

# Dairy industry growth seen sustained by herd expansion

THE dairy industry is expected to sustain its growth this year, supported by plans to import additional dairy animals and rising demand for domestically produced milk, the National Dairy Authority (NDA) said.

The Philippine Statistics Authority reported that the value of dairy production at constant 2018 prices grew 6.5% in the first quarter, picking up from the 5.1% growth posted a year earlier.

The volume of dairy production rose 6.47% to 11.79 million liters.

In a statement on Sunday, the NDA said the industry had been growing even before the

arrival of imported animals for the agency's stock farms. The imports are expected to strengthen the breeding base and increase milk production capacity.

The NDA said it expects stronger demand from the planned expansion of the Department of Education's milk feeding program, with dairy products to be procured under the Sagip Saka Act.

"This initiative is expected to create stronger and more stable market demand for locally produced milk, which in turn will encourage our dairy farmers to further increase production and invest in herd expansion and productiv-

ity improvements," NDA Administrator Marcus Antonius T. Andaya said in the statement.

The NDA said per capita milk consumption increased to 19.53 liters in 2025 from 17.16 liters a year earlier.

For 2026, the NDA is projecting production of 53 million liters of milk, raising the country's self-sufficiency level to 2.33% from 2.1% in March.

"The continued growth in the dairy industry reflects both the increasing productivity of our local dairy farmers and the continued implementation of programs at the farm level," Mr. Andaya said. — **Vonn Andrei E. Villamiel**



EDUARDO GORGHETTO/UNSPLOASH

## Historically high coffee prices seen leading to future crises, Illy says

SAO PAULO — Historically high coffee prices are creating a delicate situation that might lead to future crises, Andrea Illy, chairman of Italian roaster Illycaffè, told journalists.

Mr. Illy, who met with Brazil's Minister of Agriculture Andre de Paula on Wednesday, said the country was better at meeting the challenges caused by extreme weather, citing more resilient coffee varieties and better agricultural practices.

"We are also experiencing a scenario of historically high prices; this creates a delicate situation," he said in a briefing. "There is a risk of excessive production expansion and future price crises, as well as the opposite risk of reduced supply caused by extreme weather events."

Arabica coffee set an 18-month low of \$2.7280 per pound earlier on Thursday, but prices are still elevated when compared to the last decade.

After visiting coffee farms during his trip to the world's top coffee producer, Mr. Illy said he expects a bumper crop due to arabica's so-called on season in its biennial cycle and better weather condi-

tions. He said he noted increased planting.

"We observed a greater number of new crops, a consequence of higher and more attractive prices for increasing production," he said.

For 2026, the government projects Brazil's total coffee production, including arabica and robusta coffees, at a record 66.2 million 60-kg bags.

Complex geopolitical situations like the Iran war have shone a light on the fragility of supply chains, Mr. Illy said.

"This highlights the need to increase efficiency, productive autonomy, and resilience in the field," he said. "Resilience today also means producing better, with less dependence on extreme scenarios."

Regenerative agriculture, including use of composts and other practices, has played an important role in reducing the Brazilian coffee industry's exposure to problems facing imported mineral fertilizers, Mr. Illy said.

Fertilizer costs have increased sharply during the war in Iran, heavily affecting Brazil, which imports around 85% to 90% of its fertilizer needs. — **Reuters**

## China's evolving consumer habits could bode well for health of Amazon rainforest

SAO PAULO — When Xing Yanling posted on WeChat about her visit to the Brazilian Amazon in April, she described to her friends in China the unforgettable sensation of being "enveloped by tens of thousands of shades of green."

Ms. Xing is no ordinary tourist. She leads the Tianjin Meat Industry Association, representing importers responsible for around 40% of China's beef purchases from Brazil.

Under her leadership, Tianjin's members have committed to buying 50,000 metric tons of deforestation-free certified Brazilian beef by the end of the year, in what may be an early sign that China, one of the most powerful forces in global commodity trade, is willing to pay more for greener supply chains. The figure amounts to 4.5% of what Brazilian beef exporters are expected to sell to China this year.

The pledge challenges a long-held assumption among Brazilian farmers: that China, the world's largest importer of beef and soy, cares only about price.

It comes as China's government is sending signals that it wants to act on the environmental impact of trade while protecting its domestic industry.

In 2019, it changed its forest law to ban the trade of illegal timber. In 2023, it signed a joint commitment with Brazil to end illegal deforestation driven by trade.

