

# PHILIPPINES:

Socio-economic impact of ASF

Rosette Angelie R. Arca, DVM



# Hog Population: % Backyard & Commercial

- For Total Philippines, the backyard-commercial farm distribution is at 64.3% - 35.7%

in MM hd	Backyard	Commercial
12.71	64.3%	35.7%

LUZON	NORTH LUZON	3.37	50%	50%
	SOUTH LUZON	3.11	53%	47%
VISAYAS	EASTERN VISAYAS	0.28	95%	5%
	CENTRAL VISAYAS	1.06	78%	22%
	WESTERN VISAYAS	1.25	89%	11%
MINDANAO	NORTH MINDANAO	1.60	72%	28%
	SOUTH MINDANAO	2.04	73%	27%

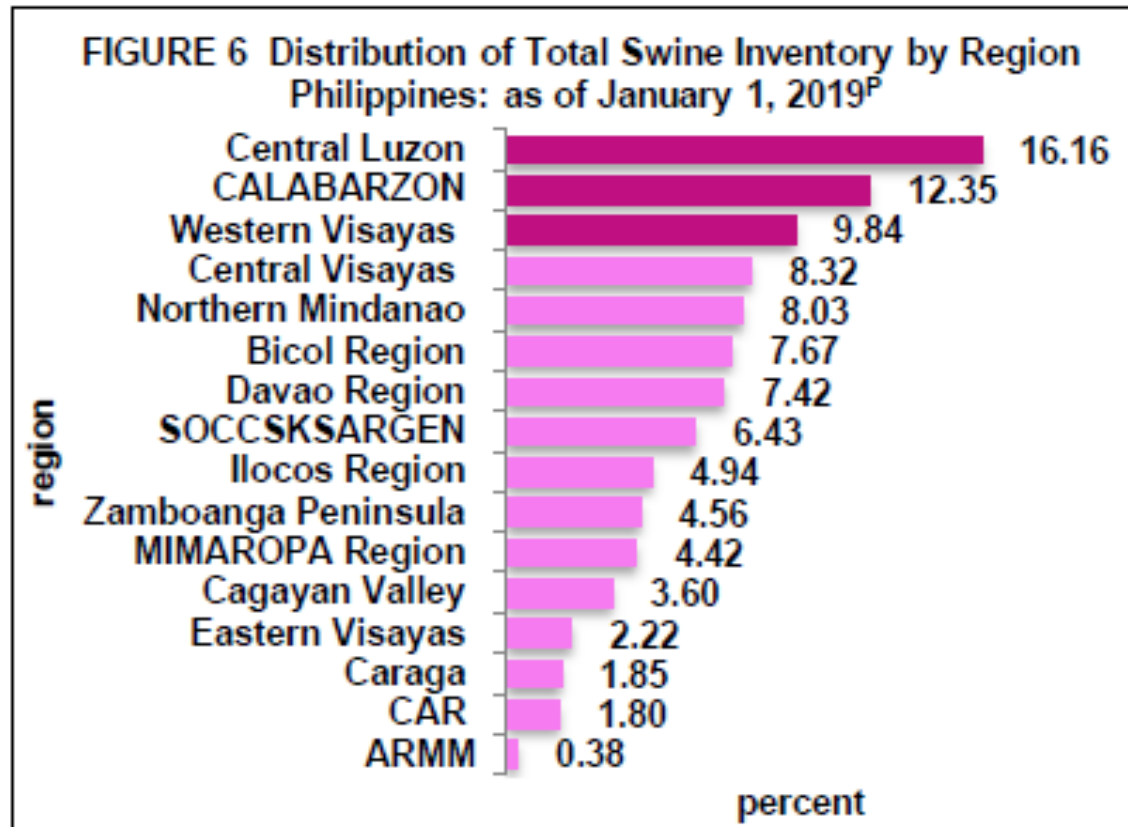
Central Luzon	2.05	26%	74%
CALABARZON	1.57	25%	75%



- The affected regions - Central Luzon & CALABARZON - have more commercial hog farms than backyard setup.***

