

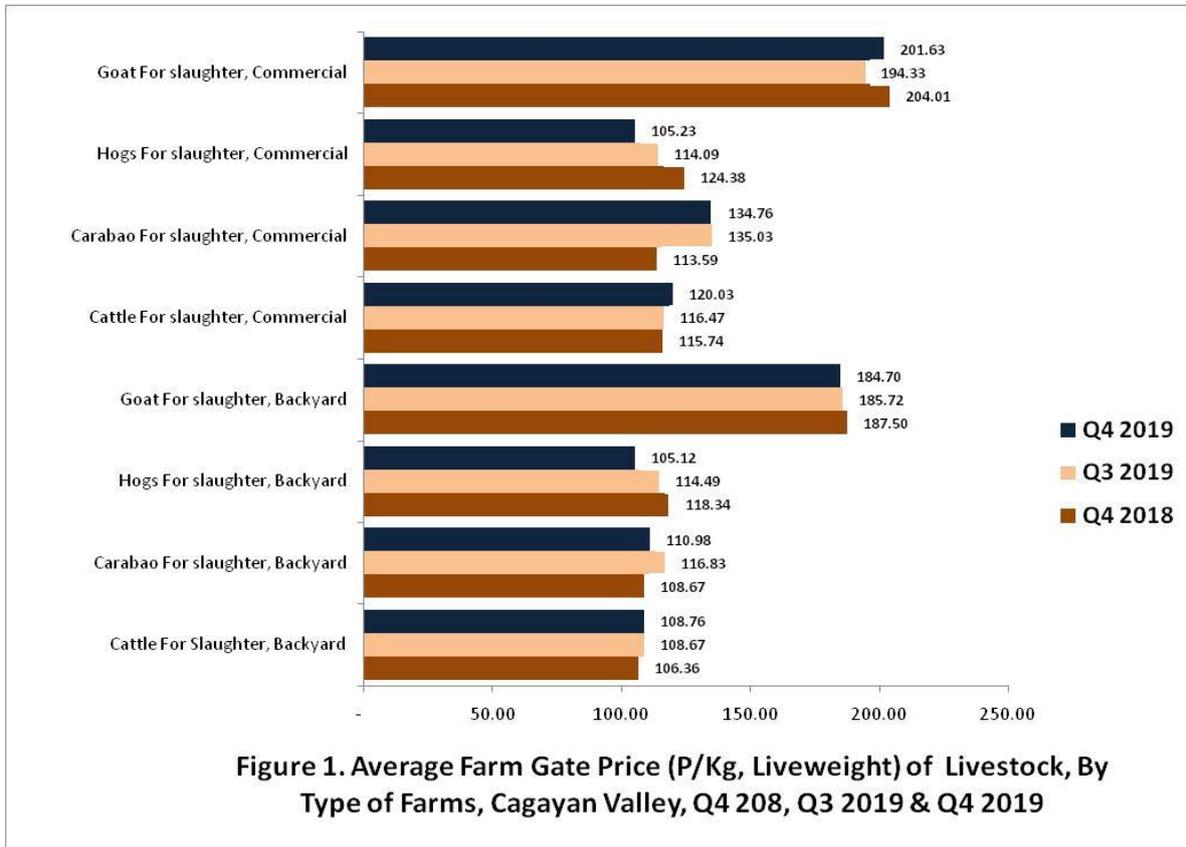


SPECIAL RELEASE

Livestock farm gate prices in Q4 2019 posted distant trends

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The general picture of prices in the last quarter of 2019 (Q4 2019) for livestock in the region posted diverse and distant trends when compared with the same period in 2018. Out of eight live animals traded in the region, four of which exhibited an upward trend while the other half showed otherwise.



