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Philippines

Oilseeds and Products Annual

Philippine Oilseeds Situation and Outlook

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Report Highlights:

The Philippines was the 2nd largest market for U.S. soybean meal (SBM) and the world's largest coconut oil (CNO) exporter in Marketing Year (MY) 11/12. After declining to 1.83 million MT in MY 11/12 following overbuying the previous year, SBM imports are expected to rise steadily to 1.9 million MT in MY12/13 and 2.0 million MT in MY 13/14 to supply growing feed needs. Despite the overall decline in MY 11/12 imports, U.S. SBM sales soared 90 percent and reached a record \$599 million due to the lack of supply in competing exporting countries and higher prices. Post agrees with trade contacts, who expect U.S. market share to decrease from roughly 69 percent in MY 11/12 to a more traditional 55 percent in MY 12/13, provided there are no additional weather shocks in South America. MY 11/12 CNO production after the 2010 drought was at 1.56 million MT (down from 1.82 million MT in MY

10/11). Assuming normal weather patterns, CNO production is projected to reach 1.66 million MT in MY 12/13 and remain at this level in MY 13/14. Expanding industrial use is forecast to drive increased CNO consumption through MY 13/14 as the Government of the Philippines will likely raise the mandated biodiesel blend in 2013 from two percent to as high as five percent (according to trade sources). Additionally, the easing of prices that began in 2012 is expected to modestly increase MY 12/13 food demand for CNO at the expense of imported palm oil. CNO exports are forecast to reach 920,000 MT in MY 12/13 (an increase of six percent over the previous year) and remain at this level in MY 13/14.

Executive Summary:

Philippine soybean production is insignificant and the small amount of imports is purchased by one crusher. Copra production in MY11/12 was at 2.43 million MT following the effects of the El Nino dry spell in 2010. Output is expected to increase to 2.65 million MT in MY12/13, and stabilize around this level in MY13/14. Production, consumption and exports of copra meal and CNO will all expand over the next two years as a result of the forecasted increase in copra supply.

Meat demand by an expanding middle class is expected to fuel moderately increased feed consumption in the next two years. U.S. SBM sales to the Philippines soared 90 percent, reaching record levels (\$599 million) in MY 11/12, enhanced by less competition from South American sources due to production-related problems. Overall SBM imports were at 1.83 million MT in MY 11/12 (down six percent from 1.94 million MT in MY10/11). SBM imports are expected to increase in the next two years (four percent in MY 12/13 and five percent in MY 13/14) due to firm feed demand by the growing livestock, poultry and aquaculture industries. Copra meal exports are expected to increase from 460,000 MT in MY11/12 to 500,000 MT in MY12/13 and MY 13/14.

Local soybean oil (SBO) production and trade are insignificant due to the local preference for CNO and palm oil (depending on pricing). All components of domestic CNO consumption (i.e. industrial, food and feed use) are expected to increase in MY12/13 as a result of increased copra output, a likely increase in biodiesel blends and less competition from imported palm oil.

CNO is the top Philippine agricultural export and the United States is its top market. MY 11/12 CNO production after the 2010 drought was at 1.56 million MT (down from 1.82 million MT in MY 10/11). Assuming normal weather patterns, CNO production is projected to reach 1.66 million MT in MY 12/13 and remain at this level in MY 13/14. Expanding industrial use is forecast to drive increased CNO consumption through MY 13/14 as the Government of the Philippines will likely raise the mandated biodiesel blend in 2013 from two percent to as high as five percent (according to trade sources). The easing of prices that began in 2012 is expected to modestly increase MY 12/13 food demand for CNO at the expense of imported palm oil. As a result, the percentage of CNO consumption for industrial purposes (compared to food use) is forecast to increase from 53 percent in MY 11/12 to 56 percent in MY 13/14. CNO exports are forecast to reach 920,000 MT in MY 12/13 (an increase of six percent over the previous year) and remain at this level in MY 13/14.

Commodities:

Oilseed, Soybean

Oilseed, Copra

Production:

Philippine copra production in MY11/12 was raised to 2.43 million MT, consistent with upward revisions made by industry. According to industry, favorable weather conditions (above normal precipitation during the first three quarters in major coconut growing areas) in 2011 lessened the impact of the drought of 2010. Copra production in MY12/13 is forecasted at 2.65 million MT, up nine percent from the previous year's level. Assuming normal weather conditions, industry expects MY13/14 production to remain at the previous year's level.

