



Price and Food Security Update Philippines

September 2012 || Issue 12

Main Price Trends

Consumer Price Index

Philippine consumer price index (CPI) continued to rise in August 2012. It recorded a year-on-year increase of 3.8 percent, considered the highest since January 2012.

CPI measures the change in the average prices of a fixed basket of goods and services commonly purchased by an average household for their day-to-day consumption. In the Philippines, CPI is measured by the National Statistics Office (NSO) using 2006 as a base year.

Food and non-alcoholic beverages index which account for the highest weight in the CPI registered a 1.0 percentage increase from July 2012.

per liter compared with Php43.4 in July 2012. Oil price increases were attributed to continuing tensions in Iran and growing optimism in the growth of the European Union.

Figure 1. Consumer Price Index and Food Price Index (2006=100), Philippines, August 2011 to August 2012

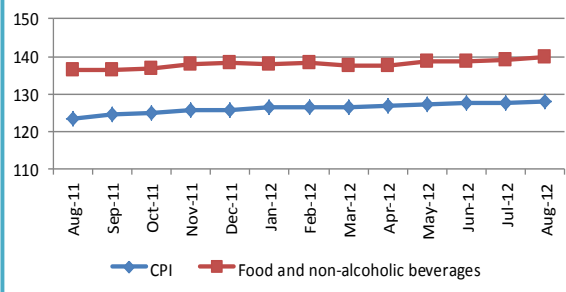
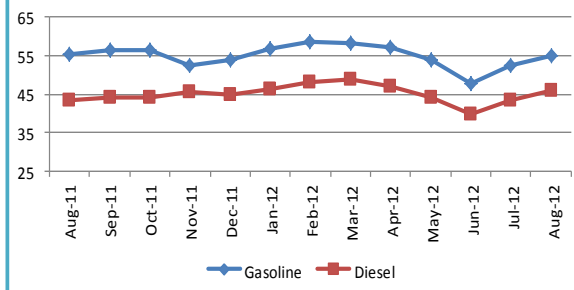


Figure 2. Average monthly prices of gasoline and diesel, Philippines, August 2011 to August 2012



Fuel Prices

Increases in the prices of fuel were recorded for the second straight month since June 2012. (Figure 2). In August 2012, the average cost of a liter of gasoline was PhP54.95, a 4.7 percent increase from a month ago. On the other hand, diesel prices was reported at PhP46.05

Main staple food commodity prices

Retail price of regular milled rice remained roughly the same from PhP32.31/kg in July to PhP32.54/kg in August 2012. Farmgate price of paddy rice in August 2012 was not yet available as of this writing.

Highlights

- CPI continued to increase in August 2012. The figure was based on the 2006 prices.
- Prices of fuel increased for the second straight month since June 2012
- Retail prices of major commodities were generally stable in most of the trading centers in the country.
- In Central Mindanao, the retail prices of selected commodities were also stable.
- Purchasing power of the households in Central Mindanao decreased by 27.04 percent month-on-month.



This monthly update is jointly prepared by United Nations World Food Programme (WFP) and Food and Agriculture Organization of the United Nations (FAO). The accuracy of the information contained in this document cannot be guaranteed as the information may come from official as well as from qualitative/ anecdotal sources. The monthly update does not replace reporting of more reliable information (e.g. monthly or quarterly bulletins) from COs/RBs of these organizations.



Aside from milled rice, data from the Bureau of Agricultural Statistics of the Department of Agriculture showed that prices of chicken, beef and pork were generally stable. On the other hand, prices of cooking oil, sugar and selected fruits decreased while costs of fish and vegetables increased. The increases in the prices of some commodities were reportedly caused by the effects of typhoons, higher fuel prices and stronger domestic spending in this time of the year.

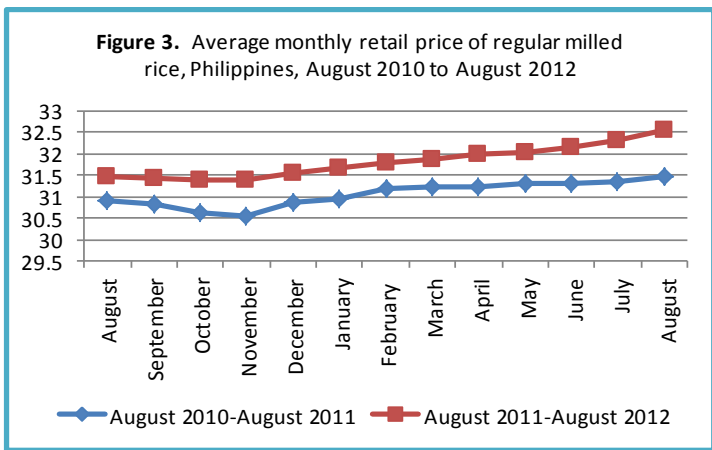
WFP Price Monitoring in Central Mindanao

WFP monitors the retail prices of local food commodities in selected cities and provinces in Central Mindanao on a monthly basis. For the national price estimates, WFP uses the data from the Bureau of Agricultural Statistics.

