

PCAF

QUARTERLY

PCAF releases DA's Commodity Industry Roadmaps on its website (In Focus: Poultry, Livestock and Corn group)

Twenty Commodity Industry Roadmaps (CIR) are now available on the official website of the Philippine Council for Agriculture and Fisheries (PCAF).

The approved CIRs are the following:

Fisheries and Aquaculture

- * Philippine Shellfish Industry Roadmap
- * Philippine Shrimp Industry Roadmap
- * Philippine Seaweed Industry Roadmap
- * Philippine Tilapia Industry Roadmap
- * Philippine Milkfish Industry Roadmap

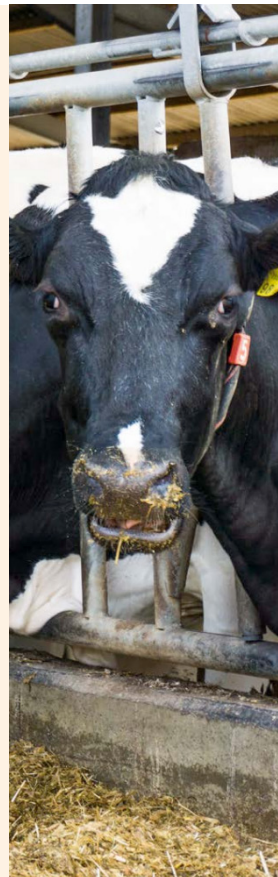
High Value Crops

- * Philippine Abaca Industry Roadmap
- * Philippine Coffee Industry Roadmap
- * Philippine Cacao Industry Roadmap
- * Philippine Vegetable Industry Roadmap
- * Philippine Mango Industry Roadmap
- * Philippine Banana Industry Roadmap
- * Philippine Onion Industry Roadmap
- * Philippine Coconut Industry Roadmap

Poultry, Livestock, and Corn

- * Philippine Dairy Industry Roadmap
- * Philippine Carabao Industry Roadmap
- * Philippine Yellow Corn Industry Roadmap
- * Philippine Small Ruminants Industry Roadmap
- * Philippine Hog Industry Roadmap
- * Philippine Poultry Broiler Industry Roadmap
- * Philippine Poultry Layer Industry Roadmap

For the third special issue, PCAF will focus on the Poultry, Livestock, and Corn group.



PHILIPPINE DAIRY INDUSTRY ROADMAP 2020-2025



14 Dairy (Cattle, Carabao, Goat)

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The dairy industry in the country is dominated by the big companies that rely totally on imported milk powder and dairy products for processing, representing almost 99 percent of the total domestic demand.

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To date domestic production represents only 1.3% of the national requirements catering mostly to the coffee shops and the traditional milk and dairy products market. Nevertheless, this small share to the national requirements is produced by thousands of smallholder producers, deriving employment and additional income from milk sales.

Objectives

The long term vision is for the domestic industry to be invigorated and become competitive that meets the quality and safety standards of the growing market for fresh liquid milk and other dairy products with the smallholders as major players fully organized along the dairy business hubs. Within the next five years, the goal is to strengthen the foundation for more productive, competitive, and sustainable dairy sector.

These roadmap objectives are as follows:

- * To provide livelihood opportunities to 350,000 rural families in dairy producing areas
- * To improve average milk production of dairy cattle and buffaloes by at least 46% above the current level
- * To meet 82.0% of liquid milk requirements (regular market and school milk feeding program) and attain at least 5.4% self-sufficiency by 2025
- * To improve per capita fresh milk consumption by 100 % the current level by 2025.

Industry Goal

To strengthen the foundation for a more productive, competitive, and sustainable dairy sector by 2025.

For the Short Term:

1. Improved average milk production of dairy cattle and buffaloes to at least 46% above the current level
2. Provided livelihood opportunities to 350,000 rural families in dairy producing areas
3. Improve per capita fresh milk consumption by 100% the current level
4. Met 82.0% of liquid milk and attain at least 5.4% self sufficiency

For the Medium Term:

1. Improved productivity, competitiveness and farmer's income
2. Invigorated and sustainable dairy industry
3. Access to safe and affordable milk and dairy products

For the Long Term:

1. Food secure and resilient Philippines
2. Strongly-rooted, comfortable and secure life for Filipinos



15 Yellow Corn

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The National Yellow Corn Industry Roadmap (NYCIR) has been developed considering the crucial role the corn sector plays in the economy within a range of socio-cultural and environmental context.

