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Post: Manila

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Report Highlights:

FAS Manila forecasts beef imports to remain flat at 200,000 MT Carcass Weight Equivalent (CWE) in 2024 because of low demand for imported beef. Beef production is expected to increase slightly to 190,000 MT CWE because some pig and small ruminant farmers are shifting to cattle. FAS Manila forecasts 2024 pork imports lower at 500,000 MT CWE because of tight global supply. There will be a slight rebound in pork production to 970,000 MT CWE because of repopulation efforts in the commercial swine sector. FAS Manila forecasts increased chicken production to 1.525 million MT Ready to Cook (RTC) in 2024 because integrators are expanding production. Chicken imports are forecast to increase to 500,000 MT RTC because of strong demand for cheaper protein.

Executive Summary

FAS Manila forecasts beef imports to remain flat in 2024 because of low demand for imported beef. Beef production is expected to increase slightly because some pig and small ruminant farmers are shifting to cattle.

FAS Manila forecasts 2024 pork imports lower because of tight global supply. There will be a slight rebound in pork production because of repopulation efforts in the commercial swine sector.

FAS Manila forecasts increased chicken production in 2024 because integrators are expanding production. Chicken imports are forecast to increase because of strong demand for cheaper protein.

Meat and egg production is expected to increase 3 percent for 2024, driven mostly by chicken.

Table 1: Meat and Egg Production, 2022 to 2024 (1000 MT)				
Commodity	2022	2023F	2024F	%Δ
Total	3,253	3,350	3,455	3
Beef (CWE)	183	185	190	3
Pork (CWE)	925	950	970	2
Chicken (RTC)	1,437	1,475	1,525	4
Chicken Eggs	708	740	770	3

Sources: Philippine Statistics Authority (beef, chicken, & eggs); FAS Manila (pork and forecasts)

Note: This is not USDA Official data.

BEEF

Production, Supply, and Distribution (PSD)

Table 2: Meat, Beef and Veal Market Year Begins	2022		2023		2024	
	Jan 2022		Jan 2023		Jan 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Philippines						
Slaughter (Reference) (1000 HEAD)	0	0	0	0	0	0
Beginning Stocks (1000 MT CWE)	0	0	0	0	0	0
Production (1000 MT CWE)	183	183	185	185	0	190
Total Imports (1000 MT CWE)	256	256	260	200	0	200
Total Supply (1000 MT CWE)	439	439	445	385	0	390
Total Exports (1000 MT CWE)	1	1	1	1	0	1
Human Dom. Cons. (1000 MT CWE)	438	438	444	384	0	389
Other Use, Losses (1000 MT CWE)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT CWE)	438	438	444	384	0	389
Ending Stocks (1000 MT CWE)	0	0	0	0	0	0
Total Distribution (1000 MT CWE)	439	439	445	385	0	390
(1000 HEAD) ,(1000 MT CWE)						

Note: This is not USDA Official data.

Production

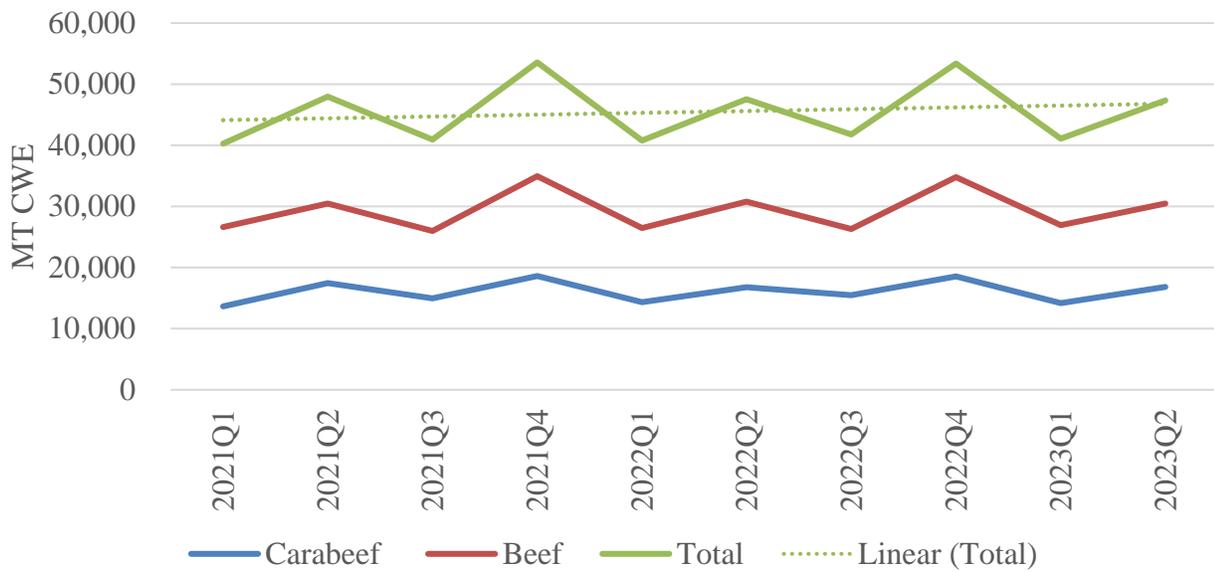
FAS Manila forecasts 2024 beef production to increase slightly in 2024 compared to 2023 because more investors are coming into the sector. According to industry contacts, 75 head of Brahman cattle arrived August 22-26, 2023. In addition, 20,000 plus doses of frozen bull semen were imported in September 2022. Breeder cattle importation has constantly increased in recent years. Industry contacts added that some swine and small ruminant farmers are shifting to cattle. In the Philippines, the commercial cattle sector inventory comprises only 2 percent, while the backyard cattle sector comprises 98 percent according to the Philippine Statistics Authority (PSA) data.

The trendline of total beef and carabeef production shows it is increasing over time. Inventory is declining, which means cattle and carabao are being sold as meat. This is corroborated by the slightly increasing number of cattle and carabao slaughtered.

