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Report Highlights:

FAS Manila revised MY 2022/23 milled rice production downward to 11.975 million MT both because of a 3 percent expected reduction in yields as soaring fertilizer prices result in significantly reduced application and because of the effects of Typhoon Noru (Local name: Karding). To compensate for the expected rice supply shortfall, FAS Manila forecasts increased rice imports to 3.4 million MT. Also, FAS Manila forecasts MY 2022/23 corn production at 7.9 million MT, down 400,000 MT as compared to USDA Official, for the same reason of significantly reduced fertilizer application. FAS Manila forecasts corn imports to reach 1.7 million MT as a result of the government issuing Executive Order 171, Series of 2022.

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Executive Summary

FAS Manila revised MY 2022/23 milled rice production downward to 11.975 million MT both because of a 3 percent expected reduction in yields as soaring fertilizer prices result in significantly reduced application and because of the effects of Typhoon Noru. To compensate for the expected rice supply shortfall, FAS Manila forecasts increased rice imports to 3.4 million MT.

FAS Manila forecasts MY 2022/23 corn production at 7.9 million MT, down 400,000 MT as compared to USDA Official, because of low fertilizer application due to soaring fertilizer prices. FAS expects corn imports to reach 1.7 million MT after the government issued Executive Order 171, Series of 2022.

FAS Manila forecasts MY 2022/23 sorghum imports to increase to 50,000 MT based on the first month's strong trade import. Sorghum prices are still low at present, which may explain the surge in interest among feed millers. FAS Manila forecasts barley imports to decline to 110,000 MT because of high prices. Because of high commodity prices, feed millers are always searching for cheaper alternative energy sources. Meanwhile, FAS Manila expects DDGS imports to remain stable at 160,000 MT based on consultation with industry contacts.

Table 1: Philippine Energy Supply (1000 MT, Corn-Eq.)

Commodity	Corn Equiv.	MY 2020/21	MY 2021/22	MY 2022/23	%Δ
Total		**10,249**	**10,530**	**10,552**	**0%**
Corn	100%	6,800	6,800	7,500	10%
Wheat	95%	2,375	2,375	2,090	-12%
Cassava	50%	725	696	668	-4%
Barley	100%	110	490	110	-78%
DDGS	85%	211	141	136	-4%
Sorghum	95%	29	28	48	71%

Source: FAS/Manila

Table 2: Philippine Animal Protein Production, (1000 MT)

Commodity	MY 2020/21	MY 2021/22	MY 2022/23	%Δ
Total	**3,760**	**3,736**	**3,718**	**0%**
Aquaculture (Milkfish, Tilapia, & Shrimp)	748	763	778	2%
Pork (CWE)	1,060	1,010	1,000	-1%
Chicken	1,323	1,322	1,312	-1%
Eggs	629	641	628	-2%

Sources: FAS/Manila (pork, chicken, cassava, barley); PSA (eggs and aquaculture)

Rice

Production, Supply, and Distribution

Table 3: Rice, Milled	2020/2021		2021/2022		2022/2023	
Market Year Begins	Jul 2020		Jul 2021		Jul 2022	
Philippines	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	4762	4762	4802	4802	4800	4800
Beginning Stocks (1000 MT)	3597	3597	3763	3763	4503	4419
Milled Production (1000 MT)	12416	12416	12540	12540	12411	11975
Rough Production (1000 MT)	19708	19708	19905	19905	19700	19008
Mill. Rate (.9999) (1000 MT)	6300	6300	6300	6300	6300	6300
MY Imports (1000 MT)	2200	1937	3600	3516	3300	3400
TY Imports (1000 MT)	2950	2925	3400	3400	3300	3400
TY Imp. U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	18213	17950	19903	19819	20214	19794
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)	14450	14187	15400	15400	15600	15600
Ending Stocks (1000 MT)	3763	3763	4503	4419	4614	4194
Total Distribution (1000 MT)	18213	17950	19903	19819	20214	19794
Yield (Rough) (MT/HA)	4.1386	4.1386	4.1451	4.1451	4.1042	3.9600

(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 2022/2023 = January 2023 - December 2023

Production

FAS/Manila expects a drop in milled rice production to 11.975 million MT for MY 2022/23 because of scant fertilizer application due to soaring fertilizer prices and the effects of Typhoon Noru. Typhoon Noru made a landfall on September 25, 2022 and destroyed rice crops ready for harvest in Central Luzon, most especially in Nueva Ecija (the country's rice granary). The most recent similar drop in yield was 3.52 MT per hectare in MY 2009/10. To compensate for the expected rice supply shortfall, FAS Manila increased its forecast for rice imports to 3.4 million MT. The fertilizer price data from the Fertilizer and Pesticides Authority shows fertilizer prices have increased significantly, although urea prices have tapered off a bit since May 2022. FAS Manila is accepting milled rice production and imports of USDA Official for MY 2021/22.

