

# Vanilla pilot farm planned using Israeli technology

THE Department of Agriculture said that it is planning to set up a vanilla pilot project in partnership with an Israeli agri-technology company.

The project will involve training for interested farmer coop-

eratives, Undersecretary Jerome V. Oliveros told *BusinessWorld*.

He identified the Israeli partner as LR Group, which runs a vanilla farm in Papua New Guinea.

"The LR Group has a very ambitious and productive vanilla

project in Papua New Guinea," he said.

"We can bring (the technology) here, and we can probably provide our farmers this technology, subsidize part of it, and then tap the private sector," he said.

He added that LR Group has managed to shorten the growing time for vanilla to three years from the normal five years.

"We have to (evaluate) the return on investment on that

technology also, because, at the end of the day, you have to make a profit... that's what the farmers need to see," he said.

Mr. Oliveros added that the department will also provide interested cooperatives with technical

support should they seek to join the vanilla project.

"Their best practices there, I think we can adopt," he said.

He added that vanilla producers here typically grow their crop alongside cacao. —Adrian H. Halili

## Contamination of cooking oil raises fresh food-safety worries in China

BEIJING — China's food safety commission will investigate the alleged use of fuel tanker trucks to transport cooking oil, state media reported, amid fears of possible food contamination.

The Beijing News last week reported that state stockpiler Sinograin's fuel tankers were found transporting food products like cooking oil, soybean oil and syrup, without cleaning the tankers in between.

The food safety commission will hold a special meeting with state planning agency the National Development and Reform Commission, the State Administration of Grain and Reserves, and other ministries to discuss and investigate the allegations, state broadcaster CCTV reported.

"Illegal enterprises and relevant responsible persons will be severely punished in accordance with the law and will not be tolerated," CCTV said.

Chinese food products have come under scrutiny domestically and globally after a series of scandals, especially the lethal milk scandal in 2008 where infant formula was found containing the industrial chemical melamine.

Beijing has sought to step up food safety controls and assure importers that its products are safe, while some Chinese consumers have turned to foreign brands that are deemed more reputable.

Beijing News last week said the cooking oil issue was an "open secret" in the transport industry, and CCTV called it "tantamount to poisoning," even after Sinograin released a statement saying it had ordered an investigation into whether transportation carriers leaving and entering its warehouses were compliant with food safety regulations.

—Reuters

## Michigan bird flu response sparks COVID-style worries

MARTIN, Michigan — Some dairy farmers are resisting Michigan's nation-leading efforts to stop the spread of bird flu for fear their incomes will suffer from added costs and hurt rural America.

The government's restrictions, which include tracking who comes and goes from farms, are rekindling unwanted memories of coronavirus disease 2019 (COVID-19) in Martin and other small towns in central Michigan.

The state has two of the four known cases in humans, all dairy workers, since federal authorities confirmed the world's first case in US cattle in late March. The state has tested more people than any of the 12 states with confirmed cases in cows, according to a Reuters survey of state health departments.

Testing policies vary by state. Public health experts fear the disease has the potential to turn into another pandemic just a few years after COVID-19.

As those worries mount, the acceptance and success or failure of Michigan's proactive response is being watched by other states looking for a roadmap that goes beyond federal containment recommendations.

More than a dozen interviews with Michigan producers, state health officials, researchers and industry groups, along with preliminary data, so far show limited dairy farmer participation in efforts to stem and study the virus.

In some cases, calls from local health officials go unanswered, money for dairy farm research is left unclaimed, and workers still milk cows without extra protective gear.

Brian DeMann, a dairy farmer from Martin, Michigan, said the outbreak and state's response recalls COVID-19. The 37-year-old believes Michigan's rules to contain bird flu would be more widely accepted if they came as recommendations rather than requirements for farmers.

"Nobody knows if these things that we're being told to do are going to stop it," said Mr. DeMann, who echoed an uncertain view shared by other farmers. "Just like 2020, people didn't like to be told what to do."

This spring many US dairy owners did not heed federal recommendations to offer more protective equipment to employees, according to farmers and workers.

Mr. DeMann said he did not invest in new protective gear, such as masks, for his workers because it is unclear how the virus is spreading.

About 900 permitted dairy farms dot Michigan's countryside, with cows in open-air barns and piles of feed covered with protective tarps and old tires used as weights.

Tim Boring, Michigan's agriculture director, said social stigma and economic concerns around infections have discouraged farmers from testing cows for bird flu in the nation's sixth biggest milk producer.

"There's a lot of factors that go into the concerns about farms coming forward with positive operations," he said. "We know this has been a challenge in Michigan."

The state last reported an infected dairy herd on July 9, its 26th to test positive. Five other states have also confirmed cases in the past month, and about 140 herds have been infected nationally since March, according to US Department of Agriculture (USDA) data. Michigan is offering farms up to \$28,000 to entice those with infected herds to participate in research. More than a dozen farms have so far expressed interest, the state said.

