



## Agriculture and fertilizer market in the Philippines: current situation and outlook

Angela Bunoan-Olegario  
IFA, Paris, France



Sanya, P.R. China, 2 – 4 November 2011

### Content

**Agriculture and economic context**

**Fertilizer demand situation**

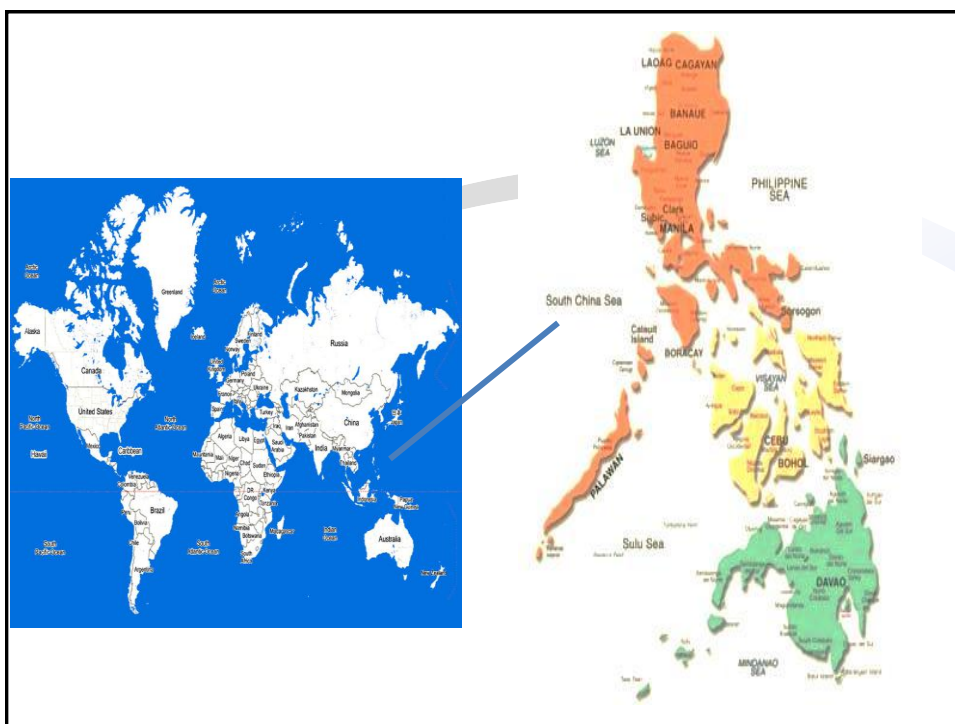
**Fertilizer supply situation**

**Factors affecting demand and the outlook**

**Conclusion and recommendations**



*Agriculture and fertilizer market in the Philippines: current situation and outlook*



