



Swine Industry in the Philippines

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Swine raising business / Hog Production

- Swine raising is an age old backyard business in the Philippines. Currently about 70% of the swine industry is composed of small raiser / backyard raisers. And way back 2004 the Philippines is in the top 20 countries in terms of sow population. It only shows how we Filipino love to eat pork. And swine raising is a good business or sideline to invest .

Breeds Of Pigs in the Phils

- There are 3 major breeds used:
Landrace x Large white x Duroc



Swine Business could be fattening only, breeding/piglet production, or breeding to fattening.

- **Fattening** = Here a farmer buys a piglet which is around 30-45 days, the animal is already eating solid foods and not milk dependent, and the weight would be around 7.5-10 kgs. The farmer will then care for it for 4 months or 85 kgs before selling it. The usually income would be 10-20% of total investment.
- **Breeding/Piglet production**= The farmer focus is on it's sow. To give further idea in this business, a pig would reach maturity around 5-8 months of age. And when it reach it's 2-3 heat or at 110-120 kgs she could then be breed. The pregnancy would last 114 days. The sow would farrow (manganganak) 2 times a year and it's litter will then be sold when it reach around 30-45 days or 7.5 kg -10 kg. On average a sow would give birth to 10 piglets above.
- **Breeding-fattening**= This is the mix of the two system and the most ideal type of swine raising.

consider the following information
before starting a swine enterprise:

- 1. where to market your animal?

- 2. location of your farm (if near residential, market place, water source, road proximity, etc.)

- 3. financial consideration (initial capital: P80T/sow needed for the 1st yr of implementation of the farm. This includes cost of the sow, feeds, biologics, building and equipment for all classes of animals)

- Building of equipment: P 40T/sow
Feeds: at most P 30/day/sow
Gilts(7 mos old) costs P9,500
Boar costs: P20,000 - P30,000
Medicines and vaccines: 3% of the total
cost of feed

- Ref: <http://pinoyfranchising.blogspot.com/2006/09/franchising-swine-hog-raising.html>

2010 LIVESTOCK AND POULTRY INDUSTRY Performance

Livestock & Poultry Production

Commodity	'000 MT	%Growth
Carabao	148.02	5.05
Cattle	251.75	2.71
Hog	1,898.16	1.11
Goat	78.45	1.38
Dairy	15.70	8.95
Chicken	1,353.13	4.01
Duck	32.98	-8.24
Chicken Egg	387.34	5.12
Duck Egg	36.68	-7.44

