

# CORN

## INVESTMENT GUIDE FOR CENTRAL VISAYAS



**2007**

Corn is the second most important crop in the Philippines. About 12 million Filipinos prefer white corn as their main staple. Yellow corn accounts for about 70% of livestock mixed feeds. Corn is also processed into high value products, such as corn starch, corn oil, gluten and snack foods. Fifty four percent (54%) of total corn production comes from yellow corn, which comprises one third of the total corn area.

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**Corn Investment Guide for Central Visayas**

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**AGRIBUSINESS AND MARKETING ASSISTANCE DIVISION  
(AMAD)**

**Department of Agriculture, RFU-7**

**M. Velez St., Cebu City**

**Telefax (032) 255-7559**

**E-mail: [da\\_amad\\_rfu7@yahoo.com.ph](mailto:da_amad_rfu7@yahoo.com.ph)**

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The corn-livestock sector accounts for 16% of the GVA in agriculture. Some 600,000 farm households depend on corn as a major source of livelihood, in addition to transport services, traders, processors and agricultural input suppliers who directly benefit from corn production, processing, marketing and distribution.

With technologies such as the use of hybrid seeds, application of Bio-N fertilizer supplement, and trichogramma biological control of corn borer, corn farmers can expect higher income. By using hybrid seeds, corn production yield ranged from two metric tons (MT) to ten MT, much higher than the total yield of two MT to three MT when using certified seeds. By using Bio-N, a microbial-based fertilizer substitute, more than half of nitrogen fertilizer application will be cut down.

## **CORN USES/PRODUCTS**

### ***FOOD SOURCE***

- a. Important food staple and animal feed ingredient
- b. Excellent source of carbohydrates
- c. Oil, extracted from the germ of corn kernel, is used as a cooking and salad oil
- d. Oil in solidified form is used as margarine
- e. High in sugar content, corn is used as sweetener in carbonated drinks, canned fruits and confectionary

### ***INDUSTRIAL USE***

- a. Corn oil is used in the manufacture of paints, soaps, and linoleum; also an essential ingredient in dressings and shortenings
- b. Corncobs are an important source of furfural, a liquid used for:
  - manufacturing nylon fibers and phenol-formaldehyde plastics
  - refining wood resin
  - making lubricating oils from petroleum
  - purifying butadiene in the production of synthetic rubber
- c. Ground corncobs are used as soft-grit abrasive, used as ingredient in a seaweed based organic fertilizer production
- d. Large , whole cobs from a special type of corn, “cob pipe” corn, are used for pipes for smoking tobacco
- e. Toothpaste sweetened by a powder processed from corn called sorbitol
- f. Environment-friendly products have likewise been developed, in the form of paints and dyes
- g. Corn oil-based ink used in newspaper printing
- h. Corn-derived citric acid used in the preparation of launder detergents
- i. Flat wares made with cornstarch

## **ALCOHOL PRODUCTION**

- a. Corn is processed to produce alcohol for use with gasoline as gasohol
- b. Source of ethanol used in the distillery industry
- c. Corn is also fermented for the production of corn liquor

## **STATUS OF THE INDUSTRY**

### **PRODUCTION**

#### **World**

- The United States grew 42% of the world's corn during fiscal year 2005, producing 299.9 Million MT. Other major corn producing countries in 2005 included: China – 130.3 Million MT, Brazil – 35 Million MT, European Union – 53.3 Million MT, Mexico – 22.6 Million MT, and Argentina – 19.5 Million MT. ([www.grains.org](http://www.grains.org))
- Indonesia is Southeast Asia's biggest corn producer, contributing about 45.12% of total production. (<http://www.bpre.gov.ph/phindustry/corn.htm>)

#### **Philippines**

- Philippines contributes about 1% to world's corn production or about 22 % of the total corn produced by the South-East Asian Nations. (<http://www.bpre.gov.ph/phindustry/corn.htm>)
- In 2006, corn production reached 6,082,109 MT while area harvested was 2,570,673 hectares (BAS, 2006)

#### **Central Visayas**

- In 2006, Central Visayas contributed 7.09% and 0.37% of the country's total white and yellow corn production, respectively. (BAS, 2006)
- Central Visayas production comprises Cebu (56.2%), Oriental Negros (35.1%), Bohol (5.8%), and Siquijor (2.9%). (BAS, 2006)

