

North Star Meat cites 'affordability' of products as top challenge in 2022

By Luisa Maria Jacinta C. Jocson

NORTH STAR Meat Merchants, Inc. said it considers keeping its products affordable to the public as its main management challenge in 2022 ahead of plans to expand production and a focus on sustainable power to mitigate rising costs and the carbon footprint of livestock raising.

"This year is unique as we will be focusing on efficiencies and what we can improve in our current operations. We are very much anchored to the growth of our clients," North Star Chief Executive Officer Anthony Ng said in a virtual interview. "The challenge is how North Star can make our products available to our consumers. If we look at demand, it will always be there. The only challenge we have is keeping the prices affordable to everyone, that's the biggest challenge of this year," he added.

In January, North Star announced that it tapped WEnergy Power Pilipinas, Inc. to provide a solar rooftop system for its cold storage complex in Bulacan.

"A few months back, we did not anticipate the energy shortages. We've shifted our sights to that facility and not just about how we sell the product, but

about how we procure it, how we store it in our cold storage facilities, and how we deliver it to the stores," Mr. Ng said.

"We store our meat in a fashion where we are also concerned with the environment and the planet. Obviously, raising pigs and cattle has a carbon footprint, so in our small gesture we want to be able to contribute to preserving the environment," he added.

In December, North Star announced plans to put up distribution hubs in Iloilo, Puerto Princesa and Coron.

"We are located in several areas; however, Iloilo is something we're looking at very closely. It will become the center for everything from Luzon, Bacolod, and Cebu, which is great for logistics. We're looking at our possibilities in Iloilo," Mr. Ng said.

"We will be looking at different locations again in Palawan, which is a strategic investment. Tourism is getting back on its feet there, and we see Palawan outgrowing Boracay in terms of tourism," he added.

Mr. Ng said the company also recently signed a partnership with Gawad Kalinga.

"We are developing a meat concession for the Gawad Kalinga communities by using their production, then adapting it (to our) processes. We bring it back to them in a prepackaged frozen



NSM/COM/PH

form for retail and long- and short-term storage," he said.

With the outbreak of African Swine Fever, North Star is working with the Department of Agriculture (DA) to support affected hog farmers.

"The virus currently has no commercial vaccine yet, so until that happens you will have a supply and demand issue. We will be there to directly buy from them, cutting out the middle man in the process. That in turn should give us better pricing. But (right now), generally farmers are enjoying a relatively good price," Mr. Ng said.

"Our expertise is the logistics part of operating the meat concessions.

But the way we can help is provide farmers the venue to sell, especially the smaller ones by cooperating with the DA," he added.

With the Russian invasion of Ukraine, Mr. Ng said the industry must brace itself for the impact of volatile commodity prices.

"We will be expecting our food prices to rise going forward for sure. Cost of production is going to be high and that will reflect in a few months from the purchases of the establishments and traders, as well as in feed inputs, transportation logistics, and the like," he said.

He added that cooperation between the government, industry, and the private sector is necessary for the sector to recover from the crisis.

Mr. Ng said he hopes the next administration will further invest and focus on innovation in the livestock industry.

"What we can do as of now is to supplement or augment local production with our efficiencies, and use our scale to give them properly priced meat products. That will really be our solution, especially if you're coming out of a pandemic as the average Filipino has lost a lot of (purchasing power). We want to provide each and every Filipino clean, safe, and most of all affordable products right now," he added.



IC/CRON/FP/EP/PH

Ukraine conflict already impacting food security, UN agency warns

LONDON — The war in Ukraine is already resulting in rising food prices and a shortage of staple crops in parts of central Asia, the Middle East and North Africa, the United Nations (UN) International Fund for Agricultural Development (IFAD) said on Thursday.

The Russian invasion of Ukraine last month has severely curtailed shipments from the two countries, which jointly account for around 25% of world wheat exports and 16% of world corn exports, leading to surging prices for the grains on international markets.

These are now trickling down to retail food prices in some of the world's poorest countries, according to IFAD. "The conflict in Ukraine, already a catastrophe for those directly involved, will also be a tragedy for the world's poorest people living in rural areas. We are already seeing price hikes," said Gilbert F. Hounbo, President of IFAD.

He warned that hikes are set to cause escalating hunger and poverty, with dire implications for global stability. Wheat prices are currently not far off levels seen during the last food crisis of 2007 and 2008, which sparked protests in many developing nations and is widely regarded as having contributed to the Arab Spring uprisings in the Middle East.

Russia is also one of the world's largest suppliers of fertilizer — prices of which had already spiked last year, contributing to a 30% increase in world food prices and a related increase in global hunger levels.

