Manila, Subic, Davao cold inspection facilities set for construction in 2026

PHILIPPINE STAR/EDD GUMBAN

THE Department of Agriculture (DA) said it is planning to build three cold examination facilities in agriculture (CEFA) next year in Manila, Subic, and Davao.

Agriculture Secretary Francisco P. Tiu Laurel, Jr. said at a briefing last week that operations are expected to commence by 2027.

Mr. Laurel said a budget of P1.2 billion has been approved by the bicameral conference committee.

CEFAs are intended to prevent the entry of plant pests and economically significant animal diseases, with advanced testing laboratories on site.

Earlier plans had included a CEFA in Angat, Bulacan, but the DA is now prioritizing locations near ports to minimize logistics and operational costs.

Mr. Laurel said the current Angat facility, which includes a laboratory, will be used for rendering and destruction of goods.

"If we identify problematic containers, we'll bring them there for destruction," he said. — **Vonn Andrei E. Villamiel**

P43 imported rice MSRP to stay even as benchmark price warrants 20% tariff

THE Department of Agriculture (DA) said the P43-per-kilo maximum suggested retail price (MSRP) for imported rice will stay for the moment, even though the designated price benchmark would currently warrant an increase in tariffs to 20%.

The planned increase in rice import duties from 15% to 20% is scheduled to take effect on Jan. 16.

"The January MSRP will stay at P43 because the duty is still 15%," Agriculture Secretary Francisco P. Tiu Laurel, Jr. was quoted as saying in a statement, adding that the process for tariff adjustment has yet to be finalized.

Executive Order No. 105 calls for rice import tariffs to be adjusted in increments of five percentage points when movements in global rice prices hit certain thresholds.

The benchmark price that will form the basis of tariff adjustments is the monthly average price of Vietnam 5% broken rice, as reported by the Food and Agriculture Organization (FAO).

Vietnam 5% broken rice currently fetches $361.1 per metric ton, according to the FAO, a price level that would cause the Philippines to charge a 20% tariff.

The DA added that it plans to import an initial 500,000 metric tons of rice after the import ban expires on Dec. 31, with some 50,000 metric tons to be allocated to Food Terminals, Inc.

Mr. Laurel said the government will time its announcements on prices to deter speculation.

The DA said keeping the MSRP in place provides consumers with short-term price stability. — **Vonn Andrei E. Villamiel**

India water crunch leaves beverage firms scrambling to manage community fallout

ALWAR, India — Foreign companies operating in India have long grappled with complex regulations and confusing tax laws.

In the northwestern state of Rajasthan, some of the world's biggest beverage firms face the additional challenge of securing and managing dwindling water supplies while navigating strict government rules and grievances of some local people who only get the resource piped-in once a week.

Nearly two-thirds of Rajasthan is covered by the Thar Desert, and its groundwater extraction ranks among the highest in India, adding to the economic pressures for the state in balancing the needs of its 85 million people, booming tourism business, industry and its big agricultural sector.

Laws in India, the world's most populous nation, bar the movement of liquor across state borders without a special permit, effectively forcing companies to set up production in every state they want to sell in despite the water scarcity. So global giants like Diageo, Carlsberg and Heineken have to maintain factories in Rajasthan if they want to distribute their products in the state.

"(Water stress) is a growing issue in India," said Sonia Thimmiah, senior director of global sustainability at Heineken, the market leader, adding that a few years ago, water demand in some cities had come close to exceeding supply.

Heineken, Carlsberg and Diageo said that they are increasing water efficiency in Rajasthan and other water-stressed regions, have worked to improve communities' access to water and aimed to replenish 100% of the water their factories use back to its source.

The challenges for the brewers in Rajasthan mirror a wider crisis across India, which holds 17% of the world's population but just 4% of its freshwater. As the world's fastest-growing major economy, India's thirst for growth means more production and more strain on its scarce water resources.

The strain is evident in Rajasthan's industrial town of Alwar, about 150 kilometers (km) (100 miles) southwest of Delhi, where most of the beverage companies are centered. The wider Alwar district's groundwater extraction, driven mainly by irrigation, runs at nearly twice the rate its aquifers can recharge, government data show.

Industry users consume just about 2% of Rajasthan's water, but under Indian law, all industrial and commercial entities seeking groundwater extraction have to install on-site rainwater harvesting and aquifer recharge systems.

In areas such as Alwar that the government classifies as "over-exploited" for groundwater, industries are further required to adopt the "latest water efficient technologies so as to reduce dependence on groundwater resources," a government order said in 2020, without specifying details.

