



Price and Food Security Update Philippines

April 2013 || Issue 16

Highlights

- Annual headline inflation rate decreased from 3.4 percent in February to 3.2 percent in March.
- On a month-on-month basis, CPI increased by 0.1 percent.
- Food and non-alcoholic beverages index decreased by 0.1 percent and 2.8 percent, on a month-on-month and year-on-year basis, respectively.
- Most oil companies implemented a price rollback of Php 0.25 per liter for gasoline and Php 0.55 per liter for diesel.
- Prices of commodities at the national level remain stable. Average retail prices of selected food items in Central Mindanao are generally stable.
- FAO and the Bureau of Agricultural Statistics launched the Philippine Food Security Information System

Main Price Trends

Consumer Price Index

The country's annual headline inflation rate which is a measure of the changes in people's cost of living based on the movement of a specified basket of commodities and services, was reported by the National Statistics Office to be at 3.2 percent in March from 3.4 percent in February. This was attributed to the slower annual increments during the month for the indices of commodities except for alcoholic beverages and tobacco.

In March, the CPI for all items increased by 0.1 percent on a month-on-month basis (Figure 1). Food and non-alcoholic beverages index decreased by 0.1 percent month-on-month and 2.8 percent year-on-year. The downward movement in the food and non-alcoholic beverages index was also a result of the decline in cooking oil and sufficient supply of fruits in-season in the markets. The favorable weather condition in Luzon boosted harvests and supply of vegetables in the market.

Fuel Prices

In March 2013, common prices of diesel and gasoline per liter were at Php 39.85 and Php 51.45, respectively (Figure 2).

A price rollback of Php 0.25 per liter for gasoline and Php 0.55 per liter for diesel was implemented by most oil companies. According to the Department of Energy, this is the fifth consecutive decrease since the last week of February. The price range of LPG for 11-kg cylinder stands at Phpn636—775.

The year-to-date net increase for gasoline is at Php 0.25 per liter and a net decrease of Php 0.95 per liter for diesel.

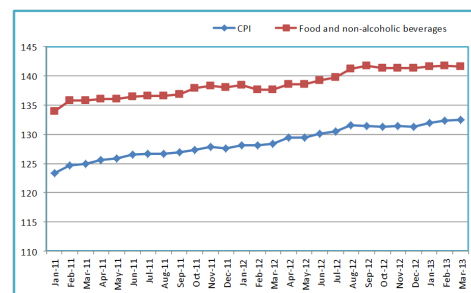


Figure 1. Consumer Price Index and Food Price Index (2006=100), Philippines, January 2011-March 2013

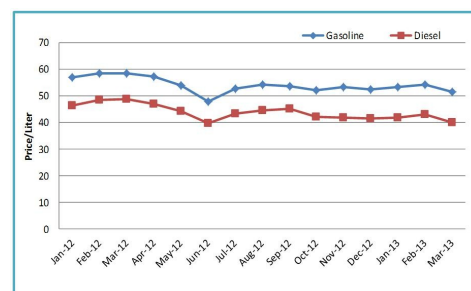


Figure 2. Average monthly prices of gasoline and diesel, January 2012-March 2013

¹ The Consumer Price Index is an indicator of the change in the average retail prices of a fixed basket of goods and services commonly purchased by the average Filipino households for their day-to-day consumption relative to a base year. The CPI data in this update was drawn from the monthly report of the National Statistics Office which uses 2006 as the base year.

² 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.



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.

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Main Staple Food Commodity Prices

- In March, the farmgate prices of paddy was lower by 0.8 percent compared with the prices in February of Php 16.22 per kilogram.
- The average retail price of regular-milled rice was at Php 31.97 per kilogram in March. This was lower by 0.22 percent than the average retail price in February (Figure 3).
- The Regional Price Watch of the Bureau of Agricultural Statistics shows a decline in the prices of selected varieties of fish (*alumahan*, *bangaus*, *galunggong* and *tilapia*). Prices of meat and poultry are stable. Movement in the prices of vegetables are varied, with reported

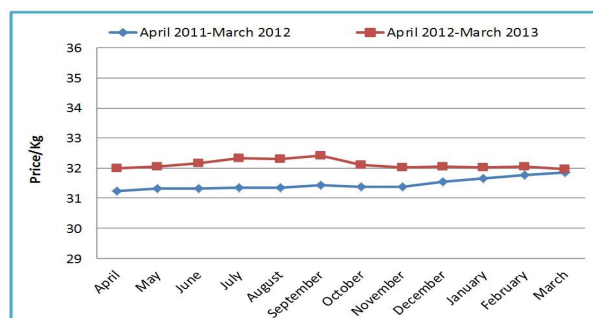


Figure 3. Average monthly retail price regular milled rice, Philippines, April 2011– March 2013

decrease of more 50 percent in the retail prices of some vegetables due to increases in yield and supply in the markets. Cooking oil, brown and refined sugar remains stable across the country.

Project Update

Establishment of the Food Security Information System in the Philippines (PhilFSIS)

The Food and Agriculture Organization of the United Nations (FAO) is implementing the project “Establishment of the Food Security Information System in the Philippines” (PhilFSIS) under its Technical Cooperation Programme (TCP) with the Bureau of Agricultural Statistics of the Department of Agriculture (DA-BAS) as the implementing partner. The project started in July 2012 and will run for two years.

