

Coffee dev't office seeking P2.9B in funding

By Vonn Andrei E. Villamiel
Reporter

THE Department of Agriculture (DA) said it is seeking a P2.9-billion budget for its Coffee Industry Development Office (CIDO) for 2027 to support programs boosting the industry's output.

Agriculture Undersecretary Jerome V. Oliveros, who heads the newly-created CIDO, said the funds will go into nursery expansion, post-harvest facilities, and additional staffing.

He said it is unlikely for the full amount to be approved because of fiscal constraints and competing priorities within the DA.

"There are other commodities, not just coffee. So we are still lobbying," he told reporters on the sidelines of the Hand-in-Hand National Investment Forum in Mandaluyong City last week.

Mr. Oliveros said the office is also exploring additional funding support from the Competitiveness Enhancement Measures Fund (CEMF).

The CEMF, established under Republic Act No. 8800, is drawn from safeguard duties collected on selected agricultural imports and is intended to help farmers and fisherfolk affected by competition from imports.

Of the proposed budget, he said CIDO is likely to request P750 million in Tier-1 funding, representing baseline costs. The remaining amount would be classified as Tier 2, which covers project expansions.

If approved, such an allocation would be a sharp increase from the P200-million budget for the coffee program this year.



Mr. Oliveros said that from the Tier-1 proposal, about P240 million could go to nursery expansion, which would allow the planting of roughly 120 million coffee trees, based on conservative scenarios.

"It's still too far from what we're targeting. But it won't end there in the first year. You'll plant again in the second year. And in the third," he said.

Mr. Oliveros said the CIDO will prioritize the establishment and expansion of coffee nurseries in Bukidnon, Sultan Kudarat, Agusan del Sur, Davao del Sur, Benguet, and Tuburan, Cebu.

The office is also working with local government units to align coffee expansion zones with their comprehensive land use plans (CLUP).

Mr. Oliveros said this is intended to protect long-term investments in farm-to-market roads, post-harvest facilities, and input support such as fertilizer and seed from future land conversion.

"We wanted to have coffee areas under the CLUP because the government will be infusing a lot of capital," he said. "If suddenly the land is converted to residential or commercial use, the investment will be wasted."

NFA to increase palay procurement, could limit rice imports to prop up weak prices

THE Department of Agriculture (DA) said it is stepping up procurement of palay (unmilled rice) and is considering curbs on rice imports after farmgate prices fell in key rice-producing provinces.

In a statement on Sunday, the DA said farmgate prices of fresh palay dropped to P16 to P17 per kilo in parts of Nueva Ecija, Pampanga, Isabela, and Cagayan, with about 77% of the harvest already completed.

It said, however, that the decline is localized, with prices in other areas at P23 to P24 per kilo.

To help stabilize prices, the DA said the National Food Authority (NFA) raised its buying price for dry palay to as much

as P30 per kilo and is ramping up procurement in areas where prices have weakened.

The DA added that the NFA is introducing a direct purchase order system to allow farmers to sell to the grains agency ahead of the harvest.

Meanwhile, the DA said it is considering limiting monthly rice import volumes between June and August to ensure a stable supply without further dampening farmgate prices ahead of the next harvest cycle.

The DA said it is targeting a P22-per-kilo farmgate price for the September-to-November harvest period, which it sees as a crucial recovery window for farmers. — **Vonn Andrei E. Villamiel**

FAO urges agri renewable shift, efficiency drive in response to energy shock

THE Philippines should accelerate its transition to renewable energy and adopt stronger efficiency measures to protect agriculture from energy price shocks, the Food and Agriculture Organization (FAO) said.

In a policy brief, the FAO said longer-term resilience depends on reducing reliance on fossil fuels and imported inputs while improving efficiency across food production systems.

It said this shift will require concrete changes in how farms, fisheries, and livestock systems operate, particularly in their use

of fuel, water, and key agricultural inputs.

In crop production, the FAO said Philippine farms should reduce dependence on synthetic, fuel-intensive fertilizers by improving nutrient-use efficiency, especially amid rising global fertilizer prices.

"Biofertilizers, compost, and other organic soil amendments can support soil fertility and nutrient availability," the FAO said, adding that structural dependence on costly inputs can also be reduced through crop diversification and the use of more resilient plant varieties.

It called for the adoption of sustainable mechanization to cut fuel use and improve productivity.