# Hog Population: Distribution

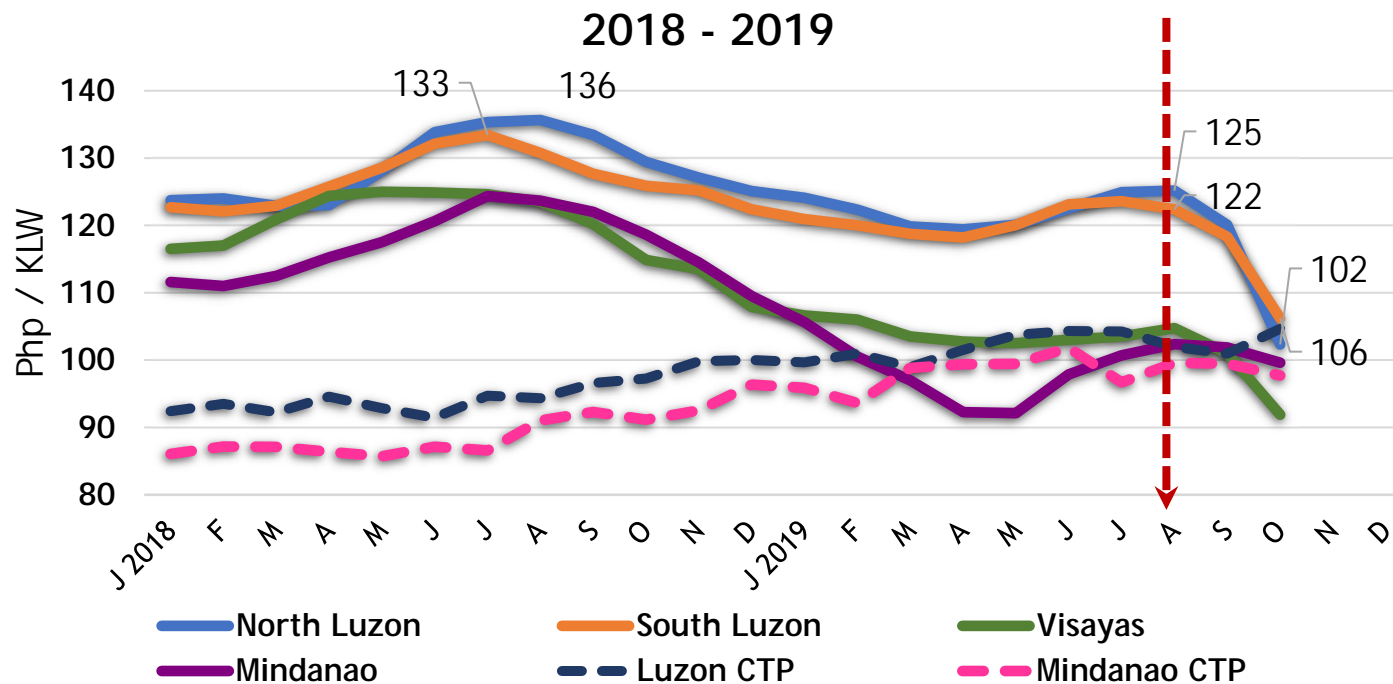
The top three regions with highest inventory were Central Luzon, CALABARZON and Western Visayas: 38.3% of total swine inventory



PSA, Swine Situation Report, 2018

# Hog Industry Price Monitor

- Drop in average farm gate price of live hogs after ASF declaration



The North & South regions of Luzon showed a **16%** and **12%** reduction, respectively, in farmgate prices, post infection, with October price at **2%** lower than cost of production.

Farm Gate price of Chicken higher by 15% from Php100 to P115 (Sep to Oct)

