



EXPLANATORY NOTES

This annual Dairy Industry Performance Report presents the industry situation in terms of 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 various dairy statistics used in this report are products of collaborative efforts of the Bureau of Agricultural Statistics (BAS), the National Dairy Authority (NDA) and the Philippine Carabao Center (PCC). BAS conducts the Semestral Survey of Dairy Enterprises in selected provinces where dairying exists. The survey is intended to generate data on inventory of dairy animals by type and breed, milk production of dairy animals by type and disposition, utilization and price of raw and processed milk. Systematic sampling is utilized in individual, backyard, cooperative carabao dairy farms. Complete enumeration is applied on top producing dairy corporations, commercial farms, government owned and private institutions, for all animals types, i.e. cattle, carabao and goat.

On the other hand, the National Dairy Authority (NDA) provides BAS with 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 with 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, e.g., UP at Los Baños.



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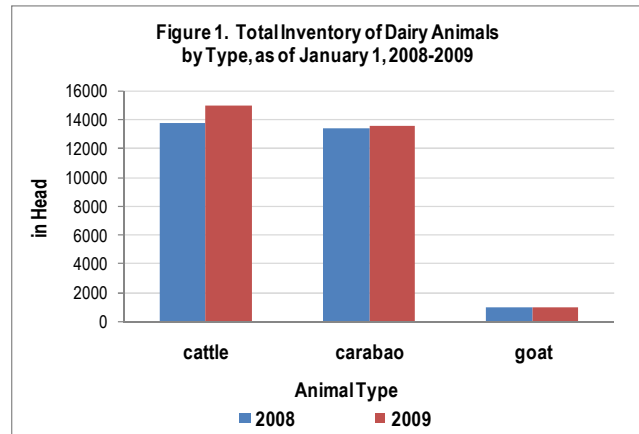
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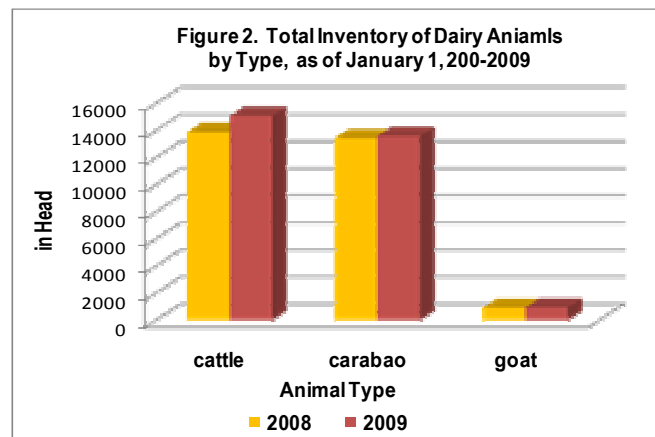


HIGHLIGHTS

The total dairy animal population as of January 1, 2009 was estimated at 29,593 head, 4.97 percent higher than last year's headcount. In particular, there was a 8.72 percent increment in the number of dairy cattle.



In 2008, fresh milk production in the country stood at 13.8 million liters, 2.78 percent higher than last year's level. Of this total, 8.2 million liters or 59.4 percent were cow's milk, 5.5 million liters or 40.0 percent were carabao's milk and less than one percent was goat's milk.



In 2008, the volume dairy imports was 1,619 thousand metric tons or 6.96 percent lower than in 2007. However, there was an increase of 9.13 percent in the value of dairy imports, from the 2007 level of US\$652.5 million to US\$712.0 million in 2008. The increase was attributed to higher prices of dairy products in the world market.



INVENTORY

Table 1. Total Inventory of Animals vis-à-vis Inventory of Dairy Animals by Type, Philippines, as of January 1, 2007-2009

Animal Type	2007	2008	2009P	Percent Change
Total Cattle	2,565,849	2,566,492	2,565,662	(0.03)
Dairy Cattle	12,094	13,864	15,073	8.72
Total Carabao	3,383,621	3,338,570	3,319,956	(0.56)
Dairy Carabao	13,155	13,416	13,594	1.33
Total Goat	4,048,550	4,174,251	4,191,729	0.42
Dairy Goat	923	911	926	1.65

