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Situation Report on Selected Non - Food and Industrial Crops January – December 2008

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Explanatory Note

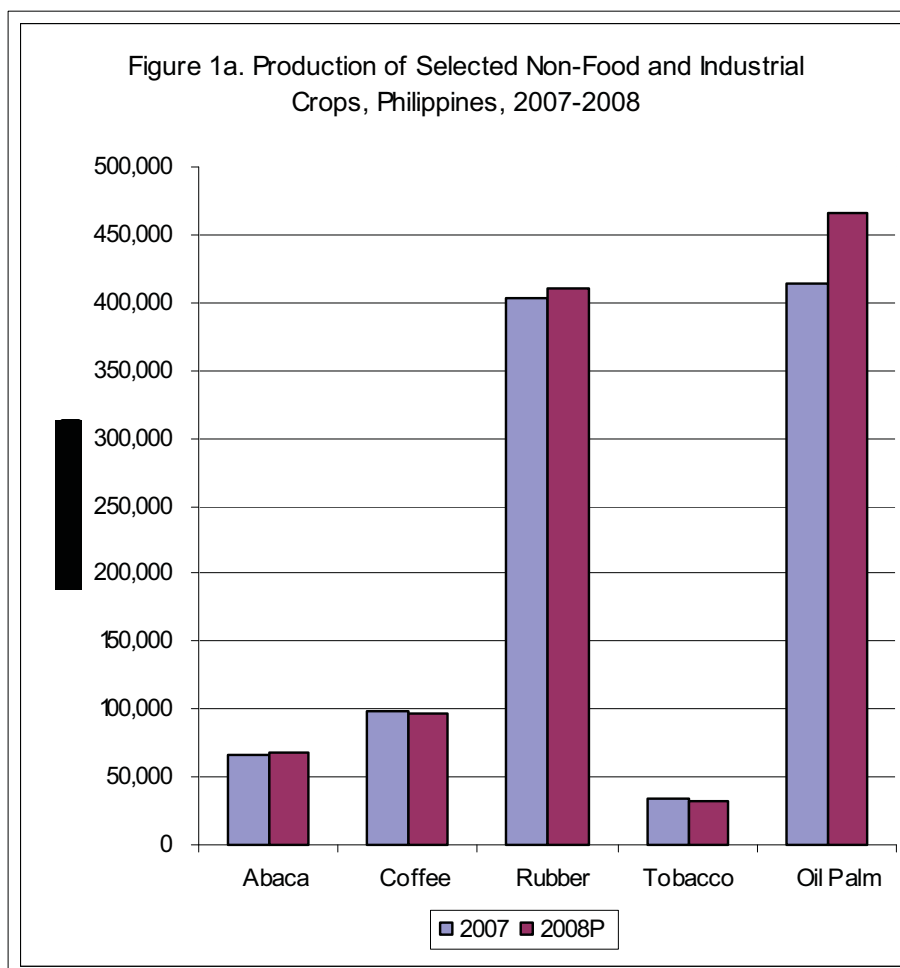
This is the annual situation report on major non-food and industrial crops, namely, *abaca, coconut, coffee, rubber, sugarcane and tobacco*. These crops are highlighted in the report on the Performance of Agriculture which is released quarterly by the Bureau of Agricultural Statistics (BAS). The regular features of this report are data on *production, area planted for permanent crops, area harvested for temporary crops, number of bearing trees, prices and trade*.

Production data are based on the results of the quarterly Crop Production Survey (CPS) of BAS, Quarterly Coconut Production Survey (QCPS) of the Philippine Coconut Authority and BAS, and *Canes Milled* as reported by Sugar Mills from the Sugar Regulatory Administration (SRA). *Data on prices* are sourced from the Farm Price Survey (FPS) and the Integrated Agricultural Marketing Information System-Agricultural Marketing News Service (AGMARIS-AMNEWSS); *millsite and wholesale prices of raw sugar* are from the SRA and *retail prices of brown sugar* are from the Metro Manila Operations Center (MMOC) of the BAS. *Trade data* are sourced from the National Statistics Office (NSO) which are organized by the Agricultural Marketing Statistics Analysis Division (AMSAD) of the BAS.

Starting this issue, a *new emerging crop* shall be featured with the major crops. In this issue, *oil palm* is included.

A. Production

Abaca. The year 2008 saw the recovery of abaca farmers in Catanduanes, a major producing province. These farmers were previously hit by typhoons Milenyo and Reming. The above development helped volume of production to grow by 2.92% from the 2007 level (Table 1). Satisfactory price of abaca fibers and the good weather condition also stimulated harvesting and drying of fibers in Davao Region, ARMM and CARAGA. On the other hand, the recurrence of bunchy-top and mosaic diseases in Leyte and Southern Leyte in Eastern Visayas have caused production in this region to drop by 7.5% in the 4th quarter of 2008.

