

# EXPORT ROADMAP

*THE DEVELOPMENT OF AN  
EXPORT PROGRAM FOR THE  
POULTRY INDUSTRY*



# **WHY EXPORT ?**

---

- **Improve supply management towards stability in production and prices**

# Domestic Production & Imports of Livestock Products ('000 MT)

YEAR	Pork		D. Chicken		Eggs		Beef		Carabeef	
	Prod'n.	Imports	Prod'n.	Imports	Prod'n.	Imports	Prod'n.	Imports	Prod'n.	Imports
1994	921.8	0.7	376.6	0.2	237.6	0.20	135.5	27.0	62.7	9.2
1995	969.9	2.2	399.6	0.2	247.6	0.17	147.5	26.2	60.6	16.7
1996	1,035.8	6.1	455.1	0.2	260.1	0.20	160.8	32.7	57.5	23.8
1997	1,085.5	10.4	496.7	1.0	275.8	0.16	176.6	39.6	61.4	30.1
1998	1,123.7	12.6	491.2	2.4	280.1	0.17	182.6	29.7	65.3	21.5
1999	1,171.8	31.7	496.4	29.4	282.5	0.18	189.9	36.4	68.7	28.5
2000	1,212.5	41.3	533.1	16.6	296.9	0.20	190.2	43.9	71.6	39.8
2001	1,265.9	22.0	587.1	11.2	300.6	0.10	182.9	29.6	72.3	47.3
2002	1,332.3	27.7	627.1	12.2	314.4	0.03	175.6	37.2	76.5	55.2

Source: BAS



# WHY EXPORT ?

---

- **Improve supply management towards stability in production and prices**
- **Take advantage of opportunities.**

# Export Market Potentials

## □ Japan

- proximity and great potentials
- Thailand and China leading exporters
- Market for value-added products (freeze-dried & ready-to-cook products)

## □ Other Asian Countries

- Indonesia, Malaysia, Singapore, Vietnam, Taiwan, S. Korea

## □ Middle East

- billion dollar market
- poultry primary food product of Islam
- untapped market

