

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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**Date:**

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## **Philippines**

### **Grain and Feed Update**

#### **Philippine Grain and Feed Update**

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**Report Highlights:**

Downward adjustments were made to wheat imports due to a shift away from feedwheat use to yellow corn consumption in MY 2013/14. Although provisional tariffs have been imposed on Turkish flour imports, its effect on trade will be more evident after a final verdict is reached on September 2014. Corn imports were raised as production was pared down in MY 2013/14 to reflect similar adjustments made to area harvested during the year. Rice output was also adjusted downwards in MY 2013/14 even as rice imports were less than expected. Rice prices continue to increase as a result.

**Post:**  
Manila

**Commodities:**  
Wheat

Corn

Rice, Milled

**Author Defined:**

Wheat Philippines	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Jul 2012		Market Year Begin: May 2013		Market Year Begin: May 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	0	0	0	0	0	0
Beginning Stocks	1,044	1,044	876	876	706	566
Production	0	0	0	0	0	0
MY Imports	3,645	3,645	3,400	3,260	3,200	3,200
TY Imports	3,645	3,645	3,400	3,260	3,200	3,200
TY Imp. from U.S.	1,785	1,785	0	0	0	0
Total Supply	4,689	4,689	4,276	4,136	3,906	3,766
MY Exports	28	28	25	25	25	25
TY Exports	28	28	25	25	25	25
Feed and Residual	1,500	1,500	1,250	1,250	1,000	1,000
FSI Consumption	2,285	2,285	2,295	2,295	2,315	2,315
Total Consumption	3,785	3,785	3,545	3,545	3,315	3,315
Ending Stocks	876	876	706	566	566	426
Total Distribution	4,689	4,689	4,276	4,136	3,906	3,766
1000 HA, 1000 MT, MT/HA						

MY 2013/14 imports were pared down as a result of the shift by some end users from feed wheat to yellow corn use. The MY 2013/14 import estimate is based on exporter reports to the Global Trade Atlas (GTA) for the July 2013 to April 2014 period, extrapolated for the entire MY 2013/14.

In April 2014, the Philippine Department of Agriculture imposed provisional tariffs (35% tariff on hard flour used for making bread, 39.26% on flour used for biscuit bread, and 35.21% on soft flour used for pastries and cookies) in addition to the current 7% regular import duty on wheat flour from Turkey. The temporary tariffs took effect in May 2014 and the Philippine Tariff Commission is currently determining whether the provisional duties should be made definitive. A decision is expected in September 2014.

Corn Philippines	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Jul 2012		Market Year Begin: Jul 2013		Market Year Begin: Jul 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	2,557	2,557	2,610	2,585	2,625	2,625
Beginning Stocks	623	623	576	576	976	876
Production	7,261	7,261	7,700	7,540	7,900	7,900
MY Imports	92	92	700	760	600	600
TY Imports	114	114	700	760	600	600
TY Imp. from U.S.	9	9	0	0	0	0
Total Supply	7,976	7,976	8,976	8,876	9,476	9,376
MY Exports	0	0	0	0	100	100

<b>TY Exports</b>	0	0	0	0	100	100
<b>Feed and Residual</b>	5,400	5,400	5,900	5,900	6,200	6,200
<b>FSI Consumption</b>	2,000	2,000	2,100	2,100	2,200	2,200
<b>Total Consumption</b>	7,400	7,400	8,000	8,000	8,400	8,400
<b>Ending Stocks</b>	576	576	976	876	976	876
<b>Total Distribution</b>	7,976	7,976	8,976	8,876	9,476	9,376
1000 HA, 1000 MT, MT/HA						

Corn production and area harvested were revised downwards based on the January – March 2014 grain report from the Philippine Bureau of Agricultural Statistics (BAS). Despite the adjustments, output and area harvested in MY 2013/14 still increased compared to the previous year's level.

Corn imports in MY 2013/14 were raised and increased significantly from the previous year's level as a result of strong feed demand and the shift away from feed wheat use to imported yellow corn.

<b>Rice, Milled Philippines</b>	<b>2012/2013</b>		<b>2013/2014</b>		<b>2014/2015</b>	
	<b>Market Year Begin: Jul 2012</b>		<b>Market Year Begin: Jul 2013</b>		<b>Market Year Begin: Jul 2014</b>	
	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>
<b>Area Harvested</b>	4,698	4,698	4,820	4,803	4,890	4,890
<b>Beginning Stocks</b>	1,509	1,509	1,487	1,487	2,527	1,900
<b>Milled Production</b>	11,428	11,428	11,890	11,813	12,200	12,200
<b>Rough Production</b>	18,140	18,140	18,873	18,751	19,365	19,365
<b>Milling Rate (.9999)</b>	6,300	6,300	6,300	6,300	6,300	6,300
<b>MY Imports</b>	1,400	1,400	2,000	1,450	1,800	1,600
<b>TY Imports</b>	1,000	1,000	2,000	1,450	1,800	1,600
<b>TY Imp. from U.S.</b>	5	5	0	0	0	0
<b>Total Supply</b>	14,337	14,337	15,377	14,750	16,527	15,700
<b>MY Exports</b>	0	0	0	0	0	0
<b>TY Exports</b>	0	0	0	0	0	0
<b>Consumption and Residual</b>	12,850	12,850	12,850	12,850	13,200	13,200
<b>Ending Stocks</b>	1,487	1,487	2,527	1,900	3,327	2,500
<b>Total Distribution</b>	14,337	14,337	15,377	14,750	16,527	15,700
1000 HA, 1000 MT, MT/HA						

Like corn, rice production and area harvested in MY 2013/14 were also revised downwards based on the BAS report, but increased from the previous year's level.

Milled rice imports were pared down in MY 2013/14 while rice prices continue to increase. Some local press reports allude to the delayed arrival of legitimate imports for the continued increase in rice prices. An ongoing investigation on rice smuggling by the Philippine government, on the other hand, likely dampened the entry of undocumented rice imports.

Imports in MY 2013/14 are likely to be comprised of 250,000 tons of undocumented imports (down from the original 550,000 tons estimate) and 1.2 million tons of legitimate imports (from the previous 1.45 million tons estimate).

