

# REGIONAL FOOD PRICE DIFFERENTIAL IN THE PHILIPPINES

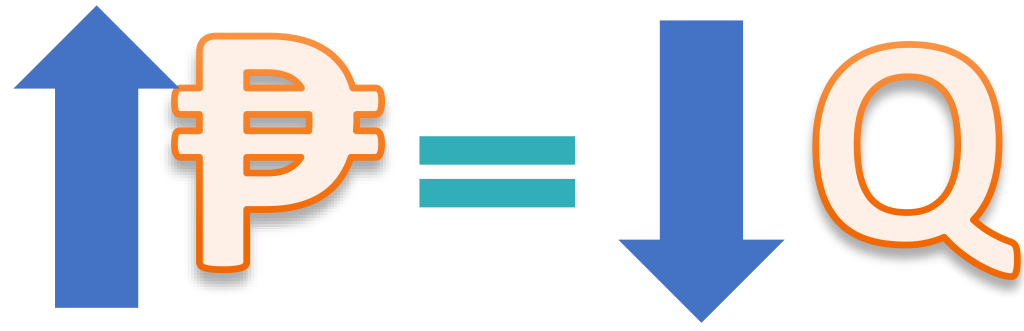
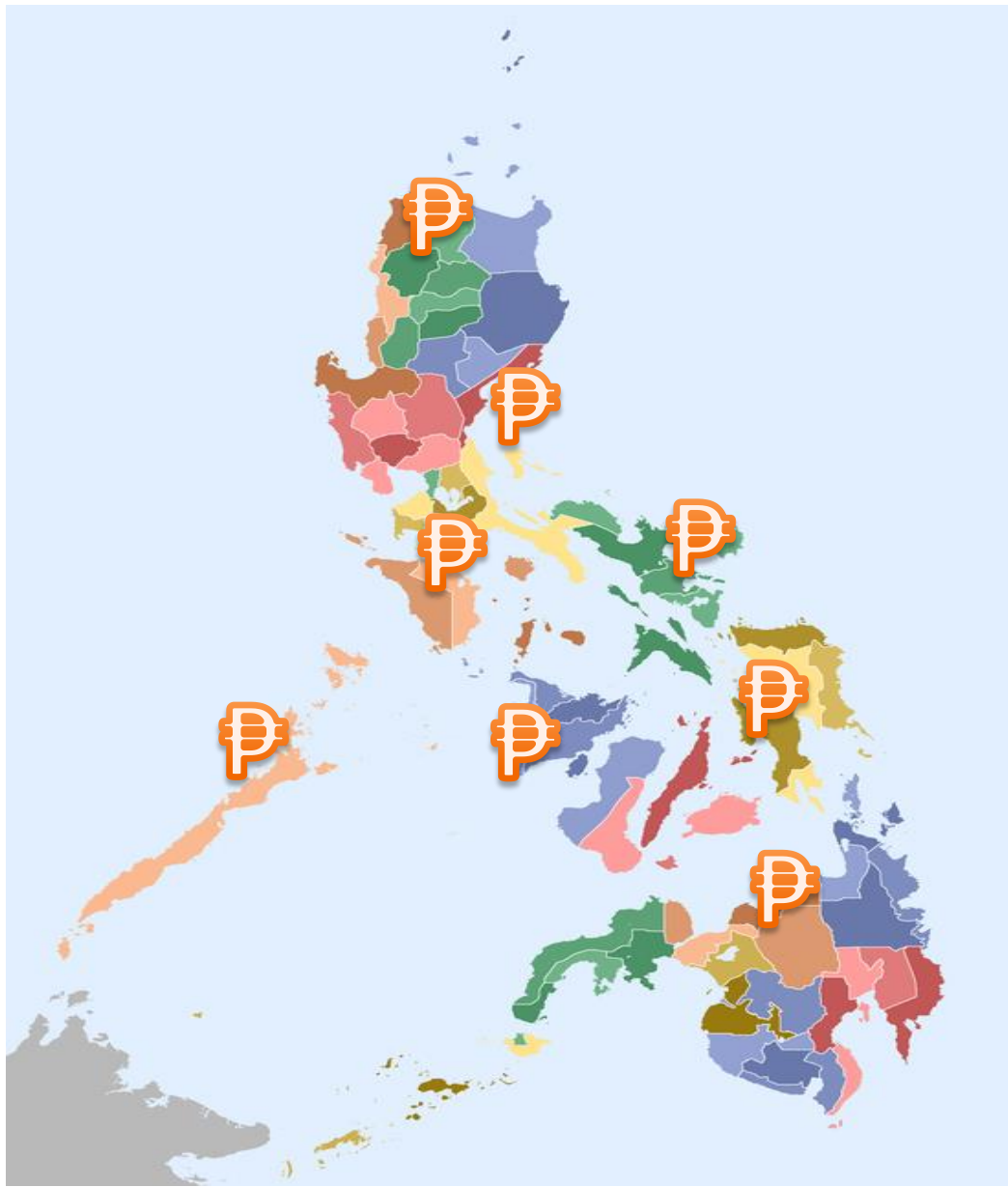
By

