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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:

Despite record production and ample stocks, the Philippines is forecast to import a record volume of rice. Large imports are spurred in part by high domestic prices and the recent government decision to reduce tariffs from 35 to 15 percent. With lower corn production due to the Fall Army Worm issues, imports of both corn and wheat are also expected to rise to meet growing feed demand.

Executive Summary

FAS Manila forecasts MY 2024/25 milled rice production up slightly as the country emerges from the current El Nino and government spending on inputs and machinery offsets a slight drop in yields. The slight increase in production from MY 2023/24, however, will still fall well short of demand. Consequently, FAS Manila forecasts rice imports to remain the same as the previous marketing year. FAS Manila forecasts wheat imports for MY 24/25 slightly higher than USDA Official because of a decrease in corn production and a corresponding increase in use of feed wheat. FAS Manila forecasts MY 2024/25 corn production lower compared to USDA Official, as multiple industry contacts have observed a decrease in area planted and lower yields due to ongoing issues with Fall Army Worm. FAS forecasts lower MY 2024/25 corn imports compared to USDA Official due to ongoing limited global supply and high prices. FAS Manila forecasts MY 2024/25 barley imports in line with USDA Official.

Philippine Food Supply is expected to remain stable for MY 2024/25. Philippine Energy Supply in corn equivalent terms is forecasted to increase by 4 percent, while Philippine animal protein production is forecasted to increase by 3 percent.

Table 1: Philippine Food Supply (1000 MT)				
Commodity	MY 2022/23	MY 2023/24	MY 2024/25	%Δ
Total	21,999	22,500	22,500	0
Rice	16,100	16,700	17,200	3
Corn	2,249	2,350	2,100	-1
Wheat	3,650	3,100	3,200	3

Source: FAS/Manila

Table 2: Philippine Energy Supply (1000 MT, Corn-Eq.)					
Commodity	Corn Equiv.	MY 2022/23	MY 2023/24	MY 2024/25	%Δ
Total		9,490	9,465	9,813	4
Corn	100%	7,020	6,900	7,200	4
Wheat	95%	2,470	2,565	2,613	2

Source: FAS/Manila

Table 3: Philippine Animal Protein Production, (1000 MT)				
Commodity	MY 2022/23	MY 2023/24	MY 2024/25	%Δ
Total	3,870	3,883	3,995	3%
Chicken	1,443	1,455	1,495	3%
Pork (CWE)	1,020	1,050	1,080	3%
Aquaculture*	750	780	805	3%
Chicken Eggs	657	598	615	3%

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	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Philippines						
Area Harvested (1000 HA)	4848	4850	4800	4800	4850	4850
Beginning Stocks (1000 MT)	3103	3103	3478	3353	3878	4005
Milled Production (1000 MT)	12625	12600	12500	12652	12700	12700
Rough Production (1000 MT)	20040	20000	19841	20083	20159	20159
Mill. Rate (.9999) (1000 MT)	6300	6300	6300	6300	6300	6300
MY Imports (1000 MT)	3750	3750	4700	4700	4700	4700
TY Imports (1000 MT)	3900	3900	4600	4600	4700	4700
TY Imp. U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	19478	19453	20678	20705	21278	21405
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)	16000	16100	16800	16700	17400	17200
Ending Stocks (1000 MT)	3478	3353	3878	4005	3878	4205
Total Distribution (1000 MT)	19478	19453	20678	20705	21278	21405
Yield (Rough) (MT/HA)	4.13	4.12	4.13	4.18	4.16	4.16

