

Palay production tops 20 million MT in 2023

PRODUCTION of palay or unmilled rice was 20.06 million metric tons (MT) in 2023, according to the Philippine Statistics Authority (PSA).

The PSA said production increased by 1.53% from a year earlier and exceeds the 20 million MT target set by the Department of Agriculture (DA).

The DA's target was unchanged from a year earlier and accounted for the possible impact of El Niño on agriculture.

The government weather service, known as PAGASA (Philippine Atmospheric, Geophysical and Astronomical Services Administration), said that the most intense phase of El Niño may run

until the second quarter, bringing dry spells and drought to 63 provinces.

It added that the harvest from irrigated areas was 15.28 million MT, while rainfed palay production was 4.78 million MT for 2023.

The region with the highest palay production was Central

Luzon with 3.64 million MT, followed by the Cagayan Valley with 3.03 million MT and the Western Visayas with 2.26 million MT.

In a separate report, the PSA said the rice inventory at the beginning of December declined 25.2% year on year to 1.9 million MT.

A sharp fall in stocks held by the National Food Authority

(NFA) drove the decline in inventory for the period.

NFA rice holdings fell 54.4% year on year to 57.13 thousand MT, while household rice stocks fell 33.2% to 987.78 thousand MT.

Rice held by commercial establishments dropped 8.7% to 851.88 thousand MT.

On a month-on-month basis, the December rice inventory fell 4.2% from 1.98 million MT previously.

"Month-on-month decreases were noted in rice inventories in the commercial sector by 5.5%, NFA depositories by 5.1%, and in the household sector by 3%," it added. — **Adrian H. Halili**

French farmer protests could spread nationwide as unrest mounts in agri

PARIS — France's largest farm union FNSEA (Fédération Nationale des Syndicats d'Exploitants Agricoles) is considering nationwide protests in the coming weeks, a spokesperson said, potentially expanding action by farmers in the southwest who have blocked a highway and dumped manure on public buildings.

Like their German counterparts who held a massive demonstration over the weekend with tractors rumbling towards Berlin from every corner of the country, French farmers are mainly protesting against taxes and regulation.

The FSNEA will decide whether to organize nationwide action on Thursday after meeting local branch representatives and different farm sectors, the spokesperson said.

Hundreds of tractors and farmers from across southwest France have been protesting in the southwestern city of Toulouse this week, causing traffic jams.

On Friday they blocked the highway linking Toulouse to

the Atlantic coast with a wall of hay.

Farmers cite a government tax on tractor fuel, cheap imports, water storage issues, excessive restrictions and red tape among their grievances.

FNSEA farmers have been turning around road signs at the entrance of towns and villages across the country — in 12,000 districts out of a total of 36,000 — to express their discontent in a campaign called "We are walking on our heads."

The protests in the European Union's (EU) biggest agricultural producer come at a time when President Emmanuel Macron is wary of farmers' growing support for the far-right ahead of the European Parliament elections in June.

Mr. Macron told his cabinet this week to pay careful attention to potential flashpoints for rural workers, to try to avoid further demonstrations and another flare-up of the so-called Yellow Vest protest movement, a minister told *Politico*.

In a sign of growing farmer anger in the EU, hundreds of Romanian farmers have also held protests this month. — **Reuters**

India may earmark \$48B for next year's food, fertilizer subsidies

NEW DELHI — India may earmark about 4 trillion rupees (\$48 billion) for food and fertilizer subsidies for the next fiscal year, two government sources said, indicating fiscal caution ahead of this year's general election.

Food and fertilizer subsidies account for about one-ninth of India's total budget spending of 45 trillion rupees during the current fiscal year that ends on March 31.

The Ministry of Consumer Affairs, Food and Public Distribution has estimated next year's food subsidy bill at 2.2 trillion rupees (\$26.52 billion), the two sources said. That is 10% higher

than a projected outlay of nearly 2 trillion rupees (\$24.11 billion) for the current 2023-24 fiscal year.

