

**Required Report:** Required - Public Distribution

**Date:** September 25, 2023

**Report Number:** RP2023-0058

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

**Country:** Philippines

**Post:** Manila

**Report Category:** Grain and Feed

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### **Report Highlights:**

FAS Manila expects rice imports to decline to 3.5 million MT as high prices in the international market and price ceilings ordered by the President disincentivize imports. Rice production is also expected to decline to 12.55 million MT because of the combined effects of typhoons Dodong, Egay, and Falcon. FAS Manila estimates corn imports will increase to 1 million MT for MY 2023/24 because of a domestic production shortfall. Corn production is expected to decline to 8.2 million MT because of recent typhoons and the continued presence of fall armyworm. There are no changes to the wheat imports forecast for MY 2023/24.

## Executive Summary

FAS Manila expects rice imports to decline as high prices in the international market and the price ceilings ordered by the President disincentivize imports. Rice production is also expected to decline because of the combined effects of typhoons Dodong, Egay, and Falcon.

FAS Manila estimates corn imports to increase for MY 2023/24 because of a domestic production shortfall. Corn production is expected to decline because of recent typhoons and the continued presence of fall armyworm.

The Philippine grain supply for food use is expected to increase 2 percent for MY 2023/24 driven primarily by wheat. The Philippine energy supply in corn equivalent terms is forecast to increase by 2 percent in line with Philippine animal protein production.

<b>Table 1: Philippine Grain Supply for Food Use (1000 MT)</b>				
<b>Commodity</b>	<b>MY 2021/22</b>	<b>MY 2022/23</b>	<b>MY 2023/24</b>	<b>%Δ</b>
<b>Total</b>	<b>20,900</b>	<b>21,100</b>	<b>21,600</b>	<b>2</b>
Rice	15,400	16,000	16,400	3
Corn	2,200	2,100	2,100	0
Wheat	3,300	3,000	3,100	3

Source: FAS/Manila

<b>Table 2: Philippine Energy Supply (1000 MT, Corn-Eq.)</b>					
<b>Commodity</b>	<b>Corn Equiv.</b>	<b>MY 2021/22</b>	<b>MY 2022/23</b>	<b>MY 2023/24</b>	<b>%Δ</b>
<b>Total</b>		<b>11,391</b>	<b>10,838</b>	<b>11,048</b>	<b>2</b>
Corn	100%	6,700	7,100	7,200	1
Wheat	95%	3,325	2,660	2,850	7
Cassava	50%	703	572	583	2
Barley	100%	498	301	200	-34
DDGS	85%	139	177	191	8
Sorghum	95%	27	29	24	-17

Source: FAS/Manila

<b>Table 3: Philippine Animal Protein Production, (1000 MT)</b>				
<b>Commodity</b>	<b>MY 2021/22</b>	<b>MY 2022/23</b>	<b>MY 2023/24</b>	<b>%Δ</b>
<b>Total</b>	<b>3,795</b>	<b>3,803</b>	<b>3,886</b>	<b>2</b>
Chicken RTC	1,388	1,455	1,475	1
Pork (CWE)	973	937	950	1
Aquaculture*	736	702	737	5
Chicken Eggs	698	709	724	2

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	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Philippines</b>						
Area Harvested (1000 HA)	4802	4802	4850	4850	4800	4800
Beginning Stocks (1000 MT)	2363	2363	3103	3110	3484	3522
Milled Production (1000 MT)	12540	12540	12631	12600	12600	12550
Rough Production (1000 MT)	19905	19905	20049	20000	20000	19921
Mill. Rate (.9999) (1000 MT)	6300	6300	6300	6300	6300	6300
MY Imports (1000 MT)	3600	3607	3750	3812	3800	3500
TY Imports (1000 MT)	3800	3780	3900	3900	3800	3500
TY Imp. U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	18503	18510	19484	19522	19884	19572
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Cons. and Res. (1000 MT)	15400	15400	16000	16000	16400	16400
Ending Stocks (1000 MT)	3103	3110	3484	3522	3484	3172
Total Distribution (1000 MT)	18503	18510	19484	19522	19884	19572
Yield (Rough) (MT/HA)	4.1451	4.1451	4.1338	4.1237	4.1667	4.1502

(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

Note: This is not USDA Official data.

### Production

FAS Manila decreases forecasts of milled rice production and imports for MY 2023/24 compared to USDA Official because of damage from Typhoons Dodong (international name: Talim), Egay (international name: Doksuri), and Falcon (international name: Khanun). Industry contacts' expectations for the 2023 El Niño are mixed but balanced across the country, so overall effects on production are likely minimal.

Due to rising retail prices for rice, a staple for most Filipinos, President Ferdinand Marcos, Jr. signed [Executive Order \(EO\) No. 39, Series of 2023](#) on August 31, 2023. The order mandated retail price ceilings on rice of PHP 41 (\$0.72) per kg for regular-milled rice and PHP 45 (\$0.79) per kg for well-milled rice. These two categories account for approximately 90 percent of the rice market. Following the imposition of the price ceilings, industry contacts reported diminished interest among rice importers to import.

Currently, there is a petition before the Tariff Commission to lower rice tariffs indefinitely from 35 percent to 10 percent to provide retail price relief. This proposal has received support from parts of the government, but as of publication of this report no decision has been announced.

On September 18, 2023, the National Food Authority increased its buying prices of palay to PHP19 - PHP23 (\$0.34 – \$0.41) per kg for dry and PHP16 -PHP19 (\$0.29 - \$0.34) per kg for wet amid the ongoing rice price cap.

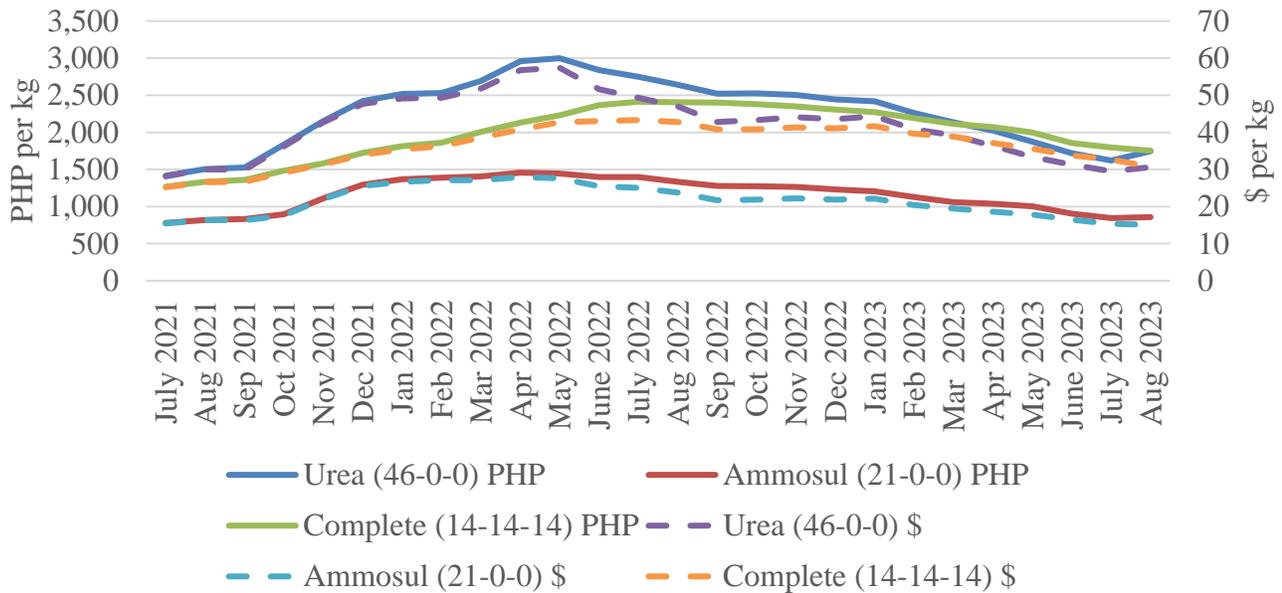
The fertilizer price data from the Fertilizer and Pesticides Authority shows a price uptick for Complete and Ammosul from July to August 2023, which puts some downward pressure on production. For MY 2022/23 from July to May, the total nitrogen content imported was 43,157,195. This represents a drop of 4 percent from the previous level of 45,128,403 MT.