## □ European Union

- export quota allocation for Third World countries
- position poultry products

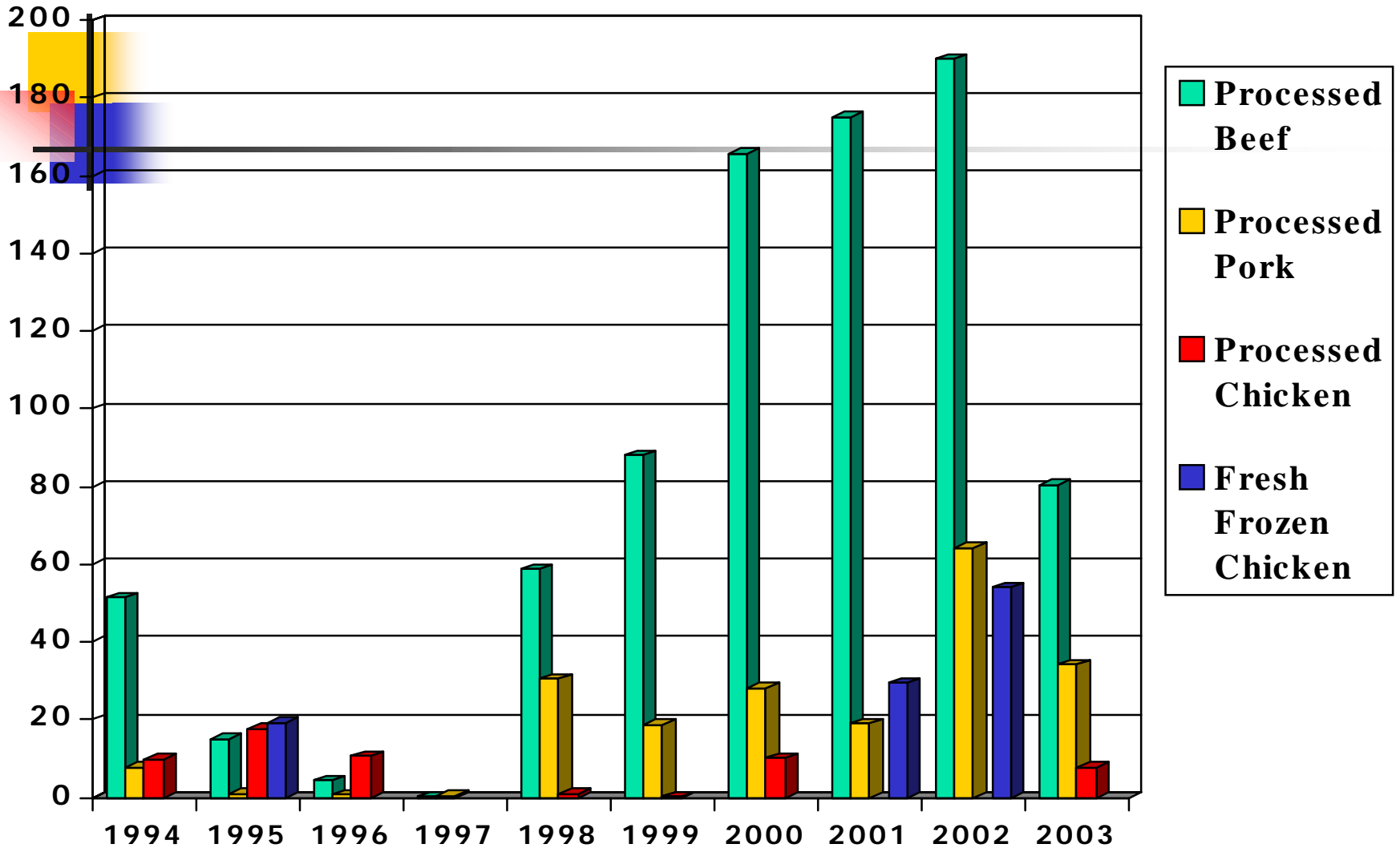


# WHY EXPORT ?

---

- **Improve supply management towards stability in production and prices**
- **Take advantage of opportunities.**
- **Industry capability; globally competitive companies**

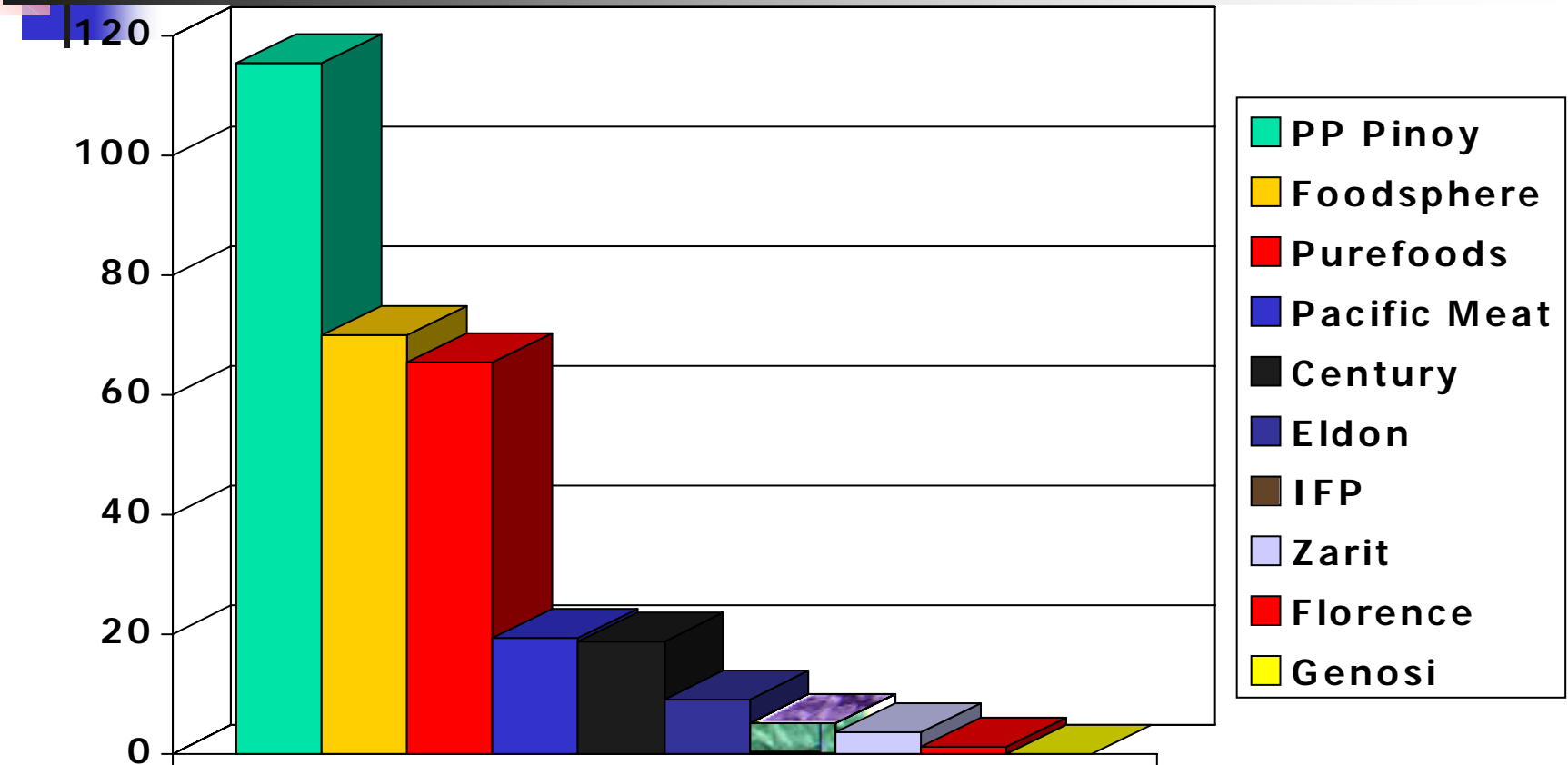
# Exports of Meat Products (MT), 1994 – 2003



