

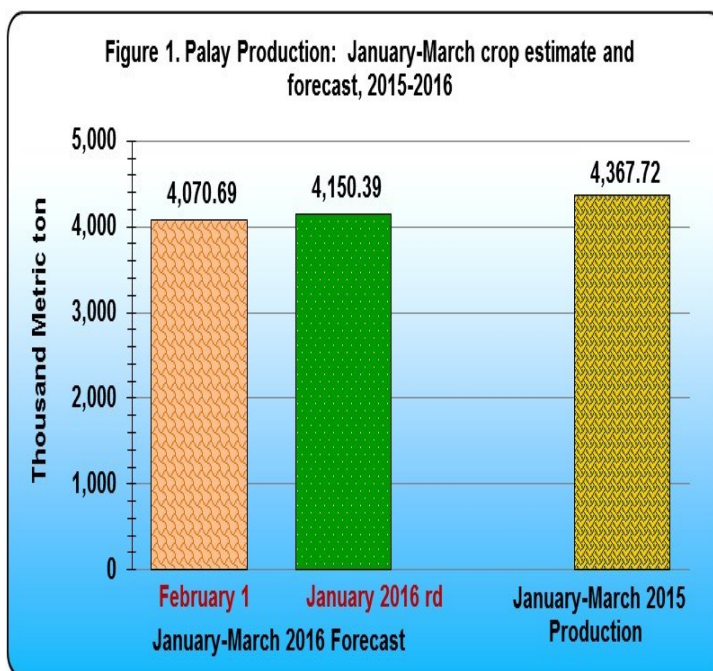
UPDATES ON JANUARY-MARCH 2016 PALAY AND CORN FORECASTS, AS OF FEBRUARY 1, 2016

HIGHLIGHTS

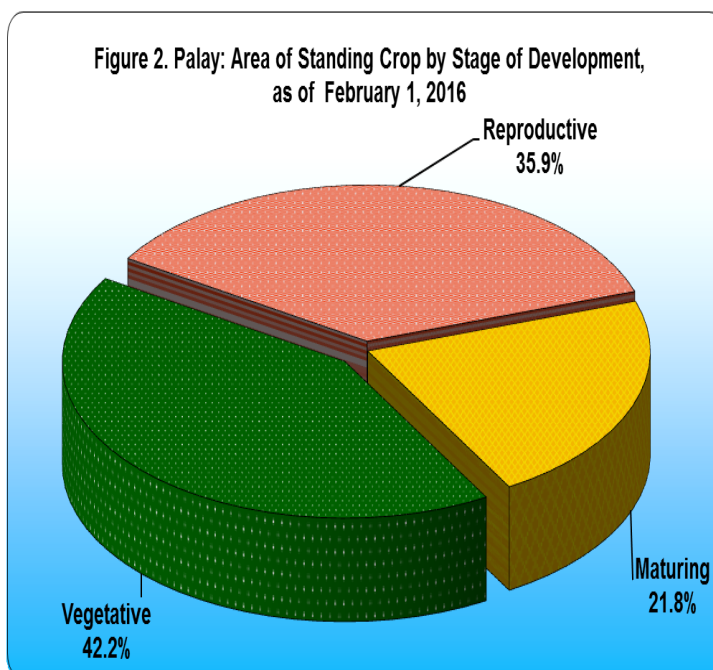
As of February 1, 2016, updated production on standing palay and corn crops for January-March 2016 may be lower compared with the January 2016 Round forecasts. The probable decrease in production could be attributed to insufficient water supply and intense heat brought about by dry spell. Moreover, typhoon "Nona" still has adverse effects on standing crop last December 2015. Other contributing factors vary across the provinces.

PALAY

- Palay production for January-March 2016 may reach 4.07 million MT, 1.90% below the earlier forecast of 4.15 million MT and 6.8% lower than the 4.37 million MT output in 2015. Harvest area may contract from 1.10 million hectares to 1.097 million hectares, or by 0.30%. Yield may decline by 1.6%, from 3.77 MT per hectare to 3.71 MT per hectare.