Livestock traded in the region were classified as those raised in backyard farms or in commercial farms and farm gate prices pertains to the price of animals sold in live form. There were four common animals raised and traded significantly in the region namely, cattle, carabao, hogs and goat. As shown, farm gate prices of cattle (backyard & commercial) traded in the last quarter of 2019 (Q4 2019) were higher compared with the price record a year ago (Q4 2018) and that of the price report in Q3 2019. The same holds true with the reported farm gate prices of backyard and

commercial carabao except that prices in Q4 2019 (for both animal types) slid down when compared with the price in Q3 2019. Specifically, farm gate price of carabao (commercial) in Q4 2019 displayed the highest increment of 21.17 pesos per kilogram or about 18.7 percent increase while farm gate prices in Q4 2019 of carabao from backyard farms was slashed by 5.85 pesos per kilogram or about 5.0 percent decrement from Q3 2019 price record. In contrast, prices of hogs for slaughter (both backyard and commercial) in Q4 2019 sustained setback from prices established a year ago (Q4 2018) and from prices monitored in Q3 2019. In fact, for both type of hogs traded in the last quarter of the year, prices in Q4 2019 was slashed by more than ten pesos (between 11.0 to 16.0 percent decrease) when compared with the price a year ago and by less than ten pesos (between 8.0 to 10.0 percent decrease) when compared with the price in Q3 2019. In the same rung, goat for slaughter traded in the region in Q4 2019 also suffered setback from the 2018 price report both raised in backyard and or in commercial farms. Particularly, goat from backyard farms traded in Q4 2019 posted a farm gate price below the Q4 2018 by 1.5 percent and slightly below Q3 2019 record by 0.6 percent while goat from commercial farms' farm gate price in Q4 2019 was below the 2018 report by 1.2 percent but higher than Q3 2019 by 3.8 percent.

Across provinces, the regional average farm gate prices of cattle sold live from backyard farms was shaped from the increased prices in the provinces of Batanes, Isabela and Quirino. Collected farm gate price in Q4 2019 in Batanes is 3.7 percent higher than the price it reported a year ago while price in Isabela is up by 4.3 percent from its monitored price in Q4 2018. Both provinces also reported price increases in Q4 2019 versus the Q3 2019 collected farm gate price. Pushing further, the upward regional price trend is the price collected in Quirino which appreciated by 5.4 percent from its record a year ago but the current price at 186.87 pesos per kilogram slid a bit from the monitored farm gate price in Q3 2019. Both Nueva Vizcaya and Cagayan reported prices in Q4 2019 less than the 2018 level at 1.3 and 2.9 percent respectively, and at 0.6 and 2.3 percent decline versus the Q3 2019 farm gate price record. Across all prices reported, Batanes province recorded the highest farm gate price in all reference periods. The reported price is almost two-folds higher than the prices captured in the other four provinces of the region.

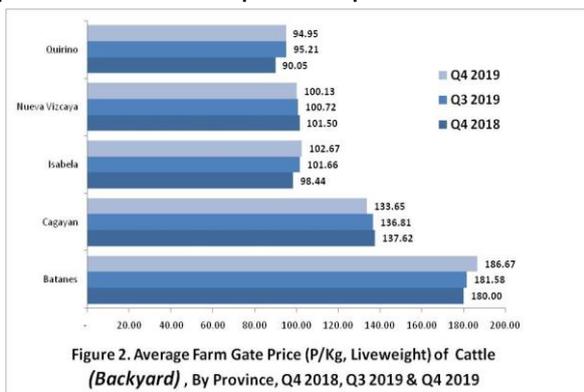


Figure 2. Average Farm Gate Price (P/Kg, Liveweight) of Cattle (Backyard), By Province, Q4 2018, Q3 2019 & Q4 2019

For sold live cattle from commercial farms, all reporting provinces posted semblance in Q4 2019. Particularly, Cagayan province collected price in Q4 2019 which gained by as much as 14.8 percent compared with price it reported a year ago and 1.2 percent up from the price established last quarter. Quirino province also registered a 7.8 percent increase in its Q4 2019 farm gate price

