

Voluntary Report – Voluntary - Public Distribution

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Post: Manila

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Report Highlights:

FAS Manila lowers 2023 pork production to 925,000 MT on the recent arrival and expansion of African Swine Fever within the top remaining production regions of the Philippines while also lowering imports to 500,000 MT based on trade to-date and high carry-over stocks that are not currently reflected in the balance sheet. There are no changes to the poultry PSD.

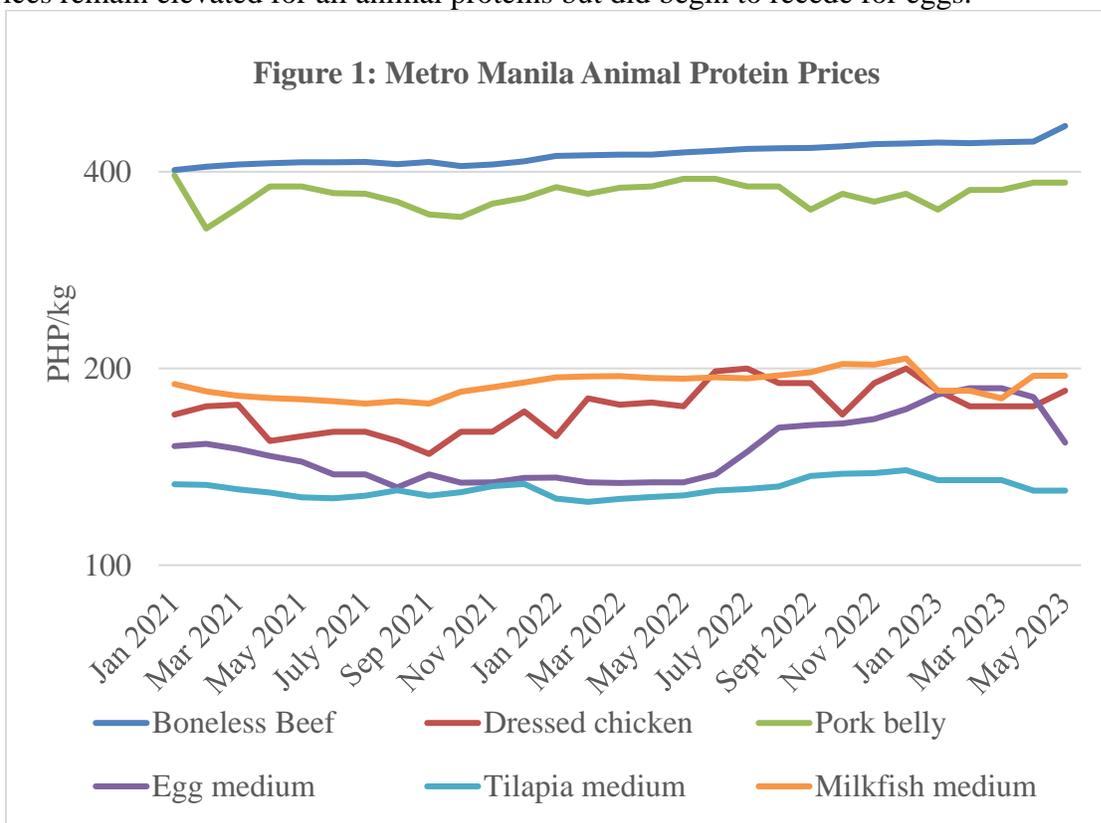
Executive Summary

FAS Manila continues to foresee an expansion of the animal husbandry industry in 2023. While Post’s forecast for poultry is unchanged from the USDA Official, Post lowers pork production to 925,000 MT in response to the continued spread of ASF into new provinces within the Central and Western Visayas regions. Post also lowered pork imports after considering significantly lower trade to-date, following abnormally high carry-over stocks from late 2022 that currently appear as consumption in the PSD for 2022.

Table 1: Livestock and Poultry Production, 2021 to 2023 (1000 MT)				
Commodity	2021	2022	2023F	%Δ
Total	3,187	3,253	3,325	2
Chicken	1,343	1,437	1,475	3
Pork (CWE)	1,000	925	925	0
Chicken Eggs	661	708	740	5
Beef	183	183	185	1

Sources: FAS Manila for pork and chicken; Philippine Statistics Authority (PSA) data for eggs

Retail prices remain elevated for all animal proteins but did begin to recede for eggs.



Source: PSA for beef eggs, and fisheries prices; Department of Agriculture-Agribusiness & Marketing Assistance Service (DA-AMAS) for pork and dressed chicken prices

PORK

Production, Supply, and Distribution (PS&D)

Table 3: Meat, Swine Market Year Begins Philippines	2021		2022		2023	
	Jan 2021		Jan 2022		Jan 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Ref.) (1000 HEAD)	0	0	0	0	0	0
Beginning Stocks (1000 MT CWE)	0	0	0	0	0	0
Production (1000 MT CWE)	1000	1000	925	925	975	925
Total Imports (1000 MT CWE)	462	462	560	560	525	500
Total Supply (1000 MT CWE)	1462	1462	1485	1485	1500	1,425
Total Exports (1000 MT CWE)	1	1	1	1	1	1
Hum. Dom. Cons. (1000 MT CWE)	1461	1461	1484	1484	1499	1,424
Other Use, Losses (1000 MT CWE)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT CWE)	1461	1461	1484	1484	1499	1,424
Ending Stocks (1000 MT CWE)	0	0	0	0	0	0
Total Distribution (1000 MT CWE)	1462	1462	1485	1485	1500	1,425
(1000 HEAD) (1000 MT CWE)						

Note: PSD numbers do not include pork offal, fat, and rind.