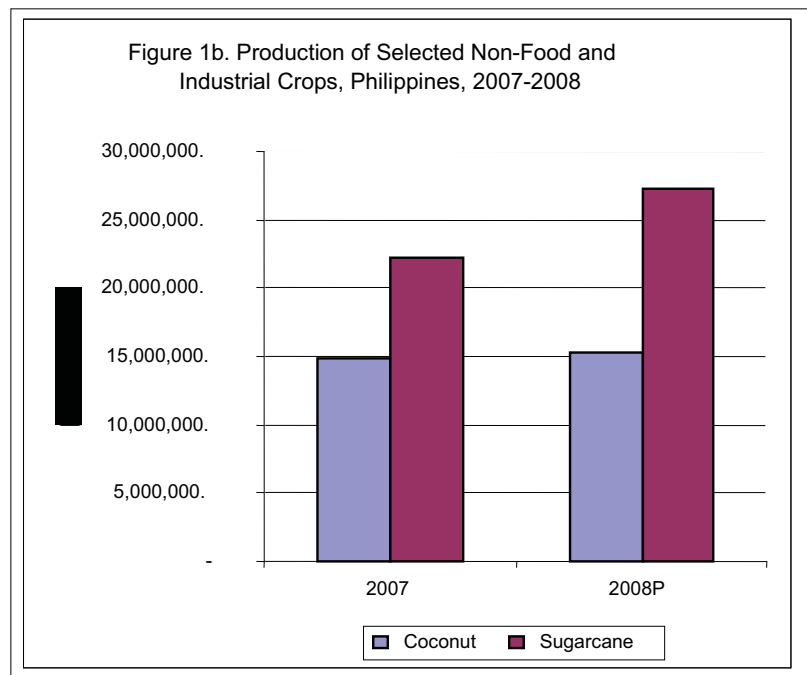


Coffee. Production of coffee, all varieties decreased by 0.45%. From 97.88 thousand MT in 2007, production went down to 97.43 thousand MT in 2008. This decrease was the result of the coffee rejuvenation in Zamboanga del Norte and Davao City, and shifting of farmers to banana and rubber in some Mindanao provinces. Production of *Robusta* which contributed about 71.96 % to total coffee production declined by 0.01%, Likewise, lower output levels were noted in *Arabica*, by 0.32%, *Excelsa*, by 5.12% and *Liberica*, by 1.53%.

Tobacco. Production of all varieties dropped by 5.31 percent. From 34.29 thousand MT in 2007, production went down to 32.47 thousand MT in 2008. *Virginia* tobacco, which accounted for 46.59 % of the total production suffered a 23.37% cut. This was due to shifting to *Burley* tobacco in Ilocos Norte; and corn, pepper and other vegetables in Ilocos Sur and La Union. Increased hectareage for *Burley* tobacco led to a 14.08% increase in production compared to 2007 level. *Native* tobacco production grew by 23.16% as a result of the high price of *Native* tobacco in Iloilo, and assistance from United Leaf Tobacco Corporation (ULTC) in Ilocos and the Local Government Units (LGUs) of Misamis Oriental.

Rubber. Production increased by 1.73% in 2008. From 404.07 thousand MT in 2007, production grew to 411.04 thousand MT in 2008. The expansion was attributed to the sustained high price of natural rubber; increased number of trees that were tapped, support from LGUs, and effects of good weather condition in the first six months of the year.

Coconut. Despite the adverse effects of typhoon Frank and the extensive harvesting in the previous quarters due to satisfactory prices of *Copra* and *Young Coconut (buko)*, coconut production still posted a positive growth in 2008. Mature nut production reached 14.97 million MT, 3.00% higher than last year's 14.54 million MT. *Buco* production in 2008 was 321 thousand MT or 1.88% above the 315 thousand MT output in 2007. The growth was attributed to increasing demand for buko juice and other coconut products in Cagayan Valley, Zamboanga Peninsula and Central Visayas (Table 1).



Sugarcane. Cane output in 2008 was estimated at 27.27 million MT, up by 22.62% from the 22.24 million MT in 2007. *Sugarcane for centrifugal sugar*, which shared 99.10% to total sugarcane production recorded a 22.86% increase in production. The gain was the result of the extended milling season. Milling operations of Central Azucarera de Don Pedro of Batangas and United Farmers Sugar Corporation (UFSC)/Dacongcong of Negros Occidental stretched up to August 2008. The sugar mills that operated up to July 2008 were: 1) Penafrancia Sugar Mills of Camarines Sur; 2) Lopez Sugar Corporation of Negros Occidental; 3) Universal Robina Corporation (URSUMCO) and 4) Tolong of Negros Oriental; and 5) Davao Sugar Central of Davao del Sur. Meanwhile, the expansion in area harvested in Mountain Province and sustained demand in Ilocos Sur and La Union increased production of *sugarcane for basi and vinegar* by 12.68%. Production of *sugarcane for panocha and muscovado* slightly moved up by 0.80% due to increased market demand in Tarlac, Zambales, Sultan Kudarat, North Cotabato and La Union. Production of *sugarcane for chewing* went down by 10.93 percent.

Oil Palm. This was a fast emerging minor crop that has outperformed some major crops. Production registered a growth of 12.51%, from 414.16 thousand MT in 2007 to 465.99 thousand MT in 2008. Aside from increasing number of fruit bearing trees, its morphology was a major factor in increased output over time. *Oil Palm* was found to yield much bigger fruit bunches as the trees age.