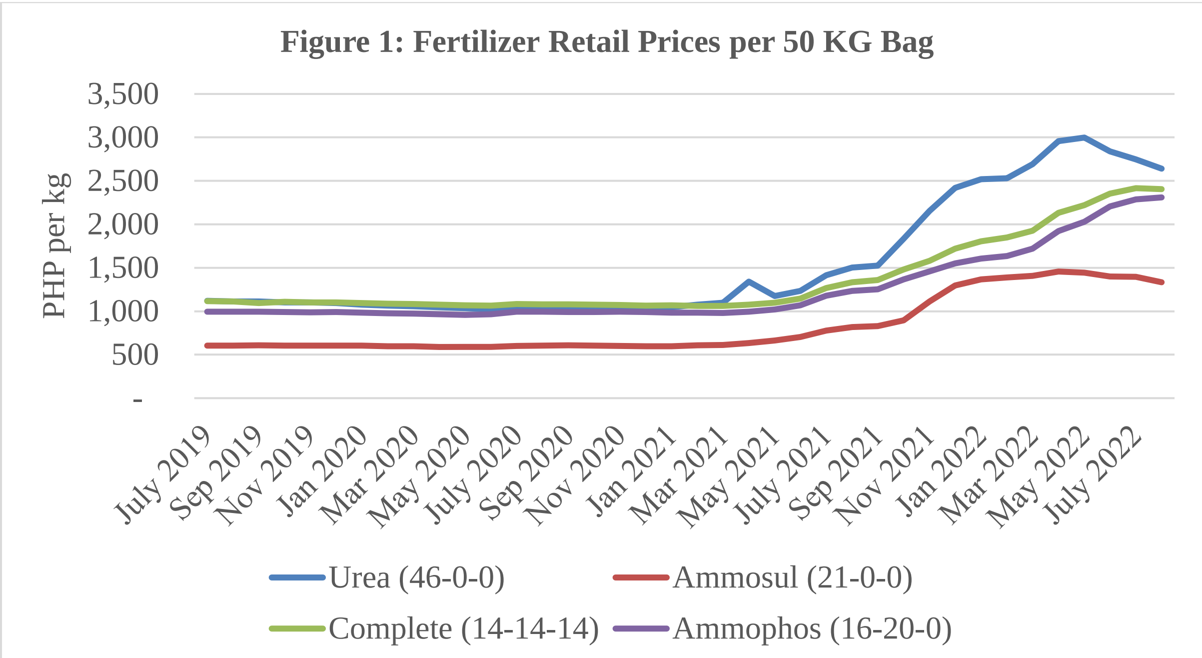
From MY 2021/22, the total nitrogen value is 45,942,991 units per MT (32,183,854 units per MT from Urea + 13,759,137 units per MT from Ammonium Sulfate). This represents a drop of 16 percent from the previous level.

For MY 2020/21, the total nitrogen value is 54,740,370 units per MT (43,611,58 units per MT from Urea + 11,128,782 units per MT from Ammonium Sulfate). For MY 2019/20, the total nitrogen value applied based on imports was 52,622,313 units per MT (41,402,622 units per MT from Urea + 11,219,691 units per MT from Ammonium Sulfate).

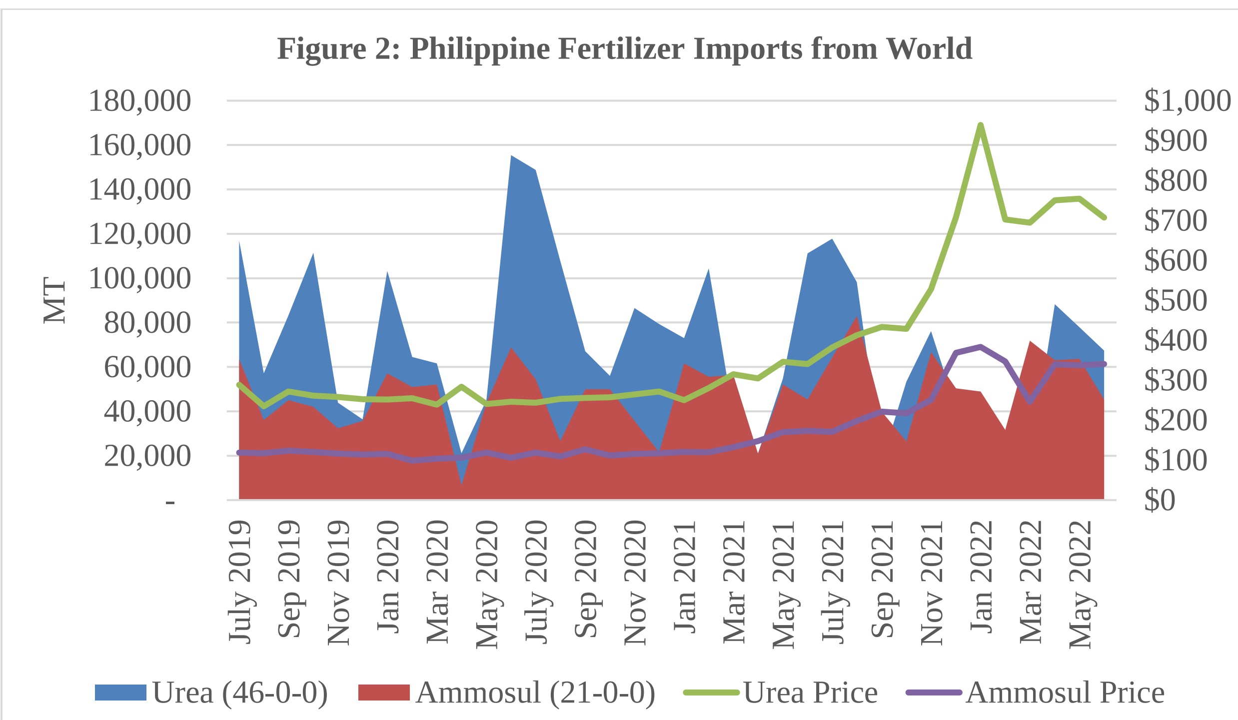
Table 4: Philippine Rice Regional Rough Production (MT)

Region	**MY 2019/20**	**MY 2020/21**	**MY 2021/22**	**%**
Philippines	**18,932,127**	**19,708,039**	**19,903,899**	**1**
Central Luzon	3,638,014	3,609,803	3,908,219	8
Cagayan Valley	2,685,653	2,827,675	2,884,287	2
Western Visayas	2,159,470	2,360,348	2,319,209	-2
Ilocos Region	1,857,298	1,917,121	1,902,164	-1
Bicol Region	1,254,189	1,320,280	1,337,310	1
MIMAROPA	1,241,761	1,200,276	1,216,284	1
SOCCSKSARGEN	1,212,094	1,270,350	1,259,533	-1
Eastern Visayas	917,605	836,925	829,450	-1
Northern Mindanao	764,642	797,798	793,206	-1
BARMM	686,185	841,797	825,485	-2
Zamboanga Peninsula	651,093	679,141	635,489	-6
Davao Region	452,841	469,775	486,608	4
Caraga	439,153	498,954	473,835	-5
CALABARZON	388,841	397,828	419,466	5
CAR	374,371	380,840	367,070	-4
Central Visayas	208,916	299,129	246,285	-18

Source: Philippine Statistics Authority (PSA)



Source: Fertilizer and Pesticides Authority



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

Consumption

FAS Manila estimates rice consumption for MY 2022/23 to reach 15.6 million MT in line with USDA Official. Ending stocks were lowered to 4.19 million MT to maintain forecasted domestic consumption. Regular milled and well-milled rice retail prices in Metro Manila experienced a slight upward push, while special milled rice prices declined.

