



PINOY PORCINE PRACTITIONERS, INC.

Unit 201 Saint Rafael Suites, 941 San Rafael Street, Plainview,
Mandaluyong City 1550 Philippines

26 February 2018

TO: HON. EMMANUEL F. PIÑOL
Secretary
Department of Agriculture

FROM: Pinoy Porcine Practitioners Inc. (PPPI)
Formerly known as the Philippine College of Swine Practitioners (PCSP)
Affiliate of the Philippine Veterinary Medical Association, PVMA

SUBJECT: Position Paper on the Cattle Importation from Brazil

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The PPPI/PCSP is firm in its position that:

1. The function of the BAI and the NAC-ADCE is to provide industry links to matters of animal health. We urge the DA Secretary to consider consulting technical experts and to check the required Risk Assessments;
2. We urge the DA Secretary to consult subject matter experts and industry players with regard to the economic feasibility of the dairy enterprise;
3. We urge the DA Secretary to consult veterinarians on health considerations in light of the FMD;
 - a. FMD has been largely documented to be transmitted from cattle to swine;
 - b. Recent outbreaks in Brazil heighten risk, even if the planned importation of cattle will come from an ostensibly free area. Even the OIE cannot assure that animals will be 100% free of FMD. No quarantine measures can be fool-proof;
 - c. The epidemiology of the disease shows us that cattle exposed to the FMD virus would be carriers of said virus for 2.5 years. Hence, shedding could infect pigs and other cloven-footed animals in Bohol presumably where the imported cattle would be quarantined. More serious will be an infection of water buffaloes in the area who have then the potential as carriers. Small ruminants like goats and sheep are carriers for 9 months while pigs are shortest at 7-11 days after rupture of vesicles. And there are other diseases to consider as well (tick-borne) etc.;
 - d. Confining the planned import to islands such as Bohol will not be the answer. The inter-island commerce concomitant to the movement of animals will still pose a risk;
 - e. The lack of preparation – *i.e.* no FMD antigen banks, no vaccines in store, and no FMD Task Force – exposes the industry to the biggest risk of an outbreak.



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We, the veterinarians in swine practice forming the membership of the Pinoy Porcine Practitioners Inc., are informed of the following:

- Plan of the Department of Agriculture to import live cattle from Brazil; several of the DA Secretary's media interviews and social media (Facebook) posts have indicated this to be true;
- Letter addressed to the DA Secretary provided by Dr. Neil Molina, detailing the latter's concern about the plan to perform embryo transfer and the planned dairy enterprise; *(attached)*
- News article from the December 2017 issue of *Swine Magazine*, detailing the opposition posed by Filipino swine farmers to importing cattle from Brazil in light of FMD risk; *(attached)*
- News articles detailing outbreaks of FMD in Brazil and its status as FMD free with vaccination in only a limited area; *(industry websites)*
- Report from our representative to the BAI-led National Advisory Committee for Animal Disease Control and Emergency (NAC-ADCE) and industry-wide Stakeholder's Meeting – that a Risk Assessment by Technical Experts will be given to you as guidance on this matter of importation. *(we trust the copy has been given to your office for perusal).*

Despite all this, a recent meeting held by your office last December 19 confirmed that the initial 2000 heads of cattle will be imported and then shipped to Bohol Province. Your statements indicate the lack of concern given to technical advice and the consequences that could affect the interests of ruminant and swine farmers.

During the recent Philippine Veterinary Medical Association's (PVMA) Annual Convention and Scientific Conference, the DA Secretary was a guest speaker at the Opening Ceremonies last February 14, 2018. We veterinarians listened to the DA's plans for the improvement of the dairy industry – which includes the importation of the cows from Brazil. No mention made however on the issue of animal health or FMD. In the business meeting, concerned veterinarians have asked the National Officers to take a stand, and the PPPI being an affiliate is adding our voices to the clamor.

In the recently concluded International Farmer's Summit, the DA Secretary was part of the plenary during the opening last February 21, 2018. The importation was referred to and mention of the OIE declaration to allow the importation to proceed. In the open forum it was pointed out that there seems to be a pattern of the DA Secretary making and announcing plans without the benefit of consultation with technical experts. In this spirit, we are offering our recommendations to the DA's plans to import the cows from Brazil:



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The following are recommended as additional guarantee for freedom from FMD virus infection:

1. Certificate of Quarantine & Release from Quarantine by the State of Sta. Catalina, Brazil.

Explanation:

Part of the risk mitigation procedure recommended by the BAI FMD Expert Panel is to quarantine the cattle in the state of Sta. Catalina. The State of Sta. Catalina is a compartment free from FMD without vaccination.

