

CATTLE INDUSTRY ROADMAP FOR REGION XII

Industry

The Philippine beef cattle industry is predominantly of the small hold or backyard type and traditionally led by the province sector commercial feedlot fattening operation emerged and proliferated on account of the huge demand for meat and meat products. It is recognized as contributing to rural income and the efficient use of the available resources in the rural sector. Cattle as well as Carabao are basic livestock occupying important role in the subsistence of rural families. They are raised for both purposes and source of cash in time of needs.

Cattle raising in the country is predominantly a backyard endeavor. They are usually maintained on a low to medium plane of nutrition. They are either stall-fed or tethered along roadside and backyards with whatever available feed grown, not weeds and farm by-products like straw or corn stover, cane tops, etc. Concentrate feeding is minimal and inputs for health maintenance are generally lacking.

It has been evaluated however, that beef cattle raising in the country has a comparative advantage over other animal production ventures considering the increasing demand for beef; ability to transform low-quality and fibrous feed materials; availability of other forages and favorable climate for fodder production and adequate processing technologies and increased productivity.

On the other hand, commercial ranches engaged in cattle raising are steadily decreasing in number. This is largely due to a combination of factors such as poor peace and order situation in production areas, implementation of the comprehensive agrarian reform law, land use conversion, lack of domestic source of quality stock, changing policies on pasture lease, increasing input costs and poor herd and pasture management among others. This scenario shrank the country's cow-half operations both in number and production performance.

In general, the growth of the cattle population (2.7%) was much more than that of buffaloes and is also the result of considerable imports of both dairy and beef cattle into the Asian region. The largest increases were noted in Indo-China, with Cambodia (8.6%), Laos and Vietnam (7.5%), followed by Indonesia (3.5%) and Myanmar (0.4 %). The Philippines had a negative growth rate.

In 2008, the number of cattle slaughtered for meat in the Philippines was higher by 4.48 percent than the previous year. Animal deaths and losses likewise rose by 1.32 p

percent. Also, total cattle population was estimated at 2.56 million head, slightly down by 0.29 percent than last year's head count. The number of dairy cattle reached 13,810 head, 14.19 percent higher than in 2007. Inventory of cattle from backyard farms declined by 0.31 percent, while stocks from commercial raisers acquired a minimal growth of 4 percent. Of the total cattle population, around 94 percent were raised in backyard farms.

Commercial feedlot fattening operation emerged and proliferated on account of the huge demand for meat and meat products. These things accounted for this great demand-the ever-increasing population, changing food preferences of the Filipinos, and import liberalization.

However, the industry is heavily dependent on the importation of feeder stocks coming mostly from Australia. In 2007, the number of imported live cattle was 17,982 head or 23.79 percent while 90 percent of the country's beef supply is imported from Brazil. Almost 97 percent of the total importation was feeder cattle and the rest were classified as breeders.

Importers on the other hand, prefer Indian buffalo, which is purchased for P50 per kilo, transportation and importation cost included as compared with P80 per kilo of local Carabao beef or carabeef, or P190 to P270 per kilo of cattle beef.

In general, the major constraints to growth and development of the cattle industry are low breeding base, poor nutrition and herd management, localized peace and order situation, efficient marketing systems and structures and unfavorable government policies. Problems mostly encountered in backyard operations include inefficient breeding techniques, inadequate feed supply and lack of adequate technical support, veterinary and extension services from the government. This scenario shrank the country's cow-calf operations both in number and production performance.

With the increasing demands for beef coupled with the declining trend in local cattle population, it is expected that importation of both beef and live cattle in large volumes would continue unless something is done to augment the local cattle industry. Nevertheless, current trends in the livestock industry showed that the beef cattle sector had the biggest room for growth and productivity.

The total cattle inventory in the country as of July 1, 2012 was 2.49 million head. This was 0.15 percent lower than last year's cattle population of 2.50 million head. Of the total inventory, 2.32 million head or 93 percent were raised in the backyard farms.

Commercial farms accounted for 0.17 million heads or 7.0 percent of the total cattle headcount.

Cattle population during the period January to June 2012 was 122.84 thousand metric tons. It was 0.41 percent lower than the output of 123.34 thousand metric tones in the same period last year.

The average farm gate price of live cattle during the first half of 2012 was 83.65 per kilogram. this was at 0.93 lower than the previous year's price. At the wholesale level, the semi-annual average price was P170.00/kg. it was the same average price last year. The average retail price of beef rump was P258.24/kg or 1.44 percent higher than last year's record of P254.58/kg.

Other Benefits

1. Build-up of collateral and savings.
2. Allows income diversification.
3. Provides draft power
4. Utilization of common grazing areas.
5. Provides manure as organic fertilizer.

Challenges

1. Prospects
2. Imports
3. Production potential
4. Genetic improvement
5. Jobs and income Generation

Vision

Beef cattle production catering to the protein needs of Region XII.

Immediate Concern

1. Increase finished weight per unit of production by finishing local cattle in feedlot.

2. Sustain the overall population growth and control the decline of the commercial sector.
3. Achieve an organized system of production and marketing.

Strategies

To integrated the following;

1. Genetic improvement
 2. Herd build-up
 3. Financing
 4. Markets and distribution
1. Genetic improvement Program
 - a. Pure breeding/conservation : Private Sector Seed stock and Government Stock Farms as Nucleus Operations
 - b. Crossbreeding: Ranchers/Commercial Raisers as Multiplier Farms
 - c. Technical Crossbreeding: Backyard Production/Operations
2. Hard Build-up Program
 - a. Multi-Livestock Development Loan program
 - b. Save the Herd Program
 - c. Animal Infusion
3. Financing Program
 - a. Quedancor – Tap to provide credit financing for the backyard GIP and HBUP programs:
 1. Bull Exchange – 1:25-30
 2. Hard increase – 1:25
 - b. Land Bank of the Philippines, ACEF – finance stockyard slaughter houses, cutting floors and cold chains.
 - c. PL 480 – Make use of the commodity loan for animal and semen infusion
4. New Markets and Distribution
 - a. Development of Grades and Standards
 - b. Meat importers, Processors and Wholesalers
 - c. Cold Chain and Transport System
 - d. Stockyard Complex
 - e. Slaughterhouse and cutting Floors
 - f. Market information System
 - g. E- Commerce

5. A Total Market and Distribution System

- a. Importers sourcing their growth locally.
- b. Postharvest facilities allowing separation at slaughter to cut, box and freeze and facilitate transport
- c. Wholesalers buying directly from producers
- d. Auction markets for culls, growers/finishers and breeders

Targets

1. Stockyards- set up in strategic location.
 2. Feedlots- at least 100 for native cattle, 150 for upgrades and 75 for imported live imports.
 3. Accredited stud and multiplier breeders-production of bulls for 74,645 breeder base-target around 2,985 bulls.
- Breeder infusion – To produce the bull, some 8,385 cows are required. As the commercial sector has only 5,722 breeders, there is a gap of 2,662 females.
 - Grazing Land – The existing cow population requires a total of 28,612 females.

Policies

1. Promote local sourcing
2. “ Commercialization” of the small hold
3. Strengthening support services – animal health, standards, environment
4. Coordination (DENR, DAR, NCIP, DILG) and Linkages (LGU’s and Private Sector
5. Structure Provision- Breeder Accreditation Board, Beef Cattle Development Center

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