

Voluntary Report – Voluntary - Public Distribution

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Report Name: Annual Tariff Rate Quota for Chipping Potatoes Doubled

Country: Philippines

Post: Manila

Report Category: Trade Policy Monitoring, Potatoes and Potato Products

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Report Highlights:

On February 15, 2024, the Minimum Access Volume (MAV) Management Committee issued an Administrative Circular (AC) that increased the annual MAV or Tariff Rate Quota for chipping potatoes from 30,000 to 60,000 metric tons (MT). The AC was published in the Philippine Star on February 16 and took effect 15 days after. This is the third unilateral increase in the MAV for chipping potatoes, which was initially set at 1,550 MT under the Uruguay Round of the WTO.

The Philippines increased the annual Tariff Rate Quota (TRQ) for chipping potatoes from 30,000 metric tons (MT) to 60,000 MT on February 15, 2024. The MAV Management Committee, chaired by the Secretary of Agriculture and composed of five (5) other Cabinet Secretaries (i.e., Finance, Trade and Industry, Science and Technology, Economic Development and Agrarian Reform) issued an Administrative Circular which increased the TRQ or MAV for chipping potatoes (H.S. 0701) used by local snack food manufacturers. The MAV Management Committee cited the non-availability of local chipping potatoes, increased import requirements of the industry and the need to ensure the competitiveness of locally manufactured potato chips as the rationale supporting the increase. The Administrative Circular was published in the Philippine Star on February 16, 2024, and took effect 15 days after publication.

This is the third time the Philippines has increased the MAV for chipping potatoes. The first time was in 2018 when the MAV was raised from 1,550 MT to 20,000 MT (see attached Administrative Circular No. 5) and the second time in 2020 when it was hiked from 20,000 MT to 30,000 MT (refer to [Administrative Circular No. 15](#)).

Background: On June 17, 2017, in-quota tariffs for chipping potatoes (0701.90.00A) were dropped to 3 percent from 40 percent (<http://tariffcommission.gov.ph/eo-61>). Out-of-quota tariffs for chipping potatoes (0701.9000B) remained at 40 percent. In-quota and out-of-quota tariffs for other fresh or chilled potatoes (e.g., table stock) were unchanged at 40 percent. From 1995 to 2017, the Philippines maintained a TRQ for fresh potatoes of 1,550 MT as part of its WTO Uruguay Round Commitments. The Philippines formally opened its market to U.S. fresh table stock potatoes for consumption in 2013. Prior to granting market access, almost all fresh potatoes that entered were exclusively for chipping. U.S. potato exports to the Philippines have grown from 5,300 MT in 2012 to 15,515 MT in 2023. In 2023, the United States was the largest supplier of chipping potatoes to the Philippines, with exports valued at about \$7 million.

Attachments:

[2018 AC5 Unilateral MAV Chipping Potatoes.pdf](#)

[Philippine Star-MAV Chipping Potatoes 02152024.docx](#)