1 USD = Php 50

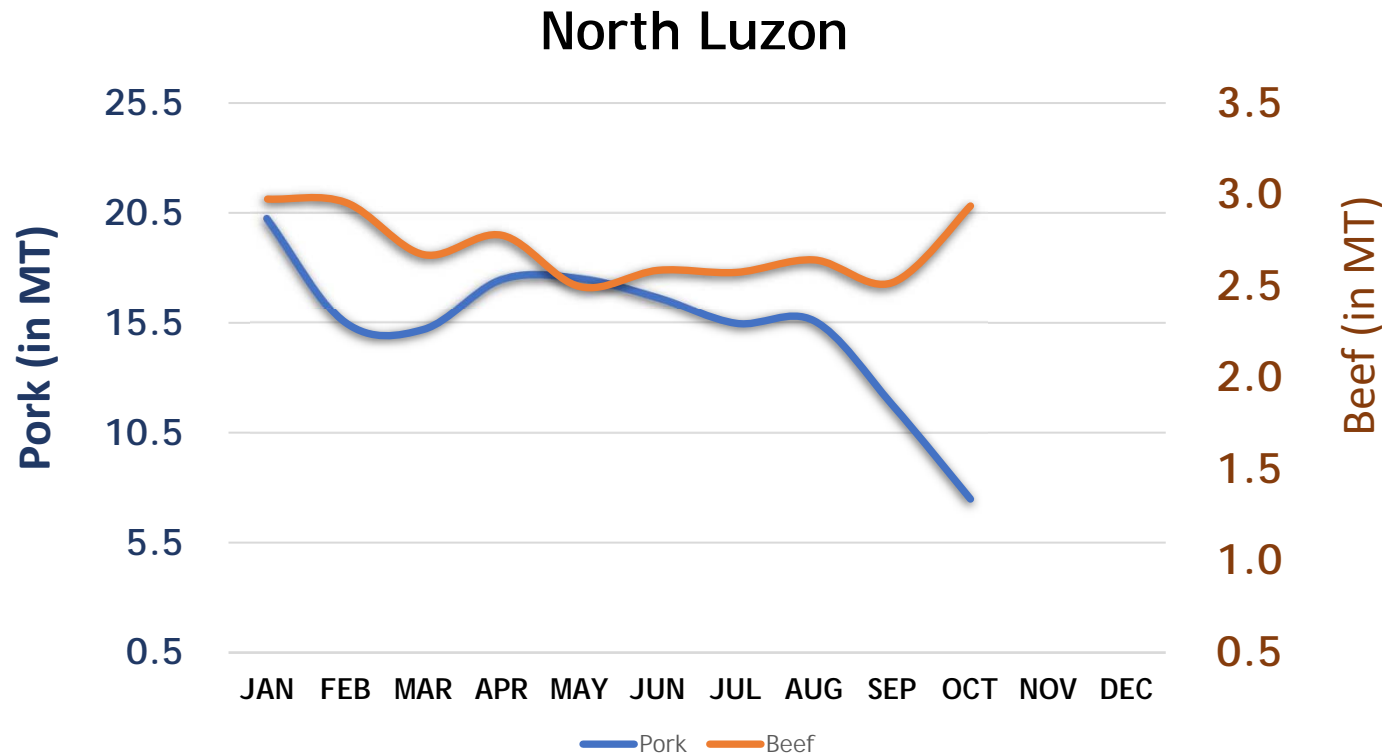
# Hog Industry Price Monitor

The drop in farm gate prices can be attributed to:

- Drop in pork demand resulting from 'ASF-scare'
  - Attention brought by media sensation, with the negative news highlighted over public assurance
- Movement restriction by provinces / municipalities / cities - total ban of entry of pork & pork products
  - Oversupply in unaffected areas with high volume of pork production
  - To ease on pig flow, farmers sell produce at lowered prices

# Pork vs Beef Volume Sales: Internal

- Drop in sales of pork meat in retail stores due to ASF scare



***In North Luzon, retail pork volume sales dropped by almost 40% compared to pre-infection levels. Beef sales reflecting a 26% increase***

## ASF Impact: Direct Loss

- Based on reported population stamped out, direct animal value loss approximates Php 1.0 B and a potential income loss of P10B
- Farms are reducing sow level population, reducing animal breedings, increasing culling of relatively low viable piglets..
  - Commercial farms with 3-site or 2 site system or farrow to finish
  - Use of marketable (finisher) hogs as breeder animals due to restrictions in live animal movement - potential production performance loss or inferior meat quality relative to current

Expected impact on hog supply by first quarter of 2020

## ASF Impact: Associated Business

- Movement restriction by provinces / municipalities / cities - total ban of entry of pork & pork products

*Around 56 of the total 81 provinces have imposed restrictions on the movement of Luzon-based pork processed meats.*



# ASF Impact: Associated Business

- Movement restriction by provinces / municipalities / cities – total ban of entry of pork & pork products
  - Retailers, supermarket & wet markets
    - Stable prices of pork (retail) but low demand
    - Hike in prices of chicken meat by 25% (P150/kl to P190/kl)

## Pork vendors sales slump amid African Swine Fever fears

By CNN Philippines Staff  
Published Aug 21, 2019 8:52:25 PM



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**Metro Manila (CNN Philippines, August 20)** — Business for pork vendors has been slow as fears of African Swine Fever (ASF) and swine deaths have been reported in some parts of the country.