Prices

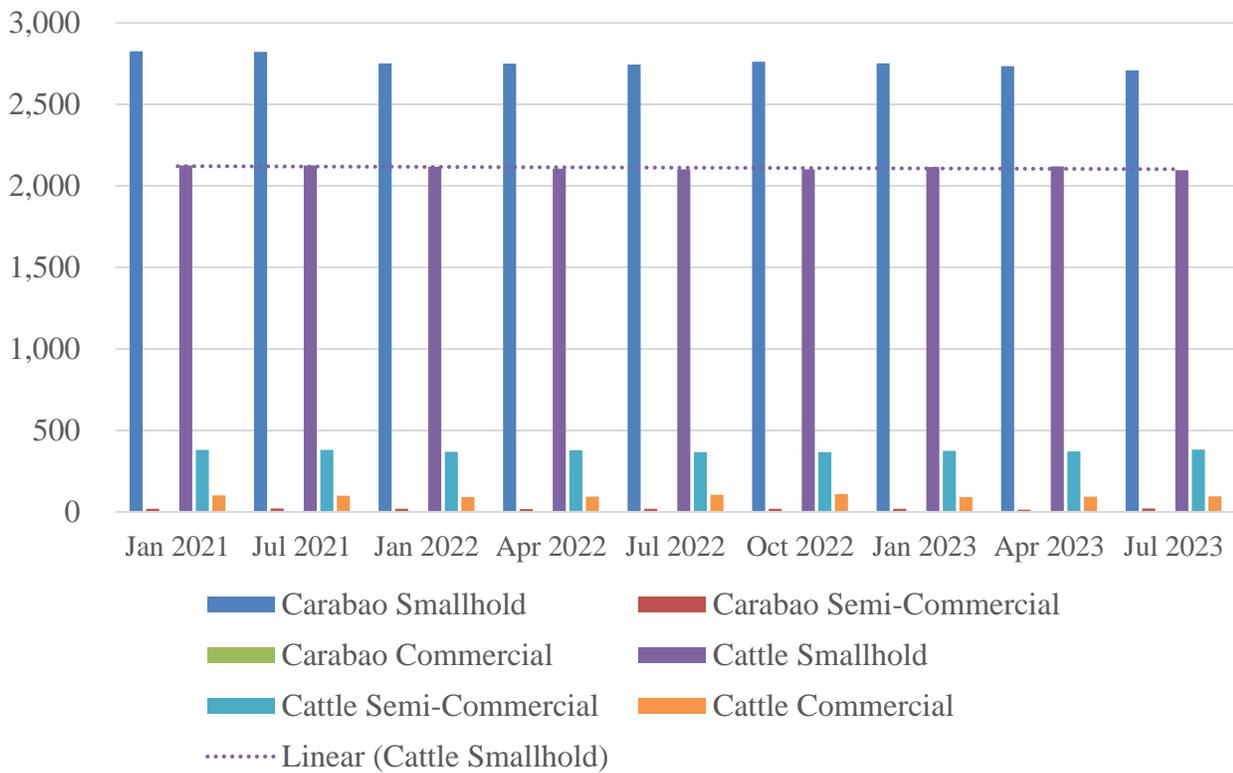
Farmgate and retail prices have been generally increasing through the years because of increasing demand for locally produced beef/carabeef.

Figure 1: Beef/Carabeef Production (MT CWE)



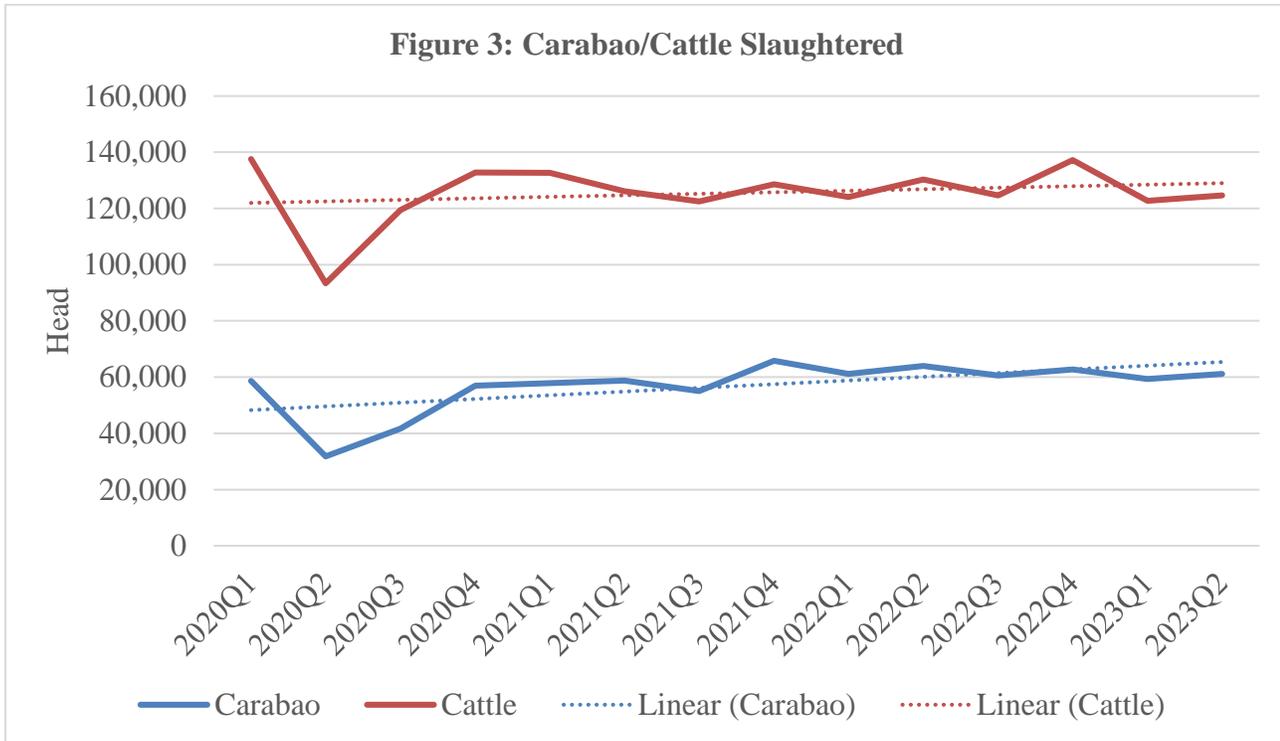
Source: [Philippine Statistics Authority](#)

