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Philippines

Oilseeds and Products Annual

Philippine Oilseeds and Products Situation and Outlook

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Report Highlights:

The Philippines is the second largest market for U.S. soybean meal (SBM) and the world's largest coconut oil (CNO) exporter. SBM imports in MY 13/14 were raised to 2.41 MMT, in-line with industry approximations that prevalent lower global prices caused a moderate build-up in stocks. Post estimates MY 14/15 SBM imports will remain at the previous year's level as the build-up in carry-over stocks will offset steadily growing feed demand. SBM imports are forecast to reach 2.5 MMT in MY 15/16, driven by continued consolidation and growing sophistication of the domestic feed-consuming industries, and significant industry investment in feed grain distribution infrastructure. From 866,000 MT in MY 13/14, CNO exports are forecast down eight percent to 800,000 MT in MY 14/15 due to typhoon damage and an anticipated cyclical decline in copra yields.

Executive Summary:

Philippine soybean production is minimal and the negligible imports are purchased by one crusher. Copra production in market year (MY) 14/15 is forecast at 2.23 million metric tons (MMT), down from 2.28 MMT in MY 13/14, due to the negative impact on production from typhoon Haiyan (which passed through the Philippines in November 2013) and an anticipated cyclical decline in yields. Output is expected to slightly increase to 2.30 MMT in MY 15/16 as the lingering downward pressure on copra production from typhoon Haiyan and the anticipated cyclical decline begins to relent (assuming favorable weather).

SBM imports in MY 13/14 were raised to 2.41 MMT, in-line with local industry and trade association approximations that prevalent lower global prices caused a moderate build-up in stocks. Post estimates MY 14/15 SBM imports will remain at the previous year's level as the build-up in carry-over stocks will offset steadily growing feed demand. SBM imports are forecast to reach 2.5 MMT in MY 15/16, driven by continued consolidation and growing sophistication of the domestic feed-consuming industries, and significant industry investment in feed grain distribution infrastructure.

Copra meal exports are expected to decline from 554,000 MT in MY 13/14 to 500,000 MT in MY 14/15, reflecting diminishing copra supply. Exports in MY15/16 are forecast at roughly the same level as the previous year, in-line with copra production expectations.

Local soybean oil (SBO) production and trade are insignificant due to the local preference for CNO or palm oil (depending on the price). Overall domestic CNO consumption is expected to slightly decline in MY 14/15 and remain relatively flat in MY 15/16, reflecting tightness in copra supply.

CNO is the top Philippine agricultural export and the United States is its top market. Post estimates MY 13/14 CNO production at 1.48 MMT and projects MY 14/15 production at 1.45 MMT due to the anticipated weaker copra yields. CNO output is expected modestly increase to 1.49 MMT in MY 15/16 as copra yields slightly improve. From 762,000 MT in MY 13/14, overall CNO consumption is expected to decline to 674,000 MT in MY 14/15, before recovering slightly to 691,000 MT in MY 15/16. Edible CNO demand was pared down in MY 13/14 and is expected to remain fairly flat through MY 15/16, as substantial imports of palm oil starting in MY 13/14 are expected to displace some CNO food consumption. Industrial CNO consumption is expected to decline in MY 14/15, and slightly increase in MY 15/16 as copra output slightly improves. CNO exports in MY 13/14 were adjusted upwards to 866,000 MT, in-line with Global Trade Atlas data, but are projected to drop to 800,000 MT in MY 14/15 due to the expected decrease in copra yields. No dramatic change in CNO exports is forecast for MY 15/16.

Commodities:

Oilseed, Soybean

Oilseed, Copra

Production:

Local soybean production remains minimal and no significant change is expected through MY 15/16.

Copra production in market year (MY) 14/15 is forecast at 2.23 million metric tons (MMT), down from 2.28 MMT in MY 13/14, due to the more-than-expected damage resulting from typhoon Haiyan and an anticipated cyclical decline in yields. Output is expected to slightly increase to 2.30 MMT in MY 15/16 as the lingering downward pressure on copra production from typhoon Haiyan and the cyclical decline begins to relent (assuming favorable weather).