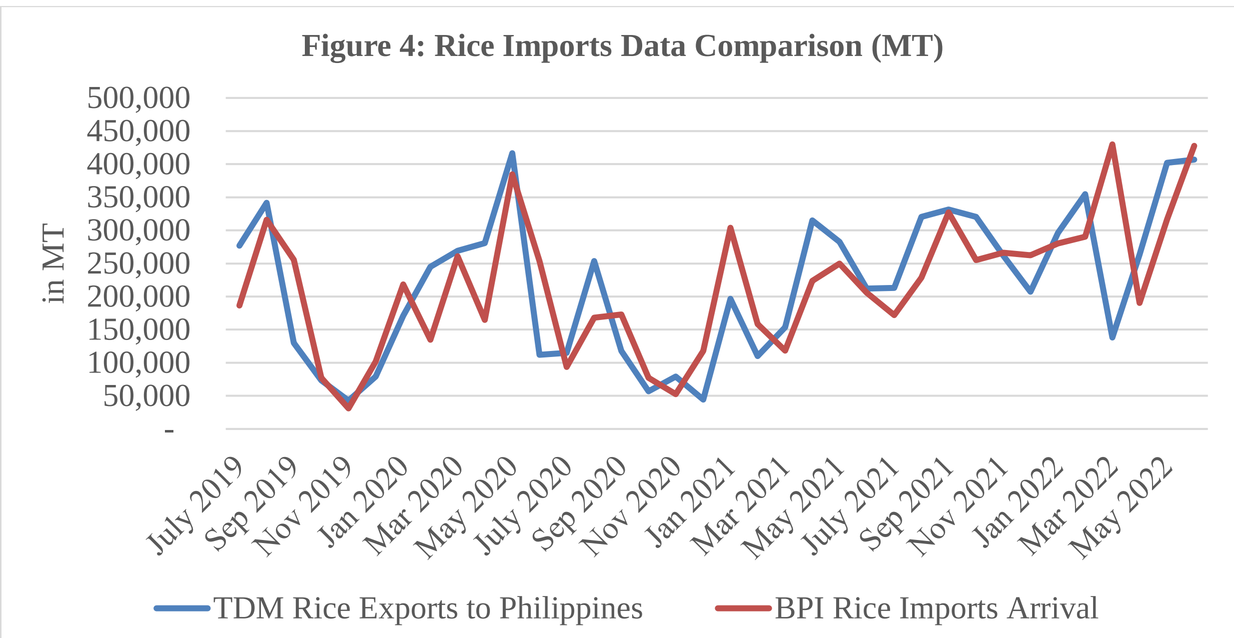
Source: Philippine Statistics Authority

Trade

FAS Manila forecasts 3.4 million MT of imports in MY 2022/23 because of the need to cover for the supply shortfall. Rice is a highly political crop in the Philippines, and supply sufficiency is very important for the government. Lower income consumers can subsist even on rice with minimal viands (simple side dishes or minimal flavorings that accompany rice). Fertilizer exports to the Philippines have declined, which has pushed rice prices up. The MY 2021/22 imported rice trade figures were updated in line with historical trade data based on Figure 5.

Table 5: Rice Exports to the Philippines (MT)			
Month	**MY 2020/21**	**MY 2021/22**	**%Δ**
Total	**1,936,813**	**3,516,114**	**82**
Vietnam	1,653,502	2,990,677	81
Myanmar	159,878	263,760	65
Thailand	71,337	194,365	172
India	11,084	26,067	135
China	1,406	23,664	1583
Others	39,606	17,580	-56

Sources: Trade Data Monitor, LLC; FAS Hanoi



Sources: Department of Agriculture - Bureau of Plant Industry; and Trade Data Monitor, LLC

