

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 maintains 2022 pork production while increasing imports 25,000 MT to 400,000 MT, reflecting improved market access conditions. No changes are made to the chicken PSD.

Executive Summary

FAS Manila maintains 2022 pork production at 1 million MT as a result of continuing hesitation to rebuild stocks despite the government's best efforts to encourage repopulation absent a commercially-available ASF vaccine. Pork imports in 2022 are increased to 400,000 MT compared to USDA Official's 375,000 following the issuance of Executive Order No. 171, Series of 2022, which reset temporary tariff rates (15 percent in-quota; 25 percent out-quota) through December 31, 2022, but made no changes to the in-quota volume.

Post maintains its previous and current official USDA estimates for chicken meat. HPAI outbreaks remain mostly limited to ducks, quails, and layers. Meanwhile, market access conditions remain relatively unchanged, as do inter-island restrictions.

As earlier expected, feed prices remain elevated though modest efforts have been made to make corn more available in an effort to support the animal husbandry sector.

	2020	2021	2022
Pork (CWE)	1,115	1,000	1,000
Chicken	1,305	1,343	1,360
Eggs	606	661	694
Total	3,026	3,004	3,054
Δ%		-1%	2%

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

	Corn Eq. (%)	2020	2021	2022*
Corn	100	6,800	6,800	7,450
Wheat	95	2,375	2,375	1,900
Cassava	50	734	727	720
Barley	100	15	430	475
DDGS	85	239	162	183
Sorghum	95	25	25	22
Total		10,188	10,518	10,749
Δ%			3%	2%

Sources: FAS Manila

PORK

Production, Supply, and Distribution (PS&D)

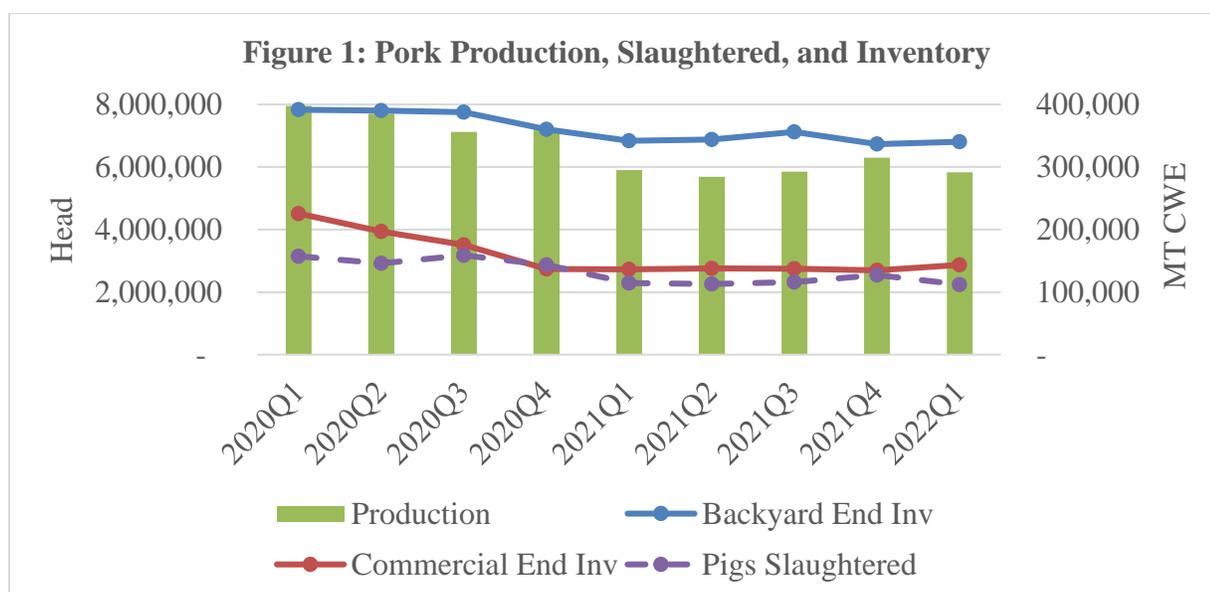
Table 3: Meat, Swine Market Year Begins Philippines	2020		2021		2022	
	Jan 2020		Jan 2021		Jan 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference) (1000 HEAD)	0	0	0	0	0	0
Beginning Stocks (1000 MT CWE)	0	0	0	0	0	0
Production (1000 MT CWE)	1115	1115	1000	1000	1000	1000
Total Imports (1000 MT CWE)	168	168	458	458	375	400
Total Supply (1000 MT CWE)	1283	1283	1458	1458	1375	1400
Total Exports (1000 MT CWE)	1	1	1	1	1	1
Human Dom. Cons. (1000 MT CWE)	1282	1282	1457	1457	1374	1399
Other Use, Losses (1000 MT CWE)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT CWE)	1282	1282	1457	1457	1374	1399
Ending Stocks (1000 MT CWE)	0	0	0	0	0	0
Total Distribution (1000 MT CWE)	1283	1283	1458	1458	1375	1400