Figure 2. Carabao/Cattle Inventory



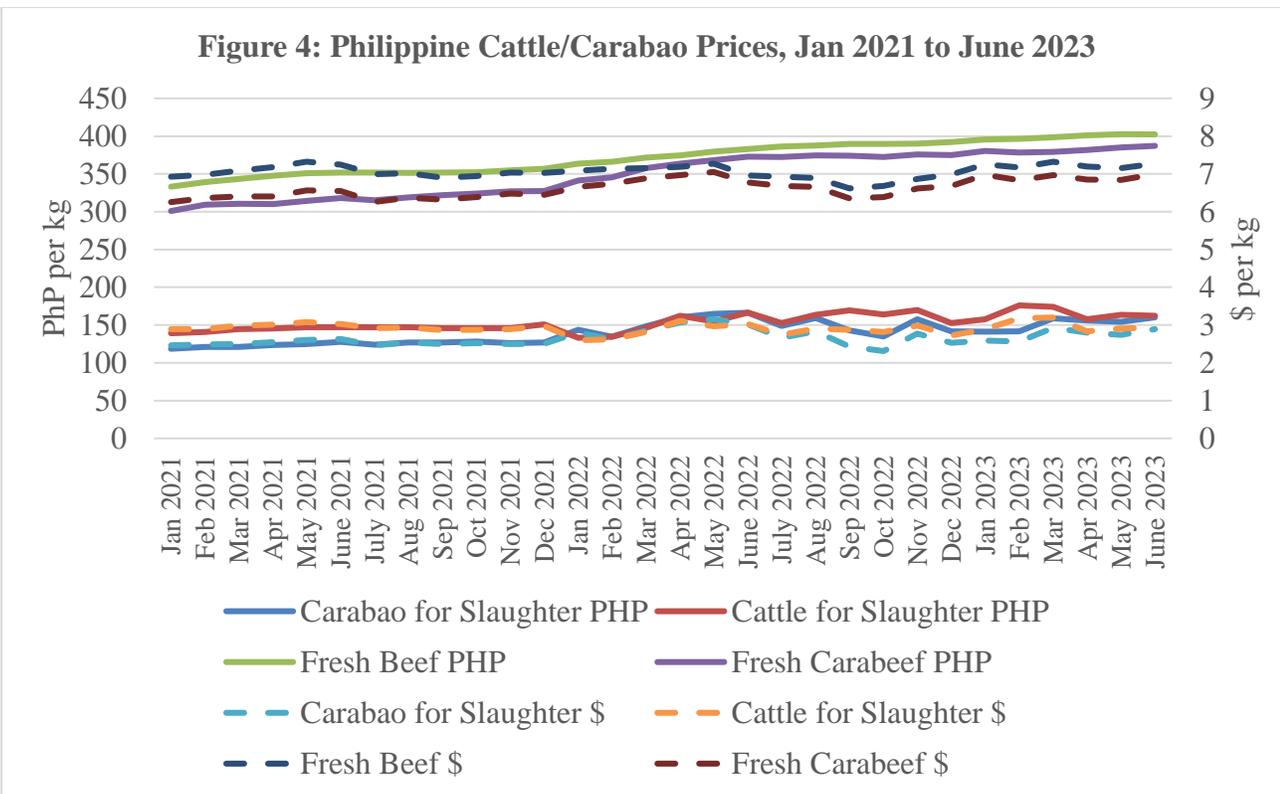
Source: [Philippine Statistics Authority](#)

Figure 3: Carabao/Cattle Slaughtered



Source: [Philippine Statistics Authority](#)

Figure 4: Philippine Cattle/Carabao Prices, Jan 2021 to June 2023



Source: [Philippine Statistics Authority](#)

Consumption

Beef consumption for 2024 is expected to increase slightly. For 2023, higher gasoline prices will lead to higher inflation rates that will reduce consumers' purchasing power. Beef, being the most expensive protein, will be most affected. Fresh beef caters more to the affluent segment while canned goods (which use Indian carabeef) cater more to the lower income segment. Canned goods manufacturers have recently been petitioning for higher suggested retail prices because of increasing raw materials costs. If granted, this will have an adverse effect on future consumption, even for cheaper canned goods.

Trade

FAS Manila forecasts beef imports to be flat in 2024 because of low demand for imported beef. For 2023, the import estimate was revised downward in response to historical trade data. Indian carabeef imports, a major raw material in the production of corned beef and hotdogs, are down 12 percent. U.S. beef exports are down by a bigger 29 percent. Even Brazil, the traditional beef manufacturing-grade supplier to the Philippines, is down 19 percent. The brief temporary ban of Brazilian beef on [March 22, 2023](#) exacerbated the trade situation although the ban was lifted barely a week after on [March 28, 2023](#).

Reporter	Calendar Year		January-June		%Δ
	2021	2022	2022	2023	
Total	221,380	255,566	123,120	90,743	-26
Brazil	63,178	83,887	37,571	30,329	-19
Australia	43,673	45,329	21,214	14,007	-34
India	57,312	66,449	34,500	30,388	-12
EU 27	28,999	24,269	13,317	5,099	-62
United States	13,997	24,821	11,220	7,998	-29
New Zealand	4,497	6,734	3,066	2,578	-16
United Kingdom	6,726	2,259	1,214	146	-88
Others	2,998	1,818	1,018	198	-81

Source: Trade Data Monitor, LLC

PORK

Production, Supply, and Distribution (PS&D)

Table 4: Meat, Swine Market Year Begins Philippines	2022		2023		2024	
	Jan 2022		Jan 2023		Jan 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference) (1000 HEAD)	0	0	0	0	0	0
Beginning Stocks (1000 MT CWE)	0	0	0	99	0	85
Production (1000 MT CWE)	925	925	950	950	0	970
Total Imports (1000 MT CWE)	560	560	500	525	0	500
Total Supply (1000 MT CWE)	1485	1485	1450	1574	0	1555
Total Exports (1000 MT CWE)	1	1	1	1	0	1
Human Dom. Cons. (1000 MT CWE)	1484	1385	1449	1488	0	1494
Other Use, Losses (1000 MT CWE)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT CWE)	1484	1385	1449	1488	0	1494
Ending Stocks (1000 MT CWE)	0	99	0	85	0	60
Total Distribution (1000 MT CWE)	1485	1485	1450	1574	0	1555

(1000 HEAD), (1000 MT CWE)

Note: PSD numbers do not include pork offal, fat, and rind; This is not USDA Official data.

Production

FAS Manila increases its 2024 pork production forecast compared to the previous year because of repopulation efforts of the pig commercial sector. Industry contacts said that the current rate of growth is a “slow growth” compared to the losses. Post typically does not follow PSA data on pork production, but PSA's trendline (Figure 6) aligns with Post's analysis and sources in terms of this forecast.

While there is a nascent [ASF vaccine](#) (Diaz, 2017a) being introduced by one company, industry contacts are still [skeptical](#) about its effectiveness in the absence of larger trials (Diaz, 2017b). Industry contacts added that sows should be the main beneficiary of the ASF vaccine, as they are the bigger investment compared to fatteners and should be protected more. The current vaccine is said to be effective for growers and fatteners. If any effective ASF vaccine good for all types of pigs is approved in the future, this will increase pork production in the Philippines. Industry contacts still do not believe the PSA production data is a true representative of the pig production situation.