Additionally, next fiscal year's fertilizer subsidy is expected to be 1.75 trillion rupees, down from the current 2022-23 fiscal year estimate of nearly 2 trillion, one of the sources said.

The sources, which are directly involved in the decision making on the subsidies, did not wish to be named as they were not authorized to speak to the media.

Finance Minister Nirmala Sitharaman will unveil the 2024/25 budget on Feb. 1. The Ministry of Finance, the Ministry

of Chemicals and Fertilizers and the Ministry of Consumer Affairs, Food and Public Distribution ministries of finance did not reply to requests for comment.

Maintaining the combined subsidies at their current level would be unusual for a government facing a national election in just a few months, but Prime Minister Narendra Modi is widely expected to win a rare third term in elections scheduled for April and May.

Also, containing food and fertilizer subsidies is crucial for managing India's fiscal deficit, which Mr. Modi's government is targeting at 5.9% of gross

domestic product this year and planning to lower by at least 50 basis points in the fiscal year 2024/25.

The food subsidy bill is likely to go up next year as Mr. Modi's administration late last year extended its flagship free food welfare program for the next five years.

India runs its multi-billion dollar food welfare program, the world's biggest such initiative, by buying rice and wheat from millions of domestic farmers at state-set minimum or guaranteed prices and then supplying the staples for free to 800 million Indians. — **Reuters**

Red Sea crisis cutting farm exports — Ukraine minister

KYIV — The situation in the Red Sea led to a slowdown in Ukrainian agricultural exports in January, agriculture minister Mykola Solsky said.

"A big volume was (exported) in December... but the rate (in January) will drop," Mr. Solsky told national television. "There are problems in the Red Sea and part of our exports went and are going through the Red Sea to

China, Asia and African countries and therefore the movement of ships has slowed down a lot," he said.

Attacks by Iran-allied Houthi militia in Yemen on ships in the region since November have slowed trade between Asia and Europe and alarmed major powers.

The US has begun strikes on Houthi sites aiming to degrade their ability to attack shipping in

the Red Sea. Solsky said an additional reason for lower shipments was the New Year holidays.

Ukraine exported 4.8 million metric tons of food via its Black Sea corridor in December, surpassing the maximum monthly volume exported under a previous UN-brokered grain deal.

Prior to Russia's invasion in February 2022 Ukraine exported about 6 million tons of food per

month via the Black Sea. It now relies on the corridor along its western Black Sea coast near Romania and Bulgaria, its small ports on the Danube River, and exports over land via eastern Europe.

Kyiv believes it has managed to dislodge Russian forces from the western part of the Black Sea, securing grain exports which are crucial to its economy as well as for important imports. — **Reuters**



2023 business registrations post 5% growth

THE Department of Trade and Industry (DTI) said 984,332 business names were registered last year, up 5%, attributing the rise to its digitalization efforts.

The DTI in a statement said that 88% or 864,200 of the registrations were new, while 12% or 120,132 were renewals.

"The majority of the applicants processed and completed their applications online based on the payment collections received," the DTI said.

According to data from the Department's Business Name Registration Division (BNRD), small retail businesses, known in the Philippines as *sari-sari* stores, remained the top business activity among registrants with 172,905.

In second place are other restaurants and mobile food services activities, which accounted for 78,174 business registrations.

In third place are real estate businesses buying, selling, renting, leasing, and operating apartment buildings, non-residential structures, and dwellings, which had 41,165 registrations.

The BNRD said that it is working with regional and provincial offices to encourage early renewal of business names.

"Meanwhile, barangay-level registrations constituted 60% of the total business names registered with 588,118, while 221,620 applications were with the city or municipality," the DTI said.

Last year, the DTI moved the registration process 100% online, while integrating the systems of the BNRS (Business Name Registration System) and local governments.

Since August, "walk-in applicants at Negosyo Centers have been directed to use either their devices or designated computer units at the DTI offices to independently file and process business name registration applications through the BNRS website," it said. — **Justine Irish D. Tabile**

Gov't intervenes in sugar market with P5 billion scheme to purchase direct from farmers to support farmgate price

THE GOVERNMENT has allocated P5 billion to purchase sugar directly from farmers in order to prop up farmgate prices, an industry group said on Sunday.

