

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Philippines

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### **2012 Mid-Year Update – Record F&B Exports Likely as Robust Growth Continues**

**Report Categories:**

Market Development Reports

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**Report Highlights:**

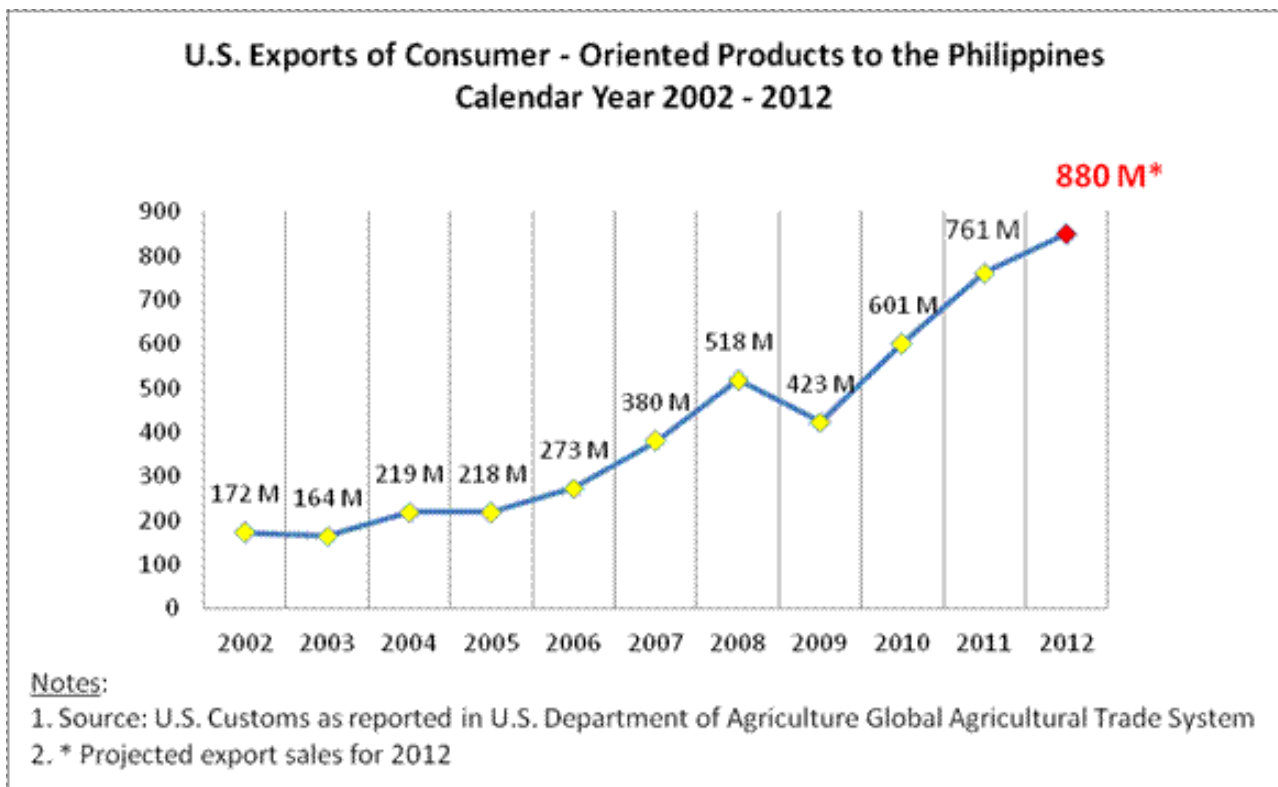
U.S. food and beverage (f&b) exports to the Philippines were up 16 percent from January to June 2012, once again making the country our largest market in Southeast Asia for this category. The robust growth is expected to continue as importers stock-up for the year-end holidays. Export sales of f&b products are expected to reach a record \$880 million by the end of the year, more than double 2009 levels. These exports will fill over 21,000 container trucks, providing key support to the approximately 1.8 million American food processing jobs, and to many more throughout the supply chain.

#### **General Information**

## Overview

U.S. food and beverage (f&b) exports to the Philippines were up 16 percent from January to June 2012. Robust growth is expected to continue as importers stock-up for the year-end holidays, propelling 2012 f&b sales to a projected record of \$880 million. Should this forecast prove correct, it would mark a doubling of f&b exports to the Philippines since 2009, thus achieving a full two years early the National Export Initiative (NEI) goal of doubling exports by 2014 in this value added category. The volume of exports by year-end will have filled over 21,000 container trucks, providing support to the 1.8 million American food processing jobs and many more throughout the supply chain.