The corn-livestock-poultry sector contributes 28% of gross value added (GVA; 2020); 5.8% share in agri-fishery sector, i.e. 102.5 billion pesos (GVA, 2018; constant price), engaging at least 850 thousand farm households, and industry workers.

Corn is second to rice as staple food crop grown in 9.67% of crop area (PSA, 2020); and comprises a number of strategic value chains in food, feeds, and multi-industries involving farmers and industry players of various scales.

It is widely grown by small farmers in resource-poor environments; thus, contributing to food and nutrient security, and community resilience. With such significance and value to offer to the country, the corn sector remains a strategic commodity that requires a

detailed roadmap and plan to fully realize the potential benefits the sector has to offer.

This roadmap aims to address the challenges and opportunities of the corn sector amidst increasing demands in the feeds, food and other industrial markets; persistent inefficiencies in supply and market chains; and inadequacies in policies and governance.

The NYCIR strives to be consistent with the larger strategic goals of nation building including the Department of Agriculture's inclusive and sustainable growth within the agriculture, fisheries and forestry sector (i.e. NAFMIP); the 2030 Sustainable Development Goals; and the NEDA-crafted AmBisyon Natin 2040 vision of "matatag, maginhawa at panatag na buhay" where agriculture development is one of the eight priority sectors that impact on its effective reach.

Aim

While NYCIR is mainly geared to craft a plan that gets all players (i.e. farmers to users/industrialists and consumers) to reach the corn sector's vision, this specifically aims to:

- * understand the realities, dynamics, and conditions that prevail in the corn sector and its value chains;
- * analyze the corn industry's value chains; their competitiveness, strengths, weaknesses, opportunities, and threats towards identifying gaps/challenges, opportunities, prospects, and potential with appropriate interventions;
- * develop the vision, mission, goals, objectives, and specific targets for the corn sector, which can lead to the formulation of a clear plan of action over the short- (2021-2025), medium (2025-2030), and long-term (2030-2040) detailing strategies, policies, programs, timeframes, resource requirements and responsibilities towards achieving the vision and goals articulated; and
- * establish a clear industry governance network and an institutional mechanism that will effectively take charge in implementing, monitoring, and updating the implementation, and the roadmap, where feasible.

Goal

1. Increased productivity and efficiency levels in the corn production sector
2. Increased sufficiency of local corn across expanded and diversified markets supported by adequate infrastructure¹
3. Increased income of corn producers and value chain actors



16 Carabao

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The water buffalo, locally known as carabao, is an important source of meat, milk, hide, draft power, and social security in many regions and countries of the world. Today, the world population of water buffalo is 204.3 million, of which, 97.0% are in Asia.

The two types of water buffalo, namely, the riverine (dairy, representing 80.1%) and the swamp (draft-meat, representing 19.9%) diverged in growth patterns during the last few decades.

While the dairy type increased in inventory by 9.5%, the swamp type declined in inventory by 9.36% owing to the massive substitution with farm tractors as source of farm power, a pattern noted to be associated with economic development in most of the SEA countries. Dramatic decline in carabao population in the Philippines also followed the same pattern in a short span of time, from 4.4 million head in 1970 to 2.7 head in 1976.

From there onward, there were periods of slight decline followed by periods of slight increase, giving

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a semblance of stabilized population when seen in a longer time frame. Measures to protect carabaos by imposition of 'slaughter ban' as early as 1946 until it was lifted in 1998 pointed out the perceived recognition of the importance of carabaos as source of draft power in Philippine agriculture.

To date, the carabao inventory is 2.9 million, with carcass yield of 60.2 million kg valued at PhP12.6 billion, and milk yield of 8.6 million liters with estimated value of PhP645.0 million.