Starting last year, state-owned trading company COFCO committed to eliminating deforestation from its supply chain.

The beef supply chain is ripe for concrete action because it is not as essential to the Chinese diet as other commodities, such as soy, said Andre Vasconcelos, the head of global engagement for Trase, a platform that tracks the environmental impact of several supply chains.

"At the same time, there is awareness, supported by available information, that beef, especially Brazilian beef, is the commodity most associated with deforestation among all agricultural commodities imported by China," he said.

The Amazon rainforest, the largest and most biodiverse in the

world, loses hundreds of thousands of acres of trees every year, and 90% of that land is turned into pasture for cattle immediately after it is cleared, according to MapBiomas, a Brazilian nonprofit that monitors land use.

Some Chinese consumers are aware of that and are growing more discerning as they become wealthier, Ms. Xing said.

"It's not just 'cheap is good,'" she said. "This means deforestation-free, green, safe and traceable beef will have a stronger market in the future."

Choosing food products according to environmental credentials rather than price is impractical for most Chinese consumers, facing higher grocery prices like much of the world.

But the traceability the project offers consumers also appeases food safety concerns.

The beef will be marketed with a Beef on Track label designed by Brazilian nonprofit Imaflores, which includes four levels of compliance based on how far down the supply chain the beef is traced and whether

ranchers can prove their farms were legally cleared.

Tianjin importers are willing to pay 10% more for beef from meatpackers that prove the farms that supply them are free of any links to both legal and illegal deforestation, as well as slave labor.

If the shift gathers momentum, the impact could be significant. China buys over 10% of Brazil's beef, according to government data and beef export association ABIEC, whose members include JBS and MBRF.

But any impact could be undermined by Brazil's fragile traceability system, which is based on cattle transportation documents that prosecutors say can be easily defrauded by bad actors who hide wrongdoing in their supply chain, a practice commonly known as "cattle laundering."

Improvements to that system could take years. — **Reuters**

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## Wholesale rice prices rise sharply in April

THE wholesale price of rice rose sharply year on year in April, according to preliminary data from the Philippine Statistics Authority (PSA).

The PSA said the national average wholesale price of well-milled rice increased 21.2% to P52.05 per kilo. Month on month, the average price of well-milled rice rose 2.9%.

The biggest increase in well-milled rice wholesale prices was

logged in Soccsksargen, where it rose 42.2% year on year to P52.91 per kilo.

Wholesale prices of well-milled rice in the National Capital Region rose 18.6% from a year earlier to P56.67 per kilo.

The average wholesale price of regular-milled rice in April increased 23.2% year on year to P47.24 per kilo. Month on month, the average price of regular-milled rice rose 4.1%.

The Central Visayas posted the highest surge in the wholesale price of regular-milled rice, with the regional average rising 43.5% year on year to P48.68 per kilo.

The wholesale price of regular-milled rice in the National Capital Region rose 6.3% year on year to P47.50 per kilo.

Premium and special rice also posted wholesale price increases, with their national averages rising 20.5% and 14.6%, respectively.

Meanwhile, the national average wholesale price of yellow corn grains in April increased 13.7% year on year to P23.95 per kilo. The corresponding price for white corn grains surged 86.6% to P35.14 per kilo.

The wholesale price of yellow corn grits in April rose 7.4% year on year to P31.85 per kilo, while the price of white corn grits rose 65.3% to P51.95 per kilo. — **Vonn Andrei E. Villamiel**



PHILIPPINE STAR/RYAN BALDEBOR

## PHL pitches Israeli investors to locate in Tarlac AI hub

THE PHILIPPINES is hoping to seal investment and technology-sharing deals with Israeli firms for an upcoming artificial-intelligence (AI) hub in New Clark City in Tarlac, the Board of Investments (BoI) said.

Trade Undersecretary and BoI Managing Head Ceferino S. Rodolfo recently met with officials from the Israeli Ministry of Economy and Industry (MEI) to explore partnerships involving critical minerals, semiconductors, and innovation, the BoI said in a statement on Sunday.

"Both sides emphasized the importance of working together to strengthen supply chain resilience under the Pax Silica framework and identifying priority sectors for early and practical cooperation," the BoI said.

These opportunities will arise at the upcoming 1,618-hectare AI-native industrial hub in New Clark City, which the Philippines hopes will boost its footprint in the AI ecosystem.