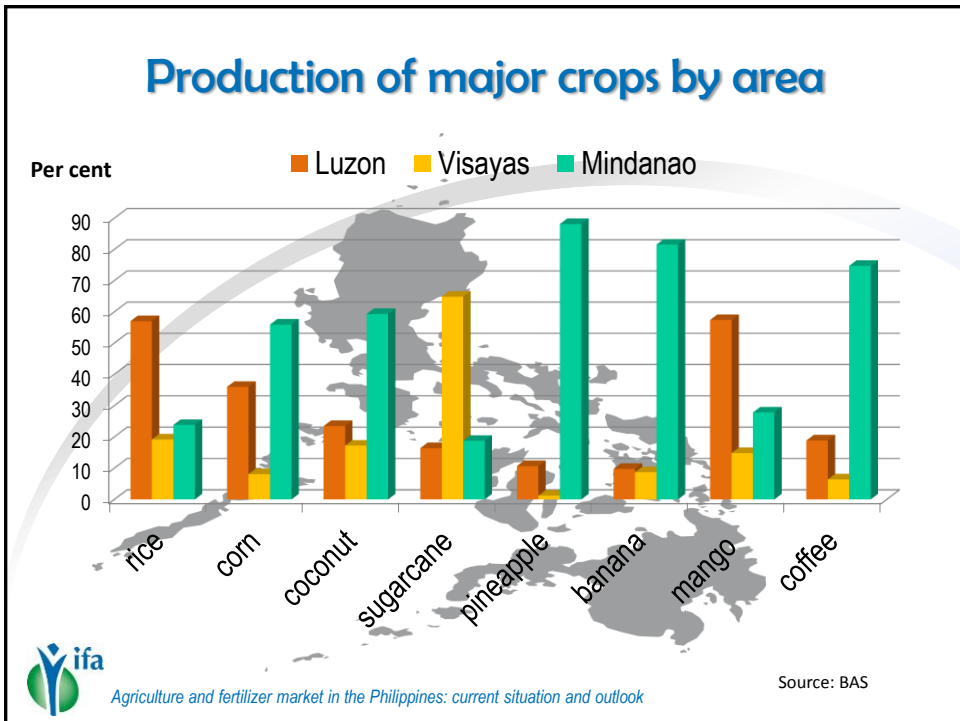
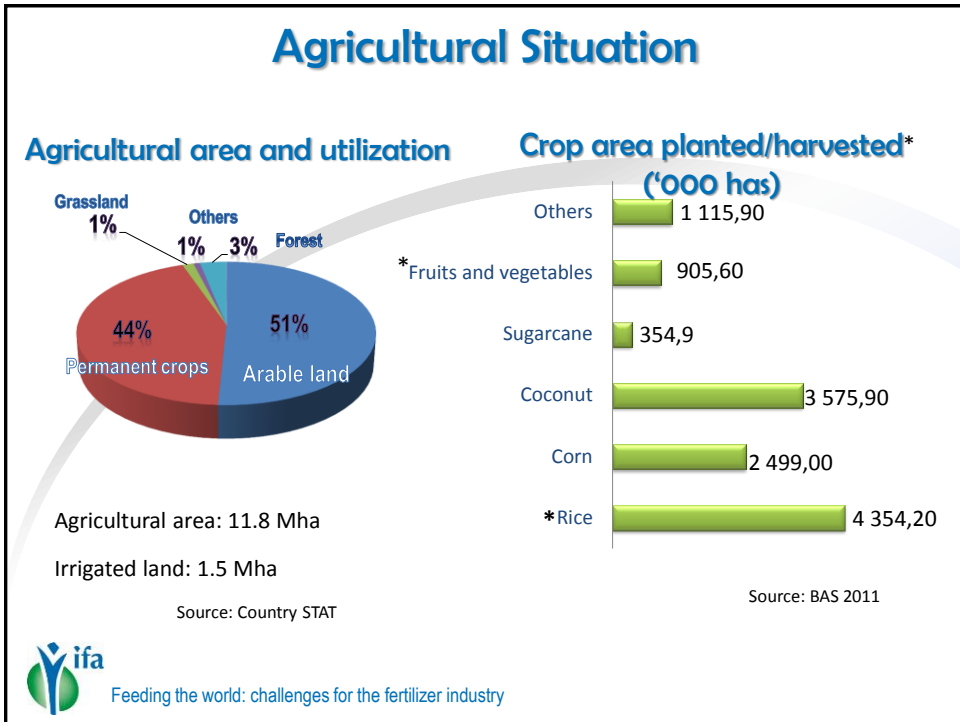
## Economy and population

	2008	2009	2010	2011	2012
Population (M persons) <sup>1</sup>	90.5	92.2	94.0	95.6	97.0
GDP real growth rate (%) <sup>2</sup>	3.7	1.1	7.3	4.7	4.9
Share of agriculture in total employment (%) <sup>3</sup>	35.3	34.3	33.2	30	30

Source: <sup>1</sup>NSO, <sup>2</sup>WEO,2011; <sup>3</sup>BAS



Agriculture and fertilizer market in the Philippines: current situation and outlook



