



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

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GAIN Report #RP0068

Philippines

Grain and Feed

Wheat PSD Update

2000

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Report Highlights:

Wheat imports in MY00/01, driven by the expansion in the use of feed wheat as a corn substitute, are projected to reach 2.6 million tons. The increasing use of feed wheat as a corn substitute will outpace the predicted decline in wheat for food purposes.

Includes PSD changes: Yes

Includes Trade Matrix: No

Unscheduled Report

Manila [RP1], RP

PSD Table						
Country	Philippines					
Commodity	Wheat				(1000 HA)(1000 MT)	
	Revised	1998	Prelim.	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		07/1998		07/1999		07/2000
Area Harvested	0	0	0	0	0	0
Beginning Stocks	100	100	350	350	350	197
Production	0	0	0	0	0	0
TOTAL Mkt. Yr. Imports	2328	2328	3000	2447	3000	2600
Jul-Jun Imports	2328	2328	3000	2447	3000	2600
Jul-Jun Import U.S.	1610	1610	0	1799	0	1650
TOTAL SUPPLY	2428	2428	3350	2797	3350	2797
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Jul-Jun Exports	0	0	0	0	0	0
Feed Dom. Consumption	400	400	1300	850	1100	885
TOTAL Dom. Consum.	2078	2078	3000	2600	2800	2585
Ending Stocks	350	350	350	197	550	212
TOTAL DISTRIBUTION	2428	2428	3350	2797	3350	2797

Total market year imports as well as imports from the U.S. in MY98/99 were reconciled with FAS-Washington feedback numbers.

Imports the following year were based on preliminary data from the National Statistics Office (NSO) and represent a 5 percent increase from the previous year's level. Around 74 percent of all imports in MY99/00 originated from the U.S. - an improvement from the 69 percent market share the year before. Wheat demand for food has remained fairly flat in recent years and the growth in imports is attributed to the shift from corn to feed wheat. This demand was given a boost early in MY99/00 after changes in meat and meat product import procedures encouraged local livestock production. Wheat, according to an industry contact, is superior as a natural binder in the process of making feed pellets compared to corn. In addition, the continued protection of corn through the imposition of high tariffs has made feed wheat an attractive alternative.

The Philippine economy is expected to slowdown in 2001 and this will likely result in the decline in overall wheat consumption in MY00/01 compared to the previous year. Feed wheat consumption, however, will likely increase while wheat for food is expected to decline slightly. The increase in feed wheat demand is expected to more than compensate for the decline in food wheat consumption resulting in higher overall wheat imports in MY00/01 compared to the previous year's level.