P- Preliminary

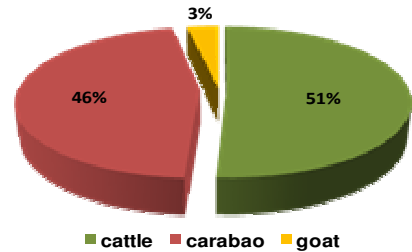
Table 2. Inventory of Dairy Animals by Animal Type by Age, as of January 1, 2007-2009

Animal Type/Age	2007	2008	2009P	Percent Change
TOTAL DAIRY	26,172	28,191	29,593	4.97
CATTLE	12,094	13,864	15,073	8.72
Bull	570	582	596	2.41
Dam	5,425	6,371	6,871	7.85
Heifer	1,389	1,621	1,879	15.92
Yearling	1,789	2,279	2,599	14.04
Calf	2,921	3,011	3,128	3.89
CARABAO	13,155	13,416	13,594	1.33
Bull	939	934	947	1.39
Dam	6,785	6,898	6,922	0.35
Heifer	801	881	893	1.36
Yearling	1,635	1,734	1,808	4.27
Calf	2,995	2,969	3,024	1.85
GOAT	923	911	926	1.65
Buck	63	70	74	5.71
Doe	465	470	472	0.43
Kid	315	279	281	0.72
Others	80	92	99	7.61

P- Preliminary

- ❖ Dairy cattle population was 0.59 percent of the total cattle population. Headcounts of carabao dairy and goat dairy were less than 0.5 percent of total carabao and total goat population, respectively.

Figure. 3: Distribution of Dairy Inventory by Animal Type as of January 1, 2009



- ❖ Total inventory of dairy cattle as of January 1, 2009 rose by almost 15.1 thousand head, or 8.72 percent higher than the 2008 inventory of 13.9 thousand head.
- ❖ The growth in dairy cattle inventory was mainly contributed by expansion in female breeders, such as dams and heifer which increased by 7.85 percent and 15.92 percent, respectively. Moreover, stocks of yearlings went up from 3,011 head in 2008 to 2,599 head in 2009, posting a 14.04 percent growth.
- ❖ In comparison with 2008 records, carabao and goat dairy population grew by 1.33 percent and 1.65 percent, respectively.



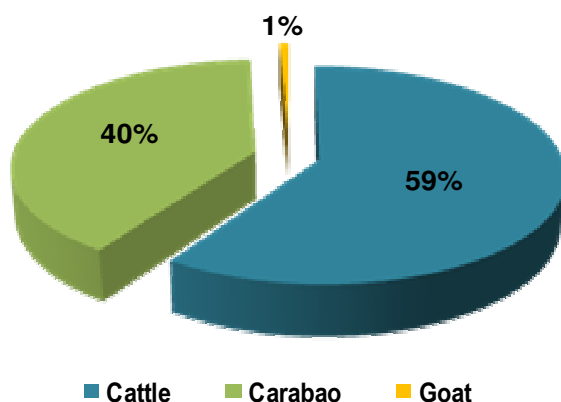
MILK PRODUCTION

Table 3. Animals on the Milkline and Milk Production by Animal Type and Source, Philippines, 2007-2008

Animal Type/Source	2007		2008		Percent Change	
	Animals on the Milkline	Production (LME* in '000 Liters)	Animals on the Milkline	Production (LME* in '000 Liters)	Animals on the Milkline	Production (LME* in '000 Liters)
TOTAL	8,402	13,435.16	8,632	13,808.99	2.74	2.78
CATTLE	3,884	7,568.98	4,180	8,197.20	7.62	8.30
Individual	887	1,146.18	1,117	1,488.12	25.93	29.83
Cooperatives	2,347	4,864.29	2,385	5,039.92	1.62	3.61
Commercial	332	1,112.88	367	1,096.49	10.54	(1.47)
Institutional	318	445.63	311	572.67	(2.20)	28.51
CARABAO	4,308	5,772.39	4,240	5,517.36	(1.58)	(4.42)
Individual	2,808	2,547.70	2,740	2,414.43	(2.42)	(5.23)
Cooperatives	816	1,617.83	806	1,487.81	(1.23)	(8.04)
Commercial	133	342.18	135	349.41	1.50	2.11
Institutional	551	1,264.68	559	1,265.71	1.45	0.08
GOAT	210	93.79	212	94.43	0.95	0.68