"The water tables are declining and rains are variable," Diageo's Alwar head Sumit Walia told Reuters.

"We have a vision to reduce water consumption by 40% and to ensure that whatever water is withdrawn from the ground, 100% replenishment is there. We are recycling 100% of the wastewater and installing advanced technologies which consume less water," like using air to rinse bottles instead of water, he said.

Federal authorities have permitted brewers in Alwar to draw up to about 4.6 million liters of groundwater daily under 2025 permits seen by Reuters, based on applications from the companies. The global firms account for around 65% of that with Heineken topping the list at 1.2 million liters.

A typical Indian household uses 500-600 liters a day but even getting that is difficult in Salpur village, next to the Alwar industrial cluster, where water is a luxury.

"The situation is very bad," said Imran Khan, head of the village of nearly 4,500 residents, who grows wheat and onion on his ancestral land. "We have to give several days of notice to the borewell owner to pump water for us — there's a queue."

He says he had to spend about 150,000 rupees ($1,700) to lay a 3-km (2-mile) pipeline from the borewell to his fields, and needs to pay 150 rupees for every hour of water supplied by its owner, a resident of another village.

Some locals blame the scarcity on the brewers.

"They are making alcohol there but locals do not have enough water to drink," said Alwar resident Haider Ali, who took several global and local alcohol companies to India's environmental court last year, alleging they were extracting water without permission.

A court-appointed inspection team later found that all factories complied with regulations. But the same court directed authorities in March to actively monitor groundwater abstraction and strictly enforce a 2020 government order prohibiting the issuance of new water permits to large industries in over-exploited areas.

Heineken and Carlsberg said there was no sign of community tension in Alwar beyond this court case, in part thanks to their work with locals on water. Diageo's Mr. Walia said he was not aware of the court case, but industries making paper, automobiles and other products consumed more water than the liquor companies.

The water problems are not limited to Rajasthan.

Reuters has reported how in the past decade India has lost several days of coal-power supply because water shortages forced plants to suspend generation.

In Coca-Cola's water security plan for 2023, reviewed by Reuters, the company says it operates nine factories in India in areas of "high or extremely high-water stress" and estimates that its annual costs of procuring water could rise by $180,000 to $2.7 million.

The company, which shut a factory in 2005 in the southern state of Kerala after protests over groundwater depletion, declined to comment.

Drinks makers say they are a small part of the problem in Rajasthan, and their water initiatives have significant positive impact.

Carlsberg's Vice-President for Sustainability Simon Boas Hoffmeyer said its goals, including replenishing all water used, go beyond regulatory requirements. "If everybody did that, the industry's share of the issue would be very, very small," he said.

Diageo's Global Head of Environment Michael Alexander said that in Salpur, the company has built small dams and planted 10,000 trees, while across Alwar it has desilted ponds, installed rooftop rainwater harvesting and funded boreholes and pipelines for communities.

Similar projects by Heineken had a positive impact in Rajasthan, said Subhransu Kumar Bebarta, partnerships lead at S M Sehgal Foundation, a nonprofit that implements the company's water projects.

But big companies can go further, he said, adding larger infrastructure projects are needed in a state where some people struggle to find water to drink.

"They have improved the groundwater table. But still, there is always scope for more." — ***Reuters***

LGU share of national taxes to total P1.19 trillion in 2026

THE Department of Budget Management (DBM) said local government units (LGUs) will receive P1.19 trillion in 2026 as their share of national government revenue, which is known as the National Tax Allotment (NTA).

In a budget memorandum issued on Dec. 26, the DBM said the LGUs must be guided accordingly by the amounts to be allocated to facilitate their financial planning.

The NTA is the LGU share of the national government's revenue total from three years prior. The distribution in 2026 will consist of P273.82 billion for 83 provinces, P274.1 billion for 149 cities, P404.49 billion for 1,491 municipalities and P238.1 billion for 41,913 barangays.

Adjustments to the NTA shares were made following the adoption of the 2024 Census of Population by province, city, municipality, and barangay, the DBM said.

"It is understood that the effect of the final FY 2026 NTA shares of LGUs will necessitate prioritization in the implementation of items of appropriations by the LGUs," the DBM said.

Under the Local Government Code, LGUs are entitled to 40% of national government tax revenue. — **Aubrey Rose A. Inosante**

Mindoro, Zamboanga ports to be configured for agri trade logistics

THE Department of Agriculture (DA) said two new deepwater ports in Mindoro and Zamboanga del Norte will specialize in agricultural products, with the aim of reducing the cost of logistics for farm goods.