Separately, the federal government is offering financial assistance. Twelve of 21 herds enrolled in financial support from USDA are from Michigan, according to the agency.

To boost testing, the USDA launched a voluntary program in which US farmers can test tanks of milk weekly for bird flu. Six farmers in six states have enrolled one herd each, but a Michigan farmer is not among them yet.

"I really would like to see that in every single herd," said Zelmar Rodriguez, a Michigan State University dairy veterinarian studying infections.

Michigan's Agriculture department said it has up to 200 people responding to bird flu cases in poultry and cattle, including coordinating with USDA on outbreak investigations.

Veterinarians in other states said they tracked Michigan's cases to assess the risks for transmission.

"Michigan is doing a good job with their diagnostics and trying to identify where the disease is," said Mike Martin, North Carolina's state veterinarian.

Michigan's outbreaks in cows began after an infected Texas farm shipped cattle to Michigan in March before the virus was detected, according to USDA.

Weeks later, a Michigan poultry farm also reported symptoms and tested positive. Whole genome sequencing suggested the virus spilled over from the dairy farm to the poultry flock.

USDA now thinks the virus has spread indirectly through people and vehicles moving on and off infected farms.

Chickens owned by Michigan's largest egg producer, Herbruck's Poultry Ranch, were infected because the virus spread from cattle, said Nancy Barr, executive director of Michigan Allied Poultry Industries, an industry group.

Reuters was first to report the link to Herbruck's from dairy cow transmission. "It's a new threat to us," Ms. Barr said.

Herbruck's told the state in May it was laying off about 400 workers after bird flu decimated flocks in Ionia County. The company said in a public notice it planned to rehire employees as it rebuilds its flocks, a process that can take six months.

As of late June, Ionia County poultry farmers received \$73.2 million in indemnity payments from the US government for bird-flu losses, the most of any county in the country that had to cull infected flocks since February 2022, according to data Reuters obtained from the USDA.

The layoffs struck fear in Ionia, a city of about 13,000 people in central Michigan with a brick-paved Main Street and mural of the Mona Lisa. Business owners said unemployed workers have less money to spend at time when local stores already struggle to compete with Walmart and Meijer.

"I just thought, 'Oh great, here goes the store,'" said Jennifer Loudenbeck, owner of the Downtown Vintage Resale shop. Alex Hanulcik, who owns a fresh fruit stand, said he knows a Herbruck's

employee who left town to find work in the southern US after being terminated.

"I really feel for the employees," Mr. Hanulcik said. "They were blindsided."

Herbruck's declined to comment. Dairy farmers said they are constantly worrying their cows may be the next to become infected, yet they are unsure exactly how to protect them. Doug Chapin, a dairy farmer in Remus, Michigan, said he held meetings with employees to inform them of the risks of the virus. He is trying to make workers wear protective eye gear, though they objected in the past because glasses must be cleaned if milk sprays on them.

"You're thinking about it all the time," he said about the virus.

Michigan has plans to test dairy workers for signs of prior infections with first-in-the-nation blood testing. The state has already monitored thousands of people for bird flu symptoms using a complex contact tracing system that texts them three times daily, said Chad Shaw, health officer for the Ionia County Health Department.

Some farmers remain reluctant to engage with local health authorities, though. The Branch-Hillsdale-St. Joseph Community Health Agency began reaching out to farms generally to offer medical care for seasonal workers because of bird flu cases, said health officer Rebecca Burns. There has been little interest, she said. "These guys aren't used to us calling them," Ms. Burns said.

Michigan has detected the third most infected dairy herds of any state, after Idaho and Colorado, and lost 6.5 million chickens in April alone from outbreaks on poultry farms, USDA data show.

The Biden administration in late April began requiring lactating cows to test negative before being shipped over state lines. Michigan went further and in May started requiring farms to keep logs of visitors, disinfect delivery trucks that could carry the virus, and take other safety steps.

The state this month began requiring negative tests for non-lactating cows to be shown at fairs. Colorado reported the nation's fourth human case on July 3. —Reuters

## Energy storage partnership sees size of APAC market at 3,000 island communities

US ENERGY storage company Amber Kinetics said the potential Asia-Pacific (APAC) market for its storage technology being co-developed with regional partners is about 3,000 island communities.

"Kawasaki Heavy Industries, Ltd. has identified 3,000 islands that will require this technology all over the Asia-Pacific region," Amber Kinetics Chief Executive Officer Edgar O. Chua said on the sidelines of the US Embassy's 16th Media Seminar last week.

"We are about to complete the testing and development;

we are expecting that in August," he added.

The development of the technology stems from a memorandum of understanding signed by Amber Kinetics, Aboitiz Power Corp, Kawasaki Heavy, and IKS Co. Ltd. in February 2023.

"What we signed in Tokyo was a joint cooperation to work on the development of the iVSG (virtual synchronous generator). So the technology, iVSG, comes from Kawasaki, and a component of iVSG needs storage, so that's where we come in," he said.