**Table 5: Philippine Rice Regional Rough Production (MT)**

<b>Region</b>	<b>MY 2021/22</b>	<b>MY 2022/23</b>	<b>%Δ</b>
<b>Philippines</b>	<b>19,903,981</b>	<b>20,038,816</b>	<b>1</b>
Central Luzon	3,908,219	3,668,206	-6
Cagayan Valley	2,884,287	2,969,606	3
Western Visayas	2,319,209	2,337,183	1
Ilocos Region	1,902,164	1,959,702	3
Bicol Region	1,337,310	1,318,128	-1
SOCCSKSARGEN	1,259,533	1,265,939	1
MIMAROPA	1,216,284	1,222,497	1
Eastern Visayas	829,450	851,924	3
BARMM	825,485	844,257	2
Northern Mindanao	793,206	818,778	3
Zamboanga Peninsula	635,489	707,628	11
Davao Region	486,690	504,694	4
Caraga	473,835	535,722	13
CALABARZON	419,466	410,899	-2
CAR	367,070	341,580	-7
Central Visayas	246,285	282,072	15

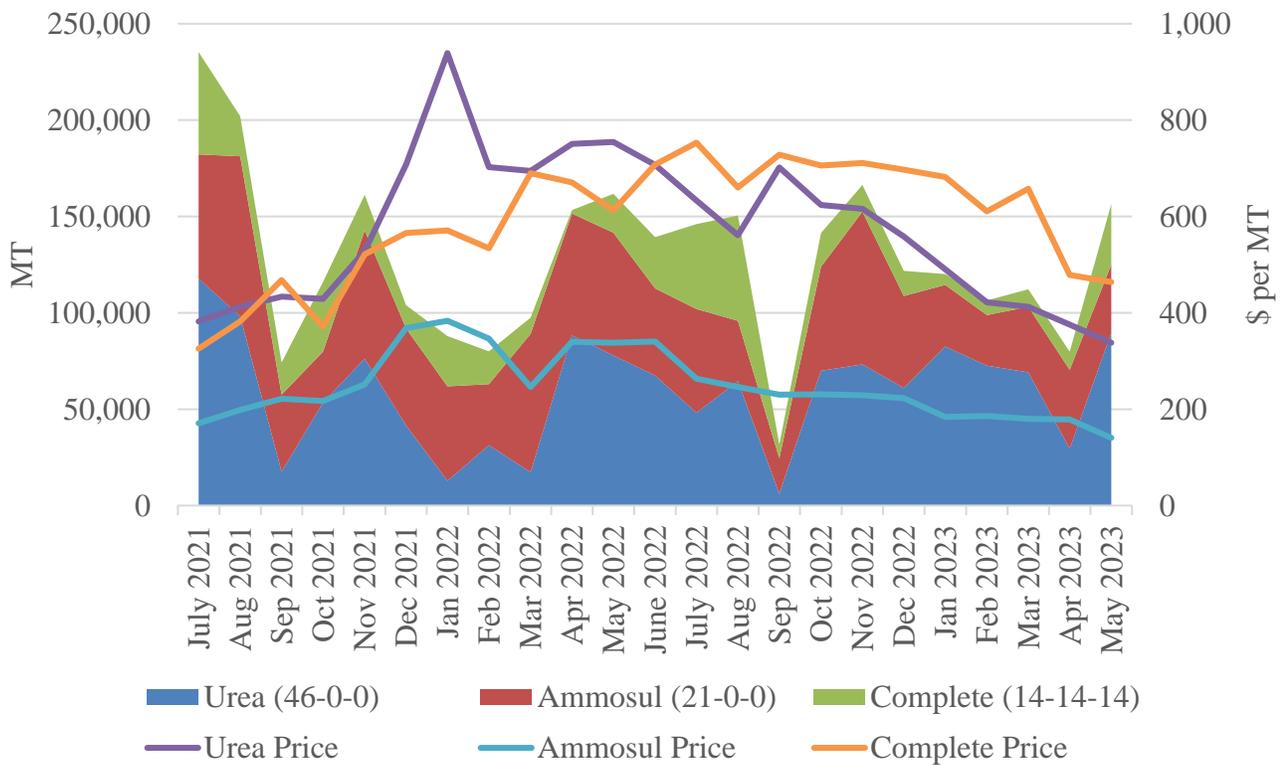
Source: [Philippine Statistics Authority \(PSA\)](#)

**Figure 1: Fertilizer Retail Prices per 50 KG Bag**



Source: [Fertilizer and Pesticides Authority](#)

