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REGION II – CAGAYAN VALLEY

# SPECIAL RELEASE

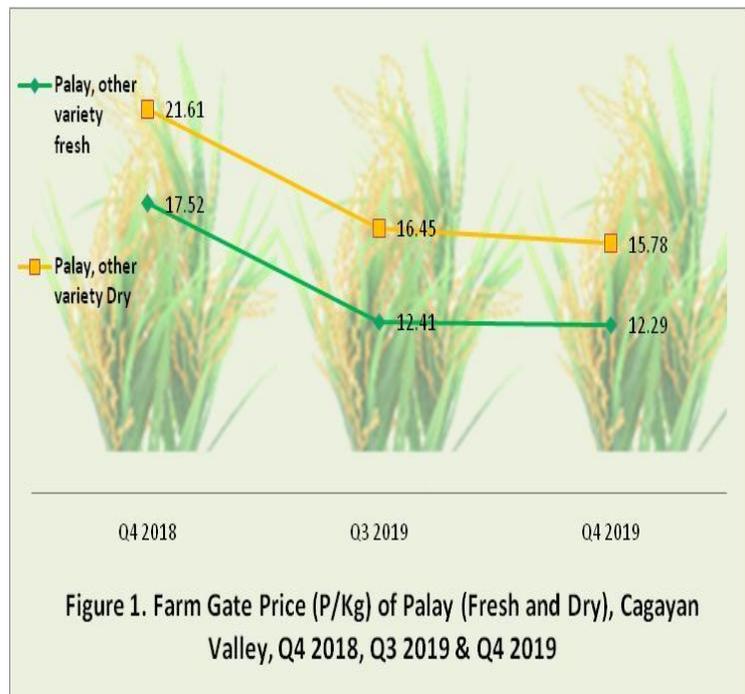
## Farm gate prices of cereals fell sharp in Q4 2019

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Average farm gate prices for all cereal crops under the market basket of the region during the 4th Quarter of 2019 (Q4 2019) revealed a downward trend based on the monthly reports submitted by the different provinces. As per the specified description in the market basket per province, average farm gate prices for palay, other variety (fresh and dry) in Q4 2019 went down compared to last quarter's (Q3 2019) and last year's levels (Q4 2018). Same trend holds true for corn yellow (matured).

Notably, both farm gate prices of palay in Q4 2019 fell sharply at more than twenty five percent from its prices monitored a year ago. Specifically, average farm gate price of fresh palay in the region estimated at 12.29 pesos per kilogram in the 4th Quarter 2019 was cheaper by P5.23 per kilogram compared to the same period of 2018 record of 21.61 pesos per kilogram. This is about 27.0 percent reduction in farm gate price of fresh palay after one year. In Q3 2019, average farm gate price of fresh palay was recorded at 16.45 pesos per kilogram, twelve centavos higher than the current price or about 4.1 percent decrement after a period of three months. In like manner, average price received by farmers for dry palay traded in Q4 2019 went down by 5.83 pesos per kilogram against last year's recorded average farm gate price of 17.52 pesos per kilogram. The reduction showed that farm gate prices



of dried palay sold in Q4 2019 at 12.29 shrunk by almost 30.0 percent compared with the price established a year ago. In Q3 2019, a kilogram of dried palay was sold at average farm gate price of 12.41 pesos, 67 centavos per kilogram higher than the latest price.

The sharp fall of the regional farm gate prices of palay (whether dry or fresh) in Q4 2019 is patterned across all provinces that produced and traded the commodity. Except for farm gate price of fresh palay reported in Cagayan versus its Q3 2019 report, all provinces with production and trading of the commodity reported its Q4 2019 farm gate prices for fresh and dry palay below the 2018 level and the Q3 2019 report. In particular, there were three provinces that reported farm gate prices of fresh palay in Q4 2019 and each provinces price report was below the Q4 2018 level