(1000 HEAD) ,(1000 MT CWE)

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

Production

FAS Manila maintains 2022 pork production at 1 million MT. Industry is continually hesitant to rebuild stocks despite the government's best efforts to encourage repopulation amidst the continuing threat of ASF infection and the absence of a locally-available vaccine.



Source: PSA

Figure 2. African Swine Fever Zoning Status as of May 23, 2022

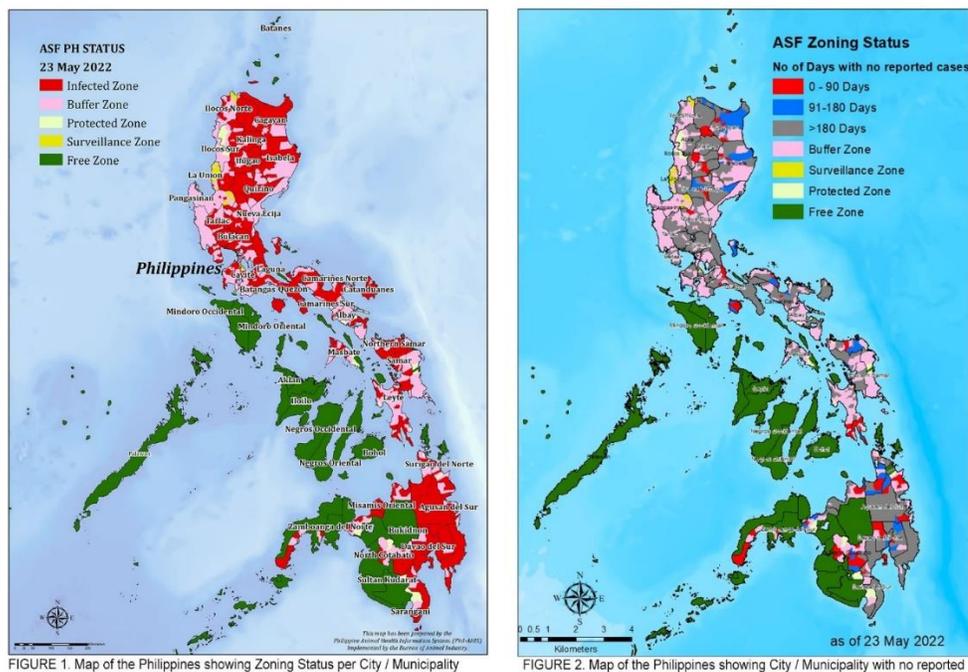


FIGURE 1. Map of the Philippines showing Zoning Status per City / Municipality

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 (DA)-Bureau of Animal Industry (BAI)

Table 4: Philippine Pork Production by Region (CWE MT)

	Calendar Year		January-March		
	2020	2021	2021	2022	%Δ 2022/21
Philippines	1,499,853	1,187,305	295,256	291,705	-1%
CALABARZON	243,958	131,531	30,935	36,208	17%
Central Luzon	225,687	73,348	19,036	19,983	5%
Northern Mindanao	147,022	152,226	35,581	41,084	15%
Central Visayas	135,010	146,128	37,562	39,784	6%
Western Visayas	136,709	140,198	34,252	34,339	0%
Davao Region	105,133	95,409	22,914	24,315	6%
SOCCSKSARGEN	85,966	87,282	20,594	20,837	1%
Bicol Region	83,917	69,449	21,020	19,004	-10%
Zamboanga Peninsula	58,065	59,603	12,836	13,681	7%
MIMAROPA	55,856	64,197	15,140	12,182	-20%
Ilocos Region	64,566	40,362	10,677	8,733	-18%
Cagayan Valley	48,245	27,769	9,678	5,713	-41%
Eastern Visayas	57,368	54,700	12,884	5,186	-60%
Caraga	26,944	21,900	5,990	4,177	-30%
CAR	18,047	15,322	3,755	3,777	1%
BARMM	7,369	7,711	2,402	2,614	9%
NCR	-	168	-	88	-