Average retail prices of regular milled rice was stable in all of the provinces except in North Cotabato and Maguindanao, where price fluctuations were above normal on a single month basis (Table 1). Table 1 also shows the retail prices of some commodities in the region.

WFP also measures the Terms of Trade (TOT) in the region. ToT calculates a household's food purchasing power by computing the daily wage rate for unskilled labor and the average retail price of regular milled rice.

In August 2012, the average wage for unskilled labor in the region was 148/day. This translated to a 4.4 kg/day TOT in Central Mindanao, a decrease of 27.04 percentage from the previous month's TOT of 5.59 kg/day. The decrease in purchasing power of the households can be attributed to the slight increase in the prices of rice in some provinces and the decrease in the average wage rate in the region.



Production Update

Mongo

In April-June 2012, mongo production was 21.3 thousand metric tons (MT) or 1.66 percent lower than the 21.7 thousand MT of production in 2011.

Peanut

The reported peanut production of 8.7 thousand MT in the second quarter of 2012 was down by 4.49 percent from the 9.2 thousand MT output in 2011.

Sweet potato

Sweet potato production this year at 140.7 thousand MT was 0.63 percent higher than the 139.9 thousand MT of output in 2011.

Cassava

In April-June 2012, cassava production was 685.3 thousand MT. This was 4.02 percent higher compared to the 2011 output of 658.8 thousand MT.

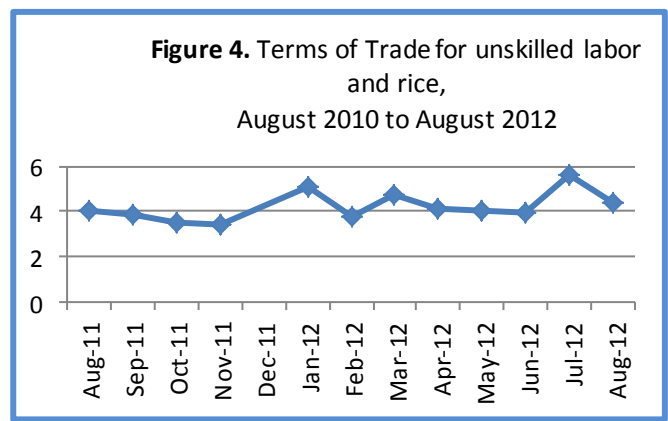




Table 1. Average retail prices of selected commodities in the Philippines and Central Mindanao, August 2012

Food item	Country/ Province	August 2012	Price Change (%)			Direction of change		
			1 month	3 months	1 year	1 month	3 months	1 year
Rice, regular milled	Philippines	32.54	0.65	0.50	2.29	⇒	⇒	⇒
	Lanao del Norte	-	-	-	6.25	-	-	⇒
	Maguindanao	36	5.88	4.62	156	↑	⇒	⇒
	North Cotabato	34	12.40	-11.03	3.03	↑	↓	⇒
	Sultan Kudarat	-	-	-3.28	152	-	⇒	⇒
	Cotabato City	36	-	-	-	-	-	-
Potato	Philippines	-	-	11.74	7.86	-	↑	⇒
	Lanao del Norte	47	-	-	0.54	-	-	⇒
	Maguindanao	70	-7.89	8.57	-4.11	↓	⇒	⇒
	North Cotabato	71	5.19	-6.90	8.21	↑	⇒	⇒
	Sultan Kudarat	68	13.33	-18.18	144.43	↑	↓	↑
	Cotabato City	73	-	-	-	-	-	-
Fish, galunggong	Philippines	-	-	-2.68	8.40	-	⇒	⇒
	Lanao del Norte	88	-	-	11.11	-	-	⇒
	Maguindanao	100	19.05	-6.67	-23.08	↑	⇒	↓
	North Cotabato	119	-0.83	-4.00	163	⇒	⇒	⇒
	Sultan Kudarat	107	0.31	-13.51	23.33	⇒	↓	↑
	Cotabato City	95	-	-	-	-	-	-
Chicken, meat	Philippines	-	-	0.33	0.14	-	⇒	⇒
	Lanao del Norte	-	-	-	0.81	-	-	⇒
	Maguindanao	-	-	-	-9.09	-	-	⇒
	North Cotabato	-	-	-8.77	4.01	-	⇒	⇒
	Sultan Kudarat	-	-	-3.72	-2.50	-	⇒	⇒
	Cotabato City	-	-	-	-	-	-	-
Beef	Philippines	-	-	-	122	-	-	⇒
	Lanao del Norte	-	-	-	3.66	-	-	⇒
	Maguindanao	190	-5.00	14.29	-7.89	⇒	↑	⇒
	North Cotabato	177	-1.67	2.86	4.79	⇒	⇒	⇒
	Sultan Kudarat	190	7.55	-7.02	21.02	↑	⇒	↑
	Cotabato City	190	-	-	-	-	-	-
Pork	Philippines	-	-	-	0.16	-	-	⇒
	Lanao del Norte	-	-	-	5.47	-	-	⇒
	Maguindanao	-	-	-	-	-	-	-
	North Cotabato	155	3.33	-9.09	15.38	⇒	⇒	↑
	Sultan Kudarat	-	-	-12.50	-11.11	-	↓	⇒
	Cotabato City	160	-	-	-	-	-	-