Note: Post's long-standing methodology of assuming zero stocks at beginning and year-end is beginning to have a distortive impact on its consumption estimate. This is a result of the Philippines beginning to hold increasingly significant stocks of frozen pork at year-end over the last two years when tariffs have been subject to snapbacks. If adjusting for official stocks, this results in 2022 consumption being lower than 2021, not higher. Also, the higher year-end stocks in 2022 would result in consumption relatively unchanged from 2022 to 2023, as opposed to showing a decline.

Production

FAS Manila lowered 2023 pork production in response to ASF's continued spread into new provinces within the Central and Western Visayas region, including Negros Occidental, Negros Oriental, and Aklan. While Post does not follow PSA data on pork production, earlier outbreaks in other major producing provinces in these two regions e.g., Iloilo and Cebu, have also not yet had a chance to be accounted for in official production estimates. In 2022, the Central and Western Visayas regions had become the 1st and 3rd largest producers following the decimation of the swine inventories elsewhere in the country. Post is monitoring reported recoveries in CALABARZON, Central Luzon, and Ilocos Region.

Prospects of an ASF vaccine have recently improved following reports of successful local trials, but in even a best-case scenario, such a vaccine would be unlikely to materially impact 2023 production.

Figure 2: African Swine Fever Zoning Status as of April 3, 2023

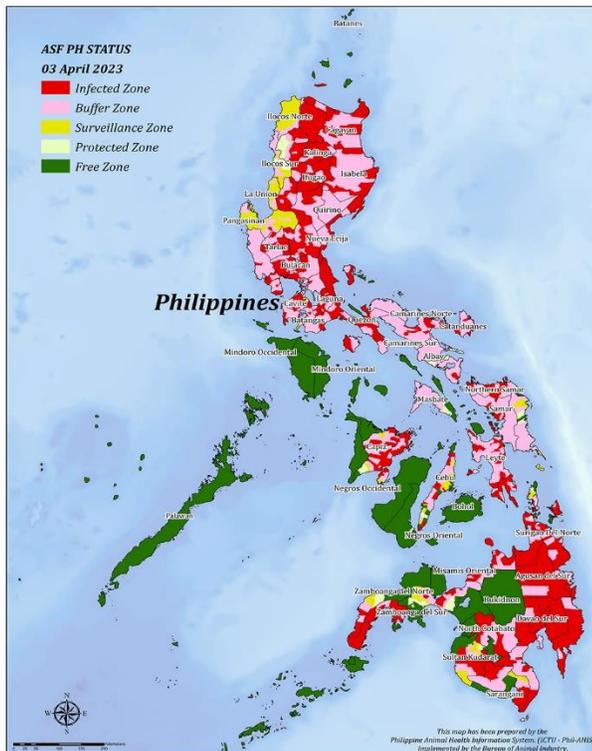


FIGURE 1. Map of the Philippines showing Zoning Status per City / Municipality

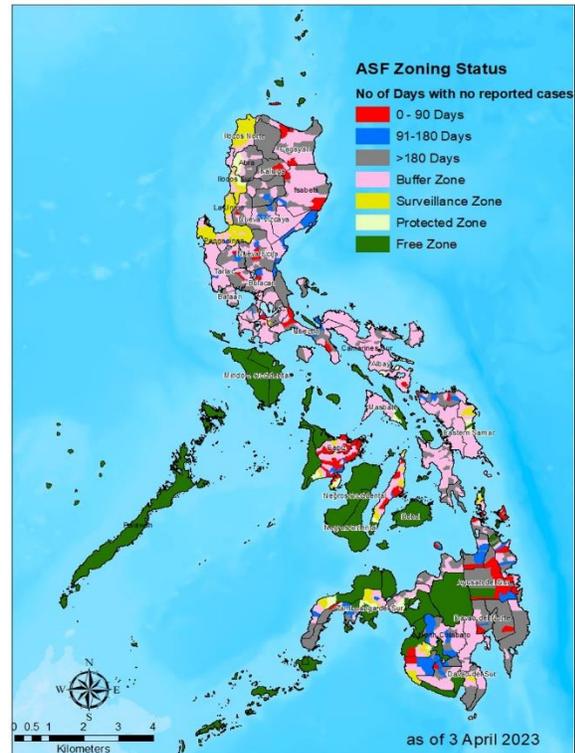
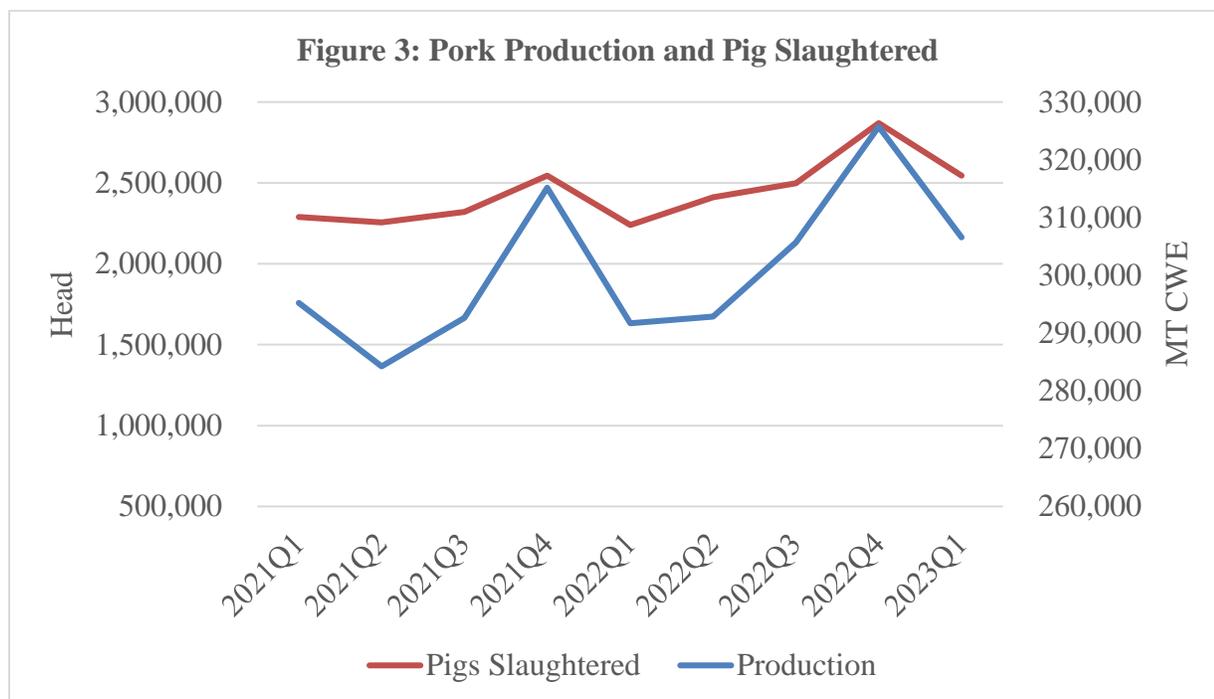


FIGURE 2. Map of the Philippines showing City / Municipality with no reported ASF case for ≤ 90 days (Red), 91 to 180 days (Blue) and ≥ 181 days (Grey).

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



Source: Philippine Statistics Authority

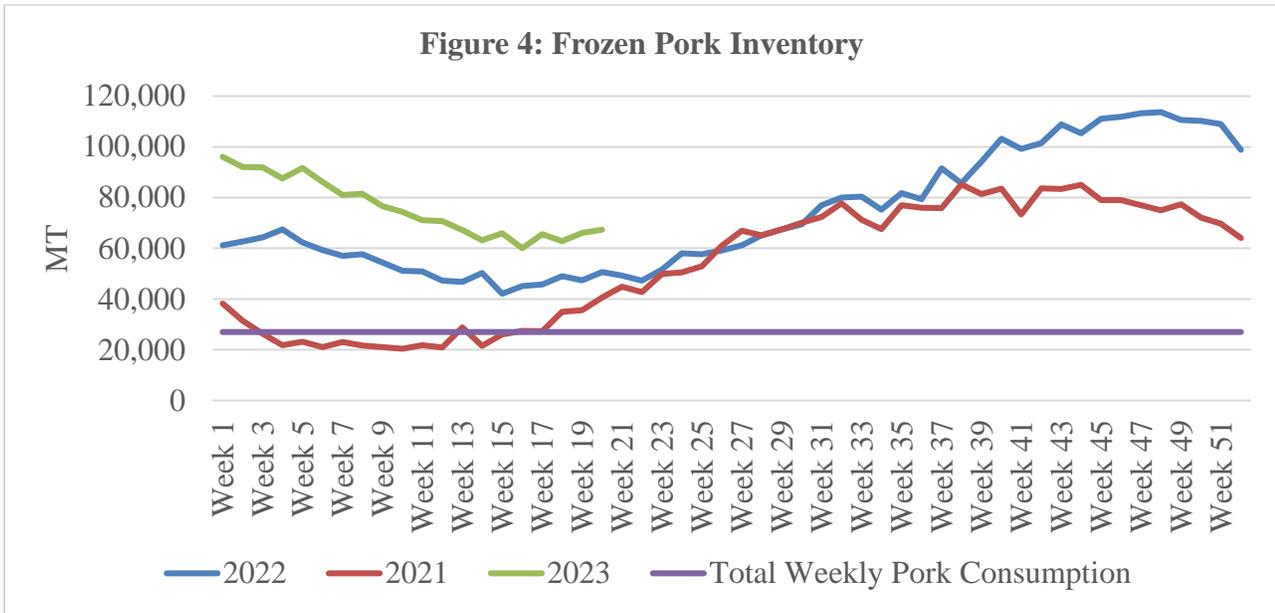
Region	2021	2022	2022Q1	2023Q1	%Δ
Philippines	1,187,305	1,215,983	291,705	306,595	5
Central Visayas	146,128	160,399	39,784	40,541	2
Northern Mindanao	152,226	153,942	41,084	38,820	-6
Western Visayas	140,198	143,528	34,339	37,016	8
CALABARZON	131,531	142,269	36,208	42,829	18
Central Luzon	73,348	92,331	19,983	28,189	41
Davao Region	95,409	97,048	24,315	23,974	-1
SOCCKSARGEN	87,282	89,011	20,837	16,657	-20
Bicol Region	69,449	70,351	19,004	18,227	-4
Zamboanga Peninsula	59,603	67,480	13,681	13,126	-4
MIMAROPA	64,197	64,528	12,182	13,366	10
Ilocos Region	40,362	37,144	8,733	12,449	43
Cagayan Valley	27,769	22,437	5,713	6,005	5
Eastern Visayas	54,700	35,749	5,186	5,438	5
Caraga	21,900	17,275	4,177	4,010	-4
CAR	15,322	14,314	3,777	3,967	5
BARMM	7,711	8,058	2,614	1,975	-24
NCR	168	120	88	8	-91