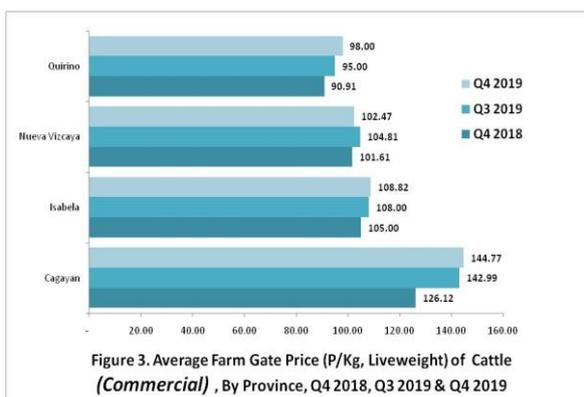
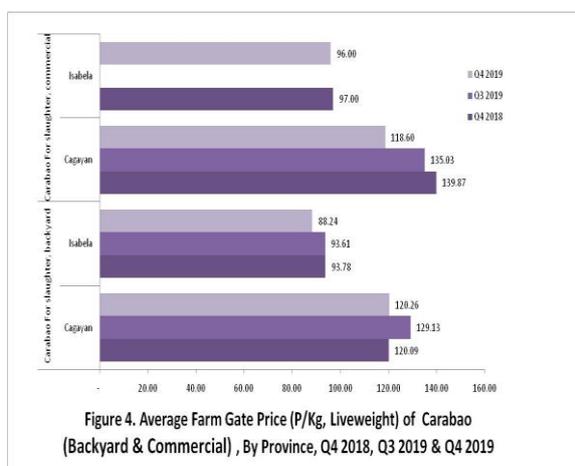


Figure 3. Average Farm Gate Price (P/Kg, Liveweight) of Cattle (Commercial), By Province, Q4 2018, Q3 2019 & Q4 2019

and about 3.2 percent increment from its last quarter's report. In the same platform, price recorded in the province of Isabela in Q4 2019 is also up by 3.6 percent from last year's price and 0.8 percent increase from Q3 2019. Nueva Vizcaya's farm gate price of the commodity in Q4 2019 also inched up by 0.9 percent but declined by 2.2 percent versus its price last quarter. Across provinces, operators of cattle farms in Cagayan gained substantial advantage over other operators in other provinces as it posted the highest farm gate price of its cattle sold for slaughter.

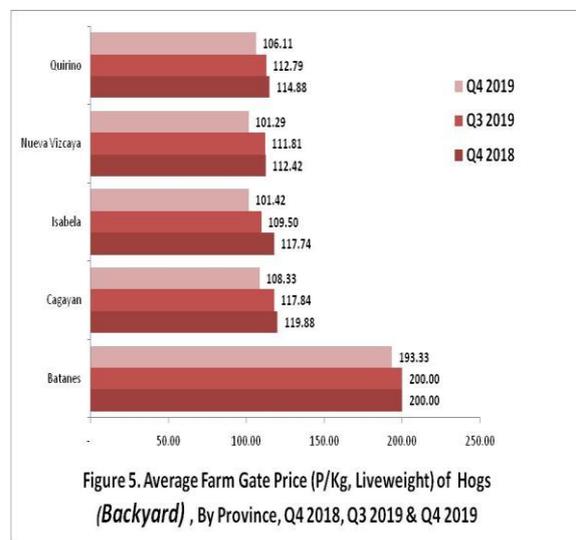
Carabao sold live for slaughter both from backyard and commercial farms were only traded significantly in the provinces of Isabela and Cagayan and the regional trend is almost mirrored in the captured prices from both provinces for the last quarter of 2019. Breaking down the regional average which posted a price decrease, the reported farm gate price in Isabela for carabao from backyard farms in Q4 2019 pulled down largely the regional price as it registered about 5.9 percent decrement from the 2018 level (from 93.78 last year to 88.24 pesos per kilogram in Q4 2019)



and about 5.7 percent decline from the Q3 2019 established farm gate price of 93.61 pesos per kilogram. Unexpectedly, price registered in Isabela in Q4 2019 at 120.26 pesos per kilogram slightly gained by 0.1 percent from last year's level of 120.09 pesos per kilogram, and the same price plunged by 6.9 percent from the Q3 2019 level of 129.18. For carabao sold for slaughter from commercial farms, both provinces resembled the regional pattern

prices registered decreases from last year's level. Cagayan province, in particular, registered its price in Q4 2019 at 118.60 pesos per kilogram, down by 15.2 percent from the Q4 2018 captured price of 139.87 pesos per kilogram and about 12.2 percent decrease from last quarter's record of 135.03 pesos per kilogram. Slight decrease was also noted for Q4 2019 farm gate price in Isabela against the price it recorded a year ago and no price was collected in Q3 2019 in the province for the commodity.

