

USDA downgrades PHL rice import forecast as milled rice output picks up

THE US Department of Agriculture (USDA) said it downgraded its forecast for Philippine rice imports amid a rise in firecast milled rice production, which it said is sufficient to partly offset growing demand.

In its Grain and Feed Annual report published on Friday, USDA Foreign Agricultural Service (FAS) said that its forecast for rice imports for the marketing year (MY) 2024-2025 is flat at 4 million metric tons (MT) as “domestic production covers the

slight increase in demand.” Early this month, the USDA made an import forecast of 4.1 million MT, citing expectations of a “smaller crop.” The marketing year starts in July and ends in June of the following year.

“FAS is forecasting MY 2024/2025 imports at the same level as MY 2023/24 as the weakened El Niño forecast will support improved growing conditions for the wet season rice crop resulting in stable import demand,” the report said.

The Philippines is expected to produce 12.125 million MT of milled rice in MY 2024/2025 with the expected weakening of El Niño by April or May, continued government funding, and increased use of fertilizer and hybrid seed.

This is higher than the adjusted 12 million metric tons forecast for MY 2023/2024 which had been downgraded from 12.3 million due to the effects of El Niño.

FAS noted that the Philippine Department of Agriculture’s

Masagana Rice Program targeted at 2.3 million farmers is expected to disburse P30.8 billion in aid, while fertilizer prices are stabilizing, except for ammonia.

It added that rice consumption is expected to increase for MY 2024/2025 in line with population growth. Total consumption and residual amounts are expected to increase to 16.48 million MT from 16.05 million MT in MY 2023/2024.

“Global wheat prices have stabilized, but there was no mea-

asurable shift from rice to bread over the past year as both staples experienced inflation,” FAS said.

“As of the time of publication, the dry season harvest was having a slight downward effect on retail rice prices. Thus far, rice consumption has proven durable despite inflation,” it added.

Meanwhile, the FAS forecasts flat corn production growth amid continued subsidies to help maintain yields even though the crop was not being significantly affected by El Niño.

“This is due in part to the slightly later growing season and the varying effects of El Niño on different growing regions,” the FAS said.

However, imports of corn are projected to be higher for MY 2024/2025 as its production lags the expansion of the livestock and poultry sectors.

FAS said that the extension of the lower corn tariff rates until the end of 2024 will help preserve many global sourcing options for importers. — **Justine Irish D. Tabile**

Post-harvest support seen as key in taming inflation

By **Kenneth Christiane L. Basilio**

ADEQUATE post-harvest support will play a role in easing food inflation by cutting down on food waste, after prices ticked up in February, a legislator said Friday.

Asked about March inflation expectations, Albay Rep. Jose Maria Clemente S. Salceda said post-harvest support measures will cut down on the 15% in lost crops during harvest season.

“The key to keeping inflation under control is to keep an adequate rice supply available,” Mr. Salceda, who is a vice chair of the House Agriculture and Food Committee, told *BusinessWorld* in a Viber message. “Any shocks in rice prices will have a pronounced effect on overall price levels.”

Food was the primary driver for the rise in February inflation. The Philippine Statistics Authority said February inflation rose to 3.4% from 2.8% in January, with food inflation accelerating to 4.8% from 3.3% in the same period.

Reducing post-harvest losses can reduce dependence on agricultural imports. “Our post-harvest losses account for as much as 15% by total volume. So, if we can reduce losses, we can ease the pressure to import a bit,” Mr. Salceda said.

However, Samahang Industriya ng Agrikultura Executive Director Jayson H. Cainglet said post-harvest losses can spike to 40% as the “milling recovery rate currently stands at around 60% to 65%.”

“If we can increase the milling recovery rate (from post-harvest support) to 70% to 80%, then we expect to see almost one to two million additional metric tons of rice” being made available to the market, Mr. Cainglet told *BusinessWorld* by phone.

The government can also increase agricultural productivity by providing programs and mechanisms that support harvesting activities. “When it comes to crops: warehousing, storage facilities, millers and crop driers are the most important government interventions,” he said in Filipino.

Exporters betting on ‘robust’ overseas market for PHL salt

THE PHILIPPINE Exporters Confederation, Inc. (Philexport) said that it is hoping that the Philippine Salt Industry Development Act will unlock the overseas market potential of Philippine salt.

In a statement, Philexport President Sergio R. Ortiz-Luis, Jr. said Republic Act (RA) No. 11985 “will help the salt industry recover and encourage small-scale sea salt producers forced out of business to resume production.”