Source: Philippine Statistics Authority, Department of Agriculture-Bureau of Animal Industry

Note: NCR is the only region free from ASF; Live weight MT was converted to Carcass Weight MT using 70 percent dressing percentage.

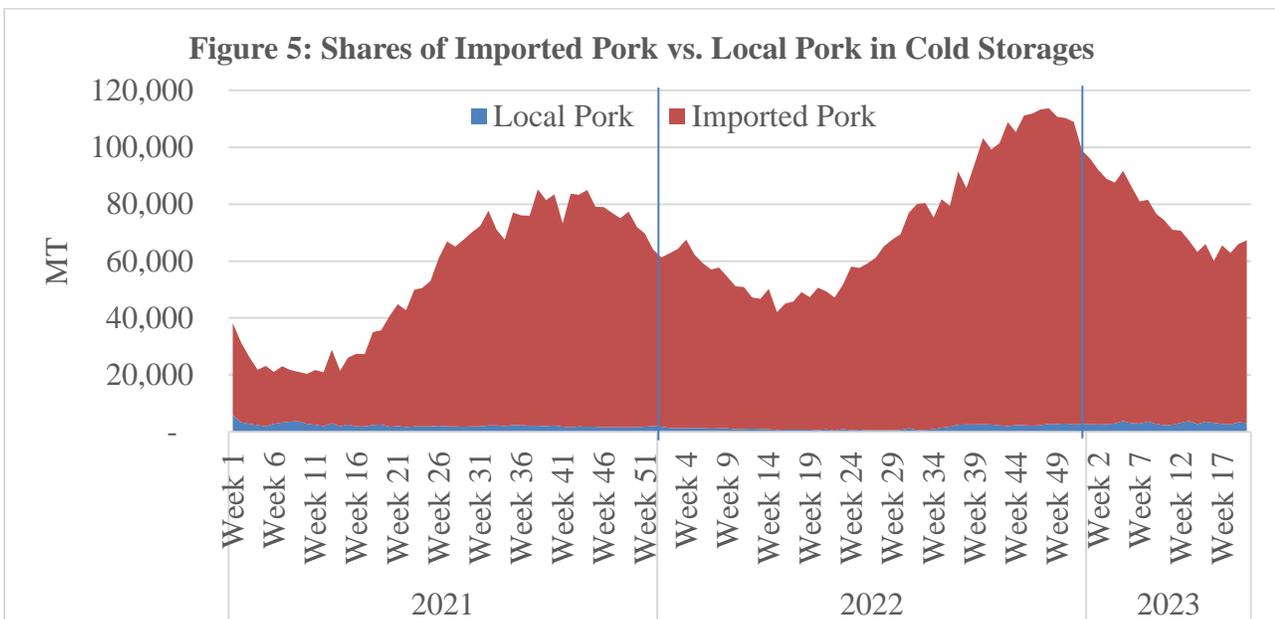
Inventory

The Philippines continues to hold higher frozen pork inventories to support its supply chain and begun rebuilding stocks on time with historical precedent. Importers will face a similar dilemma at the end of 2023 as they had in 2022, needing to decide how much extra to hold given the continued uncertainty of another extension of lower import duties. Meanwhile, importers who were hurt from the experience of carrying too many stocks into 2023 and are also likely to exercise more caution this year given a similarly unpredictable policy situation.



Source: Department of Agriculture-National Meat Inspection Service

Note: Pork includes fresh, chilled, and frozen pork.



