Coconut exports deemed priority over biofuel

By Kyle Aristophere T. Atienza
Reporter

COCONUT product exports and domestic demand must take precedence before the government raises the coco-methyl ester (CME) content of biodiesel by 1 percentage point, Axelum Resources Corp. said.

"The proposed deferral (of the hike in the CME content of biodiesel) will certainly ease the current supply constraints, allow the industry to catch up with rising global demand, and normalize supply and stabilize prices sooner than later," Axelum Vice-President and Investor Relations Officer Paul C. Cheah told *BusinessWorld*.

The Philippine Coconut Authority (PCA) has said that the National Biofuels Board (NBB) is considering the suspension of the increase in CME content of biodiesel scheduled for October.

PCA Laboratory Services Division Chief Celia M. Raquepo last week said the Board is considering the "inflationary" impact of the scheduled increase in CME blend to 4%, citing high copra prices.

She described the supply of coconuts as sufficient, though price of copra is increasing, she noted. "So, the CME price will also increase."

As of June 3, copra prices rose to about P80 per kilo, more than quadruple the price from a year earlier.

Mr. Cheah said nut prices are currently softening at least for the short-term due to favorable climate conditions, "particularly in the past few months as we approach the historically peak harvest season."

He noted that prolonged dry weather and consecutive typhoons in the previous year were the main drivers of record nut prices.

The Biofuels Act of 2006 requires all liquid fuel to contain a set proportion of biofuel. The blend rose to 3% in October 2024, from 2% previously. It's set to further increase to 4% in October this year.

The Department of Energy has said that increasing the blend will "decrease dependence on imported fuels, reduce greenhouse gas emissions, and bolster the local biodiesel and bioethanol sectors."

The NBB's proposal is subject to the approval of the energy secretary, who chairs the board. President Ferdinand R. Marcos, Jr. has yet to name the replacement for Raphael P.M. Lotilla, who left the post in late May after being appointed to the Department of Environment and Natural Resources.

"It is difficult to predict a definitive schedule for implementation owing to various uncontrollable factors that influence supply," Mr. Cheah said.

"In our view, the most appropriate time to enact this measure is when domestic supply is able to sustainably cater to both local and export requirements," he added.

Ms. Raquepo of the PCA said last week that the export of coconut oil this year could raise more this year than the record $2.22 billion in revenue posted in 2024, due to rising global demand and increasing world prices.

The average price of coconut oil surged to an all-time high of $2,742 per metric ton (MT) in May, according to the World Bank.

"From a broader perspective, we must prioritize accelerating the implementation of our nationwide replanting program to replace aging trees and improve overall productivity," Mr. Cheah said.

"The recent capacity expansions of local manufacturers and entry of foreign players is expected to further intensify competition for nuts in the long run," he added.

The PCA last week said the coconut industry is dealing with two infestations, including coconut scale insect or cocolisap.

Cocolisap had spread to 516,962 trees as of May 30, a situation that the agency said was manageable.

But PCA Deputy Administrator Roel Rosales forecast the potential loss of 14 million nuts due to the cocolisap spread, equivalent to about P280 million.

Aside from cocolisap, the PCA is also dealing with the coconut spike moth, which was detected in over 20,000 trees in the Calabarzon region.

The PCA has allocated P94 million to deal with pest infestations, P60 million of which was to contain cocolisap.

Australia to boost aerial surveillance of Pacific for illegal fishing fleets

SYDNEY — Australia plans to significantly boost surveillance of Pacific Islands territorial waters, spending A$477 million ($310.72 million) on aerial patrols for illegal fishing fleets, tender documents viewed by Reuters show, as China takes steps towards sending its coast guard to the region.

Australia's Prime Minister Anthony Albanese visited Fiji on Friday to discuss regional security, after the government of Prime Minister Sitiveni Rabuka approved a maritime security agreement that will see Australia fund a patrol boat for Fiji.

Australia will fund commercial aerial patrols to support Pacific Island countries monitoring exclusive economic zones which span millions of kilometers of ocean, the documents show.

Australia was in a "permanent contest" in the Pacific, Foreign Minister Penny Wong said.

"The maritime domain is an important part of ensuring a stable and secure region in which sovereignty is respected," she told reporters in Adelaide, when asked about the Reuters report.

"These countries, they have very large maritime zones, but sometimes very small islands, so making sure that the maritime domain is ... used in a way that complies with international law and international norms, that goes to sovereignty."

Reuters reported last week that China's coast guard is taking further steps towards high seas boarding of fishing boats in the Pacific for the first time, risking tensions with Taiwanese fleets that also ply the region.

The Chinese Coast Guard demonstrated the capabilities of one of its largest ships, used to enforce maritime law in the Taiwan Strait, to 10 Pacific Island ministers, including Fiji's, in China a fortnight ago.

China has registered 26 coast guard vessels for Pacific Ocean patrols with the Western and Central Pacific Fisheries Commission (WCPFC), although it is yet to conduct an inspection, WCPFC officials said. China declined to comment.

