

**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:**

In response to market conditions, including recently revised market access for imports, Post has hiked its pork import forecast to 425,000 MT for 2021. Meanwhile, sustained supply constraints lead to Post lowering its chicken import forecast to 330,000 MT.

## PORK

### Production, Supply, and Distribution (PSD)

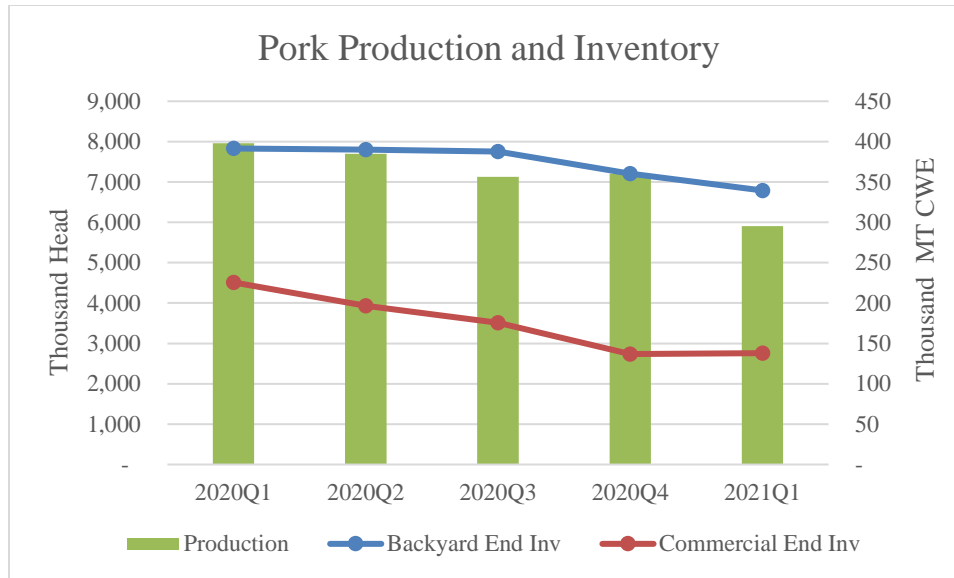
Meat, Swine Market Year Begins	2019		2020		2021	
	Jan 2019		Jan 2020		Jan 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Philippines						
Slaughter (Reference) (1000 HEAD)	0	0	0	0	0	0
Beginning Stocks (1000 MT CWE)	0	0	0	0	0	0
Production (1000 MT CWE)	1585	1585	1115	1115	1000	1000
Total Imports (1000 MT CWE)	222	222	167	168	350	425
Total Supply (1000 MT CWE)	1807	1807	1282	1283	1350	1425
Total Exports (1000 MT CWE)	1	1	1	1	1	1
Human Dom. Cons. (1000 MT CWE)	1806	1806	1281	1282	1349	1424
Other Use, Losses (1000 MT CWE)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT CWE)	1806	1806	1281	1282	1349	1424
Ending Stocks (1000 MT CWE)	0	0	0	0	0	0
Total Distribution (1000 MT CWE)	1807	1807	1282	1283	1350	1425

(1000 HEAD), (1000 MT CWE)  
Note: PSD numbers do not include pork offal, fat, and rind.

### Production

Post maintains 2021 pork production at 1 million metric tons (MT) carcass weight equivalent (CWE), in line with current data and discussions with industry contacts. African Swine Fever (ASF) remains a challenge to the Philippine hog sector, especially in the key producing provinces of Luzon while also spreading to previously ASF-free areas of Visayas and Mindanao. The latest [report by the Philippine Statistics Authority](#) (PSA) notes that total pork production declined 25.8 percent from January to March 2021 compared to the same period in 2020 (295,000 MT CWE and 398,000 MT CWE, respectively). As a result, regions with the largest production during the quarter were Central Visayas, Northern Mindanao, and Western Visayas. Central Luzon, historically the nation's top pork producer, plunged 76 percent. CALARBAZON, historically the second largest producer, dropped 50 percent.

Industry contacts report the decline in local production has stabilized while future prospects remain tentative. DA reports indicate a decline in active ASF cases, although many parts of the country remain categorized as infected (see ASF Zoning Status Map below). As some attempts to repopulate are being made, producers have generally remained cautious absent a commercially-available vaccine, which remains in trial.