Source : NMIC

# Share in Exports by Companies

(Volume of Products Inspected for Export by Companies)



Source :NMIC

# Animal & Animal Products Exports, 2002-2003\*

<b>Products</b>	<b>2002</b>	<b>2003</b>	<b>Importing Country</b>
<b>Hatching Eggs</b>		<b>51,642</b>	Malaysia, Indonesia
<b>Day-old-chicks</b>		<b>159,221</b>	Malaysia, Indonesia
<b>Salted Eggs</b>	<b>1,252</b>	<b>1,050</b>	Japan
<b>Embryonated Eggs</b>	<b>3,722</b>	<b>1,856</b>	Japan, Saipan, Switzerland

*\* As of Sept. 2003, in pieces*

Source: BAI-NVQS

## Volume of Poultry Exports, 2002-2003\*

Exporter	2002	2003	Importing Country
Purefoods	53.9	0.0	Japan, USA, KSA, UAE, Thailand
Genosi/HAVI/ Golden Archers	0.02	0.55	Hongkong
Piling piling Pinoy	0.60	0.0	Japan
Total	54.5	0.55	

Notes: San Miguel Foods and Tyson Agri-Ventures are doing trial shipments.

\* *As of July 2003, In metric tons*

Source: NMIC

## Volume ('000 MT) & Value of Imports, FOB (Million US Dollars)

<b>YEAR</b>	<b>Pork</b>		<b>D. Chicken</b>		<b>Beef</b>		<b>Carabeef</b>	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
1995	2.18	0.69	0.19	0.68	26.19	37.23	16.68	20.14
1996	6.07	6.72	0.20	0.29	32.66	45.59	23.83	31.03
1997	10.37	12.38	0.97	1.09	39.61	56.42	30.15	41.52
1998	12.59	9.42	2.42	2.32	29.68	37.71	21.48	27.40
1999	31.65	19.31	29.39	18.59	36.37	41.71	28.46	30.33
2000	41.34	15.82	16.62	9.21	43.88	51.23	39.79	40.62
2001	22.02	9.09	11.15	6.38	29.57	39.33	47.28	43.01
2002	27.72	11.92	12.22	6.00	37.18	47.59	55.25	46.41

Source : BAS

# The Constraints to Exports

- ❑ Inadequate disease surveillance/meat inspection system for potential exporters
- ❑ Lack of equivalency in accreditation system e.g. SPS, Halal
- ❑ Lack of market info/trade promotion
- ❑ High cost of production
  - Feeds
  - Technology
  - Utilities
  - Infrastructures
- ❑ Absence of value-added products
- ❑ Biosecurity considerations & some LGUs

# *Laying the groundwork...*

- ❑ Comprehensive Disease Surveillance System
  - ❑ **Passage of Animal Health Code/Meat Inspection Law**
  - ❑ **Accreditation of exporting plants/farms**
  - ❑ **Access to diagnostic and lab. facilities**
  - ❑ **Technical assistance for disease surveillance systems**
- ❑ Level of Equivalence
  - ❑ **Certification system for SPS, Halal**
- ❑ Market information assistance
  - ❑ **Agri./Trade Attaches**
  - ❑ **Trade Missions**

*... towards exports*

# *Laying the groundwork...*

- ❑ Direct buying of corn:  
poultry raisers & farmers
  - ❑ NFA CMAP
  - ❑ LBP/GFIs loans
- ❑ Support to Soybean Program
- ❑ Export incentives
  - ❑ Duty-free importation of feeds for exports
  - ❑ Power rebate for modernization & export operations
- ❑ Industry Modernization
  - ❑ Access to ACEF funds
  - ❑ Share a portion of tariff proceeds from imported chicken as fund for the poultry sector.