Note: LME* - Liquid Milk Equivalent

Figure 4. Distribution of Milk Production by Animal Type, Philippines, 2008



- ❖ The 2008 total milk production in the country was estimated at 13,809 thousand liters. This was higher by 2.78 percent compared with last year's level.
- ❖ Dairy cattle milk production grew by 8.30 percent in 2008. All sources of cow's milk registered production increases except those in the commercial dairy farms.
- ❖ Dairy carabao milk production went down by 4.42 percent while dairy goat milk production increased by 0.68 percent, .
- ❖ Compared with 2007 levels, dairy cattle on the milkline went up by 7.62 percent. Dairy carabao on the milkline dropped by 1.58 percent.
- ❖ A 0.95 percent addition to the number of dairy goat on the milkline was noted.



SUPPLY AND UTILIZATION

Table 4. Supply and Utilization of Milk, Philippines, 2006-2008
(*000 m.t. LME)

Particulars	2006	2007	2008	% Change	
				07/06	08/07
Local Production ^{1/}	12.79	13.43	13.81	5.00	2.83
Imports ^{2/}	1,773.32	1,739.87	1,618.71	(1.89)	(6.96)
Total supply	1,786.11	1,753.30	1,632.52	(1.84)	(6.89)
Exports ^{2/}	262.64	283.80	298.85	8.06	5.30
Net Domestic Supply	1,523.47	1,469.50	1,333.67	(3.54)	(9.24)
Human Population	88.24	88.71	90.46	0.53	1.97
Per Capita Supply (liters/year) ^{3/}	17.27	16.57	14.74	(4.05)	(11.02)

Source: National Dairy Authority (NDA)

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

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

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

* 1 liter of milk is approximately 1 kg of milk

- ❖ The total supply of milk in 2008 was estimated at 1,632.52 million liters. More than 99 percent of the total supply were imported.
- ❖ The total dairy imports in 2008 dropped by 6.96 percent. This consequently lowered the total supply of milk by 6.89 percent.
- ❖ In 2008, the net domestic supply of milk was estimated at 1,333.67 million liters. This was 9.24 percent lower than last year's supply. The derived per capita consumption of milk was estimated at 14.74 kilograms per year, or 11.02 percent lower than last year's per capita consumption.

IMPORTS

Table 5. Volume and Value of Imports by Type of Dairy Products
Philippines, 2006-2008
(In Liquid Milk Equivalent)

Particulars	2006		2007		2008		% Change	
	Volume ('000 mt)	Value (CIF MUS\$)	Volume ('000 mt)	Value (CIF MUS\$)	Volume ('000 mt)	Value (CIF MUS\$)	Volume 08/07	Value 08/07
Total Import	1,773.32	457.30	1,739.87	652.45	1,618.71	712.00	(6.96)	9.13
1. Milk and Cream	1,644.73	406.32	1,549.85	588.96	1,455.64	607.62	(6.08)	3.17
Skim Milk	750.81	190.58	720.24	298.34	626.87	293.55	(12.96)	(1.61)
Wholemilk	307.05	81.33	287.76	100.00	345.18	162.36	19.95	62.36
Buttermilk	157.34	36.12	158.29	59.77	132.90	58.41	(16.04)	(2.28)
Whey Powder	341.72	47.15	321.07	63.60	253.10	41.73	(21.17)	(34.39)
Fresh Milk	37.74	27.24	44.28	30.77	36.63	37.77	(17.28)	22.75
Evaporated	19.21	8.58	11.95	7.86	1.36	1.02	(88.62)	(87.02)
Other	30.86	15.32	51.26	28.62	59.60	15.78	16.27	(44.86)
2. Butter	71.89	18.95	90.45	30.52	101.56	55.34	12.28	81.32
3. Cheese	30.35	16.88	36.35	20.68	47.86	36.55	31.66	76.74
4. Curd	26.35	15.15	18.22	13.29	13.65	12.49	(25.08)	(6.02)

