

**WEEKLY REPORT ON THE PRICES AND VOLUME OF HOG, POULTRY, AND FEED
INGREDIENTS
(As of September 26 to 30, 2022)**

HOG

The volume of frozen pork in the cold storage went up from 85,606.60MT to **94,234.80MT**. **Imported and local pork accounted for 97.25% and 2.75%, respectively.** (Note: Pork inventory in cold storage can easily change from time to time and cannot be used alone as an indicator of the supply situation).

The farmgate prices of the backyard and commercial hogs remained at **Php 165.00** and **Php 175.00 per kilo** this week, respectively. The wholesale price or sabit ulo also stayed at **Php 245.00 per kilo**. Similarly, the retail price of pork ham stayed at **Php 300.00 per kilo** while the retail price of pork belly fell from Php 370.00 to **Php 360.00 per kilo**. Frozen liempo and kasim decreased by 0.1% and 0.4%, compared to the posted prices last week compared.

Generally, local and imported **hog** prices from farmgate to retail were the same as the previous week.

Importation Arrivals (September 25 - October 2, 2022)

The **total volume of pork imports** arrived during this period was **15,889MT**. **Prime Cuts**, which are pork bellies and pork cuts, comprised **59.39%** while **meat processing cuts**, which are deboned, fats, offals, and rind/skin, made up **39.64%** of this total volume while **whole pork** consisted of **0.97%**.

From **September 26 to October 2, 2022**, the **volume of pork prime cuts imported into the country was 9,435MT**. To further classify prime cuts, **in-quota prime cuts** were recorded at **589MT (6.24%)** while out-quota **prime cuts** were recorded at **8,847MT (93.76%)** out of the total volume.

The pork importation in the Philippines has been increasing in the past months with some fluctuations mainly influenced by two things. First, as the cost of living rises, more consumers shifted from using prime cuts to offal, particularly pork jowls, which made up a considerable portion of the shipment. Second, the importation is to support the pork supply in the country considering that based on the National Livestock Program's Food Supply Outlook (as of September 5, 2022), the annual pork supply will be 382,627MT deficient if there will be no importation.

BROILER

The total volume of frozen chicken in the cold storage was **48,626.49MT** of which 39.85% was local while 60.15% was imported. Inventory this week was higher than last week. (Note: Chicken inventory in cold storage can easily change from time to time and cannot be used alone as an indicator of the supply situation).

The farmgate price of DOC remained at **Php 41.50 per head** this week while the **commercial broiler** went down from Php 119.00 per kilo the previous week to **Php 110.50 per kilo** this week.

Likewise, the price of **galantina** also went down from Php 163.00 per kilo last week to **Php 148.00 per kilo** this week. On the other hand, there was an observed increase by P0.25 in the **retail price** of a **fully dressed whole chicken** which was **Php 189.00 per kilo** this week.

Generally, broiler prices from farmgate to retail went down this week. During the reference week, super typhoon Karding just hit the Philippines. This possibly reduced the purchasing power of the Filipinos thus, softening the demand for meat. Also, there was an observed cut in the prices of fuel that might contribute to lowering chicken prices.

Importation Arrivals (September 26 - October 2, 2022)

The total arrival of chicken imports for this period was **7,569 MT**. The total volume of chicken import arrivals has decreased in comparison to the previous years due to the imposition of an embargo on poultry products in several countries as H5N1 High Pathogenicity Avian Influenza persists and further spreads globally. Trade partners such as the Netherlands, the United States of America, and Canada, which are large sources of imported chicken commodities, have been issued temporary restrictions on poultry trade from the last quarter of 2021 to the first quarter of 2022 thus, greatly affecting the figures of arrived commodities in the current year.

Choice cuts, which consist of chicken cuts and chicken leg quarters, comprised **41.53%**. To further classify choice cuts, **in-quota choice cuts** were recorded at **134 MT (1.77%)** while **out-quota choice cuts** accounted for **3,009 MT (39.76%)** out of the total volume.

