



World Food Programme

SAVING LIVES
CHANGING LIVES

Price Monitoring Bulletin

WFP Philippines | May – June 2023

Snapshot



Food and non-alcoholic beverages inflation **6.7%**



Headline inflation **5.4%**
(PSA, 5 July 2023)

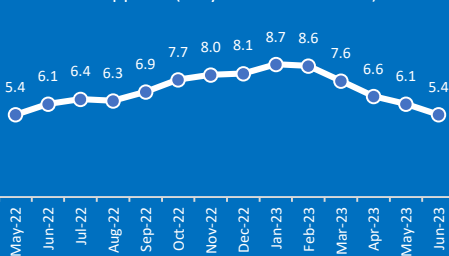


Average cost of fertilizer (PhP) **1,973**
(DA, 26-30 Jun 2023)



YTD fuel prices (PhP)
-5.15 Kerosene
-3.00 Diesel
+6.55 Gasoline
(DOE, as of 27 June 2023)

Headline Inflation Rate, Philippines (May 2022 - June 2023)



Key highlights

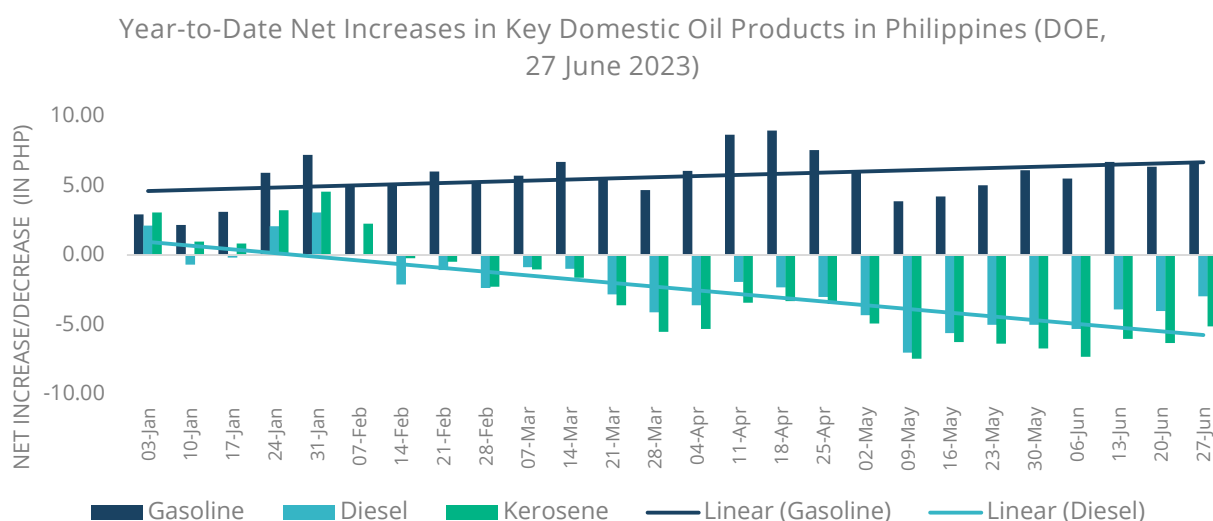
- **Headline inflation** in May and June 2023 **slowed down further** to 6.1 percent and 5.4 percent, respectively, from 6.6 percent in April 2023. Those were also the fourth and fifth consecutive months of decreases since January 2023, respectively (Philippine Statistics Authority [PSA], 6 June 2023).¹
- The average price of a litre of **gasoline** recorded a net **increase** of PhP 6.55 based on year-to-date (YTD) data from the Department of Energy (DOE). On the other hand, a litre of **diesel and kerosene** registered year-to-date net **decreases** of PhP 3.00 and PhP 5.15, respectively (DOE, 27 June 2023).
- The average price of a 50 kg sack of **fertilizer** based on available data for the end of May 2023 **decreased** by 4.5 percent from its average at the end of February 2023. It **decreased again** by 5.7 percent by the end of June 2023 (Department of Agriculture, July 2023).
- The **retail prices of most commodities** showed decreasing trends in the **National Capital Region (NCR)** for May and June 2023 based on available data from PSA (16 June 2023). On the other hand, the **prices of selected commodities (i.e., rice, fresh eggs, fruits and most vegetables) in the Bangsamoro Autonomous Region in Muslim Mindanao (BARRM)** generally remained the same except for onion which decreased further in June 2023.
- **Super Typhoon Betty (Mawar)** entered the Philippine Area of Responsibility on 27 May 2023 but made no landfall. Damage to agriculture was minimal (National Disaster Risk Reduction and Management Council [NDRRMC], 5 June 2023). The alert status of **Mayon Volcano** was raised to alert level 2 on 5 June 2023 following a sharp increase in the incidence of rockfall from its summit.² As of end of June 2023, Mayon Volcano was at Alert Level 3 which meant that it was in a high level of unrest as magma was at the crater and hazardous eruption was possible within weeks or even days (NDRRMC, 5 Jul 2023).