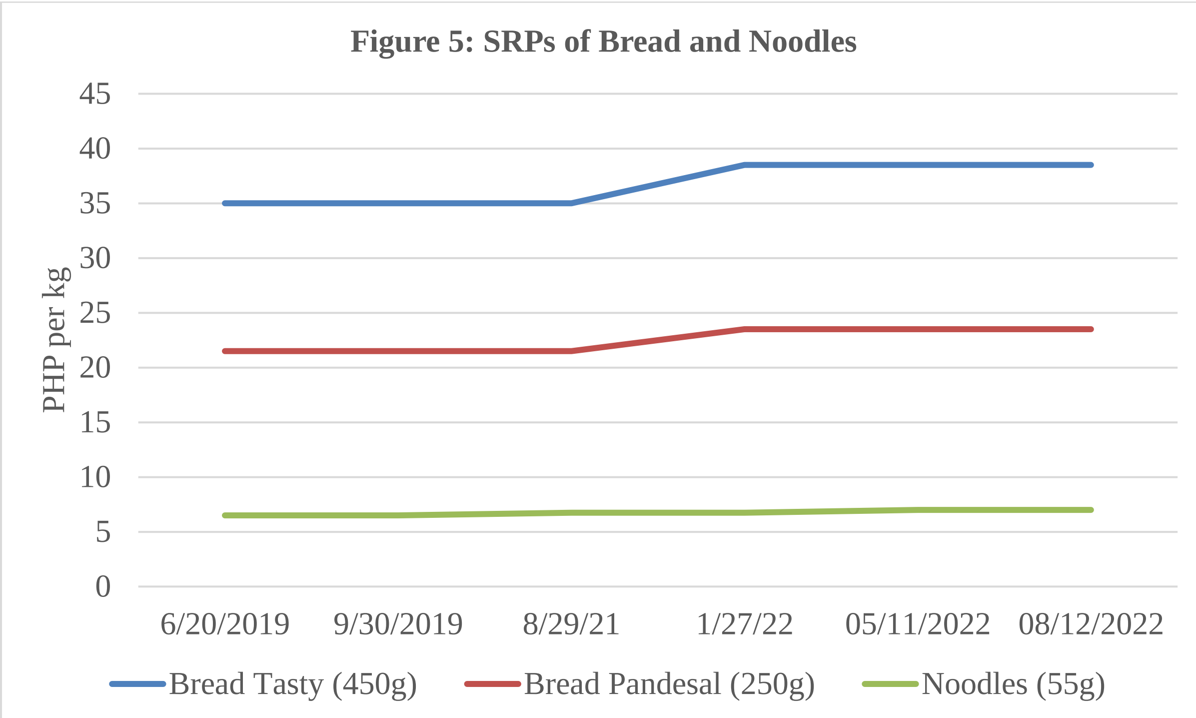
Wheat

Production, Supply, and Distribution

Table 6: Wheat	**2020/2021**		**2021/2022**		**2022/2023**	
Market Year Begins	**Jul 2020**		**Jul 2021**		**Jul 2022**	
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)	2290	2290	1838	1784	2133	2081
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	6113	6059	6865	6867	6200	6200
TY Imports (1000 MT)	6113	6059	6865	6867	6200	6200
TY Imp. from U.S. (1000 MT)	3127	3072	2685	2685	0	0
Total Supply (1000 MT)	8403	8349	8703	8651	8333	8281
MY Exports (1000 MT)	65	65	70	70	70	70
TY Exports (1000 MT)	65	65	70	70	70	70
Feed and Residual (1000 MT)	2500	2500	2500	2500	2200	2200
FSI Consumption (1000 MT)	4000	4000	4000	4000	3850	3850
Total Cons. (1000 MT)	6500	6500	6500	6500	6050	6050
Ending Stocks (1000 MT)	1838	1784	2133	2081	2213	2161
Total Distribution (1000 MT)	8403	8349	8703	8651	8333	8281
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 2022/2023 = July 2022 - June 2023						

Consumption

FAS Manila forecasts MY 2022/23 feed wheat consumption to remain at 2.2 million MT in line with USDA Official. FSI Consumption for MY 2022/23 is the same at 3.85 million MT. Suggested Retail Prices (SRP) of Bread Tasty and Bread Pandesal are expected to remain at PHP38.5 per 450 grams and PHP23.5 per 250 grams in 2023. Meanwhile, the retail prices of noodles increased slightly this year from P6.75 to P7.00 per 55 grams.



Source: Department of Trade and Industry

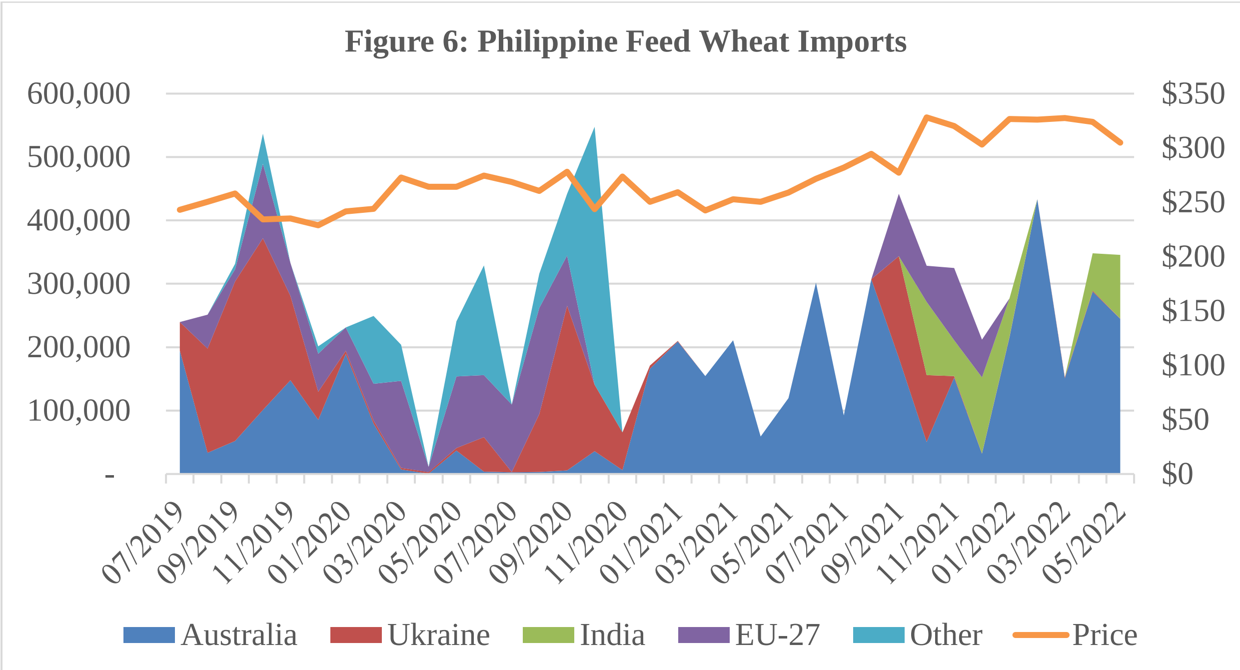
Trade

FAS Manila forecasts wheat imports for MY 2022/23 to remain at 6.2 million MT in line with USDA Official. Ending stocks were adjusted to maintain forecasted feed wheat and milling wheat consumption. FAS Manila adjusted MY 2021/22 and MY 2020/21 imports figures to align with historical trade data.

