

Voluntary Report – Voluntary - Public Distribution

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Report Name: Livestock and Poultry Update

Country: Philippines

Post: Manila

Report Category: Livestock and Products, Poultry and Products

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Report Highlights:

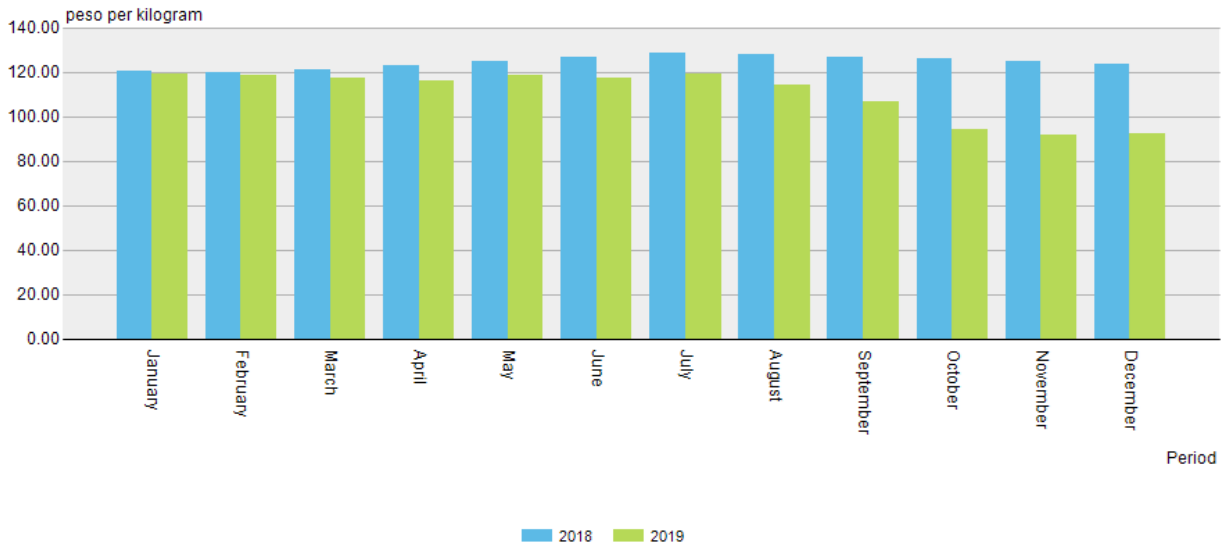
FAS Manila expects Philippine pork production to decline by approximately 10 percent in 2020, as African Swine Fever continues to spread throughout the country. Imports of pork are likely to increase to augment the drop in domestic production and as demand recovers from the decline seen at the end of 2019. Chicken production in 2020, on the other hand, is expected to grow, with broiler raisers ramping up production to offset the drop in hog production. Cattle production is only seen to increase marginally in 2020, even as farm gate prices rise sharply, due to limited pastureland and a lack of new breeding animals. The impact of COVID-19 in the Philippines is likely to be in delayed shipments and supply disruptions.

Swine Meat: Post sees pork production dropping about 10 percent in 2020 as African Swine Fever (ASF) continues to spread throughout the country, both in Luzon and more recently in Mindanao. The Philippine Department of Agriculture has announced that as of March 10, about two percent (237,000 pigs) of the country's total 12.8 million hogs have been culled. However, other industry experts have mentioned that up to 30 percent of hogs may be affected by the disease. Although lower than the previous year due to reduced supply, pork demand is seen to normalize from the drop in late 2019. Consumers initially had concerns about the safety of pork during the initial spread of the disease, but demand has since recovered.

Meat, Swine	2018		2019		2020	
	Jan 2018		Jan 2019		Jan 2020	
Philippines	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	1601	1601	1640	1585	1475	1450
Total Imports	287	287	240	240	300	300
Total Supply	1888	1888	1880	1825	1775	1750
Total Exports	1	1	1	1	0	1
Human Dom. Consumption	1887	1887	1879	1824	1775	1749
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	1887	1887	1879	1824	1775	1749
Ending Stocks	0	0	0	0	0	0
Total Distribution	1888	1888	1880	1825	1775	1750
(1000 MT CWE)						

2019 pork production was adjusted down to reflect the one percent decline reported by the Philippine Statistics Agency (PSA). Total swine inventory increased by 0.7 percent, with backyard farms comprising about 70 percent of total hog supply declining 2.4 percent. Commercial farms' hog numbers, on the other hand, increased 6.2 percent. This could indicate a shift to commercial farming, as such operations benefit from strong biosecurity measures and efficient production. Slaughter rates dropped in 2019 because of low farm gate prices and weak pork demand, which contributed to a decline in 2019 swine meat production.