Top 10 Commodity Producers for 2010

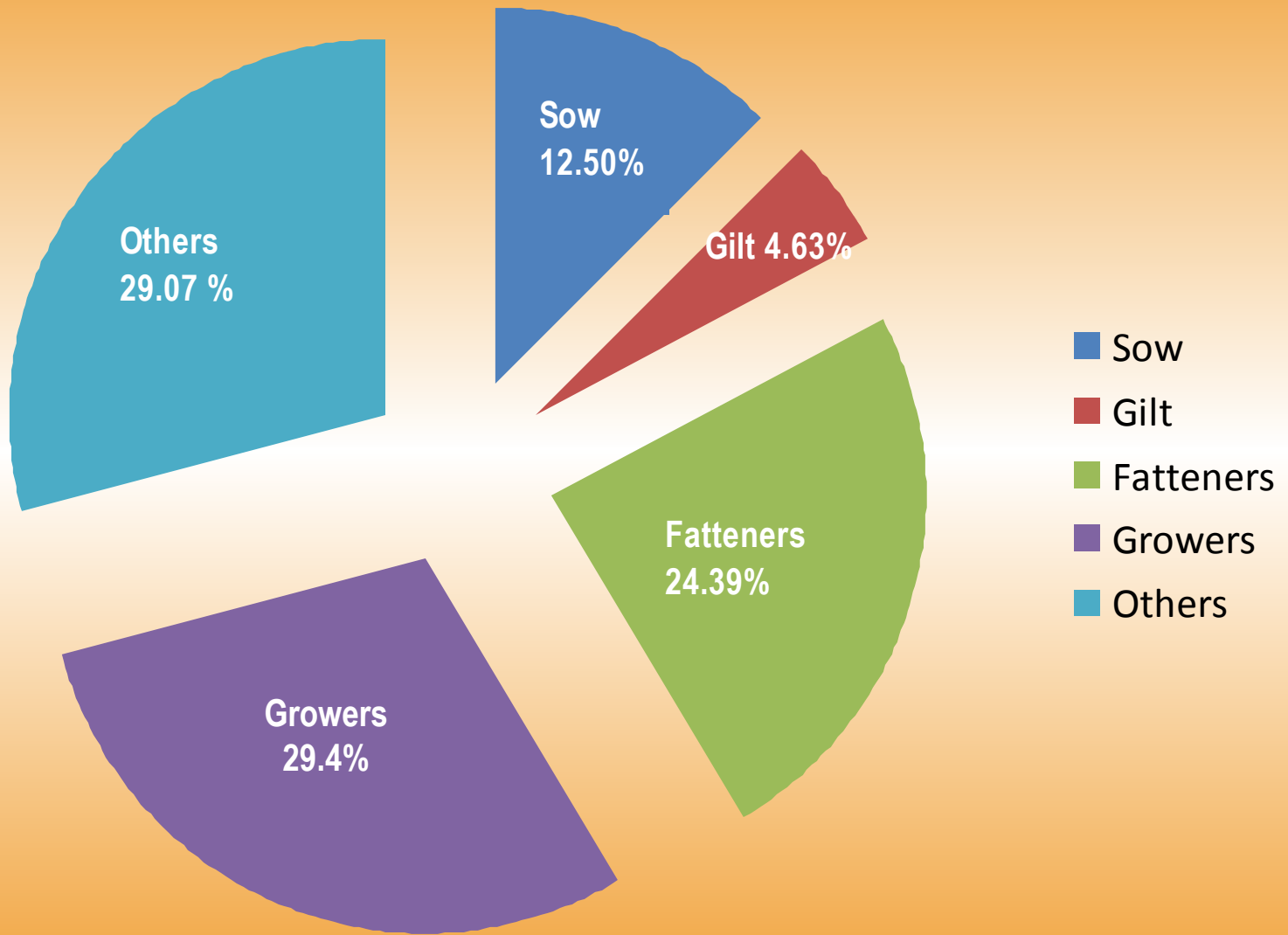
Value in Current Prices

Rank	Sector	Value (in Million Php)	% Share
	Total Agriculture	1,251,157,35	100.00%
1	Palay	231,844.28	18.53%
2	Hogs	172,542.74	13.79%
3	Chicken	112,972.82	9.03%
4	Banana	106,485.68	8.51%
5	Fisheries (Aquaculture)	82,839.50	6.62%
6	Coconut	81,896.01	6.55%
7	Fisheries (Municipal)	77,653.65	6.21%
8	Corn	70,017.26	5.60%
9	Fisheries (Commercial)	60,788.49	4.86%
10	Chicken Eggs	33,714.07	2.69%

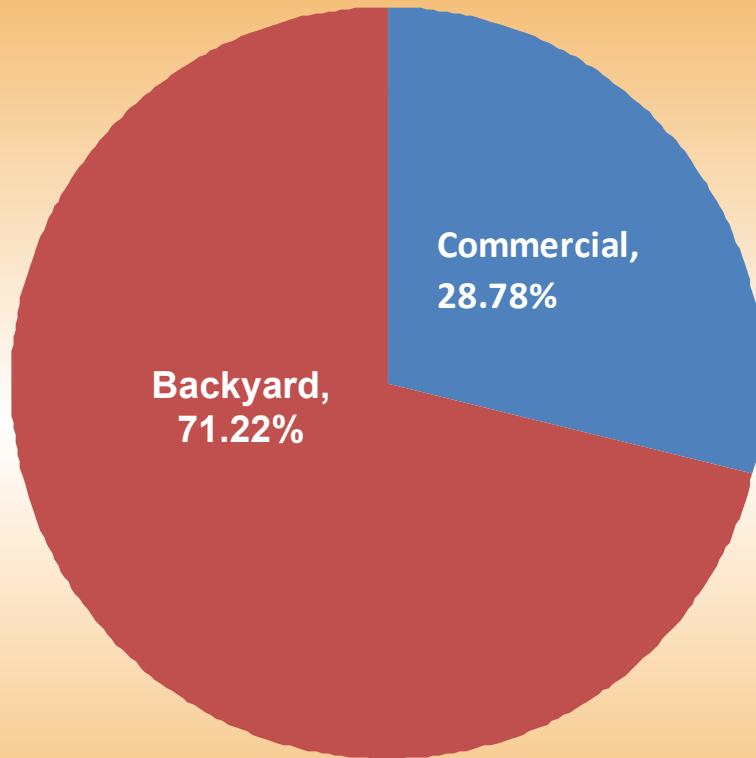
Hog: Inventory by Age and Farm Type, 2010