In February 2014, the Presidential Assistant for Food Security and Agricultural Modernization (PAFSAM) reported that infestation by the coconut scale insect (mentioned in the previous annual report) has been contained (see Oilseeds, Policy). While the PAFSAM has declared that the infestation is now under manageable levels, with an estimated 1.6 million coconut trees having been treated by pruning and trunk injection, industry contacts point out that roughly one million infected trees remain.

Lastly, according to the Philippine Coconut Authority (PCA), typhoon Haiyan damaged around 34 million coconut trees (mostly in the eastern Visayas region) and replanting efforts are constrained by a shortage of seedlings.

Consumption:

The lone soybean crusher in the country has very limited capacity and imports a small volume of soybeans each year. Soybean crush in MY 13/14 was pared down to reflect what industry contacts indicate would be the maximum plant capacity level. No significant increase in crush consumption is expected through MY 15/16 as a result.

According multiple industry contacts, increasing food and feed demand by the growing livestock and poultry industries, alongside rising food demand by the expanding health-conscious middle class, have resulted in imports of full fat soybeans (FFSB). As FFSB for food and feed (for extrusion) is a recent development, volumes and detailed use are not yet clear. MY 13/14 soybean food and feed demand in the PSD were conservatively raised as a result, and are expected to increase through MY 15/16.

Copra crush was revised downwards in MY 13/14 and MY 14/15 consistent with similar adjustments made to copra production. MY 15/16 crush is expected to slightly increase as production marginally recovers.

Although industry generally uses a 63 percent copra crush rate, Post uses a marginally lower extraction rate to reflect the aging status of the industry's post-harvest processing infrastructure.

Trade:

Soybean imports for the period CY 2012 to CY 2014 are provided in the following table. Imports in CY 2014 more than doubled to reach 118,000 MT, according to Global Trade Atlas (GTA) exporter data. Soybean imports from the United States surged 147 percent from the CY 2013 level to reach 105,000 MT in CY 2014.

UDG: Soybeans, Group 57 (2012)				
Annual Series: 2012 - 2014				
Reporting Country	Unit	Quantity		
		2012	2013	2014
Reporting Total	T	51334	53768	117739
United States	T	42172	42594	105010
Canada	T	7680	8632	8123
Argentina	T	164	1309	4055
Brazil	T	83	104	549
Singapore	T	1	7	2
Others	T	1234	1122	0

Source: Global Trade Atlas/Exporter Statistics

Import numbers in the PSD for MY 13/14 were adjusted according to the GTA exporter data. Whole bean imports in MY 14/15 are likely to decline from the MY 13/14 level due to adequate stocks, but are likely to increase modestly to reinforce inventories in MY 15/16.

The following are copra import statistics for CY 2012-2014 based on GTA importer data. Copra imports in CY 2014 more than doubled to reach 72,000 MT with the majority (53 percent) originating from Papua New Guinea.

Philippines Import Statistics				
Commodity: 1203, Copra				
Annual Series: 2012 - 2014				
Partner Country	Unit	Quantity		
		2012	2013	2014
World	T	64712	33274	72489
Papua New Guinea	T	21532	20709	38296
Indonesia	T	26976	5497	29335
Solomon Islands	T	14156	2649	4858
Vanuatu	T	2049	2180	0
Others	T	0	2239	0

Source: Global Trade Atlas/Philippine Customs Statistics

Copra imports in MY14/15 and MY15/16 are forecast to rise modestly due to the expected decline in local coconut production.

No copra exports are expected through MY 15/16.

Stocks:

Soybean ending stocks for MY 13/14, although still very small, ramped up considerably due to prevalent low prices (according to trade contacts). MY 14/15 ending stocks are expected to slightly decline as a result of the anticipated spike in food and feed demand connected to 2016 election-related spending. MY 15/16 ending stocks are expected to remain at roughly the same level as the previous year.