Area harvested and coconut tree numbers were raised through MY13/14 as the Philippine government (GPH) aggressively pursues a coconut replanting and rehabilitation program. These programs are enhanced by an increasing DA budget in recent years.

Soybeans are not commercially grown in the Philippines and production is expected to remain insignificant through at least MY13/14.

Consumption:

Copra is mainly crushed to extract CNO. Demand for other coconut-based products (e.g. coco water, virgin coconut oil, coco chips, coco jam, coco sugar, coco vinegar, frozen coco meat, liquid coconut milk, coconut milk powder, coco liquor, etc.) have increased in recent years and their production displaces coconuts that otherwise could have been used for copra production.

Copra prices declined in 2012 as a result of improving production during the year. The annual average farmgate price of copra was at P22.70 (\$0.52) per kilo in 2012, down from the average annual price of P34.81 (\$0.87) per kilo in 2011. Copra prices in 2012 peaked in February at P28.33 (\$0.71) per kilo but declined 55 percent to P12.64 (\$0.32) per kilo in December 2012.

Copra crush was raised in MY11/12 due to upward revisions made to copra output during the year. For MY12/13, crush consumption is forecast to increase seven percent to 2.67 million MT as coconut production improves. Crush consumption will likely remain fairly flat in MY13/14 as no dramatic change in copra supply is expected.

There remains to be only one soybean crusher in the country that imports limited volumes of soybeans each year. The small amount of locally-grown soybeans is mainly used for food purposes. Marginal increases in soybean crush are predicted through 2014.

Trade:

The following trade matrices report imports on a calendar year (January to December) basis. PSD trade numbers are on an October-September Market Year (MY) basis for copra, copra meal and CNO. For soybeans, SBM and soybean oil, the market year is the same as the second calendar year or "out-year" of the split MY.

The following are copra import statistics for calendar years 2010-2012 based on Global Trade Atlas (GTA) data. Copra imports in 2012 declined 29 percent to 65,000 MT due to better-than-expected production. Indonesia was the dominant source of Philippine copra imports in 2011 and 2012 with shares of 35 percent and 42 percent, respectively.

Philippines Import Statistics				
Commodity: 1203, Copra				
Annual Series: 2010 - 2012				
Partner Country	Unit	Quantity		
		2010	2011	2012
World	T	78137	91465	64712
Indonesia	T	24086	32236	26976
Papua New Guinea	T	30003	28131	21532
Solomon Islands	T	10957	19232	14156
Vanuatu	T	5693	7159	2049
Australia	T	7399	1790	0
Others	T	0	2917	0

Source: Global Trade Atlas/Philippine Customs Statistics

Copra imports in MY12/13 are likely to decline from the previous year's level as a result of the expected increase in copra production. Copra imports are predicted to decline further in MY13/14 due to adequate supply. Exports are expected to remain insignificant through at least MY13/14.

Soybean imports in 2012 increased 12 percent to reach 59,000 MT, enhanced by the easing of prices during the year. Average bean prices in 2012 were 17 percent cheaper at \$443.50 per MT compared to \$517.62 average price per MT in 2011, according to industry reports.

According to GTA data, soybean imports from the United States increased 23 percent from the 2011 level to reach 39,000 MT in 2012. U.S. bean imports accounted for 66 percent of overall soybean imports in 2012. Soybean imports are likely to modestly increase through 2013.

Philippines Import Statistics				
Commodity: Soybeans, Group 57 (2012)				
Annual Series: 2010 - 2012				
Partner Country	Unit	Quantity		
		2010	2011	2012
World	T	111116	52294	58710
United States	T	42768	31485	38696
Argentina	T	3881	7015	8596
Canada	T	9552	6419	7177
Singapore	T	29955	901	1446
China	T	13521	334	1038
India	T	410	1222	894
Others	T	11029	4917	862

Source: Global Trade Atlas/Philippine Customs Statistics

Stocks:

Oilseed inventories are basically on-farm and/or private stocks. Copra ending stocks in MY11/12 were adjusted upwards as a result of the less than expected impact from the drought of 2010. Inventories are expected to modestly increase in MY12/13 as coconut production improves. Ending copra stocks in MY13/14 are expected to remain at the previous year's level.

No dramatic change in soybean stocks is expected through MY 13/14.