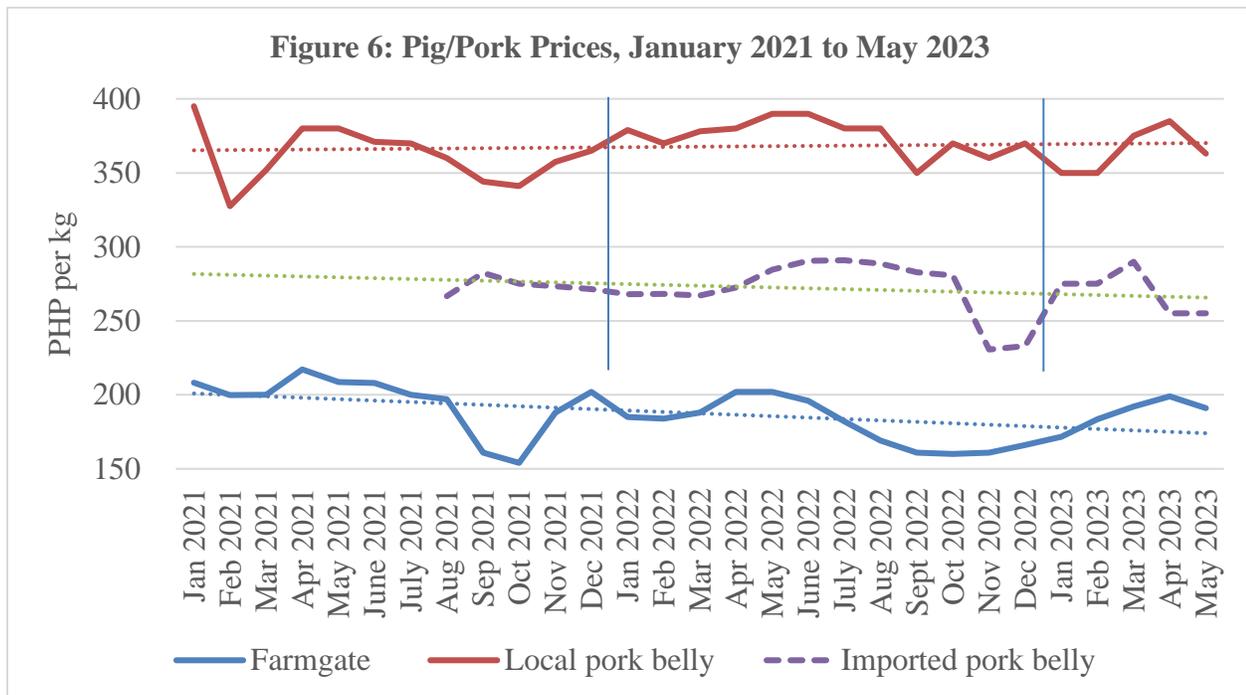
Source: Department of Agriculture-National Meat Inspection Service

Consumption

Post's consumption estimate reflects actual consumption plus net change to stocks within the year. Actual per capita consumption in 2023 is expected to remain relatively steady. Inflation remains elevated but began slowing in the first half of the year in order to support a limited expansion of pork consumption as currently reflected in USDA's Official estimate.

Prices

Local pork retail prices continue to hold steady while imported pork retail prices and local farm-gate prices are declining.



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

Table 5: SRP on Luncheon Meat and Meat Loaf (in Pesos Per Unit)					
Canned Goods	8/29/21	1/27/22	5/11/22	8/12/22	2/8/23
Luncheon Meat Brands					
CDO Chinese Style (165g)	34.25	34.25	35.50	35.50	39.00
Purefoods Chinese Style (165g)	32.50	32.50	33.50	33.50	33.50
Meat Loaf Brands					
555 (150g)	18.25	19.50	19.50	19.50	19.50
Argentina (150g)	18.75	20.25	21.25	22.54	23.75
CDO (150g)	18.25	18.25	19.00	19.00	20.75
Gusto (150g)	16.50	16.50	16.50	16.50	16.50
Winner - Supermarket (150g)	18.00	18.00	18.00	18.00	18.00
Argentina (170g)	20.25	21.75	22.75	24.13	25.25

Source: Department of Trade & Industry

Trade

FAS Manila adjusted 2023 pork imports to balance against production and consumption. Post recognizes trade is down 39 percent through the first quarter. However, this is reflective of the unusably high carry-over stocks. Industry contacts expect imports to pick up in the coming months.

The gains and losses of individual foreign suppliers are consistent with the year-over-year changes in unit costs, including U.S. supplies gaining competitiveness.

Reporter	Calendar Year		January to March		
	2021	2022	2022	2023	%Δ
Total	461,761	560,117	145,785	89,264	-39
European Union	196,640	258,637	68,566	36,557	-47
Canada	124,150	141,559	44,939	22,803	-49
United States	80,256	36,622	5,375	6,065	13
Brazil	37,064	92,026	19,412	18,593	-4
United Kingdom	16,842	21,084	6,231	2,709	-57
Australia	4,365	5,320	800	767	-4
South Korea	1,571	2,709	314	1,376	338
Chile	317	1,777	55	337	513
Others	556	383	93	57	-39

Source: Trade Data Monitor, LLC

CHICKEN

Production, Supply, and Distribution (PSD)

Table 7: Meat, Chicken Market Year Begins Philippines	2021		2022		2023	
	Jan 2021		Jan 2022		Jan 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	1343	1343	1437	1437	1475	1475
Total Imports (1000 MT)	437	437	498	498	520	520
Total Supply (1000 MT)	1780	1780	1935	1935	1995	1995
Total Exports (1000 MT)	0	0	0	0	0	0
Human Consumption (1000 MT)	1780	1780	1935	1935	1995	1995
Other Use, Losses (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	1780	1780	1935	1935	1995	1995
Total Use (1000 MT)	1780	1780	1935	1935	1995	1995
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	1780	1780	1935	1935	1995	1995

(1000 MT)