The procedure is a confidence building measure to insure that the cattle that may be consolidated from all over Brazil is acceptable for quarantine in the FMD free state of Brazil.

The Philippine government MUST NOT ACCEPT cattle that had been quarantined in a NON-FMD FREE STATE WITHOUT VACCINATION.

2. Certificate of Negative test result to 3AB ELISA or NSP ELISA for FMD

Explanation:

The 3AB or NSP ELISA test for FMD will detect antibodies to wild FMD virus. Antibodies formed by NSP free vaccines will test negative.

The test should be performed in Brazil at the end of quarantine & 3 weeks before shipment. This will allow any late infections to be detected by the test.

UPON ARRIVAL & before release from quarantine, the cattle should also be tested.

The number of animals to be tested should give a 95% level of confidence.

Interpretation of test:

If ANY of the animals tested is POSITIVE, then the whole batch should be REJECTED because they have been exposed to FMD virus & the risk of virus shedders are high.



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The membership of the Pinoy Porcine Practitioner's Inc. requests clarity on this issue and the industry relies on your good judgment.

Signed this 25th day of February 2018 by:

A handwritten signature in black ink, appearing to be 'Z. Lapus', with a long, sweeping underline.

DR. ZOILO M. LAPUS
President



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Letter from Dr. Neil Molina

19 October 2017

Secretary Manny Piñol
Department of Agriculture
Republic of the Philippines

Thru: Dr. Ronnie Domingo

Dear Sir,

First I may introduce myself.

I'm Neil Molina graduated from UP LosBaños with Degree of Veterinary medicine in 1997. I worked at Agribusiness consulting company in Pasig for about two years doing assessment of government funded dairy farms all over the Philippines. In year 2000, I finally decided to setup a dairy farm in Sn Pablo Laguna when my father retired from his job in a teaching farm in Sultan Qaboos Univeristy in Oman. We had P200,000. pesos in cash, a 3 hectare block from a friend we leased and 25 cows from NDA.

We learned a lot from our venture, we grew our cow numbers to a 100 in Malvar, Batangas, but the rigors of shifting from one land to another gave us a reason to sell our business and shift to New Zealand.

To make the story short, I started as a farm assistant here in New Zealand and work my way up and now owning a sharemilking business with my wife milking 2300 cows. To put into perspective it's a \$32 M dollar farm with a yearly cash turnover of \$7 to \$8 million dollars run by me, my wife, my brother who oversee the operations and 12 Filipino staff. There is a farm owner and we run it for him on a 22% share agreement. We are on our 3 year of operations.

Mr. Secretary, when I saw your post and press release about dairy development plan for our beloved country I quickly do some calculations. The numbers doesn't add up. If we do 100 cow farms, at the most we can have an 80% conception rate (AI not ET), that is animals are well fed and grain supplemented and all animal health systems are followed. I've seen dairy farms here in NZ who has 60 % conception rate. So at 80%, that means we will produce 80 calves, 50% of which are heifers or replacement. Please do remember that dairy farms replace their animals at least 25% yearly (deaths, non-pregnant, non performing, lame. etc). That is, it will only leave us 20 animals to disperse. Now even if we make 1000 farms, that will only lead us to 20,000 cows, which I doubt we can raise them to their full potential considering our skills sets, support, infrastructures etc. I don't say we don't have the skills, but with these magnitude, it's not an elementary skills it's more than a Phd plus hands on experience is needed.

Mr. Secretary I'm not a person who will scrutinize offer no solutions to it. I've seen the pitfalls of our local industry first hand. From the 2 cow farmer to the 100 cow farms setup by NDA in the 1990's in Capiz, Iloilo, Santo Tomas Davao and one in Samar. Government poured in millions of pesos to set up milking machines, plants, machinery and less than ten years no single cow can be found. They all failed.

Why?



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We don't look at the basics, like pasture development, stockmanship, hygiene etc. From my 15 years of dairy farming here in New Zealand I can say Philippines was left by half a century, sad but true. New Zealand rely on pasture to feed our cows, that's why our cost per litter is only (\$33) P 11.00.

NZ has invested millions of dollars in research to find the high energy, persistent grass. Our per kg/dry matter of grass has an energy content compared to a kg of milled corn!

I have deep passion for the Philippine dairy Industry. In fact, even if I'm here I do send lots of materials for my dairy farming friends in the Philippines and when we went home, I went around to their farms doing a pro bono consult to change some of their practices to increase production. But this is not enough, we need to kick start the industry. Prime it to get past the time lag that was created before.

