



Philippine Swine Industry Update

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How is the swine industry performing in 2016-2017?

Outline

- Hogs Industry in the Philippines at A Glance
 - Value and volume of production and supply
 - Hog inventory
 - ★ Backyard
 - ★ Commercial
 - Hog prices
 - Raw material prices

2017 Livestock and poultry industry performance*

Value of Agricultural production (at current prices Jan-June)
 2017 amounted to **Php 829.97B**; higher by 10.12% from same period in 2016 at **Php 753.70B**;

Livestock sector gross @ Php 137B in 2017 (+10.95% higher than 2016 at Php 123B)

	Jan – June 2016 (bil Php)	Jan – June 2017 (bil Php)
crops	415.41	464.60
livestock	123.77	137.33
poultry	102.06	108.27
fisheries	112.45	119.75
	753.70	829.97

Hogs at 113 Bil Php or 82.79% of livestock AND 13.7% contribution to total agriculture production

* Source: PSA 2Q-2017 Report

Growth rate in agriculture, 2016 vs 2017- 1st Half (volume of production)

- Agriculture grew by 5.71 % in 1st Half 2017.
- Production of agricultural crops has a growth rate of 9.81%
- Fisheries subsector's output has gone down by -0.98% growth (2016-2017)
- Over-all **livestock production** increased by 0.88% with **Hog production increased by 1.04 %** in 1H2016 vs.1H2017;
- Over-all **Poultry production** grew by 5.09 % with chicken production at -5.38% increase in the same period.

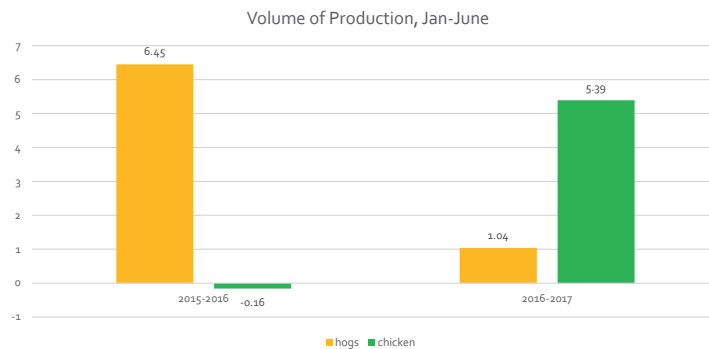
Value of Production in Agriculture by Sector at Current Prices: (2015-2017)

January - June					
Sector	In Billion Pesos			Growth Rate %	
	2015*	2016*	2017*	2015-2016	2016-2017
Livestock	121.5	123.77	137.33	1.87	10.95
carabao	5.32	5.22	5.94	-1.89	13.78
cattle	12.06	12.37	12.72	2.54	2.83
hog	99.47	101.44	113.7	1.98	12.09
goat	4.31	4.39	4.54	1.85	3.44
dairy	0.32	0.34	0.41	4.59	20.51
Poultry	94.27	102.06	108.27	8.26	6.09
chicken	69.93	76.09	79.16	8.81	4.03
duck	1.37	1.33	1.37	-2.32	2.99
chicken eggs	21.1	22.61	25.49	7.1	12.74
duck eggs	1.85	2.012	2.24	8.39	11.51

Source: BAS Swine Industry Performance Report June 2017.

10/12/2017

Volume of Production, hogs vs chicken



Though with only 1.04% in volume of production in hogs, value of production increase by 12% due to increase in hog prices

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Top Commodities in Agriculture. 2Q-2017

Sector	% Contribution
1. Palay	17.78
2. Fisheries	15.04
3. Hogs	14.06
4. Chicken	9.73
5. Banana	8.60
6. Coconut	6.66
7. Mango	4.91
8. Corn	3.60
9. Chicken eggs	2.96
10. Sugarcane	2.92

Source: PAS 2Q-2017 Report

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Hogs inventory

Top 20 Countries: Annual Pork Production

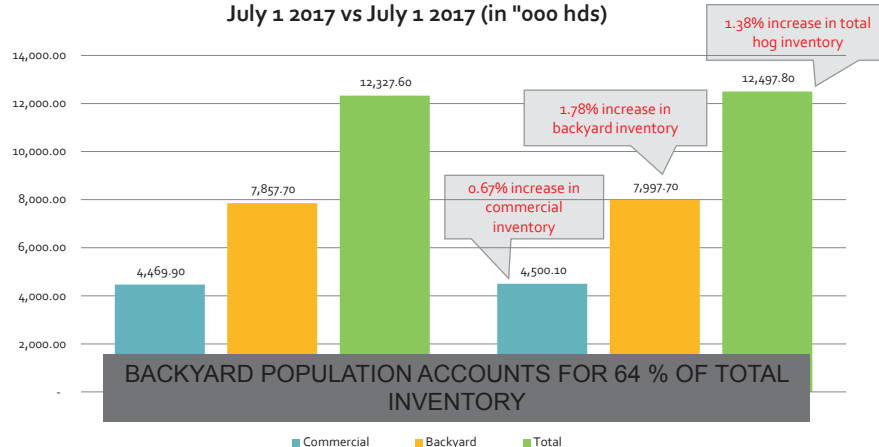
TOP 20 COUNTRIES: ANNUAL PORK PRODUCTION (X1000 TONS)