Source: PSA, DA/BAI; live weight converted using 70 percent dressing percentage

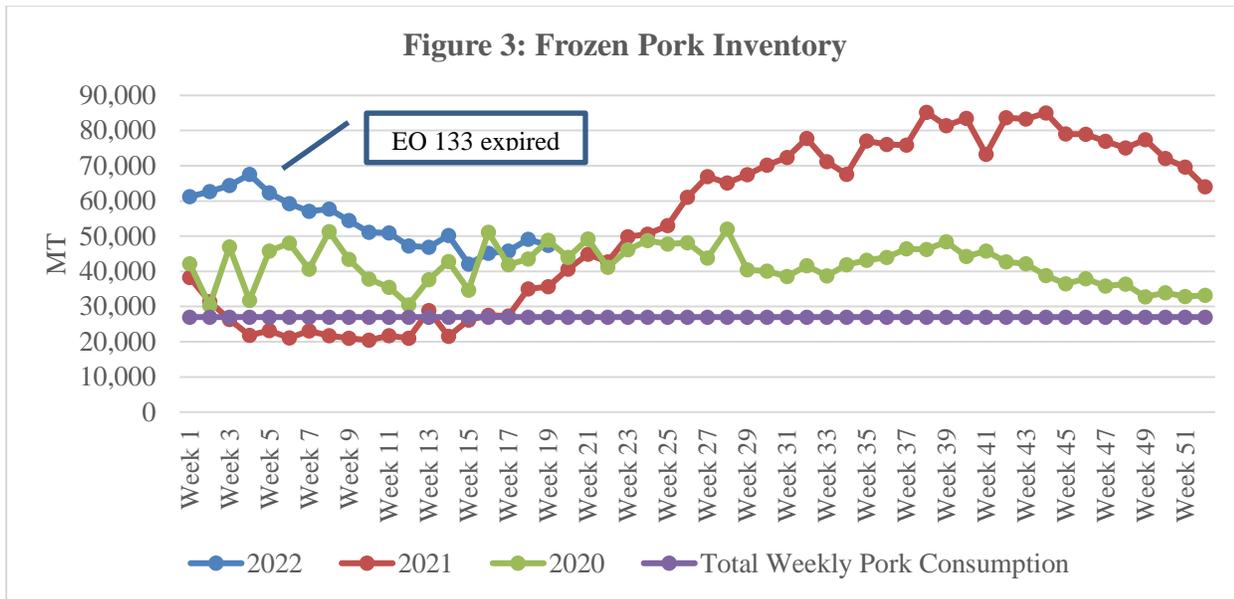
Note: Highlighted regions have at least one ASF case

Consumption

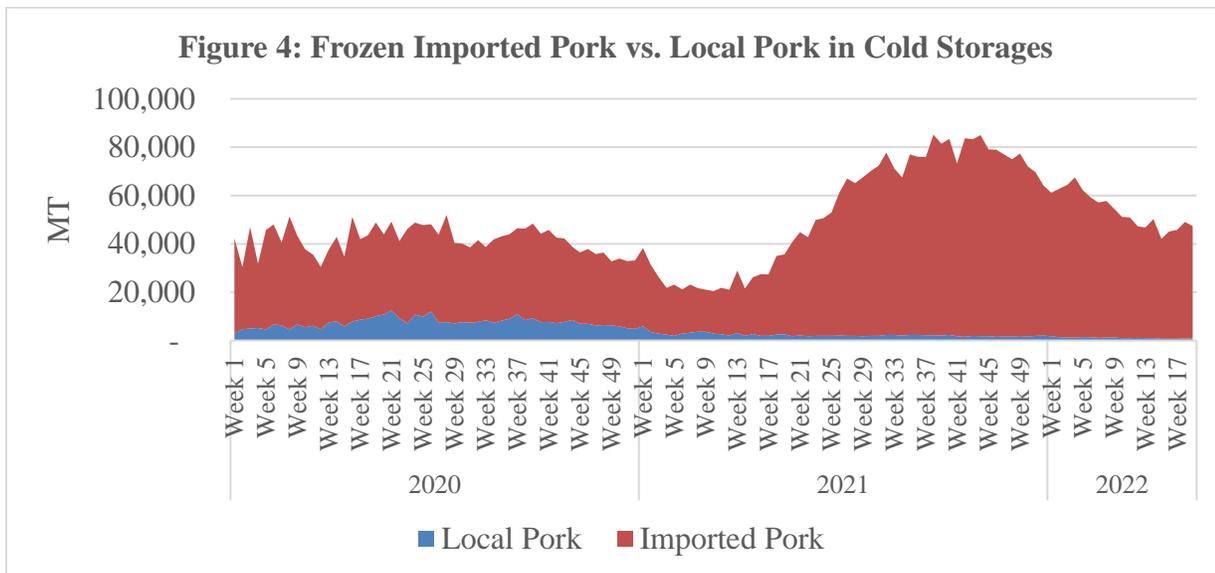
FAS Manila increases 2022 pork consumption to 1.399 million MT, over USDA’s 1.374 million MT, in response to the government’s limited improvement in market access. While measures to-date are only expected to partially blunt pork inflation, Philippine pork consumption has proven to be relatively inelastic, with households already spending roughly 40 percent of expenditures to food.