“It is also our hope that this law will make possible once again robust exports of salt from the Philippines,” Mr. Ortiz-Luis added.

The exporter organization said salt exports declined to \$67,894 in 2020 from \$190,029 in 2019.

“World export of salt in 2021 exceeded \$2.59 billion, indicating vast potential for Philippine exports,” the group said.

The group added that the law lifts the requirement for all Philippine salt to be iodized, which was mandatory under the An Act for Salt Iodization Nationwide Law or the ASIN Law, which was designed to eliminate iodine deficiency disorder.

“But while with good intentions, the ASIN Law seriously affected sea salt production and exports and made the Philippines dependent on imports, with the country bringing in about 550,000 metric tons of salt every year or 93% of its salt requirements,” Philexport said. “This is despite the country’s 36,000 kilome-

ters of shoreline, the fifth longest shoreline in the world,” it added.

It said that Philexport, together with other business groups, had been asking for natural sea salt to be exempt from the mandatory salt iodization under the ASIN Law.

Under RA 11985, a salt industry development roadmap will be drafted to ensure the revitalization of the salt industry. “(These) are aligned with the objectives and continued implementation of the ASIN Law,” the Philexport said.

Aside from the roadmap, the law will also create a Salt Council which will ensure the implementation of the road map and accelerate the modernization and industrialization of the salt industry. — **Justine Irish D. Tabile**

More investment urged in climate-resistant crops

THE DEPARTMENT of Agriculture (DA) needs to consider developing more climate-resistant crops to mitigate the impact of El Niño on agriculture, a legislator said Sunday.

Party-list Rep. Wilbert T. Lee said in a statement that making climate-resilient crops available to farmers would help achieve food security amid the threat of food shocks due to dry conditions brought about by El Niño.

“We need to utilize and maximize all available agricultural

technologies so as to make our farmers more resilient to climate change,” Mr. Lee said in a statement. “Climate-resilient crop varieties are important in achieving food security,” he added.

The DA reported last week that damage to agriculture has been valued at P1.75 billion due to intensifying El Niño conditions, displacing at least 29,437 farmers across 32,231 hectares of affected farmland.

Rice and corn crops sustained most of the damage, valued at P1.1 billion and P317 million, respectively.

“We should now consider developing climate-resilient rice and corn crops to mitigate the effects of El Niño,” Mr. Lee said in Filipino.

While he noted the International Rice Research Institute (IRRI) has conducted initial studies on climate-resilient staple crops, the government should

further “build on this technology” to help farmers reduce their losses.

The IRRI has developed drought-tolerant rice crops such as the Sahod Ulan rice variety released throughout the country. Approved for release last year, Sahod Ulan 39 was the latest drought-resilient rice variety developed by IRRI, which features a fast maturity period and resistance against pests and disease. — **Kenneth Christiane L. Basilio**

GOCC regulator to submit revised charter proposals within the year

THE Governance Commission for GOCCs (GCG) said its proposal to revise its charter is still being worked on and should be submitted to Congress within this year.

“We are working on the proposal,” GCG chairman Marius P. Corpus told *BusinessWorld* on the sidelines of the GCG Gender and Development Conference last week.

He said the latest draft proposal is expected to be submitted to Congress “maybe within this year.”

Last year, the GCG floated plans to amend its charter to strengthen its power to sanction government-owned and -controlled corporations (GOCCs) that it oversees.

Republic Act No. 10149, which created the GCG, does not give the commission power to investigate and sanction underperforming GOCCs and its officials.

“We don’t have coercive power; our powers are mostly advisory,” Mr. Corpus said last year.

Proposed amendments to the charter also include upgrading positions within the GCG,

with its staff often being “pirated” by other GOCCs, according to the chairman.

“That’s happening because compensation in other government agencies is higher,” Mr. Corpus said.

In December 2022, the GCG sent its proposals to Senator Allan Peter S. Cayetano, who headed the Senate Committee on Government Corporations and Public Enterprises in the 18th Congress.

Previous amendments included the standardization of the definition of GOCCs, as well as authorizing the GCG to consolidate, rationalize, and integrate GOCCs into national government agencies. It also proposed fixed terms of office for the GCG chairman and commissioners, as well as the creation of an office for the GCG executive director.

It also proposed that the GCG be granted subpoena and contempt powers, and the authority to determine incentive programs for employees. — **Beatriz Marie D. Cruz**

Infra, governance seen as more critical to FDI than charter reform

ENHANCEMENTS to infrastructure and governance are key to attracting foreign investors, not just opening up the economic provisions of the 1987 Constitution, analysts said.

