

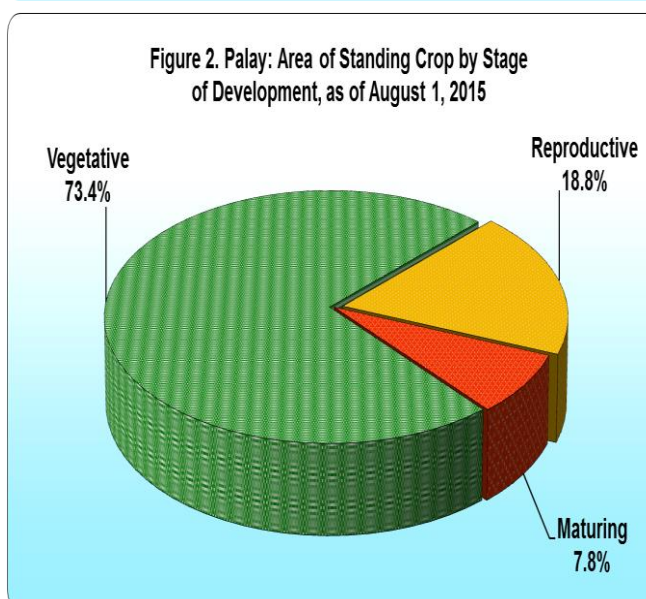
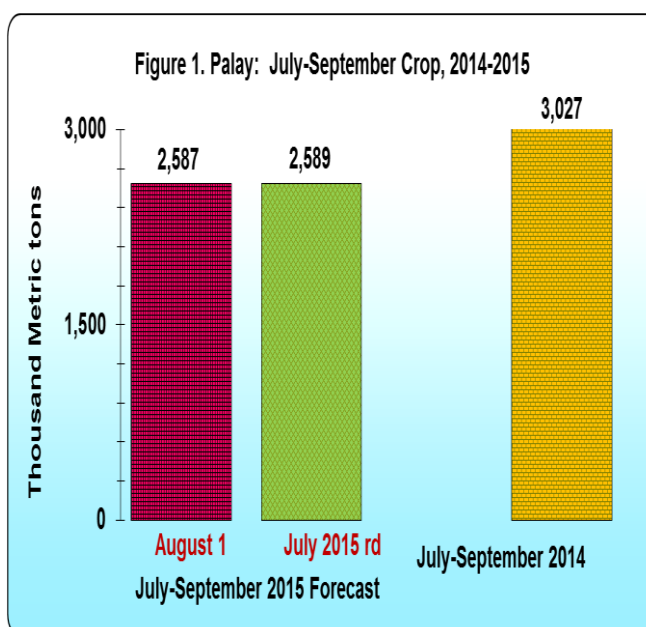
UPDATES ON JULY-SEPTEMBER 2015 PALAY AND CORN FORECASTS, AS OF AUGUST 1, 2015

Highlights

As of August 1, 2015, the updated production on standing palay and corn crops for July-September 2015 may be lower compared with the July 2015 Round forecasts. This could be attributed to insufficient water supply, lesser application of fertilizer, incidence of stemborer and the adverse effects of dry spell and occurrence of heavy rains in some provinces on the yield of standing crops.