## **TRADE**

#### **World**

- World total exports of corn accounted for 80,786,104 MT valued at 11.4B US\$. (Food and Agriculture Organization of the United Nations Statistics estimations, 2004)

## Philippines

- 2001-2005 average imports of corn: 162,143.16 MT from at least 3 countries, with USA providing at least 58.74% of total average imports, Argentina with 29.15%, and China with 19.52%. (<http://www.nfa.gov.ph/nfa22.html>)
- In 2005, all imports of corn came from Argentina which is equivalent to 57,750 MT. (<http://www.nfa.gov.ph/nfa22.html>)
- No record is available on imports for CY 2003 and 2006. (<http://www.nfa.gov.ph/nfa22.html>)

## Central Visayas

- Majority of corn supply were sourced from Cagayan de Oro (49%), Davao (30%), General Santos (10%), Maguindanao (6%), Iligan (4%), and Butuan (1%) for 2006
- In 2006, locally imported corn reached 33,323 MT
- Major corn destinations were Masbate (75.77%), Southern Leyte (13.73%), Northern Leyte (7.07%), Iligan (1.52%), Tacloban (0.20%), and Samar (1.71%)
- Local exports for 2006 were 1,457 MT
- In Bohol, majority of the yellow corn produced were bought and marketed by Marcela Feed Mills while excess corn produce are shipped to Cebu and other neighboring provinces in the Visayas region.

## DEMAND AND SUPPLY PROJECTIONS

- Regional per capita consumption of corn grits for Central Visayas in 2006:
  - Bohol – 8.74 kgs
  - Cebu – 45.60 kgs
  - Oriental Negros – 72.90 kgs
  - Siquijor – 97.60 kgs
- Corn sufficiency level of Central Visayas in 2006 for Food Corn:
  - Bohol – 67.24%
  - Cebu – 51.60%
  - Oriental Negros – 57.10%
  - Siquijor – 53.47%
- Yellow corn production for 2006 was only 13,740 MT compared to Feed Miller's requirement which was 154,319 MT
- The region needs big volumes of corn to meet the two requirements:
  - white corn for human consumption
  - yellow corn intended for the livestock and poultry
- Aside from being a staple food and an ingredient for feeds, processed corn/corn products are being produced in the region. This implies additional requirement for corn.

**Cost and Return Analysis per Hectare of Hybrid Yellow Corn (1<sup>st</sup> Cropping)  
(Central Visayas, 2006)**

<b>Particulars</b>	<b>Current Cost</b>	<b>Interventions</b>	<b>Resulting Cost</b>
<b>A. Material Inputs</b>			
1. Seeds	2,150.00		2,150.00
2. Fertilizer			
a. Organic	-	Use of Organic Fertilizers	2,300.00
b. Bio-N	-	Use of Bio-N	360.00
c. Inorganic	8,800.00		4,500.00
3. Pesticides	1,850.00	Use of trichogramma	360.00
4. Sacks & Twine	650.00		650.00
Sub-Total	13,450.00		10,320.00
<b>B. Labor Inputs</b>			
1. Land Preparation			
Plowing	4,200.00	Farm Mechanization	3,000.00
2. Planting	1,750.00		500.00
3. Organic Matter Application	-		500.00
4. Sidedressing	500.00		250.00
5. Trichogramma Application	-		125.00
6. Harvesting	3,275.00		3,275.00
7. In-field Hauling	500.00		500.00
8. Shelling & Drying	4,875.00	Provision of PH Equipment	3,500.00
9. Trucking to PHF	2,625.00		2,000.00
Sub-Total	17,725.00		13,650.00
<b>C. Interest Expense</b>	1,600.00		1,600.00
<b>D. Total Cost of Production</b>	32,775.00		25,570.00
<b>E. Yield (kgs/Ha)</b>	5,000		5,000
<b>F. Production Cost per Kg</b>	6.56		5.11
<b>G. Farm Gate Price (Php/kg)</b>	8.85		8.83
<b>H. Gross Returns</b>	44,250.00		44,150.00
<b>I. Net Returns</b>	11,475.00		18,580.00
<b>J. Return on Investment (%)</b>	35.01		72.66