Hogs (sold live for slaughter) from backyard farms is common to all provinces in the region. In general, all prices collected in the last quarter of 2019 from the provinces depicted a downward trend from last year and from last quarter's level. In comparison with last year prices, the collected farm gate price in Q4 2019 in Isabela marked the highest percentage reduction in prices at 13.9 percent while prices in Cagayan and Nueva Vizcaya in the same period is 9.6 and 9.9 percent below the 2018 level. Price reports in Quirino and Batanes further pulled down the regional average farm gate price in



Q42019 as both province reported its prices below Q4 2018 at 7.6 and 3.3 percent decrease, respectively. Prices in Q4 2019 also went down versus the 3rd quarter 2019 level with decrement ranging from three to ten percent, the three provinces (Isabela, Cagayan and Nueva Vizcaya) showing more than eight percent decrease while the other two provinces at less than six percent. In terms of farm gate prices offered to backyard growers in the different provinces, price of hogs in Batanes raised in backyard farms registered the highest price with almost twice the price in mainland provinces.

The same story can be assembled from the picture of hogs (sold live for slaughter) from commercial farms where prices reported by four provinces in the last quarter of 2019 were all below the 2018 and the last quarter's level. The two large provinces (Isabela & Cagayan) showing more than eleven percent decrease when compared with Q4 2018 while the other two provinces at nine percent or less. The latest farm gate price of the commodity also showed weighty changes versus the 3rd quarter of 2019 report. Cagayan province reported about 10.1 percent decline in its price of the commodity in Q4 2019 versus last quarter (Q3 2019) while the rest of the provinces' downward trend in prices were between five to nine percent. Despite above scenario, commercial growers in Cagayan still received the highest farm gate price of their produce while commercial growers of hogs in Nueva Vizcaya were paid at a lesser cost across provinces in the region.

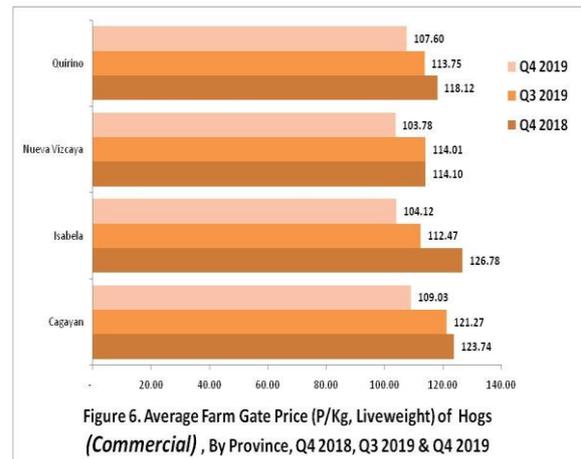


Figure 6. Average Farm Gate Price (P/Kg, Liveweight) of Hogs (Commercial), By Province, Q4 2018, Q3 2019 & Q4 2019

Production and trading of goat for slaughter (backyard and commercial) in the region is significant in the province of Isabela, Cagayan and Nueva Vizcaya. As shown, the regional downward trend in the farm gate price of goat raised in backyard farms compared with that a year ago was influenced solely by the decreased price report in the province of Cagayan by 6.1 percent, from 196.77 pesos per kilogram in 2018 to only 184.84 pesos per kilogram in 2019 or an equivalent absolute price value by almost twelve pesos after one year. Price increases in the province of Nueva Vizcaya at 6.5 percent (from 151.70 in 2018 to 161.54 pesos per kilogram in 2019) and that of Cagayan at 3.3 percent (from 187.06 in 2018 to 193.31 pesos per kilogram in 2019) was not enough to shape the weighted farm gate price in the region due to bulk production of the commodity in Cagayan. In the same manner, the latest regional price report which was less than the 3rd quarter 2019 record was molded from the decreased price report of Isabela at 1.8 percent, from 196.93 last quarter to 193.31 pesos per kilogram in the current quarter.