## Cereal production and nutrient use

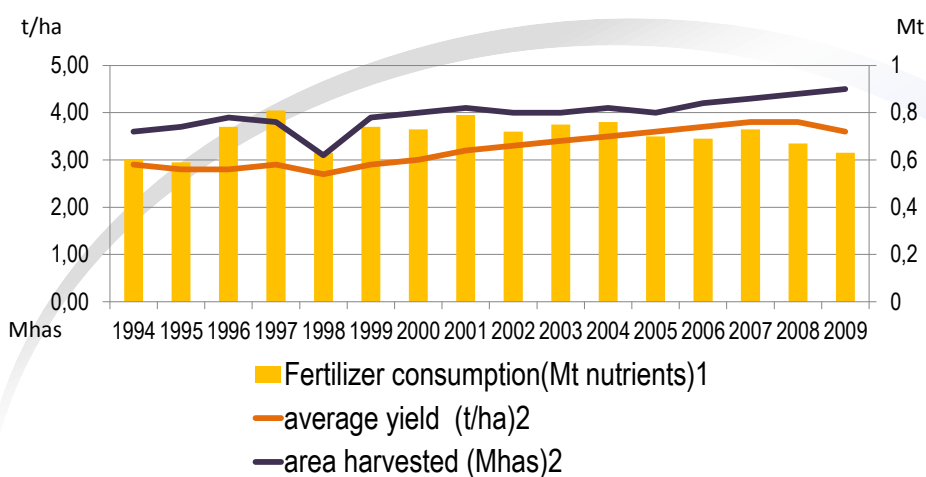
	Ave. nutrient consumption (kg/ha)	N:P:K ratio	Average Yield (t/ha)		
			Wheat	Paddy	Maize
Philippines	92	7.5:1.4:1.0	none	3.3	2.6
China	289	4.9:1.7:1.0	4.3	6.3	5.3
World (ave.)	150	5.2:1.7:1.0	2.9	4.2	4.9



Agriculture and fertilizer market in the Philippines: current situation and outlook