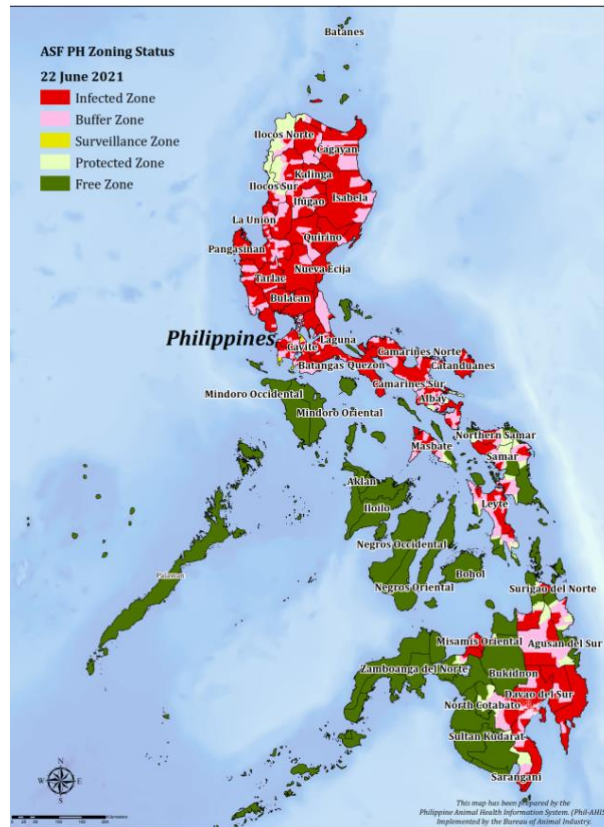
Source: Philippine Statistics Authority

### Philippine government support to hog raisers

To encourage production, the Philippine Department of Agriculture (DA) launched a P29.6 billion (\$610 million) twin [program](#) focused on hog repopulation and facilitating hog raisers to return to business, while also strengthening biosecurity to control the spread of the hog virus. The programs are named the Integrated National Swine Production Initiatives for Recovery and Expansion (INSPIRE) and Bantay ASF sa Barangay (translation: protecting the neighborhood from ASF) or BABay ASF (translation: Goodbye ASF). The INSPIRE program has an initial funding of P600 million (\$12.37 million) to accelerate repopulation efforts and ensure availability, accessibility, and affordability of pork and pork products. The program has three components: calibrated repopulation and swine livelihood enterprise; establishment of breeding animal multiplier farms; and intensive and modernized production. BABay ASF, a local government-led program to curb the spread of ASF, will have an initial allocation of P1.5 billion (\$30.9 million). To encourage backyard and semi-commercial raisers in virus-free areas, the DA Agricultural Credit Policy Council will offer a P500 million (\$10.3 million) loan program, without interest, payable in three to five years. A majority of the funding will go to soft loans via the Land Bank of the Philippines and the Development Bank of the Philippines, which will be allocated P15 billion and P12 billion (\$308 million and \$247 million, respectively) for commercial operators.

On May 10, 2021, President Duterte signed [Proclamation No. 1143, Series of 2021](#), declaring a *State of Calamity* due to ASF, and which authorizes additional funds and other resources to combat the disease, address the supply deficit, and reduce retail pork prices. The proclamation calls for a collective effort across government, as well as law enforcement agencies, to restore normalcy to the hog sector. The *State of Calamity* remains in effect for one year.

