

Updates on July-September 2016 Palay and Corn Forecasts, as of August 1, 2016



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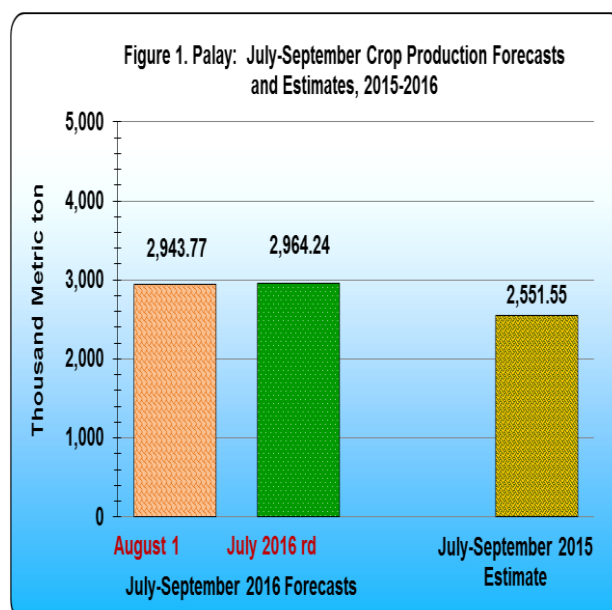
HIGHLIGHTS

The updated third quarter 2016 production forecast on palay and corn based on standing crop as of August 1, 2016, may be lower than the July 2016 Round forecast.

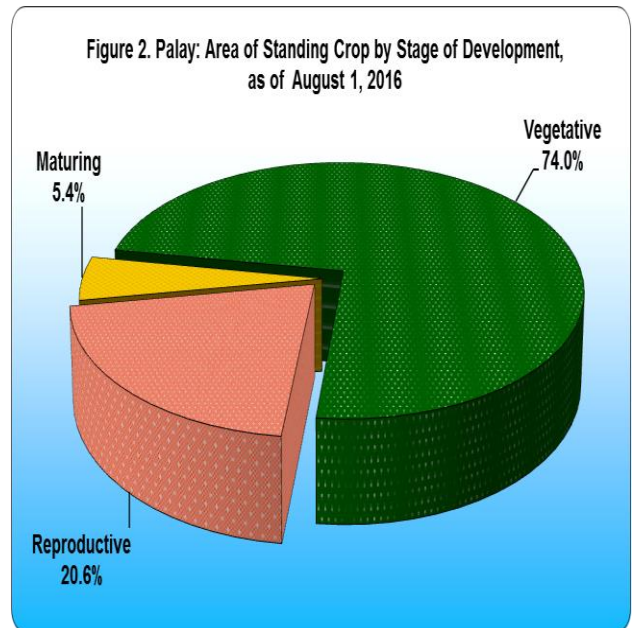
The expected decrease in palay production could be attributed to drop in yield brought about by the lingering adverse effects of El Nino, insufficient water supply, infestation of rats and incidence of diseases in some provinces. The probable decrease in corn could be due to contraction in harvest areas caused by dry spell and drop in yield as a result of insufficient water supply, incidence of pest and diseases and the occurrence typhoon Carina.

PALAY

- Palay production for July-September 2016 may reach 2.94 million MT, lower by 0.7 percent than the July 2016 round forecast of 2.96 million MT but 15.4 percent above last year's output of 2.55 million MT (Figure 1). Harvest area may contract from 0.7514 million hectares to 0.7510 million hectares. Overall yield per hectare may drop from 3.95 MT to 3.92 MT.
- Probable decrease in palay production may be attributed to drop in yield caused by insufficient water supply and intense heat that could affect the vegetative and reproductive stages of the crops in Tarlac, Aklan, Capiz, Guimaras and Agusan Sur.