↑ 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.

Project Updates

WFP launches new Climate Change Adaptation (CCA) project in cooperation with UN-Habitat in four highly-urbanized Philippine cities

To assist cities in enhancing their adaptive capacities to climate change, the United Nations World Food Programme (WFP)-Philippines is implementing a 12-month Climate Change Adaptation (CCA) Project as a component of the United States Agency for International Development Office of U.S. Foreign Disaster Assistance (USAID/OFDA)-funded Phase II programme “Capacity-building Support to the Government of the Philippines on Disaster Preparedness and Response.” The project will be carried out in partnership with UN-Habitat in the highly-urbanized cities of Davao, Butuan and Cagayan de Oro in Mindanao, and Iloilo in Western Visayas. The cooperation between WFP and UN-Habitat will benefit from their respective technical expertise in implementing disaster preparedness and response (DPR) and CCA initiatives at the local government level.

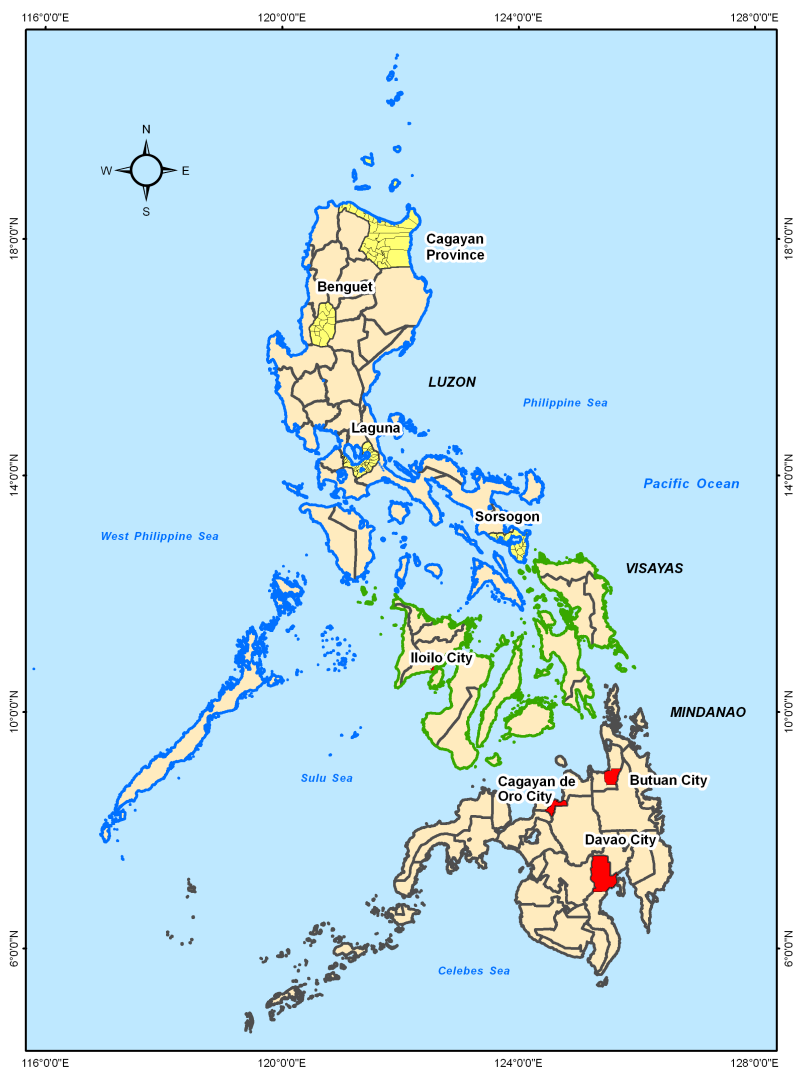
WFP will build upon the successes achieved during the first phase of the USAID/OFDA-funded disaster preparedness and response programme. The programme was institutionally supported by a Memorandum of Understanding between WFP and the Department of Interior and Local Government (DILG), the Department of Social Welfare and Development (DSWD) and the Office of Civil Defense (OCD). Tangible results working with local governments include the rehabilitation of evacuation centers, the construction of food storages and the planting



