SPECIAL RELEASE

Updates on July-September 2017 Palay and Corn Forecasts, September 1, 2017

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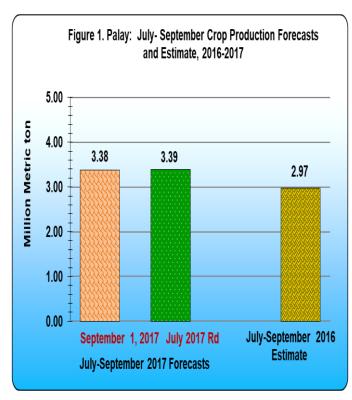
HIGHLIGHTS

As of September 1, 2017, the updated third quarter 2017 production forecasts on palay and corn based on standing crop may be slightly less than the July 2017 Round forecasts.

The probable reduction in palay and corn production may be due to the effects of flash floods, pest infestations and typhoons Jolina and Fabian.

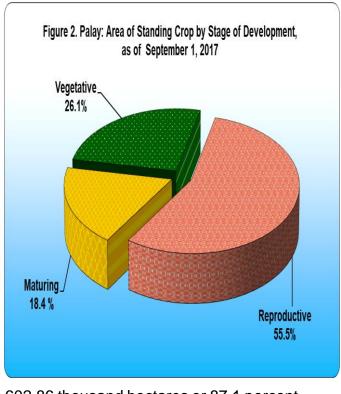
PALAY

- Palay production for July-September 2017 may fall to 3.38 million MT, 0.30 percent below the July 2017 round forecast of 3.39 million MT but 13.9 percent larger than the previous year's output of 2.97 million MT (Figure 1). Harvest area may decline by 0.10 percent from the 852.61 thousand hectares level. Likewise, yield per hectare may fall to 3.95 MT from 3.98 MT.
- The probable reduction in palay production may be attributed to:



- rat infestation in Davao Sur and South Cotabato:
- incidence of rice black bugs in Batangas, Davao Sur and Sultan Kudarat:
- lodging of palay in Isabela caused by typhoon Jolina;
- effect of flash flood in Sultan Kudarat, South Cotabato and North Cotabato; and
- lower yield in Lanao Sur.
- About 297.19 thousand hectares or 34.9 percent of the updated standing crop have been harvested. As to the planting intentions of farmers for the

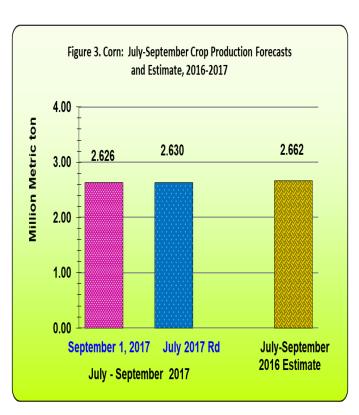
October-December 2017 crop, around 1,602.86 thousand hectares or 87.1 percent of these have been actually planted.



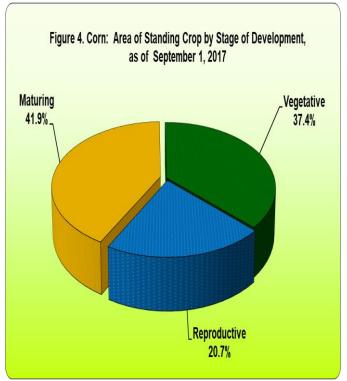
o Of the 2,157.73 thousand hectares standing palay crop, 26.1 percent were at vegetative stage; 55.5 percent, at reproductive stage and 18.4 percent, at maturing stage (Figure 2).

CORN

- Corn production for July-September 2017 may slightly decrease to 2.626 million MT, 0.1 percent lower than the earlier forecast of 2,630 million MT and may be 1.4 percent below than previous year's level of 2.662 million MT (Figure 3). Harvest area may remain at 891.78 thousand hectares. Yield may lessen to 2.94 MT per hectare from 2.95 MT level.
- The probable decrease in corn output may be attributed to:



- flashflood in South Cotabato;
- strong winds during the vegetative and reproductive stages of corn coupled with locusts' infestation in Cebu;
- frequent rains during the vegetative stage of corn in Quezon;
- rat infestations in Sarangani and South Cotabato; and
- effects of typhoon Jolina in Cagayan, Isabela and Aurora and typhoon Fabian in Negros Oriental.



- About 547.53 thousand hectares or
 61.4 percent of the updated standing crop have been harvested. Around 383.96 thousand hectares or 64.4 percent of the planting intentions for the October-December 2017 have been realized.
- Of the updated 728.21 thousand hectares of standing corn crop, about 37.4 percent were at vegetative stage; 20.7 percent, at reproductive stage and 41.9 percent, at maturing stage (Figure 4).