

## Philippines seeks to more than double corn import quota as feed cost risks mount

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The Department of Agriculture (DA) has proposed a substantial increase in the country's minimum access volume (MAV) for corn, seeking to more than double the current quota as policymakers move to pre-empt potential supply shortages and rising feed costs that could ripple through the food chain.

The proposal would raise the corn MAV to 500,000 metric tons from the current 216,940 metric tons, allowing a larger volume of imports to enter the country at a preferential tariff rate of 5 per cent. Imports exceeding the quota would continue to face a 15 per cent tariff.

The recommendation has been submitted to the MAV Management Committee—comprising key economic officials—for evaluation before being elevated to President Ferdinand Marcos Jr. for final approval.

The move reflects growing concern within the agriculture sector that domestic corn supplies could come under pressure from a combination of adverse weather conditions, elevated fertilizer prices and rising logistics costs.

**Feed Supply Concerns Take Center Stage**

Corn occupies a critical position in the Philippines's food production system, serving as one of the primary ingredients in animal feed and accounting for a significant share of production costs for poultry and livestock producers.

Any sustained increase in corn prices typically feeds into the cost of raising chickens, producing eggs and maintaining hog inventories, eventually translating into higher prices for consumers.

Agriculture officials are increasingly concerned that production conditions could deteriorate later this year as farmers confront rising input costs and the possibility of stronger El Niño conditions that may affect planting and harvest outcomes.

According to data from the Philippine Statistics Authority, the country produced an estimated 8.3 million metric tons of corn in 2025. However, industry groups have warned that future production could face headwinds from elevated fertilizer prices, weather-related uncertainties and softer planting intentions among growers.

### **Global Risks Add to Domestic Pressures**

The proposal comes amid heightened uncertainty in global commodity and energy markets.

Agriculture authorities have highlighted the continuing impact of geopolitical tensions in the Middle East, particularly around the Strait of Hormuz, where disruptions have contributed to higher shipping and fertilizer costs.

The resulting increase in freight and farm input expenses has raised production costs across the agricultural sector, adding another layer of risk to domestic food supply chains.

These concerns have become more pronounced as inflationary pressures have resurfaced after a period of moderation.

After months of easing food prices—supported largely by lower rice costs—headline inflation began accelerating in March as higher global oil prices filtered through the economy. Inflation rose to 4.1 per cent in March, surged to 7.2 per cent in April and remained elevated at 6.8 per cent in May, highlighting the speed with which external shocks can influence domestic prices.

Because feed costs represent a major expense for poultry and livestock operations, policymakers view corn supply management as an important tool in preventing broader food inflation.

### **Balancing Imports and Farmer Protection**

While the proposed quota expansion would increase access to imported corn, the DA has emphasized that the measure is intended as a targeted contingency mechanism rather than a permanent shift in trade policy.

Officials said additional imports would be activated only when market conditions justify intervention and would be managed carefully to avoid undermining local corn producers.

The strategy reflects a balancing act facing many agricultural economies: ensuring adequate supply and stable food prices while preserving incentives for domestic production.

By increasing flexibility in corn imports ahead of potential supply disruptions, the government hopes to strengthen feed security, support the poultry and livestock industries and prevent cost pressures from cascading through the broader food system.

For policymakers, the proposal is as much about inflation management as it is about agriculture—an effort to insulate consumers from future price shocks while maintaining stability across one of the country's most important food supply chains.