**Chris John Mark A. Paica and Jennifer E. Hinlo**


Presented by

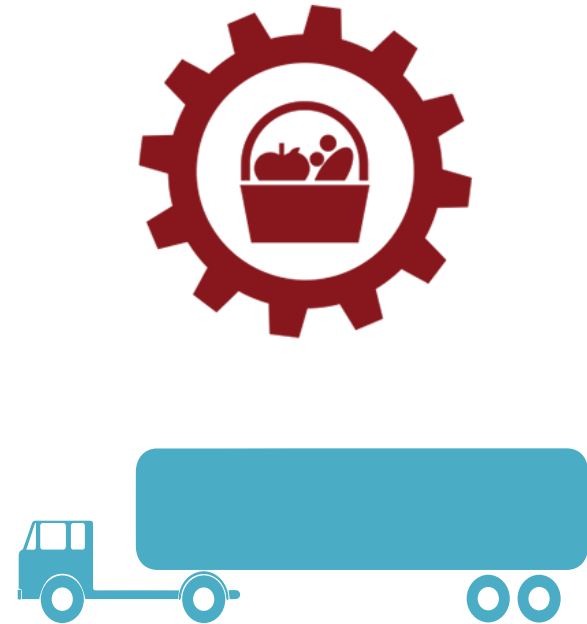
**Chris John Mark A. Paica**

**University of Southeastern Philippines**



When prices for food rise, the world's poorest household are the ones who will greatly affected as a result, they are forced to reduce the quality and quantity of food they consumed because food has a large share in their income.

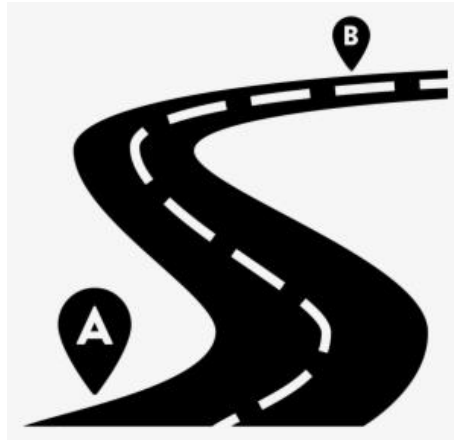
 In market perspective, food prices have a direct relationship to agricultural inputs costs like:



# Why prices differ per Region?



Low Agricultural  
Productivity

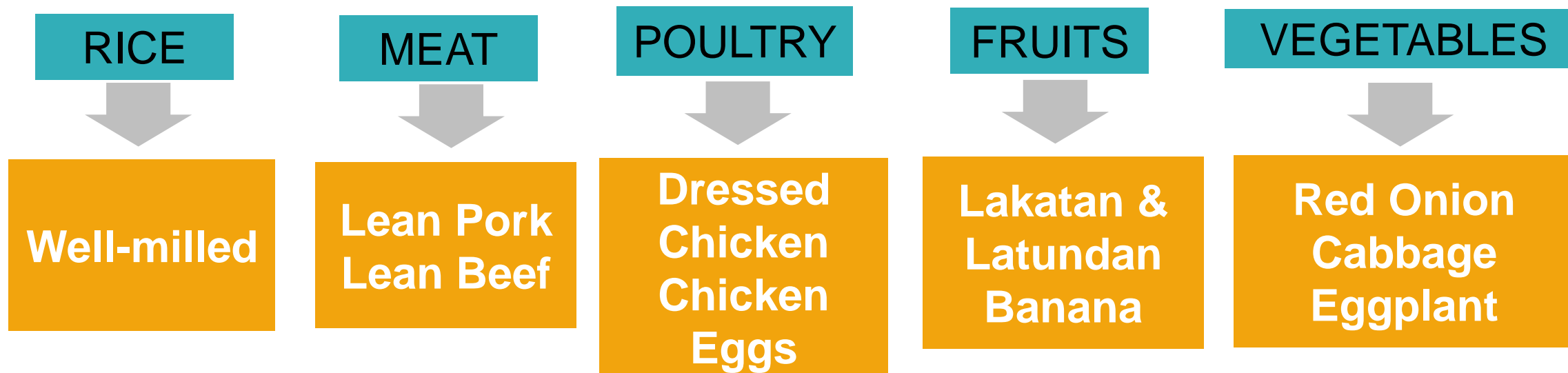


Long Distance of  
farm to market



Transaction and  
Transportation Costs

# Food prices considered in the study



$$\text{Price difference } [p_i - p_j] = \beta_0 + \beta_1 AD_{ij} + \beta_2 Bo_{ij} + \beta_3 Pr_i + \beta_4 Pr_j + \beta_5 CE_i + \beta_6 CE_j + e_{ij}$$

where:

$[p_i - p_j]$	= is the price difference of the observed commodity for two compared regions;
$\beta_0$	= the constant term (intercept);
$\beta_1, \beta_2, \dots, \beta_6$	= parameters to be estimated;
$AD_{ij}$	= average distance for two regions observed;
$Bo_{ij}$	= dummy variable taking the value of 1 if the two regions shares the same border
$Pr_{ij}$	= level of production for the commodity observed measured in metric tons;
$CE_{ij}$	= consumer expenditure of the two regions observed;
$e_{ij}$	= error term.

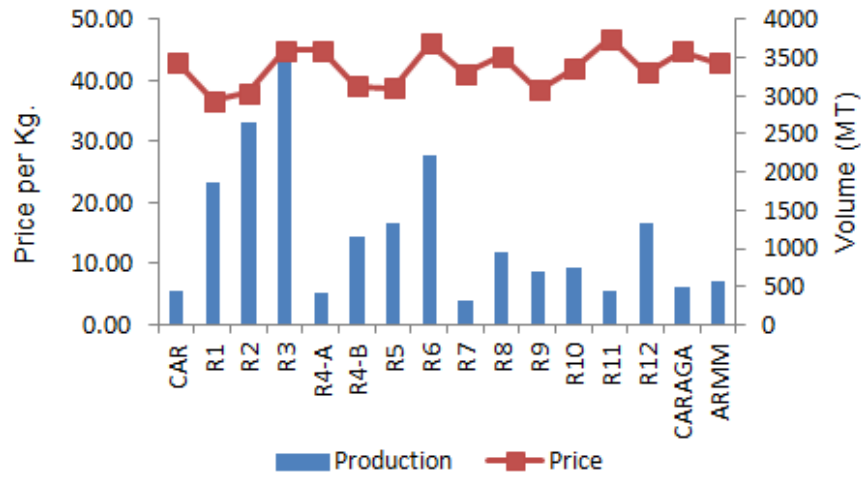


Figure 3. Regional average price of well-milled and palay production in the Philippines, 2017.

