



Price and Food Security Update Philippines

August 2012 || Issue 11

Highlights

- Slight increase in CPI and food and non-alcoholic beverage index was reported for the month of July 2012.
- Domestic fuel prices increased over the past month.
- Retail prices of major commodities are generally stable in most of the trading centers in the country.
- Purchasing power of the households in Central Mindanao increased by 29.16 percent month-on-month.

Main Price Trends

Consumer Price Index

The Consumer Price Index (CPI), reported monthly by the National Statistics Office, measures the change in the average prices of a fixed basket of goods and services commonly purchased by an average Filipino household for their day-to-day consumption using 2006 as a base year. For July 2012, CPI for all commodity groups slightly increased by 0.31 percentage month-on-month (**Figure 1**).

Food and non-alcoholic beverages index in the 2006-based CPI has the highest weight which makes up 38.08 percent of the fixed basket of goods and services. A 0.43 percentage increase month-on-month was observed for the month of July. On an annual basis, the index increased to 2.2 percent in July from 2.0 percent in June.

Fuel Prices

July 2012 marks the start of gradual increases in the average prices of domestic fuel, after 13 successive weeks of decrease since April. The average price of

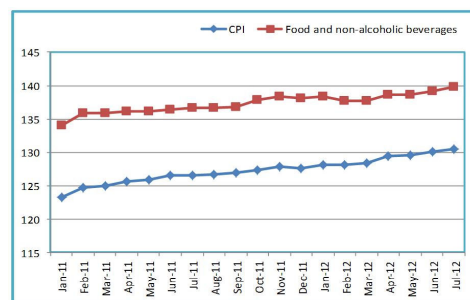


Figure 1. Consumer Price Index and Food Price Index (2006=100), Philippines, January 2011-July 2012

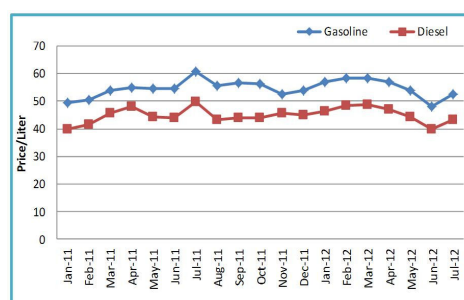


Figure 2. Average monthly prices of gasoline and diesel, January 2011-July 2012

gasoline increased by 8.67 percent, from 47.95 in June to 52.5 in July (**Figure 2**). Local diesel prices was reported at Php43.40 per liter, an 8.3 percent increase from June 2012.

Oil price increase was mainly attributed to the US economic sanctions imposed on Iran's oil export sector and the intensifying conflicts in Syria.

Main Staple Food Commodity Prices

- The monthly average farm-gate prices of paddy in July is at Php 17.12/kg. An increase of 1.05 percent from the previous month's price of Php 16.94/kg.
- The average retail price of regular milled rice increased by 0.50 percentage points from Php 32.17/kg in June to Php 32.33/kg in July 2012 (**Figure 3**).
- In July 2012, data on selected commodities gathered by the Bureau of Agricultural Statistics of the Department of Agriculture from the major trading centers in 17 regions of the country shows that regular milled rice, chicken, beef and pork are generally stable and within normal fluctuation on a month-on-month and year-on-year basis (Annex 1). On a month-on-month basis, the retail price of potato was above normal price fluctuation in 10

regions of the country. The retail price of fish (*galunggong*) was observed to be below normal price fluctuation in Regions IV, IX and CARAGA. Despite the observed normal fluctuations in the retail prices of commodities over the previous year, household food security is weakened in areas adversely affected by typhoons.

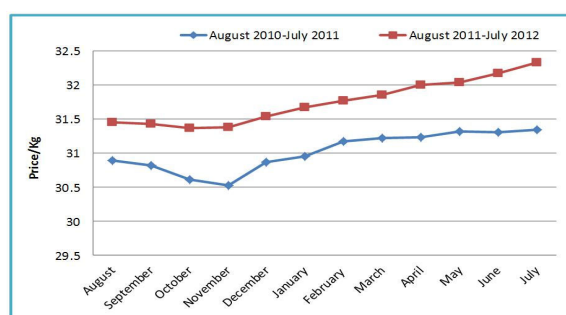


Figure 3. Average monthly retail price regular milled rice, Philippines, May 2010 - July 2012

IPC Integrated Food Security Phase Classification

Expansion of IPC implementation in the Philippines

The IPC provides global standards and protocols for food security analysis and classification using a food security severity scale. It is being promoted and supported globally by partnership of UN agencies, international NGOs and donor agencies active in food security analysis and action.