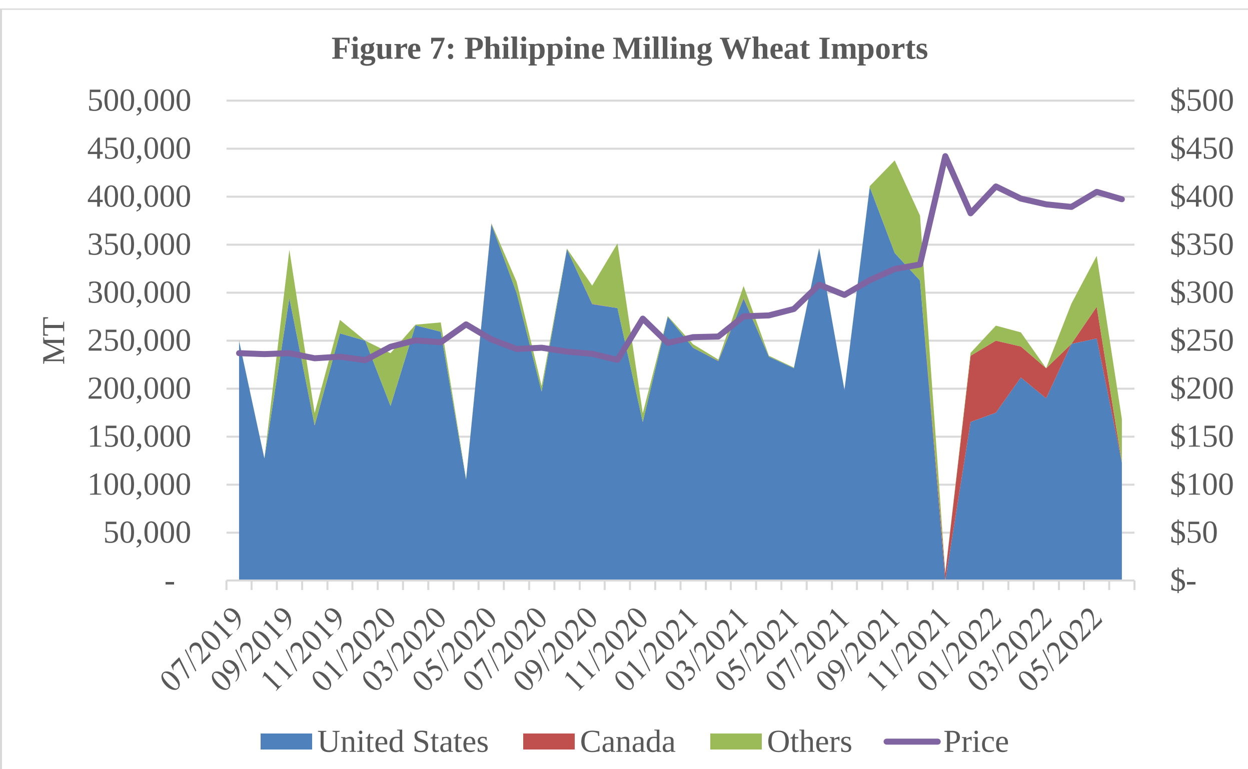
Table 7: Global Wheat Exports to the Philippines (MT)

Reporter	**Tariff Rate**	**MY 2020/21**	**MY 2021/22**	**%Δ**
Total		6,058,933	6,866,886	13
US	Milling Wheat: 0%	3,072,059	2,685,087	-13
Australia	Feed Wheat: 0%	1,439,478	2,533,664	76
Ukraine	Feed Wheat: 7%	565,498	413,877	-27
EU-27	Feed Wheat: 7%	261,212	334,039	28
India	Feed Wheat: 0%	4,147	548,617	13,128
Canada	Milling wheat: 0%	55,064	248,934	352
Others		661,475	102,667	-84

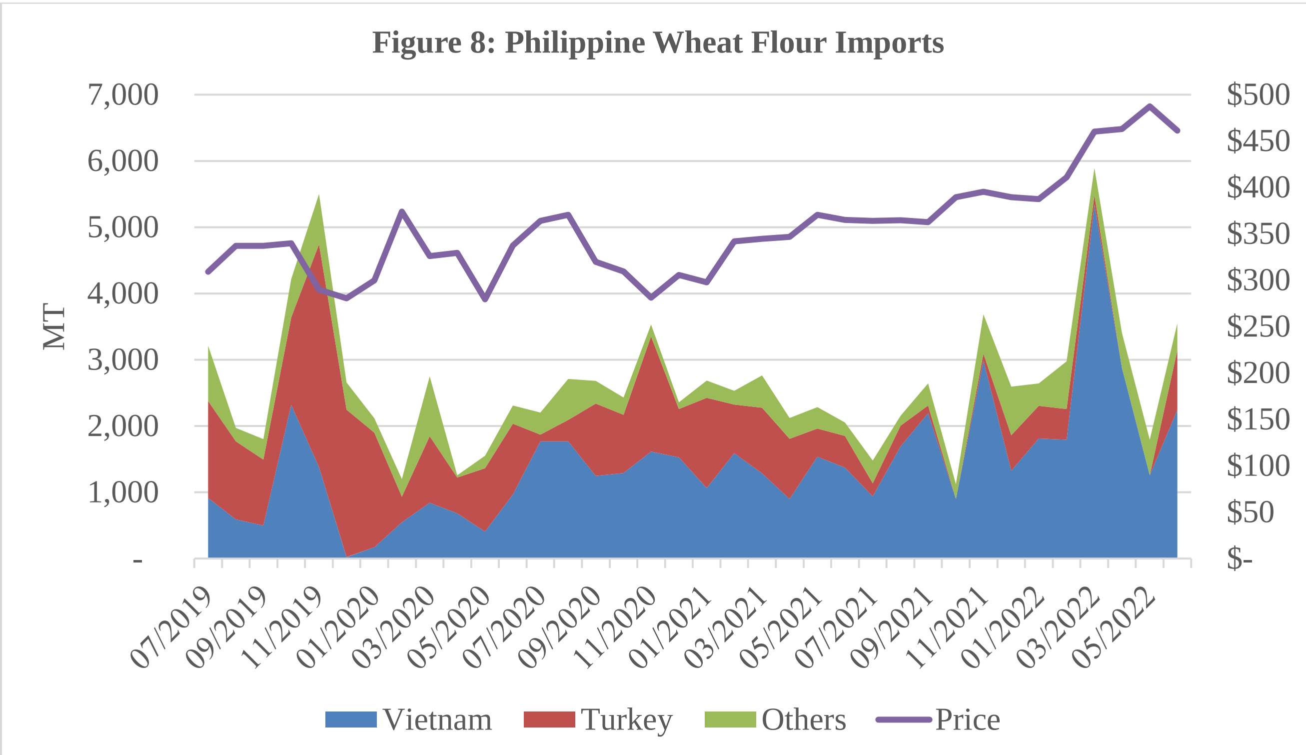
Sources: Trade Data Monitor, LLC; Tariff Commission