Inventory

Following the expiry of more favorable market access conditions in early 2022, frozen pork inventories in accredited cold storages steadily declined, which led to an overall tightening of available supply and further contributed to an increase in pork prices.



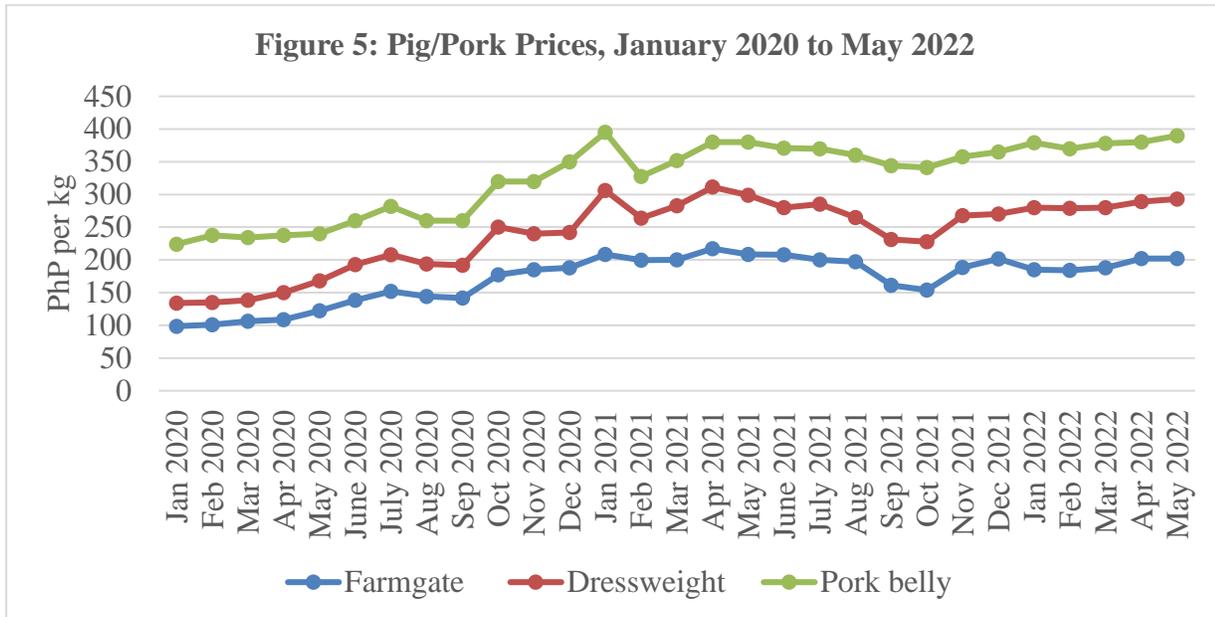
Source: DA/National Meat Inspection Service (NMIS)



Source: DA/NMIS

Prices

Not unexpected, pig and pork prices have resumed their increase since the short-term effects of temporary, more favorable market access conditions wore off at the end of 2021 and shortly before it, the peak Christmas consumption season. More recently, higher feed and fuel prices have and are likely to contribute to higher production costs. The government's relative half-measure to improve market access in 2022 compared to 2021 is likely to offer only minimal and brief relief to consumers given the relatively still high in-quota duty rate and no expansion of the in-quota volume.



