



Republic of the Philippines
Department of Agriculture
BUREAU OF AGRICULTURAL STATISTICS
Quezon City

DAIRY INDUSTRY

PERFORMANCE REPORT

January - December 2006



JULY 2007



EXPLANATORY NOTES

This annual Dairy Industry Performance Report presents the 2-year data of the total inventory of dairy animals by classification, milk production by animal type and by source, disposition of milk production, total supply and utilization of dairy products, and volume and value of dairy imports and exports.

The dairy statistics presented in this report is a product of collaborative efforts of the Bureau of Agricultural Statistics (BAS), the National Dairy Authority (NDA) and the Philippine Carabao Center (PCC). BAS conducts the semi-annual dairy survey in identified provinces where dairying exists to generate inventory of dairy animals, and milk production and disposition from individual or backyard dairying and, from privately owned commercial and institutional dairy operations for carabao, cattle and goat. Systematic sampling is used for the backyard dairy carabao and, complete enumeration of backyard dairy goats and privately owned commercial and institutional dairy operations for cattle, carabao and goat.

On the other hand, the National Dairy Authority (NDA) provides BAS the data on inventory of dairy cattle and milk production generated from the monitoring records of their assisted dairy cooperatives. Likewise, the Philippine Carabao Center (PCC) provides BAS the dairy data generated from the monitoring records of their assisted carabao dairy cooperatives and federations as well as from the institutional dairying activities of PCC Centers in selected regions and university campuses in the country, i.e., UP at Los Baños.



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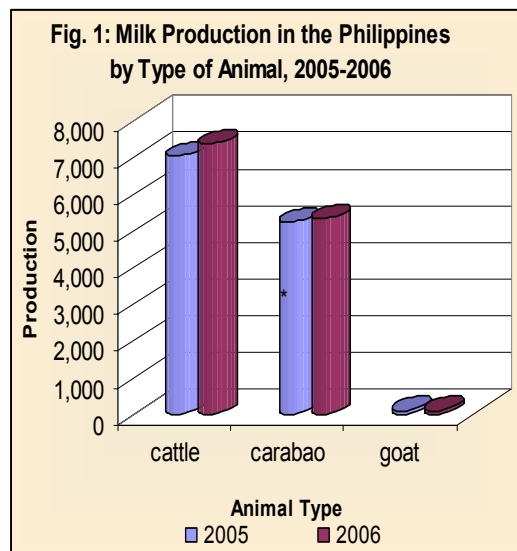
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HIGHLIGHTS

The country’s dairy animal inventory as of January 1, 2007 was estimated at 26,172 head. It was up by 1.65 percent compared with last year’s level. A remarkable increase in cattle inventory was noted with the 7.40 percent increment over last year’s headcount.

Total milk production for 2006 reached 12.79 million liters, up by 3.63 percent from last year’s output. This growth was attributed to the 4.96 percent increment in cow’s milk production.



The total volume of dairy imports in 2006 was 1,773 thousand metric tons valued at US\$ 457.30 million. Compared with 2005 levels, volume and value of imports increased by 10.21 percent and 8.54 percent, respectively. There were also increases in the volume and value of exported processed dairy products by 4.55 and 19.25 percent, respectively.



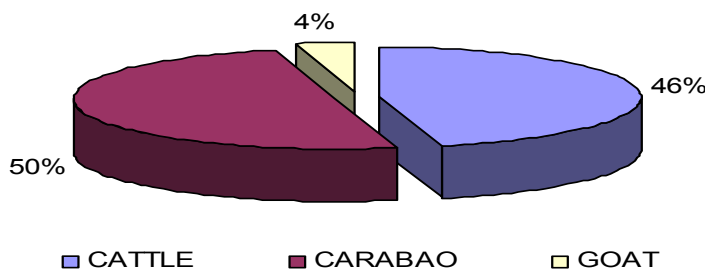


INVENTORY OF DAIRY ANIMALS

Table 1: Inventory of Dairy Animals by Animal Type by Age, as of January 1, 2005 – 2007
(‘000 Head)

