



DAVAO ORIENTAL PROVINCIAL GOVERNMENT

BAKED GOODS on display during the Cacao Fiesta held at the Puratos-Kennemer Cacao Trace Center in Mati City on Oct. 20.

Belgian company signs agreement with Kennemer to promote cacao sustainability in Davao Oriental

BELGIUM'S Puratos Group, through its Philippine subsidiary, has partnered with Kennemer Foods International, Inc. to expand and ensure the sustainability of Davao Oriental's cacao industry.

"Puratos is a Belgian company that is into buying cacao and sustainable agriculture. Puratos wants to ensure that cacao cultivation is ecological and will go on from generation to generation," Belgian Ambassador to the Philippines Michel Parys said in an interview last week as he attended Davao Oriental's Cacao Fiesta.

The company, he added, aims to make sure that "farmers will get sufficient income from cacao."

Puratos Philippines, Inc. sells bakery, patisserie, and chocolate products as well as provides seminars to businesses nationwide on baking trends and innovations.

It has set up a Cacao Trace Center, together with Kennemer, in Davao Oriental's capital, Mati City, as part of its sustainable cocoa sourcing program that aims to ensure high quality goods and high income for growers.

"Cacao beans need to be fermented and processed for the taste to come out. After the fermentation, the cacao beans are

exported. When a consumer buys the chocolates they know where it's coming from," Mr. Parys said.

Kennemer manages its own farms and has a contract growing program in various parts of Mindanao. In Davao Oriental, it is engaged with about 4,000 cacao farmers.

Davao Oriental Governor Corazon N. Malanyaon, said agriculture will continue to be a priority sector for development while the provincial government pursues policies on ease of doing business to attract more investors.

"We have what it takes to succeed in agriculture," Ms. Malanyaon said at the event.

Mr. Parys said another Belgian firm, green-technology developer Turbulent, is planning to set up small turbines in Cateel for energy generation.

"Turbulent is looking at Cateel... putting into the river small turbines that will generate electricity without the need for a big dam because when you put a big dam you are causing trouble to the environment," he said.

The governor has said that the provincial government is pursuing partnerships to speed up electrification in remote communities. — **Maya M. Padillo**

DAVAO DE ORO province is trying to close on at least P500 million in agricultural investment leads during its annual business forum on Oct. 25-26, with the focus on poultry, coconut, and transport and logistics.

Trade and Industry Provincial Director Lucky Siegfried M. Balleque said the province is promoting poultry raising in communities as the first dressing plant in the province is now under construction.

"We recently (broke ground for) the multimillion poultry

dressing plant and we will be highlighting that because we want to encourage the residents of Davao de Oro to go into poultry raising," he said at the Habi at Kape forum last week.

The P135-million dressing plant is located in a 12-hectare site in Monkayo. It is targeted for operation within a year from the groundbreaking ceremony on Sept. 8.

Poultry raisers in the province currently ship their goods more than 100 kilometers to Davao City's dressing plants.

For coconut, Mr. Balleque said the conference will discuss the industry in line with the implementation of the Coconut Farmers and Industry Development Plan, which will tap into a P75-billion fund.

He said some 150 coconut players are expected to attend and assist 250 micro, small and medium enterprises (MSMEs).

"Aside from the coconut, we will be highlighting the transport and logistics sector because when we talk of the value chain,

transport and logistics are very important components because we cannot move our products to the buyers," he said.

This year's Davao de Oro Investment Conference, which will be returning to full face-to-face format at the Montevista Sports Complex, is also seeking to generate about P150 million in sales for local products.

The province's MSMEs products include chocolate, chili pepper, and banana, among others. — **Maya M. Padillo**

India rice export curbs to end a decade of price stability

MUMBAI/NEW DELHI — India's recent curbs on rice exports could trigger a rally in global prices after more than a decade of stability, traders said, as New Delhi's protectionist move coincides with falling output in other major producers and rising global demand.

Uneven monsoon rains hit rice planting in India, prompting the export restrictions in September, and floods have cut output in Pakistan even as consumption has grown in top importers such as Bangladesh and the Philippines. That's why forecasters are saying global demand will outstrip production in 2022/23.

This is bad for Asian and African countries that use rice as a staple, some of which import as much as 60% of their supply.

Since India — the world's biggest rice exporter — banned exports of broken rice and slapped a 20% export tax on some non-basmati varieties, global rice prices have jumped more than 10%. Last month, the Food and Agriculture

Organization's global rice price index rose 2.2% to hit an 18-month high.

"The international market has gone up and it will go up further," said Nitin Gupta, vice-president for Olam India's rice business.

Governments worldwide had already been struggling to tame food inflation because of COVID-19 disruptions to production and supply chains, and then Russia's invasion of Ukraine removed millions of tons of foodstuffs from global markets, pushing inflation to a record earlier this year.

Still, before India implemented its export curbs a few months ago, industry and government officials in Asia were saying rice prices would hold steady due to ample stocks.

Rice, unlike wheat, was insulated from the Russia-Ukraine war as neither country is a big producer, and supplies of the grain had remained relatively steady during the COVID-related disruptions for other foodstuffs.

Now, however, top exporters Thailand and Vietnam sit on insufficient

inventories to make up for India's curb on exports and widespread output losses. Global rice inventories could fall to their lowest in at least five years in 2023, three global traders said, citing internal assessments.

"Since India cornered 40% of the global trade, it's not easy for others to replace falling Indian shipments when demand is rising from leading importers," Mr. Gupta said.

The US Agriculture Department (USDA) has cut its global rice production estimate for 2022/23 to 508 million tons, the lowest in four years. Just a month ago, the agency was expecting output for the year at 512 million tons.

Some top global trading houses, though, expect a sharper fall to around 500 million tons because of the extreme weather conditions that threaten crop yields in countries such as China, India, Bangladesh and Pakistan.

In India, dry weather conditions delayed the sowing of rice, with many

farmers not planting the crop at all, and then torrential rains damaged ripening paddy fields, raising concerns about food inflation.

India's summer-sown rice output is likely to fall to 105 million tons in 2022/23, down 6%, the farm ministry said in September, and private traders estimate it could fall as low as 100 million tons.

Rice output in China, biggest consumer of the grain, could drop 2.9% from a year ago to 206 million tons due to higher temperatures and drought in some rice-growing regions, according Shanghai JC Intelligence Co. Ltd., a consultancy.

This is a big change from last year, when India's record 21.2 million tons of rice exports — 30% cheaper than rival suppliers — helped cap global prices while other food commodities soared due to supply disruptions.

After the September curb, India's rice exports are set to fall by around a quarter this year. — **Reuters**

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