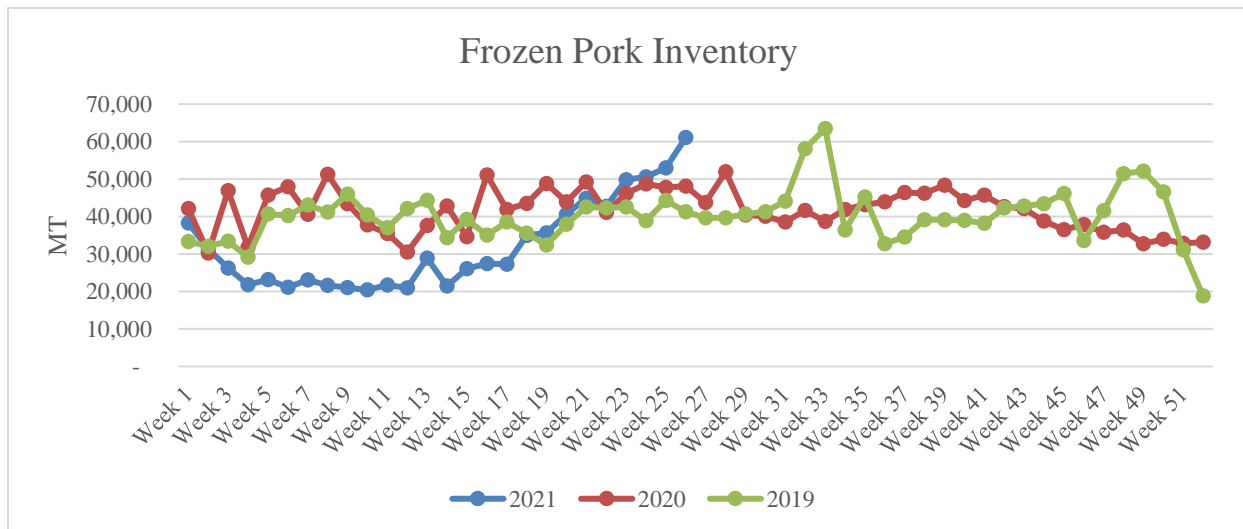
## African Swine Fever Zoning Status



Source: Department of Agriculture, Bureau of Animal Industry

### Inventory

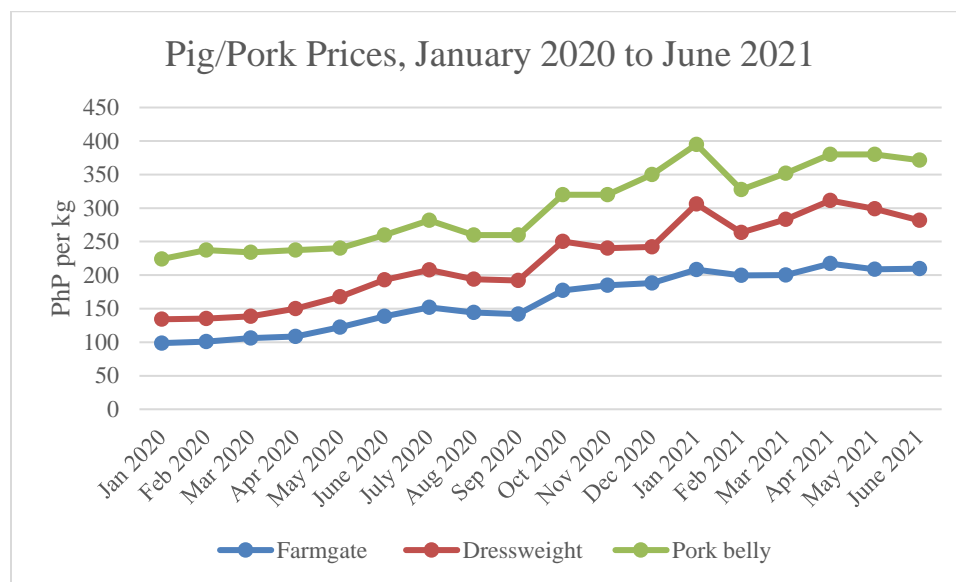
As inventories of frozen pork in accredited cold storages have recovered to historical levels, pressures are intensifying on these facilities to ensure they now supply markets in the absence of freshly slaughtered domestic pork.



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

## Prices

Following a rapid run up in prices tied directly to the disappearance of local pork production and thereafter moves by the government to modify market access in an attempt to arrest continued pork inflation, prices have stabilized, though still remain near all-time highs (see Trade).



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

## Trade

Post raises 2021 imports to 425,000 MT, 21 percent higher than the USDA official forecast of 350,000 MT, based on trade trends and improved market access. On June 26, 2021, DA released the guidelines for the Minimum Access Volume (MAV) or tariff-rate quota for pork, specifying how the additional volume of 200,000 MT (authorized via [Executive Order No. 133](#)) will be implemented. Up to 70 percent of the additional MAV (i.e., 140,000 MT) will be available from July to October 2021, with the remaining 30 percent (60,000 MT) eligible from November 2021 through January 2022. MAV Import Clearances will be allocated on a first come, first served basis. See the [corresponding report](#) for more information on the latest guidelines.