First introduced in the Philippines in 2010, through the partnership of National Nutrition Council and World Food Programme, a pilot implementation was done in 4 municipalities in Lanao del Norte in 2011. Since this implementation, IPC was adapted to complement the system of tools under the Philippine Food and Nutrition Surveillance System.

With the support from the European Commission for Humanitarian Aid and Civil Protection (ECHO), the Philippines is now a part of the regional project on “Integrated Food Security Phase Classification (IPC) in Asia: Special Focus to Strengthen IPC Capacity”. FAO and WFP will work closely with the National Nutrition Council, the lead national government agency, in the creation of an IPC Technical Working group.

IPC implementation from September to December 2012 will focus on training of analysts and practitioners at the national and subnational levels on the use of the IPC version 2 tools.

WFP Price Monitoring in Central Mindanao

Retail prices of local food commodities were gathered on a monthly basis in selected cities and provinces in Central Mindanao where WFP has ongoing operation. For the national price estimates, data from the Bureau of Agricultural Statistics were used.

Average retail prices of regular milled rice was stable in all of the provinces except in North Cotabato, where price fluctuation was below normal (**Table 1**). Average retail prices of commodities in other provinces are shown in Table 1.

In Central Mindanao, the average wage for unskilled labor for July 2012 was at 180/day. Terms of Trade (ToT), which measures a household's food purchasing power, was calculated using the daily wage rate for unskilled labor and the average retail price of regular milled rice. ToT increased by 29.16 percentage points from 3.96 kg/day in June to 5.59 kg/day in July 2012 (**Figure 4**). The increase in purchasing power of the households improved due to the concurrent decrease in price of rice and increase in wage rates.

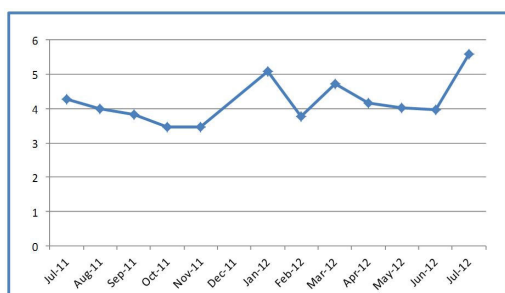


Figure 4. Terms of Trade for unskilled labor and rice, June 2011—July 2012

Table 1. Average retail prices of selected commodities in the Philippines and Central Mindanao, July 2012

Food Item	Country/Province	July 2012	Price Change (%)			Direction of change		
			1 month	3 months	1 year	1 month	3 months	1 year
Rice, regular milled	Philippines	32.33	0.49	1.02	2.72	→	→	→
	Lanao del Norte	-	-	-	-	-	-	-
	Maguindanao	34	4.41	0	5.88	→	→	→
	North Cotabato	30.25	-12.4	-14.88	-9.09	↓	↓	→
	Sultan Kudarat	32.4	-3.4	-	-1.85	→	-	→
	Cotabato City	-	-	-	-	-	-	-
Potato	Philippines	56.26	10.51	6.95	17.03	↑	→	↑
	Lanao del Norte	-	-	-	-	-	-	-
	Maguindanao	76	7.9	-5.26	3.95	↑	→	→
	North Cotabato	67.5	-7.41	3.7	0.74	↓	→	→
	Sultan Kudarat	60	-22.22	-	50	↓	-	↑
	Cotabato City	-	-	-	-	-	-	-
Fish, galunggong	Philippines	107.7	-2.75	-3.53	5.21	→	→	→
	Lanao del Norte	-	-	-	-	-	-	-
	Maguindanao	84	-7.14	-42.86	-39.3	↓	↓	↓
	North Cotabato	120	-4.17	-12.5	-2.5	→	↓	→
	Sultan Kudarat	106.7	-15.62	-	6.25	↓	-	→
	Cotabato City	-	-	-	-	-	-	-
Chicken, meat	Philippines	125.3	0.33	1.22	0.46	→	→	→
	Lanao del Norte	-	-	-	-	-	-	-
	Maguindanao	130	0	-7.69	-10	→	→	→
	North Cotabato	130	-9.62	-5.77	-5.39	↓	→	→
	Sultan Kudarat	138	-3.86	-	-6.52	→	-	→
	Cotabato City	-	-	-	-	-	-	-
Beef	Philippines	243.5	0	0.24	1.21	→	→	→
	Lanao del Norte	-	-	-	-	-	-	-
	Maguindanao	200	12.5	-	5	↑	-	→
	North Cotabato	180	2.78	1.39	7.22	→	→	→
	Sultan Kudarat	176.7	-7.55	-	11.13	↓	-	→
	Cotabato City	-	-	-	-	-	-	-
Pork	Philippines	176.8	0	0.33	0.16	→	→	→
	Lanao del Norte	-	-	-	-	-	-	-
	Maguindanao	-	-	-	-	-	-	-
	North Cotabato	150	-10	-5	4.67	↓	→	→
	Sultan Kudarat	140	-14.29	-	-28.6	↓	-	↓
	Cotabato City	-	-	-	-	-	-	-