and estimated at more than four pesos to less than six pesos difference. In detail, Cagayan's Q4 2019 farm gate price of fresh palay at 11.56 pesos per kilogram was cut by 33.7 percent from the Q4 2018 price of 17.44 pesos per kilogram while farm gate price in Isabela in Q4 2019 at 11.84 pesos per kilogram was down by 32.8 percent from the 2018 price of 17.62 pesos per kilogram. In the same vein, the latest price report of Quirino at 12.62 pesos per kilogram was 27.6 percent below the price report in Q4 2018 at 17.44 pesos per kilogram. When sold in dry form, palay farm gate prices in Q4 2019 across the four provinces that reported the price is more than five pesos below the 2018 report. Particularly, farm gate price in Q4 2019 of Cagayan was down by 29.7 percent (from 21.64 in Q4 2018 to 15.22 pesos per kilogram in Q4 2019). Likewise, Isabela marked its reduction at 28.5 percent (from 22.06 to 15.77 pesos per kilogram), Nueva Vizcaya showed a decrement of 16.0 percent (from 19.93 to 16.73 pesos per kilogram) while Quirino's price decrease was pegged at 30.9 percent (from 20.56 to 14.21 pesos per kilogram). All provinces also recorded slight decreases when compared with the last quarter's (Q3 2019) monitored farm gate prices. More so, price received by

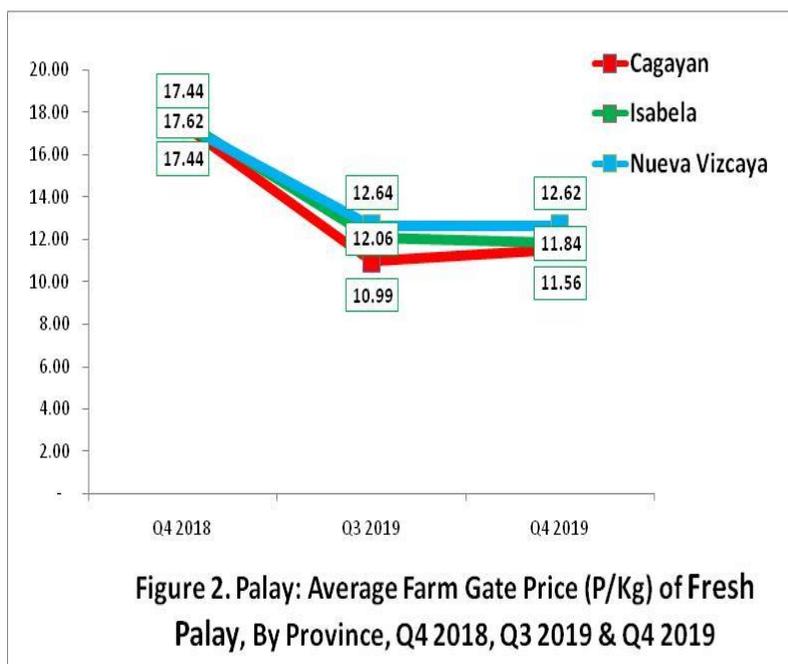


Figure 2. Palay: Average Farm Gate Price (P/Kg) of Fresh Palay, By Province, Q4 2018, Q3 2019 & Q4 2019