Animal Type/Age	2005	2006	2007P	Percent Change
CATTLE	10,043	11,261	12,094	7.4
Bull	342	349	570	63.32
Dams	4,203	4,751	5,425	14.19
Heifer	1,510	1,642	1,389	(15.41)
Yearling	1,486	1,635	1,789	9.42
Calves	2,502	2,884	2,921	1.28
CARABAO	13,140	13,380	13,155	(1.68)
Bull	941	949	939	(1.05)
Dams	6,651	6,765	6,785	0.3
Heifer	789	808	801	(0.87)
Yearling	1,687	1,708	1,635	(4.27)
Calves	3,072	3,150	2,995	(4.92)
GOAT	1,209	1,105	923	(16.47)
Buck	86	79	63	(20.25)
Doe	656	610	465	(23.77)
Kids	382	339	315	(7.08)
Others	85	77	80	3.9

Fig. 2: Distribution of Dairy Inventory by Animal Type, as of January 1, 2007



- ❖ Total inventory of dairy animals as of January 1, 2007 was estimated at 12,094 head for cattle, 13,155 head for carabaos, and 923 head for goats.
- ❖ In comparison with last year's beginning stocks, the number of dairy cattle grew by 7.40 percent, while stocks of dairy carabaos and goat declined by 1.68 and 16.47 percent respectively.
- ❖ Female breeders or dams accounted for around 45 percent and 52 percent of the total cattle and carabao population, respectively. The rest were bulls, heifers, yearlings and calves. On the other hand, goat female breeders or does comprised 55 percent of the total dairy goat inventory, and the rest were classified under kids and bucks.
- ❖ Compared with the 2006 headcount, inventory of cattle breeder as of January 1, 2007 went up by 14.19 percent while that of carabao breeder regarded a minimal increment of 0.3 percent. Inventory of does decreased by 22.77 percent.



MILK PRODUCTION AND SUPPLY-UTILIZATION

Fig. 3 : Distribution of Milk Production by Animal Type, Philippines, 2006

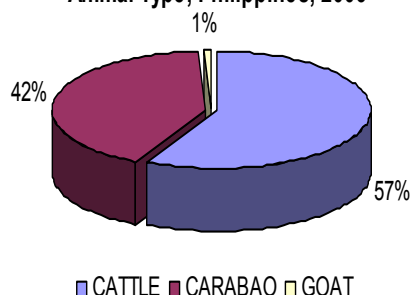


Table 2: Animals on the Milklime and Milk Production by Animal Type and Source, Philippines, 2005-2006

Animal Type/Source	2005		2006		Percent Change 2006/2005	
	Animals on the milklime	Production (LME* in '000 Liters)	Animals on the milklime	Production (LME* in '000 Liters)	Animals on the milklime	Production (LME* in '000)
TOTAL	7,527	12,342	7,994	12,790		3.63
CATTLE	3,200	7,019	3,639	7,367	13.72	4.96
Individual	115	202.31	782	790.39	580	290.67
Cooperatives	2,503	5,411.98	2,184	5,000.92	(12.74)	(7.60)
Commercial	303	822.98	392	1,023.95	29.37	24.42
Institutional	279	581.43	281	551.91	0.72	(5.08)
CARABAO	4,131	5,230	4,165	5,331.37	0.82	1.94
Individual	2,683	2,269.62	2,650	2,233.80	(1.23)	(1.58)
Cooperatives	785	1,421.83	810	1,462.10	3.18	2.83
Commercial	125	332.67	125	333.12	-	0.14
Institutional	538	1,205.69	580	1,302.35	7.81	8.02
GOAT	196	94	190	92	(3.06)	(2.56)
Individual	78	36.87	80	35.5	2.56	(3.72)
Institutional	118	57.11	110	56.07	(6.78)	(1.82)

Note : *LME Liquid Milk Equivalent

- ❖ Total milk production in 2006 reached 12.79 million liters, 3.63 percent higher than last year's level of 12.34 million liters.
- ❖ Cow's and carabao's milk production grew by 4.96 percent and 1.94 percent respectively.