		2010	2013	2014	2015
1	China	51070	54930	56743	54870
2	USA	10186	10527	10370	11121
3	Germany	5443	5474	5507	5562
4	Spain	3369	3431	3620	3896
5	Brazil	3239	3411	3472	3643
6	Vietnam	3036	3218	3351	3492
7	Russia	1920	2400	2510	2615
8	Philippines	1898	2012	2032	2120
9	France	2010	1939	1944	1968
10	Poland	1741	1684	1838	1906
11	Canada	1779	1822	1805	1890
12	Denmark	1666	1589	1594	1599
13	Italy	1633	1625	1328	1486
14	Netherlands	1288	1307	1371	1456
15	Mexico	1175	1284	1290	1323
16	Japan	1292	1309	1264	1254
17	Korea	1110	1252	1204	1217
18	Belgium	1124	1131	1118	1124
19	Thailand	895	967	974	985
20	UK	772	833	862	898

As of 2015:
China sow population : 37 M
US sow: 6 M
Phil. Sow population : 1.6 M

Phil. hog inventory, 2016-2017

Swine Inventory by Farm type
July 1 2017 vs July 1 2017 (in "000 hds)



Source: PAS

Phil. Sow inventory, 2017

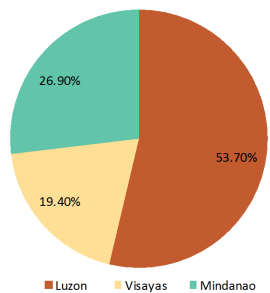
	2016 (million sows)	2017 (million sows)	Growth rate
Backyard	1.05	1.08	3%
Commercial	0.59	0.60	1.7%
	1.64	1.68	2.5%

*Source: PSA, 1H, 2016

~10



% of the Volume of Production by region, 2016



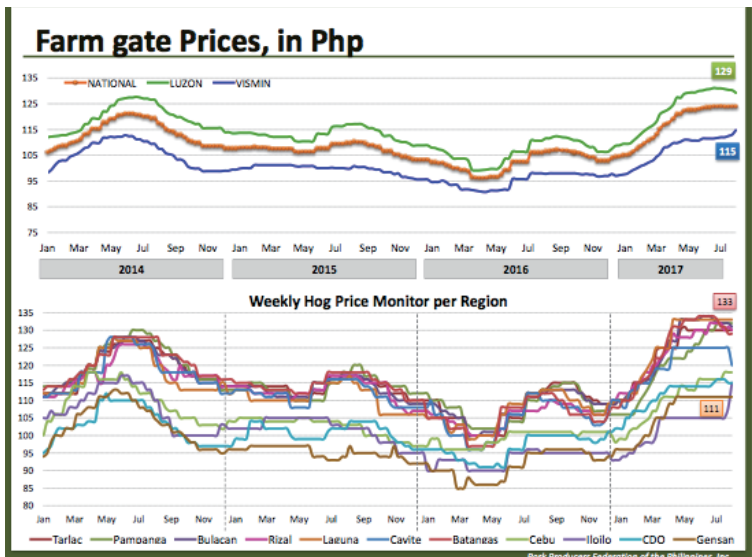
Pork Per Capita consumption

OECD*, 2015

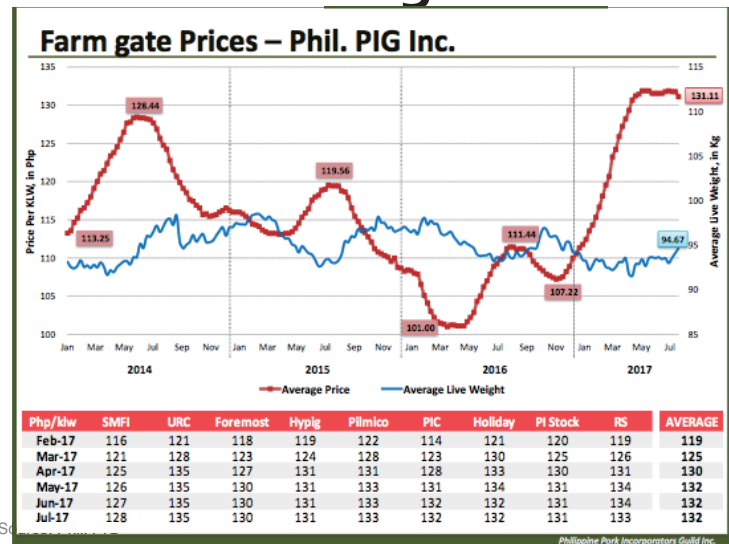
	kgs
EU countries	33.0
China	31.6
Vietnam	29.1
Korea	28.4
US	22.7
Australia	20.3
Russia	18.3
NZ	18.1
Canada	15.7
Japan	15.0
Philippines	14.2