*... towards exports*

# Specific Steps to Operationalize Exports

## ➤ Domestic End

- Individual farms/plants to conform to protocols required for export.
- Accreditation of potential farm-and plant-exporters
- Accreditation of private laboratories and testing centers

## ➤ International End

- Compendium on Import Requirements of Potential Markets
- Accreditation of NMIC by IAF as HACCP certifying body
- Accreditation by importing countries of Philippine exporters
- Linkage with Foreign Partners

# Domestic Accreditation: Farm, by BAI

- Animal husbandry
- Animal health
- Infrastructure and facilities
- Biosecurity measures
- Inspection system
- Quality Assurance system
- Staff competence
- Product identification and traceback system

# Domestic Accreditation: Plant, by NMIC

- Inspection of meat establishments for GMP/HACCP accreditation for exporters
  - AAA
  - HACCP
  - International Standards
  
- An Accreditation program for Food Exporters undertaken by a Joint Management Committee: FDC, BFAD, BFAR, BETP and NMIC

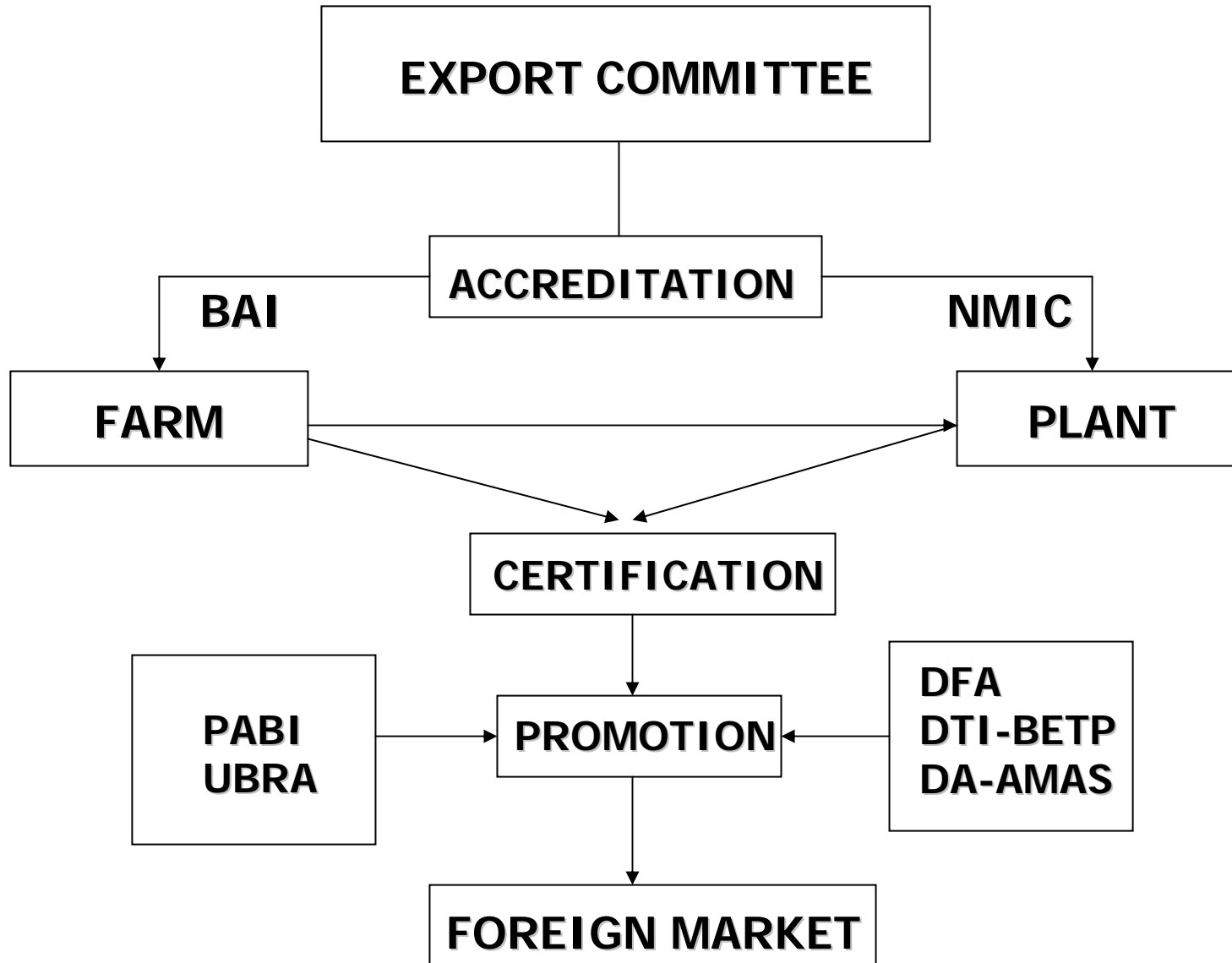
# International Accreditation, by PABI, UBRA and the Private Sector

