

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Philippines - A Top Market for U.S. Foods and Beverages in 2011

Report Categories:

Market Development Reports

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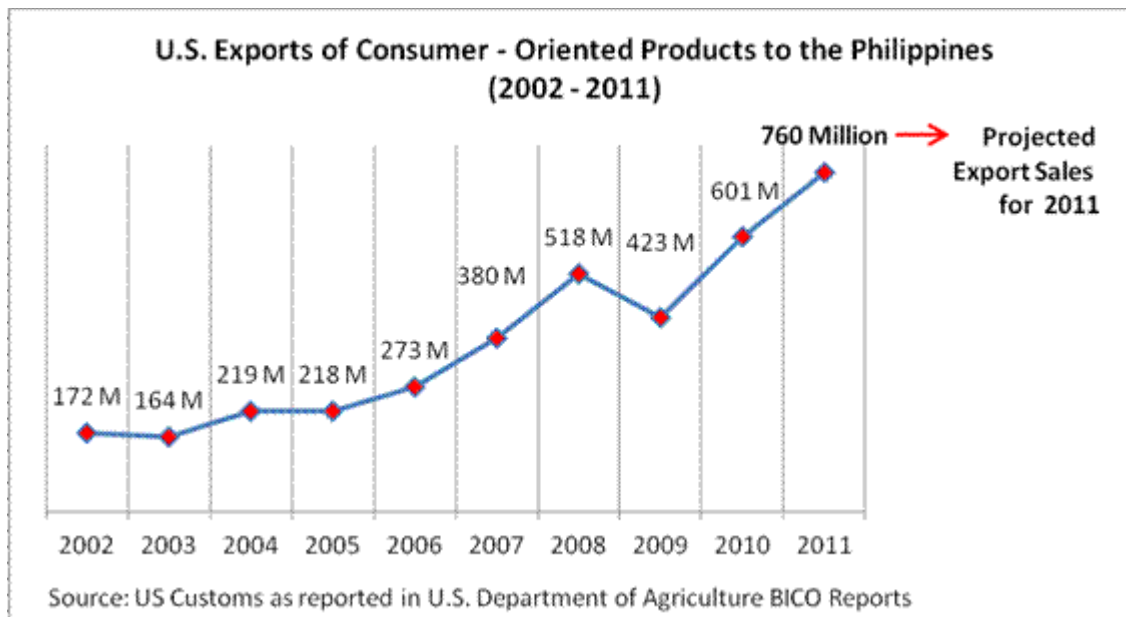
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Report Highlights:

U.S. food and beverage (f&b) exports to the Philippines are expected to increase by 27 percent in 2011 to a record \$760 million. The Philippines continues to be the largest f&b market in SE Asia and one of the fastest growing markets in the world for this high value, job generating sector. FAS Manila expects the U.S. will remain the Philippines' top supplier of f&b products. More importantly, this healthy export growth is broad-based, with most items that comprise the f&b category on track to achieve record sales. Top U.S. exports were dairy products, red meats, poultry meat, snack foods and processed fruits & vegetables. While sales for these products are expected to remain strong, prospects are excellent for a wide variety of f&b products, particularly those that can be classified as "healthy," "gourmet," and "convenient."

