

## Changing weather patterns seen requiring adjustments to planting seasons, tech adoption

PLANTING SEASONS need to be adjusted and technology tapped to minimize farm damage from changing weather patterns, a former official with the Department of Agriculture (DA) said.

“Vietnam (implements) an early planting season to avoid destructive typhoons that visit the country at the end of the year. There is a massive adoption of satellite technology like in India so that they can immediately assess damages and losses and pay farmers through their agri insurance system,” Fermin D. Adriano, a former Agriculture Undersecretary for Policy, Planning, and Research, said in a Viber message.

“For those areas, frequently visited by typhoons, information and education must be conducted among the areas’ farmers and the most suitable crops should be (recommended for growing) in their areas,” he added.

The DA’s latest estimate for farm damage caused by Typhoon Karding (international name: Noru) is P2.95 billion.

Damage and losses were reported in the Cordillera Administrative Region, Ilocos, the Cagayan Valley, Central Luzon, Calabarzon, Bicol, and the Western Visayas.

The typhoon inflicted damage on 164,217 hectares of farm land and affected 103,552 farmers and fisherfolk, with the combined volume of lost production at 154,734 metric tons (MT).

Losses to the rice crop were valued at P2.02 billion and a

volume of production loss at 133,294 MT. This represents 0.66% of the annual total production target volume for rice, which is 20.25 million (MT).

Separately, farmers group Kilusang Magbubukid ng Pilipinas (KMP) said that the government needs to cap food prices, which are expected to rise in the wake of the typhoon.

“Farmers and consumers need all the support they can get especially with the economic aftermath of super typhoon Karding. Farmers are doubly affected, they have incurred heavy agricultural losses and they will have to endure the resulting price surges,” KMP President Rafael V. Mariano said in a statement.

“Prices of rice, vegetables, and foodstuffs are expected to rise by 15-20%. Close monitoring is not enough. We need concrete support for our farmers and even consumers... we need price support for basic commodities,” he added.

Mr. Mariano said agricultural damage will likely breach the P4-billion mark.

“The typhoon’s onslaught will also affect the rice production for the third and fourth quarters. It is imperative to help farmers and the entire rice industry recover. Production support and subsidies are necessary,” he added.

The group also proposed to use P8.9 billion in surplus rice tariff collections to fund emergency production subsidies for storm-hit farmers. — **Luisa Maria Jacinta C. Jocsos**

# Copra meal being studied for possible use in animal feed

A COPRA byproduct known as protein enriched copra meal (PECM) is being evaluated as a possible substitute for imported soybean-based feed for hogs and poultry, the Department of Agriculture (DA) said.

The resort to PECM is a “catch-up and mitigation plan” to sustain food production, enhance grain production and limit imports in the wake of the disruption of trade due to the pandemic and the Russia-Ukraine conflict, the department said in a memorandum circular.

The DA said this is an “urgent measure” to cushion the impact of soaring prices of raw materials used in animal feed, particularly soybean meal, which has in turn exerted upward pressure on pork and chicken prices.

“The global COVID-19 pandemic aggravated by the Russia-Ukraine war has significantly worsened logistical movement and restricted the availability and supply of feed ingredients, foremost of which are soybean meal, feed wheat, and corn, which resulted in the spike in prices of these commodities in the global market,” the DA said.



SO LAINA-JINSE/ASH

“This is due to the fact that 30% of the global supply of feed grains is produced in Russia and Ukraine ... Moreover, the damage to (US port facilities) due to the cyclone has resulted in a shortage in the supply of soybean meal, which resulted in the unprecedented spike in prices,” it added.

PECM is 30% cheaper than soybean meal. Copra meal is a byproduct of coconut oil extraction.

## Indian, Israeli agritech companies seeking Philippine partners

INDIAN and Israeli agricultural technology companies are exploring partnerships with Philippine companies that can implement their solutions offerings, diplomats from the two countries said at last week’s Davao Agri Trade Expo (DATE) 2022.

“It’s a spectrum of companies presenting different solutions,” Israeli Ambassador to the Philippines Ilan Fluss said in an interview during the event’s opening on Thursday.

Five Israeli companies engaged in irrigation, agricultural technology, and fruit production set up booths for their products and services.

“So what we are doing today, we will be having an exhibition here with the five Israeli companies that will be promoting their technologies, practices, and looking for opportunities to engage in the Philippines,” Mr. Fluss said.

The envoy said Philippine companies have been invited to join the Agritech Israel trade

show in May, which will feature agricultural technology and food security solutions.

