



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

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GAIN Report #RP0033

Philippines

Oilseeds and Products

Soybean Meal PSD Revision

2000

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Report Highlights:

Soybean meal imports were raised in 2000 due to stricter import licensing procedures that will benefit local livestock and poultry production. Previous estimates were based on depressed feed demand particularly by the local poultry industry due to a surge in cheaper poultry imports. Soybean meal imports the following year is predicted to remain flat compared to MY2000 due to high carry over stocks.

Includes PSD changes: Yes

Includes Trade Matrix: No

Unscheduled Report

Manila [RP1], RP

Executive Summary

Soybean meal imports were raised in 2000 as demand by the local hog, poultry, and aquaculture industries was greater than expected. The poultry sector, in particular recovered from the slowdown of previous years starting late 1999 and accelerated its growth in the first quarter of the year in preparation for the fiesta or thanksgiving season in May. Soybean meal imports surged during this period. The industry, however, faced stiff competition from the entry of cheaper chicken meat imports, most of which originated from the U.S.

Last April, the Department of Agriculture (DA) issued Administrative Order No. 16 (AO16) establishing regulations, standards and procedures on the importation of meat and meat products including poultry meat. AO16 took effect May 19, 2000. Prior to this, there were delays in the issuing of import licenses for meat and meat products as a result of unilateral changes in import licensing procedures.

AO16 has been criticized to be too strict and protectionist by some meat importers. The added protection AO16 affords the local livestock and poultry industries has resulted in both sectors becoming more aggressive in its production. Hence, the greater demand for soybean meal and the upward adjustments in soybean meal imports in 2000. Soybean meal imports during the year are expected to increase significantly from the previous year's level and reach 1.2 million tons. The U.S. market share will slightly dip compared to the previous year due to competition from Latin American soybean meal. Imports for 2001 are predicted to remain flat due to fairly high stock levels coming into the year with the U.S. market share predicted to continue its decline due to the likely decrease in and consequently higher prices.

PSD Table						
Country	Philippines					
Commodity	Meal, Soybean			(1000 MT)(PERCENT)		
	Revised	1998	Prelim.	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Crush	270	230	316	400	0	465
Extr. Rate, 999.9999	0.72963	0.8	0.791139	0.8	0	0.8
Beginning Stocks	30	85	85	62	0	132
Production	197	184	250	320	0	372
MY Imports	1160	743	1095	1200	0	1200
MY Imp. from U.S.	738	691	800	1000	0	950
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	1387	1012	1430	1582	0	1704
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consum.	0	0	0	0	0	0
Feed Waste Dom. Consum	1302	950	1345	1450	0	1550
TOTAL Dom. Consum.	1302	950	1345	1450	0	1550
Ending Stocks	85	62	85	132	0	154
TOTAL DISTRIBUTION	1387	1012	1430	1582	0	1704
Calendar Year Imports	0	743	0	1200	0	1200
Calendar Yr Imp. U.S.	0	691	0	1000	0	950
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0