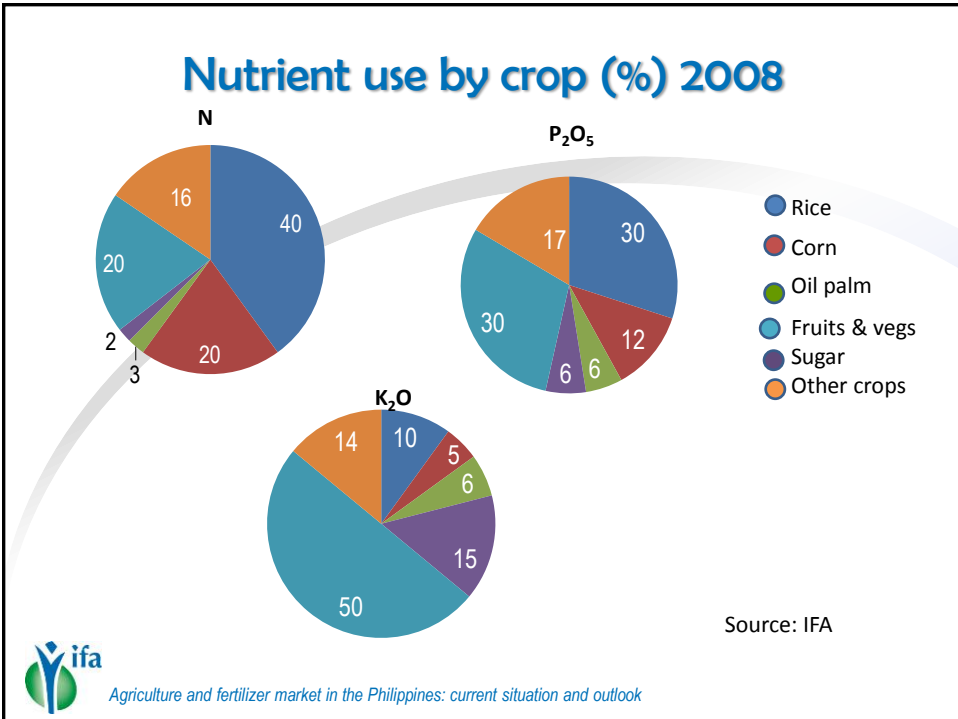
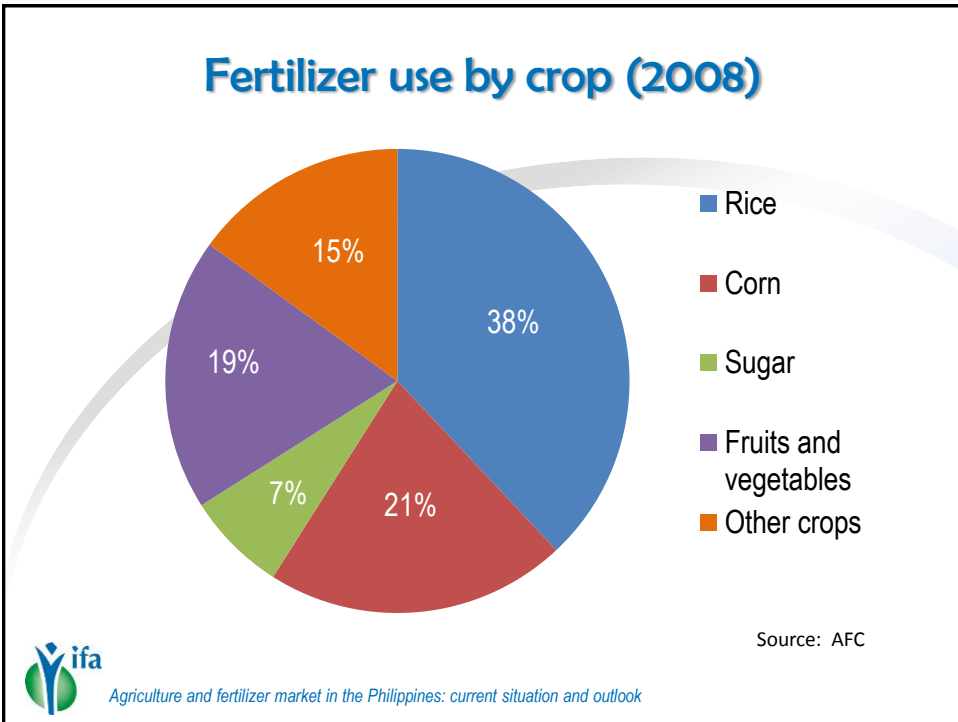
Source: BAS, IFA-FUBC, FAOSTAT

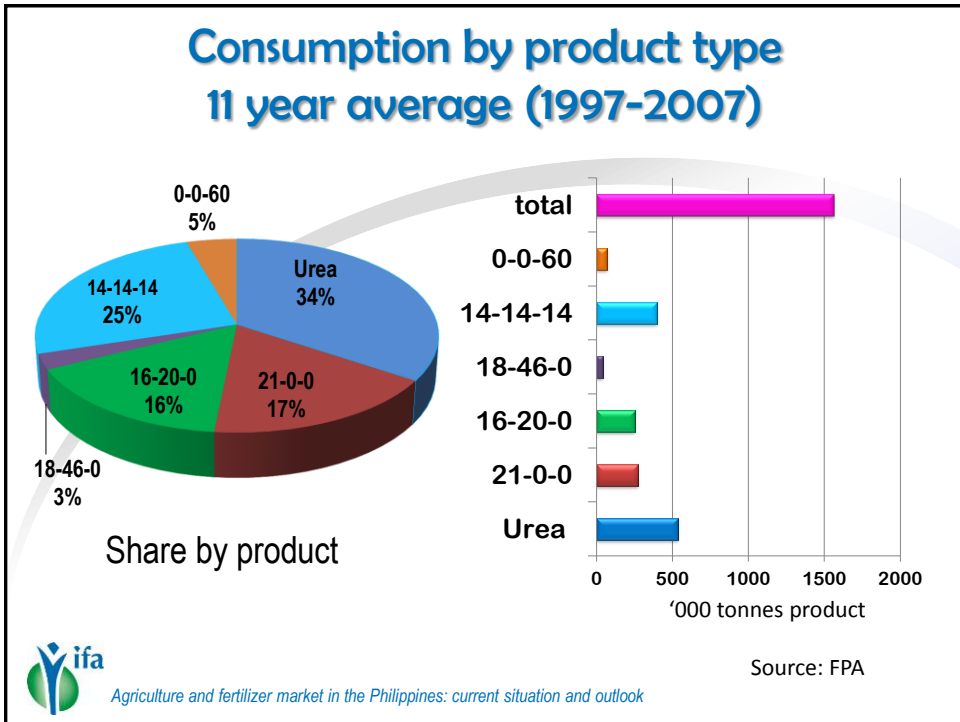
## Historical fertilizer consumption, rice production and area harvested