Chicken mechanically deboned meat (MDM) made up most of the total arrival, accounting for **54.72%**. The Philippines presently cannot produce its supply of chicken MDM due to a lack of facilities and materials, and so is heavily reliant on external sources. Processed foods such as hotdogs and meatloaves, which use MDM as their main ingredient, are preferred as an alternative source of protein. Chicken arrivals under MAV importation

may have been due to the delays caused by the logistical problems that are persisting up to date.

Broiler Life Cycle Model (As of August 2022 arrivals)

Based on August 2022 arrivals, the number of broilers that will be produced this year is 1.657 billion heads or 2,025,133 MT. This is 1.43% higher than the previous year. The August broiler production was 139.60 million heads. This was lower than last month's production by 3.27% and higher by 8.26% compared to last year. The model showed that 71.68% of broiler production came from Luzon, followed by Mindanao at 28.07% and the Visayas at 0.25%.

Died/Culled/Disposed chickens due to Avian Influenza based on the BAI-AI Task Force's records were already accounted for in the model.

LAYER

As of September 30, 2022, the **farmgate** price of medium chicken eggs was **Php 6.21** per piece. This was 1.6 % lower than last month but 34.0% higher than last year. On the other hand, **the retail price** of medium chicken eggs has been steady at **Php 7.00** since July 18, 2022. **Culls** were at **Php 102.50** per head.

To date, most of the prices of feed ingredients retained like soybean meal, feed wheat, local fish meal, and crude palm oil among others. While yellow corn and coco oil slightly decreased their price over the past week, which might have contributed to the reduction in the farm gate price of eggs. Petroleum fuel had no movement since the recent rollback two weeks ago that might slightly tame the retail price of eggs.

Layer Life Cycle Model (As of July 2022 arrivals)

The model shows that the **table egg production** this **September 2022** will **increase** from 1.06B to **1.07B eggs** or **1.23%** compared to August. Using USDA-FAS forecasts that per capita consumption of chicken eggs will be at 5.5 kg or 100 pieces this 2022 and the production of table eggs generated by the Layer LCM, there will be a 946.29M surplus on the supply of eggs this year (Annex 1). **September ending stock** is at **615.51M eggs** which is equivalent to **15 days of food**. If per capita consumption is **120 pieces** and **130 pieces**, ending stock this year will be **-1.28B** and **-2.40B**, respectively (Annex 2).

FEED INGREDIENTS

As of September 30, 2022, prices of most feed ingredients remained stable compared to last week. **The price of Yellow Corn** decreased from Php 21.75 per kilo to **Php 21.53** per kilo

this week. **Prices of Coco oil** went down from Php 64.00 per kilo to **Php 61.00 per kilo**. **Likewise, Palm Olein** decreased from Php 69.00 per kilo and **Php 68.00 per kilo**.

On the other hand, **prices of US Soybean meal** went up from Php 35.75 per kilo last week to **Php 37.50 per kilo** this week. This was a 4.90% increase from the previous week. **The price of Copra Meal** also went up from Php 17.70 per kilo to **Php 18.75 per kilo** this week.

The increasing prices of US Soybean Meal may be attributed to the depreciating value of the peso as we are solely dependent on importation for these feed ingredients. As for the copra meal, the increase can be associated with its increasing demand as it became the preferred alternative protein source in adjusting the rations concerning the fluctuating prices of animal feed in the market.

World oil prices (September 26 - 30, 2022): The week-on-week price of Dubai crude has decreased by around \$5.00/bbl. MOPS gasoline decreased by almost \$3.00 per barrel as well as MOPS diesel and kerosene by nearly \$4.00 and \$5.00 per barrel, respectively.

Domestic oil prices: Effective 27 September 2022, the oil companies implemented a per liter decrease in the price of gasoline by P1.65-P1.75, diesel by P1.25, and P1.35 for kerosene.

These resulted in the year-to-date total adjustments to stand at a net increase of P14.85/liter for gasoline, P29.40/liter for diesel, and P24.10/liter for kerosene.