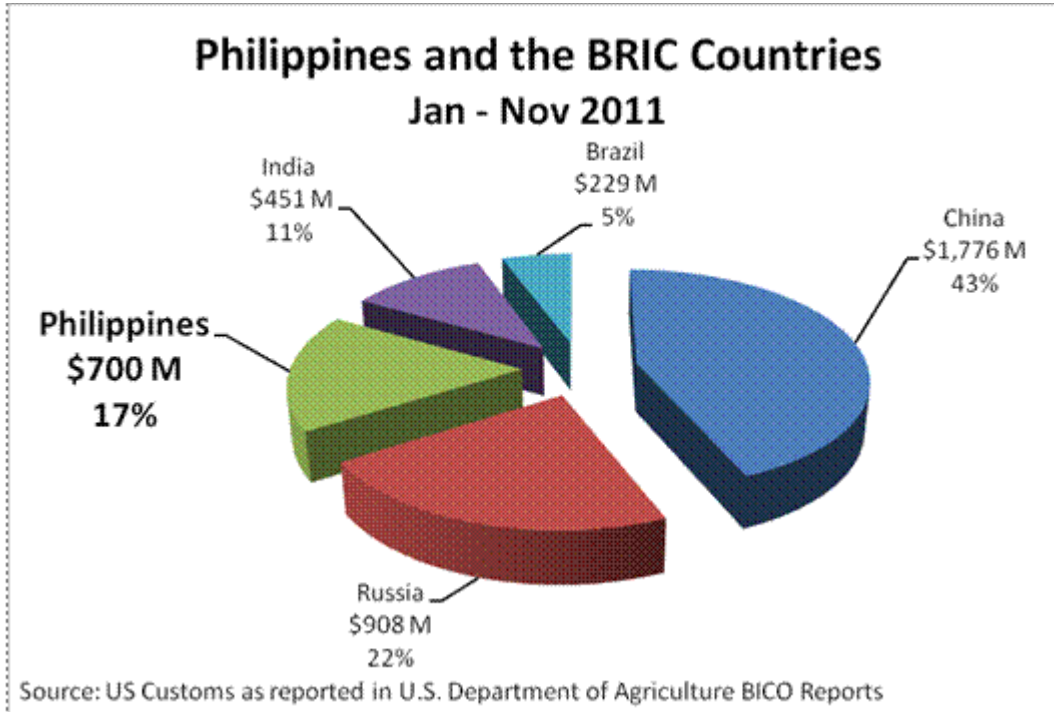
General Information: Overview

U.S. food and beverage (f&b) exports to the Philippines are expected to reach a record \$760 million in 2011, making it the largest f&b market in SE Asia and one of the fastest growing markets in the world for this high value, job generating sector. Since 2009, exports have increased roughly 80 percent and could achieve the White House National Export Initiative goal of doubling by as early as 2012. Most products that comprise the sector enjoyed strong growth and record sales, with exceptional increases in eggs & products, fresh vegetables, dairy products, poultry meat, and red meats. Traders also report rapidly rising demand for “healthy” foods, though official data is unavailable as U.S. Customs does not track this category as a separate subsector.



This remarkable growth extends a steady trend of impressive export achievement that has carried through most of the decade. Between 2002 and 2011, U.S. f&b sales growth exceeded 450 percent.

The Philippines is the largest U.S. export market in Southeast Asia and ranks as the 12th largest export market in the world for U.S. f&b products as of November 2011. More than 18,500 full containers are estimated to have arrived in the Philippines in 2011. It is the third largest market among the BRIC Countries following China and Russia. With less than 100 million people, the Philippine market for U.S. f&b is over 50 percent larger than that of India with its one billion population.



Best Prospects and Top Ranking Products

The best prospects for U.S. f&b products are: beef, pork, dairy and cheese products, processed fruits and vegetables, fresh fruits and vegetables, wines and snack foods. The “organic”, “healthy” and convenience food sector is also expected to experience especially rapid growth.

As of November 2011, record sales were already achieved in eight of the 16 categories that comprise the f&b category (see chart on next page), with a total of 15 categories expected to reach record sales levels by the end of 2011. The top five f&b products in export value from January to November 2011 were: dairy (\$258 million), red meats (\$121 million), poultry meat (\$64 million), snack food (\$59 million) and processed fruits & vegetables (\$57 million).


The top five f&b products that showed the highest increase in sales from January to November 2011 were: eggs & products (162%), dairy products (53%), poultry meat (41%), fresh vegetables (39%), and fresh fruit (33%).