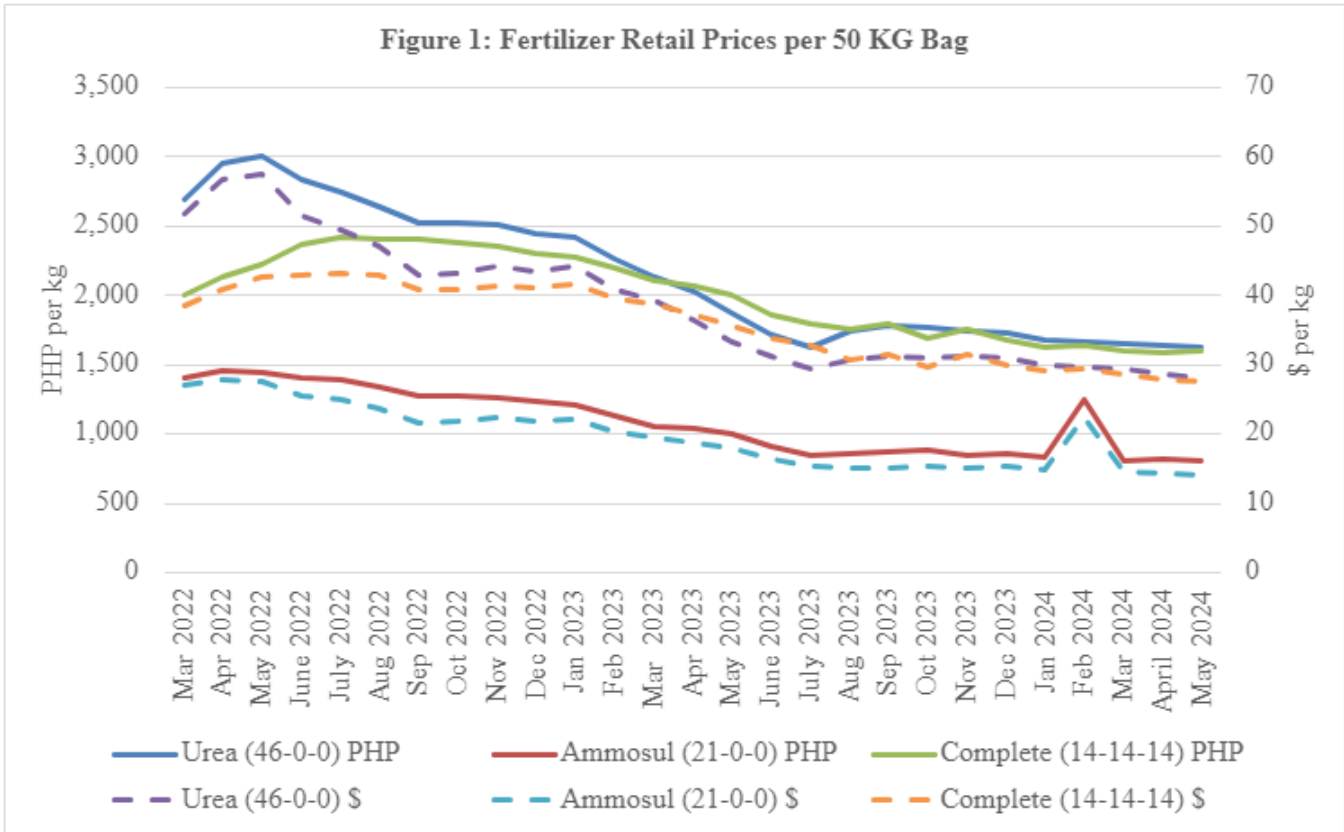
(1000 HA), (1000 MT), (MT/HA)