“Attracting FDI (foreign direct investment) is not just about economic provisions (of the Constitution), it’s also about maintaining a good socio-economic-political environment conducive to the conduct of business,” John Paolo R. Rivera, president and chief economist at Oikonomia Advisory & Research, Inc., told *BusinessWorld* in a Viber message.

Legislators have pitched the Charter reform campaign as a means to open up industries to foreign capital and encourage more FDIs.

The Philippines has one of the most restrictive economies in Southeast Asia as the Constitution limits foreign participation to a 40% equity stake in most domestic companies. The Philippines ranked third most restrictive out of 83 economies — scoring 0.374 on a scale of 0 (open) to 1 (closed) — according to a 2020 FDI

analysis by the Organization for Economic Co-operation and Development.

“The RBH (Resolution of Both Houses) No. 7 is necessary but not sufficient,” Foundation for Economic Freedom President Calixto V. Chikiamco told *BusinessWorld* via Viber, referring to how the proposal could open the economy to foreign investment.

He added: “RBH No. 7 just inserts the phrase ‘unless otherwise provided by law’ (into the Constitution), meaning Congress has to pass a specific law first in order to open up education, advertising, and public utilities to 100% foreign investment.”

While ease of doing business policies and a well-managed economy are important factors for foreign investors, Mr. Rivera said that “good housekeeping and good governance” are also key considerations for foreign investors.

He added that the Philippines should also have “excellent infrastructure” to further attract foreign investment. — **Kenneth Christiane L. Basilio**



SM INVESTMENTS

Notice of Annual Stockholders’ Meeting

April 24, 2024 at 2:30 p.m.

Forbes Ballroom 1 and 2, Conrad Manila

Seaside Blvd. corner Coral Way, Mall of Asia Complex, Pasay City

To all Stockholders:

The 2024 Annual Stockholders’ Meeting (ASM) of SM INVESTMENTS CORPORATION (the Company or SMIC) will be held on **April 24, 2024 (Wednesday), 2:30 p.m.** at **Forbes Ballroom 1 and 2, Conrad Manila, Seaside Blvd. corner Coral Way, Mall of Asia Complex, Pasay City**, and will be livestreamed for stockholders participating remotely. The agenda of the meeting is set forth below:

AGENDA

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of Minutes of the Annual Meeting of Stockholders held on April 26, 2023
4. Approval of Annual Report for 2023 (Open Forum)
5. Ratification of the acts of the Board of Directors, Board Committees and the Management from the date of the last annual Stockholders’ meeting up to the date of this meeting
6. Approval of the Amendment to the Sixth Article of the Articles of Incorporation to Increase the Number of Directors from Eight (8) to Nine (9)
7. Election of Members of the Board of Directors for 2024-2025
*Including an Independent Director for the additional Board seat upon approval by the Securities and Exchange Commission of the increase in directors
8. Appointment of External Auditor
9. Other Matters
10. Adjournment

The Board of Directors has fixed the end of trading hours of The Philippine Stock Exchange, Inc. (PSE) on **March 25, 2024** as the record date for the determination of Stockholders entitled to notice of, to participate, and to vote in absentia, at such meeting and any adjournment thereof.

Stockholders who wish to participate in the meeting remotely must register at the SMIC 2024 ASM registration portal <<https://asmregister.sminvestments.com>> and submit the required information on or before **April 15, 2024**. All information received will be subject to verification by the Company.

Stockholders who wish to appoint a proxy may accomplish the attached proxy form (which need not be notarized) and submit the original to the Office of the Corporate Secretary on or before **April 15, 2024** at No. 1105 Tower 2 High Street South Corporate Plaza, 26th Street Bonifacio Global City, Taguig City 1634, as provided in the By-laws. Validation of proxies will be conducted on **April 17, 2024** at the Office of the Corporate Secretary.

Stockholders participating remotely can then cast their votes in absentia through the Company’s secure online voting facility and will be provided access to the live streaming of the meeting. For the detailed registration and voting procedures, please refer to the “**Guidelines for Remote Participation and Voting in Absentia**” appended to the Information Statement to be posted on the Company’s website and PSE EDGE.

A copy of the Information Statement, Annual Report (once available) with the Audited Financial Statements of the Company for the period ended December 31, 2023 and other pertinent materials related to the 2024 ASM shall be posted on the Company’s website and PSE EDGE.

For further information, please visit <https://www.sminvestments.com/asm2024>.

Thank you.



BY THE ORDER OF THE BOARD OF DIRECTORS

(SGD.)
ELMER B. SERRANO
Corporate Secretary
SM INVESTMENTS CORPORATION