¹ PSA defines headline inflation as a measure of the changes in the cost of living based on movements in the prices of a specified basket of major commodities. It refers to the annual rate of change or the year-on-year change in the Consumer Price Index (CPI).

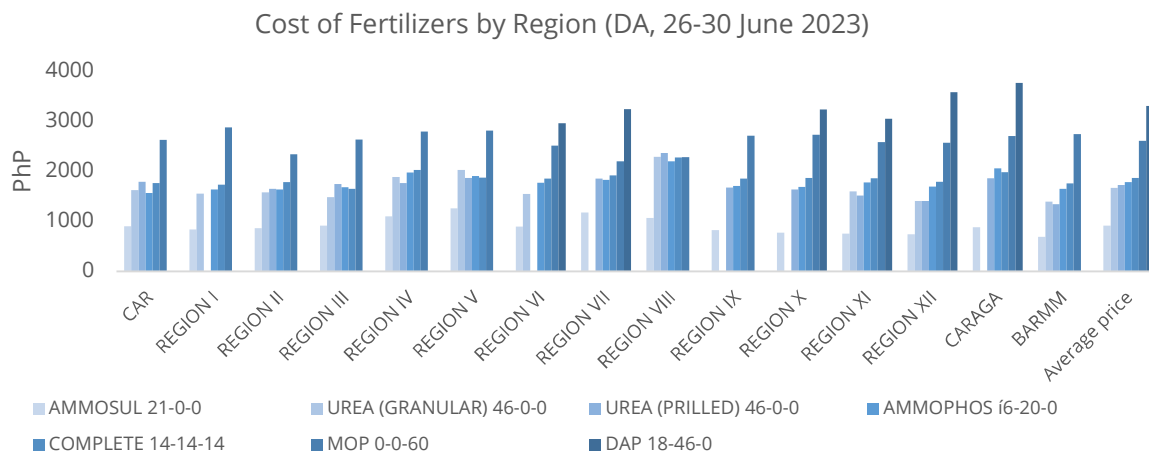
² The Philippine Institute of Volcanology and Seismology (Phivolcs) defines Alert Level 1 as Low-level unrest; Alert Level 2 as Increasing unrest; Alert Level 3 as Intensified unrest; Alert Level 4 as Highly hazardous eruption imminent; and Alert Level 5 as Highly hazardous eruption in progress.

National Price Trends

- Based on year-to-date (YTD) data from the Department of Energy, the average prices of a litre of **gasoline** generally exhibited **declining** trends in May and June 2023 ending at a YTD net increase of more than PhP 6.00 on the average for the months of May and June 2023 compared with PhP 7.55 in April 2023. In spite of the decrease in the monthly average price of a liter of gasoline, the total net increase of the retail price by the end of June was about 126 percent since the start of the year. The average prices of **diesel** generally exhibited **fluctuating** rates between May and June but closed at an average YTD net decrease of PhP 4.025 compared with the net decrease of PhP 3.05 recorded on 25 April 2023. The retail prices of **kerosene**, on the other hand, generally exhibited **declining** trends, with an average net decrease of PhP 5.95 for the months of May and June. The YTD for kerosene recorded about 269 percent drop since the start of the year (DOE, 27 June 2023).



- The average prices of **fertilizers decreased** by 4.5 percent from April to May 2023 and then **slid** again by 5.7 percent from May to June 2023 (Department of Agriculture (DA), 26-30 June 2023). As of 30 June 2023, the average price of a 50 kg fertilizer was at PhP 1,973 and ranges from PhP 904 (Ammonium Sulfate, 21-0-0) to PhP 3,295 (Diammonium Phosphate, 18-46-0).