Copra ending stocks in MY 13/14 were revised downwards as a result of lower than expected production. Ending inventories are likely to decline slightly in MY14/15 and remain at this level in MY 15/16 due to tightness in copra supply.

Policy:

Executive Order No. 61 (EO 61), signed October 2011, took effect in January 2012 and adjusted Most Favored Nation (MFN) tariff rates on a range of agricultural products. Soybean (HS Code 12.01) and copra (HS Code 12.03) duties were unchanged at 10 percent and one percent, respectively, for the period 2011-2015. Soybean imports are duty-free under the Agricultural and Fisheries Modernization Act provided they are inspected and certified by the Philippine Bureau of Plant Industry and the Bureau of Customs.

Soybean and copra imports originating from countries of the Association of South East Asian Nations (ASEAN) are also duty-free (starting January 1, 2010) under the ASEAN Free Trade Agreement (AFTA).

In May 2014, President Aquino appointed former Senator Francisco Pangilinan as Presidential Assistant for Food Security and Agricultural Modernization (PAFSAM), a newly created Cabinet-level position. Shortly after, the following agencies were moved from the DA to the office of the PAFSAM:

1. National Food Authority (NFA)
2. National Irrigation Authority (NIA)
3. Philippine Coconut Authority (PCA)
4. Fertilizer and Pesticide Authority (FPA)

Production, Supply and Demand Data Statistics:

Oilseed, Soybean Market Begin Year	2013/2014		2014/2015		2015/2016	
	Jan 2014		Jan 2015		Jan 2016	
Philippines	USDA Official	New post	USDA Official	New post	USDA Official	New post
Area Planted	0	1	0	1	0	1
Area Harvested	1	1	1	1	0	1
Beginning Stocks	3	3	4	17	0	11
Production	1	1	1	1	0	1
MY Imports	122	118	135	105	0	118
MY Imp. from U.S.	105	105	115	93	0	100
MY Imp. from EU	0	0	0	0	0	0
Total Supply	126	122	140	123	0	130
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Crush	120	85	135	85	0	85
Food Use Dom. Cons.	2	10	2	12	0	15
Feed Waste Dom. Cons.	0	10	0	15	0	17
Total Dom. Cons.	122	105	137	112	0	117
Ending Stocks	4	17	3	11	0	13
Total Distribution	126	122	140	123	0	130
1000 HA, 1000 MT						

Oilseed, Copra	2013/2014	2014/2015	2015/2016
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Market Begin Year	Oct 2013		Oct 2014		Oct 2015	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Philippines						
Area Planted	0	3,600	0	3,600	0	3,600
Area Harvested	3,550	3,550	3,550	3,550	0	3,550
Trees	0	341,000	0	341,000	0	341,000
Beginning Stocks	50	50	43	39	0	36
Production	2,400	2,276	2,350	2,232	0	2,300
MY Imports	68	68	75	75	0	75
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	2,518	2,394	2,468	2,346	0	2,411
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Crush	2,475	2,355	2,425	2,310	0	2,375
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	2,475	2,355	2,425	2,310	0	2,375
Ending Stocks	43	39	43	36	0	36
Total Distribution	2,518	2,394	2,468	2,346	0	2,411
1000 HA, 1000 TREES, 1000 MT						

Note: Calendar year corresponds to the second year of the split marketing year.

Commodities:

Meal, Soybean

Meal, Copra

Production:

With just one local soybean crush facility, local SBM production remains insignificant relative to overall Philippine oil-meal production. SBM output in MY 13/14 was pared down due to the reduced crush for the year. Soybean crush demand and SBM production are expected to remain flat through MY 15/16.

Copra meal is a by-product of the CNO extraction process, and downward revisions were made to copra crush in MY 13/14 as a result of similar revision made to copra output during the year. Copra meal production is expected to decline modestly in MY 14/15 and then slightly increase in MY 15/16, reflecting copra yields during the period.