"President Ferdinand R. Marcos, Jr. approved the initial budget of P5 billion for the government to directly purchase sugar from farmers at a premium price," Manuel R. Lamata, president of the United Sugar Producers Federation of the Philippines (UNIFED), said in a statement.

Industry groups have called for government intervention to narrow the gap between sugar farmgate and retail prices. UNIFED said that this gap has

been in place since the start of the milling season in September.

"To my fellow sugar planters, do not sell yet your sugar at these low prices. Wait a little more because our President has stepped in to help the sugar farmers," Mr. Lamata said.

He said earlier that trading prices for raw sugar have declined to P2,300-P2,500 per 50-kilogram bag, which is below the production cost for producers.

Separately, the Sugar Regulatory Administration (SRA) said that it had recently met with sugar industry representatives to draft procedures for direct purchasing.

Last year, the SRA said trading prices for sugar will remain stable at P3,000 per 50 kilo bag.

"We also discussed steps to be taken to further enhance productivity and profitability, ensure stability of sugar supply for consumers and industrial users, and retail prices, keeping in mind that the sugar farmer is also a retail consumer," SRA Administrator Pablo Luis S. Azcona said.

The regulator has projected a possible 10-15% decline in raw sugar production due to El Niño. Official estimates place production at 1.85 million MT for the crop year.

El Niño is projected to persist until May this year and bring drought and dry spells to 63 provinces, according to PAGASA (Philippine Atmospheric, Geophysical and Astronomical Services Administration), the government weather service.

Mr. Azcona has said that the SRA was planning to impose a suggested retail price scheme for sugar.

The retail price of refined sugar in Metro Manila markets was between P74 and P100 per kilo, while brown sugar fetched P60-90 per kilo, according to Department of Agriculture price monitors. — **Adrian H. Halili**

European chamber calls for PHL free trade deal to go on fast track

By Justine Irish D. Tabile
Reporter

THE European Chamber of Commerce of the Philippines (ECCP) said free trade agreement (FTA) negotiations between the European Union (EU) and the Philippines should be fast-tracked to maximize its development impact.

"We recognize that the timely conclusion of the EU-Philippines FTA will result in significant socio-economic development, as well as bring relations to new heights, especially in areas such as trade and investment, employment, economic diversification, innovation, and sustainability," ECCP President Paulo Duarte told *BusinessWorld* via e-mail.

At a recent briefing, the Department of Trade and Industry (DTI) Undersecretary Alan B. Gepty said the DTI is hoping to finalize a decision on whether negotiations for the FTA will resume in the first quarter.

"The ECCP commends the Philippine government's dedication to advancing discussions on the EU-PH FTA ... As such, the ECCP emphasizes the urgency of fast-tracking the negotiations," Mr. Duarte said.

"The ECCP trusts that the EU and Philippine governments will be able to progress towards the

resumption of the negotiations based on its shared values and interests," he added.

Mr. Gepty told reporters last week that both the EU and the Philippines had submitted their reports to their principals.

"Hopefully, within the first quarter of this year, we will have the two-way decision. We have reported to our principals and the EU has also done the same," he added.

The EU and the Philippines began exploratory talks for an FTA as early as 2013 with the first round of negotiations taking place in May 2016.

However, talks have been stalled since 2017 over issues related to intellectual property rights and data exclusivity, among others.

Mr. Gepty said that the Philippines will have to take into account the EU trade agenda seen in the EU's FTAs with other countries.

"The EU is very particular on the sustainable development agenda. They are very particular on the environment, climate change, among others," he said.

Mr. Duarte said that the ECCP envisions the EU-Philippines FTA to be on par with agreements forged with Singapore and Vietnam.

Meanwhile, Mr. Gepty said that the Philippines is also considering participation in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).



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(Sgd.) EMMANUEL R. LEDESMA, JR.
President and Chief Executive Officer (PCEO)

Date signed: January 15, 2024