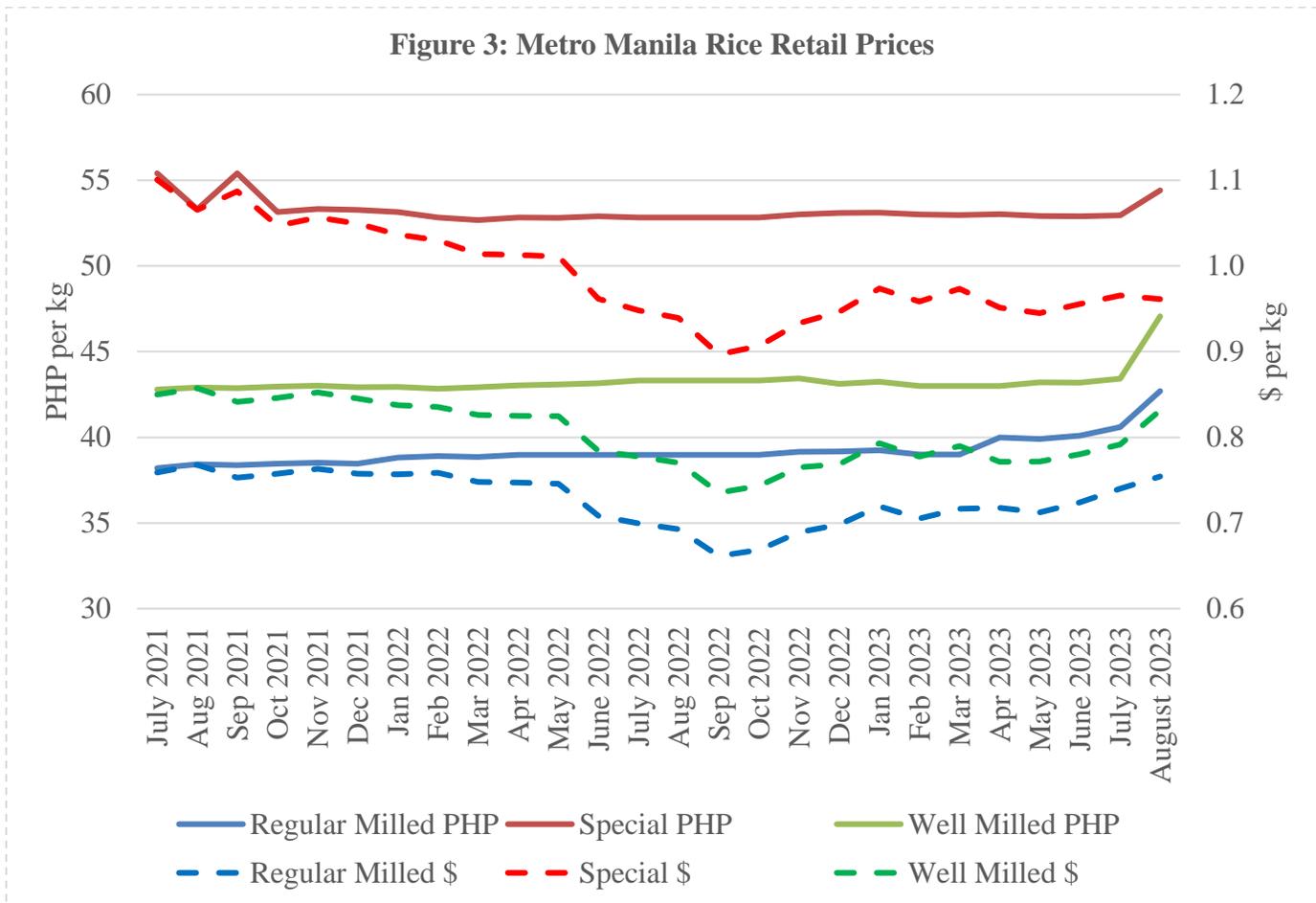
**Figure 2: Philippine Fertilizer Imports from World**



Source: Trade Data Monitor, LLC (Urea, 310210; Ammosul, 310221; and Complete, 310520)

## Consumption

FAS Manila maintains rice consumption for MY 2023/24 in line with USDA Official.



Source: [Philippine Statistics Authority](#)

## Stocks

FAS Manila decreased ending stocks for MY 2023/24 to reflect adjustment in rice imports.

## Trade

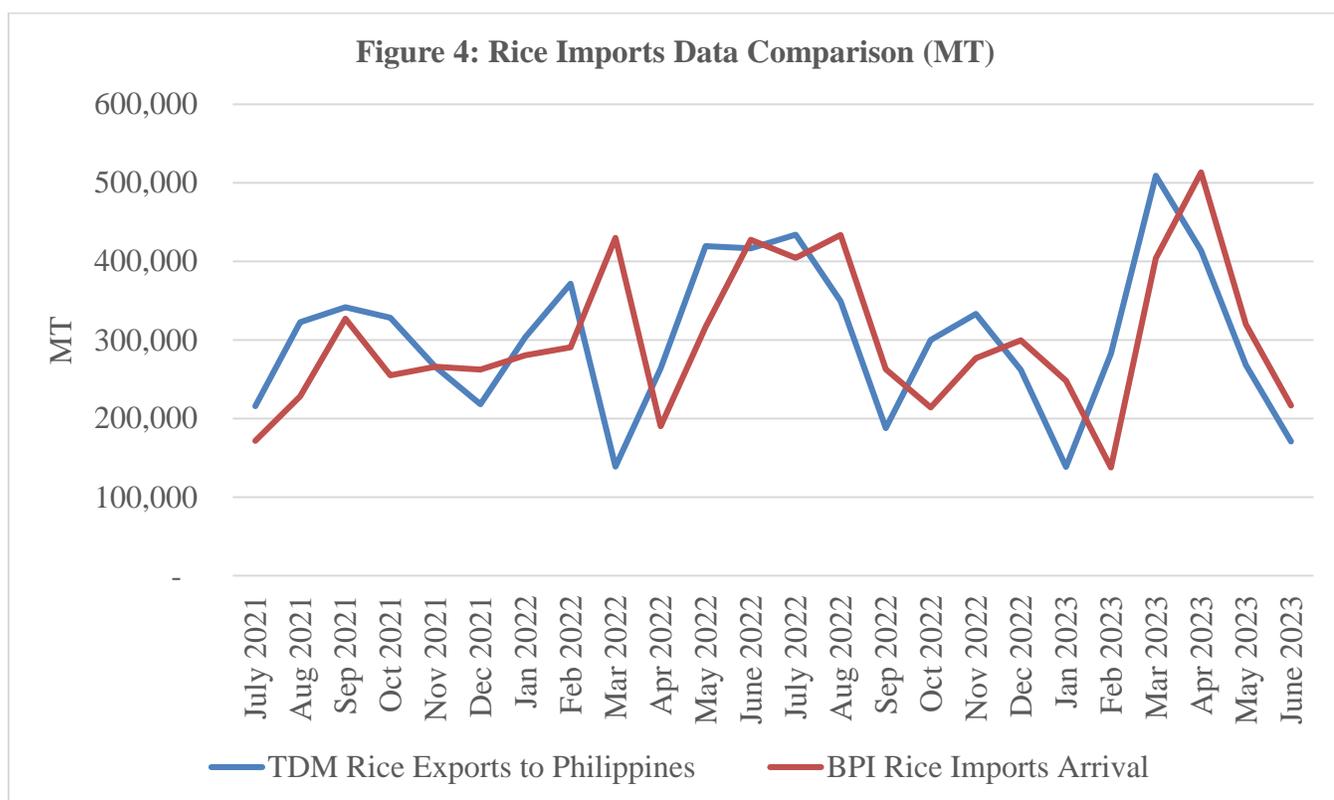
FAS Manila expects MY 2023/24 rice imports to decrease because of high international prices and uncertainty over the imposition of the retail price ceiling. Rice importers are adopting a wait-and-see attitude, with some importers canceling their purchases in the days after the ceiling was announced, according to industry contacts.

Based on July 2023 trade data (291,332 MT) compared to July 2022 (434,053 MT), there was a decline of 33 percent in rice imports. TDM data for Rice Exports to the Philippines follows a similar pattern compared to Bureau of Plant Industry (BPI) Rice Imports Arrival data. BPI rice Sanitary and Phytosanitary Import Clearance (SPSIC) application numbers and volume applied for can be found at this [link](#).