<https://www.cnn.ph/news/2019/8/21/pork-sales-african-swine-fever.html>

## Chicken prices 'abnormally high' due to ASF, says consumer group

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Published October 19, 2019, 3:12 PM

By Gabriela Baron

Consumer group Laban Konsyumer Inc. (LKI) said chicken retail prices were "abnormally high", reaching P190 per kilo due to African Swine Fever outbreak.



A consumer checks out dressed chickens sold in a public market. (Jojo Rinoza / MANILA BULLETIN FILE PHOTO)

<https://news.mb.com.ph/2019/10/19/chicken-prices-abnormally-high-due-to-asf-says-consumer-group/>

# ASF Impact: Associated Business

- Movement restriction by provinces / municipalities / cities - total ban of entry of pork & pork products
  - Processed pork manufacturers / Meat processors are expecting a potential Php50B in the 4<sup>th</sup> quarter 2019
    - Downsizing because of reduced production volume
    - Rationalizing work force

- In unaffected regions, ham products are expected to increase in prices by 11%

## Meat processors claim P50-B losses due to ASF scare

By Lilybeth Ison and Christopher Lloyd Calivan  October 14, 2019, 5:00 pm



**PINOY PORK.** Various processed meat products are on display during the opening of the National Meat Inspection Service (NMIS) Meat Safety Consciousness Week. It also launches the "Pinoy Pork is Safe to Eat" Awareness Campaign held at NMIS central office in Quezon City on Monday (Oct. 14, 2019). (PNA photo by Loretta Allarey Paje)

**MANILA** – The country's meat processing industry on Monday reported losses of PHP50 billion due to the ban being imposed by some local government units (LGUs), particularly in the Visayas and Mindanao, on processed meat amid the outbreak of African swine fever (ASF) in some areas in Luzon.

According to the Philippine Association of Meat Processors Inc. (PAMPI), Visayas and Mindanao represent about 30 to 40 percent of total sales of processed meat products.

While the meat processing industry understands the need for the LGUs to protect their constituencies, Jerome Ong, PAMPI Vice President, urged that rules and restrictions being imposed "should be based on science and the expert advice of internally recognized Animal Health Organizations."

Around 56 out of the total 81 provinces have imposed restrictions on the movement into their constituencies of Luzon-based pork processed meats.

<https://www.pna.gov.ph/articles/1083100>

# ASF Impact: Associated Business

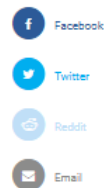
- Movement restriction by provinces / municipalities / cities - total ban of entry of pork & pork products
  - Fast food chains and restaurants discontinue offering in menu listings dishes with pork products

## Fastfood chain stops serving pork products in Batangas

The province-wide ban in the entry of pork products and live hogs forces the removal of pork meals from the menu of the Batangas branches of Chowking

Tina Ganzon Ozaeta

Published 5:28 PM, November 07, 2019  
Updated 5:41 PM, November 07, 2019



<https://www.rappler.com/business/244386-fastfood-chain-stops-serving-pork-products-in-batangas>  
PORK-LESS. Customers are told that pork has been dropped from the menu of all Chowking branches in Batangas. Photo by Tina Ganzon-Ozaeta

# ASF Impact: Associated Business

- **Hog Feeds**
  - Reportedly stable due to shift into use of formulated feeds vs swill
- **Veterinary medicine products**
  - Reduction in sales volume of vaccines due to hog population loss
  - Increase in ASF-prevention associated products, eg. Disinfectants, supplements
- **Equipment suppliers for hog facilities**
  - Potential increase in sales due to upgrading or reduction due to farm owners deciding to eventual discontinuance of operations

## Looking Forward

- Unified science-based guidelines for ASF control
- Reconfiguration of hog industry where there will be new farms set up that will conform to at least a minimum level of biosecurity
- Development of equivalence measures between the different regions / provinces to promote trade of produce without compromising protection
- Production facilities should work towards regional sufficiency

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*Thank you for listening*

*Cám ơn vì đã lắng nghe*

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