Australia has gifted two dozen patrol boats to Pacific Island nations, and operates navy and air force patrols for illegal fishing in the region several times a year.

Sangaa Clark, chief executive of the Parties to the Nauru Agreement, representing nine Pacific Island countries controlling the world's largest tuna fishery that contributes half of the tuna canned globally, said the group has not invited China to conduct coast guard patrols, and instead relied on Australian-funded surveillance and patrols by Australia, New Zealand, France and the US.

In several Pacific Island countries, China is a major fisheries partner.

Pacific security expert Peter Connolly, a fellow at the University of New South Wales, said Chinese Coast Guard patrols in the region would "introduce geostrategic tensions to the policing of the Pacific's fisheries."

"This is particularly likely because the two most common nationalities of illegal fishermen in the Pacific have been from the PRC and from Taiwan," he said, referring to the People's Republic of China. — ***Reuters***

Trump promises immigration order soon on farm and leisure workers

WASHINGTON — US President Donald Trump said he would issue an order soon to address the effects of his immigration crackdown on the country's farm and hotel industries, which rely heavily on migrant labor.

"Our farmers are being hurt badly and we're going to have to do something about that... We're going to have an order on that pretty soon, I think," Mr. Trump said at a White House event, adding that the order would address the hotels sector, too.

He did not say what changes the order would implement or when it would take effect. Representatives for the White House and Department of Homeland Security (DHS) had no specific comment about the order, while representatives at the Department of Agriculture could not be immediately reached.

"We will follow the president's direction and continue to work to get the worst of the worst criminal illegal aliens off of America's streets," DHS Assistant Secretary Tricia McLaughlin said.

US farm industry groups have long wanted Mr. Trump to spare their sector from mass deportations, which could upend a food supply chain dependent on immigrants.

Nearly half of the nation's approximately 2 million farm workers, and many dairy and meatpacking workers lack legal status, according to the departments of Labor and Agriculture.

US Agriculture Secretary Brooke Rollins told CNBC that Mr. Trump was reviewing all possible steps, but that Congress would have to act.

Zippy Duvall, president of the American Farm Bureau Federation, a leading farm lobby, said on Thursday that farm workers were key to the nation's food supply.

"If these workers are not present in fields and barns, there is a risk of supply-chain disruptions similar to those experienced during the pandemic," Mr. Duvall said in a statement.

The COVID-19 pandemic resulted in labor shortages and supply-chain snarls, with meat plants forced to idle and dairy farms to dump milk, and consumers encountering emptier shelves at grocery stores.

In recent days, demonstrations have been taking place in major US cities to protest immigration raids.

Mr. Trump is carrying out his campaign promise to deport immigrants in the country illegally. But protesters and some Trump supporters have questioned the targeting of those who are not convicted criminals, including in places of employment such as those that sparked last week's protests in Los Angeles.

On Thursday, Mr. Trump acknowledged the impact of the crackdown on sectors such as the hotel industry, which includes his company. The Trump Organization has said Mr. Trump's adult sons are running his business. — ***Reuters***

More FTAs seen as counter to Trump uncertainty

THE PHILIPPINES will need to continue negotiating more free trade agreements (FTAs) to diversify its export markets in the face of the uncertainty posed by the US reciprocal tariffs, a former Finance Secretary said.

Margarito B. Teves said that the Philippines, despite being in a "relatively favorable position" due to its 17% reciprocal tariff, should not be complacent and needs to build resilience against external headwinds.

"We should deepen negotiations for FTAs with countries such as India, the United Arab Emirates, and the European Union and fast-track our application to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership," he said at a forum last week.

He added that the Philippines must "continuously support stronger regional integration within ASEAN, accelerating reduction of trade and regulatory barriers."

Industry groups have noted that even current FTAs are plagued by low utilization, a concern shared by Mr. Teves.

Citing a 2022 discussion paper of the Philippine Institute for Development Studies, he said that only 8.3% of Philippine exporters used FTAs in 2019, while 54.8% of importers did so over the same period.

"This underscores the need for the Department of Trade and Industry to intensify its free trade information roadshows to increase awareness and understanding among firms, especially the micro, small, and medium enterprises (MSMEs), about how to utilize the country's FTAs," he said.

"Likewise, there is also a need to streamline the requirements and procedures in utilizing FTAs to further encourage firms," he added.

Despite the low utilization, he stressed that the Philippines should still deepen negotiations on FTAs with other countries or regional blocs to further expand its options.

"Signing an FTA takes years of discussions among the parties involved because of the complexity of economic and political issues involved. So we need to start early and keep the momentum of the talks going," he added.

Aside from diversifying export markets, he also called for improved ease of doing business, lower cost of doing business, and prudent fiscal management.

"The recent tariff war is not something that we should be extremely worried about if we keep the fiscal and other portions of our economy in order. We would be very attractive if we can make those conditions really conducive for investment," he said. — **Justine Irish D. Tabile**

Palay farmgate price falls 28.9% in May

THE farmgate price of palay (unmilled rice) fell 28.9% year on year in May to an average of P17.75 per kilogram, the Philippine Statistics Authority (PSA) reported.