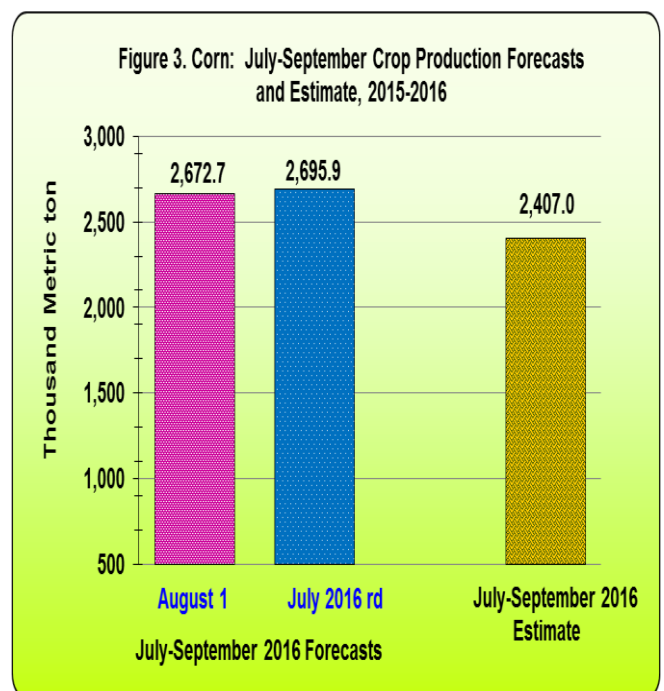


- The incidence of bacterial leaf blight and rice blast diseases in Iloilo and infestation of rats in South Cotabato and Agusan Sur may also cause output to decline.
- Around 84.1 thousand hectares of the updated standing crop have been harvested. About 1,205 thousand hectares or 63.3 percent of the planting intentions for the October-December 2016 crop have been realized.
- Of the 1,872 thousand hectares standing palay crop, 74.0 percent were at vegetative stage; 20.6 percent, at reproductive stage and 5.4 percent, at maturing stage (Figure 2).

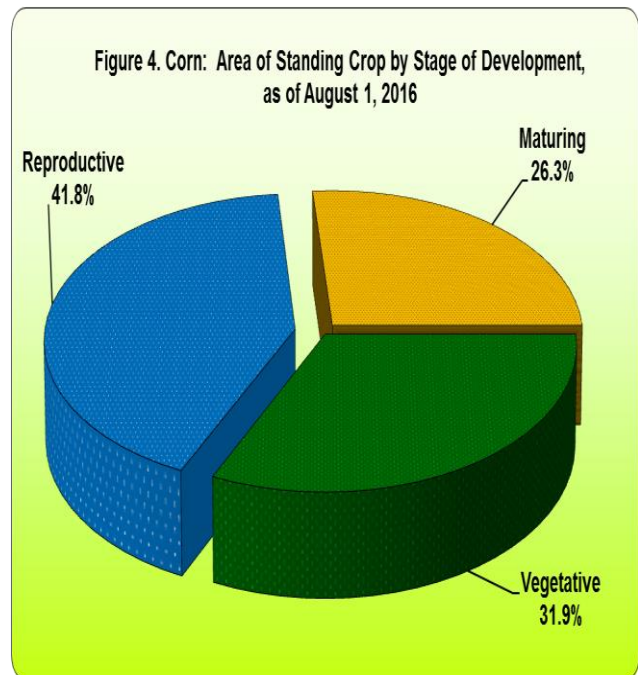


CORN

- Corn production for the third quarter of 2016 may reach 2,673 thousand MT, 0.9 percent below the earlier forecast of 2,696 thousand MT but 11.0 percent above last year's level of 2,407 thousand MT (Figure 3). Harvest area may decline from 974.36 thousand hectares to 974.41 thousand hectares. Yield may decrease to 2.74 MT per hectare from 2.77 MT per hectare of July 2016 round.
- The probable drop in corn output could be attributed to contraction in harvest area brought about by dry spell in Cagayan and Isabela.
- The decrease in yield may be due to insufficient water supply in Tarlac and Siquijor, infestation of rats in some areas in South Cotabato, incidence of corn borer and army worms in Negros Oriental and Misamis Oriental and the adverse effects of typhoon Carina in Isabela.
- About 124 thousand hectares of the updated standing crop have been harvested. Around 322 thousand hectares or 49.7 percent of the planting intentions for the October-December 2016 harvests have already been materialized.



- Of the updated 1,173 thousand hectares of standing corn crop, about 31.9 percent were at vegetative stage; 41.8 percent, at reproductive stage and 26.3 percent, at maturing stage (Figure 4).



Technical Notes

Production refers to the quantity produced and actually harvested for a particular crop during the reference period. For palay and corn, harvest area refers to the actual area harvested/to be harvested during the reference quarter.

Updates on production and harvest area forecasts of palay and corn are generated from the Monthly Palay and Corn Situation Reporting System (MPCSRS). It is a monitoring activity conducted monthly in-between Palay and Corn Production Survey (PCPS) rounds. Monitorings are conducted in February, March, May, June, August, September and November. MPCSRS updates the quarterly forecasts on production and area for the current quarter based on the PCPS results of the previous survey round. The data generated from MPCSRS are as follows:

- 1) Updates on current quarter's production and area forecasts based on the standing crop with indications on crop situation; and
- 2) Updates on current quarter's forecast on planting intentions based on actual plantings.