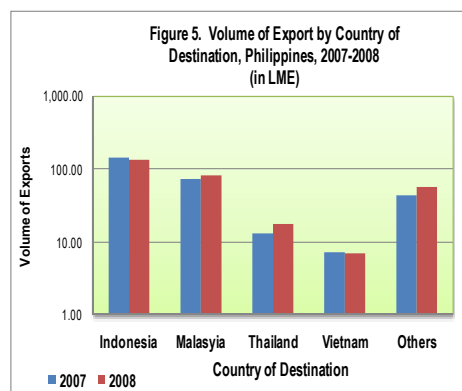
Source: National Dairy Authority (NDA) and National Statistics Office (NSO)

- ❖ The total value of dairy imports in 2008 was USD 712.00 million. This indicated a 9.13 percent increase from last year's import value of USD 652.45 million.
- ❖ Of the total milk imports, almost 90.0 percent were classified under milk and cream and the rest were butter, cheese and curd.



**Table 8. Volume of Exports by Country of Destination
Philippines, 2007-2008
(in LME)**

Country of Destination	2007		2008	
	Volume (M liters)	Percent Share	Volume (M liters)	Percent Share
Total	284.00	100.00	298.86	100.00
Indonesia	145.82	51.13	133.76	44.76
Malaysia	74.30	26.18	83.28	27.87
Thailand	13.08	4.61	17.60	5.89
Vietnam	7.18	2.53	6.97	2.33
Others	43.42	15.30	57.25	19.16



Source: National Dairy Authority (NDA)
National Statistics Office (NSO)

- ❖ The main countries of destination for dairy products from the Philippines were Indonesia and Malaysia with total shares of 44.76 percent and 27.87 percent, respectively. Other relatively big importers were Thailand and Vietnam.

PRICES

**Table 9. Average Price of Milk by Animal Type,
Philippines, 2006-2008
(Peso per liter)**

Animal Type	2006	2007	2008	Percent Change 08/07
Cattle ^{1/}	17.00	19.00	20.00	5.26
Carabao ^{2/}	45.00	45.50	46.00	1.10
Goat ^{3/}	33.00	35.00	36.00	2.86

^{1/} NDA as reported by cooperatives

^{2/} PCC as reported by Institutional centers

^{3/} Based on BAS Dairy Semestral Survey

In 2008, the average prices of raw milk from three (3) dairy animal sources registered increases of 5.26 percent for cattle, 1.10 percent for carabao and 2.86 percent for goat.



**Table 6. Volume of Imports by Country of Origin
Philippines, 2006-2008
(In Liquid Milk Equivalent)**

Country Source	2006		2007		2008	
	Volume ('000 mt)	Percent Share	Volume ('000 mt)	Percent Share	Volume ('000 mt)	Percent Share
TOTAL	1,773.32	100.00	1739.87	100.00	1,618.71	100.00
1. New Zealand	707.81	39.91	728.82	41.89	608.42	37.59
2. USA	341.69	19.27	316.86	18.21	380.58	23.51
3. Australia	359.54	20.27	222.51	12.79	240.17	14.84
4. Others	364.28	20.54	471.68	27.11	389.54	24.06

New Zealand was the leading source of imported dairy products. It supplied a total of 728.82 metric tons or 41.89 percent of the total dairy imports of the Philippines.

Source: National Dairy Authority (NDA)
National Statistics Office (NSO)

EXPORTS

**Table 7. Volume and Value of Exports by Type of Dairy Products
Philippines, 2006-2008
(In Liquid Milk Equivalent)**

Particulars	2006		2007		2008		% Change	
	Volume ('000 liters)	Value ('000 US\$)	Volume ('001 liters)	Value ('000 US\$)	Volume ('002 liters)	Value ('000 US\$)	Volume 08/07	Value 08/07
Total Exports	262.64	96.31	283.80	140.69	298.85	165.70	8.06	5.30
Milk and Cream	261.67	95.79	280.81	138.76	294.70	162.50	7.31	4.95
Butter	0.09	0.03	0.21	0.07	0.44	0.18	133.33	109.52
Cheese	0.88	0.49	2.78	1.86	3.71	3.02	215.91	33.45

Dairy products exported by the Philippines were milk and cream, butter and cheese. In 2008, the total volume of exports was 298.85 thousand liters, higher by 8.06 percent against last year's volume.

Almost 99 percent of the total dairy exports were milk and cream, and the rest were butter and cheese.

Source: National Dairy Authority (NDA)

National Statistics Office (NSO)