

Philippines resets import quotas amid rising costs

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In a calibrated policy response to mounting global uncertainties, the Philippine government has introduced a revised framework for the Minimum Access Volume (MAV) mechanism, aimed at enhancing transparency, ensuring equitable stakeholder participation, and safeguarding domestic food security. The move comes against the backdrop of rising input costs linked to geopolitical tensions, prompting a reassessment of import allocation strategies across key agricultural commodities.

Through Joint Department Circular 1â??signed by six key government agenciesâ??the revised guidelines mandate the cancellation of all existing MAV allocations and licenses, consolidating them under the MAV Secretariat for fresh distribution in MAV Year 2026. The updated framework also introduces a performance-linked eligibility criterion, requiring MAV holders to achieve a minimum utilisation threshold of 70 percent to qualify for participation in subsequent allocation cycles.

A notable shift has been introduced in the allocation structure for pork imports, a critical component of the countryâ??s food supply chain. Under the revised scheme, 50 percent of allocations will be directed towards meat importer processors (MIPs) with verified local processing facilities, 30 percent to other qualified licensees, and 20 percent to state trading enterprises (STEs). This rebalancing is designed to strengthen domestic processing capacity while ensuring price stability and consistent supply.

The MAV mechanism continues to offer preferential tariff treatment, with in-quota imports attracting a reduced tariff of 15 percent, compared to a higher 25 percent levy for out-quota shipments. At the same time, the government has introduced provisions for flexibility, including the potential invocation of a â??MAV Plusâ? allocation in response to supply shortages or

abnormal price movementsâ??even before existing quotas are fully utilised.

To reinforce accountability, the revised guidelines stipulate strict compliance requirements. Licensees failing to utilise their annual allocation risk exclusion from future distribution cycles, unless such failure is attributable to force majeure or circumstances beyond their control. Instances of misrepresentation, falsified documentation, or technical smuggling may result in suspension or permanent cancellation of licenses.

The updated framework also requires all interested stakeholdersâ??both existing and prospectiveâ??to submit fresh applications for MAV licenses, ensuring a level playing field under the new regime. Agricultural products covered under the scheme include pork, poultry meat, corn, chipping potatoes, coffee beans, and coffee extract.

Officials emphasised that the revisions follow extensive stakeholder consultations and remain aligned with the Philippinesâ?? international trade commitments under the World Trade Organizationâ??s Uruguay Round framework. By recalibrating the MAV mechanism, the government aims to strike a delicate balance between supporting domestic producers, managing import flows, and mitigating price volatility in an increasingly uncertain global environment.