Strategies

The strategies and activities are grouped under three categories:

a) Industry wide efforts (more on meat and draft) - directed towards massive crossbreeding to cover as many breedable females as possible to produce 50:50 crossbreds that exhibit hybrid vigor for growth, more suitable for meat and also for draft, as crossbreds have larger body size and are highly trainable;

b) programs dedicated for specialized dairying - focus is on the propagation and sustained genetic improvement of purebred dairy stocks and directed backcrossing of crossbreds to increase the level of dairy blood to at least 75% so that these backcrosses can be moved to the fold of becoming good dairy animals; and

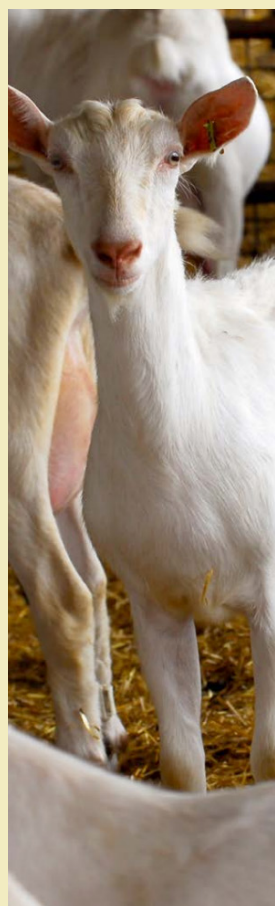
c) cross cutting programs - common to animals destined for meat as well as those for dairy. Serious attention shall be given to improving feed-based related issues. Development of the feed-based system will permit the envisaged expansion of the dairy herd, a prerequisite for dairy industry development.

Objectives

The general objective of this Carabao Industry Roadmap is to come up with a master plan that is inclusive, stakeholder-crafted and market-driven, that would help in improving the farmers' income, create jobs and increase the number of carabaos in the Philippines to become self-sufficient.

The specific objectives are to:

- * provide a situational assessment of the carabao industry in the Philippines;
- * set goals and strategies as well as plan targets towards a competitive and sustainable carabao industry, and;
- * recommend strategic directions and action programs in short to medium terms to enhance the Philippine carabao industry



PHILIPPINE SMALL RUMINANTS INDUSTRY ROADMAP 2022-2040



17 Small Ruminants

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Small ruminants (SR) form an important economic and ecological niche in agricultural systems in developing countries like the Philippines.

Goat production in the country is considered as a sunrise industry. There is potential in the small ruminant industry of the Philippines especially that our country was declared by the World Organization for Animal Health (OIE) as Peste des Petits Ruminants (PPR)-free and Foot-and-Mouth Disease (FMD)-free without vaccination with all its zone equally recognized.

The supply of chevon, sheep meat and goat's milk at present are too low compared to their estimated demands.

The demand for goat meat may also rise since other meat sources are having problems with diseases causing a decrease in supply and increase in market prices.

There is also an increasing local and global demand

for HALAL meat products since Muslim population is increasing.

The Small Ruminants Industry Roadmap aims to address major problems of the SR industry on low total production and limited productivity and hopes to increase goat and sheep production by 30% and 175% in 2030 and 2040, respectively.

Strategies

The strategies include the following:

- * herd infusion
- * animal distribution,
- * application of reproductive biotechnologies, and
- * increasing the numbers of GAHP-compliant farms are seen to address the production problem

Productivity will be enhanced by various programs targeting to improve animal genetics, nutrition, farm management, health/disease management and conduct of research and development studies.

The plan also intends to not only increase the dairy goat farmers but also develop them into agripreneurs by providing them post-harvest facilities and equipment; technical and marketing assistance, and capability building trainings.

Goat and sheep allied enterprises will be developed also by massive promotion using various Information, Education and Communication materials and through development of standards.

Supporting policies and programs to help in the realization of the set key result areas (KRAs) were also identified.

Objectives

The major objective is to come up with a small ruminant industry blueprint that is inclusive, stakeholders' crafted and market-driven.

The specific objectives are to:

- Provide a situational assessment of the small ruminant industry;
- Set goals and strategies as well as plan targets towards a competitive and sustainable small ruminant industry, and;
- Recommend strategic directions and action programs for short-term (2022-2025); medium-term (2026-2030) and long term (2031-2040)



18 Hog Industry

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Philippine hog industry is a private-led industry that thrived through the years.