As previously reported, [Executive Order 134](#) significantly lowered Most Favored Nation (MFN) rate tariffs for both in- and out-quota pork imports. [EO 128](#) had first set tariffs at lower rates from April 9 until May 18, until EO 134 repealed EO 128 and raised tariffs by 5 percentage points. See this [GAIN report](#) for more details.

Through April 2021, foreign pork supplies reached 195,300 MT, up 400 percent year-over-year.

Global Pork Exports to the Philippines (MT CWE)				
Reporter	Calendar Year	January to April		
	2020	2020	2021	%Δ 2021/20
Total	167,354	38,979	195,300	401.05
EU 27 External Trade	69,011	17,820	78,300	339.39
Canada	45,897	10,707	60,699	466.91
United States	42,829	8,502	41,812	391.79
Brazil	5,021	724	5,742	693.09
United Kingdom	2,869	823	6,671	710.57
Australia	1,115	323	1,774	449.23
South Korea	449	46	144	213.04
Chile	-	-	62	-
China	51	-	35	-
Taiwan	72	22	32	45.45
ROW	40	11	29	263.63

Source: Trade Data Monitor

Philippine Pork and Related Imports January to May (MT)							
		SPA	CAN	USA	NETH	OTHERS	TOTAL
<b>2021</b>	Bellies	4,484	989	1,803	1,052	12,281	20,609
	Deboned	105	-	-	-	29	134
	Fats	7,474	6,045	394	1,985	9,216	25,113
	Offal	30,935	7,939	6,793	9,145	22,366	77,178
	Pork Cuts	8,140	29,615	17,078	8,936	13,992	77,761
	Rind/Skin	4,816	4,167	73	1,289	4,689	15,034
	Whole Carcass	55	-	-	-	-	55
	<b>Total</b>	<b>56,009</b>	<b>48,755,587</b>	<b>26,140</b>	<b>22,407</b>	<b>62,571</b>	<b>215,883</b>
<b>2020</b>	Bellies	2,799	1,609	678	176	4,973	10,235
	Fats	7,872	3,717	383	938	2,912	15,822
	Offal	15,132	3,182	7,654	5,355	7,726	39,050
	Pork Cuts	1,417	6,476	3,124	457	1,253	12,728
	Rind/Skin	5,112	2,198	121	284	1,971	9,685
	Whole Carcass	-	-	-	-	-	-
	<b>Total</b>	<b>32,332</b>	<b>17,181</b>	<b>11,960</b>	<b>7,211</b>	<b>18,836</b>	<b>87,520</b>

Source: Department of Agriculture, Bureau of Animal Industry

## CHICKEN

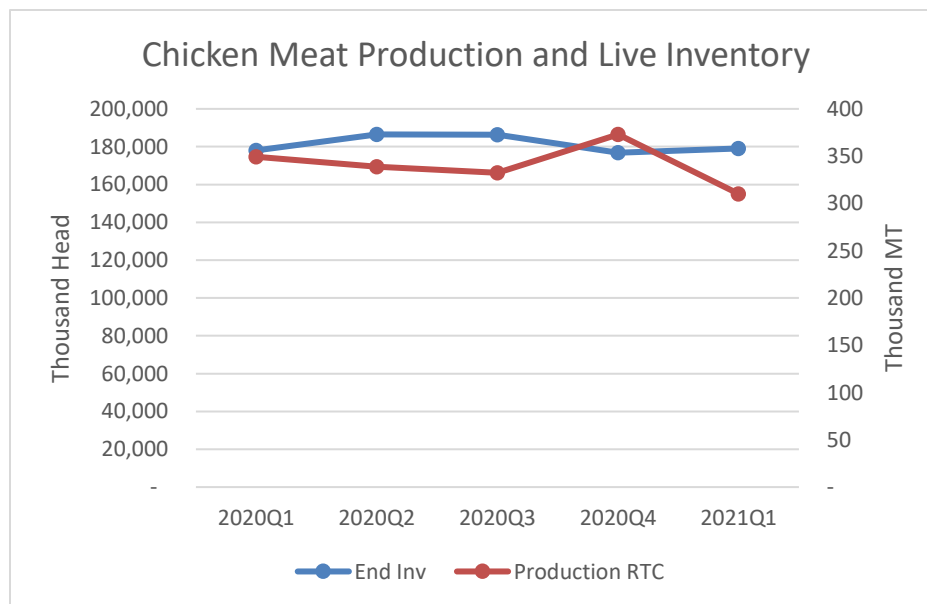
### Production, Supply, and Distribution (PSD)

