

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Agricultural Fuel Subsidy Program Announced

**Country:** Philippines

**Post:** Manila

**Report Category:** Biofuels, Policy and Program Announcements

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**Report Highlights:**

The Philippine Department of Agriculture (DA) will soon execute a \$10 Million fuel subsidy program for farmers and fishers to reduce production costs (Php500 Million). DOE earlier estimated total energy consumption in agriculture at 471.7 kTOE (kilo tons of oil equivalent), of which 227.6 kTOE was attributed to petroleum products (96 percent being diesel), 4.2 kTOE to Coco Methyl Ester (CME) biodiesel, and the remainder attributed to electricity. The National Biofuels Board's discussion on increasing inclusion rates of CME biodiesel to offset dependency on imported oil and petroleum fuels remain on hold.

## General Information:

The Department of Agriculture (DA) will soon execute the “Fuel Discount for Farmers and Fisherfolk Program” to reduce the production and transport costs of major farm and fishery products. A total of \$10 Million (PhP500 Million) (Note: \$1:PhP50) was appropriated for the fuel discount program under the Special Provision No. 20 of the 2022 General Appropriations Act. Under the provisions, the following condition shall be met to receive fuel discount:

1. When the average Dubai crude oil price based on Mean of Platts Singapore or MOPS for three months reaches or exceeds \$80 per barrel;
2. Beneficiaries must be registered under the DA’s Registry System for Basic Sectors in Agriculture (RSBSA) and BFAR’s fisherfolk registry system with fishing vessels registered in the Integrated Boat Registry System or DA-BFAR’s BOATR; and
3. Beneficiary owns and operates an agricultural and fishery machinery individually or through a farmer organization, cooperative or association, proof of ownership shall be provided.

To claim fuel discount, the DA Regional Field Units (RFUs) and BFAR Regional Offices (ROs) will issue fuel vouchers (amount to be determined) to qualified beneficiaries. The BFAR will secure the validated list of fishers with registered boats/bancas from the local government units to identify recipients. There are approximately 270,000 fisherfolks with boats but yet to be validated.

Beneficiaries from the crop sector will also be identified following a set of criteria for selection. The DA-RFUs and BFAR -RO will have a 1.5 percent budget for administrative and other operational expenses. Out of the \$10 Million budget, \$5 Million (PhP250 Million) will be for the fishery sector. For transparency, DA shall furnish the [Oversight Committee on Agriculture](#) a copy of the implementing guidelines and submit quarterly reports. A technical working group will be created to oversee the crafting and finalization of the implementing guidelines and program implementation.

Meanwhile, the National Biofuels Board has been slow to consider higher biofuel standards and blends that could offer some relief to the country’s current dependency on imported oil and petroleum-based fuels. The Department of Energy (DOE) had earlier noted plans to raise the biodiesel mix from two (B2) to five percent (B5) but also that it was considering a more conservative three percent (B3) blend implemented in gradual increases. The Philippine Biodiesel Association (TPBA) assured that there is more than enough capacity to meet the expected surge in demand for coco-biodiesel, and current oil prices mitigate earlier concerns that increasing biodiesel rates would impact pump prices. DOE earlier estimated total energy consumption in agriculture at 471.7 kTOE (kilo tons of oil equivalent), of which 227.6 kTOE was attributed to petroleum products (96 percent being diesel), 4.2 kTOE to Coco Methyl Ester biodiesel, and the remainder attributed to electricity. The Philippines’ greater adoption of biodiesel would further assist the Philippines achieve its NDC goals given the lower carbon intensity, given the lower carbon intensities of both crude and refined coconut oil-based CME of 32.8 gCO<sub>2</sub>e/MJ and 31.5 gCO<sub>2</sub>e/MJ, respectively, compared to fossil fuels (83.8 gCO<sub>2</sub>e/MJ). For more information, see [Biofuels Annual](#).

**Attachments:**

No Attachments.