Agriculture and fertilizer market in the Philippines: current situation and outlook

Source: <sup>1</sup>IFADATA, <sup>2</sup>AFSIS






### Fertilizer supply (all grades) by source in the Philippines

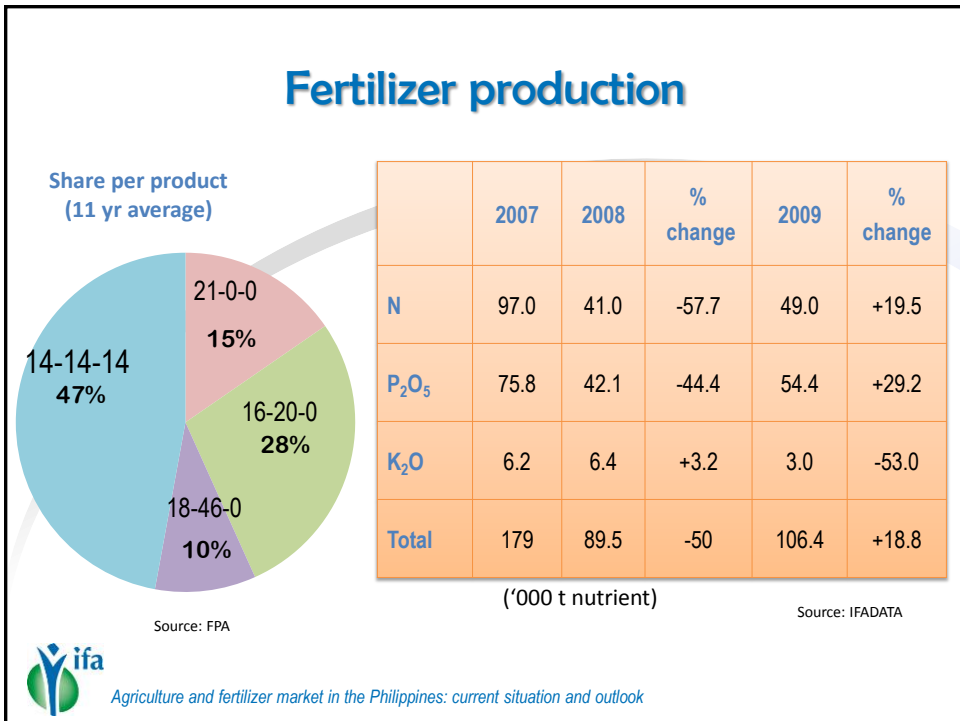
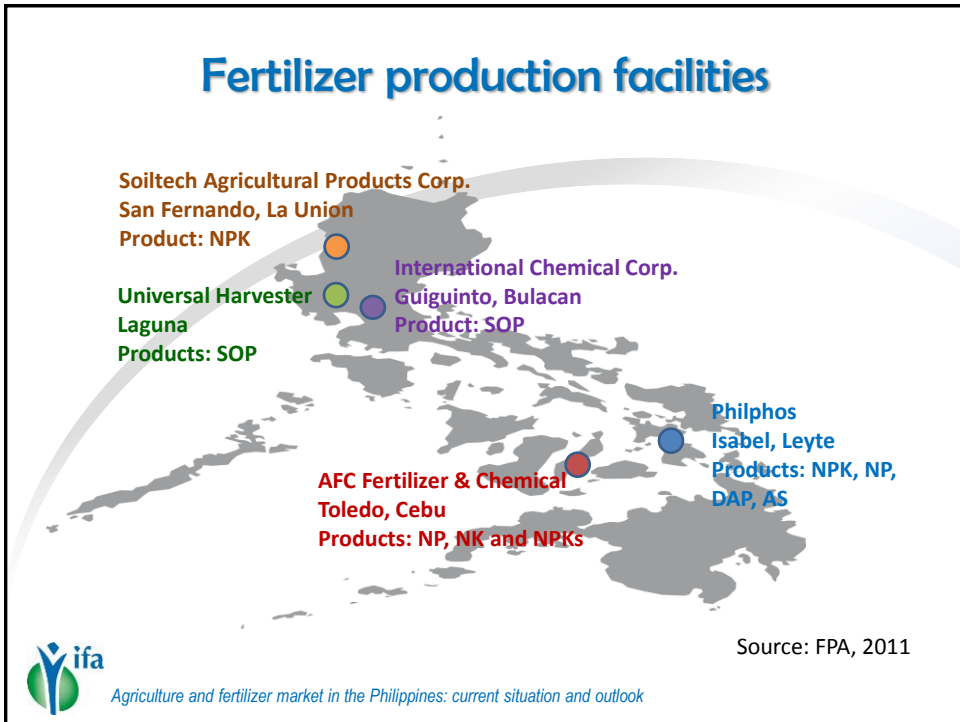
	2008	2009	2010P
Total supply ('000 mt)	1,799.3	1,929.8	2,172.2
Production ('000 mt)	287.1	196.1	44.4 p
Production to total supply (%)	16	10.2	2.0
Imports ('000 mt)	1,512.2	1,733.7	2,127.8
Imports to total supply (%)	84	89.8	98