Consumption:

The local hog industry is the dominant Philippine feed consuming sector, accounting for an estimated 55-65 percent share of the country's feed requirements. Poultry production accounts for 25-35 percent and aquaculture covers roughly 10 percent.

The hog industry continues to undergo a period of consolidation. While large farms (that enjoy greater economies of scale) continue to grow and are coping with increased production costs, small backyard raisers (which still account for the majority of the hog industry) are struggling to remain salient. The overall hog population is likely to remain relatively flat during this consolidation phase. However, because the larger farms are increasingly employing more sophisticated and scientific raising methods (e.g., modern animal health and nutrition technology), the demand for high quality feed ingredients is likely to remain strong and increase, according to trade contacts.

Similarly, the Philippine feed industry is also transitioning to more sophisticated operations. Traditionally dominated by home-mixers, the industry now is being driven by local commercial millers and integrated producers. Alongside this new trend are multiple reports from industry contacts of increased investments in the feed grain delivery and distribution chain, specifically in the storage, handling and marketing infrastructure system.

As mentioned in previous annual reports, copra meal is not a protein substitute for SBM and is used primarily as feed ‘filler’. Copra meal demand was pared down in MY 13/14 to reflect declining copra crush during the period. Demand is likely to decline anew in MY 14/15 from the previous year’s level but is expected to increase modestly in MY 15/16 as copra output slightly improves.

For SBM, consumption was revised downwards in MY 14/15 to reflect a slightly slower growth rate in feed demand, but is still expected to increase from the MY 13/14 level. MY 15/16 SBM consumption is expected to modestly surpass the previous year’s level as the livestock and feed industries continue to grow.

Trade:

SBM imports in MY 13/14 were raised to 2.41 MMT, in-line with local industry and trade association approximations that prevalent lower global prices caused a moderate build-up in stocks. Post estimates MY 14/15 SBM imports will remain at the previous year’s level as the build-up in carry-over stocks will offset steadily growing feed demand. SBM imports are forecast to reach 2.5 MMT in MY 15/16, driven by continued consolidation and growing sophistication of the domestic feed-consuming industries, and significant industry investment in feed grain distribution infrastructure.

The following are copra meal exports for the CY 2012-2014 period. Copra meal exports declined 38% from 892,000 MT in CY 2013 to 551,000 MT in CY 2014. The majority of copra meal exports were destined for South Korea (48 percent) followed by China (19 percent).

Philippines Export Statistics				
Commodity: 230650, Coconut Or Copra Oilcake And Other Solid Residues Resulting From The Extraction Of Coconut Or Copra Oil, Whether Or Not Ground Or In Pellets				
Annual Series: 2012 - 2014				
Partner Country	Unit	Quantity		
		2012	2013	2014
World	T	654012	892281	551198
Korea South	T	340333	358744	264103
China	T	42958	137341	102693

Vietnam	T	167710	185208	96974
Taiwan	T	19844	19572	25648
India	T	18801	6338	20650
Japan	T	18109	25730	12168
Singapore	T	1416	1485	9600
Italy	T	0	8500	8000
Hong Kong	T	624	17852	5097
United States	T	0	61930	3000
Malaysia	T	1361	27067	1211
Netherlands	T	7500	26535	1000
New Zealand	T	0	1698	802
Others	T	35357	14280	252

Source: Global Trade Atlas/Exporter Statistics

On a market year basis, copra meal exports reached 554,000 MT in MY 13/14, according to GTA exporter data. Copra meal exports in MY 14/15 are likely to moderately decline to roughly 500,000 MT and remain at this level in MY 15/16, reflecting the overall copra supply.

Philippine imports of distillers dried grains with solubles (DDGS) are provided in the following table. DDGS imports increased 70 percent from 73,200 MT in 2013 to over 124,000 MT in 2014 with the U.S. market share increasing from 84 percent to 93 percent during the period. Industry contacts report that there is growing interest in the use of DDGS in hog rations by local raisers.