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. Copra (HS Code 12.03) and soybean (HS Code 12.01) duties were unchanged at ten 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.

Copra and soybean imports originating from countries of the Association of South East Asian Nations (ASEAN) are also duty-free (starting January 1, 2010) under the Common Effective Preferential Tariff (CEPT) scheme of the ASEAN Free Trade Agreement (AFTA).

By 2015, most farm products will be duty free among the ASEAN nations as a result of the AFTA. Other regional free trade agreements with other countries (e.g. Australia) also provide competitive and sometimes lower import duties.

Production, Supply and Demand Data Statistics:

Oilseed, Soybean Philippines	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0		0
Area Harvested	1	1	1	1		1
Beginning Stocks	5	5	0	3		3
Production	1	1	1	1		1
MY Imports	58	58	70	63		65
MY Imp. from U.S.	39	39	35	40		42
MY Imp. from EU	0	0	0	0		0
Total Supply	64	64	71	67		69
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Crush	62	59	68	62		64
Food Use Dom. Cons.	2	2	2	2		2
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	64	61	70	64		66
Ending Stocks	0	3	1	3		3
Total Distribution	64	64	71	67		69

1000 HA, 1000 MT

Oilseed, Copra Philippines	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: May 2012		Market Year Begin: Oct 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	3,150	3,300	3,150	3,450		3,600
Area Harvested	2,900	3,250	2,900	3,300		3,400
Trees	280,000	330,000	280,000	340,000		350,000
Beginning Stocks	144	144	64	141		171
Production	2,300	2,425	2,300	2,645		2,645
MY Imports	85	63	90	50		20
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	2,529	2,632	2,454	2,836		2,866
MY Exports	0	1	0	0		0
MY Exp. to EU	0	0	0	0		0
Crush	2,465	2,490	2,405	2,665		2,665
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	2,465	2,490	2,405	2,665		2,665
Ending Stocks	64	141	49	171		171
Total Distribution	2,529	2,632	2,454	2,836		2,866

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:

Copra meal is a by-product of the CNO extraction process. Copra meal production was revised upwards in MY12/13 due to increased copra output compared to the previous year's level. No significant change in copra meal output is likely in MY13/14 due to the predicted flat copra production during the period.

With just one local soybean crush facility, local SBM production remains insignificant. Marginal adjustments were made to SBM production in MY 12/13 as a result of similar adjustments made to soybean crush during the same period. SBM output is expected to post slight increments through MY 13/14.

Consumption:

Philippine GDP in 2012 expanded 6.6 percent, exceeding the official 5-6 percent growth target for the year. Industry accelerated 6.5 percent while services grew 7.4 percent. Agriculture maintained its pace at 2.7 percent. Average inflation in 2012 was steady at 3.2 percent, and is expected to settle at 3-5 percent through 2014. For 2013, GPH economic planners expect the gross domestic product (GDP)

growth rate at 6-7 percent, citing a more positive global outlook this year. The growth this year is expected to be fuelled primarily by increased domestic household consumption, government and capital spending, and steady growth in remittances from overseas Filipino workers.

Philippine per capita consumption of beef, pork and poultry meat is very low compared to its regional neighbors. Given the strengthening economy, there is significant room for growth and the local livestock, poultry and aquaculture industries are likely to capitalize on this opportunity. In addition, there are possibilities to export meat as the country remains free of foot-and-mouth disease and avian influenza.

According to industry contacts, the local hog industry accounts for an estimated 65 percent of the country's feed requirements, poultry with a 25 percent share and the balance divided by the local fishery sector and other animal farms. In 2012, domestic hog production grew 1.7 percent from the previous year's level while poultry output gained 4.5 percent. Aquaculture posted a 2.8 percent growth during the same period. SBM consumption in MY 11/12 was raised slightly as a result. Feed consumption is expected to continue growing modestly in the next two years (estimated at two percent in MY 12/13 and three percent in MY 13/14).

For copra meal, consumption was raised in MY12/13 due to upward revisions on copra production and crush. As mentioned in previous annual reports, a considerable volume of local copra meal is wasted due to the inadequate handling and storage facilities. Aflatoxin contamination is also an issue. Copra meal is not a protein substitute for SBM and because wastage losses are significant, the consumption figures in the table are not an ideal measure of domestic animal feed demand. Copra meal consumption is likely to increase in MY13/14 due to the improvement in overall copra supply.

