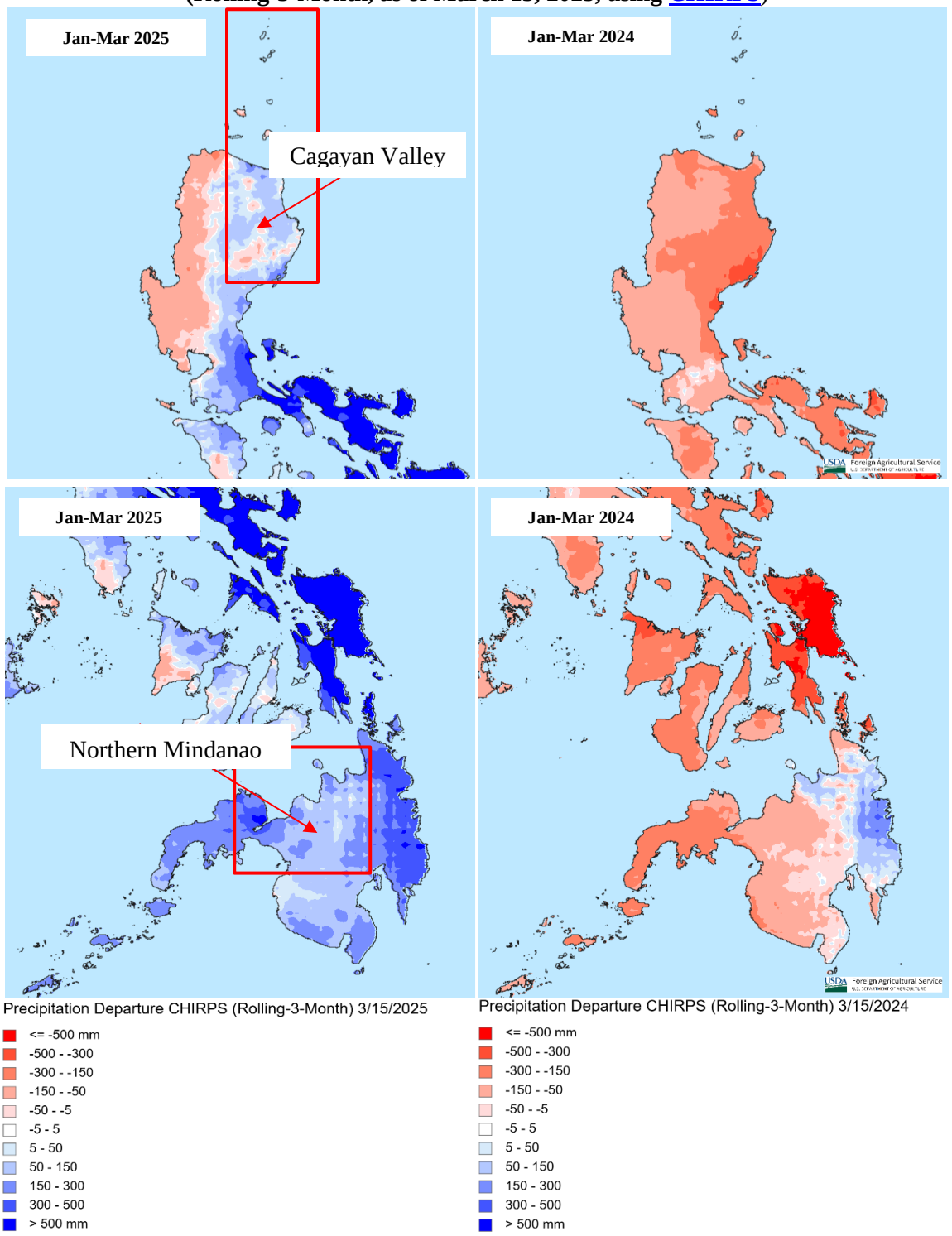
Based on production estimates from MY 2021/22 to MY 2023/24, the regions of Cagayan Valley and Northern Mindanao were the largest producers of yellow corn, cornering 30 and 25 percent of the total yellow corn production in July to December 2024, respectively. For white corn, the key producers were the regions of Northern Mindanao and the Bangsamoro Autonomous Region of Muslim Mindanao (BARMM), producing 27 and 24 percent of the total white corn production in July to December 2024, respectively.