**Cost and Return Analysis per Hectare of OPV White Corn (1st Cropping)**  
**(Central Visayas, 2006)**

<b>Particulars</b>	<b>Current Cost</b>	<b>Interventions</b>	<b>Resulting Cost</b>
<b>A. Material Inputs</b>			
1. Seeds	650.00		650.00
2. Fertilizer			
a. Organic	-	Use of Organic Fertilizers	2,300.00
b. Bio-N	-	Use of Bio-N	360.00
c. Inorganic	6,992.50		3,600.00
3. Trichogramma	-	Use of trichogramma	280.00
4. Sacks & Twine	400.00		400.00
Sub-Total	8,042.50		7,590.00
<b>B. Labor Inputs</b>			
1. Land Preparation			
Plowing	3,750.00	Farm Mechanization	3,000.00
2. Planting	1,562.50		1,750.00
3. Organic Matter Application	-		500.00
4. Sidedressing	650.00		250.00
5. Trichogramma Application	-		125.00
6. Harvesting	3,500.00		3,500.00
7. In-field Hauling	500.00		500.00
8. Shelling & Drying	2,950.00	Provision of PH Equipment	2,000.00
9. Trucking to PHF	2,000.00		2,000.00
Sub-Total	14,912.50		13,625.00
<b>C. Interest Expense</b>	1,600.00		1,600.00
<b>D. Total Cost of Production</b>	24,555.00		22,815.00
<b>E. Yield (kgs/Ha)</b>	3,000		3,000
<b>F. Production Cost per Kg</b>	8.19		7.61
<b>G. Farm Gate Price (Php/kg)</b>	9.66		9.48
<b>H. Gross Returns</b>	28,980.00		28,440.00
<b>I. Net Returns</b>	4,425.00		5,625.00
<b>J. Return on Investment (%)</b>	18.02		24.65

## **INVESTMENT OPPORTUNITIES**

- Expansion of corn cluster production areas to meet the increasing demand for both white and yellow corn
- Increase production yield to supply raw materials for the development of feed mill industry
- Establishment of efficient post harvest facilities (like dryers, threshers, storage, and warehouses) to reduce post harvest losses
- Processing and/or value adding of corn and corn based products

## **PROBLEMS OF THE LOCAL CORN INDUSTRY**

- variable/unpredictable weather conditions
- high post harvest losses
- high production and transport costs
- low productivity

## **INSTITUTIONAL SUPPORT**

- Assistance from the Department of Agriculture's Ginintuang Masaganang Ani – Corn (GMA – Corn) Program

## **CORN MILLERS/TRADERS**

(Source: Agrimate Vol. III, Philippine Agribusiness 2005, DA-AMAD-7)

1. Association: Cebu Millers Association  
Contact Person: Nestor Tiu – President  
Address: c/o Visayan Corn Mill cor. Filibusterismo L. Kilat St., Cebu City  
Tel. No.: 256-1534 to 36; 255-4724  
Fax: 416-9379
2. Company: Atlas Cebu Corn Mill  
Address: 447 Basak, Mandaue City  
Tel. No.: 345-1438; 345-1161  
Contact Person: Ms. Julie Co – Manager
3. Company: Balaga Rice & Corn Mill  
Address: 76 A Lopez St., Cebu City  
Tel. No.: 261-1931  
Contact Person: Mr. Ricardo Balaga – Manager
4. Company: Benison Trade Corp.  
Address: 15-19 Plaridel St., Cebu City  
Tel. No.: 256-1231 to 33  
Fax No.: 253-2255  
Contact Person: Mr. Willie Dy – Manager/Director  
Line: Rice & Corn
5. Company: Cebu Filipinas Milling  
Address: MJ Cuenco Ave., Mabolo, Cebu City  
Tel. No.: 232-1766; 231-1486; 231-2341  
Fax: 231-8678  
Contact Person: Mr. Vicente Tiu – Manager