¹BAS-DA, Updates on Palay, Rice and Corn Prices

²Average retail prices in the 17 trading center surveyed by BAS-DA

↑ Price increase above normal price fluctuation

→ Normal price fluctuation

↓ Price decrease below normal price fluctuation

- Price of commodity not available

Price fluctuation is considered normal if the price change is within 5% for 1 month, or within 10% for 3 months or within 15% for one year.

References

1. Bureau of Agricultural Statistics, Department of Agriculture. <http://www.bas.gov.ph/>
2. Department of Energy. Oil Monitor. <http://www.doe.gov.ph/opm/oilmonitor.htm>
3. National Statistics Office. <http://www.census.gov.ph>
4. National Statistics Coordination Board (NSCB). <http://www.nscb.gov.ph>
5. National Wages and Productivity Commission, Department of Labor and Employment. http://www.nwpc.dole.gov.ph/pages/statistics/stat_current_regional.html

Annex 1. Average retail prices of selected commodities in 17 Trading Centers across the Philippines

Food Item	Country/Province	July 2012	Price Change (%)			Direction of change		
			1 month	3 months	1 year	1 month	3 months	1 year
Rice, regular milled	Philippines	32.33	0.49	1.02	2.72	↔	↔	↔
	CAR	30.00	0	0	0	↔	↔	↔
	Region 1 (Baguio City)	32.00	0	0	0	↔	↔	↔
	Region 2 (San Fernando City)	31.00	3.23	3.23	2.42	↔	↔	↔
	Region 3 (Cabanatuan City)	31.00	0	-6.45	0	↔	↔	↔
	Region 4 (Batangas City)	30.00	0	0	0	↔	↔	↔
	Region 5 (Legaspi City)	30.00	0	0	0	↔	↔	↔
	Region 5 (Naga City)	29.00	-3.45	-3.45	3.45	↔	↔	↔
	Region 6 (Iloilo City)	37.00	0	0	5.41	↔	↔	↔
	Region 7 (Cebu City)	32.00	0	0	0	↔	↔	↔
	Region 8 (Tacloban City)	33.00	0	0	9.09	↔	↔	↔
	Region 9 (Zamboanga City)	32.00	-3.13	0	3.13	↔	↔	↔
	Region 10 (Cagayan de Oro City)	32.00	0	0	0	↔	↔	↔
Potato	Philippines	35.00	0	2.86	8.57	↔	↔	↔
	CAR	56.26	10.51	6.95	17.03	↔	↔	↔
	Region 1 (Baguio City)	50.00	0	0	0	↔	↔	↔
	Region 2 (San Fernando City)	40.00	0	0	12.5	↔	↔	↔
	Region 3 (Cabanatuan City)	42.50	17.65	29.41	47.06	↔	↔	↔
	Region 4 (Batangas City)	50.00	20	20	40	↔	↔	↔
	Region 5 (Legaspi City)	60.00	16.17	16.17	16.17	↔	↔	↔
	Region 5 (Naga City)	50.00	20	10	20	↔	↔	↔
	Region 6 (Iloilo City)	60.00	8.33	0	25	↔	↔	↔
	Region 7 (Cebu City)	70.00	14.29	14.29	21.43	↔	↔	↔
	Region 8 (Tacloban City)	54.00	16.67	16.67	25.93	↔	↔	↔
	Region 9 (Zamboanga City)	70.00	14.29	0	-14.3	↔	↔	↔
	Region 10 (Cagayan de Oro City)	60.00	8.33	-16.67	25	↔	↔	↔
Fish, galangone	Philippines	40.00	10	0	10	↔	↔	↔
	CAR	60.00	-16.67	0	0	↔	↔	↔
	Region 1 (Baguio City)	60.00	0	-8.33	-16.7	↔	↔	↔
	Region 2 (San Fernando City)	60.00	0	8.33	16.67	↔	↔	↔
	Region 3 (Cabanatuan City)	60.00	0	8.33	16.67	↔	↔	↔
	Region 4 (Batangas City)	80.00	25	12.5	25	↔	↔	↔
	Region 5 (Legaspi City)	107.67	-2.75	-3.53	5.21	↔	↔	↔
	Region 5 (Naga City)	120.00	0	0	8.33	↔	↔	↔
	Region 6 (Iloilo City)	120.00	16.67	8.33	33.33	↔	↔	↔