These are my key points:

1. The forecast is too ambitious, even at the rate of NZ structure we can't increase 2.5 M cows in 5 years. There's nothing wrong with big dreams, but we may spreading ourselves thinly for this.
2. Embryo transfer is only use to develop high genetic cows and bulls for top 10 percent of animals to produce high performing bulls. It has a very low conception rate compared to Artificial Insemination and not a guaranteed heifer calf when born. There is no single commercial dairy farm here that uses ET in their breeding program. We will have lots of empty cows if we do that. I will assure you, the government will spend millions of pesos on this and at the end of the day cows won't get pregnant because condition of the surrogate cows are not up to desired level.
3. Also please take note that it will take 9 months to produce a dairy calf. So give the technicians to find a surrogate cows, ET them and now when the calf drops who will take care of them? These are the most vulnerable stage, they need at least 5 litters of good quality colostrum, what if the cow got so skinny and can't produce the desired volume? We just wasted an expensive calf. It will take another 18 months to make them to a first milking cow. So we wasted 3 years of no single drop of milk coming out from a cow. Imagine the opportunity loss.
4. Now if we want half a million cows a year, we need to produce a million calves a year (50% heifers), where can we find 1 million surrogate cows every year?
5. My suggestion is this:
 - a. Set up a 2000 cow demo farm run privately. Import pregnant heifers as seed stocks. It will shorten the project in months not years. Government intervention is to lend the cows, infrastructure and operating capital. They don't need to run it. Good government has nothing to do with business side of it. If the company doesn't pay take everything away including their collateral. But yes government help is needed, as no crazy businessman will go into this venture with low return and high risk project.



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- b. Running a 100 cow farm will use same fixed cost compared to 2000 cow farm although a little bit higher, depreciation is at the minimum. The biggest advantage is skills are more concentrated in one area.
- c. This demo farm will be a training ground for future farmers, hands on. This will be the share/agreement of the private individual.
- d. This means that this farm will produce 1000 heifers, 500 of which is replacement and 500 will be made into another demo/satellite farms.
- e. It is a long shot, that's why it shouldn't be run by the government (policy change every 6 years) so the that private individual will run it as business entity.

I'm happy to give some more inputs if needed.

It can be done, it will be long slow climbed to the top but worth it. I remember what the President said in his SONA, we are always on the runway, and we never seem to take off. And that is what happening on the dairy industry right now.

Yours Faithfully,

Neil Molina
Director/Sharemilker
JCDAF Dairy Farms Ltd
130 Old Main South Road RD22 Geraldine
New Zealand
006421660848

PS

I want to take this opportunity to invite you here in New Zealand to see firsthand the second best earner in the country, the DAIRY Sector. It generates about 12 Billion New Zealand Dollars annually. We will tour the farm and hopefully take a look on one of the processing plants and machinery available.



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News article from the December 2017 issue of *Swine Magazine*,

MAIN STORY

Brazil cattle import poses FMD risk for pork industry

FOOT-AND-MOUTH DISEASE ZONES

- Free zone with vaccination (OIE)
- Free zone with no vaccination (OIE)
- Medium risk Zone
- High risk Zone



Source: ABS Brazil, Brazil National Programme for Eradication of FMD

The Pork Producers Federation of the Philippines, Inc. (ProPork) is opposing the importation of cattle from Brazil, noting the risk of exposing the pork industry to foot-and-mouth disease (FMD).

In a letter to Agriculture Secretary Emmanuel Piñol, ProPork strongly urged the government to refrain from implementing its plan to import live cattle from Brazil in 2018.

"The entry of livestock from Brazil may have disastrous effects on our local pork industry – as you take into consideration our country's current OIE status of being free from FMD with no vaccination," ProPork's letter pointed out.

ProPork Chairman Eliseo Yu, in a recent meeting with Piñol and other industry stakeholders, reminded the group that the previous pandemic due to FMD almost caused the collapse of the entire industry.

"We waited so long to be declared FMD-free so if we want to make sure

that we maintain that status, we should not allow imports of livestock from FMD risk countries like Brazil," he said.

He added, "I doubt the BAI (Bureau of Animal Industry) even has anti-FMD vaccines in its inventory on standby in case of outbreaks."

Piñol, during the meeting, told the stakeholders that he respects the sentiments of the group and assured them that the Brazilian cattle will come from a FMD-free without vaccination region.

He acknowledged that his reputation is at stake if FMD enters the Philippines because of the importation. He also invited the group to join him in his inspection tour to Brazil this month.

Why risk it?

In its letter, ProPork showed a map of the regions in Brazil that shows which parts are still at risk (see graph above).

"Unfortunately, Brazil has yet to achieve the status that we currently have. As you can note from the map, only a small portion (blue zone) of Brazil is free from FMD without vaccination. Most

of Brazil is still at risk of contracting FMD. The largest area (yellow zone with vaccination) shows that if you take away vaccination in those areas, there is a big risk of contracting FMD."