- Universal Standards: Common to all
- Specific standards; specific to countries
- Standards also differ by products:  
canned, fresh processed or fresh

# What has been achieved ?

- Industry Consolidation
  - Export Committee Formed
  - Conducted nine (9) Meetings
- Drafting of Guidelines for Export Accreditation
  - Broiler and Breeder Farms
  - Processing Plants
  - Laboratories
- Identification of Specific Accreditation Targets
- BAI & NMIC started compiling protocols of importing countries
- Instituting Biosecurity Measures
  - Drafting of AO re: Zoning and Biosecurity Measures by BAI.
  - Three Consultations on Draft AO with LGUs held in RFU 10 (CDO, Bukidnon and Misamis Oriental)

# Proposed Structure for Implementation



# Composition of the Export Committee on Poultry

- **Chairman**
- **Co-Chairman**
- **Members**
  - **Private sector**
    - **PABI**
    - **UBRA**
  - **Gov't. sector**
    - **DA**
      - **BAI**
      - **LDC**
      - **NMIC**
      - **IRD**
      - **AMAS**
    - **DTI-BETP**
    - **DFA**

# What has been achieved ?

- Industry Consolidation
  - Export Committee Formed
  - Conducted nine (9) Meetings
- Drafting of Guidelines for Export Accreditation
  - Broiler and Breeder Farms
  - Processing Plants
  - Laboratories
- Identification of Specific Accreditation Targets
- BAI & NMIC started compiling protocols of importing countries
- Instituting Biosecurity Measures
  - Drafting of AO re: Zoning and Biosecurity Measures by BAI.
  - Three Consultations on Draft AO with LGUs held in RFU 10 (CDO, Bukidnon and Misamis Oriental)

# Targets

PARTICULARS	COMPANY	TARGETS		
		2003	2004	2005
<b>FARMS</b> <input type="checkbox"/> Accreditation of potential farm exporters	San Miguel Foods, Inc.		18	48
	Swift Foods, Inc.		37	
	Tyson Agro Ventures		4	
	URC Robina		2	
<b>LABORATORIES</b> <input type="checkbox"/> Accreditation of private labs. And testing centers	San Miguel Foods, Inc.		2	2
	Swift Foods, Inc.		2	
	URC Robina		1	
<b>PLANTS</b> <input type="checkbox"/> Accreditation of potential plant exporters	San Miguel Foods, Inc.		4	7
	Swift Foods, Inc.		2	
	Tyson Agro Ventures	1		

# What has been achieved ?

- Industry Consolidation
  - Export Committee Formed
  - Conducted nine (9) Meetings
- Drafting of Guidelines for Export Accreditation
  - Broiler and Breeder Farms
  - Processing Plants
  - Laboratories
- Identification of Specific Accreditation Targets
- BAI & NMIC started compiling protocols of importing countries
- Instituting Biosecurity Measures
  - Drafting of AO re: Zoning and Biosecurity Measures by BAI.
  - Three Consultations on Draft AO with LGUs held in RFU 10 (CDO, Bukidnon and Misamis Oriental)

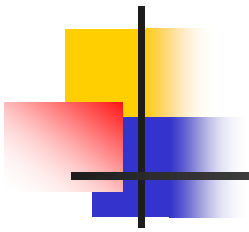
# *Moving Forward*

## Department of Agriculture

1. Issuance of administrative order to LGUs on guidelines for local biosecurity legislation
2. Finalization of BAI of accreditation requirements for broiler and breeder farms, and laboratories
3. Implementation of corn marketing assistance program for long-term buying arrangements with farmers
4. Access to ACEF funds for industry modernization
5. Identification of industry development support funds (i.e. for biosecurity)
6. Clarification of options for continuation of MAV system
7. Support from Agricultural/Trade Attaches for market information

## Private Sector

1. Participation in feedgrain production program (i.e. soybeans, yellow corn)
2. Commitment to enter into long-term supply arrangements with yellow corn farmers
3. Develop new market opportunities (i.e. trade and study missions)
4. Strengthen industry structures
5. Provide leadership to the National Broiler Action Team