Reporting Countries Export Statistics (Partner Country: Philippines)				
Commodity: 230330, Brewing Or Distilling Dregs And Waste, Whether Or Not In The Form Of Pellets				
Annual Series: 2012 - 2014				
Reporting Country	Unit	Quantity		
		2012	2013	2014
Reporting Total	T	196485	73231	124725
United States	T	163794	61581	116551
Taiwan	T	31500	11000	7700
Japan	T	546	649	468
United Kingdom	T	0	1	2
Singapore	T	0	0	4
Australia	T	645	0	0
Canada	T	0	0	0
China	T	0	0	0

Source: Global Trade Atlas/Exporter Statistics

Stocks:

SBM stocks were raised in MY 13/14 due to higher-than-expected imports for the year due to prevalent low prices. MY 14/15 ending stocks are expected to slightly decline as a result of the anticipated spike in feed demand connected to 2016 election-related spending. MY 15/16 ending stocks are expected to remain at roughly the same level as the previous year.

Copra meal stocks were pared down in MY 14/15 and are likely to stay at this level in MY 15/16 due to tightness in overall copra supply.

Policy:

Copra meal imports (HS Code 2306.50.00) will continue to be levied a 10% MFN import tariff for the period 2011-2015, according to EO 61. EO 61 reduced import tariffs for SBM (HS Code 23.04) from 3% to 1% through CY 2015. However, like soybeans, SBM imports are duty-free under the Agricultural and Fisheries Modernization Act provided they are inspected and certified by the Philippine Bureau of Plant Industry and the Bureau of Customs. Under the AFTA, copra meal and SBM imports are duty-free.

Production, Supply and Demand Data Statistics:

Meal, Soybean	2013/2014		2014/2015		2015/2016	
Market Begin Year	Jan 2014		Jan 2015		Jan 2016	
Philippines	USDA Official	New post	USDA Official	New post	USDA Official	New post
Crush	120	85	135	85	0	85
Extr. Rate, 999.9999	1	1	1	1	0	1
Beginning Stocks	135	135	216	262	0	239
Production	94	67	106	67	0	67
MY Imports	2,337	2,410	2,500	2,410	0	2,500
MY Imp. from U.S.	1,107	1,107	1,150	1,107	0	1,107
MY Imp. from EU	0	0	0	0	0	0
Total Supply	2,566	2,612	2,822	2,739	0	2,806
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	2,350	2,350	2,650	2,500	0	2,550
Total Dom. Cons.	2,350	2,350	2,650	2,500	0	2,550
Ending Stocks	216	262	172	239	0	256
Total Distribution	2,566	2,612	2,822	2,739	0	2,806
1000 MT, PERCENT						

Meal, Copra	2013/2014		2014/2015		2015/2016	
Market Begin Year	Oct 2013		Oct 2014		Oct 2015	
Philippines	USDA Official	New post	USDA Official	New post	USDA Official	New post
Crush	2,475	2,355	2,425	2,310	0	2,375
Extr. Rate, 999.9999					0	
Beginning Stocks	50	50	31	31	0	21
Production	810	775	795	760	0	780
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	860	825	826	791	0	801
MY Exports	554	554	475	500	0	500
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	275	240	325	270	0	280
Total Dom. Cons.	275	240	325	270	0	280
Ending Stocks	31	31	26	21	0	21
Total Distribution	860	825	826	791	0	801
1000 MT, PERCENT						

Note: Calendar year corresponds to the second year of the split marketing year for PS&D data.

Commodities:

Oil, Soybean

Oil, Coconut

Production:

Philippine SBO production continues to be insignificant relative to overall Philippine vegetable oil production, and is supported almost exclusively by imported beans. SBO output in MY 13/14 was pared down as a result of similar adjustments made to bean crush.