Meat, Chicken Market Year Begins	2019		2020		2021	
	Jan 2019		Jan 2020		Jan 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Philippines						
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	1450	1450	1305	1305	1360	1330
Total Imports (1000 MT)	366	366	335	335	350	330
Total Supply (1000 MT)	1816	1816	1640	1640	1710	1660
Total Exports (1000 MT)	0	0	0	0	0	0
Human Cons. (1000 MT)	1816	1816	1640	1640	1710	1660
Other Use, Losses (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	1816	1816	1640	1640	1710	1660
Total Use (1000 MT)	1816	1816	1640	1640	1710	1660
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	1816	1816	1640	1640	1710	1660
(1000 MT)						

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

### Production

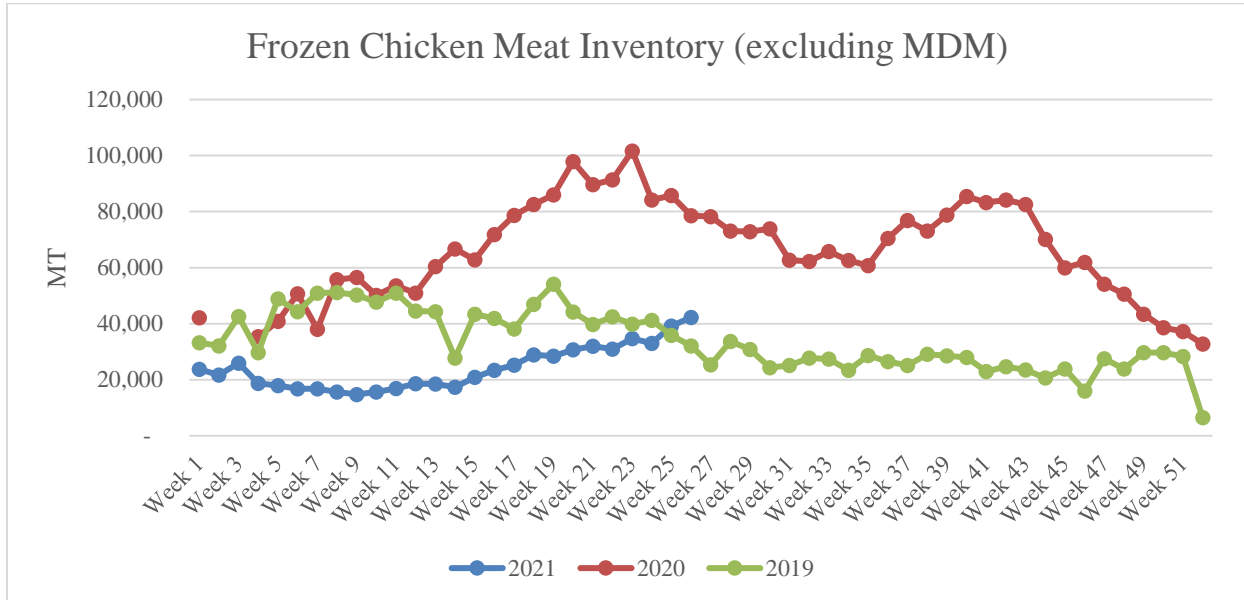
Post lowers USDA's 2021 chicken meat production forecast from 1.36 to 1.33 million MT in line with industry and government forecasts. According to the [latest PSA report](#), chicken production was 11 percent lower year-over-year in the first quarter of 2021.