Thank You

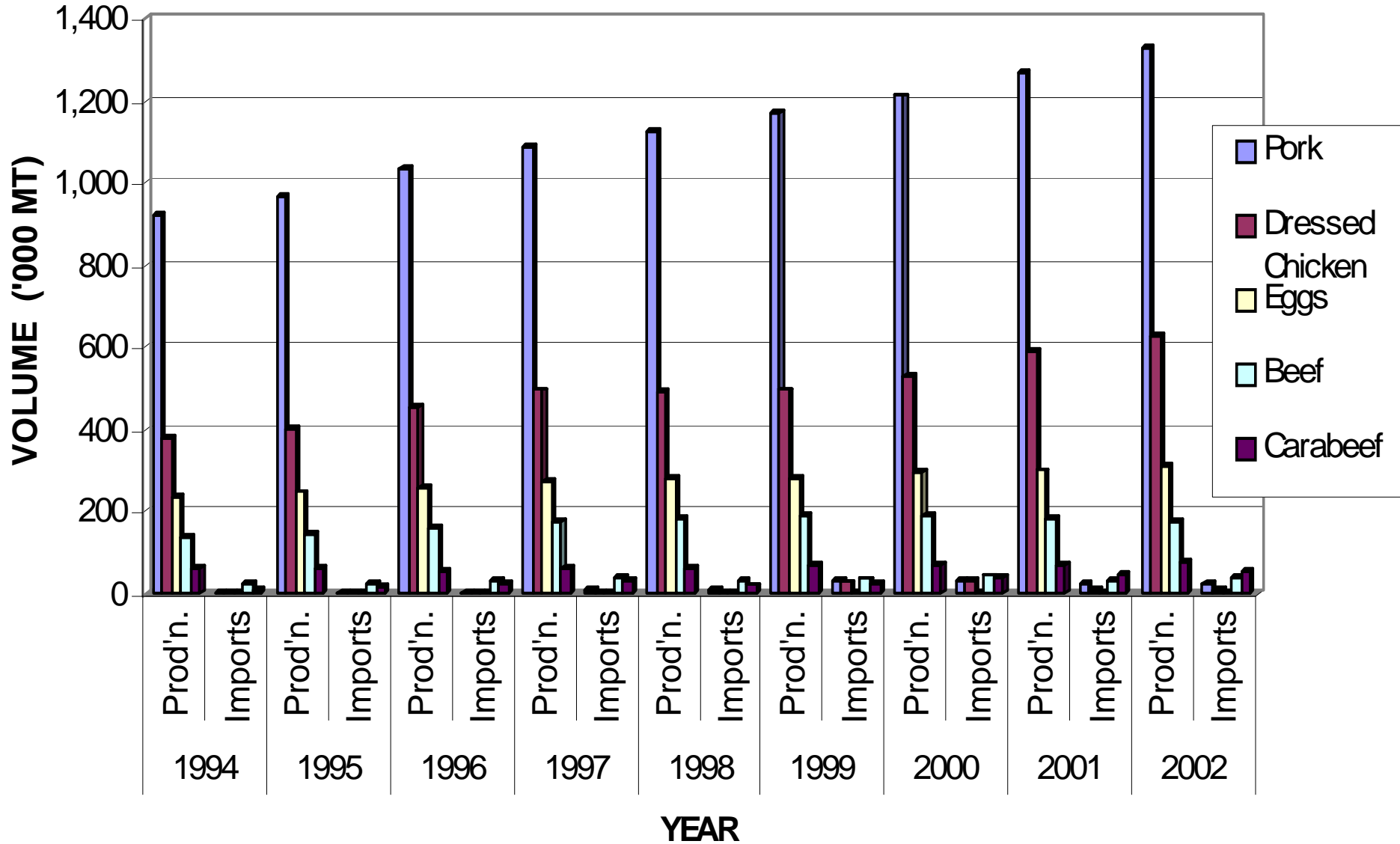


## Volume of Meat Exports (MT), FY 2002 & 2003\*

Exporter	Processed Beef		Processed Pork		Chicken		Total		Destination
	2002	2003	2002	2003	2002	2003	2002	2003	
PPP	65.1	5.3	50.4	0.84	0.6		116.1	6.2	Japan
Purefoods	8.5	2.1	3.0		53.9		65.4	2.1	US, Japan, KSA, UAE, Thai
GenOsi	0.005	3.1			0.02	0.55	0.02	3.65	Hongkong
Eldon	14.7	5.6	7.0	8.7			21.7	14.3	Hongkong
IFP	5.0	2.5					5.0	2.5	KSA
Zarit	1.9	3.1	1.8	1.3			3.7	4.4	Australia
Foodsphere	14.4		42.7				57.1		KSA
Pacific Meat	18.6		0.9				19.5		Japan, UAE
Century C.	18.8						18.8		Korea, UAE
Florence F.	1.3						1.3		Korea

