THE MITA NEWSLETTER
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AGRICULTURE WATCH: MAV POLICY REVIEW UNDER INDUSTRY SCRUTINY

Stakeholders Discuss Delays, Tariff Reforms, and Market Impact

February 25, 2025 – The Department of Agriculture (DA) is facing increasing pressure from industry stakeholders regarding its review of the Minimum Access Volume (MAV) policy, which governs the importation of agricultural products at reduced tariff rates. Delays in quota allocation, proposed suspensions, and calls for reform have sparked intense debate among local producers, importers, and international trade partners.

MITA Raises Concerns Over Quota Delays

Beyond the suspension debate, MITA has been vocal about delays in MAV quota distribution. In a letter dated February 6, 2025, addressed to Agriculture Secretary Francisco P. Tiu Laurel, Jr., MITA urged the DA to immediately distribute the 2025 MAV quotas.

"The Systematic Distribution Process (SDP) had been scheduled, rescheduled, and then canceled until further notice," MITA wrote.

The DA is currently finalizing a 55,000 metric ton MAV allocation for pork, with portions designated for meat processors, traders, and a reserve to stabilize market prices.

The British Chamber of Commerce Philippines (BCCP) echoed MITA's concerns in a February 18, 2025 statement, warning that prolonged delays could disrupt trade and lead to supply shortages.

"Timely quota allocation is crucial to ensuring a steady supply and preventing unnecessary inflation in the meat sector," said BCCP Executive Director Chris Nelson.

MAV Suspension Sparks Debate

On February 7, 2024, the DA proposed suspending the MAV for pork and corn, citing concerns over technical smuggling and the need to protect local farmers from unfair competition. Agriculture Undersecretary Roger Navarro explained that the proposal is under review by the government's economic cluster before a final decision is made.

"The current system has been exploited by some traders, and we need to ensure that our local producers remain competitive," Navarro stated during a press briefing.

While local farmers welcomed the proposal, warning that excessive imports undercut their businesses, meat importers and traders raised concerns about market disruptions and the potential for rising pork prices.

"Any abrupt suspension could destabilize supply chains and cause unnecessary price hikes that will affect Filipino consumers," said Jesus Cham, President Emeritus of Meat Importers and Traders Association (MITA).

PAMPI Supports MAV Amendments to Increase Allocation

In a recent Teleradyo interview held February 25, 2025, Felix "Boy" Tiukinhoy, President of the Philippine Association of Meat Processors Inc. (PAMPI), expressed support for amendments that would increase the share of MAV allocated to meat processors. He highlighted key concerns regarding the current distribution structure:

- Processors currently receive only 18% of the total MAV.
- An additional MAV allocation for PAMPI will help maintain stable prices, increase production, create more jobs, and boost tax contributions.
- PAMPI acknowledges the needs of other stakeholders and supports collaboration in shaping policy reforms.
- The association proposes increasing the total MAV to better address industry demands.

"A higher MAV allocation for processors is essential to ensuring affordability, increasing employment, and sustaining the industry's contribution to the economy," *Tiukinhoy stated.*

UK-Philippines Trade Relations Amid MAV Discussions

The ongoing MAV policy review has also attracted attention from international trade partners. In a recent interview with ANC Philippines, Chris Nelson, Executive Director of the British Chamber of Commerce Philippines (BCCP), discussed the potential impact of MAV adjustments on UK-Philippines trade relations.

Nelson emphasized the importance of predictable trade policies in maintaining strong bilateral ties. He noted that the UK is a significant exporter of meat products to the Philippines, and changes in MAV allocations could influence trade dynamics.
"Stable and transparent import policies are vital for fostering confidence among international trading partners," Nelson remarks.

He also highlighted the UK's Developing Countries Trading Scheme (DCTS), which grants the Philippines tariff-free access for 92% of product lines, reinforcing trade ties.
The British Chamber has expressed support for the UK-Philippines Joint Economic and Trade Committee (JETCO), aiming to further enhance trade and investment relations between the two countries.

Calls for Policy Overhaul Grow Stronger

Amid the ongoing policy review, the Philippine Chamber of Agriculture and Food Inc. (PCAFI) is pushing for a complete overhaul of the MAV system. PCAFI President Danilo Fausto has proposed eliminating MAV quotas and replacing them with a uniform 35% tariff on all agricultural imports.