Trade:

Copra meal exports through 2012 are provided in the following table based on GTA data. Exports of copra meal in 2012 more than doubled the previous year's level, enhanced by the 3.5 percent decline in average prices. The average copra meal price fell to \$184 per MT in 2012 from \$191 per MT in 2011, according to industry data. The majority of 2012 copra meal exports were shipped to South Korea followed by Vietnam.

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: 2010 – 2012				
Partner Country	Unit	Quantity		
		2010	2011	2012
World	T	720624	315180	654012
Korea South	T	383509	199752	340333
Vietnam	T	127626	71860	167710
China	T	157761	2982	42958
Pakistan	T	5540	168	33247
Taiwan	T	15714	8981	19844
India	T	8017	12500	18801
Japan	T	17668	16662	18109
Netherlands	T	33	0	7500

Afghanistan	T	0	0	2070
Singapore	T	152	2200	1416
Others	T	4605	75	2025

Source: Global Trade Atlas/Philippine Customs Statistics

Copra meal exports in MY12/13 are predicted to modestly increase from the previous year's level as a result of improved copra production. MY 13/14 exports are likely to remain at the previous year's level.

The following are SBM import tables for the 2010-2012 period based on GTA data. The first table uses Philippines import statistics, while the other uses exporter numbers from the originating countries.

Philippines import statistics in the following table show SBM imports in 2012 reaching 1.46 million MT, a 27 percent decline from the previous year's level of close to 2 million MT. According to the data, U.S. SBM imports declined 21 percent from 1.2 million MT in 2011 to 978,000 MT in 2012. Based on these statistics, the United States accounted for 67 percent of the 2012 market with \$443 million in sales, followed by Argentina with a 30 percent share.

Philippines Import Statistics				
Commodity: Soybean Meal, Group 43 (2012)				
Annual Series: 2010 - 2012				
Partner Country	Unit	Quantity		
		2010	2011	2012
World	T	1045779	1985648	1457712
United States	T	486419	1238927	977716
Argentina	T	520320	690563	438606
India	T	30462	48612	22549
Australia	T	233	3606	15388
China	T	401	1358	861
Taiwan	T	648	681	844
Japan	T	1376	448	630
Others	T	5921	1453	1118

Source: Global Trade Atlas/Philippine Customs Statistics

SBM imports based on GTA exporter data are provided in the following table. According to these statistics, overall Philippine SBM imports declined 56 percent from 1.78 million MT in 2011 to 785,000 MT in 2012. Additionally, these figures indicate U.S. SBM exports declined 68 percent to 217,000 MT (with sales at \$115 million) in 2012 and Argentina was the top SBM supplier with a market share of 69 percent.

Reporting Countries Export Statistics (Partner Country: Philippines)				
UDG: Soybean Meal, Group 43 (2012)				
Annual Series: 2010 - 2012				
Reporting Country	Unit	Quantity		
		2010	2011	2012

Reporting Total	T	1554252	1776135	784824
Argentina	T	792808	1042571	544921
United States	T	699718	676048	216770
India	T	61526	56898	21978
Brazil	T	0	205	820
South Korea	T	15	108	200
Taiwan	T	160	225	100
China	T	25	30	35
Others	T	0	51	0

Source: Global Trade Atlas/Exporter Statistics

The conflicting trade numbers can be challenging and industry notes that U.S. SBM imports are understated in both data sets. Post and local trade contacts concur with the official USDA trade estimate for overall SBM imports in MY 11/12. SBM imports from the United States in MY 11/12, however, were raised reflecting record level imports of \$599 million in 2012 (compared to \$315 million in 2011), and were based on U.S. Census Bureau (BICO) data. This huge jump in sales made the Philippines the second largest U.S. SBM export market in 2012. Increased sales were enhanced by less competition from South American sources due to production-related problems, according to trade contacts

Overall SBM imports are likely to further increase through MY 13/14 as feed demand continues growing. U.S. market share is likely to ease in MY 12/13 compared to the previous year's level as South American production recovers (weather permitting). Overall imports in MY 13/14 are likely to further increase as the Philippine economy continues to improve.

Stocks:

Philippine oil meal inventories are held by the private sector. Copra meal stocks are expected to increase in MY12/13 as a result of improved production. Inventories are predicted to remain at this level in MY13/14.