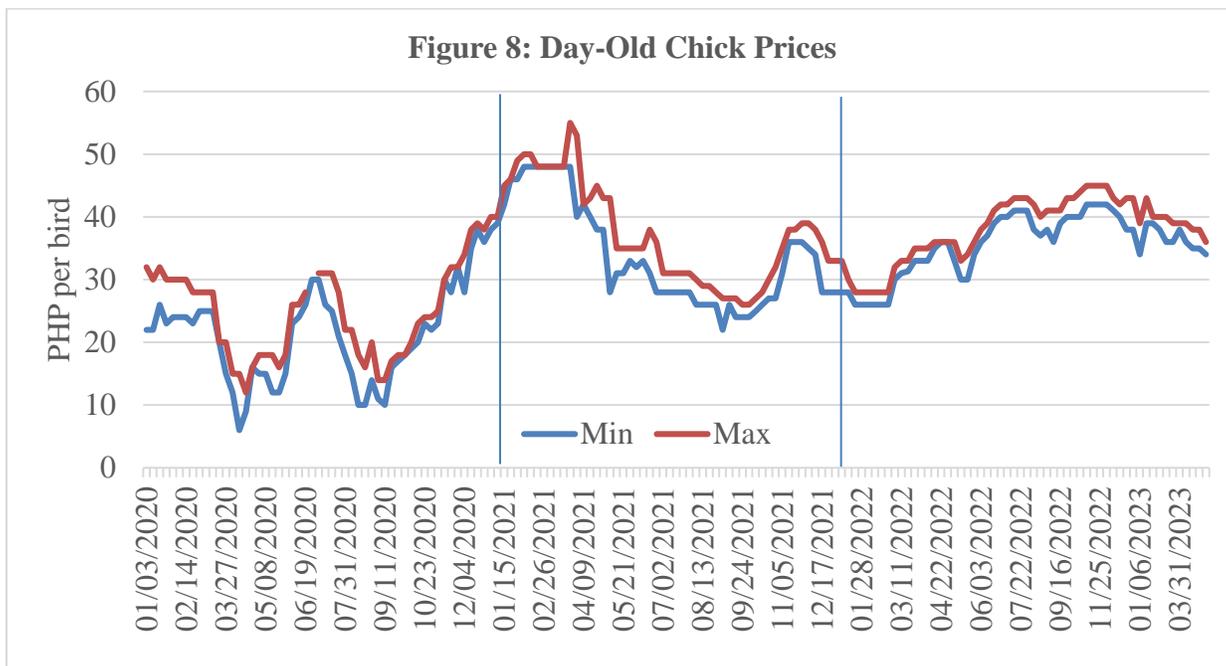
Note: PSD includes skins and mechanically deboned meat.

Production

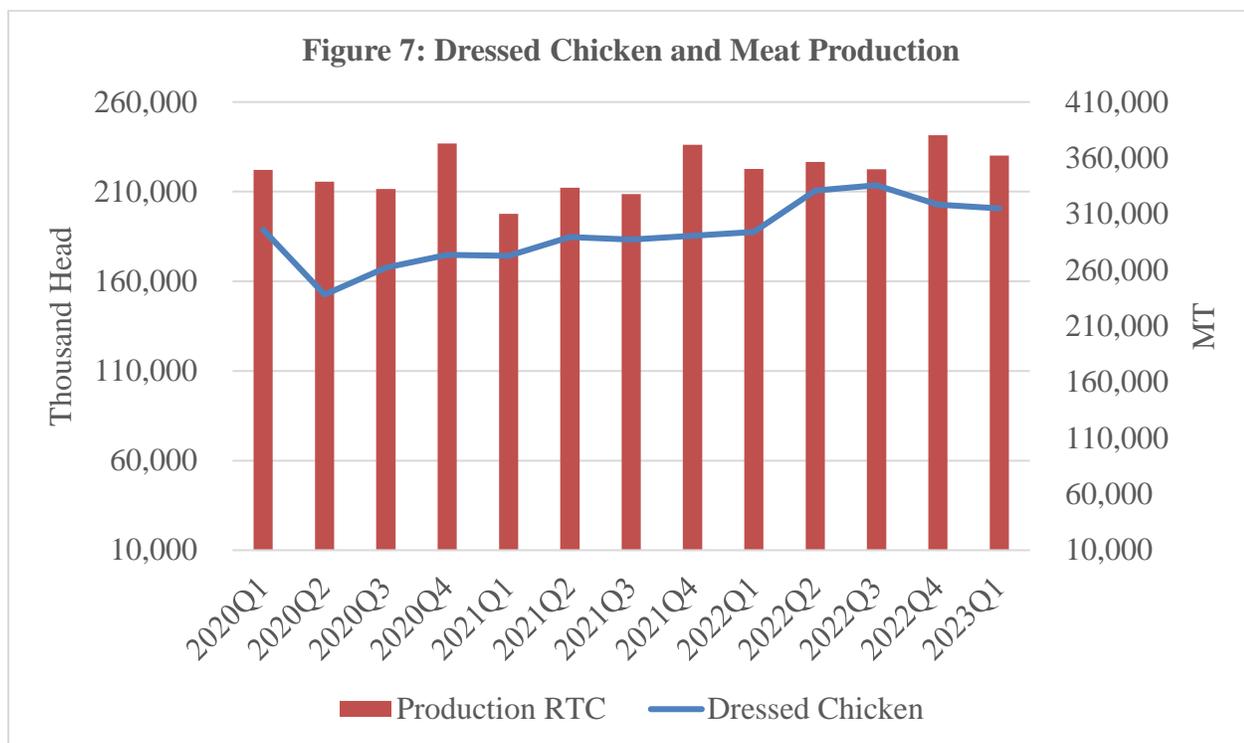
FAS Manila maintains its earlier 2023 chicken meat production forecast in line with the current USDA Official.