"*The current MAV framework is outdated. A flat tariff rate would create a fairer, more predictable environment for both local producers and traders,*" Fausto argued in a recent industry forum.

What's next for MAV? ....

With mounting pressure from both local producers and importers, the DA is expected to issue a decision on the MAV suspension and quota allocations in the coming weeks. As stakeholders await the resolution, industry leaders remain divided over how best to balance domestic production, trade stability, and consumer affordability.

U.S. MEAT EXPORT FEDERATION

U.S. Meat Export Federation

EXPORTER UPDATE

Today's Issues for U.S. Red Meat Exporters

Philippines to be Added to PHIS in May; Test Environment Now Open

In its latest Constituent Update, FSIS announced it will onboard the Philippines in the Public Health Information System (PHIS) Export Component on May 19. From that date, all export certificates for meat and poultry products (excluding casings and egg products) destined for the Philippines will be generated, issued, and officially maintained in PHIS.

Beginning May 19, no wet-signed 9060-5 series export certificates, including letterhead certificates, will be issued for these products for export to the Philippines.

All export certificates (FSIS Form 9060-5 series) generated through PHIS will be digitally signed by FSIS and will be printed on plain paper by industry personnel with PHIS access. These plain paper forms must include the PHIS-generated watermark. Any attestations for the Philippines, as documented in the FSIS Export Library, will be captured in the FSIS Form 9060-5 remarks section or the FSIS Form 9060-5B (continuation sheet). The digitally signed FSIS Form 9060-5 series printed on plain watermarked paper and available for validation in PHIS will replace all letterhead certificates for meat and poultry products exported to the Philippines.

The PHIS Industry Test Environment (ITE) for the Philippines is now available to PHIS users. FSIS strongly encourages exporters to use the ITE to test application submittals for export to the Philippines. Registration and log-in information, as well as other ITE details, are included in the Constituent Update linked above.

If you have questions about PHIS or experience technical issues and need additional assistance, please contact Courtney Heller.

Other Trade Relations Amid MAV Discussions

Beyond the UK, other trading partners have also weighed in on the MAV policy review. The European Union (EU) has raised concerns over potential restrictions on agricultural imports, which could impact the Philippines' standing under the EU Generalized Scheme of Preferences Plus (GSP+), a program that provides duty-free access to key Philippine exports.

Similarly, the United States Department of Agriculture (USDA) has emphasized the importance of maintaining open trade channels for American pork and beef exports to the Philippines. According to a recent statement from the US Meat Export Federation (USMEF), the Philippines remains one of the top destinations for American meat products, and any significant policy shift could affect trade volumes.

Meanwhile, Uruguay's National Meat Institute (INAC) has expressed interest in expanding its beef exports to the Philippines. At a recent conference, INAC officials highlighted the high quality of Uruguayan beef and its potential to compete in the Philippine market, should MAV allocations be adjusted to accommodate more suppliers.

Uruguay's INAC Strengthens Trade Ties with the Philippines

February 25-28, 2025 – The National Meat Institute of Uruguay (INAC) recently held an industry presentation in the Philippines to promote Uruguayan beef, emphasizing its sustainability, traceability, and high-quality standards. INAC highlighted Uruguay's favorable climate, disease-free status, and strict biosecurity, positioning the country as a trusted supplier for the Philippine market.

With increasing demand for premium beef, Philippine importers showed strong interest in Uruguayan products, particularly for the hotel, restaurant, and retail sectors. The Department of Agriculture (DA) also supported Uruguay's efforts, noting the importance of diversified import sources for competitive pricing and stable supply.

Both countries look forward to expanding trade opportunities, with further discussions scheduled in Manila next week

THE UP AND COMING

🔹 *FDA Consultation on New Fees and Charges*
📅 Date: March 3, 2025
⏰ Time: 10:00 AM
📍 Venue: Office of the Director General, FDA

🔹 *Taste of Canada Dinner*
📅 Date: March 6, 2025
⏰ Time: 6:30 PM
📍 Venue: Canada's Official Residence

🔹 *DA Meeting with Pork Producers and Retailers*
📅 Date: March 6, 2025
⏰ Time: TBD
📍 Venue: DA Office

*** All photos are posted in the website gallery*