FOREX: Philippine peso depreciated week-on-week against the US dollar by P0.81 to P57.89 from P57.08 in the previous week.

References:

<https://www.doe.gov.ph/oil-monitor?withshield=1>

Annex 1. Production vs Consumption of eggs if per capita consumption is 100 pieces.

Production vs Consumption of Eggs

100 eggs per capita consumption

| | Q1 | Q2 | Q3 | Q4 | ANNUAL |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| TOTAL SUPPLY | 2,827,205,168 | 2,179,162,351 | 1,731,229,210 | 1,225,224,325 | 12,103,519,090 |
| Beginning Stock | 0 | -798,893,087 | -1,446,935,904 | -1,894,869,045 | 0 |
| Local Production (based on LCM) | 2,827,205,168 | 2,978,055,438 | 3,178,165,114 | 3,120,093,370 | 12,103,519,090 |
| TOTAL USAGE | 2,789,306,350 | 2,789,306,350 | 2,789,306,350 | 2,789,306,350 | 11,157,225,400 |
| ENDING STOCK | 37,898,818 | 226,647,906 | 615,506,670 | 946,293,690 | 946,293,690 |
| Days Equivalent | 1 | 7 | 20 | 31 | 31 |

RELATED INDICATORS & ASSUMPTIONS
 -Per capita consumption per annum: 100 pcs/annum
 -Population (1.59% growth rate): 111,572,254
 -Daily food requirement: 30,567,740.82 eggs/day
 -Annual demand: 11,157,225,400 pcs

Annex 2. Production vs Consumption of eggs if per capita consumption is 120 and 130 pieces.

Production vs Consumption of Eggs

130 eggs per capita consumption

| | Q1 | Q2 | Q3 | Q4 | ANNUAL |
|---------------------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| TOTAL SUPPLY | 2,827,205,168 | 2,179,162,351 | 1,731,229,210 | 1,225,224,325 | 12,103,519,090 |
| Beginning Stock | 0 | -798,893,087 | -1,446,935,904 | -1,894,869,045 | 0 |
| Local Production (based on LCM) | 2,827,205,168 | 2,978,055,438 | 3,178,165,114 | 3,120,093,370 | 12,103,519,090 |
| TOTAL USAGE | 3,626,098,255 | 3,626,098,255 | 3,626,098,255 | 3,626,098,255 | 14,504,393,020 |
| ENDING STOCK | -798,893,087 | -1,446,935,904 | -1,894,869,045 | -2,400,873,930 | -2,400,873,930 |
| Days Equivalent | -20 | -36 | -48 | -60 | -60 |

RELATED INDICATORS & ASSUMPTIONS
 -Per capita consumption per annum: 130 pcs/annum
 -Population (1.59% growth rate): 111,572,254
 -Daily food requirement: 39,738,093.07 eggs/day
 -Annual demand: 14,504,393,020 pcs

120 eggs per capita consumption

| | Q1 | Q2 | Q3 | Q4 | ANNUAL |
|---------------------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| TOTAL SUPPLY | 2,827,205,168 | 2,179,162,351 | 1,731,229,210 | 1,225,224,325 | 12,103,519,090 |
| Beginning Stock | 0 | -798,893,087 | -1,446,935,904 | -1,894,869,045 | 0 |
| Local Production (based on LCM) | 2,827,205,168 | 2,978,055,438 | 3,178,165,114 | 3,120,093,370 | 12,103,519,090 |
| TOTAL USAGE | 3,347,167,620 | 3,347,167,620 | 3,347,167,620 | 3,347,167,620 | 13,388,670,480 |
| ENDING STOCK | -519,962,452 | -889,074,634 | -1,058,077,140 | -1,285,151,390 | -1,285,151,390 |
| Days Equivalent | -14 | -24 | -29 | -35 | -35 |

RELATED INDICATORS & ASSUMPTIONS
 -Per capita consumption per annum: 120 pcs/annum
 -Population (1.59% growth rate): 111,572,254
 -Daily food requirement: 35,051,288.99 eggs/day
 -Annual demand: 13,388,670,480 pcs