Figure 5: African Swine Fever Zoning Status as of August 4, 2023

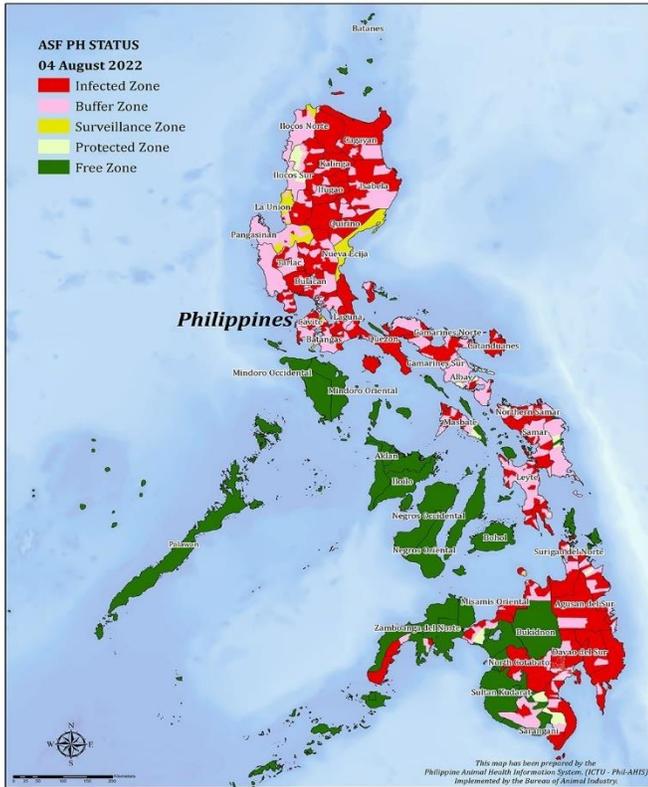


FIGURE 1. Map of the Philippines showing Zoning Status per City / Municipality

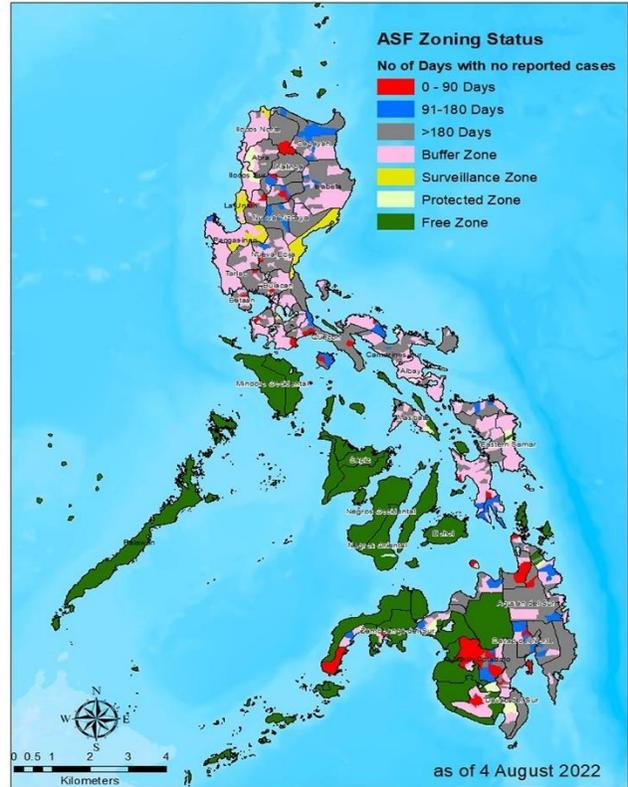
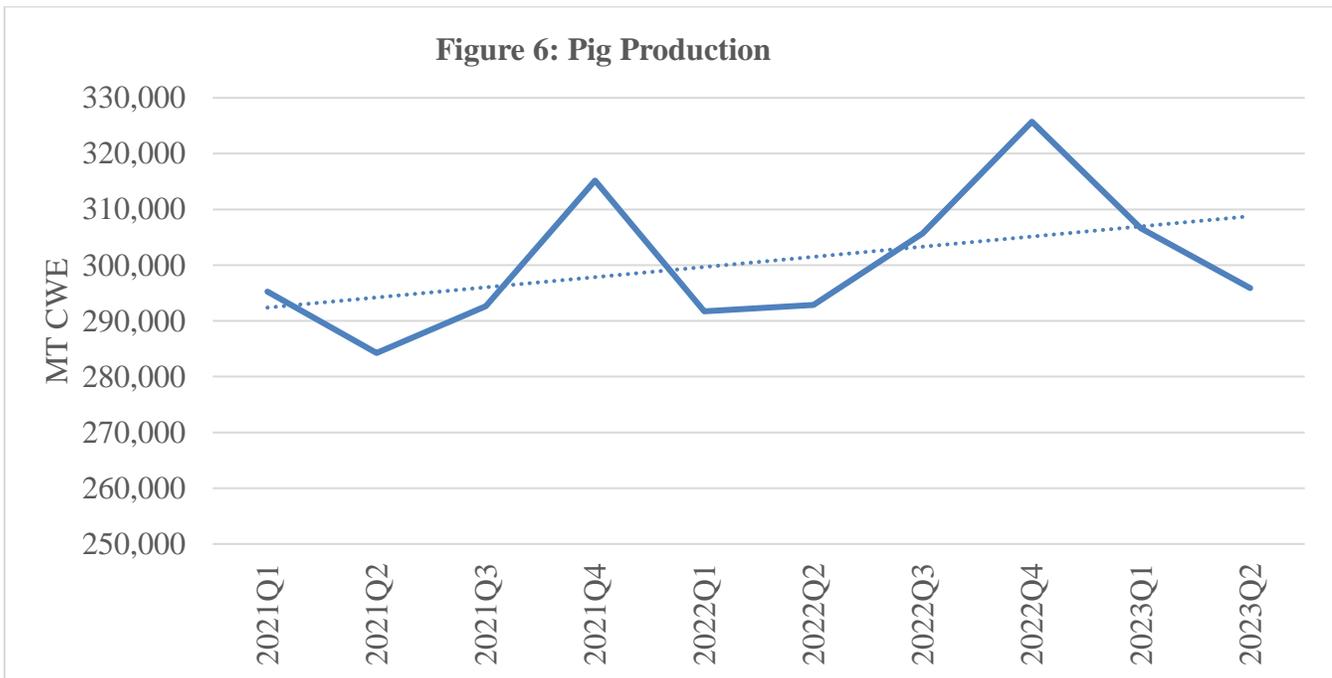


FIGURE 2. Map of the Philippines showing City / Municipality with no reported ASF case for ≤ 90 days (Red), 91 to 180 days (Blue) and ≥ 181 days (Grey).