B. Area

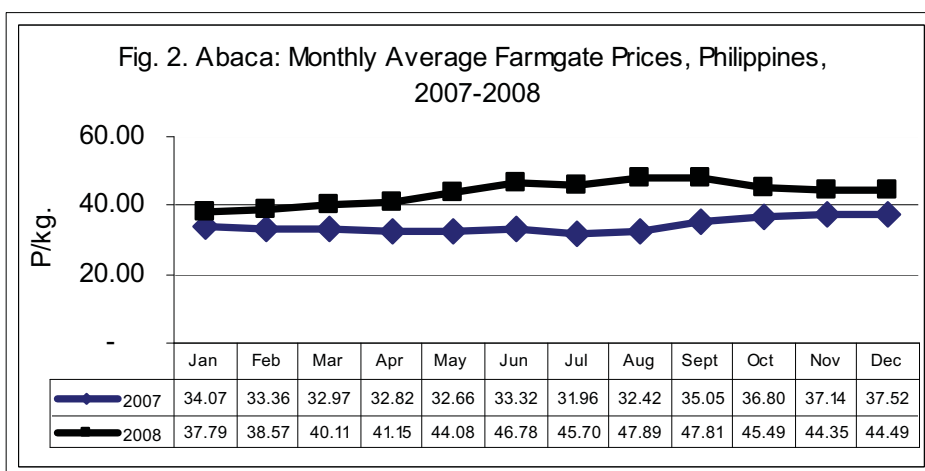
Area expansion was recorded for *abaca* by 0.99%, *coconut* by 0.60%, *rubber* by 11.11%, *sugarcane* by 3.50% and *oil palm* by 4.83% as a result of high demand. Low demand for *coffee* led to shifting to banana and durian in Mindanao. Shifting to yellow corn and vegetables in Ilocos Region, particularly, in areas planted to *Virginia* variety caused the 6.25% decline in area planted (Table 2).

C. Bearing Trees, January-June 2007

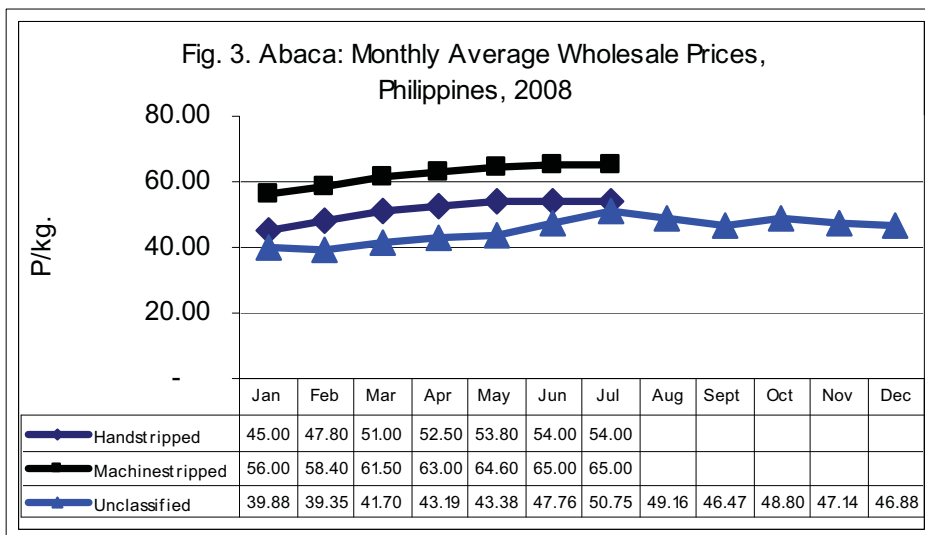
Increases in the number of bearing trees were noted for *coconut*, at 0.20%; *rubber*, at 4.70% and *oil palm*, at 6.96%. In contrast, due to shifting to banana and rubber in Mindanao, all the varieties of *coffee* posted reduction in number of bearing trees, *Arabica* by 0.15%; *Excelsa*, 1.32%; *Liberica*, 1.06%; *Robusta*, 0.50% and *other strain of varieties*, 0.01% (Table 3).

D. Prices , January-December 2008

Abaca. The average farmgate price of *abaca* went up continuously from P31.96 in July 2007 to P47.81 per kg in August 2008. In 2008, the lowest price was observed in January at 37.78 per kg (Figure 2).



Wholesale prices of all types of abaca fibers also rose. Wholesale price of handstripped fiber was P54.00 per kg. That of machinestripped was at P65.00 per kg while that of unclassified abaca fibers was P52.75 per kg (Figure3).