"When appropriately adapted to local conditions, sustainable mechanization can improve the timing and precision of operations, reduce the number of field passes, and limit losses of seed, fertilizer, and water," it said.

The FAO highlighted alternate wetting and drying (AWD) in irrigated rice fields as a key water-saving practice. AWD involves periodically allowing rice paddies to

dry before re-flooding, reducing water use without significantly affecting yields.

It also recommended rainwater harvesting and small water reservoirs to reduce dependence on pumped irrigation. Where pumping is unavoidable, shifting to solar-powered systems can help farmers avoid diesel price volatility.

Meanwhile, for the fishery sector, which is among the most exposed to fuel price shocks, the FAO said fuel consumption per trip can be reduced through more efficient engines, improved ves-

sel operation, and better hull and propeller design.

It also noted that solar-powered cold storage, refrigeration, and ice production can help reduce diesel use while preserving catch quality, particularly in remote coastal areas.

In livestock systems, the FAO emphasized securing feed supply and maximizing the use of farm by-products.

Silage can help address feed shortages during lean periods, while improved manure management, such as composting and anaerobic digestion, can produce

both organic fertilizer and renewable energy.

The FAO said energy reforms should be rolled out in phases, starting with efficiency improvements and followed by investments in renewable energy and support systems.

"Quick gains can come from operational efficiency and improved management practices. These should be complemented by enabling investments in advisory services, finance, maintenance systems, and water control infrastructure," it said. — **Vonn Andrei E. Villamiel**

Coconut output seen rising despite El Niño risks

COCONUT production is expected to increase this year despite concerns over dry weather linked to El Niño, while exports of coconut oil are expected to come in flat to lower, according to the Philippine Coconut Authority (PCA).

PCA Administrator Dexter R. Buted said production is forecast to rise from about 15.3 billion nuts last year, regardless of the impact of El Niño.

"We're looking at about 16 billion to 17 billion nuts this year," Mr. Buted told reporters on the sidelines of the European Chamber of Commerce of the Philippines' Sustainable Agriculture Forum last week.

He said the industry is expected to benefit from more favorable weather conditions in Mindanao, the country's largest coconut-producing region, even as some areas face hotter and drier weather due to the developing El Niño.

"We're in a dry season, but not all areas of the country suffer from El Niño. There's still good climate and weather in parts of Mindanao," he said.

Mr. Buted said the PCA is also implementing interventions such as fertilization and drip

irrigation to help the industry mitigate the impact of the El Niño.

He added that coconut output could rise this year as the PCA expands programs to improve farm productivity.

Mr. Buted said the annual average yield is currently around 44 nuts per tree, with the regulator seeking to double this through fertilization programs.

"If you apply fertilizer in the first year, that can give an additional 25% yield. In the second year, using agricultural-grade salt or organic fertilizer can give as much as 50% additional production," he said.

Mr. Buted said shipments of coconut oil are also expected to remain broadly steady, with only a slight drop.

"I don't think exports will fall sharply. It will be sustained because only a few countries produce coconut oil. There will be a slight decline, but not that significant," he said.

According to preliminary data from the Philippine Statistics Authority, coconut oil exports fell 12.9% year on year to \$661.06 million in the first quarter.

Mr. Buted also said El Niño could push domestic copra prices higher by around

P5 to P10 per kilo, which may benefit farmers.

Meanwhile, the PCA said it is preparing the coconut industry for the European Union's planned implementation in 2027 of limits on mineral oil hydrocarbons in food products.

The regulation covers mineral oil saturated hydrocarbons (MOSH) and mineral oil aromatic hydrocarbons (MOAH), contaminants that may enter food through packaging, lubricants, or processing equipment.

The EU is tightening standards due to potential health risks, particularly from MOAH compounds.

"We have been preparing for MOSH and MOAH. We have set up a laboratory, but we are still waiting for the EU market for all the standards," he said.

As part of its capacity-building efforts, the PCA is also promoting the production of white copra, produced from a higher-quality drying and processing method that will raise product value and export appeal.

"White copra has already been developed. It is no longer the traditional way of making copra. We now have equipment for processing white copra, and we are promoting it," Mr. Buted said. — **Vonn Andrei E. Villamiel**

Agro-based exports up in 1st quarter

AGRICULTURE-BASED exports in the first quarter rose 7.5% year on year to \$1.82 billion, according to the Philippine Statistics Authority (PSA), citing preliminary data.

The PSA said agro-based exports accounted for 8% of total exports by value.

