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Reduction or Removal of Rice and Corn Planting Seed Subsidy

Report Categories:

Grain and Feed

Biotechnology

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Report Highlights:

The Philippine Department of Agriculture (DA) recently announced it will be removing starting September 2009 its subsidy for hybrid rice seeds, while reducing in half its financial support for certified rice seeds. The DA has ceased its subsidy for corn hybrid seeds, including Bt corn, and open pollinated varieties.

General Information:

The Philippine Department of Agriculture (DA) recently announced it will be removing starting September 2009 the P1,500/bag (\$32.25) subsidy for hybrid rice seeds, and reduce to P600/bag (\$12.50) the P1,200/bag (\$25) financial support for certified rice seeds. For corn, the DA is no longer extending seed subsidies for both hybrids (which include Bt corn) and open pollinated varieties (OPVs). Corn hybrid seeds used to be subsidized at a rate of P1,200/bag while OPV corn seeds were subsidized at a rate of P650/bag. According to DA Secretary Arthur Yap, the funds for

the seed subsidy program will be rechanneled to farm infrastructure instead.

Despite the removal of subsidies for the hybrid and OPV corn planting seeds, national production is still projected by the DA between 7.2-7.4 million MT for 2009, higher than the previous year's 6.9 million MT output. For rice, the DA is forecasting 2009 harvests to reach 17.2 million MT of paddy rice, also higher than the 16.8 million MT harvests of 2008, but lower than the previous target of 17.8 million MT.