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

Production

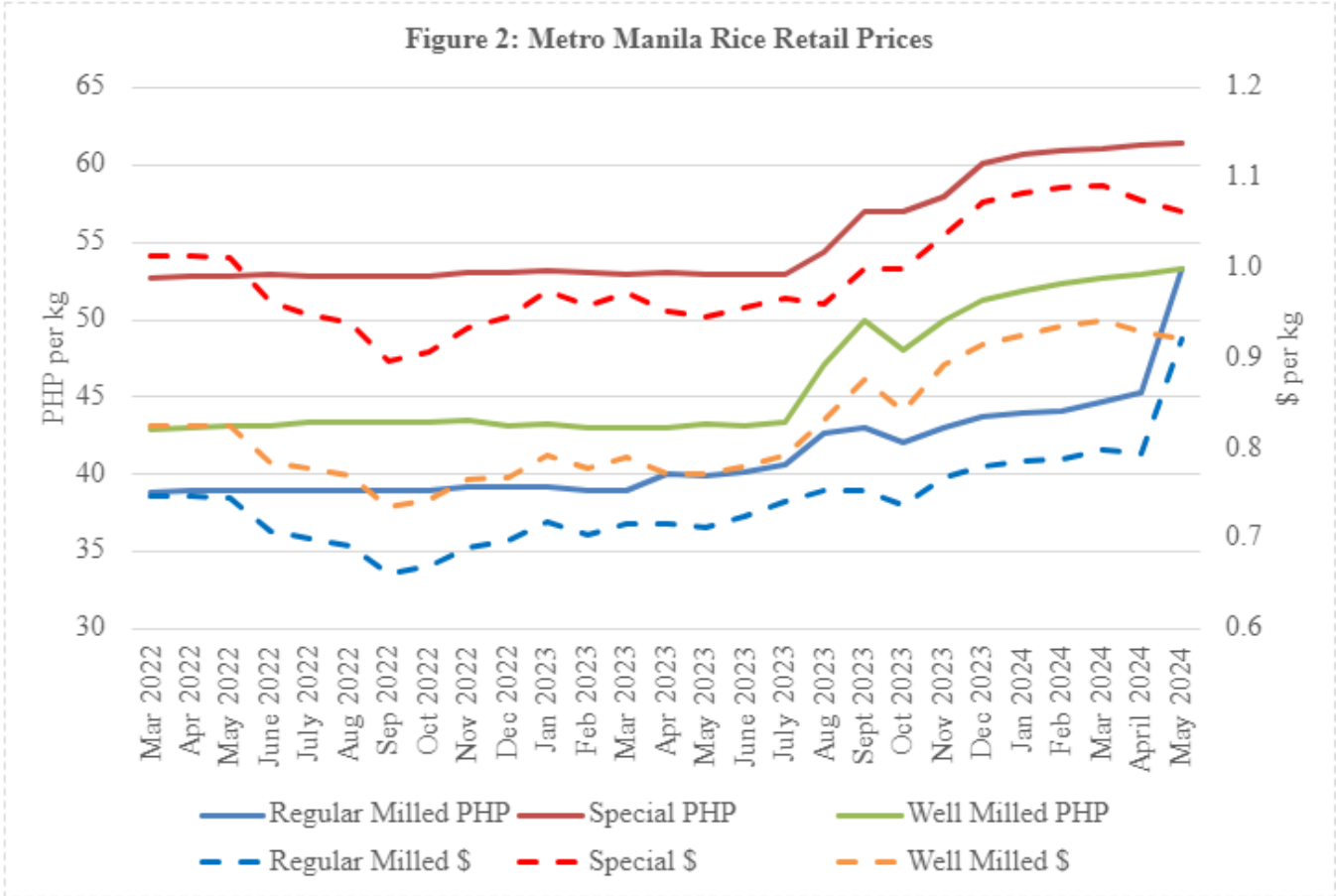
FAS Manila forecasts MY 2024/25 milled rice production up slightly in line with USDA Official as the government continues to prioritize the sector with funding, and farmers increase use of fertilizer and hybrid seeds. Farmers and industry sources report that harvests are stable. The Philippines Department of Agriculture's (DA) Masagana Rice Program, which aims to help 2.3 million farmers, will receive PHP 30.8 billion (USD \$556 million) this year, roughly the same as in 2023, but double the PHP 15.8 billion it received in 2022. FAS Manila forecasts area harvested in line with USDA Official, an increase from the previous year. Fertilizer price data, meanwhile, from the Fertilizer and Pesticides Authority shows fertilizer prices more stable than in previous years, with the exception of a momentary spike in ammonia prices.



Source: Fertilizer and Pesticides Authority

Consumption

FAS Manila forecasts rice consumption for MY 2024/25 below USDA Official, but in line with population growth as compared to its MY 2023/24 forecast. There has been no measurable shift from rice to bread over the past year as both staples experienced inflation. Retail prices have remained elevated despite higher stocks but have experienced a less pronounced increase over the summer months compared to 2023. Rice consumption remains durable despite inflation.



Source: Philippine Statistics Authority

Trade

FAS Manila is forecasting MY 2024/25 imports up slightly in line with USDA Official as domestic production will not meet demand. On June 20, 2024, President Ferdinand Marcos Jr. issued [Executive Order No. 62](#) modifying the import duty rates of various commodities to augment supply, manage prices, temper inflationary pressure and protect the purchasing power of Filipinos. Per the order, the tariff for rice is reduced to 15 percent from 35 percent.

Stocks

FAS Manila forecasts higher ending stocks for MY 2024/25 as the government encourages dealers to maintain buffer stocks. There will be some motivation to sell due to lower prices likely resulting from reduced tariffs as well as the wet season harvest in the fall, but industry sources report that traders are holding steady on stocks, particularly as they bought at a higher price and are still hoping for better margins. The National Food Authority (NFA) is mandated to procure domestic rice and maintain buffer stocks of 350,000 MT. NFA, as a government entity, and the private sector both hold rice stocks.