Philippine poultry industry contacts have voiced increased interest in a potential bird flu vaccine to help combat the now long-standing threat HPAI has posed and hope there will be a decision on the authorization and emergency use of avian influenza vaccines by September 2023. The Philippines also earlier issued [DA Memorandum Circular No. 13, Series of 2023](#), following reports that some producers had attained and were administering an unauthorized avian influenza vaccine.

Day-old-chick (DOC) prices are positively correlated with near-term production and indicates we are likely to see a small contraction in the second quarter. However, prices remain high enough to support Post holding its production forecast for the year. For historical perspective, the three rapid and deep declines to DOC prices in 2020 and 2021 are largely explained by COVID-19 waves that resulted in tightened movement restrictions and, in turn, lower demand for poultry coming from the food service sector.



Source: United Broiler Raisers Association



Source: Philippine Statistics Authority

Table 8: Philippine Chicken Production by Region, RTC MT

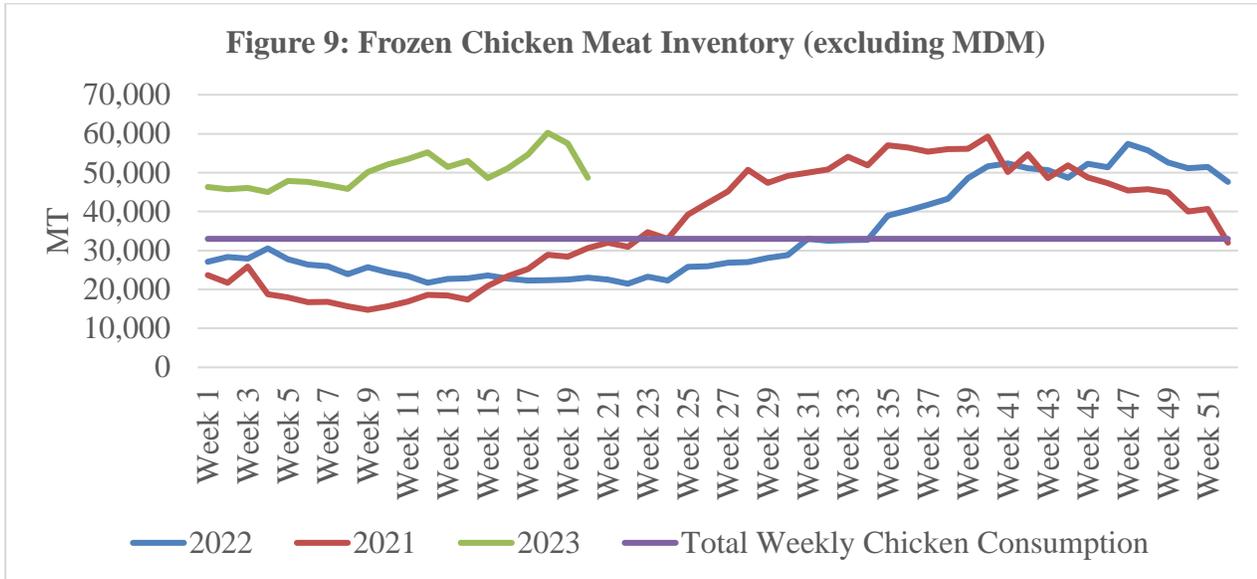
Region	2021	2022	2022Q1	2023Q1	%Δ
Philippines	1,343,496	1,437,322	350,378	362,060	3
Central Luzon	457,281	500,404	129,072	125,079	-3
CALABARZON	231,159	239,746	59,281	62,413	5
Northern Mindanao	125,622	136,402	33,624	34,046	1
Western Visayas	92,586	96,974	22,252	24,307	9
Central Visayas	76,508	81,979	15,644	16,033	2
Ilocos Region	58,736	66,722	17,356	19,662	13
SOCCSKSARGEN	58,545	71,336	17,553	17,906	2
Davao Region	54,089	59,047	9,858	15,893	61
Cagayan Valley	45,773	39,587	9,534	9,726	2
Eastern Visayas	44,458	41,642	10,042	10,688	6
Bicol Region	39,013	44,119	11,182	10,691	-4
Zamboanga Peninsula	30,560	27,975	7,556	6,123	-19
Caraga	11,218	10,910	2,583	3,181	23
MIMAROPA	8,830	10,267	2,406	3,767	57
CAR	4,554	4,958	1,298	1,160	-11
BARMM	4,185	4,563	952	1,197	26
NCR	379	691	184	187	2

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.

Inventory

Frozen chicken meat, excluding MDM, in accredited cold storage facilities remains near historically high levels and reflective of growing import requirements.