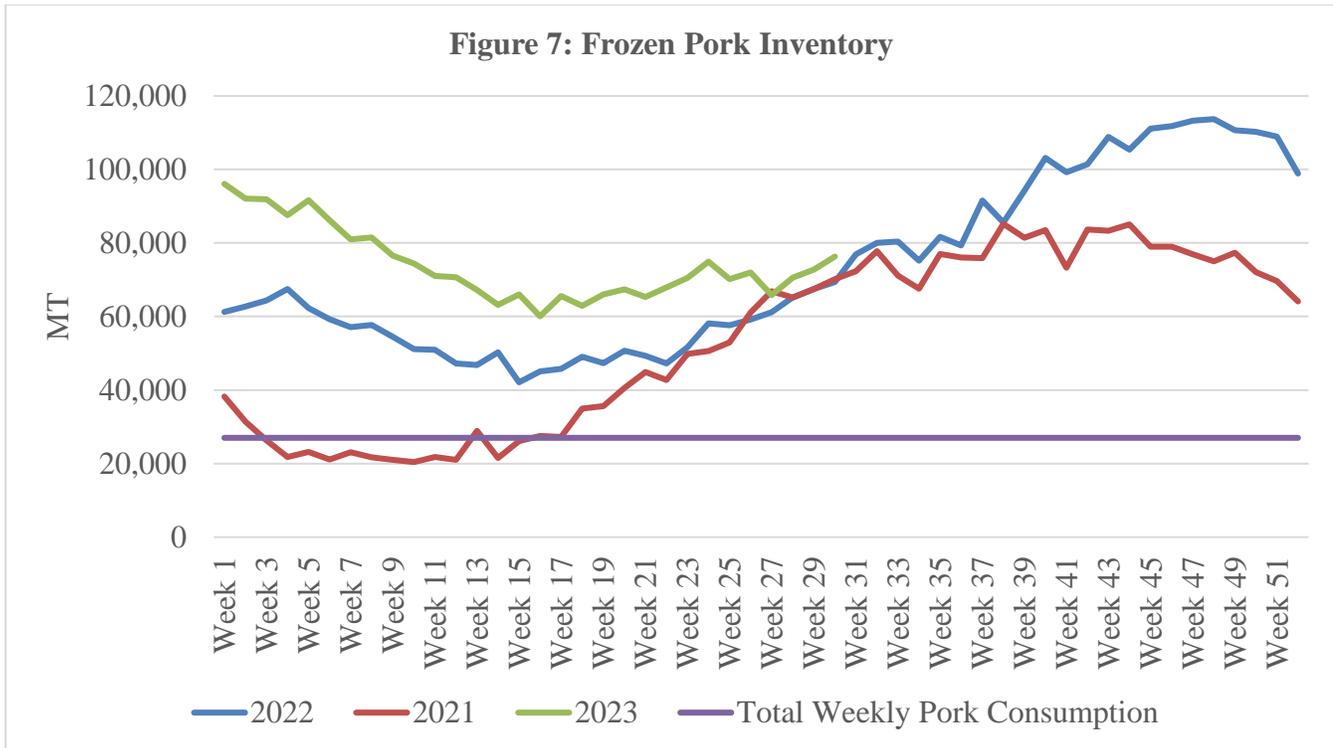
Source: [Department of Agriculture-Bureau of Animal Industry](#)



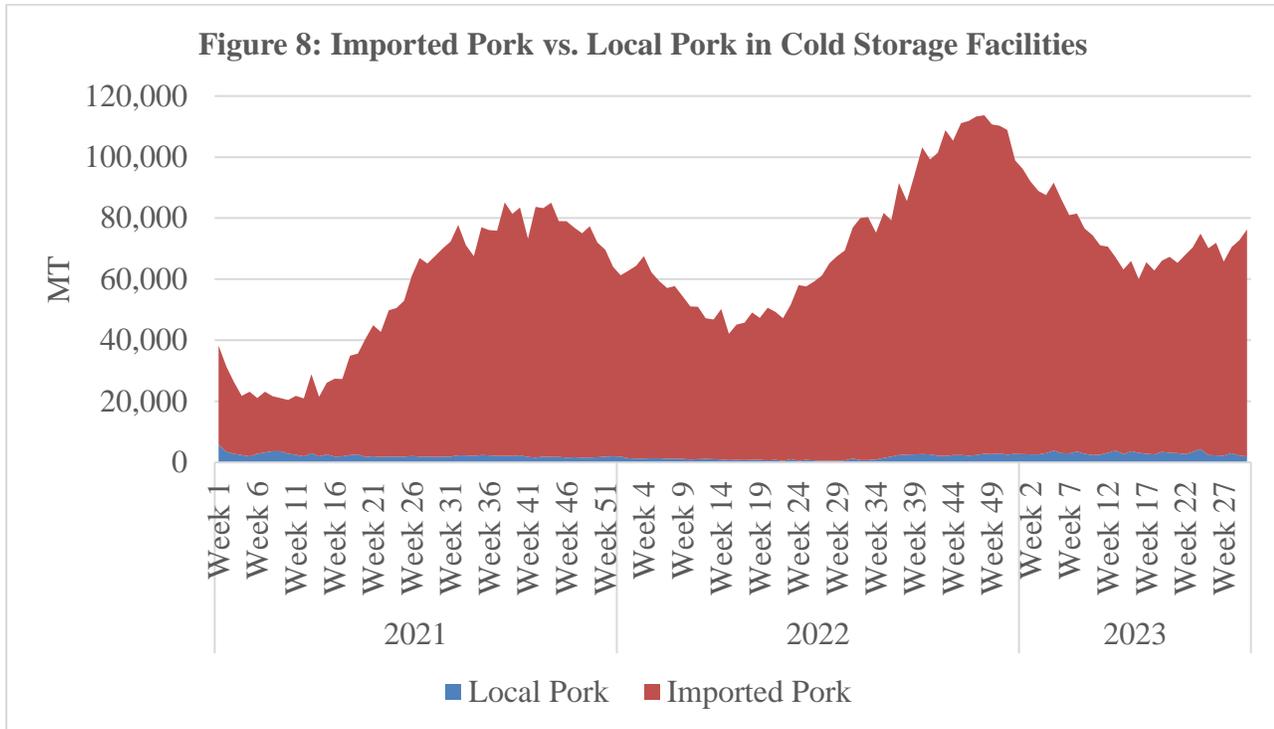
Source: [Philippine Statistics Authority](#)

Inventory

Frozen pork inventory in accredited cold storage facilities for 2023 Week 30 is slightly higher compared to the 2022 level. Inventory build-up occurs during this time of year in preparation for the Christmas holidays. If the lower imported pork tariff rates are not renewed for 2024, FAS Manila expects year ending frozen pork inventory to be higher than 2021 but lower than 2022.



Source: [Department of Agriculture-National Meat Inspection Service](#)