CNO output in MY 13/14 was pared down to reflect reduced copra crush. For MY 14/15, CNO output was pared down slightly, in-line with downward revisions made to copra output. Production is likely to slightly increase in MY 15/16 (compared to the previous year) as the lingering downward pressure on copra production from typhoon Haiyan and the anticipated cyclical decline begins to relent (assuming favorable weather).

Consumption:

No significant change in the overall SBO use level is expected through MY 15/16.

Likewise, industrial demand for SBO is expected to remain minimal through MY 15/16.

Food use of CNO in MY 13/14 was pared down considerably due to the likely shifting away from CNO to cheaper imported palm oil (see Oils, Trade). Industry notes the price premium of coconut oil over palm oil in CY 2014 increased more than five-fold to \$448.54 per MT CIF from the price differential of \$72.40 per MT in CY 2103. Average CNO prices in CY 2014 were at \$1,303 per ton or 47 percent higher than the average CY 2013 price of \$888 per ton. Food use of CNO will likely decline in MY14/15 due to the tightening copra supply, but increase slightly in MY15/16 as copra production improves.

CNO industrial use is mainly for oleochemical and biodiesel production. Oleochemicals are mainly used in laundry detergent and personal care items such as toothpaste, soap bars, shower cream and shampoo. Implemented in 2007, the Philippines has a Biofuels Law that mandates the blending of biodiesel and bioethanol in all petroleum fuels sold in the country. Coconut methyl ester (CME) is the feedstock used in Philippine biodiesel production, and is derived from CNO, at a conversion rate of 1:1 (i.e., a kilogram of CNO is equivalent to a liter of CME). According to industry, the current blend is at two percent and at this level, requires roughly 140,000 MT of CNO.

Industrial use of CNO in MY 14/15 is expected to decline from the MY 13/14 level due downward revisions to copra crush. CNO demand is expected to increase slightly in MY 15/16 due to improved copra supply.

CNO feed use was raised in MY 13/14 and is expected to increase modestly through MY 15/16. CNO is the preferred oil used by domestic feed millers as it is a higher energy source compared to palm oil, according to feed industry contacts.

Trade:

SBO imports continued to be minimal in 2014 and are provided in the following table. Marginal increases in imports are expected through MY15/16.

Reporting Countries Export Statistics				
(Partner Country: Philippines)				
Commodity: 1507, Soybean Oil And Its Fractions, Whether Or Not Refined, But Not Chemically Modified				
Annual Series: 2012 - 2014				
Reporting Country	Unit	Quantity		
		2012	2013	2014
Reporting Total	T	37076	35094	39342
Malaysia	T	26743	25877	26653
Thailand	T	3325	5253	8749
Singapore	T	5097	3243	3300
Taiwan	T	1261	378	3
South Korea	T	233	133	259
Argentina	T	74	93	167
United States	T	301	83	159
Others	T	42	34	53

Source: Global Trade Atlas/Exporter Statistics

CNO exports declined 13 percent from 1.04 MMT in CY 2013 to 908,000 MT in CY 2014 based on GTA data. Industry estimates for CNO exports in CY 2014 were modestly lower at 795,000 MT. The United States continued to be the top buyer of Philippine CNO in CY 2013, followed by the Netherlands, according to the GTA.

Philippines Export Statistics				
Commodity: 1513, Coconut (Copra), Palm Kernel Or Babassu Oil And Their Fractions, Whether Or Not Refined, But Not Chemically Modified				
Annual Series: 2012 – 2014				
Partner Country	Unit	Quantity		
		2012	2013	2014
World	T	866585	1044954	907707
United States	T	366882	444754	417119
Netherlands	T	281886	319616	290826
Japan	T	49775	41317	59134
Italy	T	31400	33500	36501
Malaysia	T	14115	27672	30405
Indonesia	T	27630	49500	21000
Spain	T	23180	24401	13305
China	T	25917	45301	11953
Others	T	45801	58892	27463

Source: Global Trade Atlas/Philippine Customs Statistics

CNO exports in MY 13/14 were raised to 866,000 MT based on GTA importer data. For MY 14/15, exports are expected to decline to 800,000 MT due to the predicted contraction in copra production. Exports are likely to stay at this level in MY 15/16 due to anticipated tight copra supplies.