<b>Table 6: Rice Exports to the Philippines (MT)</b>			
<b>Reported</b>	<b>MY 2021/22</b>	<b>MY 2022/23</b>	<b>%Δ</b>
<b>Total</b>	<b>3,606,784</b>	<b>3,811,694</b>	<b>6</b>
Vietnam	2,990,677	3,294,706	10
Myanmar	263,091	217,145	-17
Thailand	198,266	156,247	-21
Pakistan	87,441	103,172	18
India	26,067	21,580	-17
China	23,665	11,466	-52
Others	17,577	7,378	-58

Sources: Trade Data Monitor, LLC; FAS Ho Chi Minh City;

FAS Manila estimates for Myanmar (January to June 2023) and Pakistan (March to June 2023)



Sources: [Department of Agriculture - Bureau of Plant Industry](#); and Trade Data Monitor, LLC

## Wheat

### Production, Supply, and Distribution

Table 7: Wheat Market Year Begins	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
	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)	1330	1330	1346	1324	1073	1051
<b>Production</b> (1000 MT)	0	0	0	0	0	0
<b>MY Imports</b> (1000 MT)	6886	6864	5597	5597	6100	6100
<b>TY Imports</b> (1000 MT)	6886	6864	5597	5597	6100	6100
<b>TY Imp. from U.S.</b> (1000 MT)	2685	2685	1956	1956	0	0
<b>Total Supply</b> (1000 MT)	8216	8194	6943	6921	7173	7151
<b>MY Exports</b> (1000 MT)	70	70	70	70	0	0
<b>TY Exports</b> (1000 MT)	70	70	70	70	0	0
<b>Feed and Residual</b> (1000 MT)	3500	3500	2800	2800	3000	3000
<b>FSI Consumption</b> (1000 MT)	3300	3300	3000	3000	3100	3100
<b>Total Consumption</b> (1000 MT)	6800	6800	5800	5800	6100	6100
<b>Ending Stocks</b> (1000 MT)	1346	1324	1073	1051	1073	1051
<b>Total Distribution</b> (1000 MT)	8216	8194	6943	6921	7173	7151
<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

Note: This is not USDA Official.

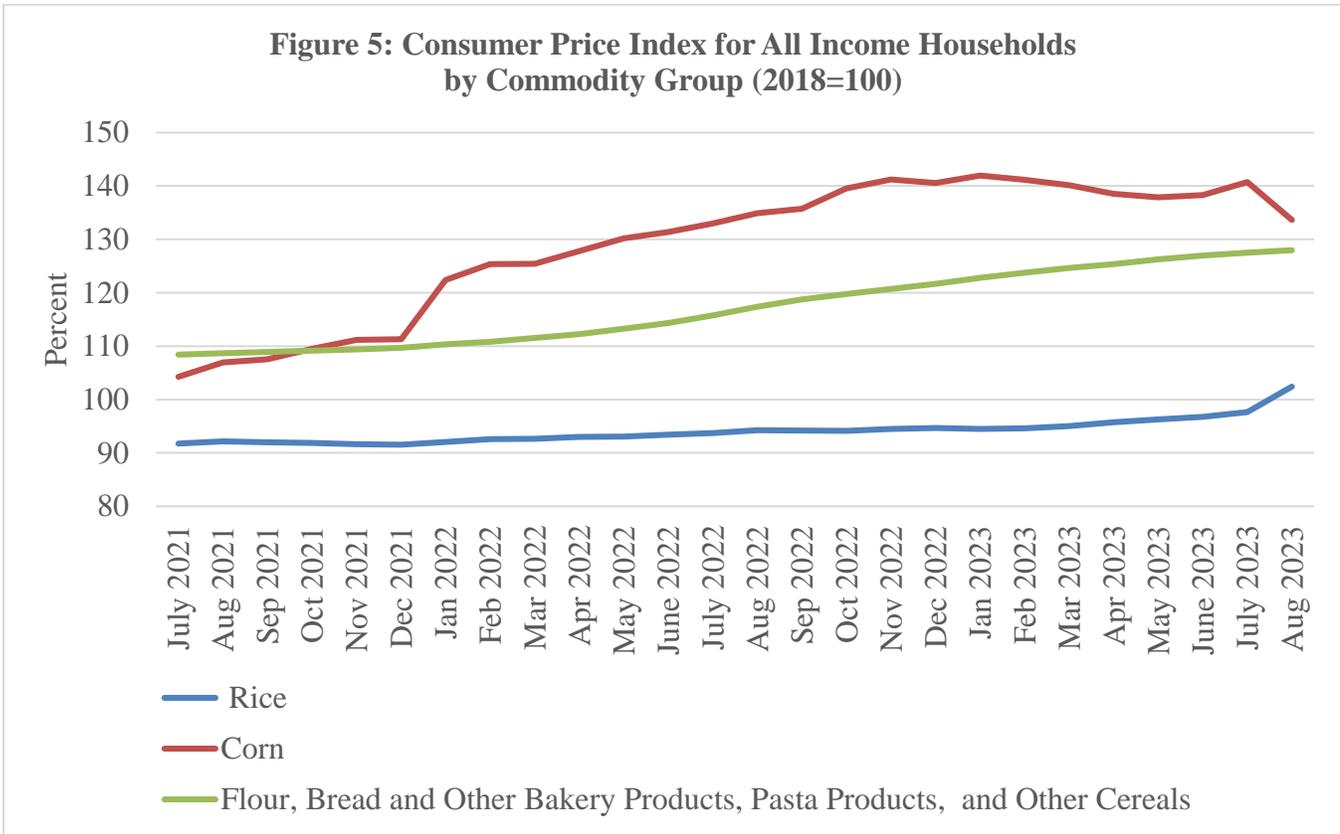
### Consumption

FAS Manila maintains the food and feed consumption for MY 2023/24 in line with USDA Official. Figure 5 shows the continuing rise of the consumer price index of flour and flour-based products compared to rice. Rice prices increased sharply from July 2023, while corn for food fell at the same time.

### Stocks

FAS Manila lowered MY 2023/24, MY 2022/23, and MY 2021/22 ending stocks because of adjustments in wheat imports.

**Figure 5: Consumer Price Index for All Income Households by Commodity Group (2018=100)**



Source: [Philippine Statistics Authority](#)

**Trade**

FAS Manila maintains wheat imports for MY 2023/24 in line with USDA Official.

