

Marcos urged to attend to higher input costs ahead of farm roads

THE government's farm-to-market road (FMR) masterplan is less of a priority at the moment than ensuring that farmers gain access to affordable inputs and are insulated from excessive competition from imports, agriculture industry representatives said.

"Right now, the high cost of inputs, and to a lesser extent, fuel, are the most pressing problems. Then we have to find a way to manage imports and assure farmers of reasonable prices for their products and incentives for them to continue producing," Federation of Free Farmers National Manager Raul Q. Montemayor said in a Viber message.

Nevertheless, he said, "There is a huge backlog in the farm-to-market and rural infrastructure programs, especially since priority funding has often gone to urban roads and infrastructure.



Poor rural infrastructure results in high transport and marketing costs that translate into lower prices for farmers' products and high prices for their farm inputs and needs, and at the other end, high prices for consumers."

President Ferdinand R. Marcos, Jr., who is also the Agriculture Secretary, said in a briefing on Monday that he is tasking Department of Agriculture officials to come up with an FMR masterplan to address food security concerns.

An association of fisherfolk, Pambansang Lakas ng Kilusang Mamalakaya ng Pilipinas (PAMALAKAYA) said the FMR masterplan is not as large a concern as securing domestic production.

"What is the purpose of farm-to-market roads if there are no products to deliver since production is down? Costs are high. Roads and infrastructure are not the solution to ensure food security. We need to support actual producers of food," the group said in a statement.

PAMALAKAYA spokesman Ronnel S. Arambulo said that a significant number of the rural population employed in the fishery and agriculture have left their farms and fishing grounds due to the high cost of production, chief among them fuel.

"In the fishing sector, for instance, fuel takes up almost 80% of the production cost in a small-scale fishing operation. Mr. Marcos should first address low productivity among our rural sectors before anything else," he said.

"If Mr. Marcos wants a comprehensive plan on food security, he should certify this production subsidy bill as urgent to ensure that aside from mobility, there would be enough agriculture and fisheries products to (send to market)," he added. — **Luisa Maria Jacinta C. Jocson**



WIDE VARIETY of fish products are at the Marikina Public Market.

Philippines among most exposed to price shocks in food, Moody's says

THE PHILIPPINES is among the most vulnerable to food price shocks, and must enter into regional agreements to ensure supply and increase efficiency in domestic production, Moody's Investors Service.

The Philippine consumer price index basket of goods is heavily weighted towards food and energy, making the indicator sensitive to price volatility in those commodities, Moody's said.

"Food security has become a major concern for governments in Asia-Pacific as the Russia-Ukraine military conflict continues to disrupt the supply and raise the cost of agricultural products, especially cereals and vegetable oils, as well as fertilizers and other agricultural inputs," Moody's said.

Net food import dependence in key cereals consumed in Asia, such as rice and wheat, was found to be high in the Philippines based on trade data.

"Rising commodity prices may prompt governments in Asia-Pacific to invest in agricultural supply chains and crop yields to enhance domestic production, particularly in more vulnerable economies," the report said.

"More targeted support to smaller farmers through agricul-

tural reforms, such as access to rural financing and value-chain infrastructure, would be positive for agricultural employment, especially in economies with a large agrarian sector, and in enhancing overall food security," it added.

According to the Food and Agriculture Organization, there were 768 million undernourished people globally in 2020, of which 54% were in Asia.

A number of economies in the region with the highest social risks, according to a Moody's estimate of environmental, social and governance risks, are also low-income.

"Compensating for domestic food price increases will entail fiscal costs for governments or state-owned commodity companies. The pace of fiscal consolidation in some of these economies is likely to slow as spending pressures persist," according to Moody's.

"The economic slowdown, and job and income losses over the past two years, have also disproportionately affected vulnerable countries and communities, rendering them more susceptible to higher commodity prices," it added. — **Luisa Maria Jacinta C. Jocson**

BoI approves P924-M desiccated coconut project

THE Board of Investments (BoI) has approved an application to register for incentives Consolidated Coconut Corp.'s desiccated coconut project in Misamis Oriental worth P924 million, which is expected to generate export income.