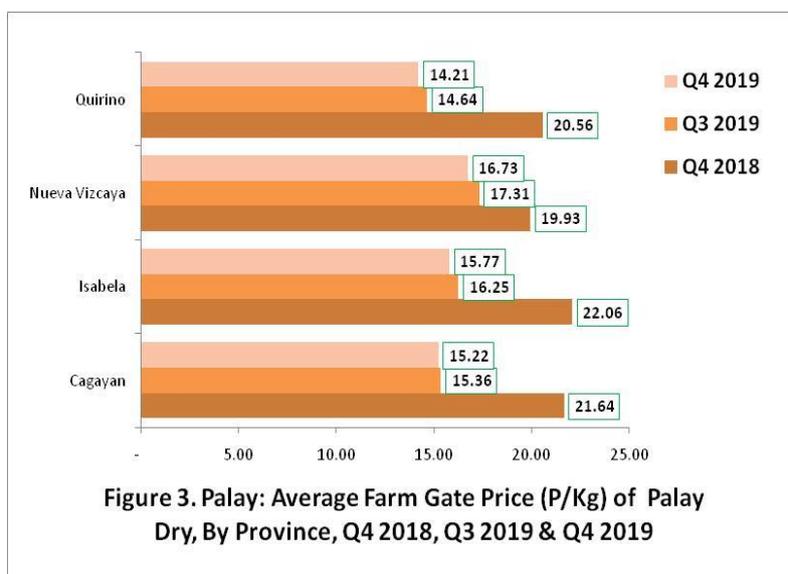


Figure 3. Palay: Average Farm Gate Price (P/Kg) of Palay Dry, By Province, Q4 2018, Q3 2019 & Q4 2019

farmers for palay, both dry and fresh, in Nueva Vizcaya was registered as the highest across provinces in Q4 2019. About 96 centavos per kilogram higher than the prices offered to Isabela farmers and 1.51 pesos more than the prices gained by Cagayan growers. The price in Nueva Vizcaya is also up by 2.52 pesos per kilogram compared to the average price of dry palay in Quirino province.

In the same period (Q4 2019), average farm gate price per kilogram of yellow corn (matured) in the region registered a price decrease of 3.58 pesos per kilogram from 14.40 pesos per kilogram in Q4 2018 to 10.82 pesos per kilogram in Q4 2019. The price reduction is equivalent to about 24.9 percent decrease from the price recorded a year ago. The same trend was noted for farm gate price in Q4 2019 when compared with the 3<sup>rd</sup> quarter of 2019. A decline of about 1.40 pesos per kilogram was noted or 16.7 percent decreased in Q4 2019 price compared to the previous quarter.

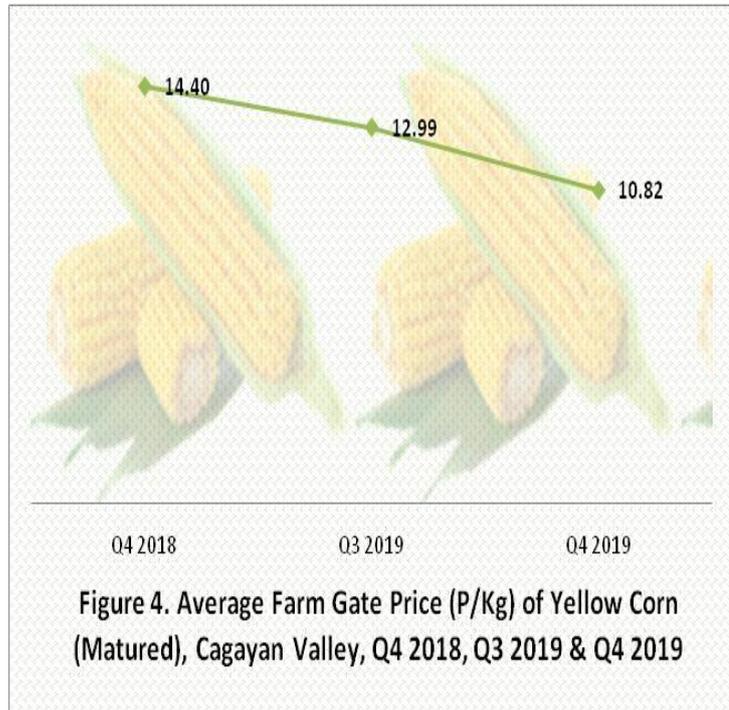


Figure 4. Average Farm Gate Price (P/Kg) of Yellow Corn (Matured), Cagayan Valley, Q4 2018, Q3 2019 & Q4 2019

