

USDA SEES PHILIPPINE AGRICULTURE STAGNANT IN 1988.By **Chaitanya Kalbag**

498 words

22 March 1988

Reuters News

English

(c) 1988 Reuters Limited

MANILA, March 22, Reuter - Falling sugar and coconut production is expected to lead to little or no overall growth in Philippine agriculture in 1988, the U.S. Department of Agriculture said in its annual report on the Philippines.

It forecast overall growth of 0.5 pct against an estimated four pct decline in 1987.

The USDA uses an evaluation based on a selected group of agricultural commodities. In its broader measure the Philippine government has forecast four to five pct growth in calendar 1988 after 0.72 pct growth in 1987 and 3.74 pct growth in 1986.

A severe drought and two major typhoons contributed to the poor performance of the sector in 1987, the report said.

"However, man-made problems also created barriers to growth," it said, citing problems associated with marketing, transportation, post-harvest facilities, a lack of rural credit, and the growing communist insurgency.

Growth in agricultural production value on a per capita basis during the last three or four years has lagged behind the growth in population.

"Over the long-term, a more gloomy picture emerges," the USDA said, adding that over the past decade, while production value grew by about 15 pct, per capita basis production value in the Philippines fell 10 pct.

This poor performance "does not reflect well on the nation's ability to feed its people or the government's ability to stimulate growth in the sector."

It said despite these drawbacks there had been no critical foodstuff shortages but there had been cuts in exportable surpluses of a number of agricultural commodities.

The report forecast 1988 growth of three pct in rice and banana output and two pct in corn, offset by declines of seven pct in sugar cane output, and 10 pct in coconut products.

In 1987 output of rice fell by eight pct, of sugar cane by 10 pct, of coconut products by 14 pct, and of bananas by six pct. Corn output grew by three pct.

The report said Philippine agricultural trade totalled 1.83 billion dollars in 1987, up from 1.70 billion in 1986. Agricultural exports totalled 1.18 billion dollars, up from 1.15 billion, while imports totalled 645 million dollars, up from 555 million in 1986.

The report noted that the share of the Philippine Department of Agriculture in the national budget had fallen sharply to 3.1 billion pesos in 1988 (1.8 pct of the total budget of 172.1 billion pesos) from 5.88 billion (3.5 pct) in 1987 and 6.58 billion (5.4 pct) in 1986.

It said the National Food Authority (NFA) has been given a budget of 790 million pesos in 1988, down from 3.27 billion in 1987.

The NFA budget cuts will affect the agency's ability to buy rice and corn under its direct procurement program, making it difficult to maintain adequate buffer stocks and control prices, the report said.

Document lba0000020011203dk3m015kf