It is a major contributor to the local economy among the agriculture sector. Its output is the highest among the livestock and poultry sector in terms of volume and value of production.

Gradually, the industry is becoming commercialized as evidenced by the increase in commercial farms, from 18% in 1994 to 29% in 2021 (PSA Swine Situation Report, 01 July 2021).

However, the occurrence of the African Swine Fever (ASF) in 2019 devastated the industry locally. A lot of farms closed, and animals were killed and buried to control the spread of the disease.

Inventory of hogs decreased dramatically such that prices of pork went up. It affected consumers in the

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middle of the Covid 19 pandemic, making the situation worse.

Given the scenario and the challenges brought about by ASF and the pandemic, the government must do something to rehabilitate and repopulate the Philippine hog industry. The industry needs to reboot.

This Roadmap of the Philippine Hog Industry presents a clear picture of the present situation of the industry.

The situationer highlights the industry's economic contributions, production, trade, and analysis of its value chain. An in-depth SWOT analysis provided the basis in determining the issues and gaps.

Objectives

This road map describes and discusses the blueprint for the rebooting of the Philippine hog industry. It is a plan that is inclusive, stakeholder-crafted and market-driven².

Specifically, it:

- a) provides a situational assessment of the hog industry;
- b) identifies goals and strategies as well as targets towards a competitive and sustainable hog industry, and
- c) recommends strategic directions and action programs for the next five years, covering the period 2022-2026.

The Philippines is self-sufficient on eggs but is vulnerable.

The Poultry Layer Roadmap aims to identify feasible, scalable, and innovative solutions to accelerate the egg industry stakeholders' actions under the five Pillars to meet its aspirations and objectives:

Roadmap Pillar I: Customer and Industry Value

Filipinos are the biggest gainers in a decade of smart investment in the food system infrastructure, which has increased the value of goods and driven down the cost of local food production and reaching key markets.

Roadmap Pillar II: Growing Sustainably

The sustainability and potential expansion of any poultry production or processing operation are affected by its location, especially in the long term. This is particularly true of operations located near urban or peri-urban areas. These factors demand careful planning of the location and siting of poultry production units.

Key concepts

- * Regional Agriculture Deals (RADs) are a binding agreement between national and local governments;
- * A RAD will define the agricultural value chain priorities for a region, and commit all tiers of government to policies and investments which support those priorities; and,
- * Regions will be defined by shared agricultural production systems and value chains—cutting across local government areas as needed.



19 Poultry Broiler

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Roadmap Pillar III: Unlocking Innovation

Egg Innovation across the product value chain will be replicated in the traditional crops i.e. Rice, Corn and Coconut. By maximizing the value of agricultural commodities by extracting its nutraceutical and functional elements, extending shelf life, and value additions of its by products.

Roadmap Pillar IV: Strengthen the economy by promoting enterprise development and by increasing stakeholders' income and community benefits

1. Clear policies and targeted programs for enterprise development, specific to local needs

2. Inclusion of Agriculture Development Plan at the barangay, municipal/city, provincial/regional level

Devolution in action to include enterprise building and mindset change. Strengthen cooperatives and associations, social enterprises and partners.

3. Government to create a level playing for competitive industry

Roadmap Pillar V: Capital & Risk Management

Every farm has a clear strategy for managing the inherent risks of farming, including an expanded role for insurance, and business models which share production risks along the value chain. Commercial layer enterprises are investment- ready.

1. Public, Private and Community Partnership Projects to Protect Food and Feed Security

2. Clear Government Focus and Priorities - backed by numbers, market intelligence and jointly agreed by all stakeholders.

3. Robust Execution Plan for Animal Health and Welfare. Government to provide infrastructure that can protect the BioSecurity, Disease Control & Surveillance Facilities

a. Diagnostic laboratories (3 Regions II1, IV and NC) and establishment of diagnostic laboratories in strategic areas (5 laboratories)

4. Make Access to Credit, Insurance, Investment Incentives easy for domestic players



20 Poultry Layer

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Poultry meat (and eggs) are among the animal-source foods most widely eaten across greatly diverse cultures, traditions, and religions. Consumption of poultry meat (and other animal sourced foods) has increased rapidly in the past decades.