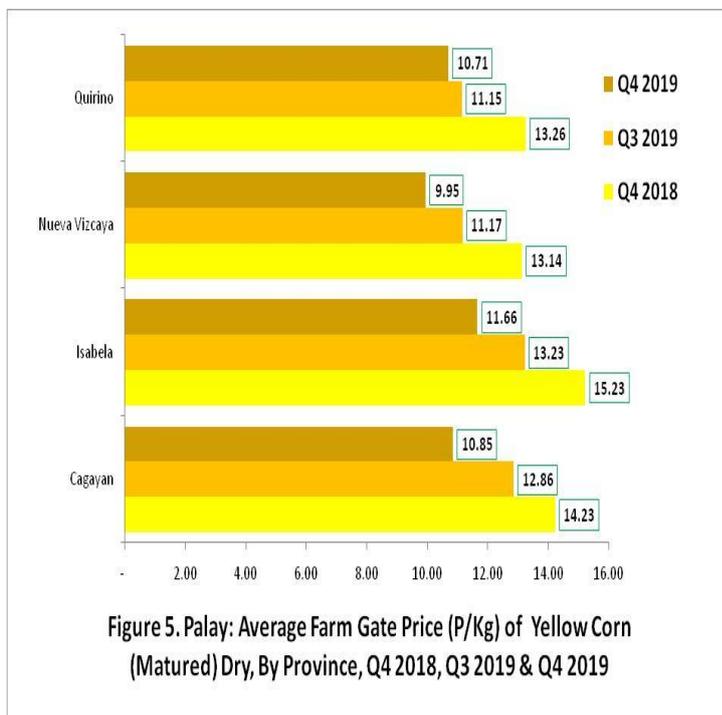


Figure 5. Palay: Average Farm Gate Price (P/Kg) of Yellow Corn (Matured) Dry, By Province, Q4 2018, Q3 2019 & Q4 2019

Across provinces, the Q4 2019 price report displayed similar pattern with the regional trend with all provinces' farm gate price report of yellow corn (matured) below the 2018 level including that of the price collected in Q3 2019. Particularly, price quoted in Q4 2019 in Cagayan and Isabela at 10.85 and 11.66 pesos per kilogram respectively, is more than twenty three percent lower than the price collected in 2018 of the same period. The price in Nueva Vizcaya in Q4 2019 at 9.95 pesos per kilogram suffered the highest setback at 24.3 percent from the recorded price a year ago at 13.34 pesos

per kilogram. Further, the price in Quirino province in the Q4 of 2019 at 10.71 pesos per kilogram was slapped with 19.3 percent decrease from the 2018 collected price of 13.26 pesos per kilogram. All prices reported in Q4 2019 also went down by more

than ten percent when compared with the price record in Q3 2019 except in the province of Quirino where decrement was managed at more than four percent. Across prices reported in the provinces in Q4 2019, farmers from Isabela received the highest offer at 11.66 pesos per kilogram, 1.71 pesos higher than the price recorded in Nueva Vizcaya at 9.95 pesos per kilogram, the lowest price across the region. Farm gate price of the commodity in the province of Cagayan and Quirino is almost identical at more than ten pesos per kilogram.

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### **TECHNICAL NOTES**

The Farm Prices Survey (FPS) is a nationwide household-based survey designed to generate estimates of farm gate or producers' prices. It contains information on prices received by producers at the first point of sale.

The outputs of the Farm Prices Survey are used in the periodic valuation of the outputs produced by the agricultural sector. Similarly, these are inputs to the development of price indices to measure the purchasing power of growers of selected agricultural products. Maintenance of farm gate prices will likewise provide needed inputs a) to analyze trends and variations in prices; b) forecasting future supply, demand and prices of agricultural commodities; c) to assist policy makers in the formulation, implementation and administration of economic programs, and d) to guide farmers/raisers in their decision making relative to their agricultural activities geared towards improvement of their profitability.

The survey is conducted during the last 10 days of the month in all the provinces of the country covering days 1 to 30 of the reporting month. Each province has a basket of FPS commodities.

The following activities are undertaken to monitor and sustain quality of data collected for Farm Prices Survey (FPS):

- consistency check through review of entries relative to the provincial FPS basket and trading matrix; and
- non-sampling errors are monitored and minimized by reviewing PO forms/questionnaires.

Source: <https://psa.gov.ph>