

Highlights of Agro-Industrial Cluster Analyses

SWINE, POULTRY AND CORN INDUSTRY AND PASTURE RUMINANT INDUSTRY CLUSTERS

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First of all I would like to thank NAST for the invitation to be one of the panelists in today's plenary session. I would like to limit my reactions and comments on the analysis done on the two industry clusters—the swine, poultry and corn industry cluster and pasture ruminant industry cluster. The strategic plans for both swine, poultry and corn industry cluster and pasture ruminant industry cluster were very well described and discussed in the papers presented. They were tailor-made so that these industries can become more competitive in the line of global concern as well as address the need for more meat and dairy products from ruminants and meat from swine and poultry as a major protein food for the increasing Filipino population.

The strategic direction of the cluster as well as the planned targets, the action programs, implementations and monitoring requirement are given in the said paper. However, what was lacking was the financial budget needed to implement and monitor such strategic plan. I believe this important concern must be embodied in the strategic plan as nothing concrete could be accomplished without this monetary consideration in play. Government should pledge its support for the continuous implementation of this plan and the private sector should involve itself in this plan to help the government.

Agricultural development is very elusive and this can be attributed to low investment in agriculture. RA 8435, the Agriculture and Fisheries Modernization Act (AFMA), intended to provide additional PhP 20 billion per year, over and above the yearly budget of the Department of Agriculture. This could have been a major source of funds to be allocated in the modernization of agriculture. But in reality, funding for AFMA fell short of the expected PhP 20 billion.

How to get agriculture moving? Government must be serious in the implementation of the provision of AFMA to improve the production environment i.e., infrastructure like construction of bigger roads, bridges, slaughterhouses, animal health and quarantine facilities, breeding farms and the more sophisticated and ambitious port facilities and railway facilities to facilitate the delivery of the products from the point of production to the point of consumption. The provision for post harvest facilities can significantly minimize losses reported to be around 30% in corn production. With the projected increase in both production and demand for poultry and swine products, the requirement for corn will similarly increase. Presently, about 5.5 million metric tons of corn is needed to meet the requirement of our poultry and swine industry. The present corn production is not sufficient to meet this requirement, such that there is a shortage of about a million metric tons of corn and in order to remedy this gap, government imports corn or corn substitute like feed wheat. Another area in which government can help in the swine and poultry industry is in the area of rationalization of tariff and this will affect the production of poultry and swine. The importers of feedstuff, feed additives and feed supplements needed for production of complete meats of swine and poultry are having difficulty with the Bureau of Customs, because of tariff application. The review on the classification of feed stuffs, feed additives and feed supplements is now in progress at the Animal Feed Standardization of the BAI in the Department of Agriculture. The results of this review will be used by the Bureau of Customs as a guide for tariff application.

At present, there is very little acceptance by the Filipino consumer for carabeef as a substitute for the more expensive cattle beef as food. There should be an aggressive campaign to promote this type of meat to the Filipino consumer. Not until we have successfully addressed this limitation could we succeed in inviting more business participation in this industry.

I believe that all agribusiness plans are worthy enough for us to spend our time discussing these problems and possible solutions. However, most plans made in the past, ended up as files with no concrete actions. This I believe should not happen with these plans for swine and poultry and corn industry cluster and pasture ruminant industry cluster. These may be the only hope left for our animal industry to prosper in the future. Therefore, we, in the private sector, shall give our support to this endeavor and hope for the success of such strategies and action plans.

In conclusion, with the projected demand of 2.865 million metric tons of corn, 1.473 million metric tons of chicken meat and 429 thousand metric

tons of chicken egg by year 2020, the current production must at least be doubled. This is critical to the attainment of our national goal, of eliminating poverty and improving the quality of life by providing adequate, safe and nutritious food for our Filipino people. We, in the poultry, livestock and related industry sectors, must join hands to achieve our vision of a progressive nation, where protein sources are accessible, available and affordable to the present as well as to future generations.

