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## The Poultry and Egg Industry in the Philippines

Poultry production has climbed steadily in the past few years. The broiler industry was projected to expand nearly 4 percent in 2004 due to the growing domestic and regional demand for domestic chicken meat. In 2004 poultry accounted for 15.57 percent of farm production. Chicken production was up 3.62 percent due to increased production from commercial farms; however, duck meat production was down 1.32 percent due to a decline in the number of culled layers. Duck production is constrained by continuous inbreeding which has led to lower productivity. Expansion in the poultry sector is constrained by the high cost of feed, inefficient marketing, and a lack of organization within the industry. In 2004, the Philippine chicken inventory was 59.6 percent native/backyard chickens, 25.8 percent broiler chickens and 14.6 percent layer chickens.

### Chicken Inventory by type, Philippines

as of January 1, 2002-2004 (in million birds)

Bird Type	% change				
	2002	2003	2004	03/02	04/03
Chicken	125.73	128.19	122.02	2	-4.8
Broiler	33.15	38.15	31.53	15.1	-17.4
Layer	16.77	17.7	17.8	5.5	0.6
laying flock	13.83	15.23	15.4	10.1	1.1
growing flock	2.57	1.86	1.98	-27.6	6.5
day old layer	0.37	0.61	0.42	64.9	-31.1
Native/Improved*	75.81	72.34	72.69	-4.6	0.5

\*includes gamefowl.

**Philippines Poultry Imports** Poultry meat imports were up 26.4 percent to 26,670 MT in 2004. The U.S. supplies nearly half of all Philippine chicken imports and Canada supplies 42 percent. The U.S. is also a major supplier of chicken sausages to the Philippines.

Competition for the Philippine market is expected from the ASEAN countries. The Department of Agriculture has accredited 24 Brazilian and 3 Chinese meat establishments to export poultry meat products to the Philippines. ASEAN membership will boost Southeast Asia countries' competitiveness, especially for Thailand and Malaysia, by reducing tariffs under its regional free trade plan. The ASEAN countries are: Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei Darussalam, Vietnam, Laos, Myanmar and Cambodia.

**Philippines Poultry Exports** The Philippines is one of the few countries in Asia that has remained free of Highly Pathogenic Avian Influenza. The poultry industry has taken the opportunity to increase exports, especially to Japan. Poultry product exports to Japan totaled 1,500 metric tons 2004. The EU's ban on poultry from several Asian nations could provide an opportunity for the Philippines to sell product into in that region. Several broiler companies are seeking certification for Hazard Analysis Critical Control Point (HACCP) with the National Meat Inspection Council.

**Chicken and Duck Eggs** Chicken egg production was up 7.92 percent, due to improved egg-laying efficiency and the increased number of laying flocks. An increase in the number of duck layers in commercial farms led to a 4.7 percent higher duck egg output.

In 2004 shell egg imports totaled 600 MT, up 27 percent compared to the previous year. Imports of egg products grew from 592.6 MT in 1998 to 1,560.5 MT in 2002, an increase of 163.3 percent. Egg producers are exploring the possibility of exporting egg products. The Netherlands government is proposing a grant for the Philippine Egg Board to purchase an egg processor that could produce egg products for domestic institutional use and for export markets.

### Performance of Philippine Poultry, Jan-Dec 2004

	Value in million pesos			Growth Rates	
	2002	2003	2004	02-03	03-04
Poultry	88,823.70	96,686.18	115,989.11	8.85	19.96
Chicken	66,721.68	73,507.67	89,106.51	10.17	21.22
Duck	3,015.50	3,140.38	2,816.11	4.14	-10.33
Chicken eggs	16,640.97	17,571.71	21,116.60	5.59	20.17
Duck eggs	2,445.56	2,466.42	2,949.89	0.85	19.6
	Volume in thousand MT			Growth Rates	
Chicken	1,173.75	1,188.75	1,231.79	1.28	3.62
Duck	54.11	53.9	53.19	-0.39	-1.32
Chicken eggs	260.82	274.81	296.58	5.36	7.92
Duck eggs	53.63	54.05	56.59	0.78	4.70

1.00 Peso = US\$0.01847

**The Autonomous Region in Muslim Mindanao** In 1996 the Philippine Government signed a peace pact in Mindanao with the Moro National Liberation Front (MNLFF), a Muslim group that had resorted to a war for independence in the 1970s. Mindanao is the southernmost island in the Philippines.

