# No rebound seen for Philippine farms

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*Reporter*

PHILIPPINE STAR/MICHAEL VARCAS

PHILIPPINE FARM output is likely to either contract or stay flat next year due to elevated input costs on faster inflation, according to analysts.

"We will be starting from a low 2022 base," Raul Q. Montemayor, chairman of the Federation of Free Farmers, said in a Viber message. "I cannot see agriculture rebounding significantly in 2023 unless the problems of high fertilizer and fuel prices are addressed."

Farm output value rose by 1.8% in the third quarter after declining by 0.6% a quarter earlier and by 2.6% a year ago, according to data from the local statistics agency.

For the nine-month period, agricultural output inched up by 0.3% from a year earlier. Production contracted by 2.5% in January to September last year.

Agriculture Undersecretary Mercedita A. Sombilla last week said the agriculture sector might expand by 2.3% to 2.5% in 2023 on crop, livestock and poultry growth.

The average yearly agriculture growth in the past two decades was 1.3%, former Agriculture Undersecretary Fermin D. Adriano said in a Viber message. "With lower fertilizer application, rising fuel costs, lingering African Swine Flu and avian flu virus, not to mention destructive typhoons brought by climate change, I don't know how that growth can be achieved next year."

Fuel and fertilizer prices have been rising amid soaring inflation, which quickened by 8% in November — the fastest in 14 years and breaching the central bank's target for an eighth straight month — mainly driven by rising food prices.

As of Dec. 20, the prices of gasoline have risen by P13.95 a liter this year, by P27.50 for diesel and by P20.80 for kerosene.

As of Nov. 11, the average price of a bag of prilled urea fertilizer had risen by 16.5% to P2,538.27 from a year earlier.

Mr. Montemayor said the farm sector faces recurrent shortages in rice, corn, pork, fish and many vegetables. "The slack has been filled up by imports. Excessive imports including smuggling have discouraged farmers from increasing their production, making us even more susceptible to seasonal shortages and reliance on imports."

"In the case of poultry and livestock, the unlimited import policy of the government, including the extension of the effectivity of Executive Order No. 171, will dampen the willingness of producers to step up," he added.

President Ferdinand R. Marcos, Jr. last week approved the recommendation of the National Economic and Development Authority to extend lower tariffs for pork, corn, rice and coal until the end of next year.

Tariffs on pork for in-quota shipments will be kept at a reduced rate of 15% from 30%, while those for out-quota shipments will be kept at 25% from 40%.

Rice tariffs will be retained at a lower rate of 35% for in-quota shipments and 50% for out-quota imports. Corn tariffs will be cut to 5% for in-quota imports from 35% and to 15% from 50% for out-quota shipments.

Analysts said the government should focus on boosting its support for the agriculture sector.

"Food security and the agricultural sector should be one of the primary concerns," Antonio A. Ligon, a law and business professor at De La Salle University, said in a Viber message. "We have big tracts of land that can be utilized for food production."

Mr. Ligon said ensuring adequate food supply would lessen the country's import dependence. "We need not import if we have sufficient supply of basic food commodities. The prices of basic ingredients should not have been an issue if we had good production and support for our farmers."

The government should upgrade the skills of farm workers, John Paolo R. Rivera, an economist at the Asian Institute of Management, said in a Viber message.

"Put effort in developing agriculture from largely subsistence to more commercialized farming by equipping farmers with technical skills and business acumen," he said. Middlemen should be eliminated as much as possible, while improving transportation and investing in technology to boost productivity, he said.

"This will alleviate food shortages and manage inflation driven by food prices."

"We cannot see for now a clear policy direction and game plan from the Department of Agriculture," Mr. Montemayor said. "What they are doing and planning to do is more of the same, except with a larger budget, so we cannot expect much difference in the results."

## Philippines in talks with China for solar-powered irrigation system

THE Philippine Agriculture department plans to negotiate with China for the country's solar powered irrigation system.

The agency has formed a team that will handle the proposed solar-powered irrigation system, Agriculture Assistant Secretary Arnel V. de Mesa told a news briefing last week.

"We are drafting a possible engagement with China. Hopefully, by next year we can submit a feasibility study to the National Economic and Development Authority."

Mr. De Mesa said that the proposal came after the Agriculture department got requests for a possible engagement with China to help boost farmers' productivity. "As of now, the discussion is ongoing and we are not seeing any roadblocks."

He said that the Agriculture department also seeks to revive a proposal by Israel to help the Philippines promote solar-powered irrigation after it was terminated in the absence of a government-to-government deal.

Mr. De Mesa said that the Israel Embassy was still trying to iron out terms with the Philippine Finance department, which serves as the Philippine negotiator.

Earlier this month, Agriculture Senior Undersecretary Domingo F. Panganiban said the Philippines and Israel were discussing a potential agricultural collaboration.

Israel is willing to provide technical assistance to Filipino farmers and fisherfolk particularly in the field of solar farms, hydroponics, drip irrigation and dairy farming, the Agriculture department said. — **Ashley Erika O Jose**