—Justine Irish D. Tabile

## Philippine rice import forecast raised to 4.7 MMT for 2023-2024 — USDA

THE US Department of Agriculture (USDA) said it raised its Philippine rice import forecast for marketing year 2023-2024 to 4.7 million metric tons (MMT) from 4.6 MMT estimated a month earlier.

In its Grain: World Markets and Trade report, the USDA said the updated estimate is now in line with its rice import projection for the 2024-2025 marketing year.

"The Philippines is a major consumer of rice and, in recent years, has become the largest rice importer with recent policy changes spurring additional imports," the USDA said.

In June, President Ferdinand R. Marcos, Jr. signed Executive Order (EO) No. 62 which lowered the tariff on imported rice to 15% from 35% until 2028. The new tariff regime is subject to review every four months.

The EO is expected to reduce the retail price of rice by P6 to P7 per kilogram, according to the Department of Agriculture (DA).

"Lower tariffs are expected to decrease landed prices, easing inflationary pressures while spurring additional Filipino rice consumption," the DA added.

The USDA said the new estimate was spurred by stronger than expected import volumes during the first six months of 2024.

Rice imports amounted to 2.32 MMT during the six months to June, according to the Bureau of Plant Industry (BPI), citing totals as of July 4.

In the year earlier period, rice imports were 1.86 MMT.

The Agriculture department is projecting rice imports of 3.9 MMT this year.

The USDA added that importers have shifted some purchases to other countries due to rising global rice prices and tighter supply from Vietnam.

In January, the Philippine and Vietnamese governments signed an agreement giving the Philippines a quota of

1.5 MMT to 2 MMT of rice annually for five years.

Shipments from Vietnam have totaled 1.72 MMT, followed by Thailand with 352,331 MMT.

The USDA said that the increased import volumes have resulted in closer connectivity between international and Philippine rice prices.

A kilogram of imported well milled rice sold for between P51-P55 in Metro Manila markets, while regular-milled rice fetched P46-51 per kilo, according to BPI price monitors as of July 11.

Asked to comment, Ateneo de Manila economist Leonardo A. Lanzona said that lifting of the Indian government's ban on rice exports may drive the Philippines to import more.

"With the lifting of India's ban, the probability of even higher imports seems more certain," Mr. Lanzona said via Messenger chat.

"As the agricultural sector continues to face hurdles due to weather condi-

tions, the government has instituted a tariff policy designed in favor of consumers," he added.

Last year, India banned the exports of non-basmati white rice due to domestic supply concerns. Imports from India was estimated at 21,701 MT, the BPI said.

In October, the Indian government gave the Philippines an export quota of 295,000 MT for non-basmati white rice.

The USDA said that due to the ban on Indian rice exports, the Philippines leaned more heavily on suppliers Vietnam and Thailand, pushing up their export prices.

"Buyers in the Philippines chose to pay these elevated prices from Southeast Asian suppliers, which resulted in higher retail prices in the Philippines," it added.

Former Agriculture Undersecretary Fermin D. Adriano said that with the lowering of tariffs, imported rice will become cheaper than its domestic equivalent. —Adrian H. Halili



PHOTO: AP

PALAY (unmilled rice) production is estimated to have declined 8.6% during the second quarter, the Philippine Statistics Authority (PSA) said.

In a report, the PSA said that the palay harvest is estimated at 3.88 million metric tons (MMT), which if realized, would fall short of the 4.25 MMT in actual output a year earlier.

The PSA's outlook is based on the standing rice crop as of June 1.

The Department of Agriculture is projecting palay output to rise to 20.44 MMT this year, against 20.06 MMT in actual production in 2023.

The PSA said that total harvest area likely decreased 7.2% year on year to 891,770 hectares.

It added that about 86.6% of the crops as of June 1 has been harvested, equivalent to about 3.16 MMT.

It said that yield per hectare may have declined by 1.4% to 4.36 MMT.

"Of the 119,870 hectares of standing palay yet to be harvested, 1.4% were in the reproductive stage and 98.6% were in the maturing stage," it added.

Separately, the PSA said the national rice inventory was 2.16 MMT as of June 1.

It reported that rice stocks rose 19% from a year earlier.

The PSA said that rice inventories from the National Food Authority (NFA) rose 62.5% followed by stocks held by commercial traders, which were 56.7%.

On the other hand, it noted a decline in rice held by households of 21.3%.

"Of this month's total rice stocks, 61.4% were held by the commercial sector, 32.2% by households, and 6.4% NFA depositories," it added.

Meanwhile, the PSA said that corn production likely dropped 19.3% to 1.19 MMT during the second quarter.

Corn stocks as of June 1 was estimated at 750,760 MT, declining 15.3% from a year earlier.

Corn stocks held by commercial traders rose 7.5%, while household stocks fell 15.6%.

About 93.6% of this month's corn stocks were held by commercial traders, with the remaining 6.4% held by households. —Adrian H. Halili

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