Coconut products, the Philippines' top agricultural export commodity, posted a 4.7% decline to \$849.34 million in the first quarter. The commodity group accounted for 3.74% of total exports.

Fruit and vegetable exports grew 18.7% to \$751.41 million in the first quarter, driven by 28.7% growth in shipments of pineapple and pineapple products. Fruit and vegetables accounted for 3.31% of the Philippines' total exports.

Outbound shipments of other agro-based products, including seafood, rubber, and various types of plant fiber, declined 8.8% to \$214.14 million in the first quarter. This group of commodities accounted for 0.94% of total exports.

The biggest export gains were recorded for copra meal or cake (118.1%), seaweed (65.7%), pineapple concentrate (60.2%), pineapple juice (41.5%), desiccated coconut (35.1%), and canned pineapple (18.8%).

The top declines in export growth were posted by abaca fiber (-65.5%), coconut oil (-12.9%), unmanufactured tobacco (-14.7%), natural rubber (-9.4%), and mangoes (-9.1%). — **Vonn Andrei E. Villamiel**

Port cargo volume up 1.53% in Q1

THE Philippine Ports Authority (PPA) said cargo volume at ports it oversees rose 1.53% to 66.96 million metric tons (MMT) in the first quarter, driven by growth in foreign shipments.

Citing preliminary data, the port regulator said the ports handled 39.49 MMT of foreign cargo and 27.47 MMT of domestic shipments in the three months to March.

Imports accounted for 26.86 MMT or 71.44% of the period's volume.

Outbound shipments accounted for 14.37 MMT of domestic cargo, while inbound shipments totaled 13.10 MMT.

The PPA recorded 2.13 million twenty-foot equivalent units in container throughput for the first quarter, up 4.41% from a year earlier.

Passenger traffic rose 1.97% to 19.69 million in the first quarter, even in the face of fewer ship calls during the period.

The PPA said ship calls fell to 163,002, down 1.20% from a year earlier.

The PPA reported 124,875 cruise passengers, down 5.17% from a year earlier.

Roll-on/Roll-off (RoRo) traffic rose 8.81% to 3.21 million.

For 2026, PPA is projecting stronger growth in cargo and passenger traffic, driven by investments in port efficiency. This year, the PPA said it is expecting cargo volume to rise 4.03% to 320.94 million MT, driven mainly by the foreign cargo segment. — **Ashley Erika O. Jose**

Philippines in AI, critical minerals talks with Israel

THE PHILIPPINES is exploring partnerships with Israel on critical minerals and building artificial intelligence (AI) ecosystems, in a bid to deepen its role in the AI supply chain, the Board of Investments (BoI) said.

On May 1, Trade Undersecretary and BoI Managing Head Ceferino S. Rodolfo met with Israeli Ministry of Foreign Affairs Director-General Eden Bar Tal to discuss the possibility of strategic cooperation in critical minerals processing and AI technology.

Both countries explored a possible bilateral memorandum of agreement on critical minerals, including mineral processing, research and development, the BoI said in a statement late Saturday.



The Philippines and Israel are also looking at ways to leverage the Philippines' semiconductor and microchip manufacturing industry to support AI development.

"Our strategic goal has been to add more value to our green

metal exports, for example, nickel and cobalt," Mr. Rodolfo told reporters via Viber on Sunday.

Mr. Rodolfo said Israel offers strengths in water system management for industrial tech applications, and innovative AI computer hardware manufacturing.

"What access to latest AI technology does for the Philippines, especially to tech which is relevant for the manufacture of key components of computer hardware infrastructure, is an opportunity for us to elevate or to add another layer to our ambition for our green metals," he noted.

Mr. Rodolfo noted that green metals are extracted and processed following global sustainability standards, and are critical

in the shift to renewable energy technologies like electric vehicles and energy storage systems.

The Israeli government noted how its mining, water, and environmental technologies could help the Philippines accelerate into high-value semiconductor manufacturing, the BoI said.

Mr. Rodolfo will participate in the Organisation for Economic Cooperation and Development critical minerals forum and visit Pax Silica member countries to explore more minerals processing partnerships, it added.

The Philippines and Israel are part of the Pax Silica bloc, a US-led initiative meant to counter China's growing tech manufacturing sector.

The BoI announced the development of a 1,618 hectare AI-native industrial hub within New Clark City in Tarlac to support the country's bid to join the AI supply-chain ecosystem. — **Beatriz Marie D. Cruz**