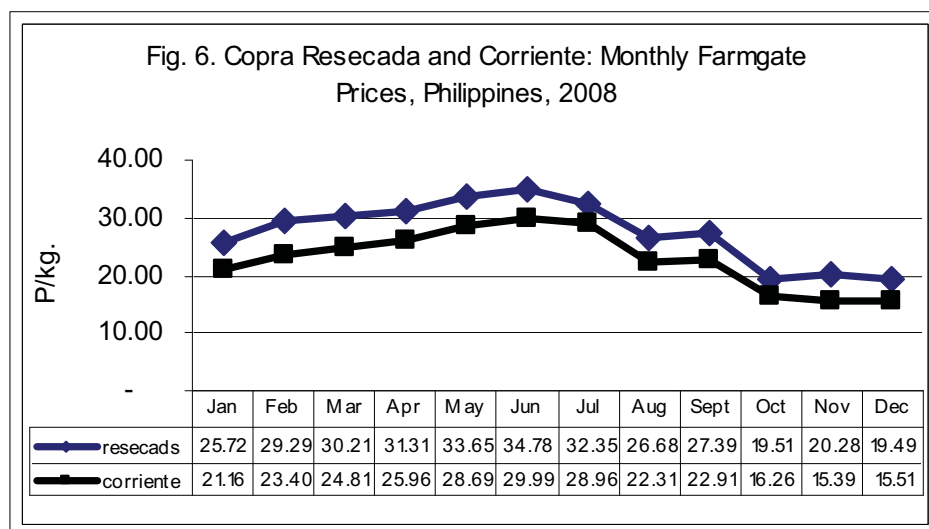
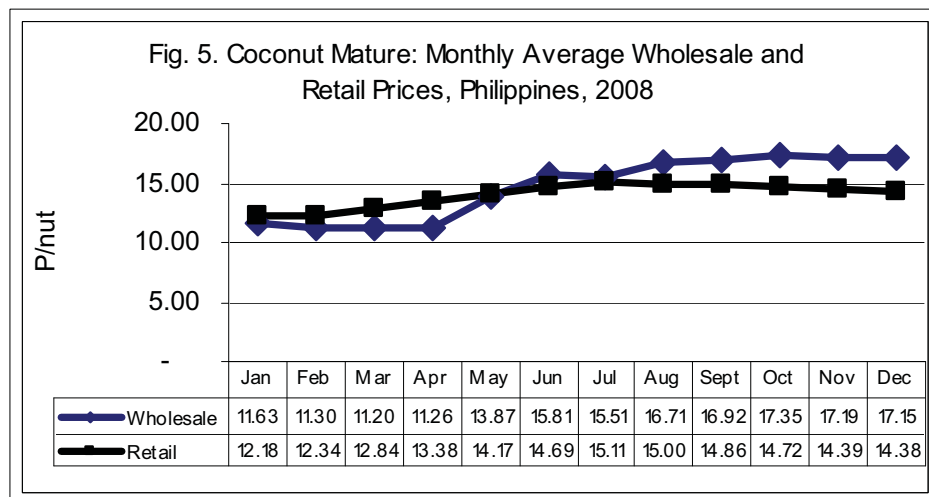
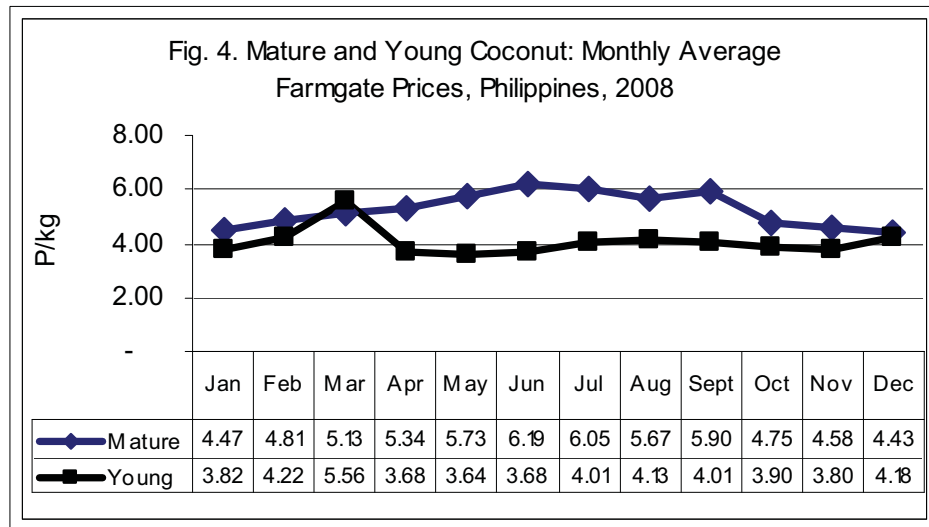
Coconut. Farmgate price of *mature coconut* was increasing from P4.47 per kg in January to P6.20 per kg in June. Price started to decline in July and settled at P4.43 per kg in December.

Prices of *young coconut*, on the other hand was high in March at P5.56 per kg. This dropped and settled at P4.18 per kg in December (Figure 4).

From a low of P11.20 per nut in March 2008, wholesale price of *mature coconut* started to pick up in April and rose to P17.35 per nut in October.

The retail price of *mature coconut* was P12.18 per piece in January 2008. It increased continuously until it settled at P15.11 per piece in July (Figure 5).