To help mitigate the crisis facing poor rural people who produce about a third of the world's food, IFAD said it will focus on interventions like cash transfers, strengthening remittances, setting up savings and loans groups, and providing subsidies for agricultural enterprises. — Reuters

MinDA pitches agri logistics projects to European investors

By Marifi S. Jara

Mindanao Bureau Chief

LOGISTICS and transport connectivity projects that will strengthen the agriculture sector are among the biggest investment opportunities in the southern Philippines, the Mindanao Development Authority (MiDA) told European businesses at a forum on Friday.

"What Mindanao has been able to demonstrate is a growth that is relatively better than the national average in the last 15 years," MinDA Deputy Executive Director Romeo M. Montenegro said during the first Davao Business Conference co-organized by the Italian Chamber of Commerce in the Philippines.

Mr. Montenegro, who also heads the agency's investment promotions and international relations team, cited as an example the southern Philippines' out-performance with a 5.7% contraction in gross domestic product during the first

year of the pandemic, while the national average was a 9.6% decline.

"This is on account particularly of its positive showing in the agriculture and fisheries sector... Our agri sector has been our glimmer of hope in demonstrating resiliency," he said.

Mindanao is the country's main producer of agricultural export commodities such as coconut, banana, pineapple, seaweed, rubber, and tuna.

"This gives Mindanao a rather interesting investment context as a leader in agri exports... that's why moving forward, the need to focus in ensuring the link from production areas to the market centers," he said.

MinDA is mainly tasked with coordinating development plans and programs across Mindanao.

It has been seeking to encourage economies of scale by coordinating production in each region and encouraging local specialization, he added.

Mindanao has also been positioning as a major producer and exporter of

other high-value products such as cacao and coffee.

At this year's Philippine Coffee Quality Competition (PCQC) which has in previous years been dominated by producers from Mindanao, the top 10 winners for the Arabica category were all from Davao del Sur and Bukidnon.

For Robusta, five of the top 10 winners were also from Mindanao, particularly Sultan Kudarat and Bukidnon. Ilocos Sur coffee farmer Mabini C. Ubuan, however, ranked first while two others from the northern province placed 6th and 9th. Farmers from Negros Occidental and Kalinga also made it to the top 10.

With over 200 samples submitted this year, PCQC-Technical Working Group Chair Cherry Cruz said interest in the coffee sector, particularly for premium-grade varieties that command higher global prices, is booming across the country.

"More regions since 2018 have been participating," she said at the awarding ceremony held on Friday in Davao City.

Meanwhile, MinDA Chair Mabel Sunga-Acosta met last week with Zamboanga City Special Economic Zone Freeport and Authority Administrator Raul M. Regondola to drum up halal-related investments in the ecozone, located in Zamboanga City.

The overall direction for investment, Mr. Montenegro said, is rolling out more regional inter-linkages and logistics hubs, and facilitate bringing agricultural products up the value chain.

He said investment programs are now grounded on "paying equal amount of attention to the interdependencies of water, energy, food and the climate" to ensure sustainability.

"If you think about investments and development, we think about... how we are laying down the future 30-40-50 years from now."

The Davao business forum was held in partnership with the Davao, German, French, Dutch, Spanish, Nordic, and Austrian business chambers.

Poll,
from S1/1

want to see at least four consecutive quarters of economic growth before assessing the need for a rate hike.

In the fourth quarter of 2021, GDP grew by 7.7% — a third straight quarter of growth.

Meanwhile, two economists believe that inflation risks caused by the surge in oil prices are enough reason for the BSP to start increasing interest rates by at least 25 basis points (bps) on Thursday.

"We anticipate an escalating rise in prices of practically all prices of commodities for this month and the month to come due to the uncertainties brought about by the Ukraine-Russia war. This will bring about economic uncertainties that will linger," Colegio de San Juan de Letran Graduate School Dean Emmanuel J. Lopez said.

"I think this will call for a slow hike [in interest rates]. The effects of oil prices on inflation need to be tempered by an appropriate monetary policy," Asian Institute of Management economist John Paolo R. Rivera said.

Inflation remained steady at 3% for the second straight month in February. However, the central bank said inflation could go beyond their 2-4% target in the second quarter if oil price increases are sustained.

Some analysts said that while the BSP will likely keep rates on hold this week, a more aggressive tightening may come in the next few months given the inflation risks caused by the war in Ukraine.

"We think the BSP will remain on hold this March 24, but should give stronger guidance on policy and the likelihood of an earlier-than-second half of 2022 policy action given that

the window for monetary policy action may be narrowing with the current circumstances," Security Bank Corp. Chief Economist Robert Dan J. Roces said.

He said the BSP's current policy directive is similar to its stance of staying "behind the curve" when faster inflation was mostly caused by low supply.