“We are looking forward to the new opportunities and cooperation,” he said.

Six Indian companies were present at DATE 2022.

Nishikant Singh, first secretary for economy and commerce of the Embassy of India, noted that India is the world’s largest producer of milk, pulses, and spices as well as among the leading growers of rice, wheat, and sugarcane.

“The Philippines can learn a lot from India as we have revolutionized and transformed the agriculture value chain,” he said.

Foreign companies engaged in business-to-business matching events during DATE 2022, facilitated by the Board of Investments and the Davao City Chamber of Commerce and Industry. — **Maya M. Padillo**

### JOB OPENING

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- Contribute to continuous improvements programs and standardization of processes across all markets in scope

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- 1 year experience in any accounts receivable
- Fresh graduates are encouraged to apply
- With working knowledge in SAP or MS applications
- Has a critical degree of accuracy regarding data entry and analysis
- Proven ability to collaborate with cross-functional teams to deliver solid business results
- Willing to adjust shift schedule as demanded by the business

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### Devolution, from SI/1

The ComDev is composed of the DBM, the Department of the Interior and Local Government (DILG), the National Economic and Development Authority (NEDA), the Department of Finance (DoF), the Executive Secretary, the League of Provinces, Cities, and Municipalities of the Philippines, the Liga ng mga Barangay sa Pilipinas, and the Union of Local Authorities of the Philippines (ULAP).

“[We] will use the transition period to have a serious second look at the Local Government Code of 1991 in the light of the recent SC ruling and our experience in the pandemic,” Finance Secretary Benjamin E. Diokno told *BusinessWorld* in a Viber message.

Mr. Diokno previously said that, in hindsight, it was a mistake to devolve health services as a responsibility of the LGUs.

“I think health should really be a responsibility of the National Government rather than the local government,” he told senators at a hearing last month.

### CONTINUED SUPPORT

NEDA Undersecretary Carlos Bernardo O. Abad Santos, who heads the agency’s Regional Development Group, said that devolution policy should focus on equity objectives that consider the capacity of LGUs to implement their new functions.

“Thus, NEDA recommends that the National Government must continue to support poorer LGUs — 4<sup>th</sup> to 6<sup>th</sup> income class — especially in critical areas like health, education, and basic infrastructure,” he said via e-mail.

Mr. Abad Santos added that the National Government should also determine what specific functions and services are appropriate to each respective LGU level, taking account of economies of scale and technical expertise.

Likewise, DBM’s Mr. Wong said the National Government should improve coordination with LGUs, especially with less developed ones, through policies and programs that extend adequate technical and material assistance.

“Effective devolution will be achieved if the LGUs are fully capacitated, both technically and financially, to take on the devolved functions and services, while the National Government will be able to set up the stan-



PHILIPPINE STAR/MICHAEL VARGAS

**A WORKER arranges the relief packs for Pasig City residents in this Aug. 13, 2021 file photo.**

dards and strengthen their monitoring and evaluation functions,” he said.

Under EO No. 138, certain functions, services, and facilities of the National Government worth an estimated P234.4 billion should be fully shifted to LGUs by 2024.

Leonardo A. Lanzona, an economics professor at the Ateneo de Manila University, said that that timetable, even if it is to be extended until 2025, may not be enough to build institutional capacity.

“It is crucial that while these are being developed, trainings, education, and skills development towards strengthening institutions should be the focus,” he said in an e-mail. “For instance, if the goal is to develop the appropriate institutions for infrastructure development, then the LGUs should first invest in having engineers and administrators in their regions.”

Mr. Lanzona also said that policy makers should consider the resources and technology available to LGUs, as well as its own specialized knowledge on its jurisdiction.

“What [LGUs] cannot handle is the development of health, education, and infrastructure [as] these require some form of expertise to implement correctly... Only the National Government at this time can provide these services,” he said.

“The projects relating to the economy, such as agricultural and industrial development, should be left to the LGUs since they know more about their resources and markets,” Mr. Lanzona added.

Meanwhile, University of Asia and the Pacific Senior Economist Cid L.

Terosa said LGUs can focus on the provision of social services, peace and order, local infrastructure, natural resources sustainability, environmental protection, and local trade and industry development. However, micro-planning is still a big challenge for LGUs.

“Database building, data management, and data analytics have to be shored up and buttressed to provide decision inputs for LGUs. I believe that human capital resources of LGUs have to be upskilled and upgraded,” Mr. Terosa said via e-mail.