National Policy Environment

The Government has initiated and continued the implementation of various supporting programmes and policies in May and June 2023, including:

Inter-Agency Committee on Inflation and Market Outlook – On 26 May 2023, the President signed Executive Order (EO) No. 28, creating the Inter-Agency Committee on Inflation and Market Outlook (IAC-IMO). The committee aims to enhance the coordination of government agencies in managing inflation and mitigating the effects of rising commodity prices. Specifically, the IAC-IMO is tasked to monitor the main drivers of rising prices of basic goods, particularly of food and energy, and their proximate sources and causes. Moreover, the IAC-IMO will act as an advisory body to the Economic Development Cluster (EDC), which will now be known as Economic Development Group (EDG). The reorganization of EDC to EDG aims to ensure that the integration of programmes and priorities toward sustained economic growth remains efficient and effective. The EDG will be responsible for coordinating and synergizing efforts to ensure the country's rapid, inclusive, and sustained growth, according to the EO (Philippine News Agency, 28 May 2023).

Walang Gutom 2027: Food Stamp Program – On 13 June 2023, the Department of Social Welfare and Development (DSWD) Secretary Rex T. Gatchalian announced the approval of President Marcos Jr. on the pilot run and implementation of the food stamp program (FSP), the newest addition to the government's social protection packages. The program, officially known as the "Walang Gutom 2027: Food Stamp Program" aims to provide electronic benefit transfers that will be loaded with food credits amounting to PhP 3,000 (US\$55) to purchase a selected list of food commodities from DSWD-accredited local retailers. It intends to target the bottom 1 million households from Listahanan 3 who belong to the food-poor criteria as defined by PSA. The DSWD identified Tondo in the National Capital Region, San Mariano in the Province of Isabela, Garchitorena in the Province of Camarines Sur, Dapa in the Province of Surigao del Norte, and Parang in the Province of Maguindanao del Norte as the pilot sites of the program (Presidential Communications Office, 13 June 2023).

Price Trends in the National Capital Region (NCR)¹

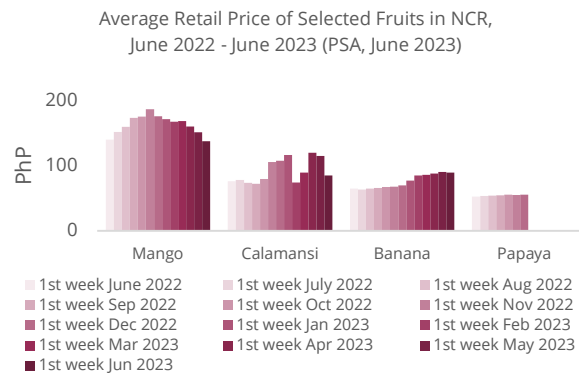
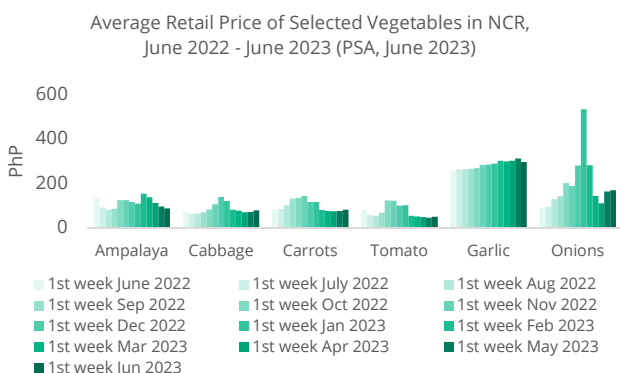
- For May and June 2023, the average retail prices of most commodities included in this report has generally decreased.

Fresh eggs had the highest rate of price decrease at 4.3 percent, while the **rice had the lowest average rate of decline** at 0.1 percent. The rest of the commodities had the following average rates of price decrease during this period: brown sugar (0.5 percent), dressed chicken (0.7 percent), cooking oil (1.8 percent), and milkfish (2.1 percent).