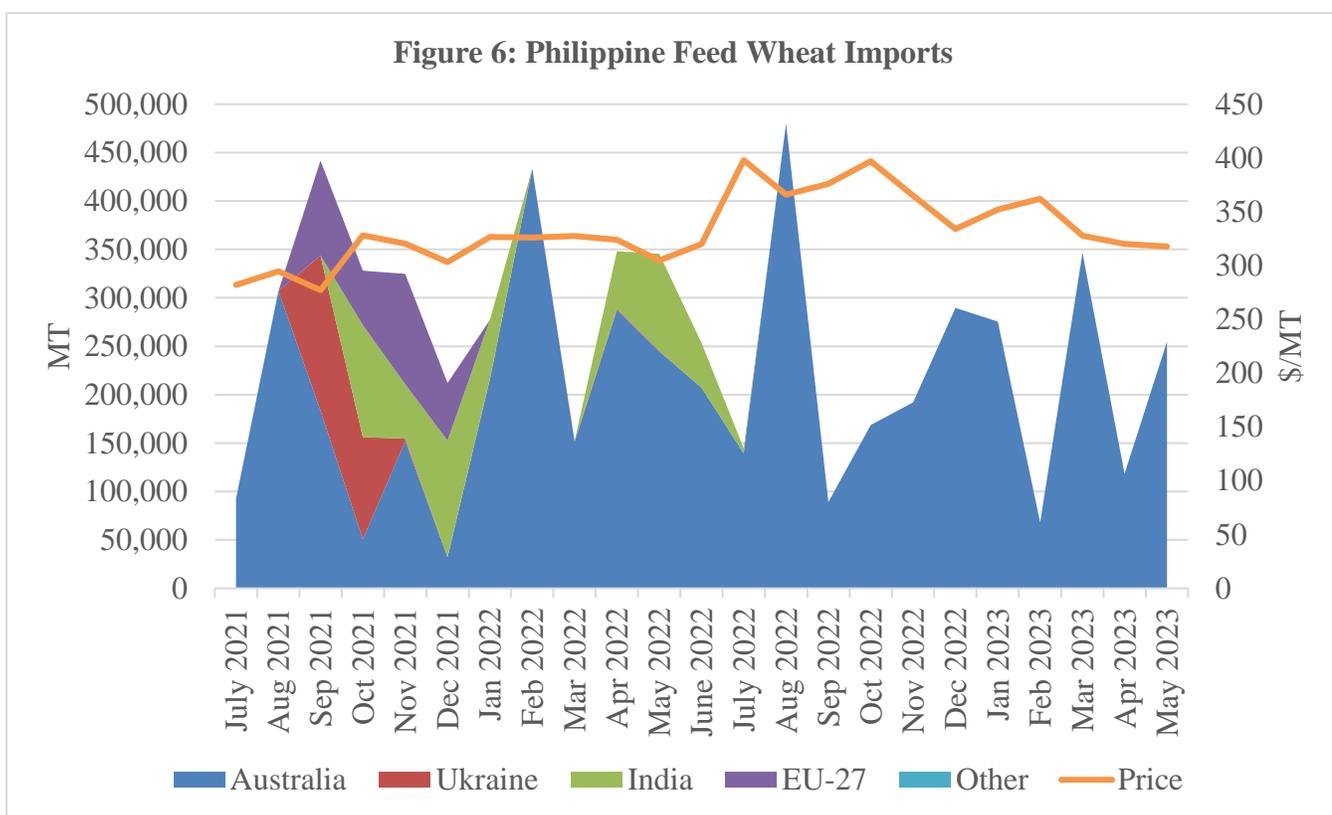
For MY 2023/24 July, the number of Sanitary and Phytosanitary Import Clearance (SPSIC) applications increased 132 percent compared to the previous level (130 vs. 56). Volume applied for increased to 95 percent (631,829 MT vs. 323,924 MT). This reflects optimism for wheat-based products for MY 2023/24 compared to the previous marketing year. Milling wheat prices are decreasing slightly, which should increase its consumption given that rice prices are an all-time high. In terms of feed wheat vs. corn, the latter has an advantage because of lower price quotes combined with the Philippines feed industry’s strong preference for corn.

**Table 8: Global Wheat Exports to the Philippines (MT)**

Reporter	Tariff Rate	MY 2021/22	MY 2022/23	%Δ
Total		<b>6,864,117</b>	<b>5,597,326</b>	<b>-18</b>
US	Milling Wheat: 0	2,683,719	1,955,729	-27
Australia	Milling Wheat: 0 Feed Wheat: 0	2,532,894	3,068,850	21
Ukraine	Feed Wheat: 7	413,878	-	-100
EU-27	Feed Wheat: 7	334,039	22,607	-93
India	Feed Wheat: 0	548,619	476	-100
Canada	Milling Wheat: 0	248,933	459,209	84
Others		102,035	90,455	-11

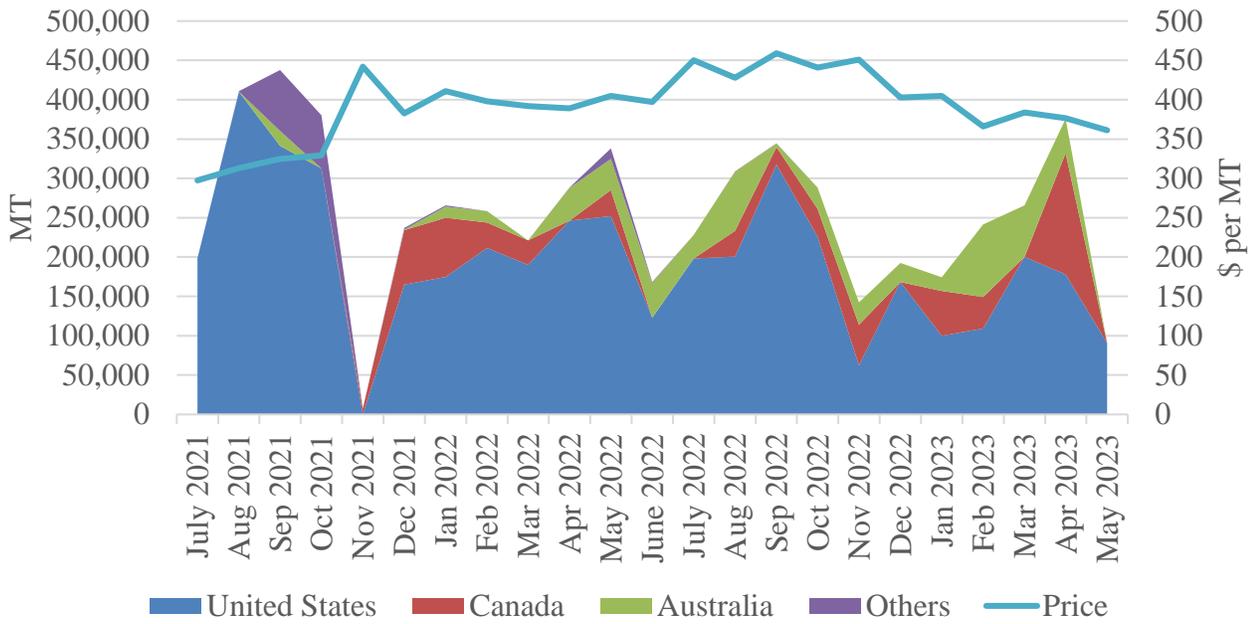
Sources: Trade Data Monitor, LLC; [Tariff Commission](#)