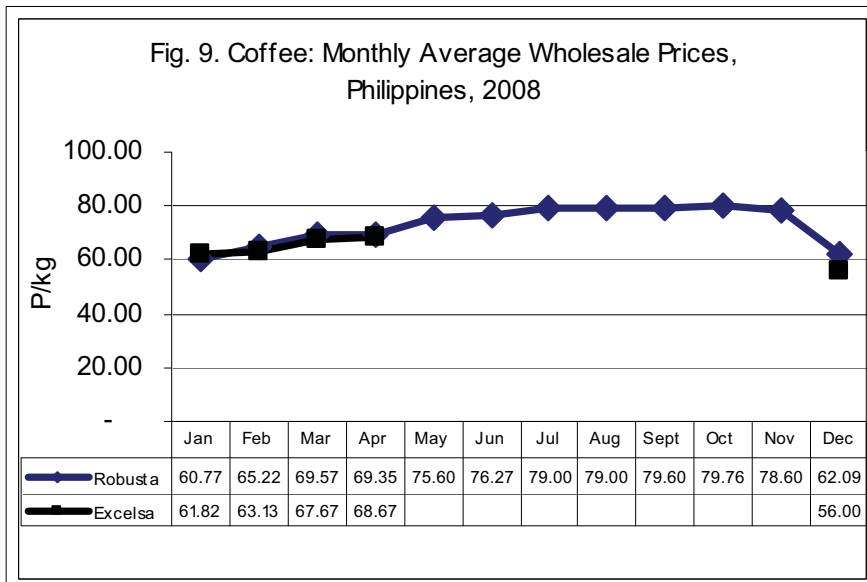
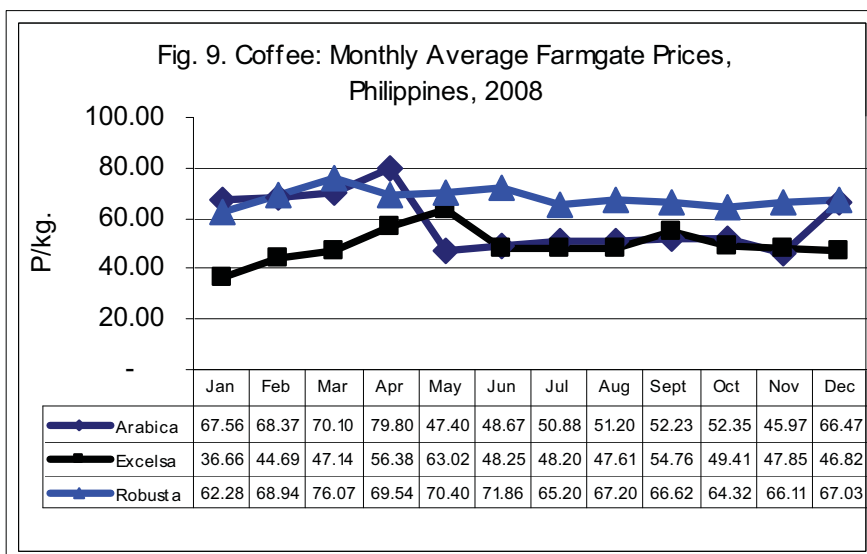
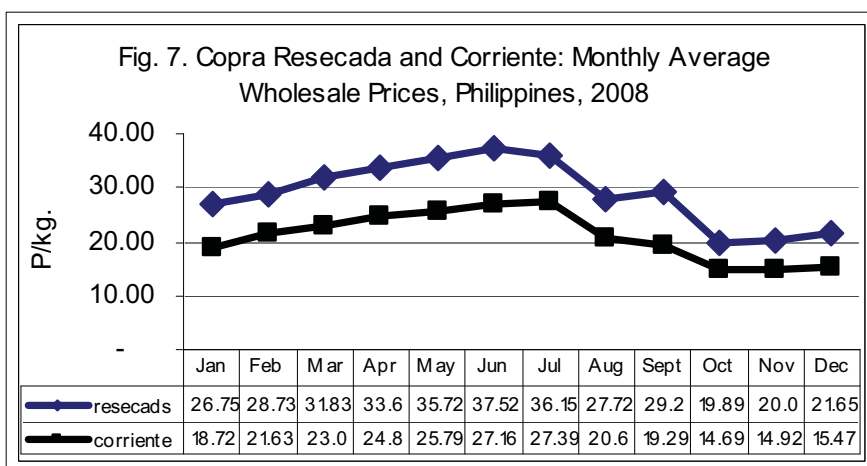
Copra. Farmgate prices of *Copra Resecada* and *Coriente* peaked in June at P34.78 and P29.99 per kg, respectively (Figure 6).



Wholesale prices of both *Copra Resecada* and *Corriente* were on the upward trend in the first semester of 2008. Price of *resecada* fluctuated downward from July to December. Price of *Copra Corriente* decreased continuously until November that slightly recovered in December (Figure 7).

Coffee. Farmgate price of *Arabica* was highest in April at P79.80 per kg and was lowest in November at P45.97 per kg. The price of *Excelsa* was highest at P63.02 per kg in May and lowest in January at P36.66 per kg. For *Robusta*, the highest price was at P76.07 per kg in March.

No wholesale trading was reported for *Excelsa* from May to November 2008. However, prices increased from P61.82 per kg in January to P68.67 per kg in April. Wholesale price of *Robusta* ranged from P60.77 to P79.76 per kg during the period (Figure 9).