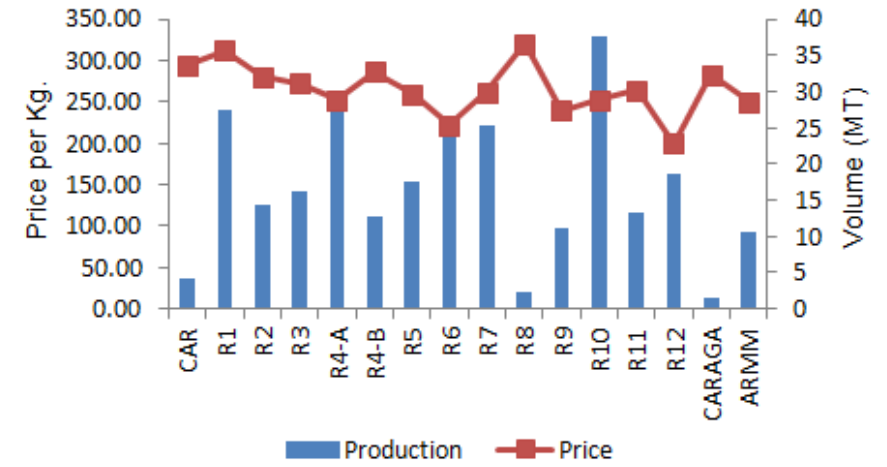


Figure 5. Regional average price of lean beef meat and cattle production in the Philippines, 2017.



Figure 4. Regional average price of lean pork meat and hog production in the Philippines, 2017.

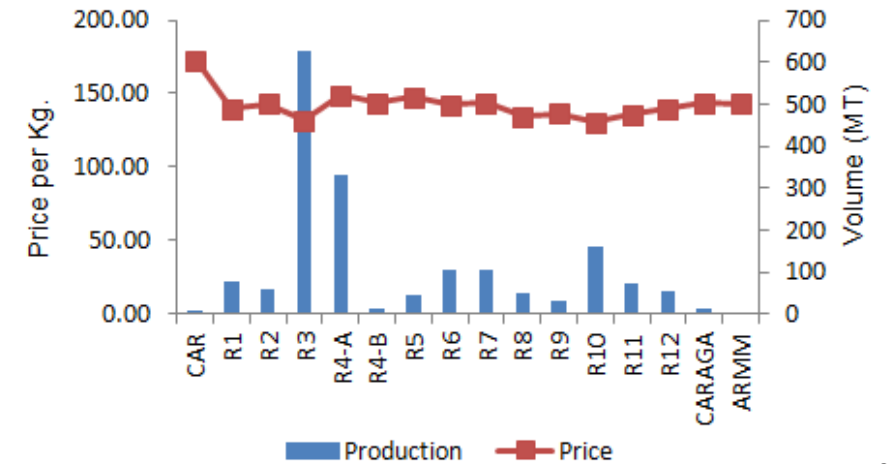


Figure 6. Regional average price of dressed chicken meat and chicken production in the Philippines, 2017.