**Figure 6: Philippine Feed Wheat Imports**



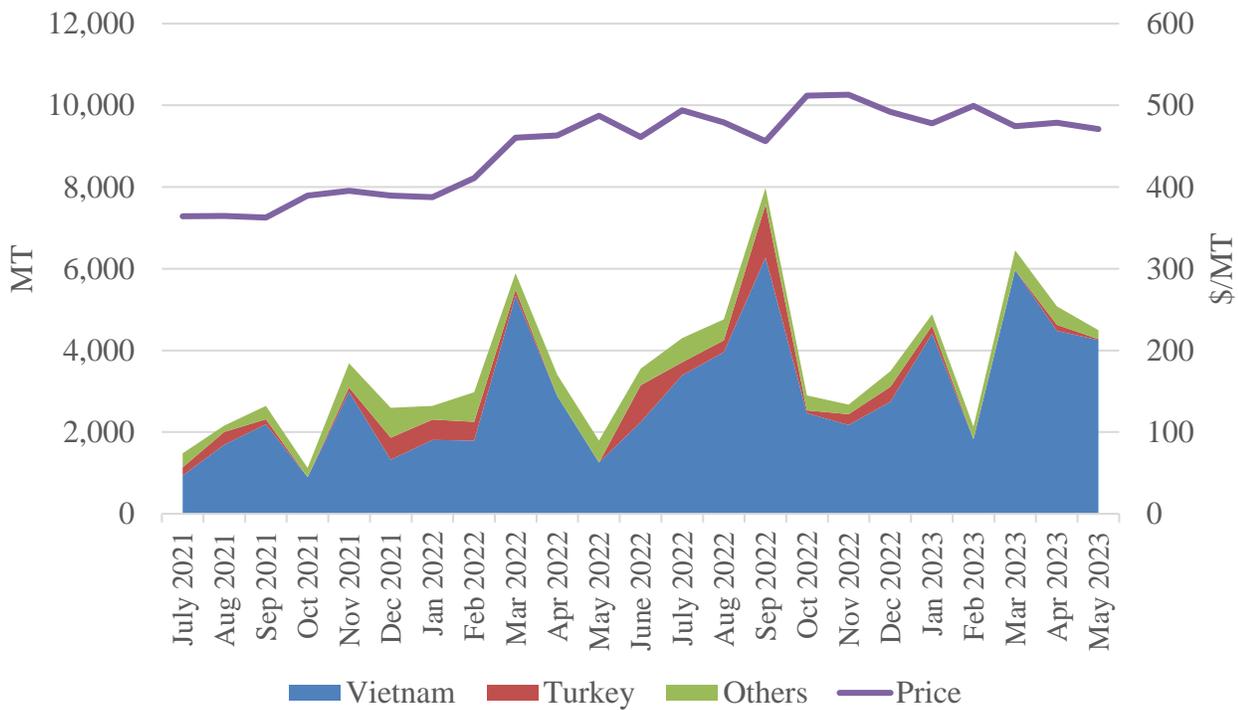
Source: Trade Data Monitor, LLC; (HS: 10019999, 10019990, and 10019099)

**Figure 7: Philippine Milling Wheat Imports**



Source: Trade Data Monitor, LLC;  
 (HS: 100110, 10019019, 10019091, 100111, 100119, 100191, and 10019919)

**Figure 8: Philippine Wheat Flour Imports**



Source: Trade Data Monitor, LLC; (HS: 100100)

<b>Table 9: BPI SPSIC Issued and Volume Applied for Wheat Per Month</b>				
<b>Month</b>	<b>MY 2022/23 SPSIC Issued</b>	<b>MY 2022/23 Volume Applied</b>	<b>MY 2023/24 SPSIC Issued</b>	<b>MY 2023/24 Volume Applied</b>
<b>Total</b>	<b>1,096</b>	<b>6,266,439</b>		
July	56	323,924	130	631,829
August	98	509,082		
September	103	597,284		
October	26	206,835		
November	45	226,467		
December	87	578,645		
January	97	605,926		
February	97	611,168		
March	136	654,783		
April	96	494,759		
May	139	784,204		
June	116	673,362		

Source: Bureau of Plant Industry- National Plant Quarantine Services Division

## Corn

### Production, Supply, and Distribution

Table 10: Corn Market Year Begins Philippines	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	2562	2562	2500	2500	2570	2570
Beginning Stocks (1000 MT)	384	384	409	429	484	501
Production (1000 MT)	8344	8344	8300	8322	8400	8200
MY Imports (1000 MT)	581	601	975	950	800	1000
TY Imports (1000 MT)	669	690	950	950	750	1000
TY Imp. from U.S. (1000 MT)	7	10	0	0	0	0
Total Supply (1000 MT)	9309	9329	9684	9701	9684	9701
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)	6800	6700	7100	7100	7200	7200
FSI Consumption (1000 MT)	2100	2200	2100	2100	2100	2100
Total Consumption (1000 MT)	8900	8900	9200	9200	9300	9300
Ending Stocks (1000 MT)	409	429	484	501	384	401
Total Distribution (1000 MT)	9309	9329	9684	9701	9684	9701
Yield (MT/HA)	3.2568	3.2568	3.32	3.3288	3.2685	3.1907

(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

Note: This is not USDA Official data.

### Production

FAS Manila decreases forecasts of local corn production for MY 2023/24 because of the effects of typhoons Dodong, Egay, and Falcon and the continued presence of fall armyworm. The situation is particularly severe in Ilagan, Isabela, the corn capital of the Philippines, and surrounding areas.

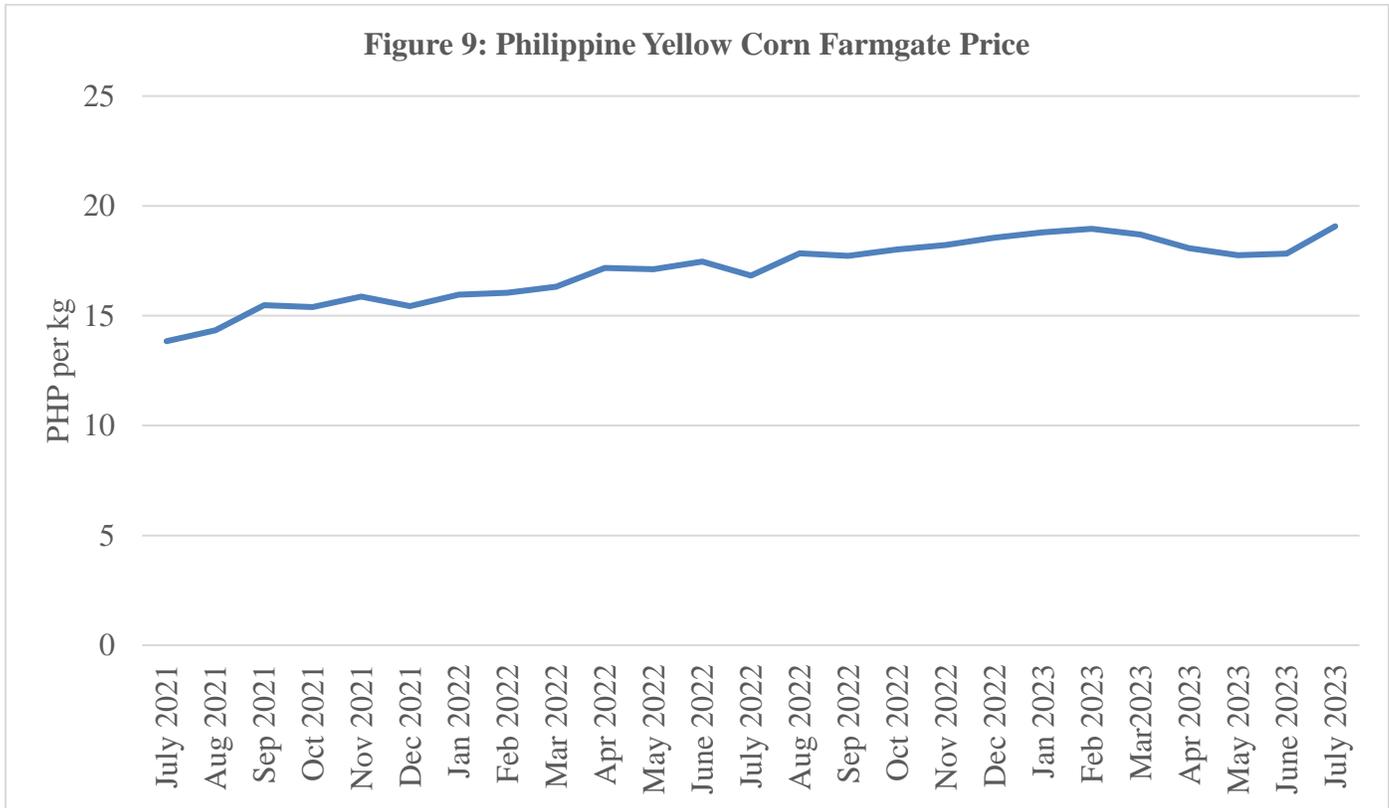
Department of Agriculture (DA)-Disaster Risk Reduction and Management monitors typhoon damage through this [link](#).