Table 9: Regional Production of Yellow and White Corn in the Philippines					
Region	**MY 2021/22**	**MY 2022/23**	**MY 2023/24**	**Jul to Dec 2024**	**Percent Share in Jul to Dec 2024**
Yellow Corn					
Philippines	6,094,838	6,212,467	6,140,444	3,195,596	100
Cagayan Valley	1,919,679	1,956,267	1,878,699	967,653	30
Northern Mindanao	943,656	985,939	1,068,067	783,710	25
Soccsksargen	848,916	866,012	808,483	587,793	18
BARMM	534,361	592,799	702,784	375,522	12
Western Visayas	277,890	260,653	242,222	98,162	3
Bicol	220,798	216,723	194,599	88,889	3
CAR	201,985	169,235	136,126	82,169	3
Caraga	81,997	72,894	83,160	76,825	2
Davao Region	71,182	70,985	69,728	33,782	1
Mimaropa	105,467	123,746	98,084	28,581	1
Zamboanga Peninsula	34,934	29,132	39,822	21,730	1
Central Luzon	262,950	268,336	230,363	15,318	0.5
Calabarzon	41,231	38,123	36,038	14,577	0.5
Ilocos	537,158	551,069	540,158	10,279	0.3
Central Visayas	6,491	4,558	6,274	7,269	0.2
Eastern Visayas	6,143	5,997	5,836	3,338	0.1
White Corn					
Philippines	2,249,178	2,110,245	1,978,534	1,235,915	100
Northern Mindanao	511,561	504,805	459,848	328,237	27
BARMM	613,752	569,117	521,949	292,090	24
Soccsksargen	219,131	198,376	176,662	138,767	11
Davao Region	207,210	207,640	218,023	129,631	10
Zamboanga Peninsula	174,745	154,399	140,651	102,347	8
Central Visayas	95,585	94,064	111,596	70,126	6
Caraga	55,401	40,899	49,519	41,359	3
Bicol	70,560	65,824	66,014	30,807	2
Eastern Visayas	57,389	52,673	53,063	29,103	2
Western Visayas	85,012	84,221	69,477	25,087	2
CAR	18,441	16,681	15,045	13,316	1
Ilocos	46,439	46,555	40,271	9,258	1
Calabarzon	24,645	19,851	16,805	8,686	1
Central Luzon	38,471	31,943	21,367	7,778	1
Mimaropa	12,660	9,979	8,624	4,741	0.4
Cagayan Valley	18,177	13,217	9,621	4,581	0.4

Source of basic data: Philippine Statistics Authority

In terms of weather conditions in key corn producing areas, better precipitation levels in January to March 2025 in the regions of Cagayan Valley and Northern Mindanao compared to the same period last year supports crop development in parts of the Cagayan Valley and Northern Mindanao regions.

Figure 10: Comparison of Precipitation Departure in January-March 2025/2024 (Rolling-3-Month, as of March 15, 2025, using CHIRPS)



Source: USDA-Foreign Agricultural Service Global Agricultural & Disaster Assessment System

In terms of government programs, meanwhile, the DA's National Corn Program is currently funded with a Php 5.0 Bn budget, which can support 160,000 hectares of corn area. The National Corn Program in Calendar Year (CY) 2025 will focus on production support services, including providing seeds, fertilizers, machinery, and irrigation services, as well as research and development to improve yield. According to the DA, it aims to increase yield of yellow corn to 5.17 MT/ha, and 2.29 MT/ha for white corn within MY 2025/26. FAS Manila forecasts that the continued government support for local corn production, along with favorable weather conditions, will result in a marginal improvement of 0.6 percent in domestic production in MY 2025/26.

FAS Manila, meanwhile, maintains a lower estimate of corn production in MY 2024/25 compared to USDA Official. Several factors have reduced the corn production estimate in MY 2024/25, including an El Niño (impacting Q3 2024 production), several typhoons (experienced in Q3 and Q4 2024), and the impact of fall armyworm. Fall armyworm reduced grain quality and yield which reduced corn farmgate prices, while unfavorable weather conditions caused corn production to decline.

Consumption

FAS Manila forecasts higher feed and residual, and food, seed, and industrial (FSI) consumption in MY 2025/26. FAS Manila forecasts feed corn consumption to increase by 2 percent to 7.75 MMT in MY 2025/26 due to a projected increase in feed demand from the broiler, layer, and pet food industries. Meanwhile, FAS Manila forecasts FSI consumption to increase by 1.4 percent to 2.23 MMT in MY 2025/26 due to an increase in population, resulting to increased demand for corn-based products such as cornstarch, corn oil, and syrups.

Based on the DA's Yellow Corn Industry Roadmap 2021-2040, about 74 percent of the local yellow corn are used in animal feed, while the remaining volume are used by processing industries (such as corn starch, oil, and syrup) (15 percent), for food snacks (9 percent), home consumption (1 percent), and seed (1 percent, as most growers use the hybrid/genetically modified seeds from commercial suppliers). White corn, on the other hand, is mainly consumed as food in its raw or processed forms (e.g., rice substitute; or snacks as such binatog – a local snack consisting of boiled white corn topped with grated coconut and sprinkled with salt or sugar; and cornick – a deep-fried white corn snack).

The increase in population drives up the demand for protein sources such as chicken meat, eggs, and commercially farmed fish and shrimp, which increases the demand for feed corn. Similarly, the surge in pet ownership, and the gradual rebound of the swine industry, further increases the demand for feed corn. The DA issued Memorandum Circular No. 2, 2025 to implement the Swine Industry Recovery Project (SIRP), which provides a total budget of Php 1.25 Bn to enhance biosecurity, modernize farm infrastructure, improve genetic quality, and expand market access for the swine industry. The SIRP complements the DA's Integrated National Swine Production Initiatives for Recovery and Expansion (INSPIRE) Program that was developed in direct response to the ASF outbreak, which was first detected in the Philippines in 2019, with focus on accelerating the repopulation of the swine industry through artificial insemination and farm clustering and consolidation. The growth in tourism, and the food retail, food processing, and food service sectors, meanwhile, primarily drives the increase in FSI consumption for corn.

