

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

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GAIN Report Number:

Philippines

Post: Manila

Corn PSD Update

Report Categories:

Grain and Feed

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Report Highlights:

Corn production is likely to contract in MY10/11 as a result of damages brought about by recent typhoons as well as the lingering effects of the El Nino weather disturbance. As a result, overall corn consumption is expected to decline during the year with food corn demand decreasing and feed corn use remaining flat. Demand by the local poultry and hog sectors is expected to remain weak in MY10/11 compounded by strong competition from imported feed wheat. No dramatic change in corn imports is expected during the year as a result.

General Information:

Corn production and area harvested in MY10/11 were pared down as a result of recent typhoons (including typhoon Megi) as well as the lingering effects of an extended dry period brought about by an El Nino episode in the first half of CY2010.

Downward revisions were made to feed demand in MY10/11 as overall feed corn used is expected to remain weak during the year. The domestic poultry industry is growing only in minimal terms and the local hog industry (the dominant feed-consuming sector) continues to face disease-related problems. The weather abnormalities have also likely constrained any substantial growth of both industries. Hence, overall MY10/11 corn consumption will likely decline slightly from the previous year’s level.

The slack in local meat production is manifest in the substantial growth in U.S. exports of red and poultry meat to the Philippines. Both reached their highest levels in CY2009 and are on track in exceeding them again in CY2010.

Corn imports were pared down substantially in MY10/11 due to weak feed demand and are expected to remain flat compared to the previous year’s level. Imports would have been higher had it not been for the continued and strong competition from imported feed wheat. Imports of feed wheat have displaced substantial corn imports since MY09/10.

Production, Supply and Demand Data Statistics :

Corn Philippines	2008/2009		2009/2010		2010/2011	
	Market Year Begin: Jul 2008		Market Year Begin: Jul 2009		Market Year Begin: Jul 2010	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	2,655	2,655	2,520	2,520	2,650	2,520
Beginning Stocks	727	727	710	710	541	541
Production	6,853	6,853	6,231	6,231	6,800	6,190
MY Imports	432	432	100	100	600	100
TY Imports	429	429	100	100	600	100
TY Imp. from U.S.	18	18	0	0	0	0
Total Supply	8,012	8,012	7,041	7,041	7,941	6,831
MY Exports	2	2	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	5,300	5,300	4,500	4,500	5,300	4,500
FSI Consumption	2,000	2,000	2,000	2,000	1,900	1,900
Total Consumption	7,300	7,300	6,500	6,500	7,200	6,400
Ending Stocks	710	710	541	541	741	431
Total Distribution	8,012	8,012	7,041	7,041	7,941	6,831

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