*OECD – Organization for Economic Cooperation and Development

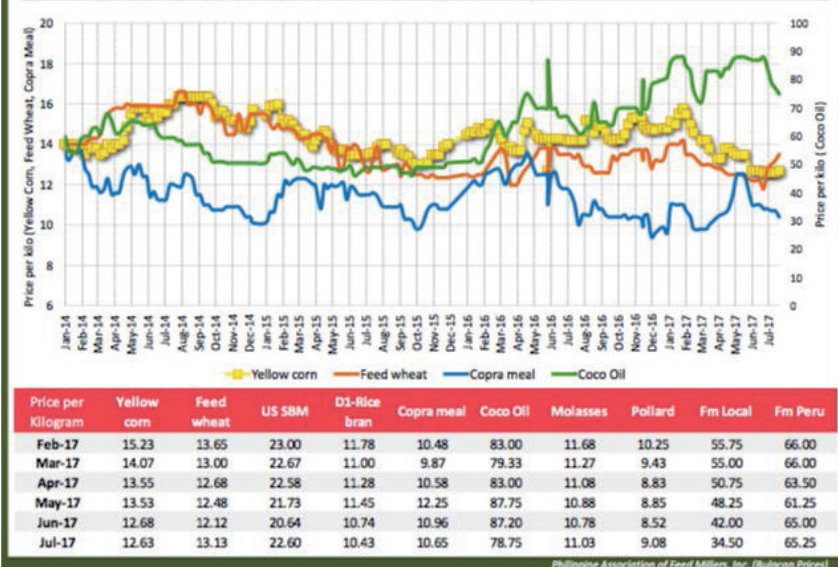
Hog Prices, as of July 2017



Phil. Pork Incorporators Hog Prices

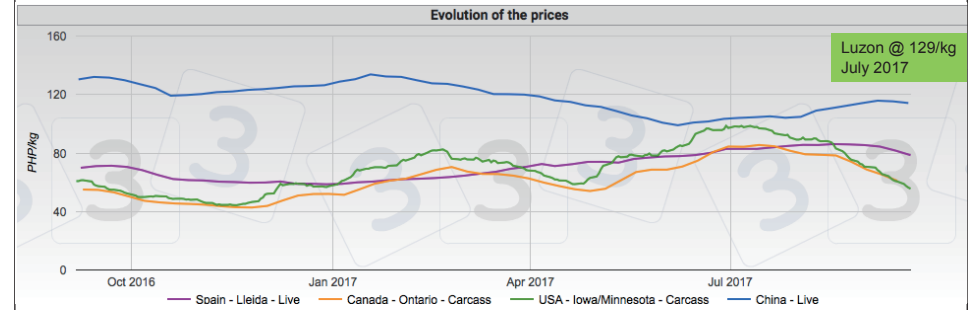


Feeds Raw Material Prices, in Php



Philippine Association of Feed Millers, Inc. (Bulacan Prices) 10/12/2017

Major pig market: Current prices, Php/kg



Source: Pig 333.

10/12/2017

Imported Pork, 2017

Sum of Weight(KG)		Month							Grand Total
Meat	Description	Jan	Feb	Mar	Apr	May	Jun		
Pork	Bellies	1,621,748	1,690,666	2,490,093	3,190,923	4,137,260	4,220,681	17,351,372	
	Deboned	26,000	27,000	27,000	81,000	52,000	132,975	345,975	
	Fats	3,349,424	3,683,653	4,162,263	2,369,044	5,837,403	4,614,687	24,016,473	
	Pork Cuts	2,792,750	2,710,833	3,808,930	2,042,892	4,982,528	4,456,850	20,794,783	
	Rind/Skin	2,132,084	2,032,079	2,927,925	1,692,543	2,312,014	2,003,087	13,099,732	
	Other Products								
	Aponeurosis		24,870						24,870
	Casing		54,944	83,170	146,525	8,000	93,249	71,147	457,035
	Cheek		268,650	24,988	73,988	97,455	170,355	220,747	856,182
	Diaphragm		208,520	271,788	322,291	130,535	297,424	284,160	1,514,717
	Ear		1,756,160	1,487,890	946,079	1,009,991	1,033,896	838,506	7,072,523
	Head		77,020	146,286	162,056	24,500	344,516	260,221	1,014,599
	Intestines			24,740	24,670	26,402	50,427		126,239
	Jowls		6,003,314	4,724,843	4,515,206	2,882,851	5,222,513	6,843,683	30,192,411
	Lips		26,000						26,000
	Liver		1,374,470	996,433	1,667,139	1,194,932	1,741,408	1,765,080	8,739,461
	Lungs		130,000	130,000	52,000	78,000	104,000	130,000	624,000
	Mask		782,774	538,614	429,518	383,193	377,741	429,327	2,941,167
	Membrane				24,640				24,640
	Spleens					25,120	23,170		48,290
Tongue		609,057	501,830	607,141	530,169	613,727	490,215	3,352,138	
		11,315,779	8,930,582	8,971,253	6,391,148	10,072,425	11,333,086	57,014,272	
Pork Total		21,237,786	19,074,813	22,387,463	15,767,550	27,393,629	26,761,366	132,622,608	