Growing demand has mostly been driven by population growth, urbanization, changing consumer preference, and rising incomes. Chicken dominates meat consumption since it is generally affordable, low in fat, and faces few religious and cultural restrictions.

While pork has been a staple in many Filipino meals, chicken meat gained significant popularity among consumers because it is relatively cheaper.

Broiler chickens have one of the lowest farmgate prices out of all livestock and poultry products reared in commercial farms. An average farmgate price of a broiler chicken does not exceed PhP100 per kilo. Consumers also shifted from pork to chicken due to insufficient supply and high price of pork brought about by the African Swine Fever (ASF) outbreak.

As well, the chicken broiler (and egg production) industry is the most progressive animal enterprise in the Philippines today. In fact, in the past two decades, the volume of production doubled from around a million metric tons (MMT) in 2000 to almost 2MMT in 2020.

In 2019, the volume of production was at 1.93 MMT. In the same year, the gross value of chicken production at current prices was PhP 173.94B in earnings and PhP 179.21B in receipts.

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Goal

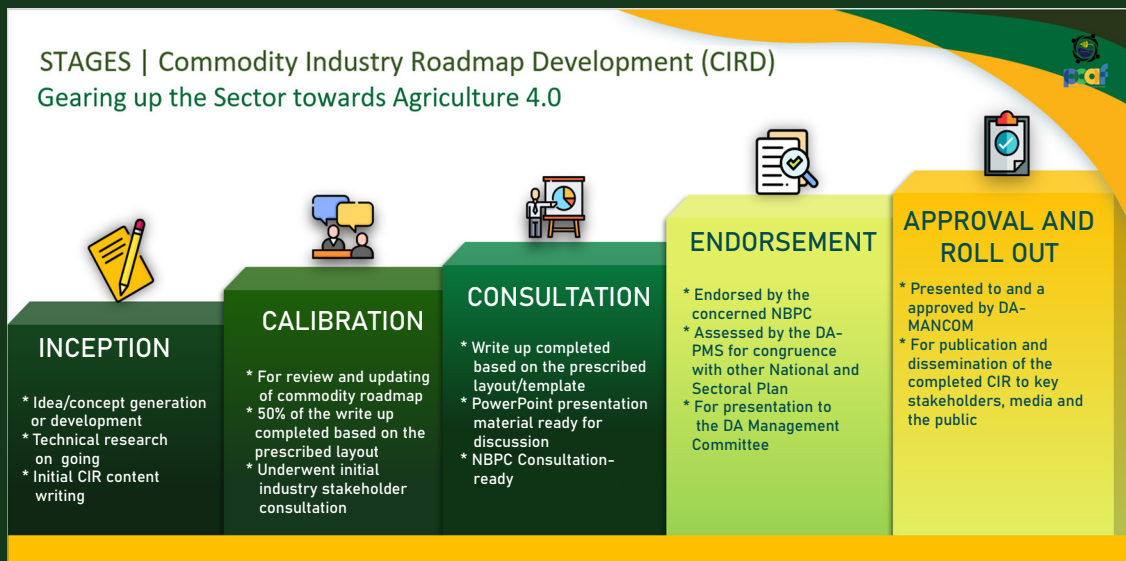
To enhance and sustain the broiler business by putting in place an enabling environment for poultry production and trade.

Objectives

The major objective of this paper is to develop a poultry broiler industry roadmap that is inclusive, and stakeholder crafted.

The specific objectives are to:

1. Review and assess the broiler industry given the current developments in the poultry industry in general;
2. Identify the requirements to be put in place for an enabling environment to happen for which an action plan can be designed and implemented in the medium and long term; and
3. Develop a broiler industry strategy that contributes to agriculture and that assumes an important market player both locally and internationally



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The editorial team encourages everyone to photocopy and circulate this newsletter with proper acknowledgment. Everyone is also encouraged to contribute stories of individuals or organizations engaged in the development of the agri-fishery communities.

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