6. Company: East Visayan Milling  
Address: Wireless, Mandaue City  
Tel. No.: 344-0676; 346-1333; 346-2561  
Contact Person: Mr. Jacinto Rafanan
7. Company: Goodwill Corn Mill  
Address: Tipolo, Mandaue City  
Tel. No.: 345-1213 Fax: 346-0840  
Contact Person: Mr. Virgilio Escoton
8. Company: Gosotto & Co. Inc.  
Address: MJ Cuenco Ave., Cebu City  
Tel. No.: 232-2014; 233-0292; 231-0190  
Contact Person: Atty. Simon Go – Manager
9. Company: Mabuhay Milling Corp.  
Address: A. Del Rosario St., Mandaue City  
Tel. No.: 345-1280; 344-3392  
Contact Person: Mr. Arnulfo Sumalinog
10. Company: Sandy Milling  
Address: Tabunok, Talisay, Cebu  
Tel. No.: 272-3177; 272-3423  
Contact Person: Mr. Jun Dy – Gen. Manager
11. Company: Traders Cereal Milling  
Address: Bulacao, Talisay, Cebu  
Tel/Fax No.: 272-3427; 273-6789  
Contact Person: Mr. Alfredo Go
12. Company: Victory Cereal Milling  
Address: Subangdaku, Mandaue City  
Tel. No.: 344-3455; 345-0260 Fax: 345-2643  
Contact Person: Ms. Elizabeth Yang
13. Company: Visayan Corn Mill  
Address: Cor. Filibusterismo L. Kilat St., Cebu City  
Tel. No.: 256-1534 to 36; 255-4724  
Contact Person: Mr. Nestor Tiu – Gen. Manager/Pres.  
Corn Millers Association.
14. Company: Anros Enterprises  
Address: Opao, Tanjay, Negros Oriental  
Contact Person: Ms. Angeles Rosales Tan
15. Company: Durico Rice/Corn Mill  
Address: Boloc-boloc, Sibulan, Negros Oriental  
Contact Person: Mr. Robert Sy
16. Company: Janipin Rice & Corn Mill  
Address: Pob. Siaton, Negros Oriental  
Contact Person: Mr. Felicisimo Janipin, Sr.
17. Company: J & J Rice & Corn Mill  
Address: Awa-an, Ayungon, Negros Oriental Contact Person: Mr. Claudio Almaco, Jr.
18. Company: Lucky Star Corn Mill  
Address: Banilad, Dumaguete, Negros Oriental  
Contact Person: Medalla Sia
19. Company: Suan Corn Mill  
Address: Catulayan, San Juan, Siquijor  
Contact Person: Mr. Gene R. Suan

20. Company: Cebu Corn Product, Inc. – Miller  
Cebu Pagoda Commodities Corp. – Trader  
Address: Basak, Pardo, Cebu City  
Tel. Nos.: 272-3176; 415-4879  
Contact Person: Ms. Sheila Aquino Cajilog  
Commodities: yellow & white corn, cassava chips

## **TRADERS/WHOLESALEERS/RETAILERS**

1. Association: Grains Retailers Confederation (GRECON)  
Contact Person: Ms. Teresa P. Alegado – President  
Address: Pob. Occidental, Consolacion, Cebu  
Tel. No.: 344-1340; 344-1349 Fax No: 344-1349

### **BOHOL**

1. Company: Alturas Group of Companies/Marcela Farms  
Address: 2<sup>nd</sup> Flr., Alturas MH Grocery Bldg., MH del Pilar St., Tagbilaran City, Bohol  
Contact Person: Marlito C. Uy – Gen. Manager  
Tel. No.: (038) 411-3874 Tel/Fax: (038) 411-3556
2. Company: Deopat's Store  
Address: Catagbacan Norte, Loon, Bohol
3. Company: Jorge Lamban Rice & Corn Retailer  
Address: Dao Public Market, Tagbilaran City, Bohol  
Contact Person: Mr. Lose Lamban
4. Company: G.A. Store  
Address: Booy District, Tagbilaran City, Bohol  
Contact Person: Ms. Genara S. Wong
5. Company: GST's Mini Mart  
Address: Tagbilaran Central Market, Dao District, Tagbilaran City, Bohol  
Contact Person: Mr. Gilbert S. Tan
6. Company: Gendel's Store  
Address: Bohol District, Tagbilaran City, Catagbacan Norte, Loon, Bohol  
Contact Person: Mr. Patrogen Masapeguina
7. Company: Jundolyn Store  
Address: Tomoc, San Miguel, Bohol  
Contact Person: Mr. Ratada Butal
8. Company: MJD Store  
Address: Central Market, Dao District, Tagbilaran City, Bohol  
Contact Person: Ms. Teresita Pag-ong
9. Company: NCCR Store  
Address: Poblacion Ibabao, Loay, Bohol
10. Company: NCG Store  
Address: Carmen, Bohol
11. Company: Nutrimart Enterprises  
Address: CPG North Ave., Tagbilaran City, Bohol  
Contact Person: Mr. Manolito L. Sia
12. Company: Real's Store  
Address: 24 J.S. Torralba St., Tagbilaran City, Bohol  
Contact Person: Ms. Agustina R. Templa