Wheat

Production, Supply, and Distribution

Table 5: Wheat Market Year Begins	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Philippines						
Area Harvested (1000 HA)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	1375	1375	1096	853	1226	853
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	5743	5750	6200	5800	5900	5950
TY Imports (1000 MT)	5743	5750	6200	6000	5900	5950
TY Imp. from U.S. (1000 MT)	1956	1956	0	0	0	0
Total Supply (1000 MT)	7118	7125	7296	6653	7126	6803
MY Exports (1000 MT)	22	22	20	0	20	70
TY Exports (1000 MT)	22	22	20	0	20	70
Feed and Residual (1000 MT)	2850	2600	2850	2700	2700	2750
FSI Consumption (1000 MT)	3150	3650	3200	3100	3250	3200
Total Consumption (1000 MT)	6000	6250	6050	5800	5950	5950
Ending Stocks (1000 MT)	1096	853	1226	853	1156	783
Total Distribution (1000 MT)	7118	7125	7296	6653	7126	6803
Yield (MT/HA)	0	0	0	0	0	0

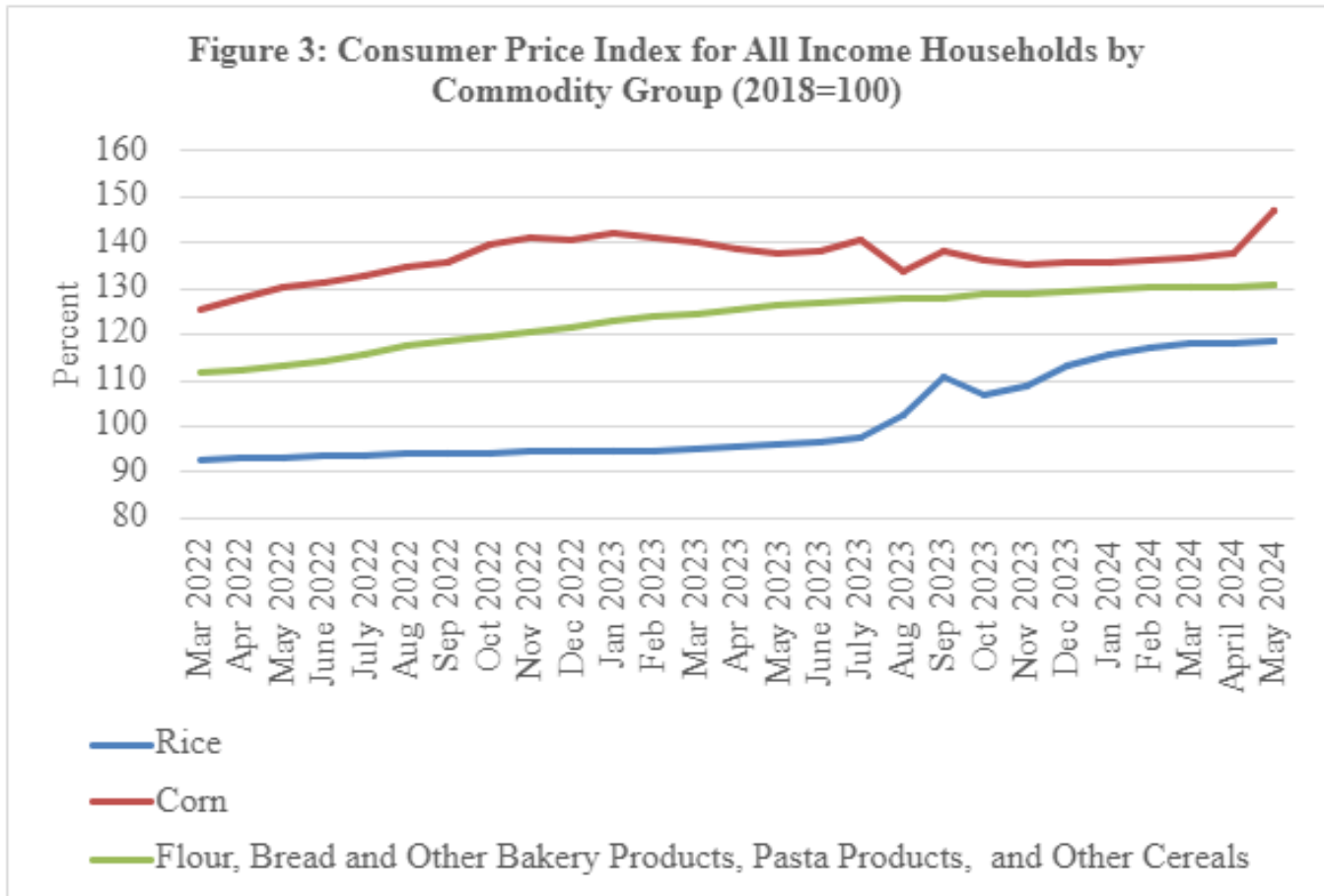
(1000 HA), (1000 MT), (MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Wheat begins in July for all countries. TY 2023/2024 = July 2023 - June 2024