Furthermore, record sales in 2012 will allow the Philippines to maintain its longstanding position as the largest U.S. f&b market in SE Asia, and one of the fastest growing markets in the world. This remarkable growth extends a steady trend of impressive export achievement that has carried through over a decade. In the ten years from 2003 to 2012, U.S. f&b exports to the Philippines have exploded by more than 500 percent.



In 2011, record sales were achieved in 13 of the 16 f&b categories, with 10 out of the 16 categories more than doubling in the past five years (from 2006-2011).

**U.S. Consumer Oriented Food and Beverage Exports to the Philippines  
CY 2006 - 2011 and Year-To-Date Comparisons**

Value in Thousands of Dollars

	Calendar Years (Jan-Dec)				Comparison			% Growth 2006-2011	January - June Comparison		
	2006	2007	2008	2009	2010	2011	% Chg		2011	2012	% Chg
<b>Consumer Oriented Total</b>	273,321	380,510	518,837	423,168	601,057	760,582	26.5	178.3	290,117	336,224	15.9
Snack Foods	35,629	41,306	50,464	47,863	50,494	64,692	28.1	81.6	24,689	27,683	12.1
Breakfast Cereals	1,499	2,719	3,121	2,223	3,658	3,849	5.2	156.8	1,392	1,933	38.9
Red Meats,FR/CH/FR	10,742	21,528	64,840	83,442	110,687	103,114	-6.8	859.9	38,302	37,336	-2.5
Red Meats, Prep/Pres	8,041	10,010	11,897	16,610	23,019	28,987	25.9	260.5	13,054	16,038	22.9
Poultry Meats	14,298	19,978	19,841	39,860	50,326	70,037	39.2	389.8	32,391	34,650	7.0
Dairy Products	95,631	151,984	210,226	76,575	181,533	281,025	54.8	193.9	105,482	137,467	30.3
Eggs & Products	580	506	1,107	1,619	825	1,919	132.6	230.9	805	1,073	33.3
Fresh Fruit	16,159	18,179	23,154	32,787	31,274	41,894	34.0	159.3	7,431	5,015	-32.5
Fresh Vegetables	346	1,301	2,070	1,565	4,364	5,953	36.4	1620.5	2,635	1,785	-32.3
Processed Fruits & Vegetables	41,571	51,621	54,876	36,867	57,223	61,692	7.8	48.4	25,795	28,037	8.7
Fruit & Vegetable Juices	6,223	14,152	10,496	6,719	7,679	7,963	3.7	28.0	2,505	3,359	34.1
Tree Nuts	2,787	2,910	3,723	2,553	4,447	4,538	2.0	62.8	1,864	1,539	-17.4
Wine and Beer	4,247	4,614	7,772	7,423	8,068	8,110	0.5	91.0	3,048	2,455	-19.5
Nursery Products	49	89	19	36	36	84	133.3	71.4	31	0	-100.0
Pet Foods	8,462	10,651	13,487	13,743	16,152	20,024	24.0	136.6	8,725	8,195	-6.1
Other Consumer Oriented	27,056	28,964	41,745	53,283	51,269	57,255	11.7	111.6	21,970	29,657	35.0

**Legend:**

- Denotes highest export levels since at least CY 1970
- Denotes export sales in 2011 that at least doubled since 2006

**Notes:**

1. Source: U.S. Customs as reported in U.S. Department of Agriculture Global Agricultural Trade System
2. Product Group: BICO-HS10

In terms of volume, record levels were achieved in 11 of the 16 f&b categories, with 8 out of the 16 categories doubling in the past five years (from 2006-2011).