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

Meanwhile, suggested retail prices for processed meat products remain unchanged, though industry requests to increase prices are under consideration. These products have been increasingly more representative of chicken MDM given the costs and restrictions associated with including pork ingredients.

	9/30/2019	8/29/21	1/27/22
Luncheon Meat Brands			
CDO Chinese Style (165g)	32.50	34.25	34.25
Purefoods Chinese Style (165g)	32.50	32.50	32.50
Meat Loaf Brands			
555 (150g)	17.70	18.25	19.50
Argentina (150g)	18.30	18.75	20.25
CDO (150g)	17.25	18.25	18.25
Gusto (150g)	16.50	16.50	16.50
Winner - Supermarket (150g)	16.50	18.00	18.00
Argentina (170g)	19.80	20.25	21.75

Source: Department of Trade & Industry

Trade

FAS Manila increases the 2022 pork import forecast to 400,000 MT from USDA's 375,000 MT, following the issuance of [Executive Order \(EO\) No. 171, Series of 2022](#). The new measure reset tariff rates through December 31, 2022. The EO was signed on May 21, 2022, and takes effect on June 10, 2022. Unlike in 2021, no changes were made to the minimum access volume for pork, which remains at 54,210 MT (February 2022 to January 2023).

	MFN Rates	
	Until Dec. 31, 2022	Starting Jan. 1, 2023
In-Quota	15 percent	30 percent
Out-Quota	25 percent	40 percent

Following a brief interlude, the Department of Agriculture [issued Administrative Order No \(AO\). 15, Series of 2022](#), on June 8, which indefinitely reinstates the validity of SPS import clearances for meat and poultry from 60 to 90 days. The AO nullifies the previous [Administrative Order No. 11, Series of 2022](#), issued May 23, 2022.

	Calendar Year		January-March		
	2020	2021	2021	2022	%Δ
Total	167,814	459,183	69,306	85,028	23%
European Union	69,011	196,325	28,983	39,716*	37%
Canada	46,356	122,673	25,448	26,477	4%
United States	42,829	79,466	11,405	3,423	-70%
Brazil	5,021	37,064	1,243	11,389	816%
United Kingdom	2,869	16,842	1,535	3,328*	117%
Australia	1,115	4,364	599	395*	-34%
Others	613	613	94	300	220%

Source: Trade Data Monitor, LLC; FAS Manila estimates*

	Calendar Year		January-March		
	2020	2021	2021	2022	%Δ
Total	256,017	554,698	101,498	138,735	37%
Bellies	35,551	56,997	10,325	13,219	28%
Deboned	50	480	30	40	33%
Fats	44,350	62,549	13,264	12,564	-5%
Offals	95,778	185,663	41,477	51,893	25%
Pork Cuts	56,891	215,637	27,726	53,664	94%
Rind/Skin	23,397	31,694	8,502	6,710	-21%
Whole Carcass	n/a	1,678	174	645	271%

Source: DA/BAI

CHICKEN

Production, Supply, and Distribution (PSD)