P= preliminary

Source: BAS and FPA

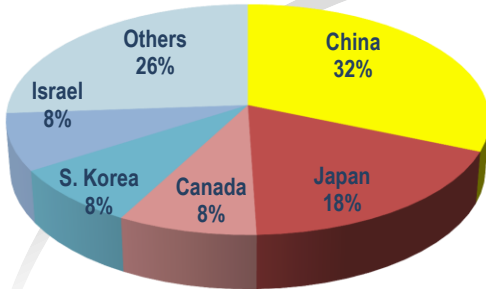


*Agriculture and fertilizer market in the Philippines: current situation and outlook*



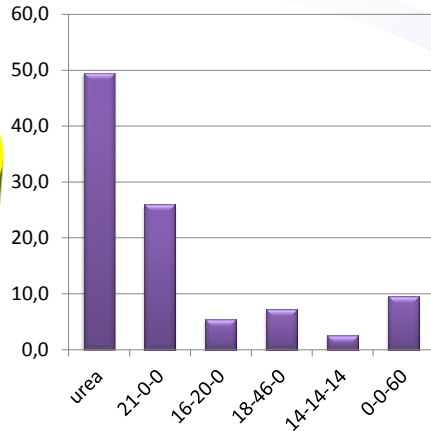
## Fertilizer importations in 2010

Share by country of origin



Per cent

Share by product



Source: FPA



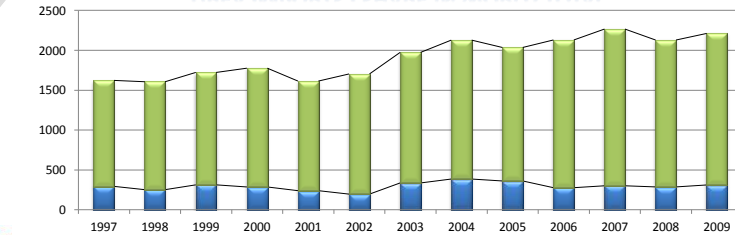
Agriculture and fertilizer market in the Philippines: current situation and outlook

## Urea imports in 2010

Country of origin	Per cent share
China	42.39
Indonesia	21.47
Malaysia	14.97
Qatar	12.48
Saudi Arabia	4.04
Others	4.64