of Vetiver, a fast-growing grass with a deeply penetrating root system that can mitigate soil erosion. WFP also provides trainings tailored to local needs and priorities with an emphasis on strengthening the preparedness of the Provincial and Municipal Disaster Risk Reduction and Management Offices via contingency planning, GIS hazard mapping and some hardware support. It additionally works hand-in-hand with national DSWD to augment logistics capacity.

In Phase II, WFP will continue to provide disaster preparedness and response assistance to four targeted disaster prone provinces in Luzon while leveraging technology innovations from new academic and NGO partners. Partner agency UN-Habitat has successfully carried out participatory Climate Change Vulnerability Assessments and customized trainings for the local government in the city of Sorsogon. Lessons learned from this experience will be employed to help meet the objectives of the WFP-UN-Habitat Joint Initiative on Philippine Cities and Climate Change Adaptation to: (1) Assess the vulnerabilities of institutions, populations and ecosystems to enable cities to build their resilience against natural and climate-induced hazards; (2) Strengthen the capacities and competency of local government personnel on DPR/CCA assessment, planning and implementation in vulnerable areas; (3) Enhance local awareness and understanding of CCA; and (4) Build the resilience of vulnerable communities to manage and anticipate the impacts of climate change.

Map of the WFP Programme Areas, 2011-2013



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>





The FAO Regional Fisheries Livelihoods Programme for South and Southeast Asia (RFLP)

The Regional Fisheries Livelihoods Programme (RFLP), which began activities in September 2009, is funded by Spain and will operate for 4 years in Cambodia, Indonesia, the Philippines, Sri Lanka, Timor-Leste and Viet Nam.

RFLP Philippines

RFLP Philippines works in two coastal cities (Dipolog and Dapitan) and 9 municipalities of Zamboanga del Norte province (Rizal, Sibutad, Katipunan, Roxas, Manukan, Sindangan, Leon Postigo, Salug, and Liloy) located on the north western coastline of Mindanao island.

RFLP Phi focuses on several pivotal areas of activity and seeks to create the following:

- ***Co-management mechanisms for sustainable utilization of fishery resources***

RFLP aims to put in place mechanisms and enhance capacity for joint management of fisheries between fishers and government authorities. In 2012, RFLP Phi provided technical assistance in the formulation of Coastal Resource and Fisheries Management Plans for 11 local government units. Capacity building for sustainable fisheries management was focused on building a network of marine protected areas, adoption of closed seasons to protect vulnerable target species of fish, and strengthening fisheries law enforcement capacity, all within the overall

framework of the FAO's ecosystem approach to fisheries management.

- ***Measures to improve safety at sea***

RFLP seeks to implement measures to improve safety at sea and reduce vulnerability of fishers and other community members. In 2012, RFLP Phi, through a Letter of Agreement with the Ecosystem Works for essential Benefits (Ecoweb) completed its capacity building for disaster risk reduction and mitigation in three pilot municipalities.

- ***Improved quality of fishery products and market chains***

RFLP Phi helps to address the loss of potential incremental income from fish and fishery products due to poor handling, preservation and processing practices as well as improve marketing systems.

- ***Diversified income opportunities for fisher families***

RFLP identifies and evaluates new viable alternative income activities and provide support for their implementation. As of 2012, RFLP Phi provided livelihood assistance to a total of 15 fisher and women's groups in the project area, enabling supplemental income for more than 150 fisher families and promoting improved quality of life in coastal communities.



- **Better access to microfinance services**

RFLP will seek to facilitate access to microfinance services for fishers, processors and vendors while helping community members better understand savings and credit mechanisms.

- **Increased sharing of knowledge**

In order to widen the impact of RFLP's activities, emphasis will be placed upon knowledge sharing. The lessons learned in the different countries will be pooled together and analyzed at the regional level and communicated to participating countries and others in the region.

- **Institutional Partnerships**

The RFLP Phi team works in close collaboration with the Bureau of Fisheries and Aquatic Resources (BFAR) of the Department of Agriculture, the Local Government Units, academic institutions and fisher organizations in the programme area.

- **A commitment to gender**

Although the majority of small-scale fishers are men, women play an important role in fishing communities within and outside their households. RFLP pays special attention to women's involvement in all programme activities at the community level. Special efforts will also be devoted to the involvement of women at the institutional level in fisheries co-management arrangements.