The peace pact granted a certain degree of autonomy to an area known as the Autonomous Region in Muslim Mindanao (ARMM). The ARMM includes the provinces of Maguindanao, Lanao del Sur and the Tawi-Tawi, Sulu, and Basilan provinces in the Sulu Archipelago. Tawi-Tawi is only 18 nautical miles from Malaysia, and very close to Indonesia and Brunei.

The Philippines is seeking to turn Mindanao into a jump-off point for exports to the Middle East. Indonesia and Malaysia have consulates in Davao City, Mindanao and Brunei plans to open a consulate in Davao. Brunei Darussalam officials have agreed to assist the Philippines in getting halal certification. Halal certification would allow Philippine poultry product exports to the global halal market. The Department of Trade and Industry has sought to turn the Southern Mindanao into a Halal Food Production Area. In the wake of the Asian tsunami last December, Philippine hala food exports are expected to double this to about \$100 million.

Source: Philippine Bureau of Agricultural Statistics, Philippine Department of Foreign Affairs, United Nations Food and Agriculture Organization, CIA World Factbook, USDA/Foreign Agricultural Service, news wires

**Inspected Egg Products-U.S. & Canada Export/Import Trade**

**U.S./Canadian Live Poultry Slaughtered Under Inspection**  
W/E Mar 05, 2005 (PRELIMINARY)

**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending March 05, 2005	Year-To-Date			
	2005	2004 1/	2005 2/	2004
TYPE				
Liquid	304	239	1,863	1,257
Frozen	0	0	0	0
Dried	0	0	61	89
Total	304	239	1,924	1,346

**U.S. Imports From Canada, in Pounds (000) (Preliminary)**

Week Ending March 05, 2005	Year-To-Date			
	2005	2004 1/	2005 2/	2004
TYPE				
Liquid	122	133	1,636	996
Frozen	8	42	211	332
Dried	0	0	300	551
Total	130	175	2,147	1,879

**Inspected Shell Eggs**

**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending March 05, 2005	Year-To-Date			
	2005	2004 1/	2005 2/	2004
TYPE				
Jumbo	0	0	0	50
Extra Large	100	1,200	950	2,910
Large	1,940	1,500	6,070	9,093
Medium	870	750	7,935	6,030
Ungraded	780	2,198	1,502	13,478
Misc	780	0	2,263	0
Total	4,470	5,648	18,720	31,561

1/ Comparable Week, to-date figures may not total due to rounding.

2/ Includes revisions to previous week(s).

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Source: USDA/AMS Poultry Programs, Market News Branch.

**U.S. Fowl Slaughtered Domestically**

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,547	1,451	2,998
Last Week	1,511	1,477	2,988
Same week yr ago	1,129	1,250	2,379
To-date/2005	12,815	11,602	24,417
To-date/2004	11,393	11,481	22,874

**U.S. Fowl Slaughtered in Canada**

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	324	0	324
Last Week	315	0	315
Same week yr ago	78	0	78
To-date/2005	2,871	4	2,875
To-date/2004	1,993	28	2,021

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

**Total U.S. Fowl slaughtered in the U.S. and Canada**

	Light Hens	Heavy Hens	Total Hens
	-----Thousands-----		
Head	1,871	1,451	3,322
Last Week	1,826	1,477	3,303
Same week yr ago	1,207	1,250	2,457
To-date/2005	15,686	11,606	27,292
To-date/2004	13,386	11,509	24,895