13. Company: Rufa Sari-Sari Store  
Address: C. Marapao St., Tagbilaran City, Bohol  
Contact Person: Ms. Rufa C. Lamban
14. Company: Uriel Oppus Store  
Address: D. Jacinto St., Tagbilaran City, Bohol  
Contact Person: Mr. Uriel Oppus
15. Company: Wo's Store  
Address: Public Market, Talibon, Bohol

## **CEBU**

1. Company: Cebu Superior Grains Marketing  
Address: 89 Tabo-an Market, San Nicolas/25 Tres de Abril, Cebu City  
Tel. No.: 261-1788 to 7; 262-1677 to 78  
Contact Person: Ms. Wilma P. Brigoli
2. Company: Cebu Top Grains Marketing  
Address: 50 C. Padilla St., Cebu City  
Tel. No.: 261-0844  
Contact Person: Ms. Levita Lim
3. Company: Chicol's Merchandising  
Address: P. Rodriguez St., Bogo, Cebu  
Tel No.: 251-2200  
Contact Person: Ms. Jocelyn D. Cazar
4. Company: Chris Merchandising  
Address: 34 T. Abella St., San Nicolas, Cebu City  
Tel. No.: 261-1376  
Contact Person: Ms. Virginia Yap
5. Company: Golden Grain  
Address: Forest Hills, Banawa, Cebu City  
Tel No.: 254-4248  
Contact Person: Ms. Teresita S. Yu
6. Company: Sidlakan Marketing  
Address: 31 Tomas Abella St., Cebu City  
Tel No.: 261-1381; 261-1370  
Contact Person: Ms. Nelie Nirhan

## **NEGROS ORIENTAL**

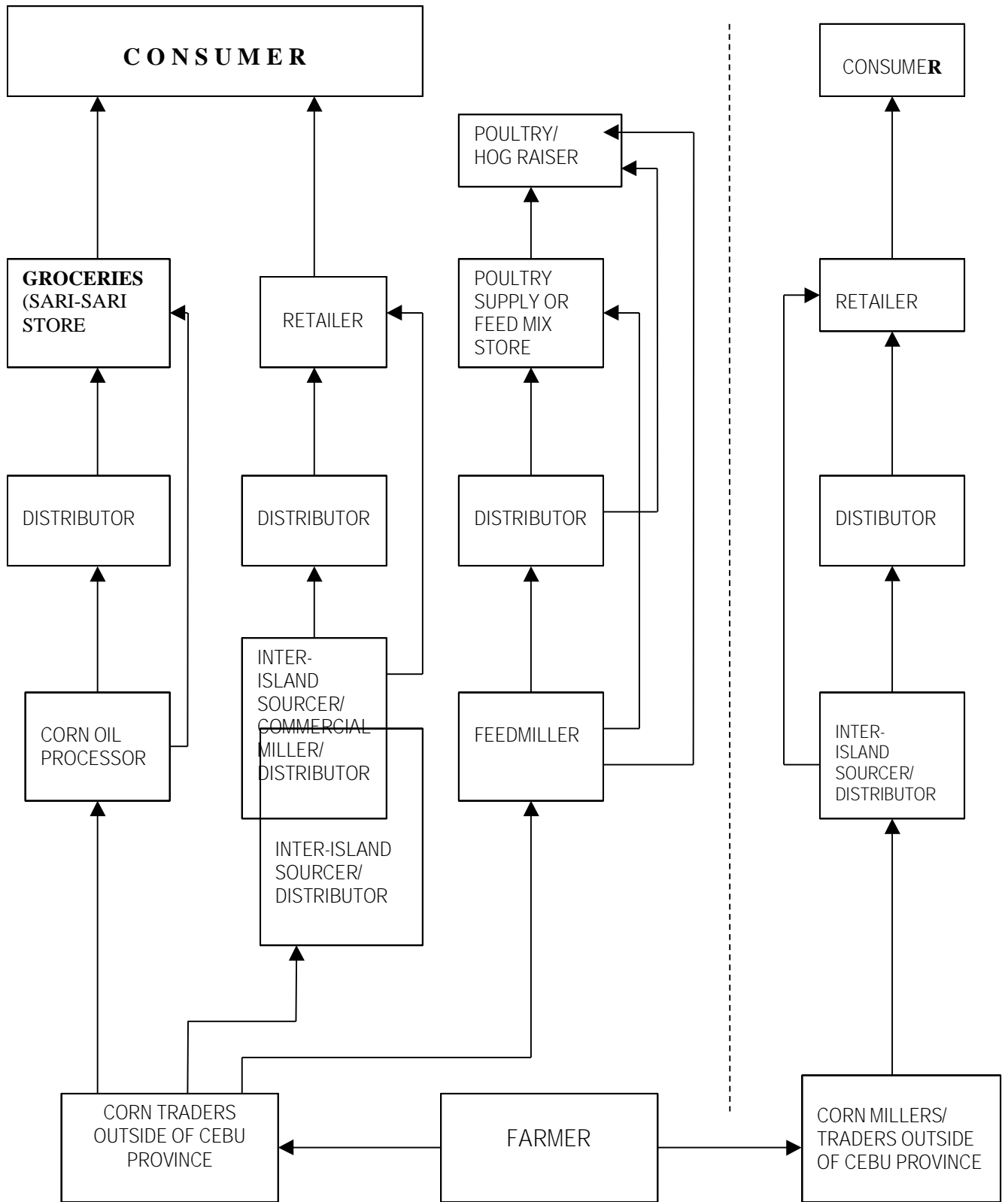
1. Company: Kurbada Store  
Address: 4382 Tubtuban, Sibulan, Negros Oriental  
Contact Person: Mr. Antonio Artera
2. Company: Rich Store  
Address: Public Market, Bayawan, Negros Oriental  
Contact Person: Ms. Antoniete Villanti
3. Company: Wilfredo Gregorio F. Chua Store  
Address: Stall No. 23 Bldg. 1 Public Market, Dumaguete City, Negros Oriental  
Contact Person: Wilfredo Chua
4. Company: Ayungon Trading  
Address: 714 Real St., Cor. Sta. Rosa St., Dumaguete City, Negros Oriental  
Contact Person: Ms. Maria Tan Yu