- ❖ On the other hand, milk output from dairy goat recorded a decrease of 2.56 percent.
- ❖ Of the total dairy output, around 57.5 percent were cow's milk, 41.6 percent carabao's milk, and less than one percent, goat's milk.

Table 3: Supply and Utilization of Milk, Philippines, 2005-2006 ('000 m.t. LME)

Particulars	2005	2006	Percent Change 06/05
Local Production ^{1/}	12.34*	12.79*	4.29
Imports ^{2/}	1,604.61	1,773.32	10.51
Total Supply	1,616.95	1,786.11	10.47
Export ^{2/}	251.22	262.64	4.55
Net Domestic Supply	1,365.73	1,523.47	11.56
Per Capita Supply (liters/year) ^{3/}	15.84	17.27	9.00

Source: National Dairy Authority (NDA)

^{3/} Derived using Net Domestic Supply/Human Population

^{1/} Based on BAS survey converted to LME

^{2/} NDA based on NSO data converted to LME

* 1 liter of milk is approximately 1kg of milk

- ❖ The total supply of milk in 2006 was placed at 1,786.11 thousand metric tons, 10.47 percent higher from the previous year's level. The increase was due to the additional 10.51 percent in the volume of imports. The country imported more than 99 percent of the total milk supply.
- ❖ Exports figured at 262.64 thousand metric tons up by 4.55 percent compared to last year's level. Net domestic supply of milk was 1,523.47 thousand metric tons. The derived per capita supply of milk was estimated at 17.27 kilograms per year. This was 9.0 percent higher than last year's level.



IMPORTS

**Table 4 : Volume and Value of Imports by Type of Dairy Products,
Philippines, 2005-2006
(In Liquid Milk Equivalent)**

Particulars	2005		2006		Percent Change	
	Volume ('000 MT)	Value (CIF MU\$)	Volume ('000 MT)	Value (CIF MU\$)	Volume 06/05	Value 06/05
Total Import	1,604.61	421.33	1,773.32	457.3	10.51	8.54
1. Milk and						
Cream	1,464.72	362.17	1,644.73	406.32	12.29	12.19
Skim Milk	685.12	181.2	750.81	190.58	9.59	5.18
Wholemilk	267.99	68.93	307.05	81.33	14.58	17.99
Buttermilk	148.43	31.72	157.34	36.12	6	13.87
Whey						
Powder	284.04	29.42	341.72	47.15	20.31	60.27
Fresh Milk	45.71	33.95	37.74	27.24	-17.44	-19.76
Evaporated	14.69	6.76	19.41	8.58	30.77	26.92
Other	18.74	10.19	30.86	15.32	64.6	50.3
2. Butter	85.5	25.88	71.89	18.95	-15.92	-26.78
3. Cheese	24.34	15.25	30.35	16.88	24.69	10.69
4. Curd	30.05	18.03	26.35	15.155	-12.31	-15.97

Source: NDA base on data from NSO

- ❖ The country's volume of imports of dairy products in 2006 reached 1,773.32 thousand metric tons valued at US\$ 457.30 million.
- ❖ It increased by 8.54 percent compared with last year's level.
- ❖ The value was up by 8.54 percent from US\$421.33 million in 2005.
- ❖ Around 1.6 million metric tons or 92.70 percent of the total imports were classified under milk and cream. The rest were butter, cheese and curd.

**Table 5. Volume of Imports by Country of Origin,
Philippines, 2005-2006
(In Liquid Milk Equivalent)**

Country Source	2005		2006	
	Volume ('000 MT)	Percent Share	Volume ('000 MT)	Percent Share
TOTAL	1605.61	100.00	1773.32	100.00
1. New Zealand	650.19	40.52	707.73	39.91
2. Australia	347.88	21.68	359.45	20.27
3. USA	236.68	14.75	341.72	19.27
4. Singapore	48.94	3.05	63.31	3.57
5. Others	320.92	20.00	301.11	16.98

Source: NDA based on data from NSO

- ❖ New Zealand and Australia were the major sources of imports of dairy products. They supplied around 41 percent and 22 percent of the total imports, respectively. Other dairy imports came from USA, France, and other countries.
- ❖ There was an increase of 10.4 percent to the volume of imports compared with last year's level.