Source: BAS

UREA IMPORTS : SHARE IN WORLD TOTAL

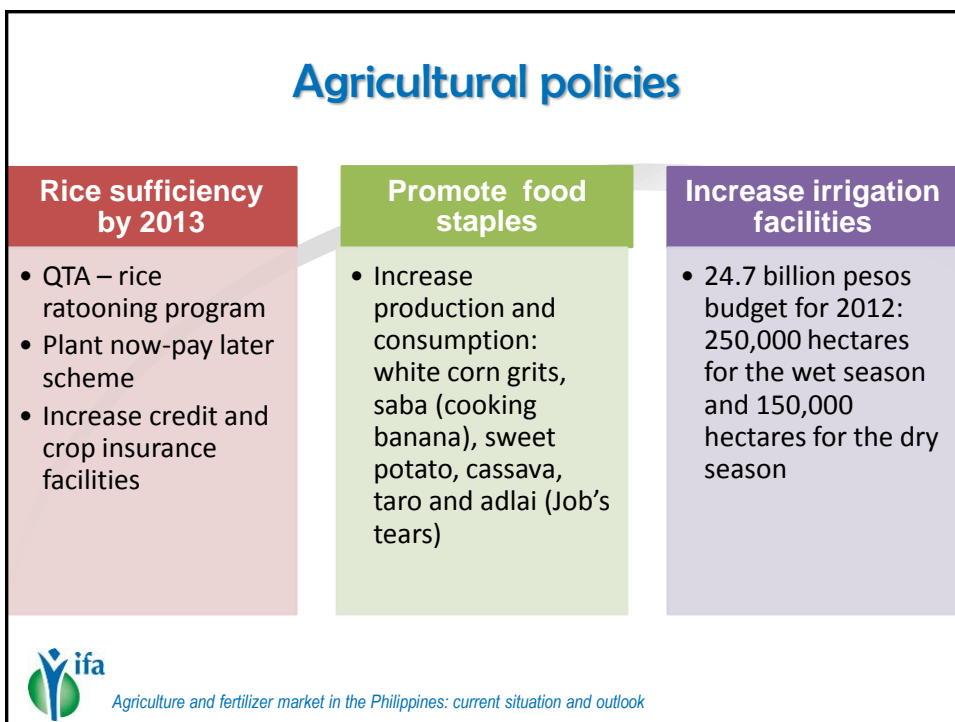
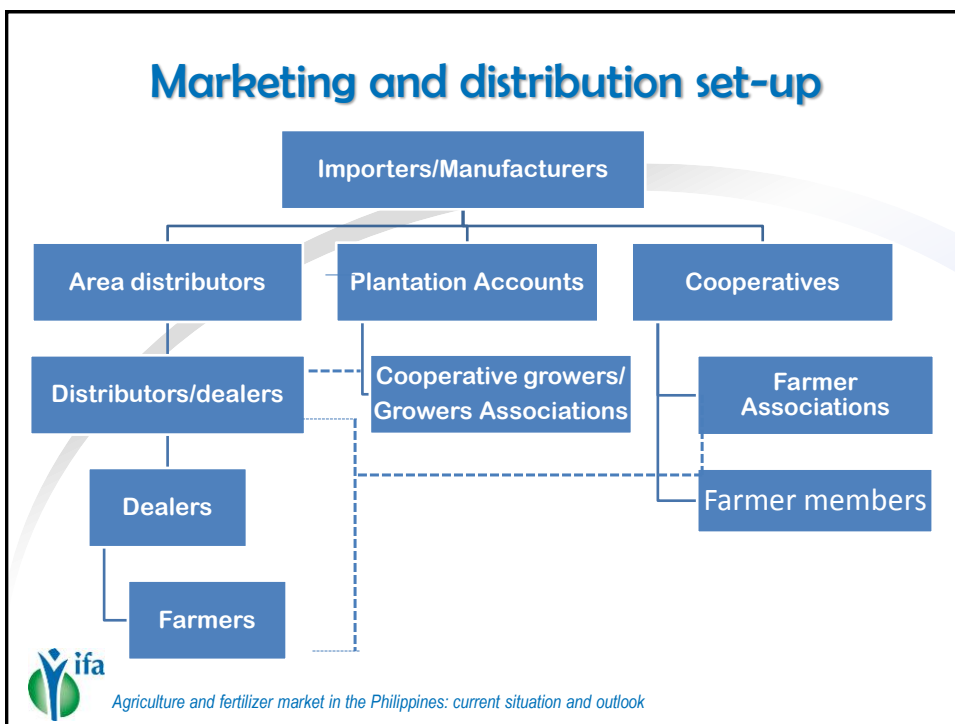