Consumption

FAS Manila sees FAS Manila forecasts slightly lower MY 2024/25 FSI consumption compared to USDA Official but still an increase from the previous marketing year as global wheat prices stabilize and consumption grows with population. Feed wheat consumption is forecast higher than USDA Official because feed millers report ongoing domestic corn production issues and limited global supply, prompting some shift from corn to feed wheat. Inflation for bread has slowed. Global milling wheat prices have stabilized, so Philippine wheat imports should start to recover.

Stocks

The heat and humidity of the Philippines is not conducive to holding stocks for extended periods of time. FAS Manila maintains ending stocks lower than USDA Official.



Source: Philippine Statistics Authority

Trade

FAS Manila estimates wheat imports for MY 2024/25 to be higher compared as global wheat prices are trending downward. Moreover, feed millers report lower corn production and limited global supply, so FAS Manila anticipates some shift from corn to feed wheat.

Wheat exports to the Philippines include both hard wheat and soft wheat. Hard wheat is used to produce pandesal, Pinoy Tasty, and other breads. Soft wheat is used in cakes, pastries, noodles, and crackers. A unique characteristic of Philippine pasta is that it is made with 50 percent hard wheat and 50 percent soft wheat. There is minimal importation of durum, the typical choice for pasta. Fast food continues to drive

demand for bread. Pandesal and Tasty are regulated in terms of prices while other types of bread are not. Noodles continue to grow, as they are easily prepared at home. Pasta demand is seasonal; it tends to be stronger during the Christmas holiday season as a celebratory meal at home.

Industry contacts report they continue to diversify flour production or customize according to customer requirements. Unused milling capacity is expected to lead to more industry consolidation in the coming years.