Depending on the animal diet, feed corn can make up between 15 to 60 percent of feed composition. Feed for broilers has the highest corn usage (50-60 percent), followed by layers (40-50 percent), swine (20-40 percent), and aquaculture (30-35 percent). Meanwhile, the relative value of feed corn in terms of metabolized energy is superior compared to alternative feed ingredients, such as feed wheat and broken rice. Industry contacts report that they do not anticipate the composition of feed ingredients to significantly change in MY 2025/26. Industry contacts report that larger growers of broilers, layers, and swine tend to self-mix both commercial feeds and their own feed formulations, with some growers even operating feed mills on-site for their own consumption.

Ingredients (e.g., feed corn and micro-nutrients) are sourced from multiple suppliers. Meanwhile, smaller growers and contract growers tend to use more commercial feed.

Table 10: Corn Usage

Animal	Usage (%)
Swine	20-40 (a)
Broiler	50-60
Layer	40-50
Aquaculture	30-35
Pet	20-25
Dairy	15-20
Cattle	15-20

Note: (a) – depending on availability of cereal by-products
Source: FAS Interview

Table 11: Estimated Relative Value of Alternative Feed Ingredients to Corn

Ingredient	Metabolized Energy		Crude Protein
	Poultry	Swine	
Corn	100	100	100
Wheat	94.8	97.4	132
Broken Rice	93.9	91.9	88

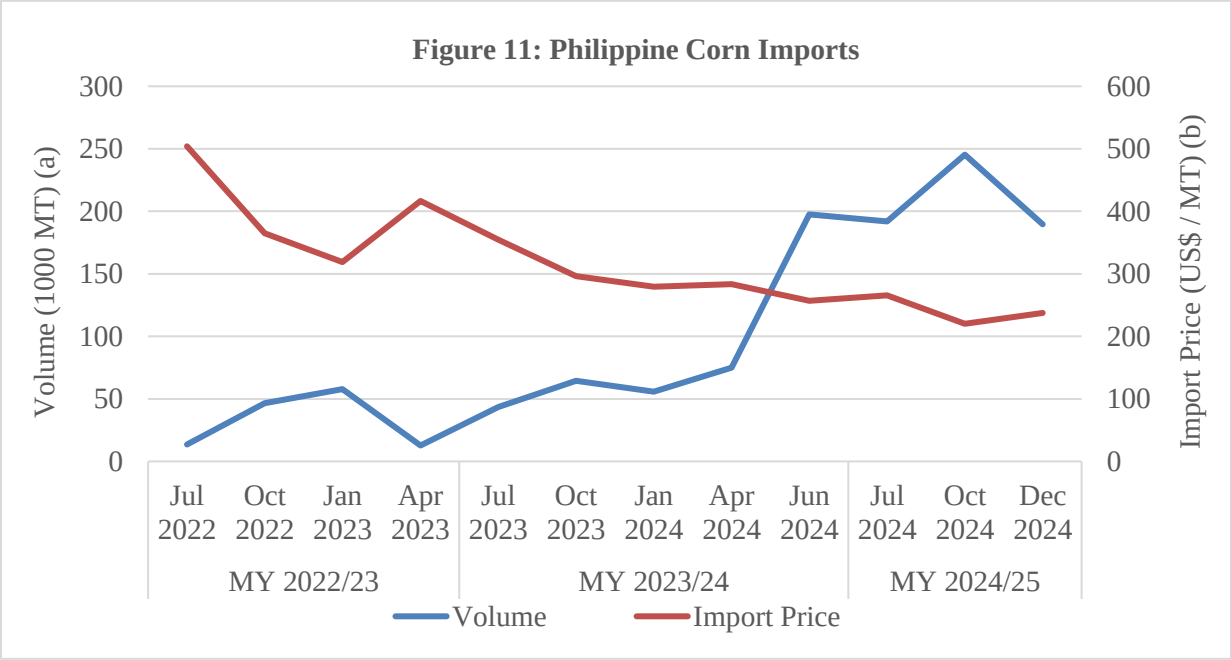
Source: FAS Interview

Accordingly, economic growth, moderating corn inflation, and continuous increase in population that demand more corn-based retail food snacks and by-products (such as cornstarch, oil, and syrup, among others) are forecast to drive FSI consumption up. Based on Euromonitor data, retail sales for corn oil grew by 3.0 percent year-on-year, from 9,700 to 11,200 tons in 2019 to 2024.

Corn use for other industrial applications, such as ethanol and liquor production, is relatively limited in the country compared to its other uses in animal feeds production and in food processing.

Trade

FAS Manila forecasts corn imports to increase by 7.4 percent to 1.75 MMT in MY 2025/26 compared to the previous MY. FAS Manila forecasts an increase in corn imports to fill the supply gap, as demand for food and feed corn continues to outpace local production. Generally, the sources of Philippine corn imports tend to vary, depending on prevailing global prices of each supplying country. In July to December 2024, import prices of corn in the Philippines declined based on the world average. Import prices in the Philippines for corn from Brazil, the United States, and Myanmar also declined during this period, resulting in an increase in corn imports in July to December 2024 compared to the same period last year. Corn imports from Argentina and Vietnam declined during the period, given an increase in its import prices in the Philippines. The forecast increase in the global corn production is expected to further drive down the world prices for corn. Post forecasts that the decline in global prices will increase corn imports in the Philippines in MY 2025/26.