US Consumer Oriented Food and Beverage Exports to the Philippines								
	Calendar Years (January - December)					January - November Comparison		
	2006	2007	2008	2009	2010	2010	2011	% Change
Consumer Oriented Total	273,321	380,510	518,837	423,168	601,057	507,882	699,378*	37.7
Snack Foods	35,629	41,306	50,464	47,863	50,442	41,669	59,615*	43.0
Breakfast Cereals	1,499	2,719	3,121	2,223	3,658*	2,782	3,404	22.4
Red Meats,	10,742	21,528	64,840	83,442	110,687*	97,517	94,665	-2.9
Red Meats, Prep/	8,041	10,010	11,897	16,610	23,019	18,298	26,674*	45.7

Pres								
Poultry Meat	14,298	19,978	19,841	39,860	50,326	42,252	64,565*	52.8
Dairy Products	95,631	151,984	210,226	76,575	181,533	159,518	258,028*	61.7
Eggs & Products	580	506	1,107	1,619*	825	718	1,887*	162.8
Fresh Fruit	16,159	18,179	23,154	32,787	31,274	20,189	38,812*	92.2
Fresh Vegetables	346	1,301	2,070	1,565	4,364	3,313	5,468*	65.0
Processed Fruit & Vegetables	41,571	51,621	54,876	36,867	57,223*	47,568	57,092	20.0
Fruit & Vegetable Juices	6,223	14,152*	10,496	6,719	7,679	6,076	6,996	15.1
Tree Nuts	2,787	2,910	3,723	2,553	4,447*	3,360	4,075	21.2
Wine and Beer	4,247	4,614	7,772	7,423	8,068*	6,860	7,656	11.6
Nursery Products	49	89	19	36	36	29	84	189.6
Pet Foods	8,462	10,651	13,487	13,743	16,152	13,539	18,128*	33.8
Other Consumer Oriented	27,056	28,964	41,745	53,283*	51,269	44,134	52,228	18.3

Source: US Customs as reported in U.S. Department of Agriculture BICO Reports

Legend: * Highest Export Levels Since at Least CY 1970

 Expected to reach record levels in 2011



NEI Progress

In 2009, the White House announced the National Export Initiative to double exports by 2013. From 2009-2011, U.S. f&b exports to the Philippines have made strong progress toward achieving that goal, up an estimated 80 percent. By the end of 2011, exports of breakfast cereals, dairy products, fresh vegetables and nursery products had already more than doubled. Post projects that most products in this category will have doubled by 2013.

	2009	2010	2011 (est.)	% Change 2009 vs. 2011
Consumer Oriented Total	423,168	601,057	760,000	80%
Snack Foods	47,863	50,442	64,000	34%
Breakfast Cereals	2,223	3,658	5,500	147%
Red Meats, FR/CH/FR	83,442	110,687	105,000	26%
Red Meats, Prep/ Pres	16,610	23,019	30,000	81%
Poultry Meat	39,860	50,326	68,000	71%
Dairy Products	76,575	181,533	265,000	246%
Eggs & Products	1,619	825	2,000	24%
Fresh Fruit	32,787	31,274	42,000	28%
Fresh Vegetables	1,565	4,364	6,600	322%
Processed Fruit & Vegetables	36,867	57,223	64,000	74%
Fruit & Vegetable Juices	6,719	7,679	9,000	34%
Tree Nuts	2,553	4,447	5,000	96%
Wine and Beer	7,423	8,068	8,800	19%
Nursery Products	36	36	100	178%

Pet Foods	13,743	16,152	20,000	46%
Other Consumer Oriented	53,283	51,269	65,000	22%

Source: US Customs as reported in U.S. Department of Agriculture BICO Reports

Legend:  - Products that have achieved NEI Goal
 - Products that are expected to achieve NEI Goal by 2013

Further Information and Assistance

The FAS Manila staff is eager to help all exporters of U.S. food and beverage products achieve their objectives in the Philippines. For questions, further information or for assistance in exporting US food & beverage products, please contact:

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