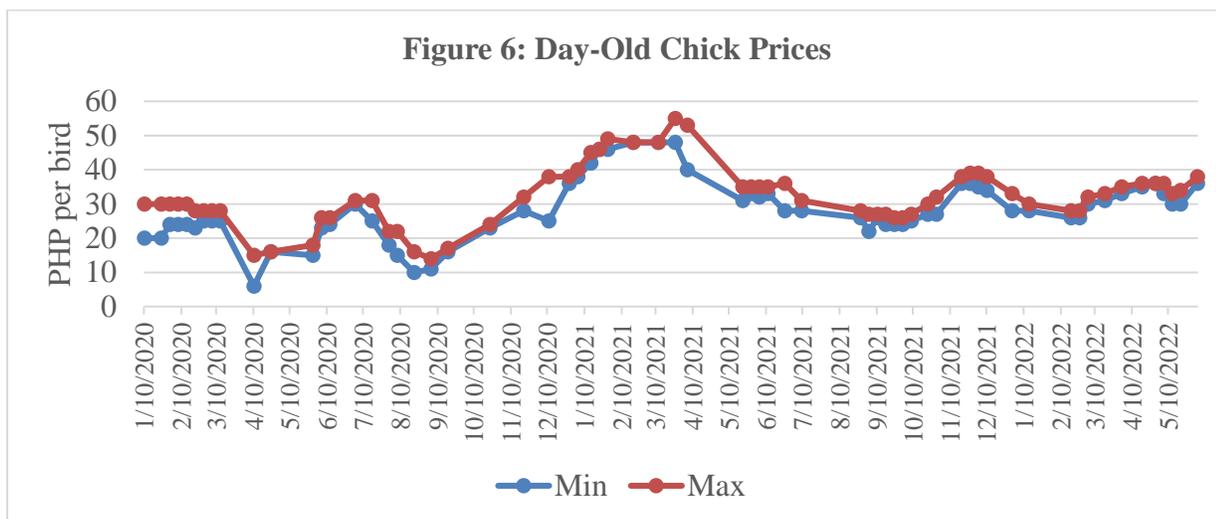
Table 9: Meat, Chicken Market Year Begins Philippines	2020		2021		2022	
	Jan 2020		Jan 2021		Jan 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	1305	1305	1343	1343	1360	1360
Total Imports (1000 MT)	335	335	437	437	420	420
Total Supply (1000 MT)	1640	1640	1780	1780	1780	1780
Total Exports (1000 MT)	0	0	0	0	0	0
Human Cons. (1000 MT)	1640	1640	1780	1780	1780	1780
Other Use, Losses (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	1640	1640	1780	1780	1780	1780
Total Use (1000 MT)	1640	1640	1780	1780	1780	1780
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	1640	1640	1780	1780	1780	1780

(1000 MT)

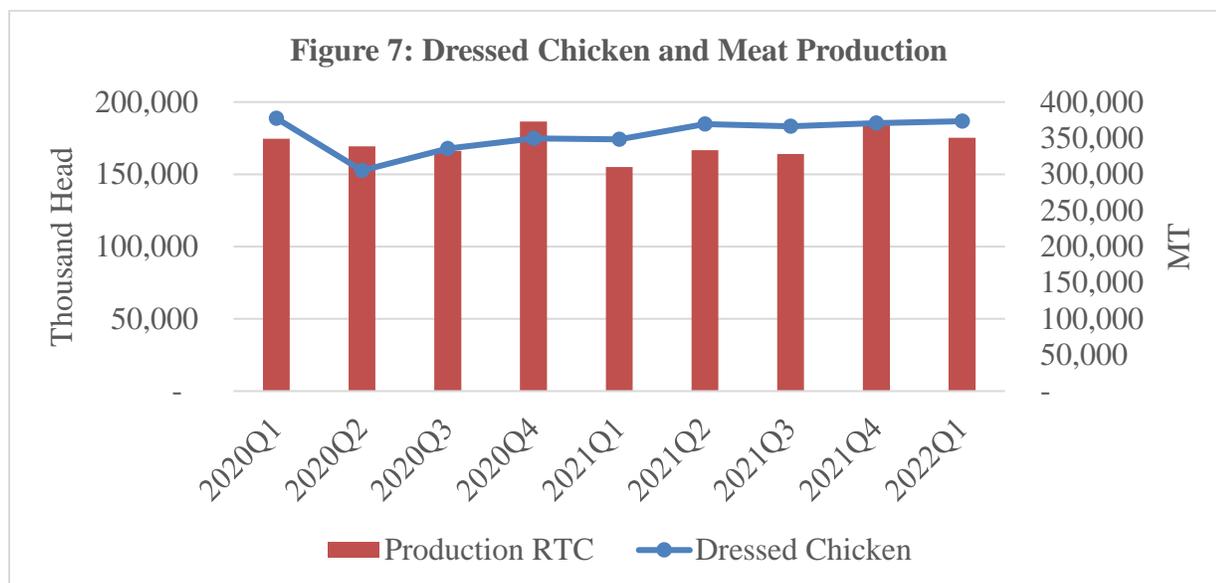
Note: PSD includes skins and mechanically deboned meat (MDM).

Production

FAS Manila maintains the 2022 chicken meat production forecast. Through the first quarter, production is up 13 percent year-over-year with large poultry farms still relatively unaffected from highly pathogenic avian influenza (HPAI). Meanwhile, several local government units continue to impose restrictions that go above and beyond the Philippines' national [Avian Influenza Protection Program](#), which has further restricted the availability of live chicks.