5. Cooperative: Olang Farmers MPC  
Address: Maria, Siquijor  
Contract Person: c/o MAO
6. Cooperative: Saguing Coconut Farmers MPC  
Address: Maria, Siquijor  
Contact Person: c/o MAO

#### **CORN OIL PROCESSORS**

1. Company: CENAPRO, INC.  
Address: Jagobiao, Mandaue City  
Tel No.: 344-0989; 344-1135  
Fax No: 346-8826  
Contact Person: Go Sing Chan – Manager  
Line: corn oil processor  
E-mail: [cenapro@skynet.net](mailto:cenapro@skynet.net)
2. Company: RICOR MILLS CORP.  
Address: 37 F. Gonzales St., Cebu City – Main Office  
Tel No: 234-1800 Fax No: 272-3427  
Contact Person: Mr. Daniel Go – Manager  
Line: corn oil processor  
Plant Address: Bulacao, Talisay  
Tel No: 272-3426; 273-1943  
Branch Office: Cebu Business Park, Rm. 903 9/F Ayala Life – FGU Bldg.  
Tel No: 234-1700; 234-1800  
Fax No: 234-0900

## MARKETING CHANNELS - CORN



WHITE AND YELLOW CORN GRITS  
CORN GRITS

WHITE

We acknowledge the invaluable funding support of the GMA - CORN Program, through:

**ASEC DENNIS B. ARAULLO**  
GMA-Corn National Program Director

**FRANCISCO L. SOPSOP**  
GMA-Corn Regional Coordinator

**STEERING COMMITTEE**

**DIR. EDUARDO B. LECCIONES, JR., CESO III**  
Regional Executive Director

**DIR. RICARDO D. OBLENA**  
Regional Technical Director

**DIR. EDUARDO Z. ALAMA, Ph.D./DPA/Ed.D**  
Regional Technical Director

**AMAD-7**

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Chief, AMAD

**CHRISTOPHER V. LUCERO**  
AllIED Section Chief

**GERRY S. AVILA**  
MPD Section Chief

**ALMA R. CONEJOS**  
Investment Officer

**JOCELYN T. PILAPIL**  
Marketing Officer

**EDEN J. SALAZAR**  
Investment Research Asst.

**SUISA V. CUESTA**  
Marketing Officer

**JESSICA B. ALBINO**  
Secretary/Technical Asst.

**ANTONIO P. GIDUQUIO**  
Liaison Officer