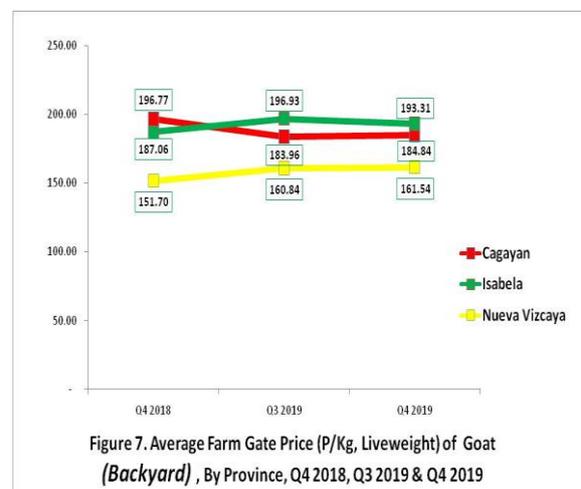
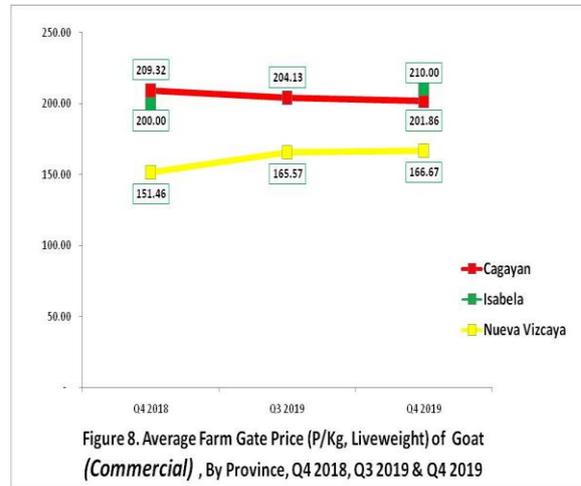
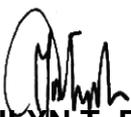


Figure 7. Average Farm Gate Price (P/Kg, Liveweight) of Goat (Backyard), By Province, Q4 2018, Q3 2019 & Q4 2019

The same set of indicators also pulled down the regional farm gate price of traded goat from commercial farms. Cagayan province price report in Q4 2019 which was slapped by 3.6 percent decrease (from 209.32 last year to 201.86 pesos per kilogram this year) pulled down the region's report in Q4 2019. The other two provinces' increment at 5.0 percent (Isabela) and 10.0 percent (Nueva Vizcaya) versus last year's collected price is not enough to dictate the trend due to reason cited previously. In an unremarkable twist, average farm gate price of the commodity in Q4 2019 which was above last quarter's (Q3 2019) level was affected by the slight increase in price reported in Nueva Vizcaya at 0.7 percent (from 165.57 in the last quarter to 166.67 pesos per kilogram in the current quarter). The price increase reported in Cagayan at 1.1 percent did not influence the price as the weighted regional price was carried by the current price reported in Isabela where no price collected was noted in the 3rd quarter of 2019.




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//GMB / JCB


TECHNICAL NOTES

The Farm Prices Survey (FPS) is a nationwide household-based survey designed to generate estimates of farm gate or producers' prices. It contains information on prices received by producers at the first point of sale.

The outputs of the Farm Prices Survey are used in the periodic valuation of the outputs produced by the agricultural sector. Similarly, these are inputs to the development of price indices to measure the purchasing power of growers of selected agricultural products. Maintenance of farm gate prices will likewise provide needed inputs a) to analyze trends and variations in prices; b) forecasting future supply, demand and prices of agricultural commodities; c) to assist policy makers in the formulation, implementation and administration of economic programs, and d) to guide farmers/raisers in their decision making relative to their agricultural activities geared towards improvement of their profitability.

The survey is conducted during the last 10 days of the month in all the provinces of the country covering days 1 to 30 of the reporting month. Each province has a basket of FPS commodities.

The following activities are undertaken to monitor and sustain quality of data collected for Farm Prices Survey (FPS):

- consistency check through review of entries relative to the provincial FPS basket and trading matrix; and
- non-sampling errors are monitored and minimized by reviewing PO forms/questionnaires.

Source: <https://psa.gov.ph>