

## Trade show to position PHL as major source of prime food ingredients

THE Department of Trade and Industry (DTI) said it has organized the 16<sup>th</sup> edition of the IFEX Philippine international food trade show on May 26-28.

The trade show, to be run by the DTI's export promotions arm, the Center for International Trade Exhibitions and Missions (CITEM), will take place at the World Trade Center in Pasay City.

IFEX Philippines is expected to feature over 500 exhibitors promoting beverages, specialty foods, fruit and vegetables, biscuits and confectioneries, snacks and crispy savory food products, meat and poultry, dairy products, cereals, grains and starch, seafood, organic and natural products, food ingredients, and equipment and services.

"We want to position the Philippines as a sourcing destination that is not only capable of meeting global demand but also offers some of the most

distinct and innovative products on the market," CITEM Executive Director Edward L. Ferreira said in a statement.

"IFEX Philippines aims to further cement the country's reputation as a reliable source of premium-quality food and ingredients," he added.

The CITEM said that the 2023 edition of IFEX Philippines will have expanded representation of regional food-related small and medium enterprises, with regional and provincial offices of the DTI and local government units subsidizing their participation.

Aside from the physical trade show, the DTI said digital storefronts and product catalogs on the digital sourcing platform IFEXConnect will also be on offer.

Last year, IFEX Philippines generated \$107.1 million worth of export and attracted almost 6,000 buyers and visitors. — **Revin Mikhael D. Ochave**

**Nomura,**  
from S1/1

Security Bank Corp. Chief Economist Robert Dan J. Roces said the country should continue to watch out for persistently high core inflation.

"The implication of a still-rising core inflation and slowing headline inflation is that policy makers may need to carefully monitor and address the underlying inflationary pressures in the economy, rather than relying solely on headline inflation measures. This could include adjusting monetary policy or implementing other measures aimed at reducing inflationary pressures in the economy," he said.

Inflationary pressures include rising labor costs, higher prices of raw material and commodities, transport fare hikes, supply chain disruptions, and stronger demand for goods and services, Mr. Roces said.

He said fiscal policies such as government spending, tax policies, and regulations can also contribute to underlying inflationary pressures.

To manage these second-round effects, Mr. Roces said the Monetary Board is likely to continue its tightening cycle, but only by 25 bps more on March 23 before pausing.

"We expect a 25-bp hike by the Monetary Board at its next meeting on March 23. This shall bring the policy rate to 6.25% followed by a possible pause should disinflation begin with base effects kicking in and the foreign exchange market relatively confined to a range," Mr. Roces said.

**Carbon,**  
from S1/1

"The closest we have to carbon taxes is fuel excise taxes and to some degree, automobile excise taxes and the road users' tax. I support updating the MVRUT (motor vehicle road user's tax) and fixing our automobile tax system," he added.

More than half or 52.4% of greenhouse gas emissions in the Philippines are subjected to a positive Net Effective Carbon Rate in 2021, unchanged since 2018, according to the Organisation for Economic Co-operation and Development. In 2021, fuel excise taxes covered 52.4% of emissions.

Analysts said a carbon tax would not just raise revenues but also promote environmental sustainability.

"Carbon taxes are a vital tool to address carbon emissions and also raise revenue that should be plowed back to environmental and climate investments," Antonio Gabriel M. La Viña, a lawyer, educator and environmental expert, said in a text message.

Ateneo de Manila University Economics Professor Leonardo A. Lanzona said in an e-mail that carbon taxes would also address the problem of climate change and promote green jobs.

Mr. La Viña said the carbon tax should be designed "not to be regres-

sive" and should not be passed to consumers.

"It must be based on the polluters pay principle and consistent with principles of climate justice and a just transition," he added.

Mr. Lanzona said the government should also ensure revenues will be used to make the shift to sustainable practices easier.

"All of these benefits will not be achieved unless the government uses the tax revenues to create an environment that will make it easier for firms and industries to shift to more environmentally friendly alternatives," he said.

Mr. Lanzona cited training and education programs for workers to develop skills in green industries, incentivizing energy efficiency industries such as electric vehicle manufacturing, and increasing public investments in renewable energy sectors like solar and wind power.

"Unless the necessary logistics and policies are in place, the tax can be a source of inflation as the tax can be transferred to the consumers in the form of higher commodity prices," he added.

The Philippines has committed to reduce its greenhouse gas emissions by 75% by 2030.

# Direct-sale model comes for middlemen in produce trade

**By Patricia B. Mirasol**  
Reporter

MARKET forces are a cruel master, forcing economic actors to be efficient enough to thrive even when prices are low. Sometimes, however, they fall too low for most producers to earn a decent living. And that is where organizations like Rural Rising Philippines (RuRi) step in.

RuRi, a self-described "accidental advocacy," has dedicated itself to the proposition that farm produce is unfairly priced, and that direct purchasing at higher prices and a distribution model light on middlemen might hold the key to a future where everyone in the supply chain benefits.

The husband-and-wife team that runs RuRi intended to give farmers enough leverage "to stand up to middlemen," according to co-founder Ace C. Estrada. "Now they say, 'Oh, Rural Rising pays us this much.'"

Mr. Estrada and wife Andie sell the produce they pick up at higher-than-market prices via a 38,000-member Facebook group,

and to 174,000 followers on the RuRi Facebook page.

The enterprise was inspired by news stories during the height of the lockdown in 2020 about farmers forced to throw their produce away because of a lack of buyers.