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



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



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

Corn

Production, Supply, and Distribution

Table 8: Corn	2020/2021		2021/2022		2022/2023	
Market Year Begins	Jul 2020		Jul 2021		Jul 2022	
Philippines	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	2573	2573	2562	2562	2650	2580
Beginning Stocks (1000 MT)	354	354	429	429	473	473
Production (1000 MT)	8352	8352	8344	8344	8300	7900
MY Imports (1000 MT)	623	623	600	600	900	1700
TY Imports (1000 MT)	352	352	600	600	900	1700
TY Imp. U.S. (1000 MT)	7	7	0	0	0	0
Total Supply (1000 MT)	9329	9329	9373	9373	9673	10073
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	6800	6800	6800	7100	7500
FSI Consumption (1000 MT)	2100	2100	2100	2100	2100	2100
Total Cons. (1000 MT)	8900	8900	8900	8900	9200	9600
Ending Stocks (1000 MT)	429	429	473	473	473	473
Total Distribution (1000 MT)	9329	9329	9373	9373	9673	10073
Yield (MT/HA)	3.246	3.246	3.2568	3.2568	3.1321	3.062

(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 2022/2023 = October 2022 - September 2023

Production

FAS Manila forecasts MY 2022/23 corn production at 7.9 million MT, down 400,000 MT as compared to USDA Official, because of scant fertilizer application due to soaring fertilizer prices. The production decline is a combination of area harvested and yield declines.

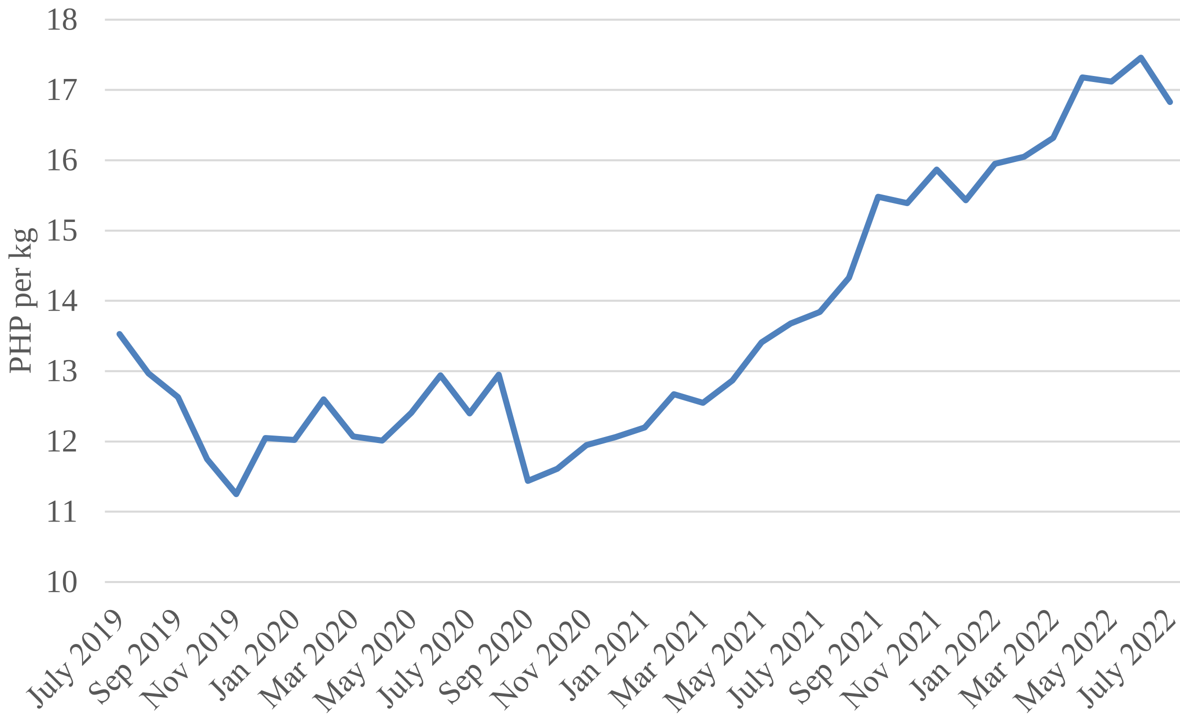
Table 9: Philippine Yellow Corn Regional Production (MT)				
Region	**MY 2019/20**	**MY 2020/21**	**MY 2021/22**	**%Δ**
Philippines	**5,983,435**	**6,160,095**	**6,094,838**	**-1**
Cagayan Valley	1,863,117	1,903,587	1,919,679	1
SOCCSKSARGEN	918,062	942,960	848,916	-10
Northern Mindanao	840,961	845,679	943,656	12
BARMM	611,976	669,966	534,361	-20
Ilocos Region	515,527	522,941	537,158	3
Central Luzon	244,930	273,866	262,950	-4
CAR	230,526	203,557	201,985	-1
Western Visayas	223,241	239,399	277,890	16
Bicol Region	209,334	219,236	220,798	1
MIMAROPA	94,637	104,042	105,467	1
Caraga	82,524	78,550	81,997	4
Davao Region	65,431	67,472	71,182	5
CALABARZON	45,020	52,820	41,231	-22
Zamboanga Peninsula	29,626	26,865	34,934	30
Eastern Visayas	6,723	6,317	6,143	-3
Central Visayas	1,798	2,836	6,491	129