Source: USDA/AMS Poultry Programs, Market News Branch

**CENTRAL REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

Mar 11, 2005

**CHICKEN WITH SKIN ADDED**

FAT CONTENT	--- PRICES ---		---- VOLUME ----	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	25.00	20,400	-
WTD AVERAGE		25.00		
15-20%				
RANGE	25.00-29.00	19.00-26.50	1,439,000	163,200
WTD AVERAGE	27.00	22.67		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

\* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN,MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

**EASTERN REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

Mar 11, 2005

**CHICKEN WITH SKIN ADDED**

FAT CONTENT	--- PRICES ---		---- VOLUME ----	
	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	20.25	20.75-25.00	568,000	208,000
WTD AVERAGE	20.25	23.11		
15-20%				
RANGE	19.00-28.00	21.00-26.00	2,132,000	1,572,000
WTD AVERAGE	22.26	23.82		
20% OR MORE				
RANGE	-	19.00	80,000	-
WTD AVERAGE		19.00		

\* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

**NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 11 MARCH 2005.**

The market tone on tom breast meat was steady to firm with fresh in the strongest position, destrapped tenderloins and breast trim steady, wing meat with skin and scapula steady to barely steady. Demand on fresh tom breast meat moderate to good, frozen wing meat with skin very light to light with some sellers looking for buyer interest, tom breast meat and the balance of white meat light. Offerings of fresh and frozen tom breast meat light with asking prices trending higher, breast trim spotty, scapula and wing meat with skin adequate on fresh to fully adequate on frozen. The market tone on tom bulk parts was steady on drums and necks, steady to instances weak on wings. Demand light to moderate with increased export interest noted. Some industry members started watching South Korea with interest. Trading was active on open priced fresh tom breast with 165 cent price ceilings and light on open priced frozen tom breast meat with 168 cent price ceilings for March deliveries, moderately active on 4-8 lb. for domestic shipments and on frozen thigh meat and various other items for export, and improved on tom full-cut wings for domestic and export shipments at the lower trending price levels. For domestic: defatted gizzards 59, fresh: ground wing meat with skin 62.50, wing meat with skin 110, scapula 125-127, breast trim 144-148 cents delivered. For export: hen necks 20, livers 23 cents delivered.

**FRIDAY, MARCH 11, 2005****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	39.00		39.00	208	39.16	248
WINGS FULL-CUT - TOMS	30.00		30.00	312	30.00	312
WINGS, V-TYPE, TOM	37.00-47.00		40.33	312	38.46	790
TAILS		R	24.00	160	24.17	360
MECHANICALLY SEPARATED 2/	29.00		29.00	40	24.54	360
THIGH MEAT - FROZEN	87.00-90.00		88.31	408	89.87	872

**THURSDAY, MARCH 10, 2005****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	40.00		40.00	40
WINGS FULL-CUT - TOMS		F	32.39	144
WINGS, V-TYPE, TOM		M	37.24	478
TAILS	24.00		24.00	160
MECHANICALLY SEPARATED 2/		W	23.99	320
THIGH MEAT - FROZEN	87.00-100.00		94.27	256

**WEDNESDAY, MARCH 09, 2005****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	39.60	200
WINGS FULL-CUT - TOMS		F	32.39	144
WINGS, V-TYPE, TOM		M	37.24	478
TAILS	25.00		25.00	40
MECHANICALLY SEPARATED 2/	23.50-25.00		23.99	320
THIGH MEAT - FROZEN	89.00		89.00	104

**TUESDAY, MARCH 08, 2005****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	39.60	200
WINGS FULL-CUT - TOMS		F	32.39	144
WINGS, V-TYPE, TOM		M	37.24	478
TAILS	24.00-24.50		24.13	160
MECHANICALLY SEPARATED 2/		W	23.00	104
THIGH MEAT - FROZEN	86.00		86.00	104

**MONDAY, MARCH 07, 2005****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	39.60	200
WINGS FULL-CUT - TOMS		F	32.39	144
WINGS, V-TYPE, TOM	37.00-38.00		37.24	478
TAILS		W	25.00	80
MECHANICALLY SEPARATED 2/		W	23.00	104
THIGH MEAT - FROZEN				

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.