<b>Region</b>	<b>MY 2021/22</b>	<b>MY 2022/23</b>	<b>%Δ</b>
<b>Philippines</b>	<b>6,094,838</b>	<b>6,212,026</b>	<b>2</b>
Cagayan Valley	1,919,679	1,956,267	2
Northern Mindanao	943,656	985,939	4
SOCCSKSARGEN	848,916	866,012	2
Ilocos Region	537,158	551,069	3
BARMM	534,361	592,358	11
Western Visayas	277,890	260,653	-6
Central Luzon	262,950	268,336	2
Bicol Region	220,798	216,723	-2
CAR	201,985	169,235	-16
MIMAROPA	105,467	123,746	17
Caraga	81,997	72,894	-11
Davao Region	71,182	70,985	0
CALABARZON	41,231	38,123	-8
Zamboanga Peninsula	34,934	29,132	-17
Central Visayas	6,491	4,558	-30
Eastern Visayas	6,143	5,997	-2

Source: [Philippine Statistics Authority](#)

<b>Region</b>	<b>MY 2021/22</b>	<b>MY 2022/23</b>	<b>%Δ</b>
<b>Philippines</b>	<b>2,249,178</b>	<b>2,110,245</b>	<b>-6</b>
BARMM	613,752	569,117	-7
Northern Mindanao	511,561	504,805	-1
Davao Region	207,210	207,640	0
SOCCSKSARGEN	219,131	198,376	-9
Zamboanga Peninsula	174,745	154,399	-12
Central Visayas	95,585	94,064	-2
Western Visayas	85,012	84,221	-1
Bicol Region	70,560	65,824	-7
Eastern Visayas	57,389	52,673	-8
Caraga	55,401	40,899	-26
Ilocos Region	46,439	46,555	0
Central Luzon	38,471	31,943	-17
CALABARZON	24,645	19,851	-19
CAR	18,441	16,681	-10
Cagayan Valley	18,177	13,217	-27
MIMAROPA	12,660	9,979	-21

Source: [Philippine Statistics Authority](#)



Source: [Philippine Statistics Authority](#)

Note: \$0.30 is the farmgate price per kg. as of July 31, 2023.

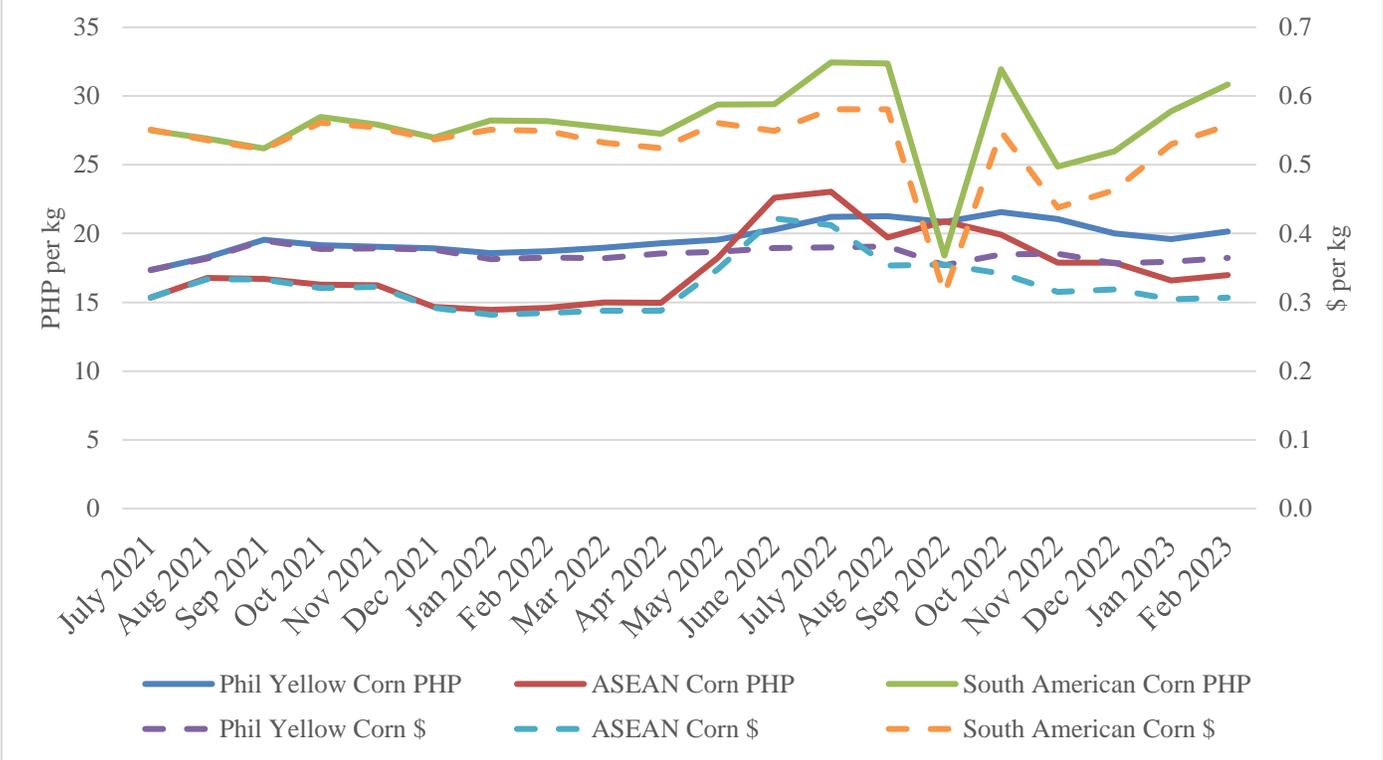
**Consumption**

FAS Manila maintains forecasts of corn for feed and feed for MY 2023/24 in line with USDA Official.