Source: United Broiler Raisers Association (UBRA)



Source: PSA

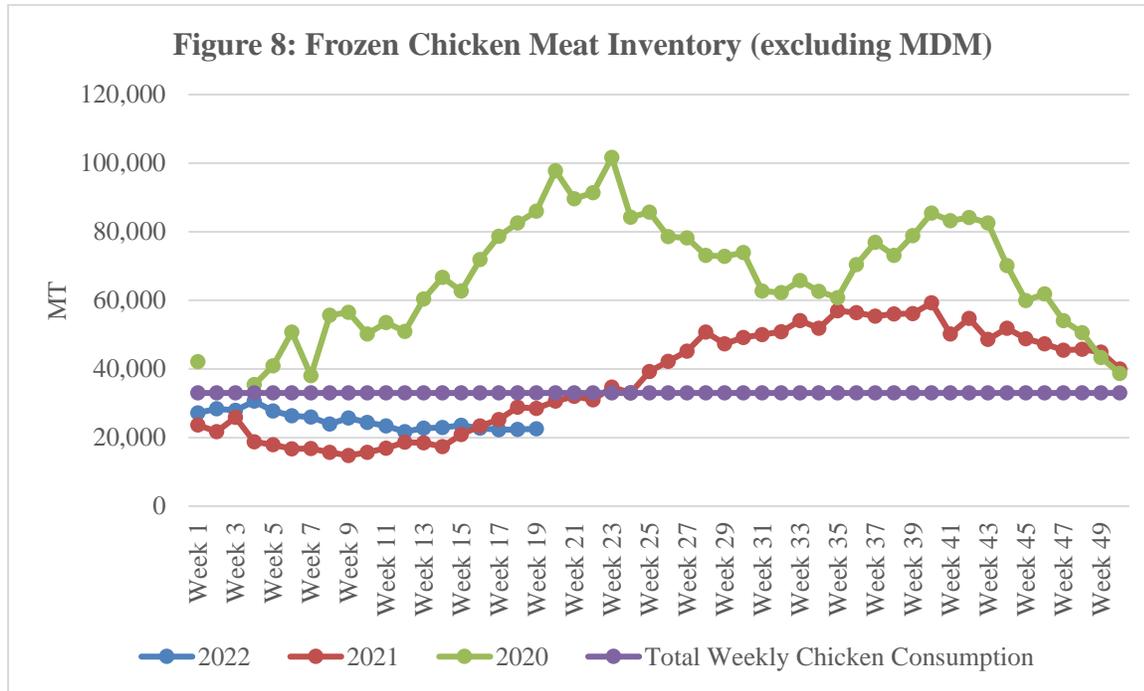
	Calendar Year		January-March		
	2020	2021	2021	2022	%Δ
Philippines	1,393,586	1,343,496	310,133	350,378	13%
Central Luzon	489,246	457,281	101,590	129,072	27%
CALABARZON	244,233	231,159	56,944	59,281	4%
Northern Mindanao	131,617	125,622	29,517	33,624	14%
Western Visayas	90,105	92,586	22,692	22,252	-2%
Central Visayas	83,703	76,508	13,475	15,644	16%
Ilocos Region	65,092	58,736	16,023	17,356	8%
SOCCKSARGEN	54,831	58,545	12,557	17,553	40%
Davao Region	57,273	54,089	8,868	9,858	11%
Cagayan Valley	41,343	45,773	12,507	9,534	-24%
Eastern Visayas	43,573	44,458	11,232	10,042	-11%
Bicol Region	35,641	39,013	11,655	11,182	-4%
Zamboanga Peninsula	27,603	30,560	6,436	7,556	17%
CARAGA	11,867	11,218	2,973	2,583	-13%
MIMAROPA	8,397	8,830	1,850	2,406	30%
CAR	4,725	4,554	1,162	1,298	30%
BARMM	4,338	4,185	650	952	47%
NCR	-	379	2	184	8,396%

Source: PSA, DA/BAI; liveweight converted to RTC using 77 percent dressing percentage.