The PhilFSIS is envisioned to be a web-based information system that would strengthen food security planning, implementation and evaluation through improved organization, analysis and dissemination of relevant data and information in the Philippines. It will be a one-stop-shop information system with the aim of storing, retrieving, sharing and analyzing statistical data, and disseminating relevant data, reports and other information related to food security in the country at the national and sub-national levels.

The Phil-FSIS will have similar features with the Global Information and Early Warning System on Food and Agriculture (GIEWS) of FAO and the ASEAN Food Security Information System (AFSIS). Its scope will be commodity-based and its components will include infrastructure development, human capacity building and others. It will also include the improvement of methodologies and instruments in the generation of related food security statistics.

WFP Price Monitoring in Central Mindanao

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

On a month-on-month basis, prices of commodities remain stable at the national level. Results of the trader surveys in Maguindanao and North Cotabato show sharp decreases in the prices of meat and poultry. Regular milled rice was stable in all of the provinces except in Maguindanao. On a year-on-year basis, prices of commodities are generally stable in Central Mindanao.

Purchasing power of the household measured through Terms of Trade (ToT), showed no movement from February to March 2013. ToT remains at 3.3, with a 36 percent decline from the January 2013 ToT of 4.5.

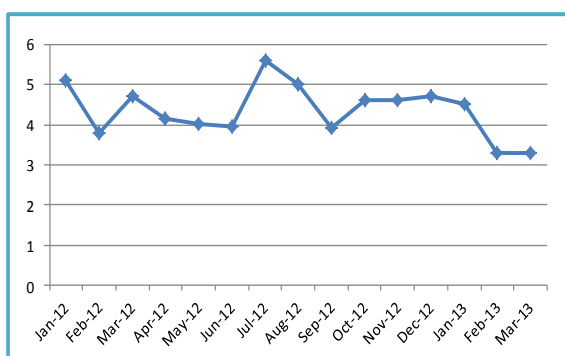


Figure 4. Terms of Trade for unskilled labor and rice, January 2012-March 2013

Table 1. Average retail prices of selected commodities in the Philippines and Central Mindanao, March 2013

Food item	Country/ Province	March 2013	Price Change (%)			Direction of change		
			1 month	3 months	1 year	1 month	3 months	1 year
Rice, regular milled	Philippines ¹	31.97	-0.22	-0.25	0.34	↔	↔	↔
	Lanao del Norte	-	-	-	-	↔	↔	↔
	Lanao del Sur	-	-	-	-	↔	↔	↔
	Maguindanao	32	12.5	-3.13	3.13	↑	↔	↔
	North Cotabato	31	-3.23	0.00	-9.68	↔	↔	↔
	Sultan Kudarat	31	-3.23	-3.23	3.22	↔	↔	↔
	Cotabato City	33	0	9.09	-	↔	↔	-
Potato	Philippines ²	53.06	7.39	-1.23	9.2	↔	↔	↔
	Lanao del Norte	-	-	-	-	-	-	-
	Lanao del Sur	-	-	-	-	-	-	-
	Maguindanao	63	0	-20.63	-15.87	↔	↓	↓
	North Cotabato	69	7.25	4.35	10.14	↑	↔	↔
	Sultan Kudarat	73	4.11	0.00	-2.74	↔	↔	↔
	Cotabato City	75	6.67	20	-	↔	↑	-
Fish, galunggong	Philippines ²	120.83	4.05	6.75	10.78	↔	↔	↔
	Lanao del Norte	-	-	-	-	-	-	-
	Lanao del Sur	-	-	-	-	-	-	-
	Maguindanao	120	-3	3.33	-12.5	↔	↔	↔
	North Cotabato	116	-16.38	6.9	-3.45	↓	↔	↔
	Sultan Kudarat	118	11.01	4.24	23.7	↑	↔	↑
	Cotabato City	115	-4.35	-4.35	-	↔	↔	-
Beef	Philippines ²	244.47	0	0.48	1.83	↔	↔	↔
	Lanao del Norte	-	-	-	-	-	-	-
	Lanao del Sur	-	-	-	-	-	-	-
	Maguindanao	180	-25	5.56	0	↓	↔	↔
	North Cotabato	169	-6.51	-2.96	5.33	↓	↔	↔
	Sultan Kudarat	182	-4.4	1.1	-10	↔	↔	↔
	Cotabato City	180	5.56	0	-	↑	↔	-
Chicken	Philippines ²	126.47	-0.7	-2.32	2.02	↔	↔	↔
	Lanao del Norte	-	-	-	-	-	-	-
	Lanao del Sur	-	-	-	-	-	-	-
	Maguindanao	138	-7.25	-2.90	-1.45	↓	↔	↔
	North Cotabato	135	-5.19	0	-5.19	↓	↔	↔
	Sultan Kudarat	144	4.17	3.47	13.19	↔	↔	↔
	Cotabato City	140	7.14	0	-	↑	↔	-
Pork	Philippines ²	180.47	0.81	1.73	2.38	↔	↔	↔
	Lanao del Norte	-	-	-	-	-	-	-
	Lanao del Sur	-	-	-	-	-	-	-
	Maguindanao	130	-15.38	-15.38	-23.08	↓	↓	↓
	North Cotabato	149	-0.67	0.67	10.74	↔	↔	↔
	Sultan Kudarat	153	0	0	-4.58	↔	↔	↔
	Cotabato City	165	15.15	3.03	-	↑	↔	-

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>