**Stocks**

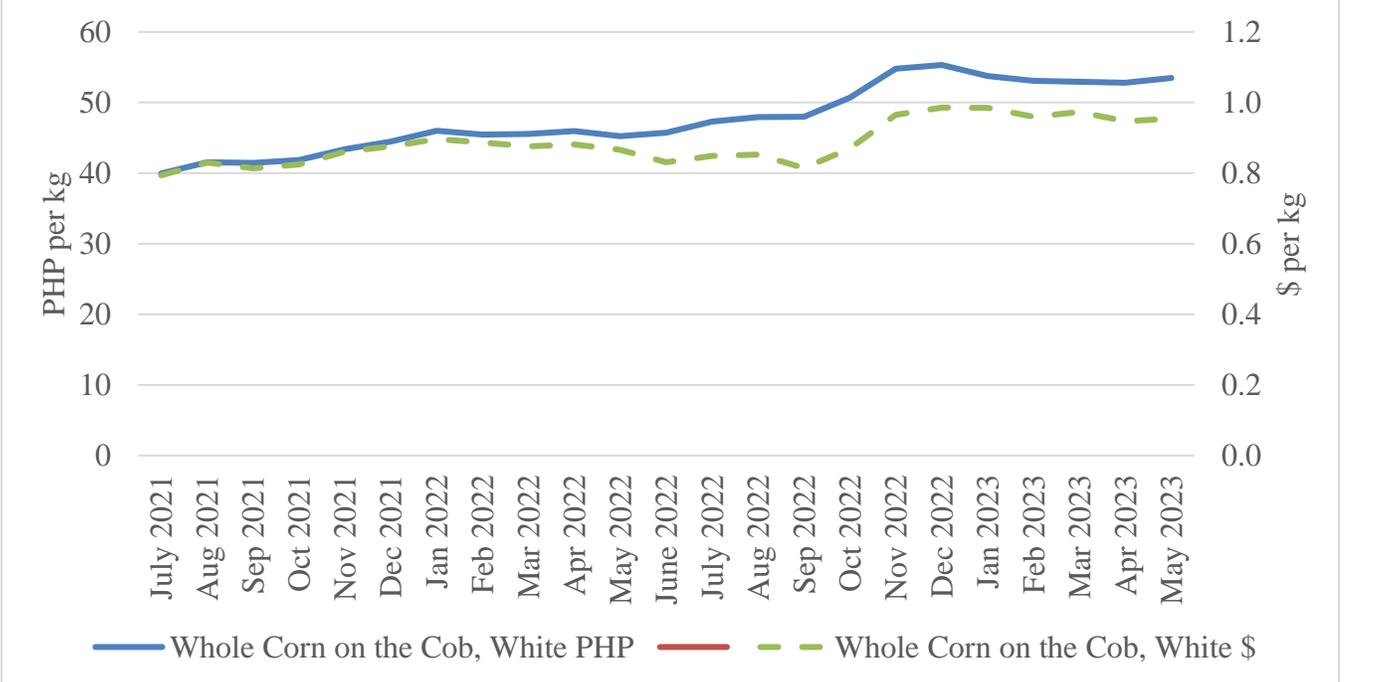
FAS Manila increases forecasts of stocks for MY 2023/24 because of expected higher imports.

**Figure 10: Yellow Corn Prices, CIF (Except PH)**



Sources: Philippine Statistics Authority; Trade Data Monitor, LLC, CIF, Philippine Corn wholesale

**Figure 11. Philippine Corn Retail Prices, Philippines**



Source: [Philippine Statistics Authority](#)

## Trade

FAS Manila increases the forecast for MY 2023/24 corn imports in anticipation of the shortfall in local production. Per BPI data, there was an increase of 698 percent for the imported corn volume applied (from 35,626 MT to 284,393 MT) for MY 2023/24 July compared to the previous period. The number of SPSICs applied for also increased by 171 percent (from 31 to 84). Corn for feed importers will try to import ahead of this year's expiration of [lower corn tariff rates](#).

<b>Table 13: Philippines Corn (HS-1005) Imports (MT)</b>						
<b>Reporter</b>	<b>Tariff Rate until 12/31/23</b>	<b>Tariff Rate on 01/01/2024</b>	<b>MY 2021/22</b>	<b>MY 2021/22 July to May</b>	<b>MY 2022/23 July to May</b>	<b>%Δ</b>
<b>Total</b>			<b>600,705</b>	<b>586,305</b>	<b>900,631</b>	<b>54</b>
Myanmar	5	5	400,888	388,888	256,865	-34
Vietnam	5	5	129,649	129,272	93,312	-28
Thailand	5	5	45,938	45,913	263	-99
US	5/15	35/50	9,897	8,781	9,757	11
Argentina	5/15	35/50	9,988	9,127	83,275	812
India	5/15	35/50	1,678	1,674	4,168	149
Indonesia	5	5	0	0	213,000	
Brazil	5/15	35/50	211	211	237,204	112,319
Others			2,456	2,439	2,787	14

Source: Trade Data Monitor, LLC; BOC Data for March and April 2023

<b>Table 14: BPI SPSIC Issued and Volume Applied for Corn Per Month</b>				
<b>Month</b>	<b>MY 2022/23 SPSIC Issued</b>	<b>MY 2022/23 Volume Applied</b>	<b>MY 2022/23 SPSIC Issued</b>	<b>MY 2022/23 Volume Applied</b>
<b>Total</b>	<b>1,004</b>	<b>943,292</b>		
July	31	35,626	84	284,393
August	148	168,057		
September	188	424,188		
October	116	95,616		
November	111	133,732		
December	127	106,038		
January	99	95,330		
February	101	71,735		
March	68	20,192		
April	54	21,840		
May	88	66,372		
June	98	125,083		

Source: Department of Agriculture-Bureau of Plant Industry

## Barley

FAS Manila forecasts lower barley imports for MY 2023/24 compared to the previous marketing year because of high price quotes. The anomalous high volume of barley imports in MY 2021/22 was because of its cheap price at the time, which is not the case now. Industry contacts have mentioned that China has reopened the market for Australian barley, hence, the period of cheap barley is over.

**Table 15: Global Barley Exports to Philippines**

Reporter	Tariff Rate	MY 2021/22	MY 2022/23	%Δ
<b>Total</b>		<b>498,381</b>	<b>301,302</b>	<b>-40</b>
Australia	0	498,344	301,292	-40
Others		37	10	-73

Source: Trade Data Monitor, LLC

## DDGS

In consultation with industry contacts, FAS Manila forecasts slightly increased MY 2023/24 DDGS exports to pre-pandemic levels because of its competitive pricing vs. soybean meal.

**Table 16: Global DDGS Exports to the Philippines (MT)**

Reporter	Tariff Rate	MY 2021/22	MY 2022/23	%Δ
<b>Total</b>		<b>163,432</b>	<b>207,844</b>	<b>27</b>
US	1	163,432	207,675	27
Others		-	169	-

Source: Trade Data Monitor, LLC

## Attachments:

No Attachments