In a statement on Tuesday, the BoI said that the company's project will be located in Plaridel, Misamis Oriental, and will begin commercial operations in September. The facility has an annual capacity of 93,750 metric tons (MT) of desiccated coconut.

"The firm will engage in the production and export of high-quality food-grade desiccated coconut. Further, the target markets for the product to be exported are North and South America, Europe, China, Asia, Australia, and the Middle East," the BoI said.

"We are making headway in sustaining Philippine exports, particularly desiccated coconut, with the approval of the project by Consolidated Coconut Corp. We are truly seizing the opportunity, as the Philippines is the top producer of such products globally," BoI Managing Head Ceferino S. Rodolfo said.

The BoI said that the first five years of the project's commercial operations and construction will generate 475 jobs. The project will utilize raw materials, specifically dehusked coconuts from Misamis Oriental and nearby provinces.

The company will be importing paring machines, dryers, and laboratory equipment worth P430 million from Sri Lanka, India, and Singapore, respectively.

"The project exploits the country's competitive advantage in manufacturing and exporting desiccated coconut. Based on the Philippine Coconut Farmers and Industry Roadmap (2021-2040), the Philippines is the world's largest exporter of desiccated coconut and has the greatest ability to compete in the global market," the BoI said.

According to the BoI, the Philippines has the largest land area planted to coconut and the second-largest coconut output in the world, accounting for 23.4% of global production.

It added that the project will support one of the goals of the Coconut Farmers and Industry Development Plan, which is to promote integrated processing systems to optimize use of the produce.

"In 2020, the total volume of desiccated coconut exported in the world (was) 438,052 MT. The Philippines sits at the top with 147,000 MT of desiccated coconut exported, representing 33.56% of the world exports, and the country's top export destinations of desiccated coconut are the US, Netherlands, Australia, the UK, and Russia," the BoI said.

"Coconut is the second largest crop in the country in terms of area planted at 3.6 million hectares in 2020, or approximately 26% of the country's total agricultural land. The Philippines represents 26.8% of global coconut exports which are valued at \$229.79 million annually," it added. — **Revin Mikhael D. Ochoa**

Crude oil settles up \$5 on weaker dollar, tight supplies

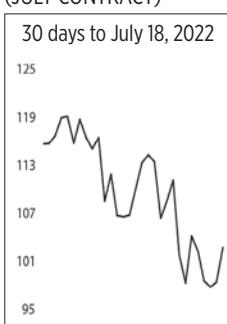
OIL PRICES rose more than \$5 on Monday, boosted by dollar weakness and expectations that the US Federal Reserve won't raise interest rates by a full percentage point at its next meeting to combat inflation.

Brent crude futures for September settlement gained \$5.11 or 5.1% to settle at \$106.27 a barrel, after rising 2.1% on Friday.

US West Texas Intermediate (WTI) crude futures for August delivery settled up \$5.01 or 5.1% at \$102.60 after rising by 1.9% in the previous session.

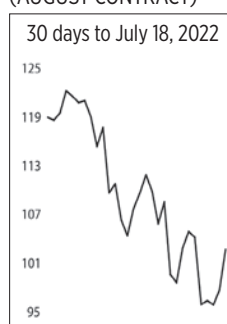
On Friday two US Federal Reserve officials indicated the central bank would likely only raise interest rates by 75 basis points (bps) at its July 26-27 meeting. Previous reports that

ASIA-DUBAI (JULY CONTRACT)



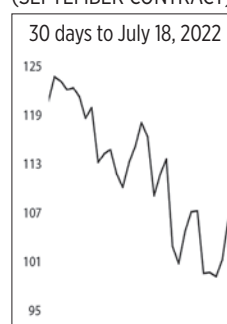
July	12	13	14	15	18
\$/bbl	102.10	98.45	97.69	98.30	102.60
Average (July 1-18)	\$102.61				
Average (June 1-30)	\$113.25				

NEW YORK-WTI (AUGUST CONTRACT)



July	12	13	14	15	18
\$/bbl	99.49	99.57	99.10	101.16	106.27
Average (July 1-18)	\$100.56				
Average (June 1-30)	\$114.34				

LONDON-BRENT (SEPTEMBER CONTRACT)



July	12	13	14	15	18
\$/bbl	99.49	99.57	99.10	101.16	106.27
Average (July 1-18)	\$104.41				
Average (June 1-30)	\$117.36				

Source: REUTERS

the Fed was considering a 100 bps decision sent markets lower late last week.