"Clearly the key risk is the possibility that world commodity prices stay elevated for a prolonged period as a function of the Russia-Ukraine conflict, pressuring inflationary tendencies, and thus a preemptive hike may prove to be more and more prudent," Mr. Roces said.

The US Federal Reserve's policy tightening and its impact will also be another reason for an earlier rate hike, Makoto Tsuchiya, an economist at Oxford Economics said. For the first time since 2018, the Fed last week raised interest rates by 25 bps to quell a four-decade high inflation.

"High commodity prices are not only pushing up inflation but will also contribute to a larger current account deficit. With the US Fed set to raise rates by another 150-bp hike this year leading to a narrowing interest rate differential, we could see investors turn negative on Philippine assets, weakening the peso and putting pressure on the BSP to raise rates earlier," he said.

Last week, Mr. Diokno said they do not necessarily need to move in tandem with the Fed, noting the BSP adjusts its policy setting only to the extent that external developments affect the outlook for growth and inflation.

Debt,
from S1/1

The Philippine economy bounced back with a 5.6% growth in 2021 coming from the record 9.6% contraction in 2020.

Meanwhile, the debt-service ratio (DSR), which relates principal and interest payments to exports of goods and receipts from services and primary income, rose to 7.2% in 2021 from 6.7% in 2019 mainly due to higher payments.

The DSR is a gauge of adequacy of the country's foreign exchange earnings in relation to meeting its maturing debt obligations.

External debt includes all types of borrowings by residents from non-residents.

Borrowings by the public sector slipped by 2% to \$63.9 billion as of end-December from \$65.2 billion as of end-September.

The bulk of \$55.4 billion of public sector obligations were borrowings by the National Government, while the remaining \$8.5 billion was made up of loans incurred by government-owned and -controlled corporations, government financial institutions and the BSP.

Meanwhile, private sector debt increased by 4.4% to \$42.5 billion as of end-December from \$40.7 billion as of end-September.

Japan (\$14.6 billion), US (\$3.8 billion), UK (\$2.8 billion), and The Netherlands (\$2.8 billion), were the top creditor countries last year.

Broken down, loans from multilateral and bilateral sources made up by 37% or the largest share of the external borrowings.

This was followed by borrowings in the form of bonds (34.7%) and obligations to foreign banks and other financial institutions (22.3%), while the rest (5.8%) were owed to other creditor types like suppliers and exporters.

Both the government and the private sector should gauge the risks that come from the weaker peso for decisions regarding external borrowings, Mr. Ricafort said.

"This would highlight the need for both the government and private sector to hedge foreign exchange risks for their respective borrowings, at the very least, to at least better manage risks inherent to foreign debt," he said.

At its close of P52.335 per dollar on Friday, the peso has weakened by 2.6% from its P50.999 finish as of end-2021. As of end-2021, the peso weakened by 6.2% year on year.

For this year, the government set a budget deficit cap of P1.65 trillion which is equivalent to 7.7% of GDP. — Luz Wendy T. Noble

REPUBLIC OF THE PHILIPPINES
Department of Transportation
LAND TRANSPORTATION FRANCHISING AND REGULATORY BOARD
Regional Franchising and Regulatory Board No. IV-B (MIMAROPA)
2nd Floor, Acob Building, Barangay Lalud, Calapan City, Oriental Mindoro

Application for a Certificate of Public Convenience to Operate a **TRUCK FOR HIRE** Service

DOCKET NO:
R4B-NC-TH-2022-02-2022-00005

SHIRLENA A. MANALO,
Applicant.

x-----x

NOTICE OF HEARING

Applicant requests authority to operate a **TRUCK FOR HIRE** Service for the transportation of cargoes and freight along the route/territory: **SANTA MARIA NAUJAN, ORIENTAL MINDORO TO ANY POINT OF THE PHILIPPINES accessible to motor vehicle traffic and vice versa** with the use of two (2) units.

NOTICE is hereby given that this application will be heard by this Board on **April 18, 2022 at 9:00 in the morning** at its office at the above address.

At least five (5) days prior to the above date, applicant shall publish this Notice one in one daily newspaper of general circulation in Region IV-B (MIMAROPA) or Luzon. Parties opposed to the granting of the application must file their written oppositions supported by documentary evidence on or before the above date, furnishing a copy of the same to the applicant/s and may if they so, desire to appear on said date and time.

This application will be acted upon by the Board on the basis of its records and documentary evidence submitted by the parties, unless this Board deems it necessary to receive additional documentary and/or oral evidence.

WITNESS the Honorable **RADM LOUMER P. BERNABE PN (RET.) – REGIONAL DIRECTOR**, this 21st day of February 2022.

ATTY. ROENT/LOYD M. YLAGAN
Hearing Officer

RMY
COPY FURNISHED
Applicant: SANTA MARIA, NAUJAN, ORIENTAL MINDORO