Notes:
(a) Import volume for corn/maize (HS Code 1005), excluding popcorn (HS Code 1005.90.10)
(b) Import prices in the Philippines for corn/maize (HS Code 1005)
Source of basic data: Trade Data Monitor

Table 12: Key Exporters of Corn (a) to the Philippines

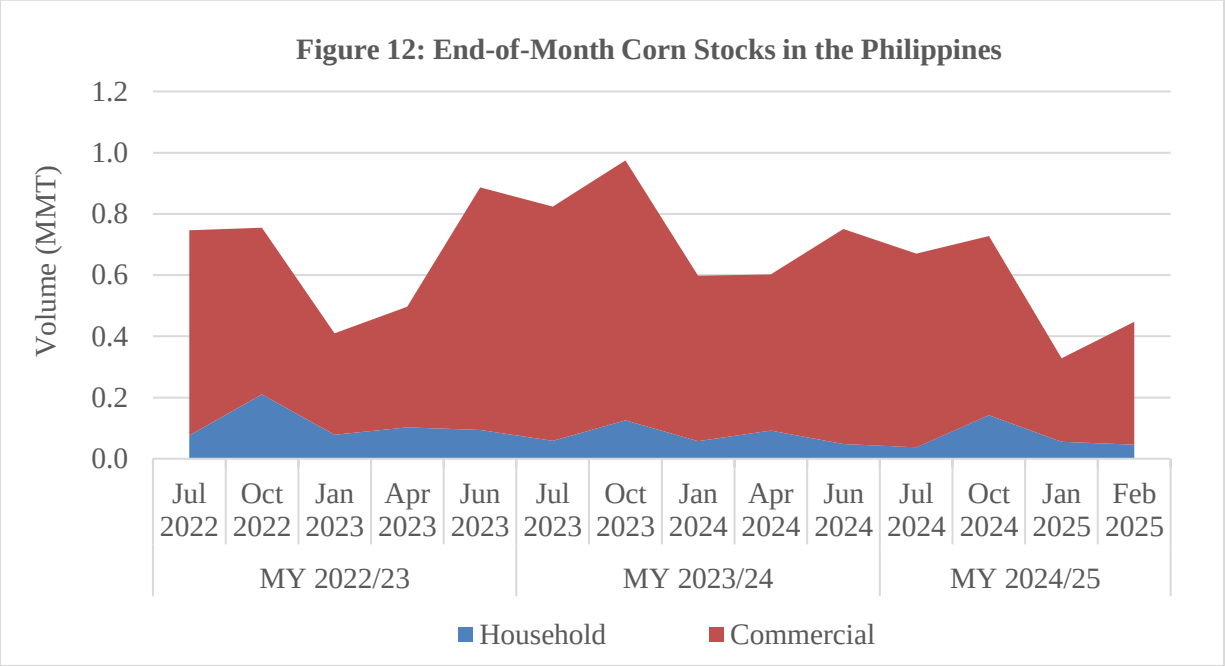
Exporter	MY 2022/23	MY 2023/24	Import Volume (July to December)			Average Philippines Import Prices (US$/MT) (b)	
			2022	2023	2024	July to December 2023	July to December 2024
World	906,835	1,521,457	704,013	704,006	1,196,482	279.93	237.18
Argentina	68,669	538,165	68,669	332,015	270,139	294.63	327.68
Myanmar	260,009	444,148	212,226	54,059	163,866	287.80	245.12
Vietnam	119,942	271,196	68,946	161,802	121,037	310.54	314.14
Brazil	237,306	101,755	237,203	101,755	433,408	5,491.33	283.69
Pakistan	500	83,988	-	44,257	123,120	228.40	232.92
United States	1,099	72,482	305	910	29,618	637.05	472.25
Others	219,310	9,723	116,664	9,207	55,294		

Notes:
(a) Import volume for corn/maize (HS Code 1005), excluding popcorn (HS Code 1005.90.10)
(b) Average import prices for corn/maize (HS Code 1005)
Source of basic data: Trade Data Monitor

Stocks

FAS Manila forecasts ending stocks to drop by 6.7 percent to 421,000 MT in MY 2025/26. Forecast lower stocks in MY 2025/26 is due to the feed and food corn demand outpacing local production. Based on the figures from the Philippine Statistics Authority for February 2025, majority of the corn stocks were held by commercial stakeholders (90 percent) while the rest were held by households (10 percent). The NFA does not maintain corn stocks.

Industry contacts involved in commercial feed manufacturing report keeping about 2-weeks' worth of supply at the plant, and 3-4 months at the supplier's warehouses, which suppliers deliver to feed manufacturers on a staggered arrangement. Feed corn suppliers tend to hold larger feed corn inventory during harvest season to leverage better selling prices of local corn. Industry contacts involved in commercial poultry and swine farming report that they buy feed corn with a moisture content of 13 percent and below to help mitigate the presence of aflatoxin.



Source: Philippine Statistics Authority

Policy

The Philippines maintains a Tariff Rate Quota for corn (HS Code 1005), with a Minimum Access Volume of 216,940 MT. Under the EO No. 62, 2024, tariff rates for maize/corn seed is at 0 percent, with an in-quota tariff of 5 percent and an out-quota tariff of 15 percent for food corn and other corn, effective until 2028. The definiteness of these tariff rates until 2028 provides market stability in MY 2025/26, facilitating trade and efficient economic planning. The EO 62, 2024 extended the same in-quota and out-quota rates from EO 171, 2022. Prior to these EOs, the in-quota and out-quota tariff rates on corn were 35 percent and 50 percent, respectively.