For SBM, stocks are expected to weaken in MY 12/13 due to firm feed demand before increasing in MY 13/14 as stronger imports replenish inventories.

Policy:

Copra meal imports (HS Code 2306.50.00) will continue to be levied a 10 percent MFN import tariff for the period 2011-2015, according to EO 61. EO 61 reduced import tariffs for SBM (HS Code 23.04) from three percent to one percent through 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 CEPT scheme of the AFTA, copra meal and SBM imports are duty-free

Production, Supply and Demand Data Statistics:

Meal, Soybean Philippines	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	62	59	68	62		64

Extr. Rate, 999,9999	1	1	1	1		1
Beginning Stocks	205	205	180	160		149
Production	49	47	54	49		51
MY Imports	1,826	1,826	1,900	1,900		2,000
MY Imp. from U.S.	921	1,260	925	1,045		1,160
MY Imp. from EU	0	0	0	0		0
Total Supply	2,080	2,078	2,134	2,109		2,200
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	1,900	1,918	1,934	1,960		2,020
Total Dom. Cons.	1,900	1,918	1,934	1,960		2,020
Ending Stocks	180	160	200	149		180
Total Distribution	2,080	2,078	2,134	2,109		2,200
1000 MT, PERCENT						

Meal, Copra Philippines	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: May 2012		Market Year Begin: Oct 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	2,465	2,490	2,405	2,665		2,665
Extr. Rate, 999,9999	0	0	0	0		0
Beginning Stocks	117	117	183	188		228
Production	806	806	787	855		855
MY Imports	0	5	0	5		5
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	923	928	970	1,048		1,088
MY Exports	459	459	440	500		500
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	281	281	300	320		360
Total Dom. Cons.	281	281	300	320		360
Ending Stocks	183	188	230	228		228
Total Distribution	923	928	970	1,048		1,088
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:

CNO production in MY12/13 was raised due to upward revisions made to copra output during the year and is expected to remain at this level in MY13/14 as no significant change in copra output is expected.

Philippine SBO production continues to be insignificant relative to overall Philippine vegetable oil production, and is supported mainly by imported beans. SBO output is likely to increase in minimal increments through 2014 reflecting the slight increases in soybean imports.

Consumption:

There are an estimated 50 active CNO mills in the Philippines, according to industry contacts. Of this number, around 20 operate and cater to the export market and roughly 30 concentrate in servicing domestic CNO needs.

All components of domestic CNO consumption (i.e. industrial, food and feed use) are expected to increase in MY 12/13 from the previous year’s level consistent with industry expectations. Industrial CNO use is expected to increase, according to trade sources, as the GPH will likely raise the current and mandated biodiesel blend in 2013. Coconut methyl ester (CME) is the feedstock used in biodiesel production, and is derived from CNO. The current biodiesel blend is two percent but there are strong efforts from industry and the private sector to have the blend raised (to as much as five percent) citing adequate CNO stocks. A kilogram of CNO is equivalent to a liter of CME. At this ratio, a five percent biodiesel blend will need an estimated 325,000 to 380,000 million liters of CME, or an equivalent tonnage of CNO. The increase in CNO industrial consumption in MY12/13 assumes the GPH approval of a higher mandated biodiesel blend in the second half of 2013. The increase in CNO food use in 2013 assumes that competition from palm oil will weaken (see TRADE). Increasing feed consumption of CNO assumes strong feed demand will continue through MY 13/14, buoyed by the improving Philippine economy

SBO is mainly used for mayonnaise and salad dressings, and the local industry does not consider it to be a complete CNO substitute. SBO demand (industrial and food use) was pared down in MY 11/12 due to the less-than-expected supply during the year. Consumption is likely to stay at this level in MY 12/13 before marginally increasing in MY 13/14.

Trade:

CNO is the top agricultural export of the Philippines. After declining roughly 40 percent to 830,000 MT in 2011 (due to constrained copra supply as a result of the effects of the drought in early 2010), CNO exports recovered and modestly increased (4 percent) to 867,000 MT in 2012 due to improved copra production. The U.S. continued to be the top buyer of Philippine CNO in 2012, followed by the Netherlands.

