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Report Name: Grain and Feed Update

Country: Philippines

Post: Manila

Report Category: Grain and Feed

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Report Highlights:

FAS/Manila raises MY 21/22 rice imports by 100,000 metric tons (MT) to 2.2 million MT based on expected improving economic conditions and an upturn in Sanitary and Phytosanitary Import Clearances in July and August 2021. Corn production in MY 21/22 is lifted by 150,000 MT to 8.15 million MT due to good crop conditions during the first quarter. Wheat imports during the same period are lowered by 300,000 MT to 6.2 million MT, following final MY 20/21 imports that reached 6.1 million MT. Post lowers MY 21/22 feed wheat consumption by 100,000 MT, resulting from the continued challenge of African Swine Fever dampening hog feed demand.

Rice

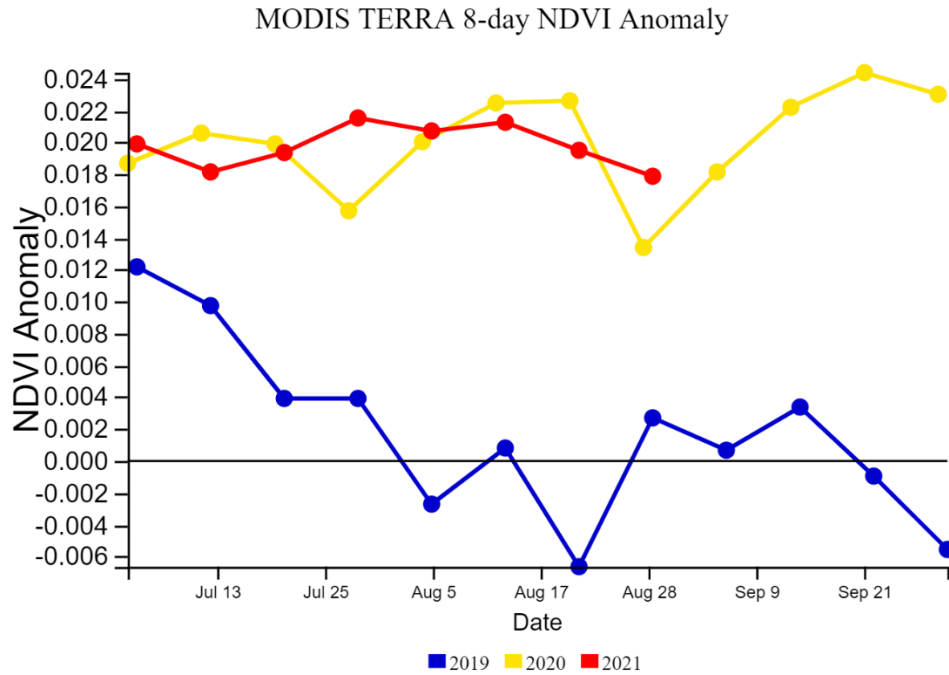
Rice, Milled Market Year Begins Philippines	2019/2020		2020/2021		2021/2022	
	Jul 2019		Jul 2020		Jul 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	4637	4637	4762	4761	4750	4750
Beginning Stocks (1000 MT)	3520	3520	3597	3597	3663	3563
Milled Production (1000 MT)	11927	11927	12416	12416	12300	12300
Rough Production (1000 MT)	18932	18932	19708	19708	19524	19524
Milling Rate (.9999) (1000 MT)	6300	6300	6300	6300	6300	6300
MY Imports (1000 MT)	2450	2450	2100	2000	2100	2200
TY Imports (1000 MT)	2450	2450	2100	2000	2100	2200
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	17897	17897	18113	18013	18063	18063
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)	14300	14300	14450	14450	14500	14500
Ending Stocks (1000 MT)	3597	3597	3663	3563	3563	3563
Total Distribution (1000 MT)	17897	17897	18113	18013	18063	18063
Yield (Rough) (MT/HA)	4.0828	4.0828	4.1386	4.1395	4.1103	4.1103

(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 2021/2022 = January 2022 - December 2022

FAS/Manila maintains the MY 21/22 (July/June) forecast for milled rice production at 12.3 million metric tons (MMT), in line with the Normalized Difference Vegetation Index (NDVI) chart from USDA/FAS/GADAS that shows overall crop conditions for the first quarter of MY 21/22 are not substantially different compared to the same period a year ago. However, there is a substantial difference in comparison to the same period of 2019. NDVI is a graphical indicator that can be used to analyze remote sensing measurements, often from a space platform, assessing whether or not the target being observed contains live green vegetation. Moreover, the Department of Agriculture (DA) Bulletin No. 11 on Typhoon Jolina reported on September 15,

2021 that over 40,000 MT of rice were lost in areas around central Luzon, CALARBAZON, and various areas of the Visayas.

For MY 20/21, Post updated milled production and area harvested based on the Philippine Statistics Authority's (PSA) final data.