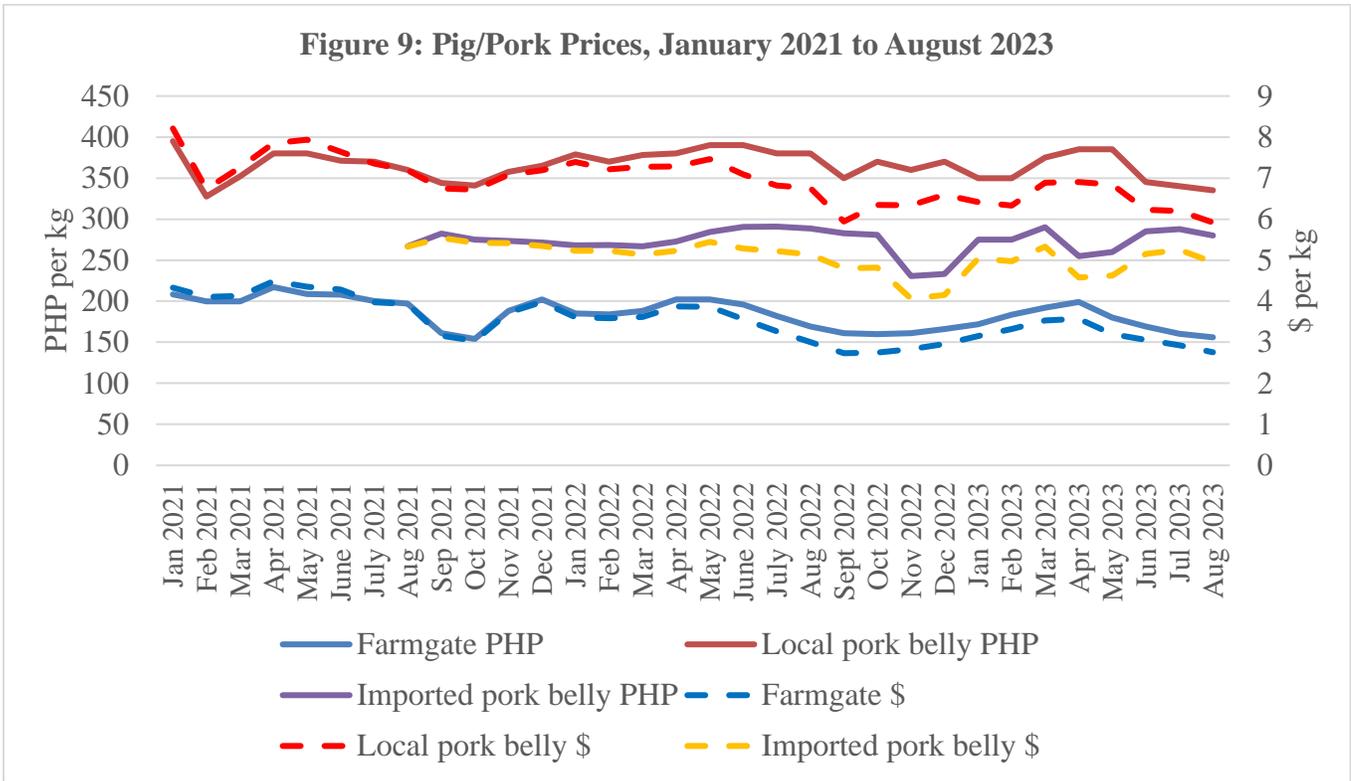


Source: [Department of Agriculture-National Meat Inspection Service](#)

Prices

Local pork belly prices have decreased from May 2023, which signals slowing demand for fresh pork (mirroring the decline in farmgate prices from April 2023). Imported pork belly prices, in contrast, started to increase in April 2023, which signals that prices in the international markets are increasing (with the exception of U.S. pork).

Figure 9: Pig/Pork Prices, January 2021 to August 2023



Source: [DA-AMAS](#) (Metro Manila retail prices); ProPork (farm gate prices)

Consumption

FAS Manila forecasts slightly higher total 2024 pork consumption. This will be a decline, however, on a per capita basis as higher inflation rate will diminish consumers’ purchasing power and compel them to search for cheaper protein sources.

Trade

FAS Manila forecasts lower 2024 pork imports because of tight global supply. Trade is down 29 percent through the first half of 2023. Post, however, expects it to increase in the second half if lower tariff rates set to expire on December 31, 2023 by virtue of [Executive Order No. 10, Series of 2022](#) are not extended. Pork importers will try to beat the higher tariff rates by importing more before the year ends. Hence, Post revised higher its 2023 pork imports estimate compared to USDA Official. Industry contacts are optimistic that the Philippine government will extend the lower tariff rates into 2024; however, Post's forecast is based on the assumption that the tariffs will snap back to the higher rate. Expect U.S. pork to increase its market share in 2023 given its competitive pricing and aggressive marketing efforts.

Reporter	Calendar Year		January to June		
	2021	2022	2022	2023	%Δ
Total	461,761	560,568	336,518	237,827	-29
European Union	196,640	258,637	153,782	87,474	-43
Canada	124,150	141,645	102,029	63,724	-38
United States	80,256	92,026	15,072	20,412	35
Brazil	37,064	36,988	49,994	55,717	11
United Kingdom	16,842	21,084	11,635	4,313	-63
Australia	4,365	5,320	2,406	2,340	-3
South Korea	1,571	2,709	803	2,549	217
Chile	317	1,777	615	1,204	96
Others	556	382	182	94	-48

Source: Trade Data Monitor, LLC

CHICKEN

Production, Supply, and Distribution (PSD)

Table 6: Meat, Chicken Market Year Begins Philippines	2022		2023		2024	
	Jan 2022		Jan 2023		Jan 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	0	0	0	48	0	43
Production (1000 MT)	1437	1437	1475	1475	0	1525
Total Imports (1000 MT)	498	498	510	480	0	500
Total Supply (1000 MT)	1935	1935	1985	2003	0	2068
Total Exports (1000 MT)	0	0	0	0	0	0
Human Consumption (1000 MT)	1935	1887	1985	1960	0	2018
Other Use, Losses (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	1935	1887	1985	1960	0	2018
Total Use (1000 MT)	1935	1887	1985	1960	0	2018
Ending Stocks (1000 MT)	0	48	0	43	0	50
Total Distribution (1000 MT)	1935	1935	1985	2003	0	2068
(1000 MT)						

Note: PSD includes skins and mechanically deboned meat; This is not USDA Official.

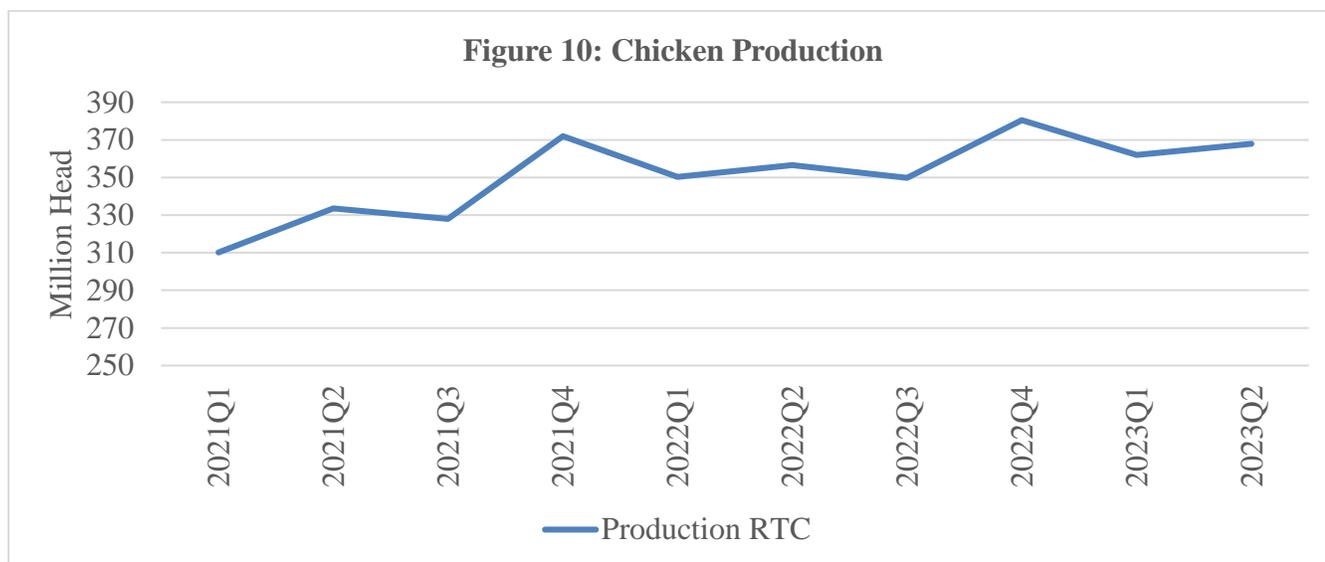
Production

FAS Manila forecasts 2024 production higher although the sector remains constrained because of high feed ingredients prices. According to industry contacts in the broiler commercial sector, the usual growth for the poultry sector is 3 to 7 percent a year. The 3.4 percent expected production growth in 2024 is at the low end of that range. In the Philippines, around 75 percent of broiler operations are vertically integrated (which lowers production costs because of economies of scale) compared to commercial broiler raising.