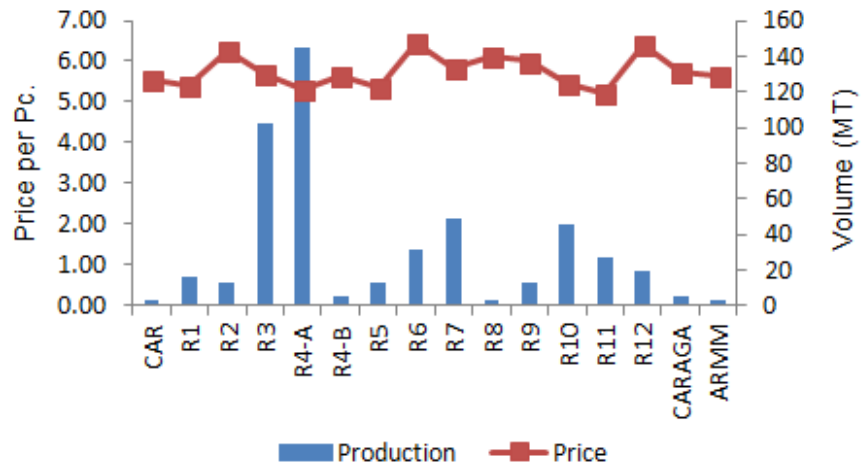


Figure 7. Regional average price and production of chicken eggs in the Philippines, 2017.

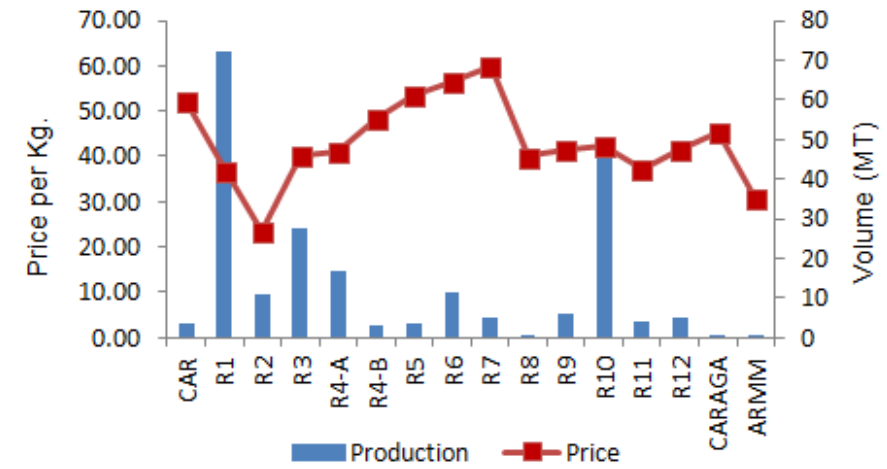


Figure 9. Regional average price and production of tomato in the Philippines, 2017.



Figure 8. Regional average price and production of cabbage in the Philippines, 2017.

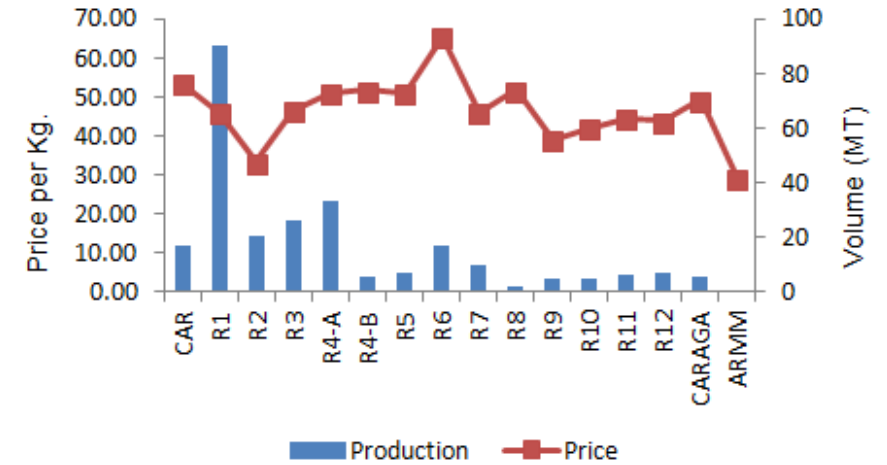


Figure 10. Regional average price and production of eggplant in the Philippines, 2017.



# Recommendations

- To expand farm-to-market road projects in the provinces, to support logistical problems in transporting goods from rural to urban areas.
- This study should be complemented with value chains and supply chain studies of different food commodities.
- Spatial econometric analysis should be used in future studies.
- District, Municipal/City and Provincial level data should be used in order to capture the price differences within provinces and regions.

Thank You!