FARM TYPE	2010 P
TOTAL	13,397,789
Backyard	9,542,192
Commercial	3,855,597
Sow	1,674,778
Backyard	1,174,011
Commercial	500,767
Gilt	619,902
Backyard	490,340
Commercial	129,562
Fatteners	3,267,312
Backyard	2,345,202
Commercial	922,110
Growers	3,941,728
Backyard	2,867,040
Commercial	1,074,688
Others	3,894,069
Backyard	2,665,599
Commercial	1,228,470
Source: BAS	

HOG: Inventory by Age Classification, 2010



Hog Inventory, % Distribution by Farm Type, 2010



TOTAL	13,397,789
Backyard	9,542,192
Commercial	3,855,597

HOG SECTOR PRODUCTION PERFORMANCE

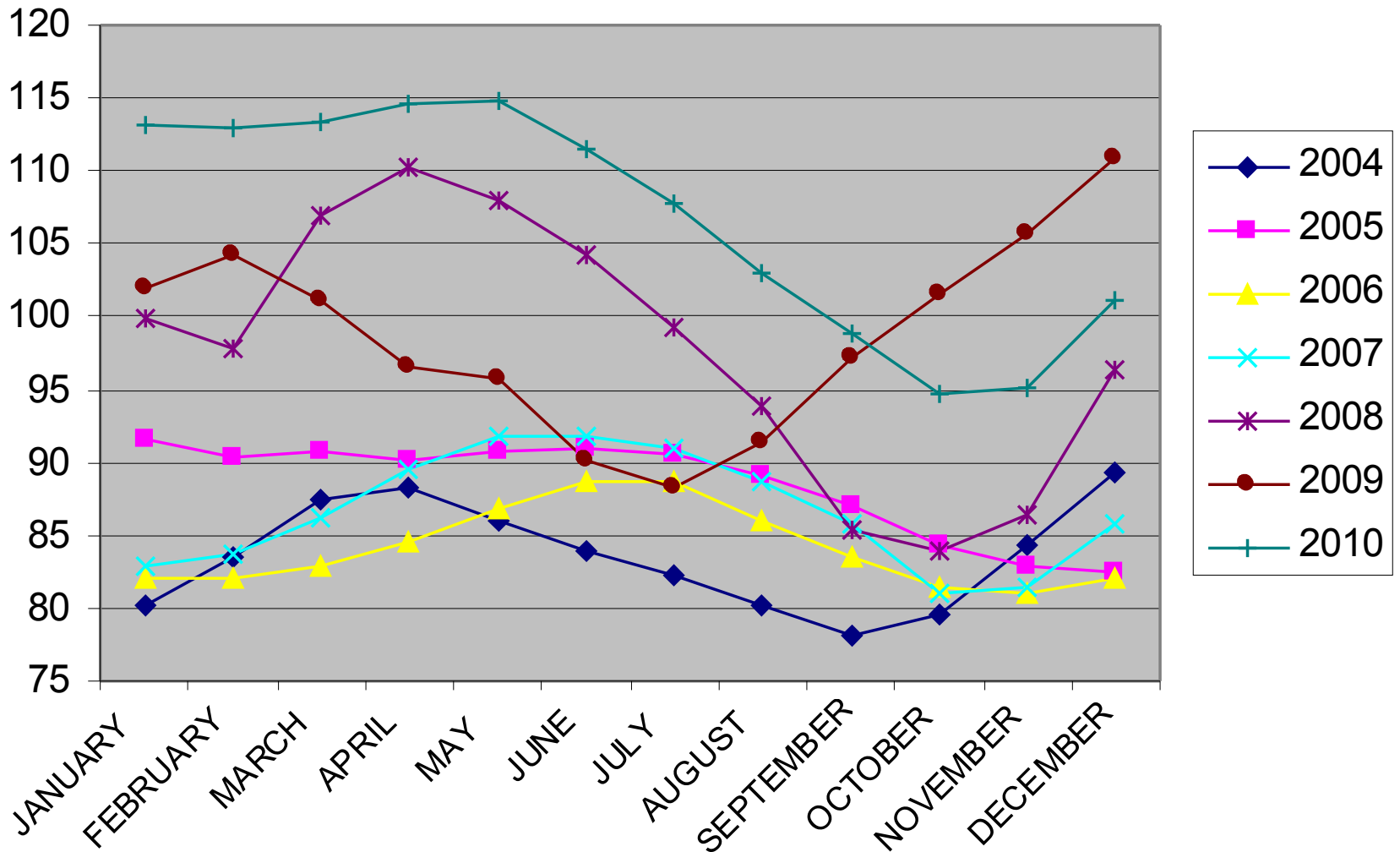
2.29% Average Growth Rate (Volume)