Source: IFADATA



Agriculture and fertilizer market in the Philippines: current situation and outlook





## Fertilizer policies

**No fertilizer subsidy (since 1998)**

**Deregulation of fertilizer trade**

**VAT exemption for fertilizer imports by direct users**

**Fertilizer assistance to typhoon affected rice farms**

**Increase use of organic fertilizer**



*Agriculture and fertilizer market in the Philippines: current situation and outlook*

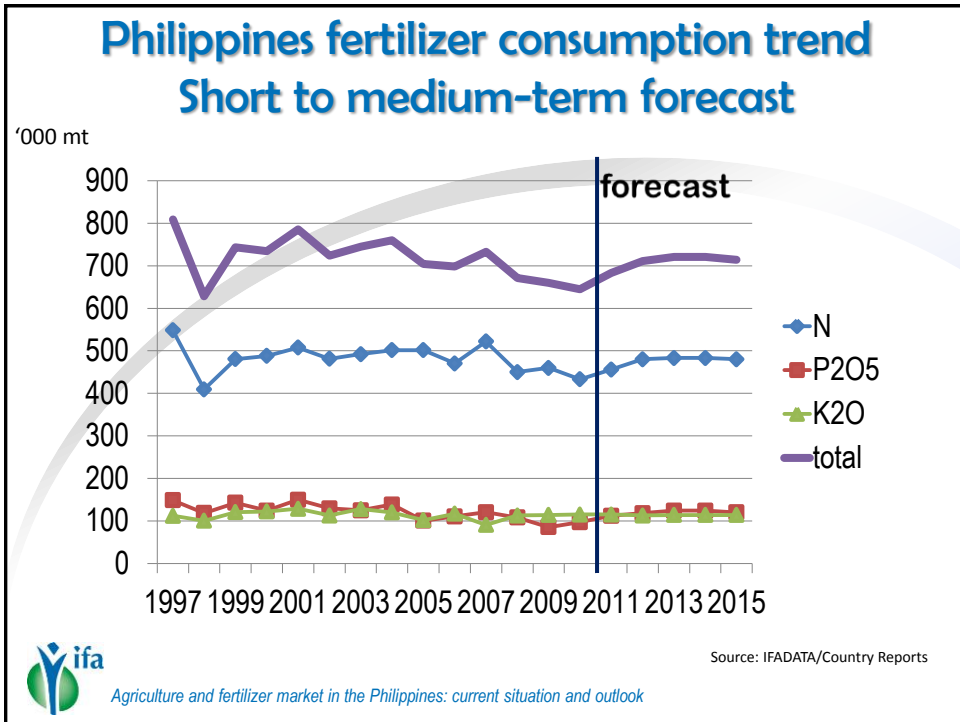
## Drivers of Philippine fertilizer demand

1. Growing population,
2. Increasing income
3. Increase production of high value crops
4. Agricultural intensification

1. Industrialization
2. Decreasing rural population and employment in agriculture
3. Increased use of organic fertilizer and recycling of nutrients,
4. Poor government policies



*Agriculture and fertilizer market in the Philippines: current situation and outlook*



- ### Fertilizer use constraints
1. Lack of credit facilities
  2. Food prices; inappropriate fertilizer to food crop ratio
  3. Increasing poverty
  4. Inappropriate government policy and regulation; lack of fertilizer incentives
  5. Weak distribution/marketing system; lack/ or poor infrastructures
  6. Weak communication and extension services
- Source: IFA survey