Wheat

Production, Supply, and Distribution

Table 13: Wheat	2023/2024		2024/2025		2025/2026	
Market Year Begins	Jul 2023		Jul 2024		Jul 2025	
Philippines	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	903	903	844	844	0	974
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	6915	6915	7200	7200	0	7200
TY Imports (1000 MT)	6915	6915	7200	7200	0	7200
TY Imp. from U.S. (1000 MT)	2701	2730	0	0	0	0
Total Supply (1000 MT)	7818	7818	8044	8044	0	8174
MY Exports (1000 MT)	24	24	20	20	0	30
TY Exports (1000 MT)	24	24	20	20	0	30
Feed and Residual (1000 MT)	3450	3450	3450	3400	0	3400
FSI Consumption (1000 MT)	3500	3500	3650	3650	0	3750
Total Consumption (1000 MT)	6950	6950	7100	7050	0	7150
Ending Stocks (1000 MT)	844	844	924	974	0	994
Total Distribution (1000 MT)	7818	7818	8044	8044	0	8174
Yield (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 2025/2026 = July 2025 - June 2026						

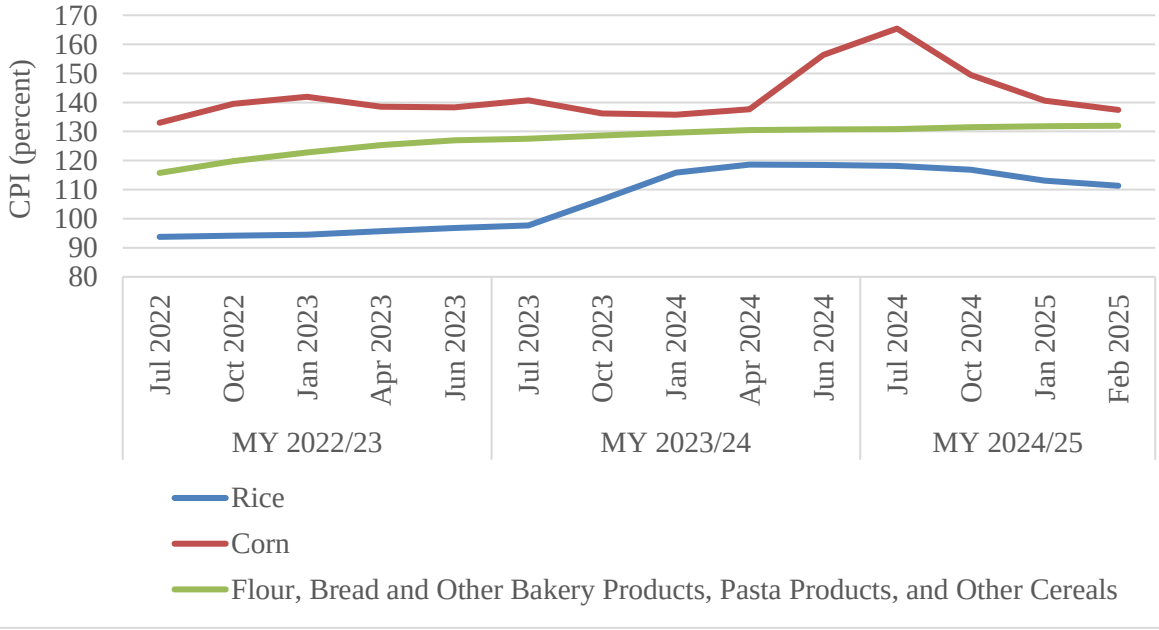
Consumption

FAS Manila forecasts FSI consumption to increase by 2.7 percent to 3.75 MMT in MY 2025/26 compared to the previous MY. Post forecasts the same level of feed wheat imports in MY 2025/26. Despite the forecast increase in the price competitiveness of feed corn over feed wheat in MY 2025/26, there is continued demand for feed wheat due to its higher protein properties compared to feed corn, with protein being a necessary animal feed component along with the fattening properties of feed corn. Meanwhile, FAS Manila lowers its estimate on feed and residual by 1.4 percent to 3.40 MMT in MY 2024/25, due to the forecast decrease in feed corn prices for the remaining months of MY 2024/25, which increases demand for feed corn over feed wheat.

Despite a rise in the domestic prices of flour, bread and other bakery products, pasta products, and other cereals, FAS Manila forecasts milling wheat consumption to increase in MY 2025/26 due to continued growth in population, rising household incomes, and diversification of diet. Based on data from the Philippine Department of Science and Technology – Food and Nutrition Research Institute (DOST-FNRI), the average one-day per capita consumption for wheat-based products rose by 11.7 percent from 16.2 grams (g) in 2015 to 18.1 g in 2018-2019. Post estimates this trend continued through the Pandemic and into present day. These wheat-based products include bread and bakery products (e.g., pandesal, monay, white loaf, ensaymada, donut), cakes and pastries (e.g., chiffon, chocolate cupcake, jelly roll, hopia, hotcake, pie, tart, pudding), cookies, biscuits and crackers, noodles (e.g., bihon, miki, canton, sotanghon), and pasta (e.g., macaroni, spaghetti).