HOG FARM GATE PRICES

MONTH	2004	2005	2006	2007	2008	2009	2010
JANUARY	80.11	91.66	82.15	82.78	99.86	102.00	113.09
FEBRUARY	83.45	90.42	82.05	83.81	97.88	104.20	112.97
MARCH	87.45	90.86	82.80	86.17	106.84	101.08	113.43
APRIL	88.22	90.06	84.57	89.52	110.26	96.49	114.51
MAY	86.06	90.86	86.90	91.74	107.93	95.78	114.78
JUNE	83.89	90.90	88.74	91.90	104.19	90.23	111.57
JULY	82.31	90.59	88.64	90.94	99.20	88.22	107.77
AUGUST	80.16	89.14	85.95	88.63	93.83	91.30	102.92
SEPTEMBER	78.08	87.03	83.45	85.78	85.30	97.27	98.80
OCTOBER	79.66	84.31	81.46	80.96	84.00	101.52	94.80
NOVEMBER	84.30	82.94	81.03	81.52	86.40	105.72	95.14
DECEMBER	89.28	82.42	82.05	85.70	96.42	110.91	101.2
AVERAGE	83.58	88.43	84.15	86.62	97.68	98.73	106.75

HOG FARM GATE PRICES



HOG INDUSTRY ANALYSIS

STRENGTHS

Preferred meat in the market

Access to good genetics

High degree of organization of

producers

Educated farm managers

Large institutional markets

Strong potentials to export

FMD-free status

IDENTIFIED CONSTRAINTS

High cost of inputs / high logistics cost

Poor technology level among backyard
raisers

Limited access to credit

Low breeder base / low productivity

Incidence of diseases (HC, TGE, PRRS,
Swine Flu, PCV, etc.)

Smuggling/ influx of cheap imports

Wide gap between retail and farm gate
prices

Climate change

SWINE SECTOR PLAN

SPECIFIC OBJECTIVES

➤ SWINE

- Self-sufficiency in pork
- Export ventures to other countries
- Maintain Disease-Free Status for FMD
- Reduction in production cost and achieve cost-efficiency
- Developed Value added products for domestic and export markets

Sectoral Plan: **Swine**

Concern	Private Sector Investment	Priority Support Services Needed from Government
Reduction of Input Cost (Corn)	Research and devt. on feed formulation and other feed ingredient substitute	Regulatory environment for private hog raisers and importers
Farm Efficiency Enhancement	Investment on research & development/upgrading of breeding stocks through genetic engineering and artificial insemination to ensure continuous supply of quality stocks	Establishment of breeding farms/centers in support to backyard and small hog raisers to ensure availability and supply of quality stocks

Sectoral Plan Swine

Concern	Private Sector Investment	Priority Support Services Needed from Government
Transport and Handling Cost	Construction of market infrastructure and development of processing facilities	Policy formulation on equal treatment of livestock (hog) as a prime agricultural commodity
Information & Technology	Access on data holdings and data sharing among hog raisers and other stakeholders	Provision of a reliable and quality data/information
Animal Health	Strict implementation of Biosecurity measures to attain Disease-Free-Country and promotion of export products	Strict implementation of animal quarantine rules and regulations to prevent and control spread of diseases