Corn

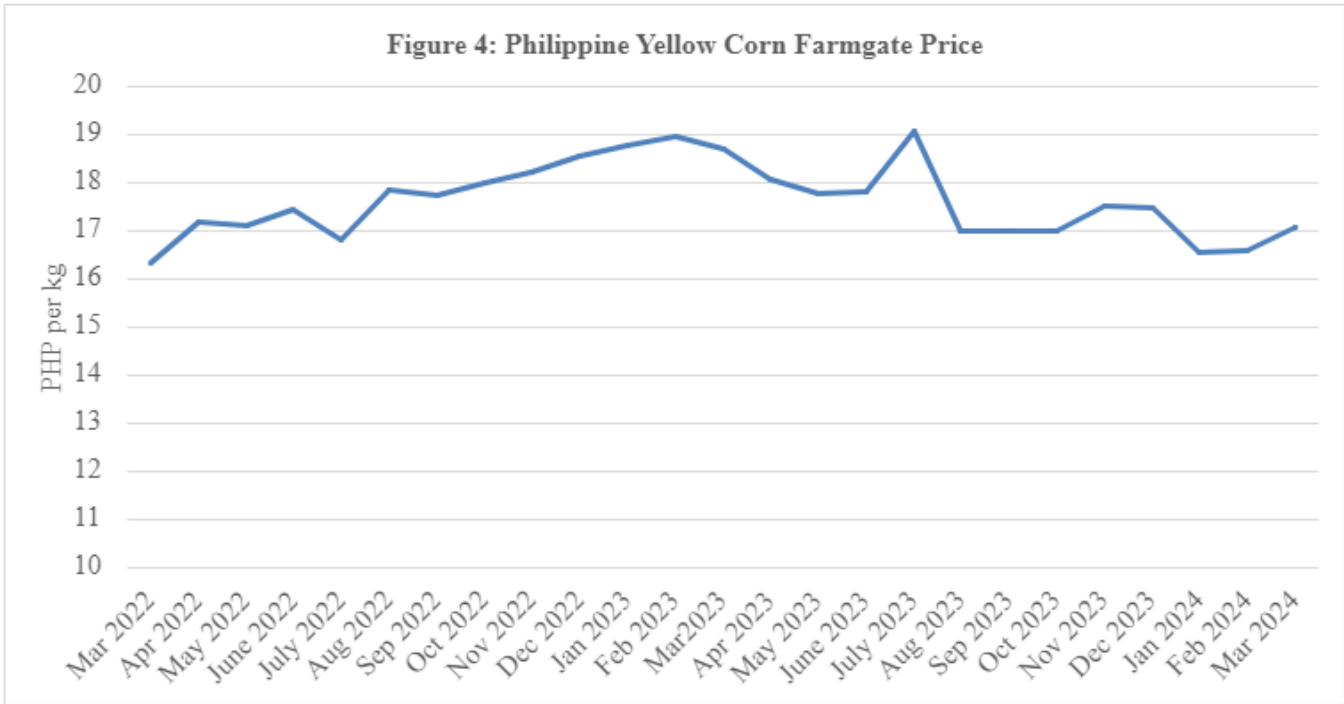
Production, Supply, and Distribution

Table 6: Corn Market Year Begins	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Philippines						
Area Harvested (1000 HA)	2538	2562	2600	2600	2600	2550
Beginning Stocks (1000 MT)	405	405	432	434	432	401
Production (1000 MT)	8322	8322	8500	8400	8500	8200
MY Imports (1000 MT)	907	907	1050	950	1100	1000
TY Imports (1000 MT)	1024	1024	1000	975	1100	1000
TY Imp. from U.S. (1000 MT)	9	10	0	0	0	0
Total Supply (1000 MT)	9634	9634	9982	9784	10032	9601
MY Exports (1000 MT)	2	0	0	0	0	0
TY Exports (1000 MT)	2	0	0	0	0	0
Feed and Residual (1000 MT)	7100	7000	7450	7033	7500	7200
FSI Consumption (1000 MT)	2100	2200	2100	2350	2100	2100
Total Consumption (1000 MT)	9200	9200	9550	9383	9600	9300
Ending Stocks (1000 MT)	432	434	432	401	432	301
Total Distribution (1000 MT)	9634	9634	9982	9784	10032	9601
Yield (MT/HA)	3.28	3.25	3.23	3.23	3.27	3.22

(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

Production

FAS Manila forecasts lower MY 2024/25 corn production as multiple producers and industry contacts report reduced area planted and ongoing issues with Fall Army Worm.



Source: Philippine Statistics Authority

Consumption

FAS Manila forecasts slightly higher feed corn consumption in MY 2024/25, but slightly lower compared to USDA Official because of limited supply both from local production and imports, and some shift to feed wheat. FAS Manila forecasts FSI corn consumption in line with USDA Official for MY 2024/25, down from the previous marketing year because of shrinking supply.

Stocks

FAS Manila forecasts MY 2024/25 ending stocks lower compared to USDA Official.



Source: Philippine Statistics Authority

Trade

FAS Manila forecasts lower MY 2024/25 corn imports compared to USDA Official as industry contacts report elevated global prices and tightening supply, despite growth in imports over the past year.

Table 7: Philippines Corn (HS-1005) Imports (MT)						
Reporter	Tariff Rate until 12/31/2024	Tariff Rate on 1/01/2025	MY 2022/23	MY 2022/23 (Jul to Mar)	MY 2023/24 (Jul to Mar)	%Δ
Total			933,714	857,515	1,006,001	17
Myanmar	5	5	260,009	251,052	271,533	8
Brazil	5/15	35/50	237,385	237,205	102,331	-57
Indonesia	5	5	213,000	200,900	1	-100
Vietnam	5	5	119,943	76,162	217,120	185
Argentina	5/15	35/50	84,449	80,354	338,578	321
United States	5/15	35/50	11,459	6,819	7,491	10
Pakistan	5/15	35/50	500	0	59,109	*
Others			6,961	5,018	9,836	96

* undefined as a percentage

Source: Trade Data Monitor, LLC

Barley

FAS Manila forecasts in line with USDA Official for barley imports for MY 2024/25. Barley has failed to gain traction with feed millers. Unfamiliarity with using barley in feed formulation means occasional monthly import spikes occur only when prices are exceptionally low. Industry contacts have said barley must be priced at least \$50 lower per metric ton before it will be considered as a feed ingredient in place of feed wheat.

Table 8: Global Barley Exports to Philippines					
Reporter	Tariff Rate	MY 2022/23	MY 2022/23 (Jul to Apr)	MY 2023/24 (Jul to Apr)	%Δ
Australia	0	301,292	295,561	137,870	-2
Others		10	8	6	-20

Source: Trade Data Monitor, LLC

Attachments:

No Attachments