**U.S. Consumer Oriented Food and Beverage Exports to the Philippines  
CY 2006 - 2011 and Year-To-Date Comparisons**

**Volume**

	Calendar Years (Jan-Dec)								% 2006- 2011	January - June Comparison		
	UOM					Comparison				2011	2012	% Chg
		2006	2007	2008	2009	2010	2011	% Chg				
<b>Consumer Oriented Total</b>	MT	184,335	192,297	239,212	249,999	331,593	355,791	9.7	93.0	180,202	176,113	-2.3
Snack Foods	MT	11,826	11,729	13,553	13,305	11,581	15,299	27.9	29.4	7,051	7,772	10.2
Breakfast Cereals	MT	1,019	1,712	1,825	1,290	2,332	2,365	2.6	132.1	908	1,330	46.4
Red Meats,FR/CH/FR	MT	6,302	11,156	34,539	46,536	58,628	45,937	-27.3	629.0	23,884	18,692	-21.7
Red Meats, Prep/ Pres	MT	3,098	2,927	3,399	4,573	5,804	7,185	30.2	131.9	3,906	4,528	15.9
Poultry Meats	MT	20,830	20,230	16,799	38,902	54,089	72,689	47.8	249.0	39,461	41,646	5.5
Dairy Products	MT	62,594	62,381	70,160	50,455	83,882	84,029	0.3	34.2	44,805	45,770	2.2
Eggs & Products	MT	224	149	217	221	199	612	187.1	173.4	356	316	-11.2
Fresh Fruit	MT	13,822	12,940	17,807	25,401	25,906	31,964	23.9	131.3	10,736	8,532	-20.5
Fresh Vegetables	MT	691	3,310	4,177	3,686	8,660	11,565	78.8	1572.7	6,290	3,569	-43.3
Processed Fruit & Vegetables	MT	41,788	44,400	45,676	30,742	46,843	46,281	-1.8	10.8	24,718	24,758	0.2
Fruit & Vegetable Juices	KL	5,328	5,574	5,070	5,223	5,952	6,247	5.7	17.3	2,752	3,187	15.8
Tree Nuts	MT	482	496	690	511	780	708	-14.2	46.7	333	290	-12.9
Wine and Beer	KL	2,214	2,539	3,106	3,261	3,503	3,480	-0.7	57.2	1,482	1,083	-26.9
Nursery Products	THNDS	6	32	3	5	2	13	194.3	117.2	7	0	0.0
Pet Foods	MT	11,325	11,466	16,372	17,346	18,218	21,099	16.6	86.3	10,599	10,588	-0.1
Other Consumer Oriented Products	MT	10,331	9,400	13,999	17,033	14,670	16,059	8.2	55.5	7155.5	8323.1	16.3

**Legend:**

- Denotes highest export levels since at least CY 1970
- Denotes export volume in 2011 that doubled since 2006

**Notes:**

1. Source: U.S. Customs as reported in U.S. Department of Agriculture Global Agricultural Trade System include statistics on the units of measure that are equal to, or are able to be converted to, the assigned unit of measure of the
3. Product Group: BICO-HS10

**Top Ranking Products in 2012 and Good Prospects for 2013**

The top five f&b product categories by value in the first half of the year were: dairy products, red meats, poultry meat, processed fruits & vegetables and snack foods. The top five f&b products that showed outstanding volume growth in the first half of the year were: breakfast cereals, prepared/preserved red meats, fruit & vegetable juices, snack foods and poultry meat.

TOP 5 PRODUCTS by VALUE January - June 2012	
#1	Dairy & Cheese Products
#2	Red Meats
#3	Poultry Meat
#4	Processed Fruits & Vegetables
#5	Snack Foods

TOP 5 PRODUCTS by VOLUME PERCENTAGE GROWTH January - June 2012	
#1	Breakfast Cereals
#2	Red Meats (Prep/ Pres)
#3	Fruit & Vegetable Juices
#4	Snack Foods
#5	Poultry Meat

Note: “Gourmet”, “healthy” and “convenience” products are experiencing excellent growth and have good prospects but are not identified by individual customs statistics.

GOOD PRODUCT PROSPECTS for 2013	
Healthy, Natural & Organic Products	Instant or "Convenience" Foods
Beef	Breakfast Cereals
Lamb	Coffee Flavoring & Syrups
Deli Meats and Cheeses	Preserved Fruits & Pie Fillings
Gourmet Products	IQF Fruits & Vegetables
Snack Foods, Dips and Spreads	Fruit & Vegetable Juices
Wines	Dairy Products
Craft Beers	Frozen Potatoes (new cuts)
Tree Nuts	Dehydrated Potatoes

With most analysts projecting continued growth in the Philippine economy and the Filipinos’ penchant for spending on food, post projects continued growth in f&b import demand through 2013 and beyond across a wide spectrum, with some of the fastest growth potential in convenience, gourmet, and “healthy, natural, and organic” categories. In addition to being consumed directly, many U.S. f&b products (e.g. dairy and dried fruits and nuts) are being used by the Philippines’ burgeoning food processing sector. Please see the table above for more details.

**Further Information and Assistance**

For questions, further information or for assistance in exporting US food & beverage products, please contact:

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