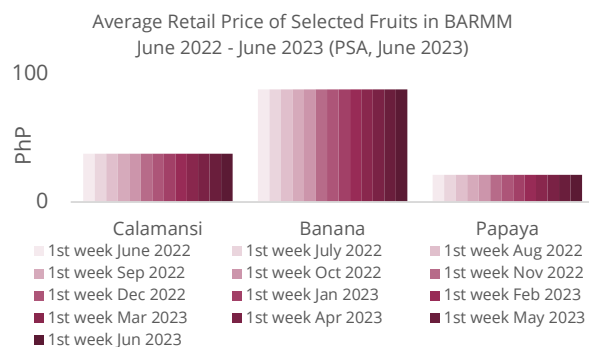
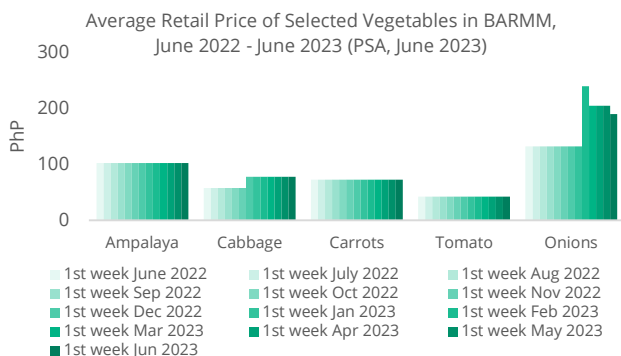
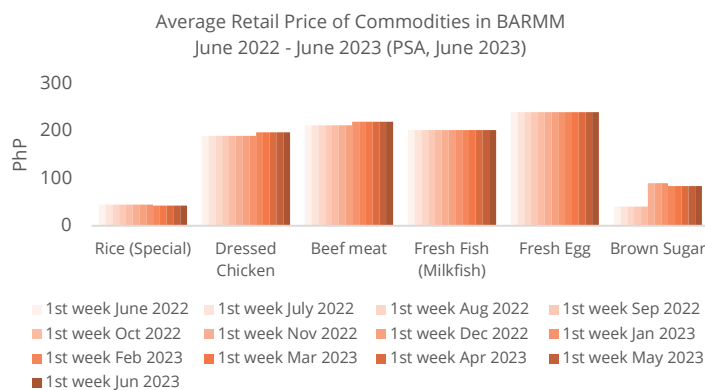
¹ Latest data available from PSA is for June 2023.

- Average **retail prices of selected vegetables were mixed** for May and June 2023. The highest average rate of price increase was onion (25.5 percent), followed by cabbage (6.0 percent), carrots, (4.4 percent), then tomato (3.2 percent). Those which decreased in prices were ampalaya (-11 percent) and garlic (-0.9 percent). The average **retail prices of fruits were also mixed** for May and June 2023. Among these fruits, banana recorded a price increase of 0.7 percent while calamansi and mango posted price decreases of -15.0 percent and -7.3 percent, respectively.



Price Trends in BARMM²

- The average retail price of basic commodities such as rice, meat, fish, eggs, and brown sugar **generally remained flat** for May and June 2023 in BARMM.
- The **average retail prices of vegetables and fruits** in BARMM were generally stable for the months of May and June 2023, except for the price of onions which decreased by 7 percent in June compared to the price in April 2023.



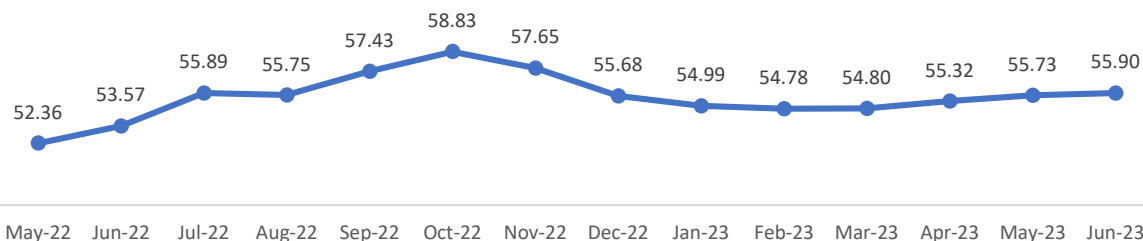
² Latest data available from PSA is for April 2023.

Key Issues to Watch

1

The average **value of the Philippine peso against the US dollar depreciated** to PhP 55.73 in May 2023 from PhP 55.32 in April 2023. It further depreciated to PhP 55.90 in June 2023 (Bangko Sentral ng Pilipinas (BSP), June 2023). The depreciation of the local currency was attributed to the following: (1) concerns of weak global growth (Business World, 1 June 2023); and (2) historical weakness of the peso against the dollar in June (Philippines Star, 2 June 2023).