Month on month, the palay farmgate price fell 1.6% in May from P18.04 in April, the PSA said.

The May decline widened from the 26.9% year-on-year retreat in April.

In May 2024, the farmgate price had averaged P24.95.

The declining prices of palay at the farmgate level may further discourage farmers from farming, which should concern the government, according to Samahang Industriya ng Agrikultura (SINAG) spokesman Jayson H. Cainglet.

"Our biggest worry is that farmers are further discouraged from planting rice," he said via Viber.

"Latest PSA data suggest that close to 324,000 jobs were lost in the farming sector."

SINAG noted that from April to May, the farmgate price was actually between P11-16 per kilo for freshly harvested grain.

"Farmers are discouraged when they experience low farmgate prices after investing months of hard work without guaranteed returns," Mr. Cainglet said.

"High production costs and depressed farmgate prices are realities driving farmers away from agriculture."

None of the 15 regions posted year-on-year growth in average farmgate prices in May, according to the PSA.

The highest palay prices were posted in the Bangsamoro region at P20.32.

The lowest palay prices were logged in Calabarzon at P14.02, with the farmgate price in the region falling 38.6% year on year and 7.7% month on month.

SINAG welcomed government moves to institutionalize a palay floor-pricing scheme, which is expected to be set at least 20% above production costs.

Mr. Cainglet said the government must immediately roll out cash incentives for rice farmers to encourage them to continue planting in the next cropping season, which is about to start.

"The key to encouraging our farmers to continue farming lies in guaranteeing fair farmgate prices," he said. — **Kyle Aristophere T. Atienza**

3,200 jobs created at San Fernando port

AROUND 3,200 jobs were created at the San Fernando International Seaport in the first half under the interim operation and management of Poro Point Management Corp. (PPMC), the Bases Conversion and Development Authority (BCDA) said.

"The PPMC has earned P50 million in revenue between December 2024 and May 2025 during its interim operation and management of the San Fernando International Seaport in the Poro Point Freeport Zone, La Union," the BCDA said in a statement over the weekend.

"The port's growing viability as a key logistics node in Northern Luzon has also created around 3,200 jobs within the first half of 2025," it added.

According to the BCDA, the port's earnings came from leases, vessel and cargo fees, and the government share of port services.

"This performance affirms the potential of San Fernando International Seaport as a vital logistics and investment hub," BCDA President and Chief Executive Officer Joshua M. Bingcang said.

"As we continue to modernize our ports, we are opening more doors for trade, employment, and inclusive growth in the region," he added.

To support this growth, the BCDA said that the PPMC has been carrying out major repairs and upgrades at the port. — **Justine Irish D. Tabile**

GOCC subsidies decline 48% in April

SUBSIDIES extended to government-owned and -controlled corporations (GOCCs) declined 47.53% to P14.54 billion in April, the Bureau of the Treasury (BTr) reported.

The BTr reported that month on month, GOCC subsidies rose 36.82% compared to March.

In April, the Power Sector Assets and Liabilities Management Corp. (PSALM) received the most subsidies of P8 billion, accounting for 55% of the total.

This was also the first time PSALM received subsidies during the year.

The National Irrigation Administration (NIA) received P3.76 billion, followed by the National Food Authority with P750 million and the Philippine Rice Research Institute P561 million.

GOCCs that were provided at least P200 million in subsidies were the Small Business Corp. (P313 million), the National Power Corp. (P207 million), the Philippine Heart Center (P184 million), the Philippine Children's Medical Center (P134 million), the National Kidney Transplant Institute (P124 million), and the Philippine Coconut Authority (P111 million).

Receiving P74 million was the Light Rail Transit Authority. Additionally, P60 million went to the National Dairy Authority, P59 million to the Lung Center of the Philippines, P40 million to the Tourism Promotions Board, P35 million to the Cultural Center of the Philippines, P24 million to the Philippine Institute for Development Studies, and P20 million to the Center for International Trade Expositions and Missions.

The rest of the recipients were the People's Television Network, Inc. (P18 million), the Metropolitan Waterworks and Sewerage System (P14 million), the Philippine Institute of Traditional and Alternative Health Care (P12 million), the Subic Bay Metropolitan Authority (P9 million), the Philippine National Railways (P9 million), the Land Bank of the Philippines and the Southern Philippines Development Authority (P7 million).

GOCCs that received no subsidies were the National Housing Authority, the Bases Conversion Development Authority, the Development Academy of the Philippines, the Intercontinental Broadcasting Corp.-13, the Philippine Center for Economic Development, the Philippine Crop Insurance Corp. (PCIC), the Philippine Fisheries Development Authority, the Philippine Tax Academy, the Sugar Regulatory Administration the Zamboanga City Special Economic Zone Authority, and the Aurora Pacific Economic Zone and Freeport Authority.

In the first four months of 2025, subsidies to state-run firms fell 21.51% year on year to P37.13 billion.

PSALM was the top recipient during the quarter with P8 billion in subsidies, followed by the NIA with P11.80 billion and the NFA with P3 billion. — **Aubrey Rose A. Inosante**