Provinces declared free from highly pathogenic avian influenza (HPAI) are the following: [Aurora](#), [Quezon](#), [Capiz](#), and [Batangas](#). This is a major boost to chicken production, especially for Batangas, which is a major poultry producing province within the CALABARZON region.

Day-old-chick (DOC) prices represent the short-term supply and demand situation. Higher prices mean more commercial raisers are willing to load DOCs and turn them into broilers 28-35 days later. This was the case on March 26, 2021, when DOC prices ranged from PHP48 to PHP55 per bird. The lowest point was on April 10, 2020, when there were HPAI outbreaks, and no broiler companies wanted to load for fear of losses.

As of August 18, 2023, broiler raisers have a relatively modest appetite for loading DOCs (PHP26- PHP28 per bird) compared to July 14, 2023, when DOC prices ranged from PHP23- PHP30 per bird.



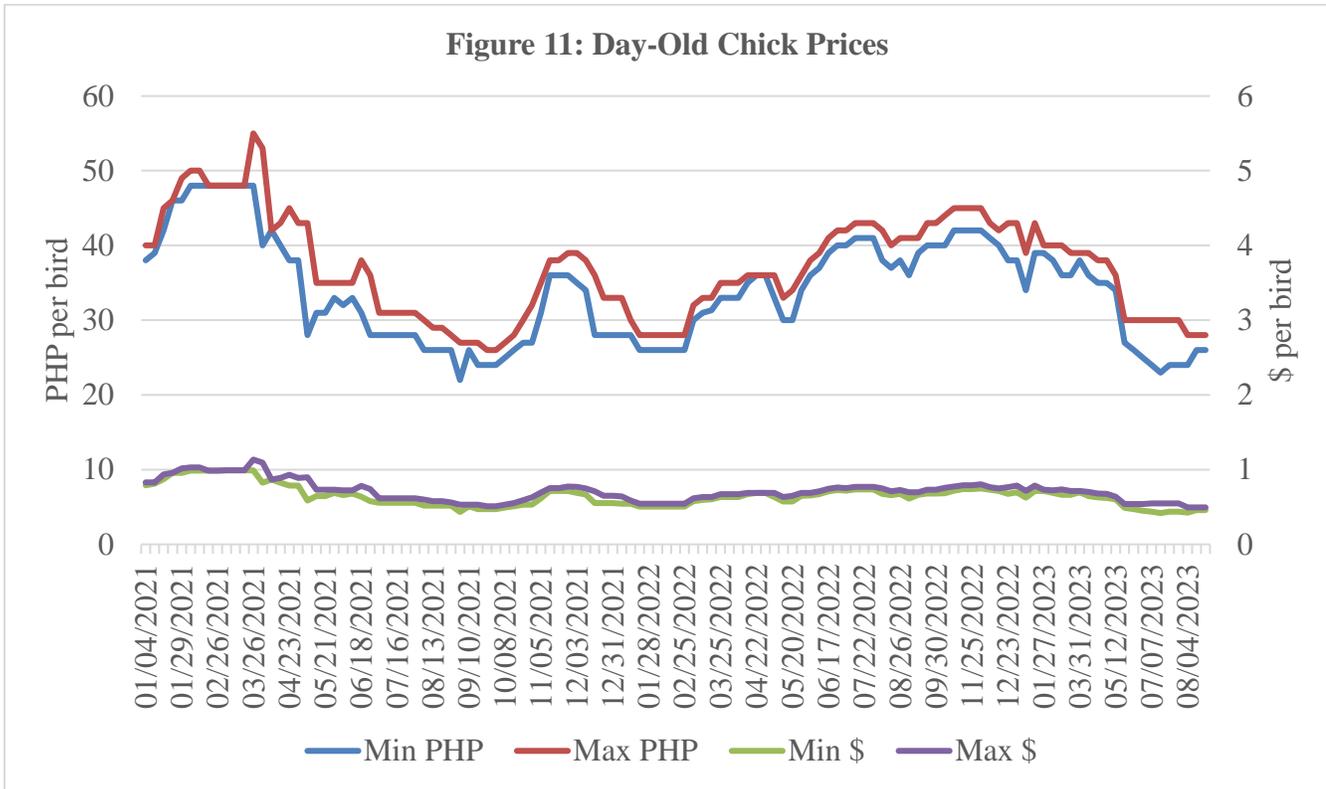
Source: [Philippine Statistics Authority](#)

Region	2021	2022	2022S1	2023S1	%Δ
Philippines	1,343,496	1,437,322	706,977	729,933	3
Central Luzon	457,281	500,404	250,652	243,755	-3
CALABARZON	231,159	239,746	125,647	134,716	7
Northern Mindanao	125,622	136,402	64,835	64,141	-1
Western Visayas	92,586	96,974	45,882	49,113	7
Central Visayas	76,508	81,979	35,959	38,876	8
Ilocos Region	58,736	66,722	32,168	35,805	11
SOCCSKSARGEN	58,545	71,336	35,521	34,881	-2
Davao Region	54,089	59,047	24,664	30,365	23
Cagayan Valley	45,773	39,587	19,237	19,596	2
Eastern Visayas	44,458	41,642	20,891	22,910	10
Bicol Region	39,013	44,119	23,185	24,241	5
Zamboanga Peninsula	30,560	27,975	14,174	13,627	-4
Caraga	11,218	10,910	5,406	6,362	18
MIMAROPA	8,830	10,267	4,041	6,142	52
CAR	4,554	4,958	2,488	2,618	5
BARMM	4,185	4,563	1,874	2,353	26
NCR	379	691	352	430	22

Source: [Philippine Statistics Authority](#), Department of Agriculture-Bureau of Animal Industry

Note: Highlighted regions have at least one province with HPAI; Liveweight was converted to RTC using 77 percent dressing percentage.