The US dollar retreated from multi-year highs on Monday, supporting commodities prices.

A weaker dollar makes dollar-denominated commodities more affordable for holders of other currencies.

"Today's strong advance resulted largely from a sizable and broad-based weakening in the greenback that has been providing a key driver behind daily crude oil price swings during the past several weeks," said Jim Ritterbusch, president of Ritterbusch and Associates LLC in Galena, Illinois.

Both Brent and WTI last week registered their biggest weekly declines in about a month.

Oil supplies remain tight. As expected, US President Joseph R. Biden's trip to Saudi Arabia did not yield any pledge from the top OPEC producer to boost oil supply.

Mr. Biden wants Gulf oil producers to step up output to help to lower oil prices.

Russian gas export monopoly Gazprom declared force majeure on gas supplies to Europe to try to at least one major customer, according to the letter seen by Reuters, potentially ratcheting up the conflict between Moscow and Europe.

That added support to oil prices, as traders saw it potentially as a precursor to actions by Russia to use energy as a weapon.

"The other clear risk...is that Russia will further slash energy supplies to Europe to try to raise the cost of supporting Ukraine and imposing sanctions," said Helima Croft, head of global commodity strategy at RBC Capital Markets. — **Reuters**

Wall Street closes lower on slide in Apple shares and bank equities

WALL STREET ended lower on Monday after bank stocks erased earlier gains and Apple shares fell on a report saying the company plans to slow hiring and spending growth next year.

After posting solid gains to start the session following earnings from Bank of America Corp. and Goldman Sachs Group, Inc., the S&P financial sector weakened into the close.

Apple shares reversed course to close down 2.1% at \$147.1 on a Bloomberg report that said the company plans to slow hiring and spending growth next year in

some units to cope with a potential economic downturn.

Goldman Sachs advanced 2.5% as it reported a smaller-than-expected 48% slump in second-quarter profit, helped by strength in its fixed-income trading.

Worries about a larger one percentage point rate hike at the end of July eased following remarks from Fed officials last week that the policy makers could stick to a 75 basis point hike.

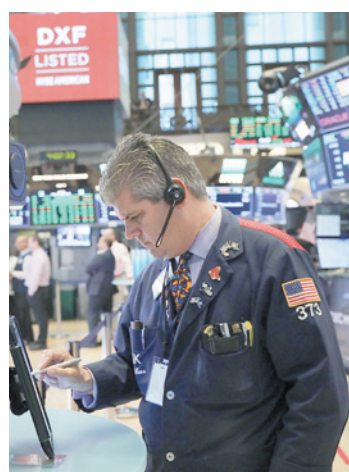
"It's really hard to sustain upward momentum," said Ross Mayfield, investment strategy analyst at Baird in Louisville,

Kentucky. "And that's kind of the story of bear markets."

The Dow Jones Industrial Average fell 215.65 points or 0.69% to 31,072.61; the S&P 500 lost 32.31 points or 0.84% to 3,830.85; and the Nasdaq Composite dropped 92.37 points or 0.81% to 11,360.05.

Nine of the 11 major sectors of the S&P 500 lost ground, with healthcare and utilities suffering the largest percentage drop, while energy took the biggest gain.

Earnings from big technology companies next week will be closely watched, after their shares



REUTERS

came under immense selling pressure through much of this year.

Among other tech stocks, Google parent Alphabet fell 2.5%. IBM declined 1.3%.

Volume on US exchanges was 10.63 billion shares, compared with the 12.15 billion average for the full session over the last 20 trading days.

Advancing issues outnumbered declining ones on the NYSE by a 1.20-to-1 ratio; on Nasdaq, a 1.06-to-1 ratio favored decliners.