According to industry contacts, the milling wheat distribution is estimated to remain generally the same in MY 2025/26, with demand being highest for bread and baked goods (50 percent), cookies, cakes, and crackers (25 percent), instant noodles (20 percent), and pasta (5 percent). While there are no significant changes in the wheat distribution among these products, industry contacts report changes in consumer preferences. Industry contacts observed an increase in the demand for both high-end products (e.g., garlic and cheese buns) and lower-end products (e.g., pandesal, noodles), while there is limited growth in the demand for mid-ranged products (e.g., flavored loaf bread).

Figure 13: Consumer Price Index for All Income Households by Commodity Group (2018=100)



Source of basic data: Philippine Statistics Authority

In line with flour production, industry contacts report a growth in the available supply of local pollard — a by-product of wheat milling containing a mix of wheat bran, germ, and some endosperm. Industry contacts estimate that a wheat kernel produces around 75 percent flour and 25 percent pollard. Pollard is a substitute for rice bran in animal feed formulations. Depending on the animal diet, industry contacts report that rice bran can make up approximately 5 percent of the feed formulation, but the availability of rice bran is subject to the local rice milling season.

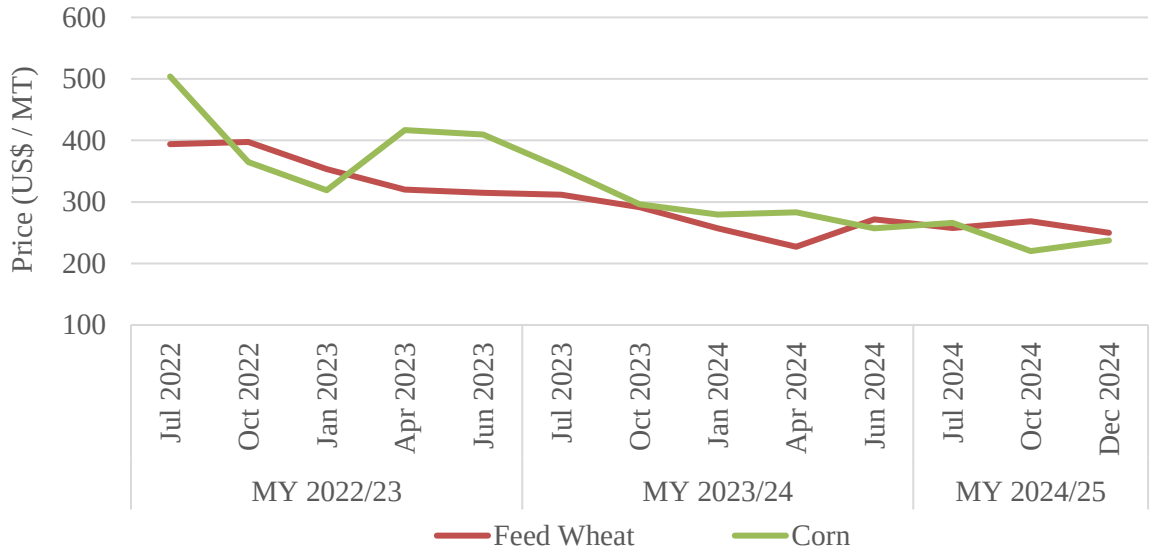
While local pollard does not influence the demand for imported feed wheat, industry contacts report that millers are renting additional storage space for local pollard to continue their milling operations, as the increased supply of local pollard stalls their milling process. FAS Manila forecasts that the increased supply of local pollard and local rice bran would not significantly affect the formulation of animal feeds, given that the dietary equivalency among feed ingredients (e.g., energy, digestibility) are not equal.

Meanwhile, while there is a projected increase in feed requirements from the poultry and layers, aquaculture, and pet food industries, coupled with a forecast rebound of the swine industry from the ASF, FAS Manila lowers its estimate and forecast of feed and residual in MY 2024/25 and MY 2025/26. Feed wheat is used as a multi-purpose feed ingredient. Feed wheat serves as a partial substitute for feed corn and is utilized by local feed manufacturers when feed wheat prices are more favorable compared to feed corn, or when there are supply gaps for feed corn. In terms of pricing, imported feed wheat in the Philippines was priced higher than imported corn by

US$ 12.22 to 48.41/MT in August to December 2024. Despite the forecast reduction in the world trade for corn, the forecast increase in global corn production and the marginal increase in local corn production is expected to keep prices of feed corn more competitive compared to feed wheat in MY 2025/26.

In terms of usage, local feed manufacturers maintain preference for feed corn over feed wheat due to the corn's physical attributes (i.e., yellow color) and fattening qualities. Industry contacts estimate that the relative value of feed wheat vis-à-vis feed corn in terms of metabolized energy is lower at 94.8 percent for poultry, and 97.4 percent for swine, which puts preference for feed corn over feed wheat in formulating higher-energy animal feeds.

Figure 14: Philippine Import Prices for Feed Wheat (a) and Corn (b)



Notes:
(a) Feed wheat – HS Code 1001.99.99
(b) Corn/maize – HS Code 1005

Source of basic data: Trade Data Monitor

Trade

FAS Manila maintains its estimate and forecast of wheat imports at 7.20 MMT in MY 2024/25 and MY 2025/26. While there is a forecast increase in demand for milling wheat used to produce flour for other wheat-based consumer goods, such as breads, cakes, cookies, noodles, and pasta, Post forecasts demand for imported feed wheat to remain at the same level in MY 2025/26 compared to the previous MY, resulting to the forecast flat wheat import levels in MY 2025/26. The Philippines is not conducive to producing wheat and relies exclusively on imports to meet its wheat requirements.