Average Monthly Value of Philippine Peso to US Dollar, May 2022 - June 2023



2

The Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA)'s press release (2 May 2023) stated that "recent conditions and model forecasts indicate that El Niño may emerge in the coming season (June-July-August) at 80 percent probability and may persist until the first quarter of 2024. With this development, the PAGASA El Niño Southern Oscillation Alert and Warning System is now raised to **EL NIÑO ALERT.**" It further added that "El Niño increases the likelihood of below-normal rainfall conditions, which could have negative impacts (such as dry spells and droughts) in some areas of the country. However, over the western part of the country, above-normal rainfall conditions during the Southwest Monsoon season (Habagat) may also be expected."

Methodology and Coverage

To monitor the impact of COVID-19, global conflict, and natural hazards, WFP collects secondary data from the PSA. This is a continuation of the bi-monthly price data monitoring of basic food and non-food commodities in the main public markets in the capital city or town of the provinces of Bohol, Dinagat Islands, Southern Leyte, and Surigao del Norte (composed of Siargao Island and Surigao City) initiated by WFP in June 2022.

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Annex 1: Retail market prices of selected food commodities in NCR and BARMM.

Region	Commodity	1st Week April 2023	1st Week May 2023	1st Week June 2023	Price Change (April-May)		Price Change (May-June)	
NCR	Rice (Special)	52.99	52.9	52.85	▼	-0.17%	▼	-0.09%
BARMM		42.1	42.1	42.1	◀	0.00%	◀	0.00%
NCR	Dressed Chicken	187.89	183.13	183.23	▼	-2.53%	▲	0.05%
BARMM		197.5	197.5	197.5	◀	0.00%	◀	0.00%
NCR	Pork meat	334.9	342.84	329.95	▲	2.37%	▼	-3.76%
BARMM	Beef meat	220	220	220	◀	0.00%	◀	0.00%
NCR	Fresh Fish (Milkfish)	212.04	208.91	203.24	▼	-1.48%	▼	-2.71%
BARMM		202.5	202.5	202.5	◀	0.00%	◀	0.00%
NCR	Fresh Egg	251.1	240.3	230.1	▼	-4.30%	▼	-4.24%
BARMM		240	240	240	◀	0.00%	◀	0.00%
NCR	Cooking Oil	201.81	198.54	194.74	▼	-1.62%	▼	-1.91%
BARMM								
NCR	Brown Sugar	88.2	88.66	87.38	▲	0.52%	▼	-1.44%
BARMM		83.5	83.5	83.5	◀	0.00%	◀	0.00%
NCR	Ampalaya	111.36	95.53	87.76	▼	-14.22%	▲	-8.13%
BARMM		102.5	102.5	102.5	◀	0.00%	◀	0.00%
NCR	Cabbage	70.02	72.29	78.65	▲	3.24%	▼	8.80%
BARMM		77.5	77.5	77.5	◀	0.00%	◀	0.00%
NCR	Carrots	74.96	75.52	81.49	▲	0.75%	▼	7.91%
BARMM		72.5	72.5	72.5	◀	0.00%	◀	0.00%
NCR	Tomato	47.94	45.33	50.74	▼	-5.44%	▼	11.93%
BARMM		42.5	42.5	42.5	◀	0.00%	◀	0.00%
NCR	Garlic	301.78	312.8	295.86	▲	3.65%	▲	-5.42%
BARMM								
NCR	Onions	111.31	164.21	170.04	▲	47.52%	▼	3.55%
BARMM		205	205	190	◀	0.00%	▲	-7.32%
NCR	Mango	160.85	151.97	138.29	▼	-5.52%	▼	-9.00%
BARMM								
NCR	Calamansi	120.36	115.39	85.47	▼	-4.13%	▼	-25.93%
BARMM		37.5	37.5	37.5	◀	0.00%	◀	0.00%
NCR	Banana	88.37	90.55	89.53	▲	2.47%	▲	-1.13%
BARMM		87.5	87.5	87.5	◀	0.00%	◀	0.00%
NCR	Papaya							
BARMM		21	21	21	◀	0.00%	◀	0.00%

▲ Price increased ▼ Price Decreased ◀ Price Remained the Same