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Date: 12/15/2017

GAIN Report Number: RP 1726

Philippines

Grain and Feed Update

Philippine Grain and Feed Situation and Outlook

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Report Highlights:
Post concurs with the official USDA estimates for wheat. Market Year (MY) 16/17 corn production and area harvested were marginally increased consistent with July-September 2017 estimates from the Philippine Statistical Authority (PSA). Corn output in MY 17/18 was revised downward 100,000 tons to 8.2 million tons as we anticipate fewer producers will shift from rice to corn because the quantitative restriction (QR) on rice imports, which expired on June 30, 2017, still remains in effect as there has been no amendment to the Agriculture Tariffication Act (which exempts rice from tariffication). Total rice area harvested and production forecasts for MY 17/18 were raised based on PSA estimates, with imports seeing a corresponding decline.

Post:
Manila

Commodities:
Wheat

Corn

Rice, Milled

Author Defined:

Wheat	2015/2016		2016/2017		2017/2018	
Market Begin Year	Jul 2015		Jul 2016		Jul 2017	
Philippines	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	0	0	0	0	0	0
Beginning Stocks	1127	1127	1191	1191	1491	1491
Production	0	0	0	0	0	0
MY Imports	4918	4918	5704	5704	5650	5650
TY Imports	4918	4918	5704	5704	5650	5650
TY Imp. from U.S.	2340	2340	2545	2545	0	0
Total Supply	6045	6045	6895	6895	7141	7141
MY Exports	54	54	79	79	50	50
TY Exports	54	54	79	79	50	50
Feed and Residual	2200	2200	2450	2450	2450	2450
FSI Consumption	2600	2600	2875	2875	3100	3100
Total Consumption	4800	4800	5325	5325	5550	5550
Ending Stocks	1191	1191	1491	1491	1541	1541
Total Distribution	6045	6045	6895	6895	7141	7141
Yield	0	0	0	0	0	0
(1000 HA) ,(1000 MT) ,(MT/HA)						

Post concurs with the official USDA wheat estimates.

Corn	2015/2016		2016/2017		2017/2018	
Market Begin Year	Jul 2015		Jul 2016		Jul 2017	
Philippines	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	2420	2420	2681	2685	2700	2650
Beginning Stocks	644	644	256	256	449	493
Production	6970	6970	8087	8131	8300	8200
MY Imports	742	742	606	606	400	400
TY Imports	644	644	700	700	400	400
TY Imp. from U.S.	80	80	0	0	0	0
Total Supply	8356	8356	8949	8993	9149	9093
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	6000	6000	6300	6300	6500	6500
FSI Consumption	2100	2100	2200	2200	2200	2200
Total Consumption	8100	8100	8500	8500	8700	8700
Ending Stocks	256	256	449	493	449	393
Total Distribution	8356	8356	8949	8993	9149	9093
Yield	2.8802	2.8802	3.0164	3.0283	3.0741	3.0943
(1000 HA) ,(1000 MT) ,(MT/HA)						

MY 16/17 corn production and area harvested were marginally adjusted upwards based on updated PSA estimates (July-September 2017).

Production during the July-December 2017 period should be less-than-expected as the projected shift away from rice to corn is anticipated to be less pronounced in MY 17/18 as implementation of a rice tariff system (to replace the QR) is delayed. Corn production in MY17/18 was pared down 100,000 tons to 8.2 million tons as a result.

Rice, Milled	2015/2016		2016/2017		2017/2018	
Market Begin Year	Jul 2015		Jul 2016		Jul 2017	
Philippines	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	4523	4523	4723	4723	4500	4800
Beginning Stocks	2410	2410	2110	2110	1996	1996
Milled Production	11000	11000	11686	11686	11200	11970
Rough Production	17460	17460	18549	18549	17778	19000
Milling Rate (.9999)	6300	6300	6300	6300	6300	6300
MY Imports	1600	1600	1100	1100	1700	1300
TY Imports	800	800	1100	1100	1700	1300
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	15010	15010	14896	14896	14896	15266
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Consumption and Residual	12900	12900	12900	12900	12900	12900
Ending Stocks	2110	2110	1996	1996	1996	2366
Total Distribution	15010	15010	14896	14896	14896	15266
Yield (Rough)	3.8603	3.8603	3.9274	3.9274	3.9507	3.9583
(1000 HA) ,(1000 MT) ,(MT/HA)						

For rice, production in MY17/18 was raised 770,000 tons to 11.97 million tons as area harvested increased consistent with PSA data. Increased output is expected as a result of favorable weather conditions and increased use of high-yielding varieties. There were noticeably fewer intense typhoons that passed through major rice production areas compared to previous years. Additionally, a substantial shift away from rice to corn is not expected due to delays in the tariffication of rice (which requires a legislative amendment to the Agriculture Tariffication Act). Imports were pared down 400,000 tons to 1.3 million tons in MY 17/18 as a result, and ending stocks were raised.

The Philippines QR for rice imports that was granted by the World Trade Organization expired on June 30, 2017. However, the Philippine Government unilaterally extended the Minimum Access Volume (MAV) commitments of 805,200 MT and corresponding tariff concessions to maintain special treatment through Executive Order No. 23 (EO 23). The MAV and tariff concessions will remain in place until December 31, 2020 or until an amendment to the Agricultural Tariffication Act (which exempts rice from tariffication) is passed. The legislative amendment required to move to a tariff-based system and end the QR has not been passed. A bill to this effect is being developed by Congress, the timeline of which is unknown.

Although delayed, imports under the rice MAV are expected to come in through MY 17/18.