Figure 11: Day-Old Chick Prices

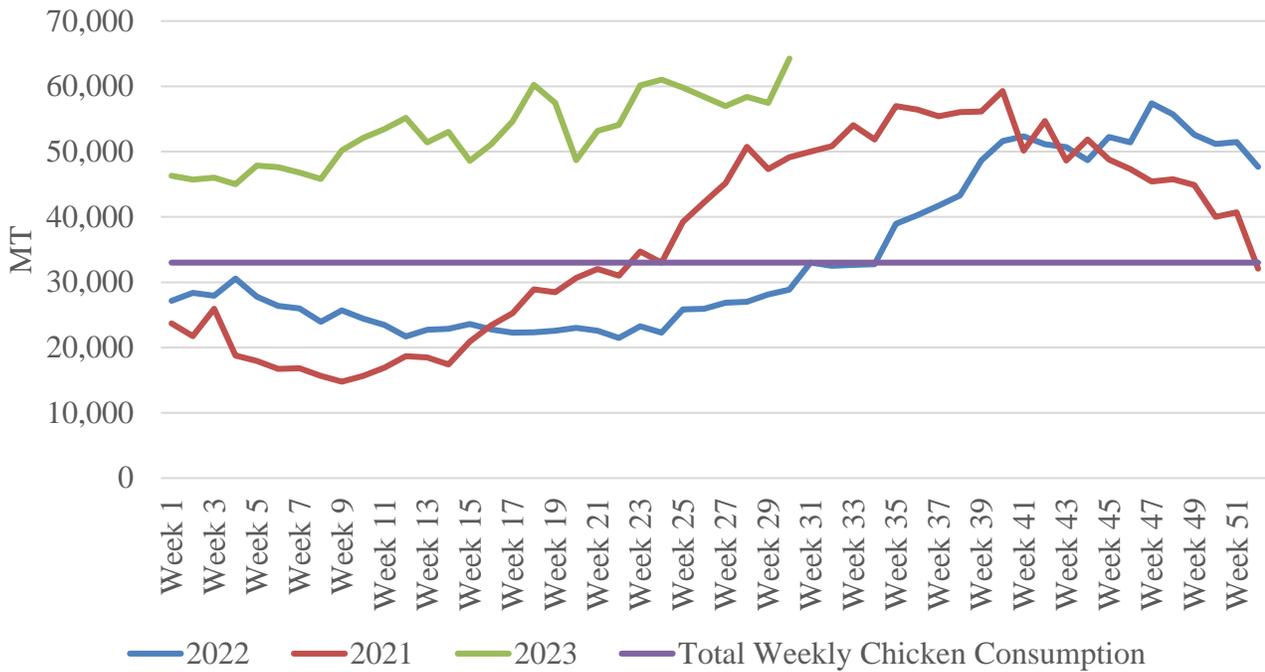


Source: United Broiler Raisers Association

Inventory

Frozen chicken meat in accredited cold storage facilities, excluding MDM, showed increasing inventory levels in 2023 Week 30 compared to the same period in 2022 (up 123 percent).

Figure 12: Frozen Chicken Meat Inventory (excluding MDM)

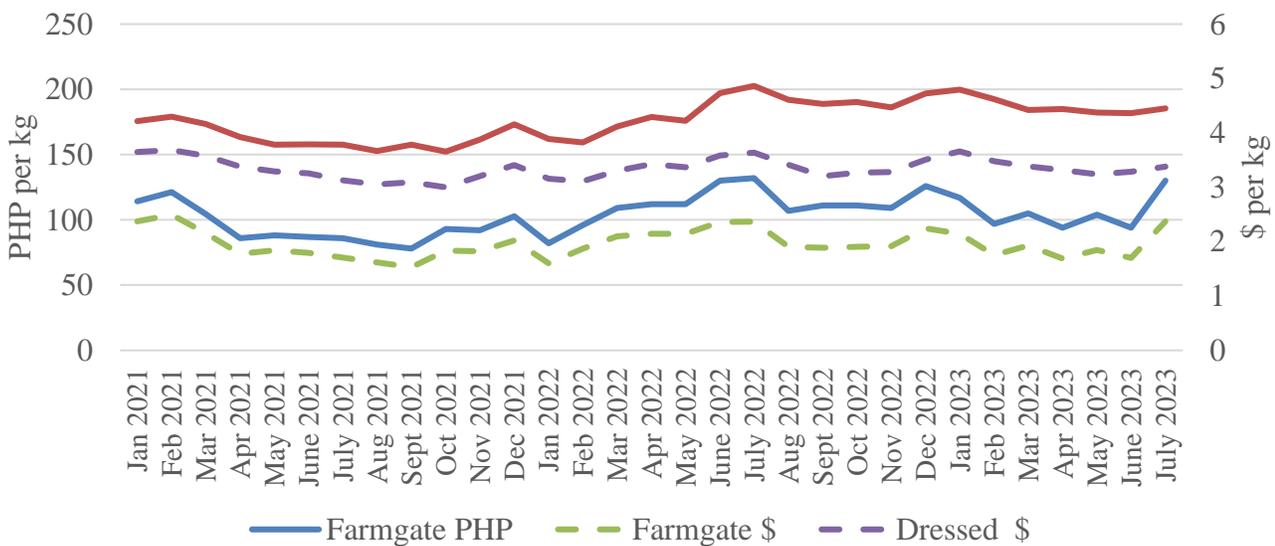


Source: [Department of Agriculture-National Meat Inspection Service](#)

Prices

Chicken retail prices are generally declining from January 2023 to July 2023. Chicken farmgate generally follows the trend of retail prices except for a sharp rise from June to July 2023.

Figure 13: Chicken Prices, January 2021 to July 2023



Source: [Philippine Statistics Authority](#) (Metro Manila retail prices); UBRA (farmgate prices)

Consumption

FAS Manila forecasts higher 2024 chicken consumption in line with population growth. Chicken is a cheaper protein compared to pork and will be the preferred choice given the impact of inflation on consumers' purchasing power.

Trade

FAS Manila forecasts higher 2024 chicken meat imports because of higher expected demand and competitive prices compared to local production. U.S. chicken exports are down 10 percent for the first half of 2023 but are expected to recover with the recent lifting of the import bans on the states of Iowa, North Dakota, and South Dakota. Philippine imports from Brazil have increased because of low prices relative to other suppliers.

The Department of Agriculture (DA) lifted the ban on poultry imports: from the [Czech Republic](#) on August 10, 2023; [Japan](#) on August 9, 2023; [Hungary](#) on August 9, 2023; [Iowa and North Dakota, U.S.A.](#) on July 20, 2023; [Poland](#) on August 30, 2023; [South Dakota, USA](#) on September 6, 2023; and [France](#) on September 15, 2023. DA, meanwhile, issued a temporary ban on poultry from the [Netherlands](#) on August 14, 2023.

Reporter	Calendar Year		January to June		
	2021	2022	2022	2023	%Δ
Total	436,838	495,893	237,739	231,236	-3
United States	153,376	187,140	96,626	87,363	-10
Brazil	168,001	245,994	81,181	116,512	44
European Union	59,841	4,849	31,620	58	-100
Canada	29,508	12,217	17,634	7,202	-59
China	10,232	11,908	4,367	5,565	27
Chile	4,953	10,995	2,140	4,842	126
Turkey	5,328	6,382	2,549	2,681	5
Australia	3,418	12,480	-	5,502	-
Others	2,181	3,928	1,622	1,511	-7

Source: Trade Data Monitor, LLC

Attachments:

No Attachments.