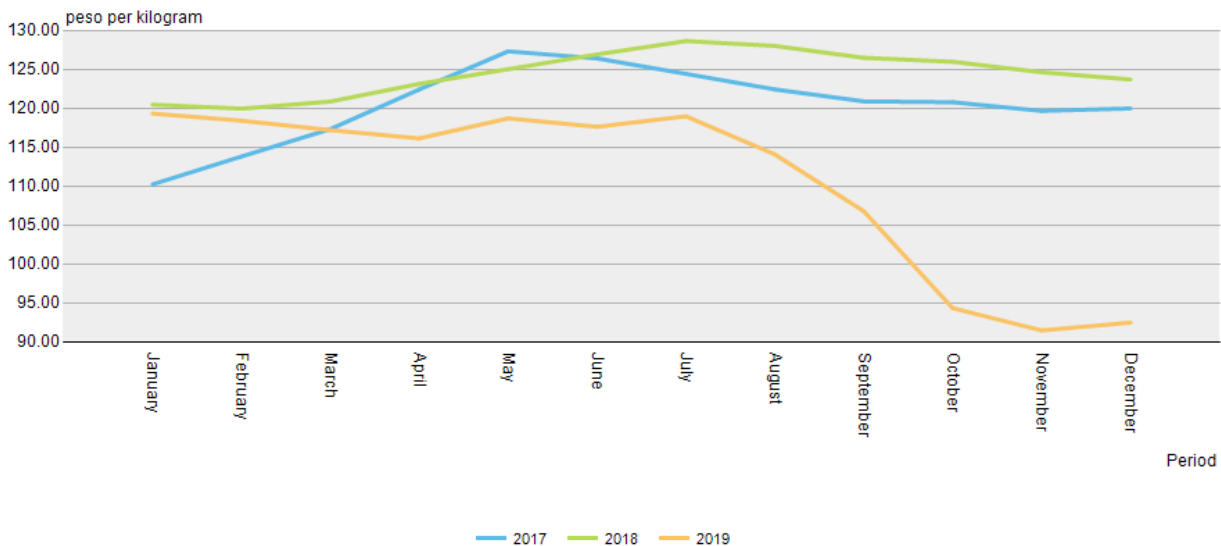
FARM GATE PRICES, HOGS FOR SLAUGHTER, COMMERCIAL FARMS



Source: Philippine Statistics Authority

The Philippine Zoning Plan currently exempts commercial farms in red zones within the one-kilometer radius from culling, provided the pigs test free from ASF. The increase in the hog inventory of commercial farms reflects this, as most of the culling has been limited to backyards stocks. Farm gate prices during the last quarter of 2019 dropped below the cost of production and many commercial farms delayed slaughter until retail prices of pork began to recover. The average market weight of hogs in the Philippines at 100 kilograms is generally lower than general U.S. live weights of 120-130 kilograms.