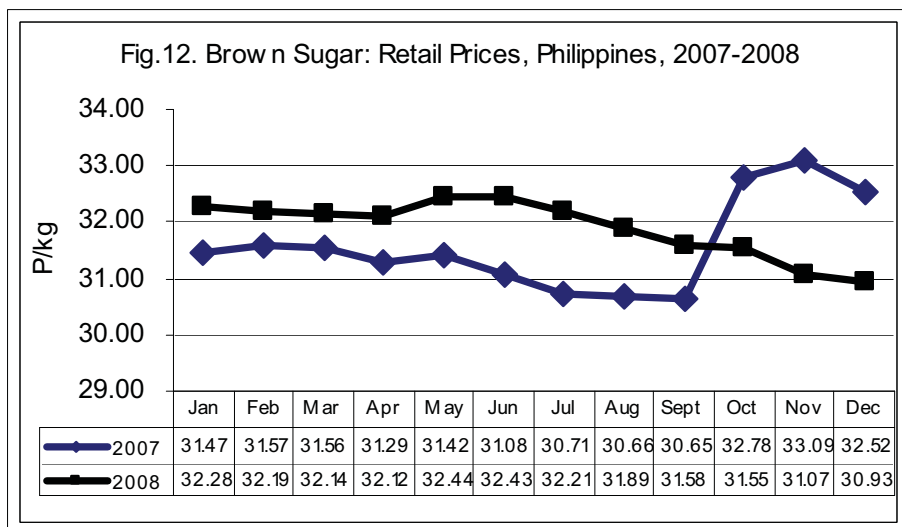
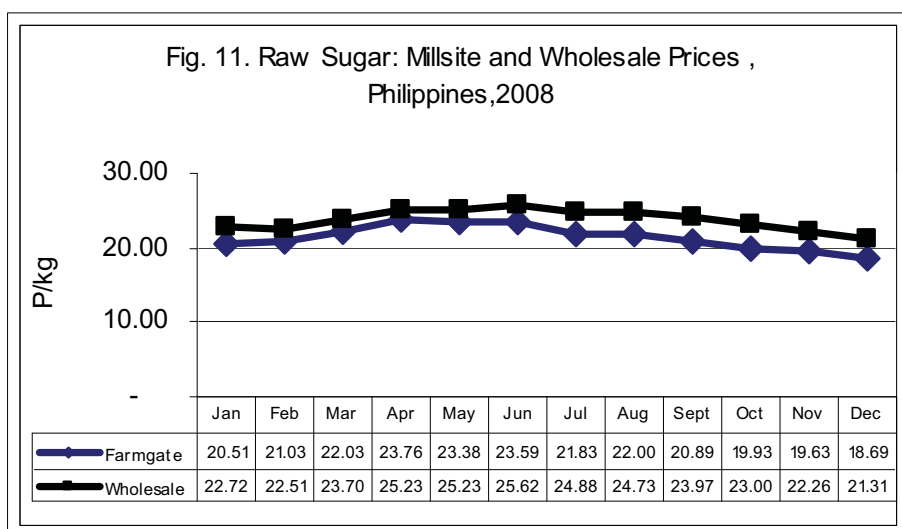
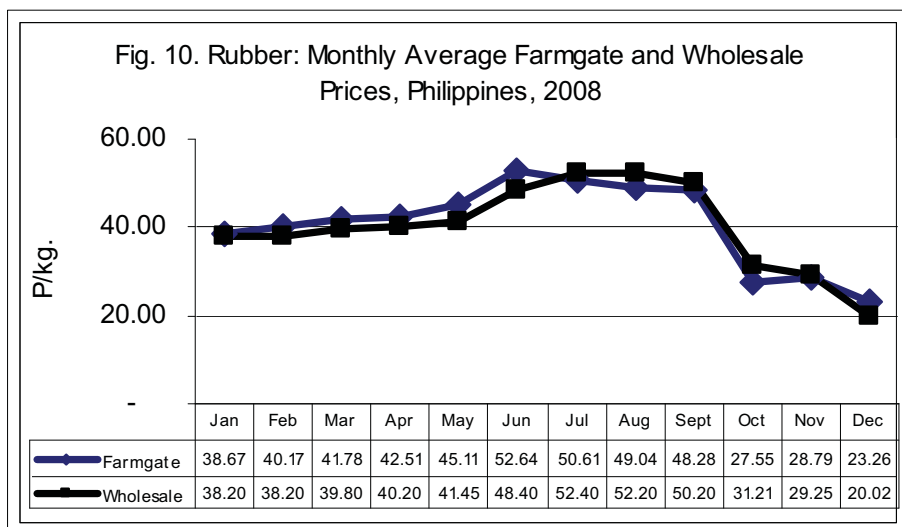
Rubber. *Farmgate* price of rubber steadily climbed from P38.67 per kg of cuplump in January to P52.64 per kg of cuplump in June. However, the trend was reversed in the 2nd semester. The lowest price was at P23.26 per kg in December.

Wholesale price was also going up. From P38.20 per kg in January, it increased to P52.40 per kg in July. Prices dropped in October to P31.21 per kg.

Sugar. In 2008, *Millsite* prices of sugar ranged from P18.65 to P23.59 per kg. Prices peaked in June and slid to its lowest in December.

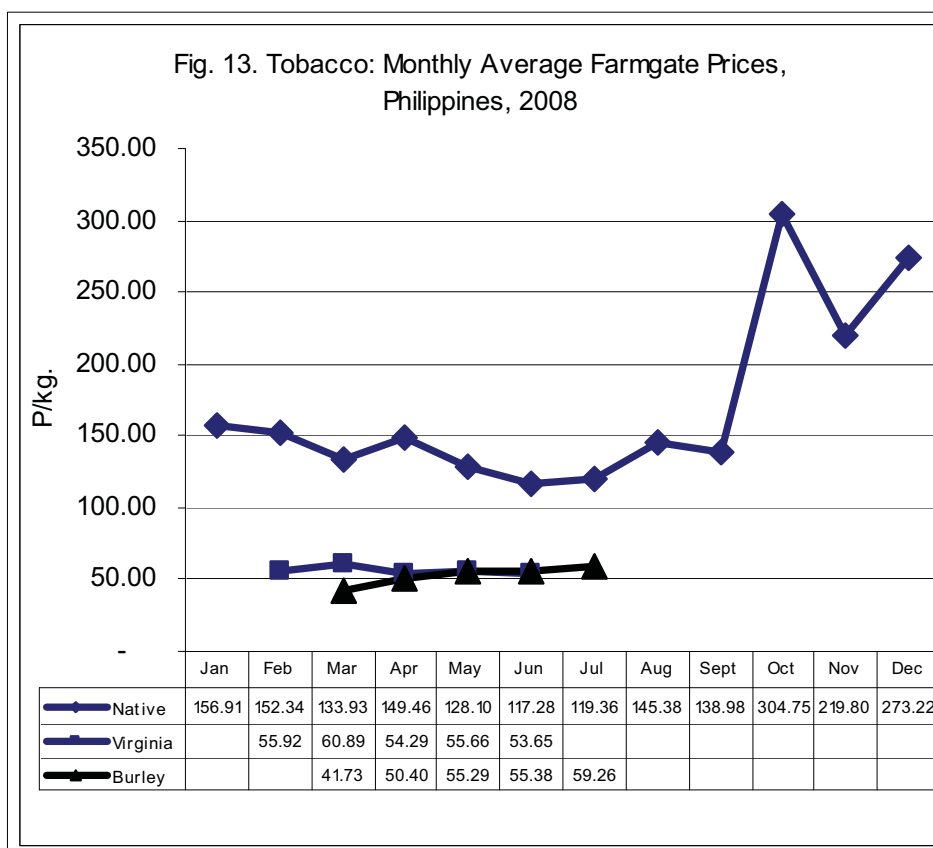
Wholesale price of raw sugar was at its lowest in January at P22.72 per kg. It was highest in May at P25.62 per kg (Figure 11).