ProPork noted that for years, the country has been fortunate to maintain its OIE status as FMD-free without vaccination – a feat that not many countries have been able to achieve. "This makes us stand out as a good import market for other countries – especially with you (Sec. Piñol) spearheading moves for the Philippines to start exporting pork products."

Source from other countries

ProPork President Edwin Chen explained that while there is a "safe" zone in Brazil free from FMD without vaccination, "our point is that there are other countries where all their regions are FMD-free without vaccination."

He mentioned that recently in Vietnam, the country imported from Idaho, USA which is also suited for Philippine

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<http://www.usmef.org/news-statistics/member-news-archive/brazil-footandmouth-disease-outbreak-in-brazil-an-outbreak-of-footand-8825/>

The screenshot shows the homepage of the U.S. Meat Export Federation (USMEF). The header includes the USMEF logo and the text 'U.S. Meat Export Federation'. Below the header is a navigation menu with links for HOME, NEWSROOM, TECHNICAL SERVICES, STATISTICS & TRADE ACCESS, EVENTS, INTERNATIONAL MARKETS, MEMBERSHIP, and ABOUT USMEF. The main content area features a news article titled 'Brazil | Foot-And-Mouth Disease Outbreak In Brazil | An outbreak of foot-and-...'. The article text states: 'An outbreak of foot-and-mouth disease (FMD) on a farm in southwestern Brazil was reported to the Office International Des Epizooties (OIE) on Oct. 9. According to the OIE report, 153 of 502 head of cattle and eight pigs have been infected on a farm in the Eldorado district of the state of Mato Grosso do Sul, a large cattle-producing area previously declared free of FMD. The Eldorado district and four neighboring districts have been quarantined in addition to performing a complete disinfection of the premises and setting up a safety zone around the outbreak area. Five farms in the infected area totaling 8,459 animals were inspected with no evidence of FMD found. FMD is a highly contagious illness that affects cows, sheep, pigs and horses. Humans are not at risk from the disease.'

<https://www.globalmeatnews.com/Article/2017/12/07/Brazil-free-of-foot-and-mouth-disease>

Brazil 'free' of foot-and-mouth disease

By Oscar Rousseau

07-Dec-2017 - Last updated on 07-Dec-2017 at 10:22 GMT

115 POST A COMMENT



Recognition should allow Brazilian producers to sell beef at much higher price

Brazil will be officially declared free from foot-and-mouth disease (FMD) next year, according to the country's government.

Two Brazilian states covered and partially covered by the Amazon rainforest, Amazonas and Amapá, have been recognised by the government as free from FMD with vaccination.

This announcement means the World Organization for Animal Health (OIE) Brazil "will" recognise Brazil as a country free from FMD, but where vaccination is still practised, according to the government.

"It is the crowning of 60 years of work for Brazil to be free of foot-and-mouth disease with vaccination," said Blairo Maggi, Brazil's Minister of Agriculture, Livestock and Supply.

"In 2018, Brazil will be recognised as a country free of foot-and-mouth disease with vaccination by the World Organization for Animal Health (OIE). In the sequence, we already have a programme in which Brazil will be declared free of foot-and-mouth disease without vaccination."

There are 66 countries currently recognised by the OIE as being free from FMD without vaccination. These nations include beef exporters like Ireland and the US, as well as the country that is home to the world's best steak, Poland.

Being declared from FMD could have some big trade benefits for Brazil, one of the world's largest beef traders. Currently, the country cannot sell beef to Japan, a high-value market, because it is not recognised as being free from FMD. But that will all change should Brazil be declared free of the disease.

"From recognition, Brazil will start to have a bigger market," added Maggi.

"Brazil is, today, a major exporter of meat, but at lower prices because we face these health difficulties. Solve this and we will increase our prices. Today we sell meat to over 150 countries worldwide. We want to expand the offer in more competitive markets, which pay better, which will bring more income to the Brazilian producers."

OIE statement to this site: "The OIE welcomes the will expressed by the Brazilian Minister in its statement to progress toward freedom from FMD for its country."

"Official recognitions of animal disease status are delivered each year by the OIE, in May, during the OIE General Assembly, after a decision based on the technical evaluation of the dossiers presented by the member countries. The evaluation process is confidential and has multiple steps, including evaluation by the experts of the OIE's Scientific Commission on Animal Disease in February. This confidentiality requirement explains why the OIE makes no comment on individual countries, their dossiers, or the findings during evaluation throughout this process. According to the conclusions of the evaluation, demands of countries are accepted or rejected by the General Assembly in May, and then adopted Official Recognitions are immediately publicly announced."