The S&P 500 posted one new 52-week high and 31 new lows; the Nasdaq Composite recorded 30 new highs and 78 new lows. — **Reuters**

SPOT PRICES

MONDAY, JULY 18, 2022

METAL			
PALLADIUM free \$/troy oz			1,878.01
PALLADIUM JMI base, \$/troy oz			1,892.00
PLATINUM free \$/troy oz			865.74
PLATINUM JMI base \$/troy oz			869.00
KRUGGERAND, fob \$/troy oz			1,714.00
IRIDIUM, whs rot, \$/troy oz			4,690.00
RHODIUM, whs rot, \$/troy oz			13,990.00
GRAINS (July 14, 2022)			
(FOB Bangkok basis at every Thursday)			
FRAGRANT (100%) 1 st Class, \$/ton			883.00
FRAGRANT (100%) 2 nd Class, \$/ton			855.00
RICE (5%) White Thai- \$/ton			420.00
RICE (10%) White Thai- \$/ton			418.00
RICE (15%) White Thai- \$/ton			417.00
RICE (25%) White Thai- \$/ton (Super)			417.00
BROKER RICE A-1 Super \$/ton			395.00
FOOD			
COCOA ICCO Dly (SDR/mt)			1,696.48
COCOA ICCO \$/mt			2,221.21
COFFEE ICA comp 2001 cts/lb			181.75
SUGAR ISA FOB Daily Price, Carib. port cts/lb			19.09
SUGAR ISA 15-day ave.			18.50

LIFFE COFFEE

New Robusta 10 MT - \$/ton

	High	Low	Sett	Psett
Sept. 2005	1926	1992	1923	
Nov. 2000	1928	1987	1924	
Jan. 1986	1923	1973	1919	
Mar. 1966	1916	1960	1914	

LIFFE COCOA

(Ldn)-10 MT-E/ton

	High	Low	Sett	Psett
Sept.	1727	1704	1714	1720
Dec.	1778	1753	1764	1768
Mar.	1778	1756	1767	1770
May	1779	1756	1768	1770

COCONUT

MANILA COPRA (based on 6% moisture)

	High	Low	Sett	Psett
Aug./Sept.'22	1,395.00	1,500.00		
Sept./Oct.'22	1,400.00	1,440.00		
Oct./Nov.'22	1,400.00	1,420.00		
Nov./Dec.'22	1,380.00	1,400.00		

LONDON METAL EXCHANGE

LME FINAL CLOSING PRICES, US\$/MT

	3 MOS
ALUMINUM H.G.	2,426.50
ALUMINUM Alloy	1,710.00
COPPER	7,426.50
LEAD	1,998.50
NICKEL	20,652.00
TIN	24,719.00
ZINC	3,006.00

JOB OPENING

BILINGUAL PLAYER SUPPORT AGENT

- College graduate
- Successful candidates must be fluent in Korean
- Good English communication skills, both spoken and written
- Excellent written communication
- Preferably with customer service experience in a BPO setting
- Ability to quickly learn customer service-based tools and techniques
- Gaining background is a plus
- Good English communication skills, both spoken and written

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Gold rebounds on retreating dollar, toned-down rate hike bets

GOLD recovered some ground on Monday, lifted by a retreat in the dollar as the market toned down the chances of a 100-basis-point (bp) rate hike by the US Federal Reserve next week.

Spot gold was up by 0.2% at \$1,709.87 per ounce by 1:58 p.m. ET (1758 GMT), after rising 1% earlier in the session. US gold futures settled up 0.4% at \$1,710.20.

Last week, bullion hit its lowest level in nearly a year due to the dollar's rampant rise,

which made gold more expensive for holders of other currencies.

Gold investors now a little optimistic as the debate is now between a 50- and 75-bp hike by the Fed, OANDA Senior Analyst Edward Moya said.

The dollar index eased by 0.7% on Monday. Data on Friday showed US consumers tempered their inflation expectations in July, a development likely to be welcomed by Fed officials worried that expecta-

tions for high inflation could complicate their task of reining in price increases.

Spot silver rose 0.8% to \$18.83 per ounce. Platinum jumped 1.7% to \$864.69; and palladium gained 1.7% to \$1,860.16. The platinum market is forecast to have a surplus this year, an indication of relatively weak market fundamentals amid coronavirus lockdowns and lower consumer spending in China, Heraeus Precious Metals wrote in a note. — **Reuters**