USDA Foreign Agricultural Service
U.S. DEPARTMENT OF AGRICULTURE

Post raises MY 21/22 rice imports by 100,000 MT from USDA Official to 2.2 MMT, due to expected improving economic conditions and an upturn in Sanitary and Phytosanitary Import Clearance (SPSIC) issuances. In July and August of 2021, the Bureau of Plant Industry (BPI) issued 885 SPSICs representing 642,811 MT, compared to 379 SPSICs and 273,643 MT during the same period in 2020. Post lowers MY 20/21 rice imports by 100,000 MT to 2.0 MMT based on final year trade data reported by exporting countries.

Corn

Corn Market Year Begins Philippines	2019/2020		2020/2021		2021/2022	
	Jul 2019		Jul 2020		Jul 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	2508	2508	2573	2573	2500	2500
Beginning Stocks (1000 MT)	335	335	354	354	456	456
Production (1000 MT)	8030	8030	8352	8352	8000	8150
MY Imports (1000 MT)	389	389	650	600	500	500
TY Imports (1000 MT)	666	666	550	500	500	500
TY Imp. from U.S. (1000 MT)	96	96	0	0	0	0
Total Supply (1000 MT)	8754	8754	9356	9306	8956	9106
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	6400	6400	6800	6750	6500	6650
FSI Consumption (1000 MT)	2000	2000	2100	2100	2100	2100
Total Consumption (1000 MT)	8400	8400	8900	8850	8600	8750
Ending Stocks (1000 MT)	354	354	456	456	356	356
Total Distribution (1000 MT)	8754	8754	9356	9306	8956	9106
Yield (MT/HA)	3.2018	3.2018	3.246	3.246	3.2	3.32

(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 2021/2022 = October 2021 - September 2022

Post raises MY21/22 corn production by 150,000 MT to 8.15 MMT based on industry contacts reporting good July-September crop conditions and minimal effects from recent typhoons. Moreover, the overall NDVI chart indicates corn areas during this period are not substantially different from the same period a year earlier. Corn production for MY 20/21 was adjusted to 8.352 MMT to reflect final PSA data, marking a record year for Philippine corn production. Likewise, area harvested for MY 20/21 was updated to 2.573 million hectares.

Post also lifts MY 21/22 corn feed and residual consumption by 150,000 MT to 6.65 MMT, buoyed by an expected 2 percent increase in poultry feed demand. Industry contacts report of a surge in egg production due to some former piggery owners shifting to layer production when their farms were affected by African Swine Fever (ASF).

Hog feed demand will remain flat throughout 2022 due to the continued damaging effects of ASF on the local hog herd. There have been additional outbreaks in areas around Luzon which were previously the country's top-producing provinces. For more details, see the wheat section.

Philippine Chicken (1000 MT) and Pork Production (1000 MT CWE)

Meat	MY 19/20	MY 20/21	MY 21/22
Chicken	1,379	1,317	1,345
Pork	1,355	1,059	1,000
Total	2,734	2,376	2,345
Growth Rate		-13%	-1.3%

Source: USDA/FAS PS&D and FAS Manila estimates

Note: chicken and pork production numbers are adjusted to reflect grain MY of July/June

Energy Table for Philippine Chicken and Swine Feed (1000 MT)

Energy Sources	MY 19/20	MY 20/21	MY 21/22
Corn	6,400	6,750	6,650
Sorghum	33	35	25
Wheat	3,100	2,500	2,400
Cassava	1,494	1,450	1,392
Total Grains	11,027	10,735	10,467
Growth rate		-2.6%	-2.5%

Source: USDA/FAS PS&D and FAS Manila estimates

Post maintains the MY21/22 corn import forecast of 500,000 MT as it remains aligned with expected feed demand. Corn imports for MY 20/21, however, are lowered by 50,000 MT to 600,000 MT to reflect trade data through May 2021. According to PSA, the Philippines has imported 595,000 MT of corn through May and has averaged monthly imports of 7,000 MT from February to May 2021.

The higher rate of decline of chicken and pork compared to the energy supply explains the high ending stocks of corn in MY 20/21. Meanwhile, the decline of total grains of 2 percent follows the trend of the decline of chicken and pork on a grain marketing year basis for MY 21/22.

Wheat

Wheat Market Year Begins Philippines	2019/2020		2020/2021		2021/2022	
	Jul 2019		Jul 2020		Jul 2021	
	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)	2300	2300	2290	2290	1838	1938
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	7065	7065	6113	6113	6500	6200
TY Imports (1000 MT)	7065	7065	6113	6113	6500	6200
TY Imp. from U.S. (1000 MT)	3229	3229	0	3127	0	0
Total Supply (1000 MT)	9365	9365	8403	8403	8338	8138
MY Exports (1000 MT)	75	75	65	65	70	65
TY Exports (1000 MT)	75	75	65	65	70	65
Feed and Residual (1000 MT)	3100	3100	2500	2500	2500	2400
FSI Consumption (1000 MT)	3900	3900	4000	3900	4100	3950
Total Consumption (1000 MT)	7000	7000	6500	6400	6600	6350
Ending Stocks (1000 MT)	2290	2290	1838	1938	1668	1723
Total Distribution (1000 MT)	9365	9365	8403	8403	8338	8138
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 2021/2022 = July 2021 - June 2022

Post lowers MY21/22 wheat imports to 6.2 MMT, 300,000 MT less than the current USDA Official based on reduced total imports the previous year. Exports and consumption have also been reduced to reflect lower overall imports. Final trade data for MY 20/21 was 6.1 MMT, dropping 13 percent from MY 19/20 and highlighting the significant impact of African Swine Fever on feed wheat demand.