	Region 7 (Cebu City)	120.00	0	0	0	↔	↔	↔
	Region 8 (Tacloban City)	140.00	0	0	0	↔	↔	↔
	Region 9 (Zamboanga City)	100.00	-30	-20	-20	↔	↔	↔
	Region 10 (Cagayan de Oro City)	100.00	0	-20	0	↔	↔	↔
Chicken	Philippines	125.29	0.33	1.22	0.46	↔	↔	↔
	CAR	160.00	0	0	0	↔	↔	↔
	Region 1 (Baguio City)	130.00	0	0	0	↔	↔	↔
	Region 2 (San Fernando City)	130.00	0	0	0	↔	↔	↔
	Region 3 (Cabanatuan City)	130.00	7.69	7.69	3.85	↔	↔	↔
	Region 4 (Batangas City)	130.00	0	0	-3.85	↔	↔	↔
	Region 5 (Legaspi City)	125.00	0	4	4	↔	↔	↔
	Region 5 (Naga City)	120.00	0	0	0	↔	↔	↔
	Region 6 (Iloilo City)	115.00	-2.61	-3.48	-4.35	↔	↔	↔
	Region 7 (Cebu City)	115.00	0	0	-4.35	↔	↔	↔
	Region 8 (Tacloban City)	120.00	0	4.17	8.33	↔	↔	↔
	Region 9 (Zamboanga City)	115.00	0	0	-4.35	↔	↔	↔
	Region 10 (Cagayan de Oro City)	115.00	0	0	0	↔	↔	↔
Beef	Philippines	115.00	0	0	0	↔	↔	↔
	CAR	115.00	0	0	0	↔	↔	↔
	Region 1 (Baguio City)	115.00	0	0	0	↔	↔	↔
	Region 2 (San Fernando City)	115.00	0	0	0	↔	↔	↔
	Region 3 (Cabanatuan City)	130.00	0	0	0	↔	↔	↔
	Region 4 (Batangas City)	120.00	0	0	0	↔	↔	↔
	Region 5 (Legaspi City)	130.00	0	0	7.69	↔	↔	↔
	Region 5 (Naga City)	243.53	0	0.24	1.21	↔	↔	↔
	Region 6 (Iloilo City)	240.00	0	0	0	↔	↔	↔
	Region 7 (Cebu City)	250.00	0	0	0	↔	↔	↔
	Region 8 (Tacloban City)	250.00	0	0	0	↔	↔	↔
	Region 9 (Zamboanga City)	280.00	0	0	7.14	↔	↔	↔
	Region 10 (Cagayan de Oro City)	240.00	0	0	0	↔	↔	↔
Pork	Philippines	240.00	0	0	0	↔	↔	↔
	CAR	240.00	0	0	0	↔	↔	↔
	Region 1 (Baguio City)	250.00	0	0	0	↔	↔	↔
	Region 2 (San Fernando City)	250.00	0	0	0	↔	↔	↔
	Region 3 (Cabanatuan City)	280.00	0	0	7.14	↔	↔	↔
	Region 4 (Batangas City)	240.00	0	0	0	↔	↔	↔
	Region 5 (Legaspi City)	250.00	0	0	0	↔	↔	↔
	Region 5 (Naga City)	240.00	0	0	0	↔	↔	↔
	Region 6 (Iloilo City)	200.00	0	0	0	↔	↔	↔
	Region 7 (Cebu City)	240.00	0	0	0	↔	↔	↔
	Region 8 (Tacloban City)	280.00	0	0	0	↔	↔	↔
	Region 9 (Zamboanga City)	320.00	0	0	0	↔	↔	↔
	Region 10 (Cagayan de Oro City)	210.00	0	0	0	↔	↔	↔
	Region 11 (Davao City)	220.00	0	4.55	4.55	↔	↔	↔

¹Average retail prices in the 17 trading center surveyed by BAS-DA

- ↑ Price increase above normal price fluctuation
- ↔ Normal price fluctuation
- ↓ Price decrease below normal price fluctuation
- Price of commodity not available

Price fluctuation is considered normal if the price change is within 5% for 1 month, or within 10% for 3 months or within 15% for one year.

References

- Bureau of Agricultural Statistics, Department of Agriculture. <http://www.bas.gov.ph/>
- Department of Energy. Oil Monitor. <http://www.doe.gov.ph/opm/oilmonitor.htm>
- National Statistics Office. <http://www.census.gov.ph>
- National Statistics Coordination Board (NSCB). <http://www.nscb.gov.ph>
- National Wages and Productivity Commission, Department of Labor and Employment. http://www.nwpc.dole.gov.ph/pages/statistics/stat_current_regional.html