Retail prices of brown sugar from January to June in 2008 were higher compared to the prices of the same period of 2007. Prices were stable at about P32 per kg from January to July but was on the downtrend slowly thereafter (Figure 12).



Tobacco. The monthly average farmgate price of *Native* tobacco in 2008 was P169.96 per kg. The highest was reported in October at P304.75 per kg while the lowest was noted in June at P117.28 per kg. The monthly average farmgate price of *Virginia* tobacco ranged from P53.65 to P60.89 per kg. The monthly farmgate prices of *Burley* tobacco ranged from P41.73 to P59.26 per kg (Figure 13).

Wholesale prices of *Virginia* tobacco ranged from P51.65 in May to P54.73 in April.



E. Foreign Trade

Export

Export of selected agricultural products dropped in *quantity and FOB value* in 2008. The *export performance* of these products paled in comparison to their levels in 2007 (Table 4).

Import

Quantity and CIF value of imports on Abaca products ballooned by 5,770.02 % and 447.31 %, respectively, in 2008. *Virgin coconut oil, Coconut Milk, other forms of Rubber, Oriental Tobacco and, Oil Cake and Solid Residues of Oil Palm* also correspondingly posted increases in *quantity of imports* by 15.80%, 239%, 8.52% and 0.71%. *Value of imports* also increased for *Coconut milk, 221%; Other Forms of Rubber, 74%; and Virginia Tobacco, 18.66%* (Table 5).

Table 1. Production of Selected Non-Food and Industrial Crops, Philippines, 2004-2008						
Crop/Description	Volume of Production (MT)					△ %
	2004	2005	2006	2007	2008P	
Abaca(dried raw fiber)	74,465	74,014	69,802	66,437	68,375	2.92
Coconut w / husk	14,366,184	14,824,585	14,957,910	14,852,927	15,295,031	2.98
Matured	14,088,215	14,535,745	14,637,654	14,537,735	14,973,906	3.00
Young	277,969	288,840	320,255	315,192	321,125	1.88
Coffee(dried berries w / pulp)	102,865	105,847	104,093	97,877	97,435	(0.45)
Arabica	18,717	20,672	20,315	19,739	19,677	(0.32)
Excelsa	9,262	8,923	8,326	7,129	6,763	(5.12)
Liberica	1,110	833	783	683	672	(1.53)
Robusta	73,168	75,174	74,453	70,122	70,119	(0.01)
Others	608	245	216	204	204	(0.11)
Rubber(coagulated cup lump)	311,294	315,636	351,556	404,072	411,044	1.73
Sugarcane (cane) for:	25,579,214	22,917,674	24,345,106	22,235,297	27,266,023	22.62
centrifugal sugar	25,377,754	22,696,041	24,133,123	21,993,034	27,021,601	22.86
panocha/muscovado	196,487	215,785	206,295	236,773	238,662	0.80
Chew ing	2,498	2,561	2,126	1,805	1,608	(10.93)
Basi/Vinegar	2,475	3,287	3,562	3,685	4,152	12.68
Tobacco (dried leaves)	48,308	45,093	38,368	34,289	32,466	(5.31)
Native	12,743	12,593	6,715	8,158	10,047	23.16
Virginia	22,745	20,899	19,407	19,737	15,125	(23.37)
Others	12,820	11,601	12,246	6,394	7,295	14.08
Oil Palm(Fresh Fruit Bunch)	355,874	354,811	373,435	414,162	465,988	12.51

Table 2. Area of Selected Non-Food and Industrial Crops, Philippines, 2004-2008						
Crop/Description	Area in Hectares					△ %
	2004	2005	2006	2007	2008P	
Abaca	127,461	135,966	135,883	136,049	137,392	0.99
Coconut	3,258,576	3,243,278	3,337,378	3,359,777	3,379,787	0.60
Coffee	131,206	127,975	126,063	123,975	123,335	(0.52)
Arabica	21,226	21,011	20,804	20,008	19,983	(0.13)
Excelsa	11,859	11,359	10,867	10,387	10,240	(1.41)
Liberica	1,907	1,607	1,572	1,510	1,499	(0.72)
Robusta	94,700	93,280	92,186	91,592	91,137	(0.50)
Others	1,515	718	634	478	476	(0.42)
Rubber	80,696	81,925	94,347	110,972	123,304	11.11
Sugarcane for:	388,627	368,944	392,280	382,956	396,357	3.50
centrifugal sugar	385,189	365,378	388,720	378,968	392,432	3.55
panocha/muscovado	3,231	3,318	3,318	3,751	3,692	(1.56)
Chew ing	136	145	137	127	122	(4.25)
Basi/Vinegar	71	104	105	110	111	1.04
Tobacco	33,773	29,589	26,323	23,863	22,372	(6.25)
Native	8,757	8,028	5,429	5,980	7,158	19.71
Virginia	17,032	14,746	14,508	14,206	11,457	(19.35)
Others	7,984	6,815	6,386	3,678	3,756	2.14
Oil Palm	22,211	25,478	31,444	36,819	38,599	4.83