Imports of both feed wheat and milling wheat performed positively in July to December 2024 compared to the same period last year. For milling wheat, global exports to the Philippines include both hard wheat and soft wheat. Hard wheat is used to produce breads, such as pandesal and Pinoy Tasty (i.e., local white bread loaf), while soft wheat is used to produce cakes, pastries, and crackers. Other wheat imports, such as wheat or meslin flour, various types of pasta, couscous, and bulgar wheat also expanded during this period.

Table 14: Philippine Wheat Imports					
Type	**MY 2022/23**	**MY 2023/24**	**July-Dec 2023**	**July-Dec 2024 (d)**	**%Δ**
Feed Wheat (a)	2,693,662	3,395,077	1,234,955	1,258,777	2
Milling Wheat (b)	3,052,566	3,344,305	1,607,224	1,607,381	0.01
Others (c)	3,684	175,499	93,975	128,565	37
Total	5,749,912	6,914,881	2,936,154	2,994,723	2

Notes:
(a) – Milling wheat (HS Code 1001.99.19)
(b) – Feed wheat (HS Code 1001.99.99)
(c) – Others includes all other products and sub-products classified under the USDA's PSD-Wheat, such as wheat or meslin flour (HS Code 11.01); pasta (prepared and nesoi) (HS Code 19.02.30); pasta (uncooked spaghetti, macaroni, etc.) (HS Code 19.02.19); couscous (HS Code 19.02.40); and bulgar wheat (HS Code 19.04.30)
(d) preliminary figures; Brazil with reported data until August 2024
Source of basic data: Trade Data Monitor

In MY 2023/24, the top supplier of wheat to the Philippines was the United States, followed by Australia, Brazil, and Canada. FAS Manila forecasts the United States to remain the key supplier of wheat to the Philippines in MY 2025/26. While Brazil emerged as a top supplier of wheat to the Philippines in MY 2023/24, Post forecasts lower Philippine wheat imports from Brazil in MY 2025/26 due to the price competitiveness and availability of feed wheat from other origins.

Table 15: Top Wheat Exporters to the Philippines (WGE)						
Partner	**MY 2022/23**	**MY 2023/24**	**July-Dec 2023**	**July-Dec 2024**	**Percent Share**	
					July-Dec 2023	**July-Dec 2024**
United States	2,031,391	2,730,269	1,247,328	1,289,005	42	43
Australia	3,119,289	2,375,204	1,249,699	1,310,235	43	44
Brazil (a)	105	1,105,607	71,500	15	2	0
Canada	393,280	350,140	215,596	262,682	7	9
Romania	31,046	97,045	54,483	-	2	0
Ukraine	1,954	85,143	5,475	6,484	0	0
Vietnam	63,415	63,760	32,551	52,069	1	2
All Others	109,432	107,713	59,522	74,233	2	2
World	5,749,912	6,914,881	2,936,154	2,994,723	43	44

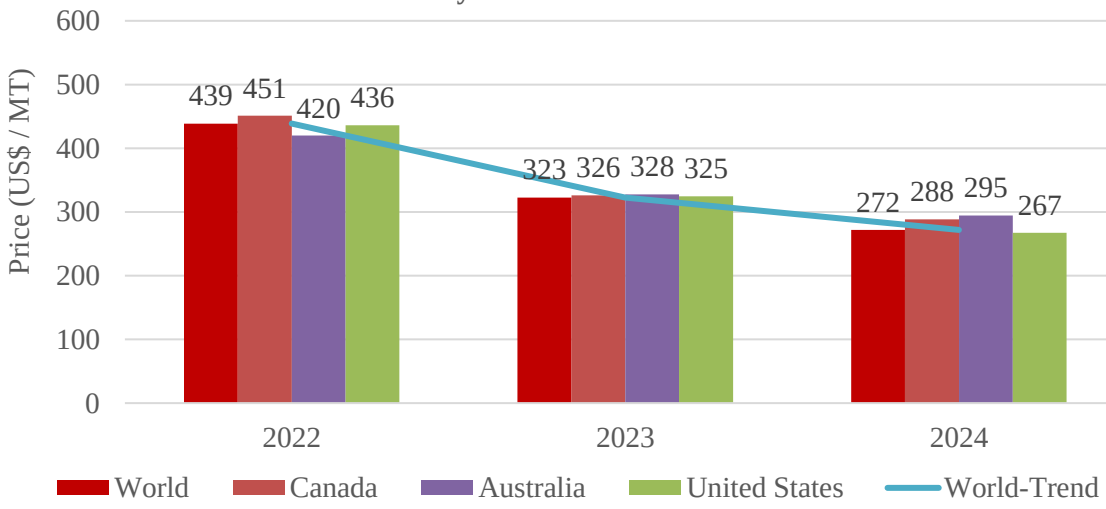
Note: (a) – preliminary figures; Brazil with reported data until August 2024
Source of basic data: Trade Data Monitor

Based on the USDA-FAS Export Sales Report, in MY 2024/25 (data as of March 6, 2025), the bulk of the U.S. commercial milling wheat exports to the Philippines were white wheat (50 percent) and hard red spring wheat (48 percent), with smaller export volumes of hard red winter (2 percent).