Government Support to Swine Sector Plan

Priority Support Services to the Swine Sector

Access to financing for facilities and equipment

Increase local feed productivity

Incentives for local manufacturers

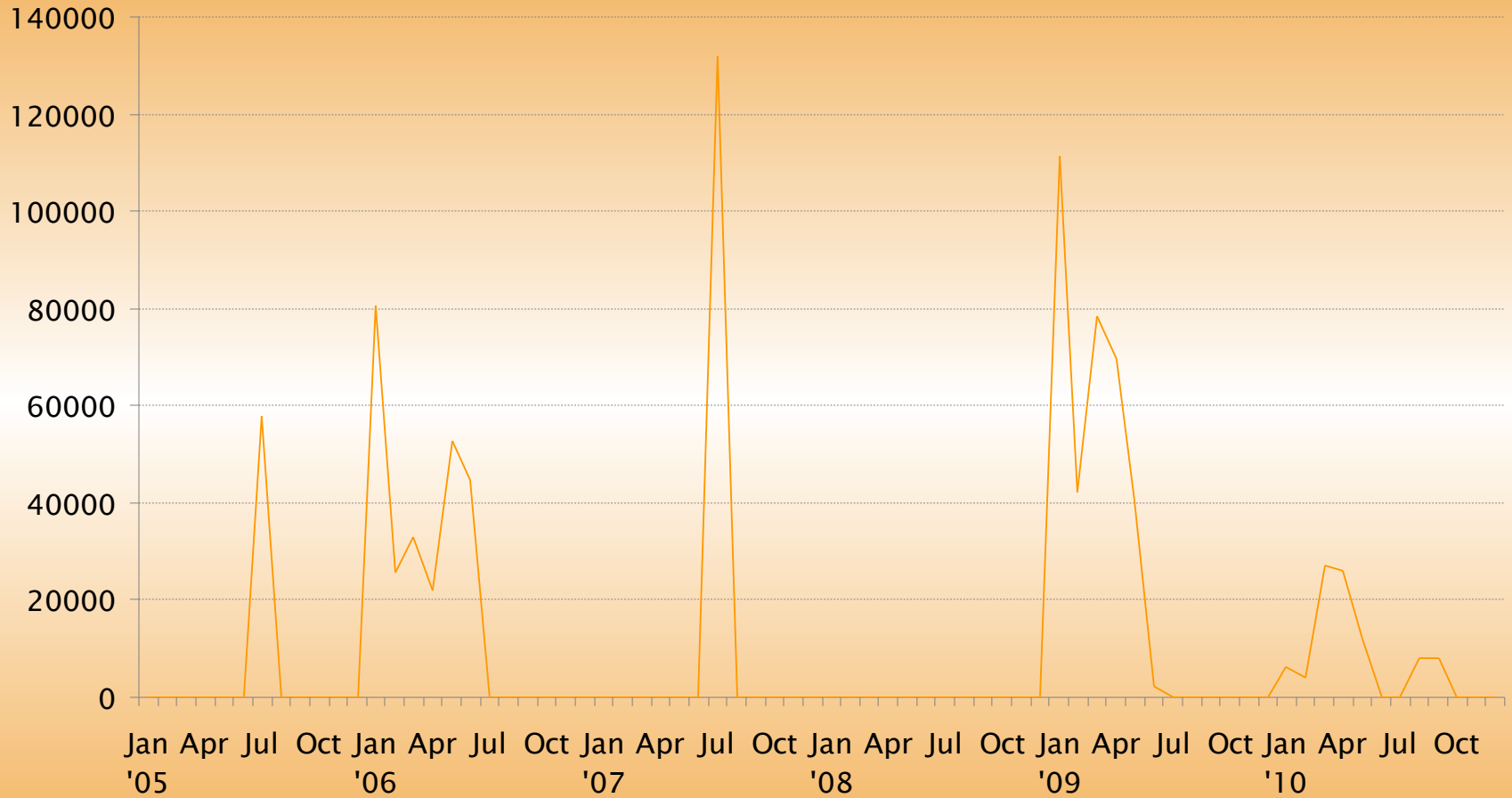
Strengthen anti-smuggling campaign

Sound regulatory environment for integrators and importers

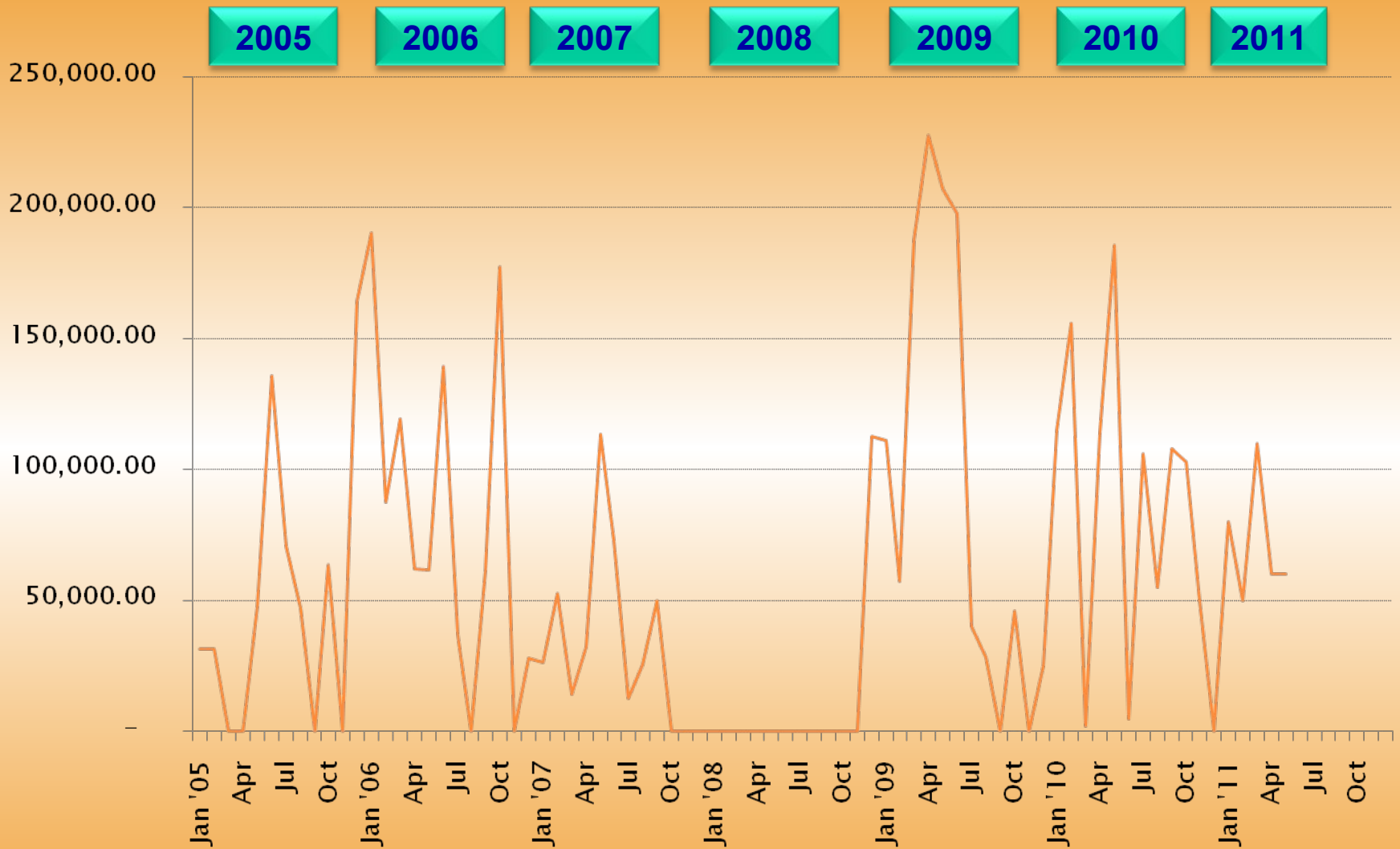
Access to reliable and quality information and data

Review MAV Rules/ Tariff Rates

CORN IMPORTATION (2001 – 2010)



FEED WHEAT IMPORTATION (2001 – 2011)



INDUSTRY CHALLENGES

- Higher input costs
- Lack of test laboratory
- Climate change
- Over importations (e.g. Offals must have minimum access volume)
- Negative media publicity regarding “bocha”
- Very low tariff rates for imported pork product
- Biosecurity measures not in place in all farms

INDUSTRY OPPORTUNITY

- Export possibility after FMD Certification

Thank you!!!