Significant CNO exports in CY 2014, despite declining production, were likely made possible by increased imports of other oils. According to GTA import statistics, in CY 2014 over 102,000 MT of palm kernel oil (HS Code 1513.29) were imported into the Philippines, mostly from Malaysia. This level nearly quadruples the 26,000 MT palm kernel oil import level in CY 2013. Post forecasts this level of imports to continue through MY 15/16 due to tightness in overall CNO supplies.

Substantial imports of palm oil (HS Code 1511) also likely displaced CNO used for edible oil purposes. Industry cites data from Oil World which shows Malaysian export of palm oil to the Philippines reached 495,000 MT in CY 2014.

The 2,000 MT CNO imports estimate for MY 13/14 is based on GTA importer data.

Stocks:

SBO stocks were pared down marginally in MY 13/14 as overall supply was less-than-expected. Ending inventories are likely to strengthen marginally through MY 15/16 as a result of the growing food demand.

CNO inventories are likely to weaken through MY 14/15, and remain at this level in MY 15/16 primarily due to weak copra production.

Policy:

EO 61 raised tariffs for crude CNO (HS Code 1513 11.00) from 3% to 10% through 2015. However, imports of CNO may be brought in duty-free under the AFTA. Imports of SBO (HS Code 15.07) are subject to a 7% MFN duty through 2015 but may also be imported free of duty under the AFTA.

Palm oil imports (HS Code 15.11) are levied a 15% MFN tariff under EO 61, but are duty-free under the AFTA since January 1, 2010.

Production, Supply and Demand Data Statistics:

Oil, Soybean Market Begin Year	2013/2014		2014/2015		2015/2016	
	Jan 2014		Jan 2015		Jan 2016	
Philippines	USDA Official	New post	USDA Official	New post	USDA Official	New post
Crush	120	85	135	85	0	85
Extr. Rate, 999.9999					0	
Beginning Stocks	0	0	5	4	0	6
Production	22	15	24	15	0	15
MY Imports	41	41	42	42	0	43
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	63	56	71	61	0	64
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0

Industrial Dom. Cons.	4	4	4	4	0	4
Food Use Dom. Cons.	54	48	62	51	0	52
Feed Waste Dom. Cons.	0	0	0	0	0	0
-	0	0	0	0	0	0
Total Dom. Cons.	58	52	66	55	0	56
Ending Stocks	5	4	5	6	0	8
Total Distribution	63	56	71	61	0	64
1000 MT, PERCENT						

Oil, Coconut	2013/2014		2014/2015		2015/2016	
Market Begin Year	Oct 2013		Oct 2014		May 2016	
Philippines	USDA Official	New post	USDA Official	New post	USDA Official	New post
Crush	2,350	2,355	2,300	2,310	0	2,375
Extr. Rate, 999.9999	1	1	1	1	0	1
Beginning Stocks	194	194	175	48	0	26
Production	1,480	1,480	1,450	1,450	0	1,490
MY Imports	2	2	0	2	0	2
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	1,676	1,676	1,625	1,500	0	1,518
MY Exports	691	866	800	800	0	800
MY Exp. to EU	350	440	400	400	0	400
Industrial Dom. Cons.	450	450	425	400	0	410
Food Use Dom. Cons.	350	300	300	260	0	265
Feed Waste Dom. Cons.	10	12	10	14	0	16
Total Dom. Cons.	810	762	735	674	0	691
Ending Stocks	175	48	90	26	0	27
Total Distribution	1,676	1,676	1,625	1,500	0	1,518
1000 MT, PERCENT						

Note: Calendar year corresponds to the second year of the split marketing year.