EXPORTS

**Table 6 : Volume and Value of Exports by Type of Dairy Products,
Philippines, 2005-2006
(In Liquid Milk Equivalent)**

Particulars	2005		2006		Percent Change	
	Volume (‘000 m.t.)	Value (‘000 US\$)	Volume (‘000 m.t.)	Value (‘000 US\$)	Volume 06/05 (‘000 m.t.)	Value (06/05) (‘000 US\$)
TOTAL	251.22	80.76	262.64	96.31	4.55	19.25
Milk and Cream	249.65	79.94	261.67	95.79	4.81	19.83
Butter	0.03	0.01	0.1	0.03	233.33	200
Cheeses	1.54	0.81	0.87	0.49	-43.51	-39.51

Source : NDA based on data from NSO

❖ The Philippine exports of dairy products were processed milk products made from imported raw materials.

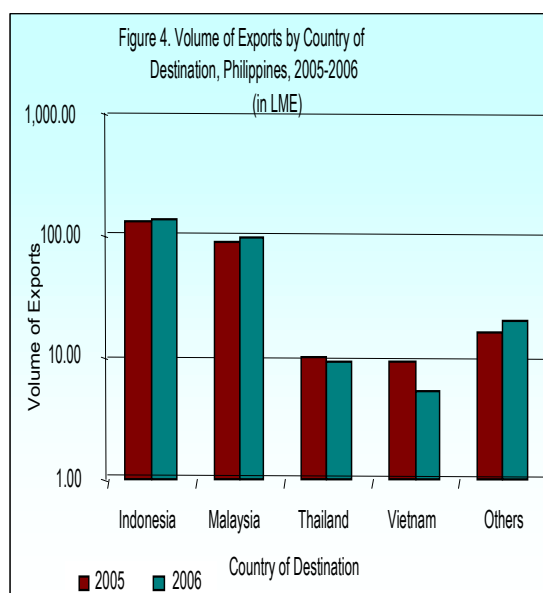
❖ The total volume of exports in 2006 was 262.64 thousand metric tons valued at US\$96,310 thousand dollars. Compared with 2005 levels, the 2006 volume increased by 4.55, percent while value increased by 19.25 percent.

❖ In 2006, around 87 percent of the country’s exports of dairy products were shipped to Indonesia and Malaysia. The rest went to Thailand, Vietnam, and other countries (Figure 4).

**Table 7 : Volume of Exports by Country of Destination
Philippines, 2005-2006
(In Liquid Milk Equivalent)**

Country Destination	2005		2006	
	Volume (‘000 m.t.)	Percent Share	Volume (‘000 m.t.)	Percent Share
Total	251	100	263	100
Indonesia	127.42	50.72	134.29	51.13
Malaysia	88.56	35.25	94.66	36.04
Thailand	9.97	3.97	8.93	3.40
Vietnam	8.99	3.58	5.33	2.03
Others	16.28	6.48	19.44	7.40

Source: NDA based on data from NSO





PRICES

Table 8 : Average Prices of Milk by Animal Type, Philippines,
2005-2006

(Peso per liter)

Animal Type	2005	2006	Percent Change 2006/2005
Cattle ^{1/}	16	17	6.2
Carabao ^{2/}	45	45	0
Goat ^{3/}	35	33	-5.8

^{1/} NDA as reported by cooperatives

^{2/} PCC as reported by Institutional centers

^{3/} Based on BAS semestral Dairy Survey

- ❖ Compared with last year's levels, prices per liter of milk from cattle increased by 6.20 percent compared with goat's milk that went down by 5.80 percent. On the other hand, price of carabao's milk stayed at 45 pesos per liter.





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