It said a port in Albay will also be rehabilitated to also facilitate the flows of such goods.

The two new port projects will receive P2 billion from the Philippine Fisheries Development Authority, while the Albay rehabilitation has been allocated P400 million.

The sites of the new ports are Abra de Ilog, Occidental Mindoro, and near Dipolog, Zamboanga del Norte.

The Albay project involves deepening Pantao Port to handle larger vessels.

Agriculture Secretary Francisco P. Tiu Laurel, Jr. told reporters at a briefing last week that the ports are expected to make transport more efficient for fertilizer and bulk agricultural products.

Mr. Laurel said Mindoro requires around 100,000 metric tons of fertilizer annually, which are transported through Metro Manila and Batangas before reaching the province via roll-on/roll-off vessels.

"With the new deepwater ports, imported fertilizer from China or Vietnam can be shipped directly to Mindoro, and agricultural products can be moved in larger vessels instead of small trucks," he said.

The DA said construction of the two new ports is expected to begin before June, with full operations targeted by the end of 2027. The Albay port rehabilitation could be completed by mid-2027.

Mr. Laurel said the broader plan is to develop and construct up to 10 agri-focused ports, including five main ports and five auxiliary ports.

He added that the DA is also looking at constructing another agri-port in Batangas. — **Vonn Andrei E. Villamiel**

PHL agri exports grow 21.5% in November

AGRICULTURE-BASED exports in November rose 21.5% year on year to $658.06 million, according to preliminary data from the Philippine Statistics Authority (PSA).

The PSA said agro-based exports accounted for 9.5% of total exports by value.

Exports in the first nine months rose 25.8% to $6.71 billion, it said.

Coconut products, the Philippines' top agricultural export commodity, posted a 27.1% increase to $330.82 million in November. The commodity group accounted for 4.8% of total exports.

Fruit and vegetable exports grew 26.2% to $251.37 million in November, accounting for 3.6% of total exports.

Exports of other agro-based products, including seafood, rubber and various types of plant fiber, declined 7.7% to $75.70 million in November. This group of commodities accounted for 1.1% of total exports. — **Vonn Andrei E. Villamiel**

Typhoons could add 0.6 ppt to Philippine inflation — IMF

TYPHOONS are expected to add up to 0.6 percentage point (ppt) to Philippine inflation due to disruptions to supply chains and agriculture, according to the International Monetary Fund (IMF).

In a report following its Article IV Consultation with the Philippines, the IMF said: "Staff analysis suggests that climate shocks, operating through supply, demand, and expectation channels, increase inflation by up to 0.6 percentage point (annualized) in a typical year, and disproportionately impact the agriculture sector, pushing up food prices," it said.

This year, the Philippines was hit by 23 tropical cyclones, leaving billions of pesos in damage, according to the government weather service, the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA).

PAGASA said in a typical year, the Philippines will endure the transit of about 20 typhoons.

In the report, the IMF projected Philippine inflation this year of 1.7%, upgrading an earlier estimate of 1.6%. For 2026, it expects inflation to settle at 2.8%, up from its earlier view of 2.6%.

Headline inflation began to pick up to 1.5% in August as multiple weather disruptions drove food prices higher. During that period, three storms and the southwest monsoon left at least P4.86 billion worth of agricultural damage.

Inflation accelerated further to 1.7% in September and October amid lingering effects from the typhoons, before easing to 1.5% in November.

This brought average inflation to 1.6%, in line with the Bangko Sentral ng Pilipinas (BSP) full-year forecast but slightly above the IMF's latest estimate.

The IMF said the temporary inflation spike will be a consideration when the BSP decides on monetary policy.

"While accommodating some of the shocks risks triggering a rise in inflation expectations, tightening monetary policy to keep inflation at target would raise the cost of capital, which can delay reconstruction and pose a greater loss in output," it said. "Faced with these trade-offs, the BSP should accommodate a temporary spike in inflation while containing any increase in inflation expectations."

It added that the government could opt to reduce tariffs on food imports to curb the possible impact of such trade-offs.

Meanwhile, the IMF also noted that weather disruptions trim gross domestic product (GDP) by 0.2-0.3% yearly.

"Typhoons are the most frequent natural disasters in the Philippines, causing recurring economic losses — about 0.2-0.3% of GDP annually, mainly impacting agriculture — and contributing to higher inflation," it said.

Philippine economic growth slumped to 4% in the third quarter, from 5.5% in the second quarter and 5.2% a year earlier, amid sluggish government and household spending. — **Katherine K. Chan**