Pork imports, 2010-2015

In KGS.		YEAR					
MEAT	DESCRIPTION	2010	2011	2012	2013	2014	2015
Pork	Bellies	16,411,364	15,043,271	17,432,130	22,936,432	23,497,104	29,660,854
	Pork Cuts	56,739,153	38,784,302	31,731,361	45,330,691	40,641,842	45,424,744
	Deboned	208,978	399,283	196,606	27,200	932,671	729,277
	Fats	29,424,541	30,003,605	29,623,059	36,226,610	48,642,544	43,297,910
	Rind/Skin	20,923,820	20,592,888	18,259,178	18,608,412	26,051,050	24,895,647
	Other Products	55,197,241	64,395,628	53,866,408	76,324,630	116,123,882	108,855,587
Pork total		178,905,096	169,218,977	151,108,742	199,453,974	255,889,094	252,864,019

1st Half imported pork volume = 132 Million kgs
2016 = 275 Million kgs or 9% increase 2016 vs 2015

Source: BAI - DA

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Frozen Pork inventory, Sept 2017

REGIONS	THIS WEEK +		LAST WEEK		LAST MONTH		LAST YEAR	
	18-Sep-17		11-Sep-17		18-Aug-17		12-Sep-16	
	Week 38		Week 37					
	Local	Imported	Local	Imported	Local	Imported	Local	Imported
I	-	2.83	3.46	4.44	19.50	2.85	-	1.80
II	-	-	2.22	3.50	-	-	-	-
III	881.36	4,102.09	886.05	7,059.33	945.25	6,338.60	2.94	2,477.47
IV-A	984.59	8,130.12	771.20	5,316.70	1,227.47	10,261.42	1,503.50	7,701.58
V	6.36	31.39	-	-	1.21	12.28	34.58	15.48
VI	-	0.44	-	2.38	10.09	0.60	-	20.94
VII	460.85	4,491.39	71.59	1,634.46	430.03	2,006.49	-	356.82
VIII	44.90	-	45.12	-	65.38	-	56.88	-
IX	-	-	-	-	-	-	-	-
X	183.37	8.29	1.00	6.46	-	-	37.42	-
XI	-	-	-	-	-	169.51	11.60	125.09
XII	-	-	-	-	-	-	-	-
CARAGA	-	-	-	-	-	-	-	-
NCR	9.56	4,090.17	4.78	8,546.96	140.18	5,164.64	87.13	5,014.96
NIER	8.55	-	9.83	54.72	12.38	13.58	46.27	-
Total	2,579.54	20,856.71	1,795.32	22,827.95	2,839.11	23,956.39	1,714.04	15,714.14
Grand Total	↓ 23,436.25		24,623.27		26,795.50		17,428.18	

Source: NMIS

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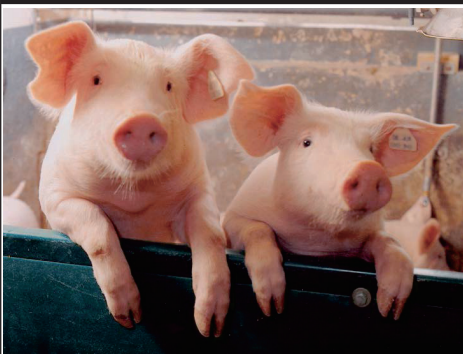
Concerns



- In the first semester of 2017, there was a short fall of supply thus increasing hog prices because last year's farm (hogs) inventory changed only by 1.38%
- Diseases are still prevalent in pig-dense areas like Northern Luzon up until 2Q of 2017 (PED, PRRS, APP)
 - Toxins in feeds that contribute to health challenges
- Need government support especially in diagnostic and disease control

22

~12~



Thank You!