Source: Philippine Statistics Authority

Table 10: Philippine White Corn Regional Production (MT)				
Region	**MY 2019/20**	**MY 2020/21**	**MY 2021/22**	**%Δ**
Philippines	**2,046,602**	**2,192,185**	**2,249,178**	**3**
Northern Mindanao	487,142	507,955	511,561	1
BARMM	463,034	539,095	613,752	14
SOCCSKSARGEN	208,325	214,352	219,131	2
Davao Region	187,206	205,513	207,210	1
Zamboanga Peninsula	152,142	148,493	174,745	18
Central Visayas	100,254	125,938	95,585	-24
Ilocos Region	45,886	47,702	46,439	-3
CAR	16,210	18,257	18,441	1
Western Visayas	86,084	92,547	85,012	-8
Bicol Region	66,615	71,131	70,560	-1
Eastern Visayas	66,508	62,047	57,389	-8
Central Luzon	40,328	40,335	38,471	-5
Cagayan Valley	28,010	26,103	18,177	-30
CALABARZON	26,277	23,407	24,645	5
MIMAROPA	14,975	14,434	12,660	-12
Caraga	57,606	54,876	55,401	1

Source: Philippine Statistics Authority

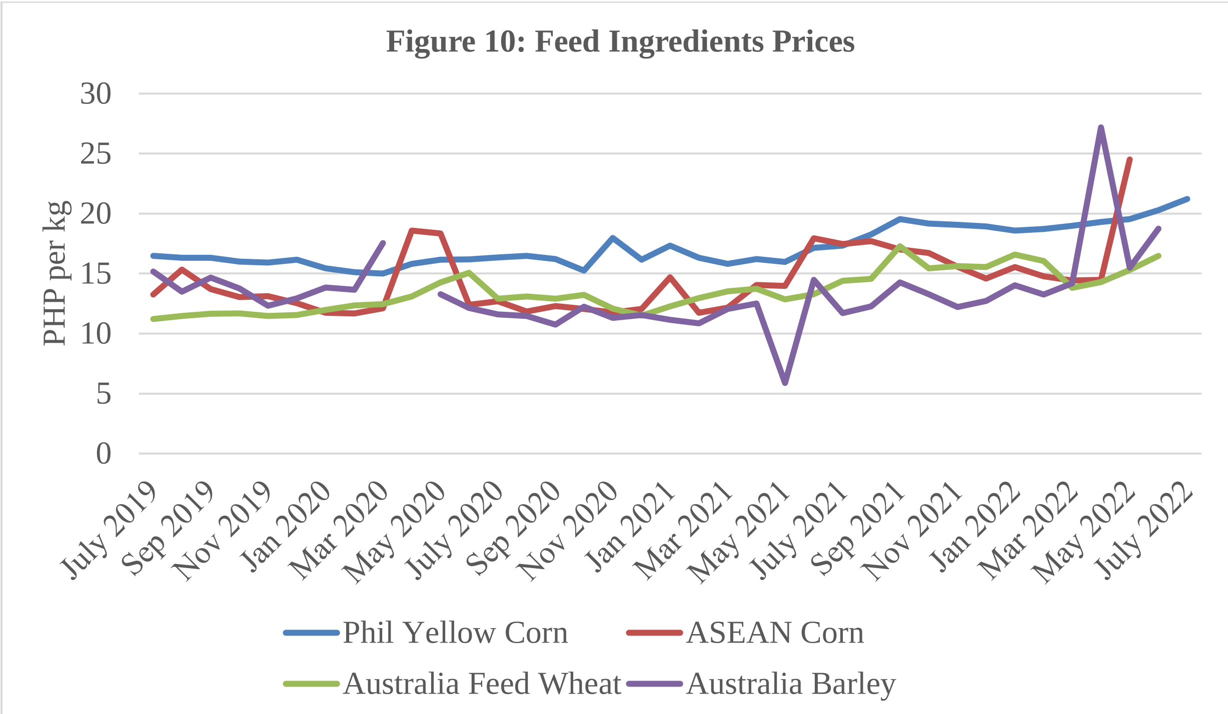
Figure 9: Philippine Yellow Corn Farmgate Price