He noted that LGUs should subject themselves to evaluation based on World Bank governance standards, adding that those that are not up to par should be assisted.

Mr. Diokno has consistently cited the World Bank’s findings of how LGUs are not able to fully utilize their resources due to a lack of capacity.

Last year, LGUs posted a surplus of P279.4 billion.

“In fact, even before the crisis, local governments already had a surplus position. They usually have large surplus because they are not able to spend their money,” Mr. Diokno said last month, mentioning suggested solutions such as digitalization and amending the provisions on local finance in the Local Government Code of 1991.

“We will have more clarity on the issue after the meeting [on Monday],” said Mr. Abad Santos.

Mr. Abad Santos also said that the DILG is currently undertaking two ongoing studies on devolution; one commissioned to the Philippine Institute for Development Studies (PIDS) and another one with assistance from the Asian Development Bank (ADB) called the LGU Devolution Transition Plan (DTP) Analytics.

The Mandanas ruling granted LGUs a larger share of the national taxes by expanding their 40% cut to also include revenues from Customs duties, and not just those collected by the Bureau of Internal Revenue.

As a result of the ruling, LGU allocations saw a 37.89% increase to P959 billion in 2022. However, because of decreased revenue collections in 2020 due to the pandemic, the allotment for next year is estimated to decrease by 14.47% to P820 billion.

## 54<sup>th</sup> FINEX Annual Conference

*Reshaping the Future with Transformational Change*



By Tonyboy Ongsiako

The pace of digitalization and change in the Philippines is slower than most of our neighbors. There are many reasons for this, but the main reason is cost. There seems to be a focus on cost now versus benefit later. It can also be that the Chief Technology Officer (CTO) or the Chief Information Officer (CIO) is not really a part of senior management. In most global companies, the CTO or CIO is on the same level as the CFO, CMO, COO. But in this country the CTO or CIO reports either to the COO or the CFO.

How do I know this? Because most CTO or CIO that my company deals with has a wish list. The most ideal and most efficient way of digitalization will never be granted. We have a tendency to create different designs of the network based on price and acceptable efficiency. We almost always run into problems when the CFO or the COO is not tech-savvy.

Then the pandemic struck. Suddenly businesses big and small realizes the inadequacy of having systems that need to be upgraded or are outdated.

The pandemic brought us transformational change. Businesses had to change to survive. Small and micro enterprises utilized tools that were available to survive. Social Media was extensively used by all businesses. Zoom and Microsoft Teams suddenly saw a surge in usage. Behavior changed. Remote work is ok. We can still get things done.

FINEX adopted early. The pandemic came during the presidency of Jose Jerome Pascual aka Jeng. FINEX was lucky to have a tech-savvy President that knew the cost was irrelevant in order to run FINEX.

The coming FINEX Conference that will take place on Oct. 3 to

7 will touch on the Conference Theme: Reshaping the Future with Transformational Change.

On Oct. 3 we will open the Conference with a virtual session: The Transformative Power of Finance in Life and Business at 2 p.m. The session will be hosted by Rey Abilo of Pilipinas Shell Petroleum Corp. and moderated by Paulo Azurin of CLSA Exchange Capital. Our keynote speaker will be Caylum Lee CEO of Caylum Trading Institute. Our panelist will be Jeng Pascual, Atty. Mark Goriceta and Joann Hizon, Human Resource expert.

On Oct. 4, another virtual session on: Is Your Company Ready? Understand Global Investment Opportunities & Risks. This session will be hosted and moderated by Ned Goseco, a FINEX Director and a seasoned FINEX member. Our main speakers will be Graeme Riddell, vice-president, Climate and Sustainability Consulting Leader, Marsh Advisory; and Amit Dalmia, senior managing director, Blackstone Group.

On Oct. 5, we will have the Conference at the Fairmont Hotel and a live session via ZOOM. Our keynote speaker for the event will be the Secretary of Finance, Benjamin Diokno. Session 1 will touch on ESG as a Value Creation Tool. Session 2 will be on Boosting Financial Inclusion Digitally while Session 3 will be on Financing the Philippine Innovation Ecosystem.

FINEX Conference will not be complete without a FINEX Night. Jet Pampolina has assured us of great entertainment and delicacies that will whet our palate.

There will also be a virtual session on Oct. 6 at 9 a.m. on Financial Inclusion as Enabler for Transformational Change. Meanwhile, on Oct. 7, we will be having a virtual session at 9 a.m. on the Emerging Giants in Asia Pacific: The Secret to Business Success.

Come and join us at the FINEX Conference. We hope to see you there!