Table 3. Number of Bearing Trees of Selected Non-Food and Industrial Crops, Philippines, 2004-2008						
Crop/Description	Area in Hectares					△ %
	2004	2005	2006	2007	2008P	
Coconut	331,465,540	328,652,400	335,466,568	338,724,352	339,401,948	0.20
Coffee	91,866,361	91,253,539	89,883,642	86,214,597	85,775,216	(0.51)
Arabica	14,174,263	14,762,862	14,429,081	13,982,479	13,962,106	(0.15)
Excelsa	7,421,051	7,063,018	6,722,073	6,324,887	6,241,287	(1.32)
Liberica	1,270,684	1,051,120	1,025,886	992,237	981,758	(1.06)
Robusta	68,181,189	68,027,895	67,428,907	64,685,812	64,360,899	(0.50)
Others	819,174	348,644	277,695	229,182	229,166	(0.01)
Rubber	27,703,924	29,147,736	30,123,884	35,030,731	36,677,379	4.70
Oil Palm	2,472,971	2,755,960	3,020,769	4,804,512	5,139,101	6.96

Table 4. Quantity and Value of Selected Agricultural Exports, 2007-2008						
[Quantity in mt; F.O.B. Values in US\$]						
Commodity	2007		2008		$\Delta\%$	
	Quantity	FOB Value	Quantity	FOB Value	Quantity	FOB Value
Abaca	149.20	14,612,807	8.65	1,957,862	(94.20)	(86.60)
Coconut						
Desiccated	131,960.79	159,362,427	10,646.67	20,159,384	(91.93)	(87.35)
Fresh, Young	820.34	184,802	289.26	60,351	(64.74)	(67.34)
Virgin Oil	1,935.76	5,066,476	121.46	421,777	(93.73)	(91.68)
Crude Oil	606,719.92	503,093,738	51,472.50	49,225,344	(91.52)	(90.22)
Milk	3,576.06	6,768,374	353.32	1,043,224	(90.12)	(84.59)
Oil-Cake/ Solid Residues	425,408.65	43,158,586	22,015.00	3,315,820	(94.82)	(92.32)
Coffee	15.78	56,426			(100.00)	(100.00)
Rubber	19,678.43	29,708,446	1,755.74	2,833,247	(91.08)	(90.46)
Sugar						
Panocha/Muscovado	1,828.64	2,222,777	153.60	234,477	(91.60)	(89.45)
Molasses	62,620.00	5,435,502	20,781.30	1,958,523	(66.81)	(63.97)
Centrifugal	234,584.45	77,492,812	14,811.64	5,629,517	(93.69)	(92.74)
Tobacco						
Virginia	4,021.30	7,450,969	204.24	373,402	(94.92)	(94.99)
Oriental	320.37	575,884			(100.00)	(100.00)
Burley	2,744.11	6,150,567			(100.00)	(100.00)
Oil Palm						
Refined Oil	41.63	60,014			(100.00)	(100.00)
Oil-Cake/ Solid Residues	1,417.82	560,849			(100.00)	(100.00)
Source: National Statistics Office (NSO)						

Table 5. Quantity and Value of Selected Agricultural Imports, 2007-2008						
[Quantity in mt; C.I.F. values in US\$]						
Comodity	2007		2008		$\Delta\%$	
	Quantity	CIF Value	Quantity	CIF Value	Quantity	CIF Value
Abaca	1.31	218,421	77.13	1,195,432	5,770.02	447.31
Coconut						
Virgin Oil	0.52	2,323	0.60	1,131	15.80	(51.31)
Crude Oil	3,000.24	1,733,894			(100.00)	(100.00)
Milk	81.87	74,494	327.15	239,244	299.62	221.16
Coffee	22,280.02	39,431,198	2,938.68	6,446,612	(86.81)	(83.65)
Rubber						
Latex	593.58	1,214,641	280.77	606,312	(52.70)	(50.08)
Other Forms	8,728.33	18,967,436	11,464.86	33,013,524	31.35	74.05
Tobacco						
Virginia	34,762.99	99,939,798	34,356.35	118,574,112	(1.17)	18.65
Oriental	3,166.16	8,958,945	3,435.89	8,182,795	8.52	(8.66)
Burley	14,538.16	50,324,815	9,774.47	38,634,653	(32.77)	(23.23)
Oil Palm						
Crude Oil	42,136.43	21,151,953	2,084.02	2,935,840	(95.05)	(86.12)
Inedible Mixtures	39,290.37	25,804,147	19,141.53	20,154,507	(51.28)	(21.89)
Oil-Cake/ Solid Residues	37,014.68	7,439,834	37,278.66	4,328,878	0.71	(41.81)
Source: National Statistics Office (NSO)						

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