Source: Philippine Statistics Authority

## Inventory

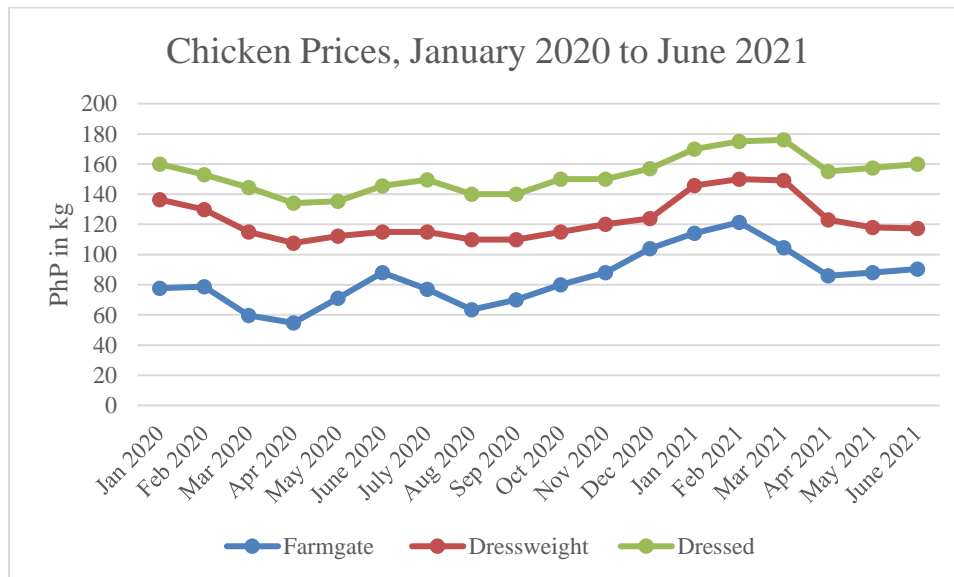
Inventories of chicken meat in accredited cold storages, excluding MDM, have recovered but will increasingly have to compete with imported pork for limited space through at least 2021.



Source: Department of Agriculture-National Meat Inspection Service

## Prices

Chicken price movements have remained rather inconsistent given the varying changes to COVID-19 quarantine interventions, which continue to impact consumer purchasing power and producer market signals.



Source: Department of Agriculture-Agribusiness and Marketing Assistance Service (Metro Manila wholesale and retail prices); UBRA (farmgate prices)



## Trade

Post adjusts the 2021 official forecast of 350,000 MT to 330,000 MT on increasingly stressed supply chains. While official trade data remains mixed, Philippine meat processors, which account for the majority of poultry meat imports, have stressed difficulties sourcing mechanically deboned meat (MDM) as long as European supplies remain restricted.

<b>Global Chicken Meat Exports to the Philippines</b>				
<b>Reporter</b>	<b>Calendar Year</b>	<b>January to April</b>		
	<b>2020</b>	<b>2020</b>	<b>2021</b>	<b>%Δ 2021/20</b>
<b>Total</b>	<b>335,501</b>	<b>123,500</b>	<b>155,064</b>	<b>25.56</b>
United States	77,767	28,682	72,027	151.12
Brazil	59,799	29,220	42,971	47.06
EU 27 External Trade	143,644	52,754	21,699	-58.87
Canada	22,500	5,618	12,756	127.06
China	4,087	-	2,382	-
Turkey	13,189	1,946	1,391	-28.52
Chile	-	-	843	-
United Kingdom	12,936	4,823	547	-88.66
Thailand	666	152	418	175
Malaysia	77	24	23	-4.17
Australia	708	220	-	-100
ROW	125	61	7	11.48

Source: Trade Data Monitor

<b>Philippines Chicken Imports, January to May (MT)</b>							
		<b>USA</b>	<b>BRA</b>	<b>BEL</b>	<b>CAN</b>	<b>OTHERS</b>	<b>TOTAL</b>
<b>2021</b>	Cuts	1,132	6,097	1,677	2,684	2,447	14,038
	CLQ	43,216	2,244	-	1,568	54	47,082
	Deboned	13,886	23,519	13,712	10,579	10,142	71,837
	Fats	-	1,777	-	-	25	1,777
	Offals	-	553	111	-	281	945
	Rind/Skin	273	579	-	292	20	1,145
	Whole Chicken	-	-	-	-	-	-
	<b>Total</b>	<b>58,507</b>	<b>34,769</b>	<b>15,499</b>	<b>15,123</b>	<b>12,924</b>	<b>136,822</b>
<b>2020</b>	Cuts	2,656	5,772	1,064	3,047	10,346	22,884
	CLQ	40,758	2,292	-	342	55	43,446
	Deboned	8,222	25,022	11,944	5,967	57,332	108,486
	Fats	-	1,512	-	-	1	1,513
	Offals	24	733	53	-	252	1,061
	Rind/Skin	98	55	-	112	133	398
	Whole Chicken	416	-	20	-	109	545
	<b>Total</b>	<b>52,173</b>	<b>35,386</b>	<b>13,080</b>	<b>9,467</b>	<b>68,227</b>	<b>178,334</b>

Source: Department of Agriculture-Bureau of Animal Industry

**Attachments:**

No Attachments.