RuRi supporters "are entranced by the stories of the farmers," Mr. Estrada said in an e-mail. "We reveal the names of people and places where we get (the produce). This transparency inspires members to help more, because they are now not just buying vegetables but... (also) buying the opportunity to help."

The social enterprise purchases produce from farmers from Luzon and parts of the Visayas, including Leyte and Antique.

A farmer from Zambales, for instance, attested to the sale of three tons of sweet potatoes to RuRi for P35 per kilo. Middlemen would have paid P9 per kilo, the farmer told Mr. Estrada.

The inefficiency of transport in rural areas and the fragmented nature of small farms means middlemen have stepped in to consolidate the harvests and transport them to markets. The cut they take at each stage means that squash that sells for P4 at the farmgate will be

priced at P50 by the time it reaches a public market in Metro Manila.

Middlemen are "not necessarily evil," Mr. Estrada said. "But there should be price regulation."

### TULFO NG AGRÍ

For his efforts, Mr. Estrada has been called the "Tulfo ng Agri," a reference to Senator Rafael T. Tulfo's public affairs show that aids people victimized by fraud and exploitation.

The problem of the farmers is also an inability to see opportunity in large harvests, he told *BusinessWorld*.

"We tell them to be entrepreneurial," he said. "They come to us 'pag nagtatapon na sila (when they are about to dispose of produce). It's always, 'Sir, nagtapon po kami ng (we discarded) four tons.' It's never, 'We are about to harvest in two weeks.'"

One of the latest purchases is from an Aglipay, Quirino province farmer who was able to bring his ripening Japanese sweet potatoes (*binlong*) to RuRi's truck in Nueva Vizcaya — right before it had to travel back to Manila.

Prior to RuRi, Mr. Estrada ran a coding bootcamp in Baguio. The IT worldview of dealing with con-

stant disruption gave him a taste for disrupting agriculture, which he considers riddled with "vested interests."

"Ano 'yung product na political, or laging pinag-uusapan sa Senado (What product is political and always being discussed in the Senate)?" he asked. "May (There are) vested interests to protect."

"Some products are more dangerous to handle than others, so we stay away from that," he said, adding that he has received threats as a result of his work.

Future plans include the opening of stores akin to mini-versions of a Food Terminal, Inc., a center for receiving produce from the hinterlands to systematize urban food distribution.

The founders also aim to develop RuRi as a corporation, and make group members and farmers part owners.

Making farmers shareholders will give them another source of income apart from farming, Mr. Estrada said.

"Members can buy shares for a farmer and donate it to him, to inspire him to continue to contribute — both as a producer and an owner," he added.

## Biofertilizer shift to benefit from expertise in state universities

**By Sheldeen Joy Talavera**

A SHIFT to biofertilizer will allow users to tap an extensive array of know-how residing in state universities and research agencies, a government researcher said.

"I think we have a solid technological base on which we can build a biofertilizer program," according to Roehlano M. Briones, senior research fellow from the Philippine Institute of Philippine Studies, speaking by phone to *BusinessWorld*.

The government has ordered greater use of biofertilizer as an import-replacement strategy, following the disruption in the fertilizer market in the wake of the Ukraine war.

"Definitely, there is a large scope for replacement in the medium to long term. That is why, if you want to realize that in the next five years, you have to start now," Mr. Briones said.

Mr. Briones said that most of the chemical fertilizers used in the Philippines are imported.

Chemical fertilizers require synthesizing major nutrients, especially nitrogen, phosphorus, and potassium, using intensive industrial processes.

He said urea — a white crystalline compound containing nitrogen — uses ammonium as raw material.

"You draw in nitrogen from the atmosphere using the Haber-Bosch Process. Very intensive in use of chemical reactions," he said.

Biofertilizer, on the other hand, uses crop residue or animal manure enriched with microorganisms using biological processes.

Mr. Briones added that there is no current standard process for producing biofertilizer, because there are many varieties.

Manure-based fertilizer, he said, can be sourced from livestock farms and produced using a biodigester, in which the raw material will undergo anaerobic

composition to become a slurry, which then can be used as a fertilizer.

"For overall soil health and long-term sustainability of your agricultural production, biofertilizer is more favorable. There is also an additional benefit, and it is very important (in addressing) climate change," he said.

He noted that biofertilizer-treated soil can store more carbon, which can mitigate greenhouse gases.

Marlon B. Deblouis, a senior agriculturist with the Fertilizer and Pesticide Authority, said the yield performance of biofertilizer varies widely, depending on the area treated or the season in which it is used.

"Biofertilizers give off different nutrients (depending on the) microorganism," he told *BusinessWorld* by telephone.

Mr. Briones said biofertilizer must also be used in conjunction with other fertilizers, though supplementation with biofertilizer means that "At least you can replace a lot of chemical fertilizer."

The Philippine Rice Research Institute, recommends using a combination of organic and inorganic fertilizer, which it calculates can save farmers P2,000-P4,000 per hectare, depending on the amounts used, timing, and type of fertilizer employed.

According to Danilo H. Ramos, who chairs the Kilusang Magbubukid ng Pilipinas (KMP), a bag of urea currently costs at least P2,000.

"I heard from our scientists that it is indeed possible as long as there is political will and a program from the government, not rely on foreign inputs," he told *BusinessWorld*.

He said farmers have been sustaining losses even before the fertilizer crisis. He cited a 2019 KMP case study in Nueva Ecija estimating the cost of production at P69,000 per hectare, when a bag of urea cost only P800.

He also said any impact from using biofertilizer could be offset by the ongoing government push in favor of hybrid rice seeds.

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