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: 2010 - 2012				
Partner Country	Unit	Quantity		
		2010	2011	2012
World	T	1349336	830058	866585
United States	T	452146	351672	366882

Netherlands	T	579126	325379	281886
Japan	T	47012	43854	49775
Italy	T	35253	27511	31400
Indonesia	T	3500	0	27630
China	T	104236	47213	25917
United Kingdom	T	5010	113	24115
Spain	T	28500	17350	23180
Malaysia	T	52183	870	14115
Singapore	T	6016	419	6366
Germany	T	178	340	5431
Canada	T	569	989	3084
Others	T	35607	14346	6805

Source: Global Trade Atlas/Philippine Customs Statistics

Despite increased volumes, CNO export revenues in 2012 declined 30 percent to roughly \$992 million from the record high \$1.4 billion revenue level in 2011, according to industry data. Average world trade prices for CNO in 2012 were at \$1,164 per MT or 32 percent lower than the \$1,715 average price per MT in 2011.

On a market year basis, CNO exports in MY12/13 are expected at 920,000 MT as the U.S. and EU (the major CNO buyers) economies recover from their respective slowdown.

SBO imports continue to be minimal in 2012 and are provided in the following table. Trade figures in the PSD were adjusted accordingly.

Philippines Import Statistics				
Commodity: Soybean Oil, Group 42 (2012)				
Annual Series: 2010 - 2012				
Partner Country	Unit	Quantity		
		2010	2011	2012
World	T	8264	14586	12823
Malaysia	T	7254	13393	11503
Singapore	T	368	382	805
United Arab Emirates	T	0	0	231
United Kingdom	T	0	0	84
Thailand	T	0	444	61
Vietnam	T	0	61	42
Others	T	643	307	97

Source: Global Trade Atlas/ Philippine Customs Statistics

The following are palm oil imports from 2010-2012 based on GTA exporter data. Imports spiked in 2011 due to high CNO prices, but declined significantly (47 percent) in 2012 as the price premium of CNO over palm oil narrowed considerably. The CNO price advantage will likely remain thin in 2013 as a result of improved copra supply (according to industry).

Reporting Countries Export Statistics (Partner Country: Philippines)				
Commodity: 1511, Palm Oil And Its Fractions, Whether Or Not Refined, But Not Chemically Modified				
Annual Series: 2008 - 2012				
Reporting Country	Unit	Quantity		
		2010	2011	2012
Reporting Total		218306	610999	325096
Malaysia	T	194261	502766	277663
New Zealand	L	0	64000	0
Indonesia	T	23122	39084	46317
Singapore	T	729	5027	1044
Thailand	T	180	109	0
United States	T	0	11	69
Others	T	14	2	3

Source: Global Trade Atlas/Exporter Statistics

Stocks:

Like Philippine oilseed and oilmeal stocks, CNO inventories are private sector held. CNO ending stocks are likely to modestly decline through MY13/14 due to increasing local consumption.

No dramatic change in ending SBO stock levels are predicted through MY 13/14. SBO inventories are also held by the private sector.

Policy:

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

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

Production, Supply and Demand Data Statistics:

Oil, Soybean Philippines	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	62	59	68	62		64
Extr. Rate, 999.9999	0	0	0	0		0
Beginning Stocks	4	4	1	1		1
Production	12	12	13	13		14
MY Imports	39	13	38	15		17
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	55	29	52	29		32
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	6	5	5	5		6
Food Use Dom. Cons.	48	23	46	23		24

Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	54	28	51	28		30
Ending Stocks	1	1	1	1		2
Total Distribution	55	29	52	29		32
1000 MT, PERCENT						

Oil, Coconut Philippines	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Oct 2011		Market Year Begin: May 2012		Market Year Begin: Oct 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	2,465	2,490	2,405	2,665		2,665
Extr. Rate, 999.9999	1	1	1	1		1
Beginning Stocks	231	231	231	231		221
Production	1,555	1,555	1,518	1,660		1,660
MY Imports	0	0	0	0		0
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	1,786	1,786	1,749	1,891		1,881
MY Exports	867	867	920	920		920
MY Exp. to EU	400	400	400	415		415
Industrial Dom. Cons.	360	360	340	410		420
Food Use Dom. Cons.	320	320	325	330		335
Feed Waste Dom. Cons.	8	8	4	10		12
Total Dom. Cons.	688	688	669	750		767
Ending Stocks	231	231	160	221		194
Total Distribution	1,786	1,786	1,749	1,891		1,881
1000 MT, PERCENT						

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