PALAY

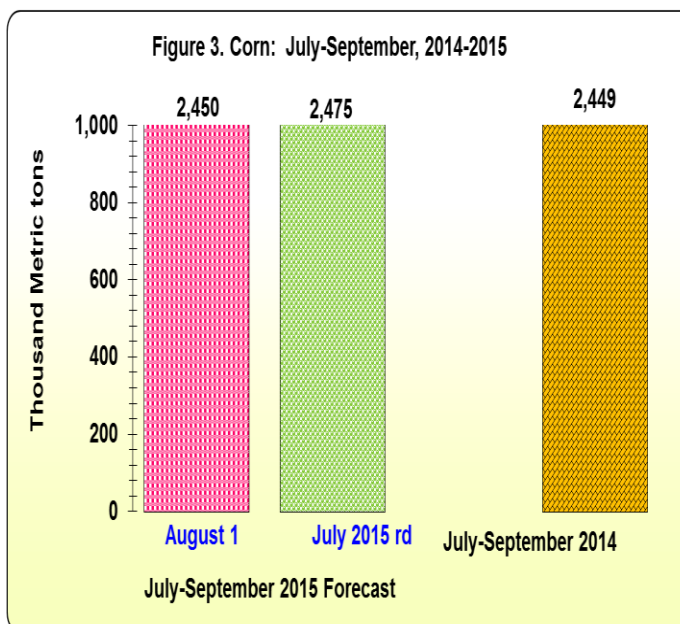
- Palay production for July-September 2015 may reach 2.587 million MT, 0.10% lower than the July 2015 round forecast of 2.589 million MT and 14.5% below last year's output of 3.027 million MT. Harvest area may contract from 658.086 thousand hectares to 657.890 thousand hectares. Overall, yield may remain the same at 3.93 MT per hectare.
- Probable decline in production are expected in Camarines Sur, Iloilo, Zambales, Tarlac, Bohol and Surigao del Sur due to drop in yield as a result of insufficient water supply caused by dry spell.
- In South Cotabato, the incidence of stemborer may reduce the yield of palay crop. Contraction of harvest area due to adverse effects of typhoon "Egay" last July in Negros Occidental and lesser application of fertilizer in Camarines Sur may bring about lower production.
- Around 68 thousand hectares of the updated standing crop have been harvested. About 1,284 thousand hectares or 65.4% of the planting intentions for the October-December 2015 crop have been realized.



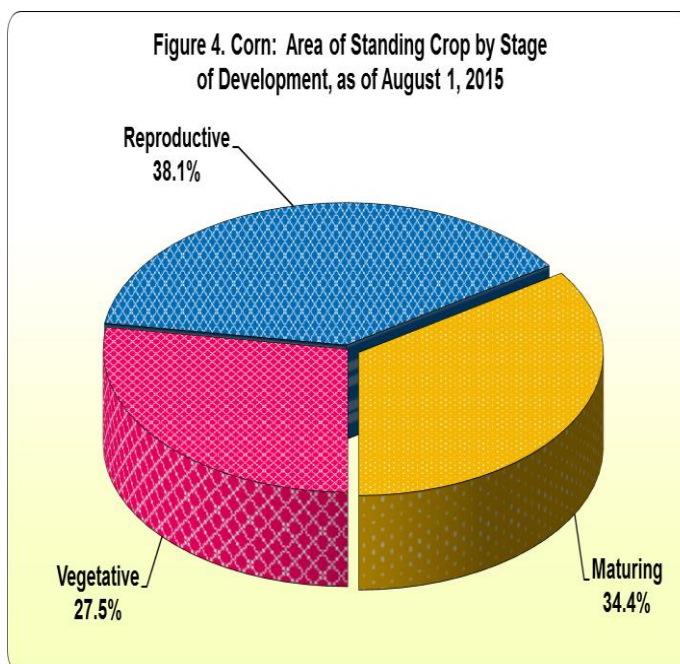
- Of the 1,874 thousand hectares standing palay crop, 73.4% were at vegetative stage, 18.8%, at reproductive stage and 7.8%, at maturing stage.

CORN

- Corn production for the third quarter of 2015 may reach 2.450 million MT, 1.0% below the earlier forecast of 2.475 million MT but 0.04% above last year's level of 2.449 million MT. Harvest area may decline by 0.01% from 879.82 thousand hectares to 879.74 thousand hectares. Yield may drop from 2.81 MT per hectare to 2.78 MT per hectare.



- The probable decrease in corn output could be attributed to reduction in yield as a result of smaller cobs produced and insufficient water supply due to the effect of prolonged dry spell in Batangas, Surigao Sur, Kalinga, South Cotabato, Ifugao and Cebu. Contraction in harvest area due to dry spell in Aurora and occurrence of heavy rains in Iloilo and Negros Oriental may also contribute to the decrease in output.



- About 117 thousand hectares of the updated standing crop have been harvested. Around 243 thousand hectares or 37.3% of the planting intentions for the October-December 2015 harvests have been materialized.

- Of the updated 1,006 thousand hectares of standing corn crop, about 27.5% were at vegetative stage, 38.1%, at reproductive stage and 34.4%, at maturing stage.