Note: Highlighted regions have at least one province with HPAI

Inventory

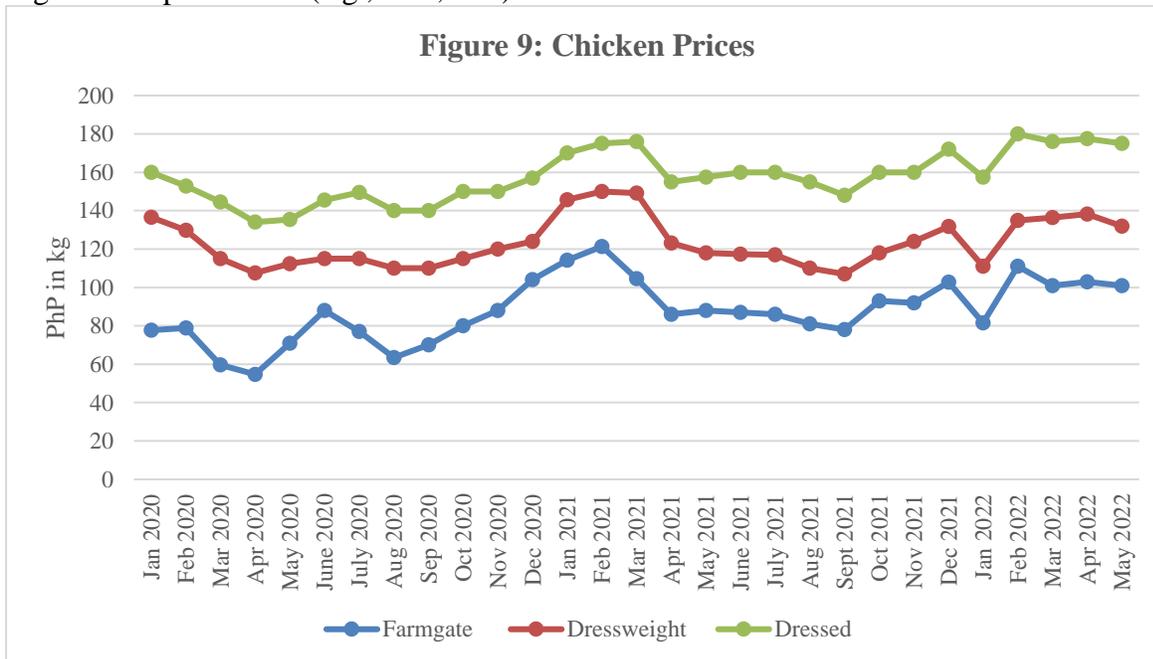
Frozen chicken meat in accredited cold storages, excluding mechanically deboned meat, has shown continued tightness in inventories, representing less than one week of domestic consumption.



Source: DA/NMIS

Prices

Chicken prices are likely to remain elevated, attributed largely to ongoing HPAI restrictions and increasing costs of production (e.g., feed, fuel).



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

Consumption

FAS Manila holds 2022 chicken meat consumption estimates given conditions are progressing as earlier expected. MDM demand remains particularly robust as it increasingly represents a key raw material for the processed meat industry and as the public seeks ways to save budgetary outlays on increasing food costs.

Trade

FAS Manila maintains 2022 chicken meat imports. Conditions remain relatively unchanged, including HPAI restrictions.

Table 11: Global Chicken Meat Exports to the Philippines by Source (Metric Tons)					
	Calendar Year		January-March		
	2020	2021	2021	2022	%Δ
Total	335,916	437,513	106,129	107,496	1
European Union	143,689	59,616	15,038	9,934	-34
United States	77,767	154,306	50,128	37,143	-26
Brazil	59,799	168,001	26,765	47,521	78
Canada	22,871	29,480	9,661	4,989	-48
Turkey	13,189	5,329	986	1,295	31
China	4,087	10,233	2,042	2,434	19
Other	14,514	10,548	1,509	4,180	177

Source: Trade Data Monitor, LLC

Table 12: Philippines Chicken Meat Imports by Type (Metric Tons)					
	Calendar Year		January-March		
	2020	2021	2021	2022	%Δ
Total	402,700	404,712	63,854	78,036	22
Chicken Cuts	38,440	39,600	5,044	8,820	75
CLQ	79,894	113,404	20,565	15,975	-22
Deboned	273,815	236,742	36,591	51,216	40
Fats	5,408	7,347	690	719	4
Offal	3,469	3,995	530	822	55
Rind/Skin	1,049	3,625	434	484	12
Whole Chicken	624	-	-	-	

Source: DA/BAI

Attachments:

No Attachments.