Milling wheat import prices in the Philippines have declined to an average of US$272/MT in July to December 2024 compared to US$323/MT during the same period last year. Prices of imported milling wheat in the Philippines from the United States remain competitive in July to December 2024 compared to Canada, Australia,

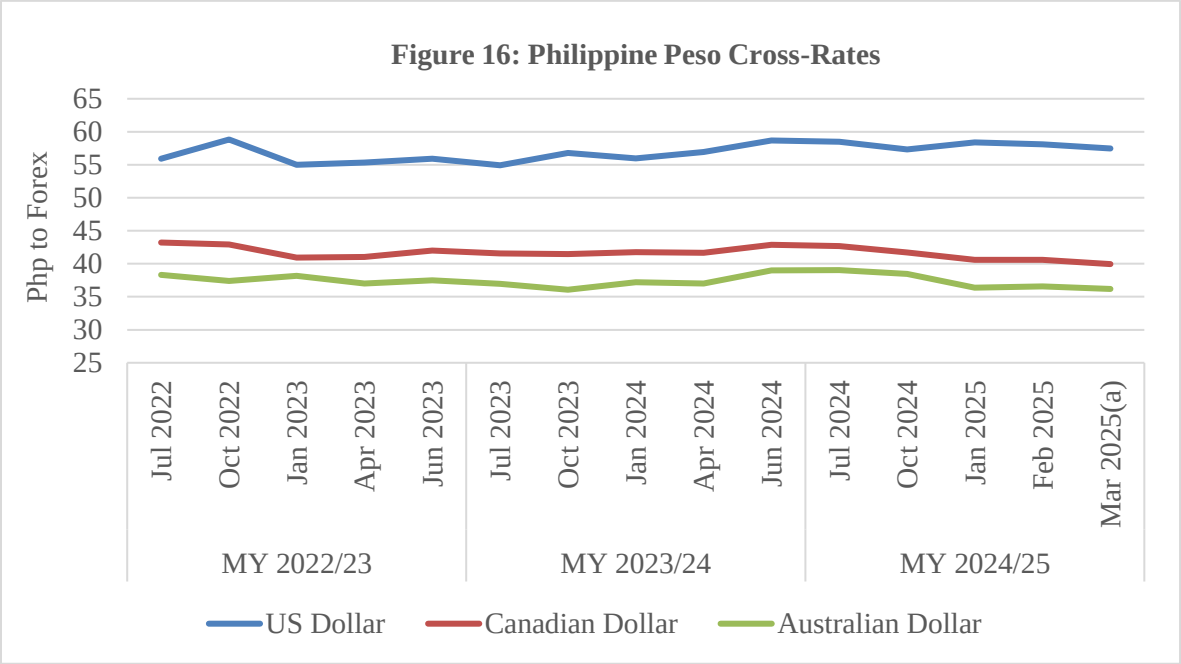
and the global average. Industry contacts have previously mentioned exploring milling wheat from Australia and Canada because of stronger U.S. Dollar versus Philippine Peso. Currently, the exchange rate between U.S. Dollar and Philippine Peso is gradually depreciating from US$1 is to Php 58.70 in June 2024, to US$1 is to Php 57.45 as of March 19, 2025, which presents opportunities for U.S. wheat exports to increase in the Philippines in MY 2025/26. Industry contacts report continued preference for U.S. wheat due to its quality, reliability, price competitiveness, and suitability in terms of the type of bread produced in the Philippines (i.e., using mechanical equipment, which requires dough strength).

Figure 15: Philippine Import Prices for Milling Wheat (a): July to December 2022-2024



Note: (a) – Milling wheat (HS Code 1001.99.19)

Source of basic data: Trade Data Monitor



Note: (a) – average daily Php to foreign exchange (Forex), as of March 19, 2025
Source: Central Bank of the Philippines

Stocks

FAS Manila increases its stocks forecast by 2.1 percent to 994,000 MT in MY 2025/26 compared to the previous MY. Industry contacts report keeping approximately 2-3 months' supply on hand for milling wheat, relatively similar to the stocks maintained in MY 2024/25. Flour millers customize their products based on customer's specifications, with flour users ordering at least a quarter ahead from local flour mills.

Policy

Under the EO No. 62, 2024, the import tariff for milling wheat (HS Code 1001.99.19) remains at 0 percent while feed wheat (HS Code 1001.99.99) is set at 7 percent until 2028. The 0 percent tariff rate for milling wheat until 2028 will support the increased domestic demand for flour and other wheat-based consumer goods in MY 2025/26. Meanwhile, the 7 percent tariff rate set for feed wheat until 2028 is forecast to have little to no impact on the domestic feed industry, given the forecast increase in global and domestic supply for feed corn (i.e., the preferred ingredient of feed manufacturers compared to feed wheat).

Meanwhile, amidst rising retail prices, the Philippine Department of Trade and Industry increased the suggested retail prices for bread (Php 40.50 to 44.00 for a 450-gram Pinoy Tasty, and Php 25.00 to 27.25 for a 250-gram pandesal), and noodles (Php 7.00 to Php 7.50 for certain brands) on February 2025. Despite the overall increase in retail prices, FAS Manila forecasts demand for wheat-based consumer goods to increase in MY 2025/26 due to population growth, increase in household incomes, and diversification of diets specifically towards both high-end and low-end wheat-based products.

Attachments:

No Attachments