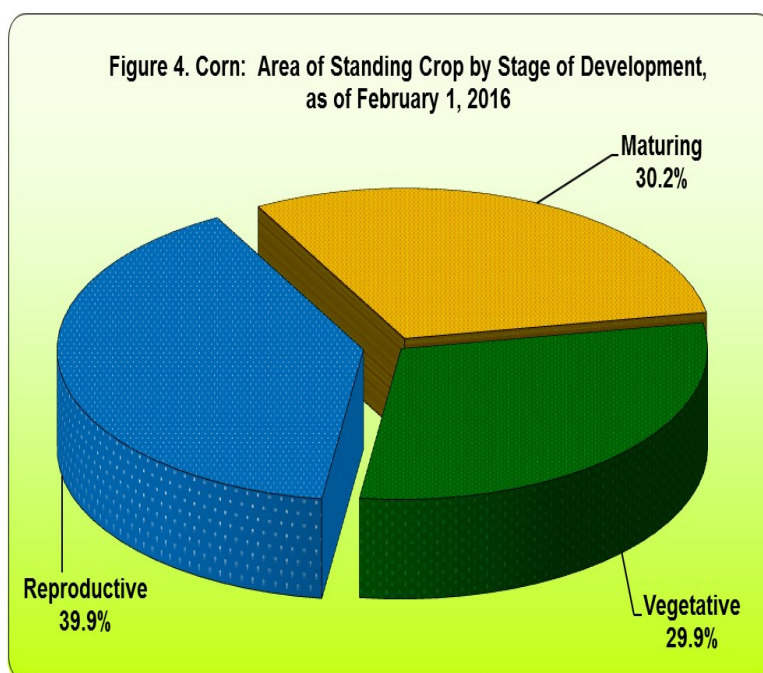
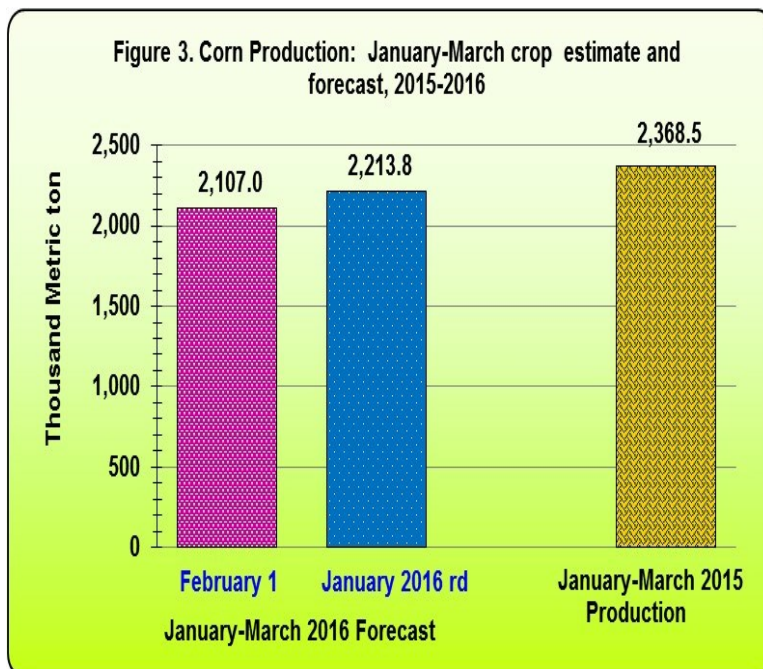
- Probable decreases in production, harvest area, and yield could be due to the insufficient water supply and intense heat brought about by prolonged dry spell during the reproductive and maturing stages of the crop. These were noted in Iloilo, North Cotabato, Negros Occidental, South Cotabato, Sultan Kudarat, Capiz, Zamboanga Sibugay, Bukidnon, Antique, Zamboanga Norte, Bohol, Negros Oriental, Batangas, Quezon, Guimaras, Zambales and Aklan. The adverse effects of typhoon "Nona" may result to contracted harvest areas in Cagayan and lower yield in Aurora. Infestation of rats, black bugs, birds and stemborers may cause production to decline in North Cotabato, South Cotabato, Sultan Kudarat, Bohol, Cavite and Leyte.



- Around 235 thousand hectares of the updated standing crop have been harvested. About 670 thousand hectares or 72.6% of the planting intentions for the April-June 2016 harvests have been realized.
- The updated standing palay crop was 1.53 million hectares, of which, 42.2% were at vegetative stage; 36.0%, at reproductive stage; and 21.8%, at maturing stage.

CORN

- The January-March 2016 corn production may reach 2.11 million MT, 4.80% lower than the January 2016 round forecast of 2.21 million MT and 11.0% below the 2.37 million MT level in 2015. Harvest area may contract from 685.1 thousand hectares to 673.0 thousand hectares or by 1.80%. Yield per hectare may drop from 3.23 MT to 3.13 MT.
- The probable decreases in corn production are expected in Bukidnon, Ifugao, North Cotabato, Iloilo, Sultan Kudarat, Negros Occidental, South Cotabato, Negros Oriental, Sarangani, Capiz, and Zamboanga Sibugay due to lower yield because of insufficient water supply caused by dry spell. Infestation of rats may contribute to lower output in North Cotabato and Sultan Kudarat. Insufficient fertilizer application in Tarlac and the adverse effects of typhoon “Nona” in Isabela may cause production to drop.



- About 180 thousand hectares of the updated standing crop have been harvested. Around 206 thousand hectares or 57.2% of the planting intentions for the April-June 2016 harvests have already been planted.
- Of the updated standing corn crop, about 29.9% were at vegetative stage; 39.9%, at reproductive stage; and 30.2%, at maturing stage.