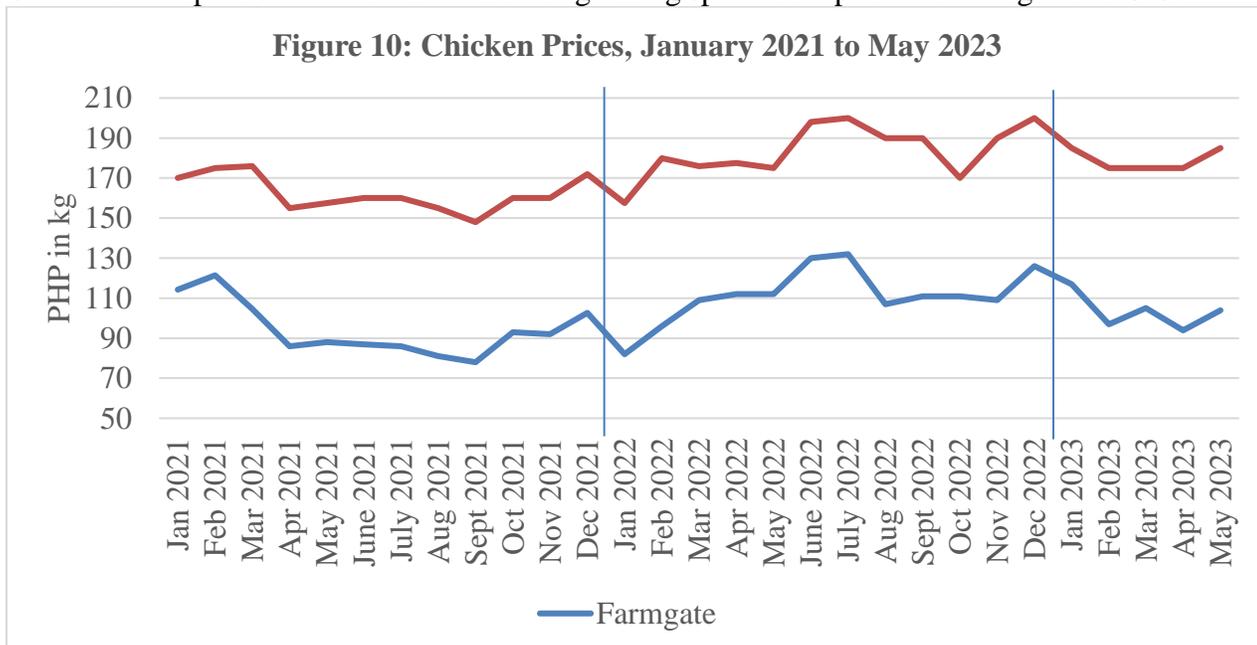
Source: Department of Agriculture-National Meat Inspection Service

Consumption

FAS Manila maintains 2023 chicken consumption in line with USDA Official.

Prices

Chicken retail prices remain elevated with a growing spread compared to farm-gate in 2023.



Source: DA-AMAS (Metro Manila wholesale and retail prices); UBRA (farm gate prices)

Trade

FAS Manila maintains 2023 chicken meat imports in line with USDA Official.

Trade flows from particular suppliers continue to be greatly impacted by the imposition of temporary import restrictions, which recently extended to [Chile](#) on April 19, 2023. Meanwhile, restrictions on the United States and Europe have eased.

Table 9: Global Chicken Meat Exports to the Philippines (Metric Tons)					
Reporter	Calendar Year		January to March		
	2021	2022	2022	2023	%Δ
Total	436,968	497,556	97,647	91,710	-6
Brazil	168,001	245,994	47,468	54,399	15
United States	153,506	188,803	37,144	27,611	-26
Australia	3,418	12,480	1,881	1,472	-22
Canada	29,508	12,217	5,018	3,181	-37
China	10,232	11,908	2,434	2,007	-18
Chile	4,953	10,995	1,781	1,897	7
Turkey	5,328	6,382	1,295	405	-69
European Union	59,841	4,849	33	1	-97
Others	2,172	3,928	593	737	24

Source: Trade Data Monitor, LLC

Annexes:

Tables 10-11 are the pork and chicken importation data of the Department of Agriculture-Bureau of Animal Industry.

Table 10: Philippines Pork and Related Imports (MT)					
Pork	2021	2022	2022 (Jan to Mar)	2023 (Jan to Mar)	%Δ
Total	554,698	710,362	138,375	114,820	-17
Bellies	56,997	82,271	13,219	11,407	-14
Deboned	8,445	226	40	-	-
Fats	82,701	62,979	12,564	10,887	-13
Offals	183,731	217,547	51,893	58,325	12
Pork Cuts	189,452	314,769	53,664	26,635	-50
Rind/Skin	31,694	28,307	6,710	6,951	4
Whole Carcass	1,678	4,263	645	615	-5

Source: Department of Agriculture-Bureau of Animal Industry

Table 11: Philippines Chicken Meat Imports MT					
Chicken	2021	2022	2022 (Jan to Mar)	2023 (Jan to Mar)	%Δ
Total	404,712	411,070	77,928	102,745	32
Chicken Cuts	39,600	51,717	8,820	13,408	52
CLQ	113,404	102,686	15,866	30,205	90
Deboned	236,742	243,220	51,216	54,084	6
Fats	7,347	7,549	719	2,802	290
Offals	3,995	2,850	822	1,062	29
Rind/Skin	3,624	3,048	484	1,184	145

Source: Department of Agriculture-Bureau of Animal Industry

Attachments:

No Attachments.