\* July, 2003

# LIVESTOCK & POULTRY PRODUCTION & IMPORTS

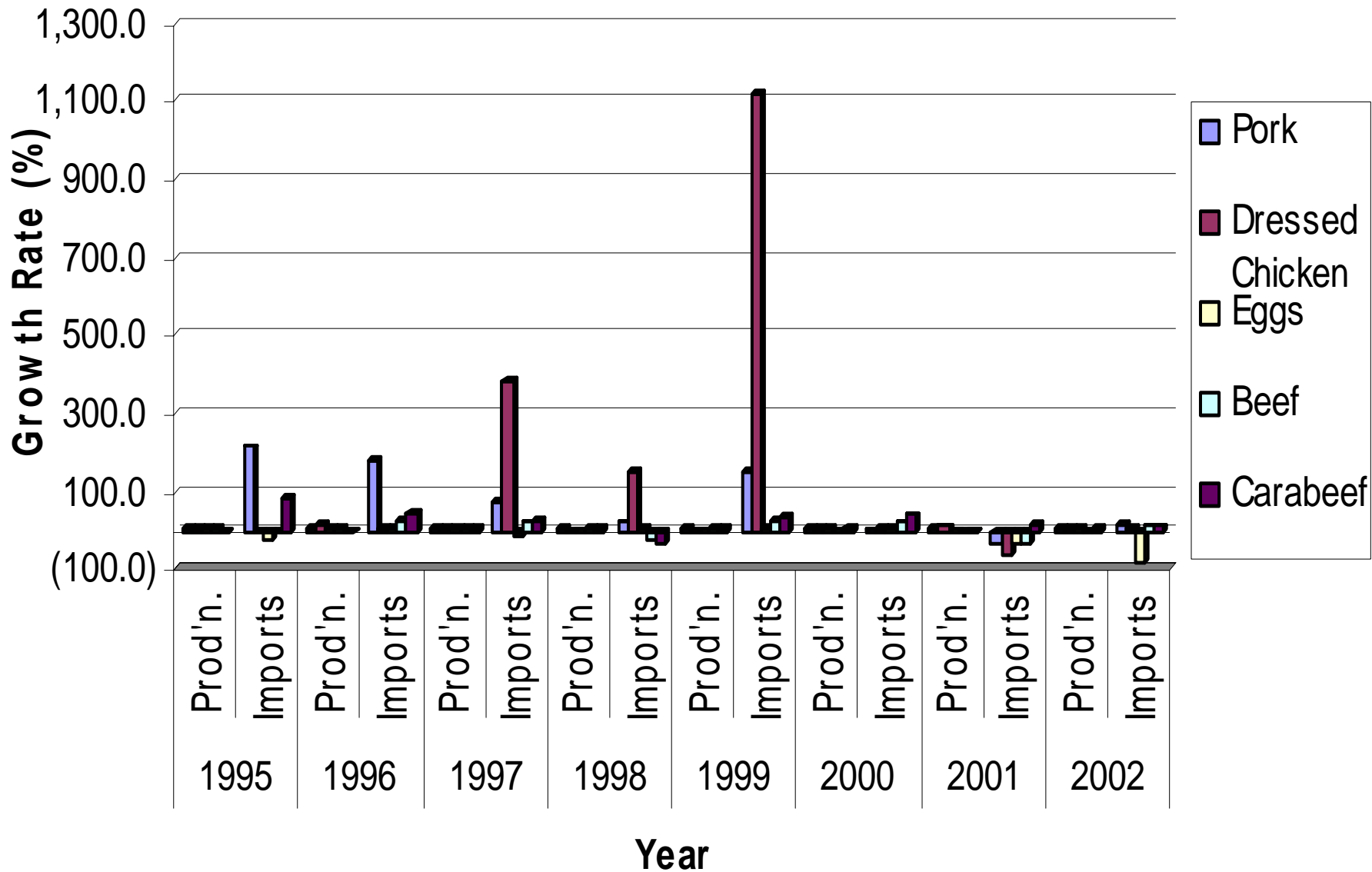


## Comparative Growth Rate (%) Domestic Production & Imports

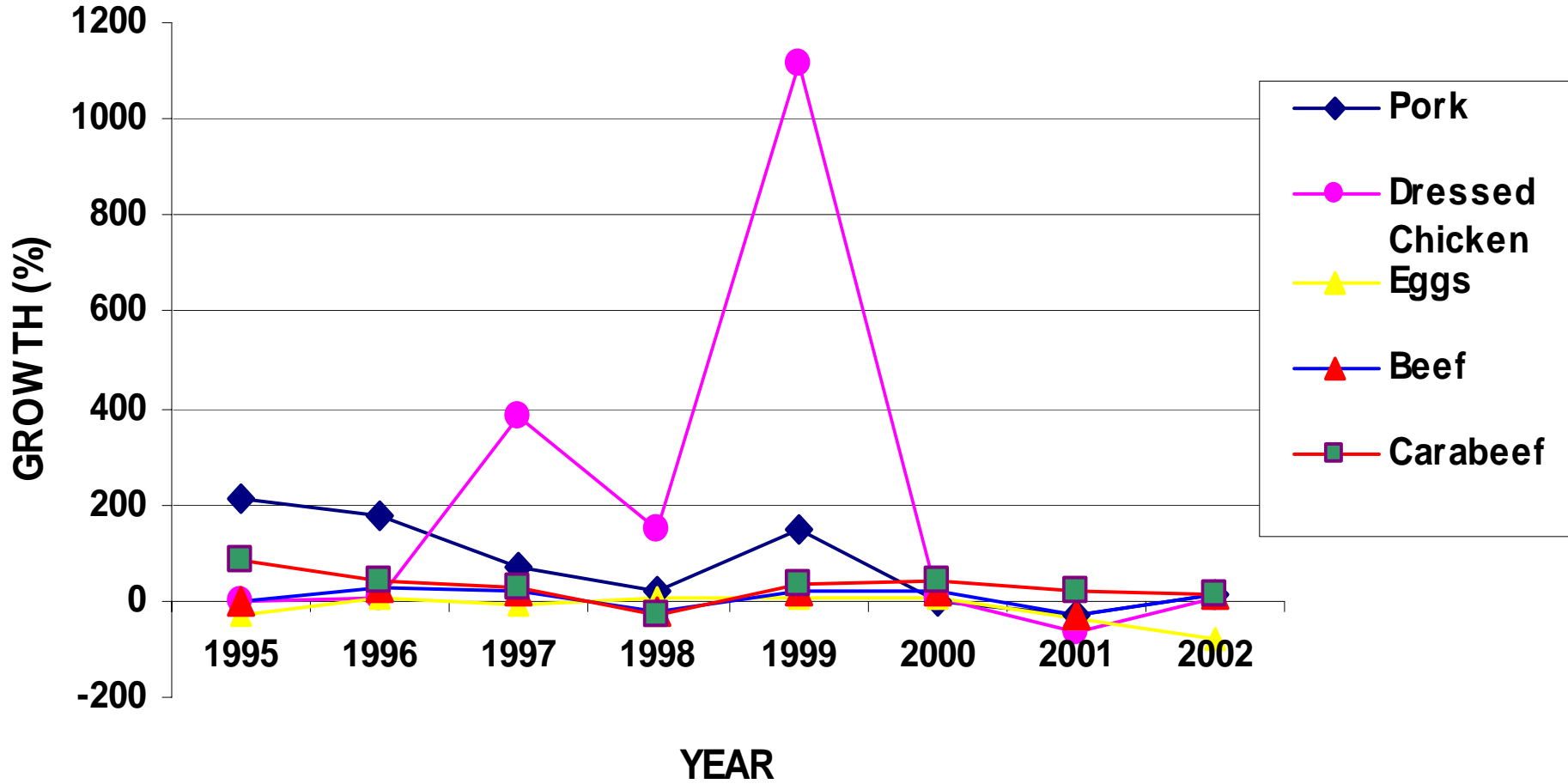
YEAR	Pork		D. Chicken		Eggs		Beef		Carabeef	
	Prod'n.	Imports	Prod'n.	Imports	Prod'n.	Imports	Prod'n.	Imports	Prod'n.	Imports
1995	5.2	214.1	6.1	(3.7)	4.2	(25.9)	8.8	(2.9)	(3.3)	82.0
1996	6.8	178.2	13.9	4.5	5.0	5.7	9.1	24.7	(5.2)	42.8
1997	4.8	70.7	9.1	384.3	6.1	(11.0)	9.8	21.3	6.8	26.5
1998	3.5	21.4	(1.1)	150.1	1.5	7.2	3.5	(24.8)	6.4	(29.1)
1999	4.3	151.3	1.1	1,115.8	0.9	9.1	3.9	22.1	5.3	33.1
2000	3.5	2.2	7.4	8.6	5.1	9.0	0.1	20.7	4.2	39.8
2001	4.4	(31.9)	10.3	65.1	1.3	(33.7)	(3.8)	(32.6)	0.9	19.2
2002	5.2	16.4	6.7	9.2	4.6	(77.1)	(4.0)	10.1	5.8	10.6

Source of basic data: BAS

## Comparative Growth Rate (%), Domestic Production and Imports



# GROWTH RATE OF IMPORTS



# VALUE OF IMPORTS