Milling wheat consumption in MY 21/22 is expected to increase because of improving economic conditions, although at a slower rate than current USDA Official estimates. Restaurants remain restricted to limited dine-in capacity, as the country continues to combat the spread of Covid-19. Meanwhile, Post lowers MY 21/22 feed and residual consumption by 100,000 MT due to continued reduced demand from the local hog industry.

Post estimates MY 21/22 (adjusted for wheat Marketing Year) total pork production at 1.0 million MT CWE, 5.5 percent lower than MY 20/21's output of 1.059 million MT CWE. The hog sector's decline, as a major consumer of feed wheat, has dampened wheat demand through MY21/22. Industry contacts say that the sector is not expected to fully recover until 2024.

African Swine Fever Zoning Status as of September 3, 2021

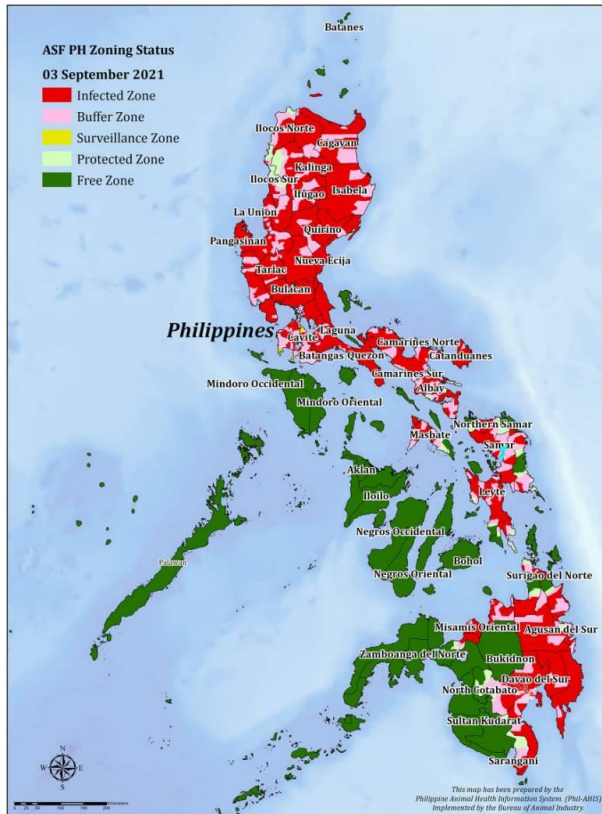


FIGURE 1. Map of the Philippines showing Zoning Status per City / Municipality

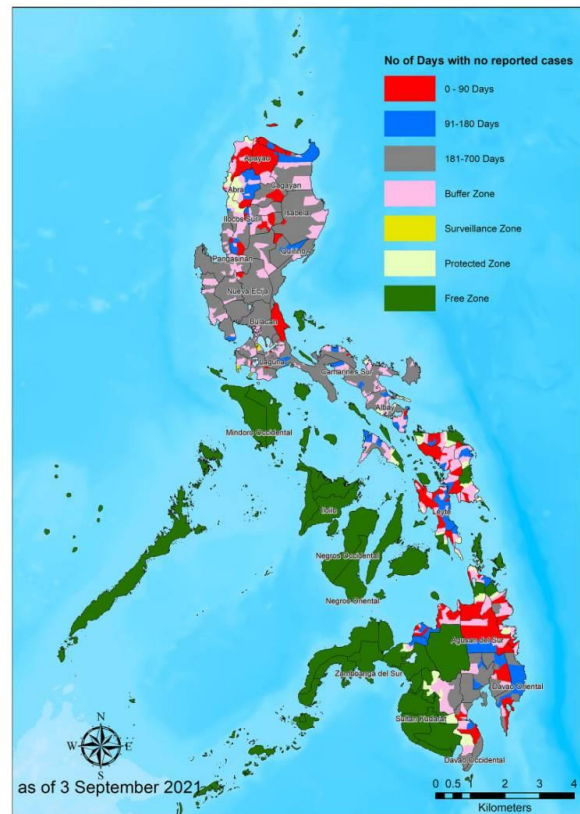


FIGURE 2. Map of the Philippines showing City / Municipality with no reported ASF case for ≤ 90 days (Red), 91 to 180 days (Blue) and ≥ 181 days (Grey).

Source: Department of Agriculture-Bureau of Animal Industry

Attachments:

No Attachments