RETAIL PRICES OF PORK, COMMERCIAL FARMS



Source: Philippine Statistics Authority

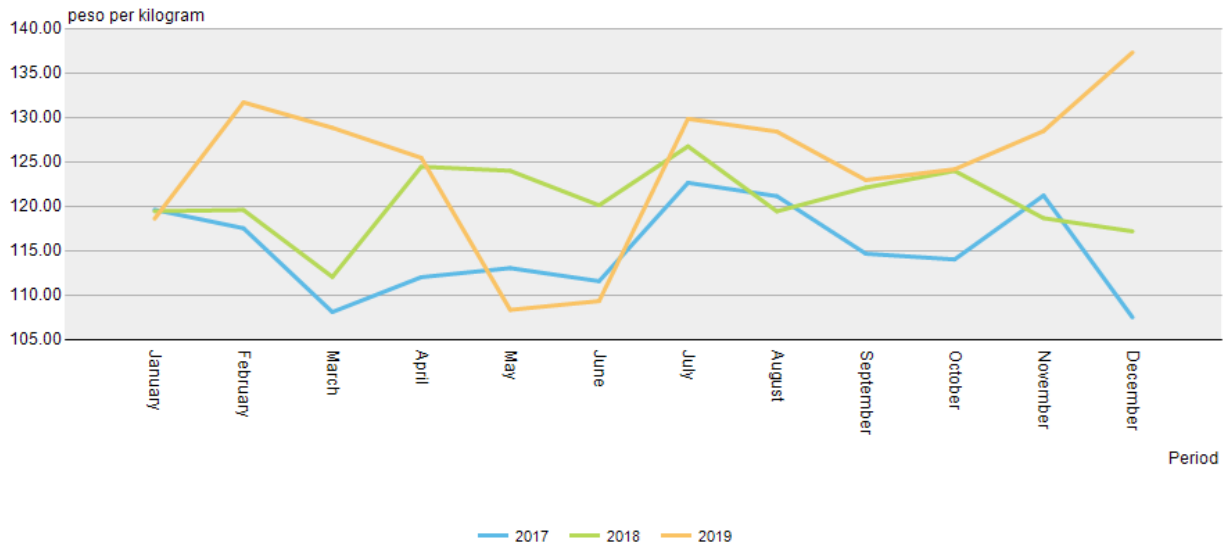
Total pork imports for 2019 dropped due to high global pork prices from increased purchases by China. Philippine imports of swine meat will likely increase in 2020 to fill the shortfall in domestic production.

Chicken Meat: Broiler production is forecast to surge by 10 percent in 2020, as broiler raisers continue to ramp up production to augment the decline in pork production from ASF. Post lowered chicken meat imports due to possible delays in shipments and supply disruptions from the spread of novel coronavirus (COVID-19). Industry reports that there are ample stocks of imported and local chicken in cold storage facilities due to some slowdown in demand related to COVID-19, particularly by the fast food chains and quick service restaurants. On March 16, 2020, the Philippines confirmed a positive case of H5N6 Highly Pathogenic Avian Influenza (HPAI) on a quail farm in Nueva Ecija. Philippine industry does not expect this HPAI case to have a significant impact on the broiler sector.

Meat, Chicken	2018		2019		2020	
	Jan 2018		Jan 2019		Jan 2020	
Philippines	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	0	0	0	0	0	0
Production	1380	1380	1450	1450	1600	1600
Total Imports	320	320	345	345	390	360
Total Supply	1700	1700	1795	1795	1990	1960
Total Exports	0	0	0	0	0	0
Human Consumption	1700	1700	1795	1795	1990	1960
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	1700	1700	1795	1795	1990	1960
Total Use	1700	1700	1795	1795	1990	1960
Ending Stocks	0	0	0	0	0	0
Total Distribution	1700	1700	1795	1795	1990	1960
(1000 MT)						

Beef: Post expects beef production to increase marginally in 2020 due to attractive prices. Farm gate prices have increased by P15-20/kg (in the last quarter of 2019) and an increase in slaughter (even at a lower weight/age) has been observed due to strong demand for beef. However, limited pasturelands and a lack of new breeding animals will be a constraint on further growth. Moreover, the delays in trade caused by increased COVID-19 restrictions will also place more pressure on local beef prices, as over half of the beef supply is imported.

FARM GATE PRICES, CATTLE FOR SLAUGHTER, COMMERCIAL FARMS



Source: Philippine Statistics Authority

Meat, Beef and Veal	2018		2019		2020	
	Jan 2018		Jan 2019		Jan 2020	
Philippines	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	203	203	202	202	205	205
Total Imports	195	195	160	160	130	130
Total Supply	398	398	362	362	335	335
Total Exports	1	1	1	1	1	1
Human Dom. Consumption	397	397	361	361	334	334
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	397	397	361	361	334	334
Ending Stocks	0	0	0	0	0	0
Total Distribution	398	398	362	362	335	335
(1000 HEAD) ,(1000 MT CWE)						

Attachments:

No Attachments.