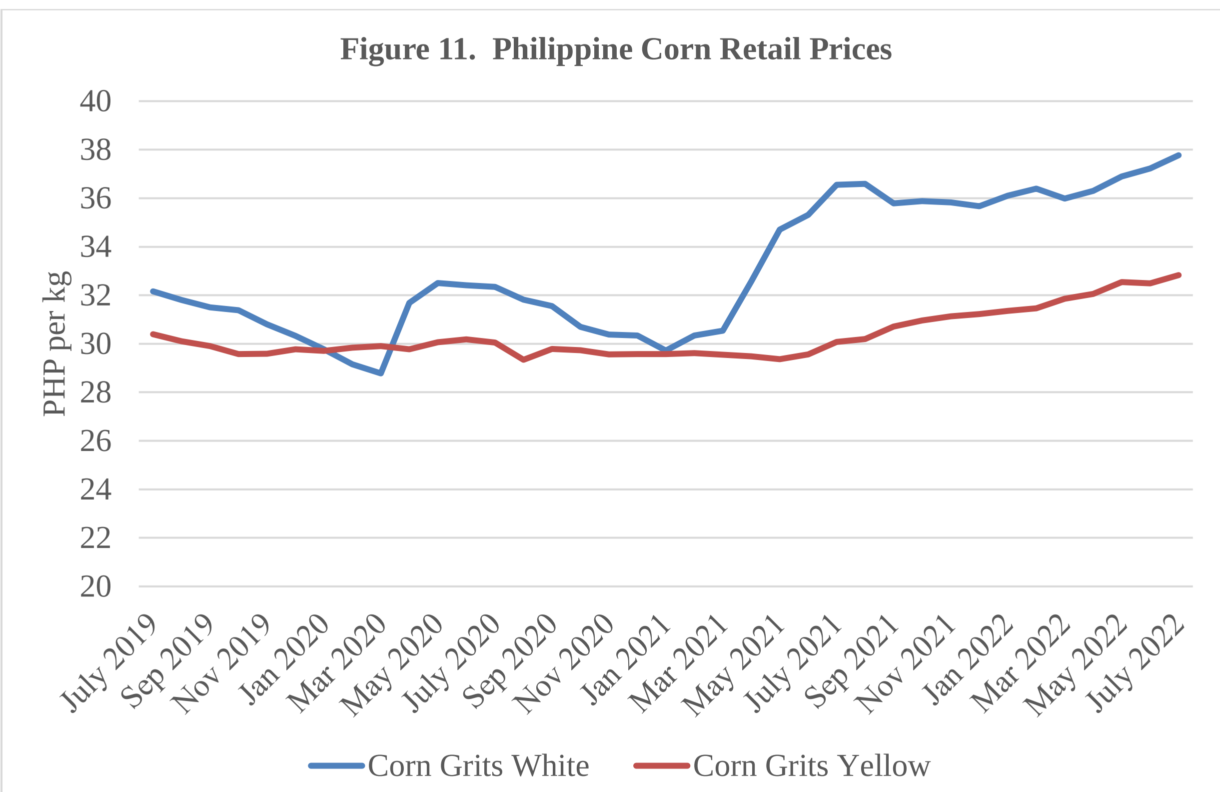
Source: Philippine Statistics Authority

Consumption

FAS Manila forecasts an increase in corn feed consumption to 7.5 million MT in MY 2022/23, up by 400,000 MT as compared to USDA Official, because of the release of Executive Order #171, Series of 2022. It modifies favorably market access for corn as already mentioned in the previous June 23, 2022 Grain and Feed Update. Additionally, broiler production is expected to rebound 2 percent in 2023, which should nudge corn consumption upward.



Sources: Philippine Statistics Authority; Trade Data Monitor, LLC



Source: Philippine Statistics Authority

Trade

FAS Manila forecasts MY 2022/23 corn imports to increase to 1.7 million, up by 800,000 MT from USDA Official after the release of Executive Order No. 171, Series of 121. The corn minimum access volume for 2022 is still at 216,940 MT. Among feed millers and animal farmers, corn is still the most preferred energy source if available.

On June 25, 2022, the Philippine Department of Agriculture (DA) Bureau of Animal Industry (BAI) informed stakeholders that it will be enforcing [BAI Memorandum Circular No. 26 (MC26), dated August 11, 2021], which is burdensome. Some industry contacts which are MAV holders already sourced corn, while others are in the process of ordering.

Table 11: Philippines Corn (HS-1005) Imports (MT)

Reporter	Tariff Rate until 12/31/22	Tariff Rate on 01/01/2023	MY 2020/21	MY 2020/21 (July to May)	MY 2021/22 (July to May)	%Δ
Total			622,634	595,560	586,305	-2%
Vietnam	5%	5%	388,883	382,168	129,272	-66%
Myanmar	5%	5%	43,158	36,774	388,888	958%
Thailand	5%	5%	12,611	106	45,913	43214%
US	5/15%	35/50%	84,609	83,859	8,781	-90%
Argentina	5/15%	35/50%	6,599	5,878	9,127	55%
India	5/15%	35/50%	129	129	1,674	1198%
Others			114,727	86,646	2,650	-97%

Source: Trade Data Monitor, LLC

Sorghum

Production, Supply, and Distribution

Table 12: Sorghum	2020/2021		2021/2022		2022/2023	
Market Year Begins	Jul 2020		Jul 2021		Jul 2022	
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)	0	0	0	0	0	0
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	34	30	25	29	30	50
TY Imports (1000 MT)	28	28	25	25	30	50
TY Imports U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	34	30	25	29	30	50
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)	34	30	25	29	30	50
FSI Consumption (1000 MT)	0	0	0	0	0	0
Total Cons. (1000 MT)	34	30	25	29	30	50
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	34	30	25	29	30	50
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 Sorghum begins in October for all countries.
TY 2022/2023 = October 2022 - September 2023

FAS Manila forecasts sorghum imports to reach 50,000 MT in MY 2022/23, based on the strong first month trade data. Industry contacts are open to cheaper alternative energy sources.

Table 13: Global Sorghum Exports to Philippines (MT)

Reporter	Tariff Rate	MY 2020/21	MY 2021/22	MY 2021/22M1	MY 2022/23M1	%Δ
Total		30,283	28,740	2,549	4,232	66%
Australia	0%	26,038	24,894	2,137	3,614	69%
Thailand	0%	1,182	2,039	292	-	-
India	7%	869	1,332	120	597	298%
Others		2,194	475	-	21	-

Source: Trade Data Monitor, LLC

Barley

FAS Manila forecasts MY 2022/23 barley imports to reach 110,000 MT because of increasing prices. Additionally, industry contacts said following experimentation with barley that it remains a poor substitute for corn.

Table 14: Global Barley Exports to Philippines

Reporter	Tariff Rate	MY 2020/21	MY 2021/22	MY 2021/22M1	MY 2022/22M1	%Δ
Total		115,775	498,381	55,857	12,355	-78%
Australia	0%	115,757	498,343	55,846	12,354	-78%
Others		18	38	11	1	-91%

Source: Trade Data Monitor, LLC

DDGS

FAS Manila forecasts MY 2022/23 DDGS exports to be stable at 160,000 MT, as modest demand from feed millers is not expected to increase.

Table 15: Global DDGS Exports to the Philippines (MT)				
Reporter	**Tariff Rate**	**MY 2020/21**	**MY 2021/22**	**%Δ**
Total		248,453	166,409	-33%
US	1%	248,427	166,409	-33%
Others		26	-	-

Source: Trade Data Monitor, LLC

Attachments:

No Attachments