Mr. Rodolfo was also briefed on Israeli initiatives as a member of the Pax Silica bloc, particularly its partnership with the US on microchip production, advanced computing, and AI development.

The Israeli representatives were led by Oded Forer, head of the Export and Investment Promotion Division, and Yifat Alon Perel, senior director for Trade Policy and Agreements Division.

Mr. Rodolfo also met with officials from the Israeli Ministry of Foreign Affairs, the Israel National AI Directorate, the Israel Innovation Authority, and key partners in Israel's trade and tech sectors, BoI said.

In a separate statement, the MEI said its meeting with the BoI unveiled potential collaboration within the Pax Silica framework as well as AI projects.

The Pax Silica initiative seeks to counter China's growing tech manufacturing dominance through partnerships that seek to build a global AI supply chain. — **Beatriz Marie D. Cruz**

## Sugar millers back proposal to regulate artificial sweeteners

THE Philippine Sugar Millers Association (PSMA) said it supports proposed legislation to regulate synthetic sweeteners, saying the products pose risks to the competitiveness of the sugar industry.

In a statement over the weekend, the group said Senate Bill No. 2114, filed by Senator Joseph Victor G. Ejercito, and House Bill No. 9088, filed by Representative Javier Miguel L. Benitez, would help establish a "more balanced regulatory framework" for locally produced sugar.

The bills seek to amend Republic Act No. 10659, or the Sugarcane Industry Development Act of 2015.

"The continued and largely unregulated influx of synthetic sugar substitutes poses a growing threat to the competitiveness and long-term sustainability of the domestic sugar industry," the PSMA said.

PSMA Executive Director Jesus L. Barrera said that, unlike synthetic sweeteners, sugar is subject to a comprehensive regulatory system governing supply

allocation, warehousing, withdrawals, inter-island movement, and market distribution.

He added that sugar consumption in the Philippines is covered by recommended intake levels issued by the Food and Nutrition Research Institute, while there are no comparable guidelines for synthetic sweeteners.

"There are currently no comparable consumption guidelines for chemical or synthetic sweeteners, despite growing international concern regarding their potential health

implications, including those raised in the guidelines of the World Health Organization," Mr. Barrera said.

The PSMA also reiterated that sugar imports should be allowed only when the domestic supply is insufficient to meet demand.

The group said policies aimed at strengthening domestic production and ensuring fair market conditions are necessary to protect the industry from market volatility, sustain rural livelihoods, and support food security. — **Vonn Andrei E. Villamiel**

## Japan electronics company planning PHL expansion to supply EV industry

THE Philippine Economic Zone Authority (PEZA) said a major Japanese electronics firm is looking to expand its operations in the Philippines in order to be better-positioned to supply the electric vehicle (EV) industry.

In a statement on Saturday, PEZA said Shin-Etsu Chemical Co., Ltd. is looking at growing its footprint from current operations involving the manufacture, assembly, magnetizing, and recycling of rare earth and general application magnets used in hard disk drives, semiconductors, optical devices, electric power steering systems, EVs, and hybrid vehicles.

The company employs about 4,300 workers here.

The investment opportunities were discussed in PEZA's recent meeting with Shin-Etsu officials in Japan.

PEZA also met with E-SUPPORTLINK Ltd., a Japanese company specializing in artificial intelligence (AI)- and drone-based agricultural technologies for real-time crop monitoring, disease detection, and productivity analysis in banana plantations.

The company signed a memorandum of understanding with the Department of Agriculture Regional Field Office XI, the Department of Science and Technology Regional Office XI, and three representatives of Davao-based banana producers to pilot its disease-prevention technology, PEZA said.

E-SUPPORTLINK said it plans to cater to PEZA-registered Japanese agro-industrial locators and banana plantations in Davao City. It is also looking to expand its services to other high-value crops like coconut, cacao, and pineapple.

The company is studying the possibility of expanding its AI processing operations in the Philippines, PEZA also said.

PEZA also met with major Japanese firms involved in construction and real estate, health monitoring and precision measuring devices, digital services, and high-value manufacturing for potential expansions in the Philippines.

"Japan remains one of PEZA's most important and trusted investment partners," PEZA Director-General Tereso O. Panga was quoted as saying.

"Through this mission, we were able to reaffirm our commitment to existing Japanese locators while also opening doors for new projects in high-value manufacturing, digital services, agri-technology, and support industries," he said. — **Beatriz Marie D. Cruz**