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US Food and Beverage Exports to the Philippines to Reach New Record

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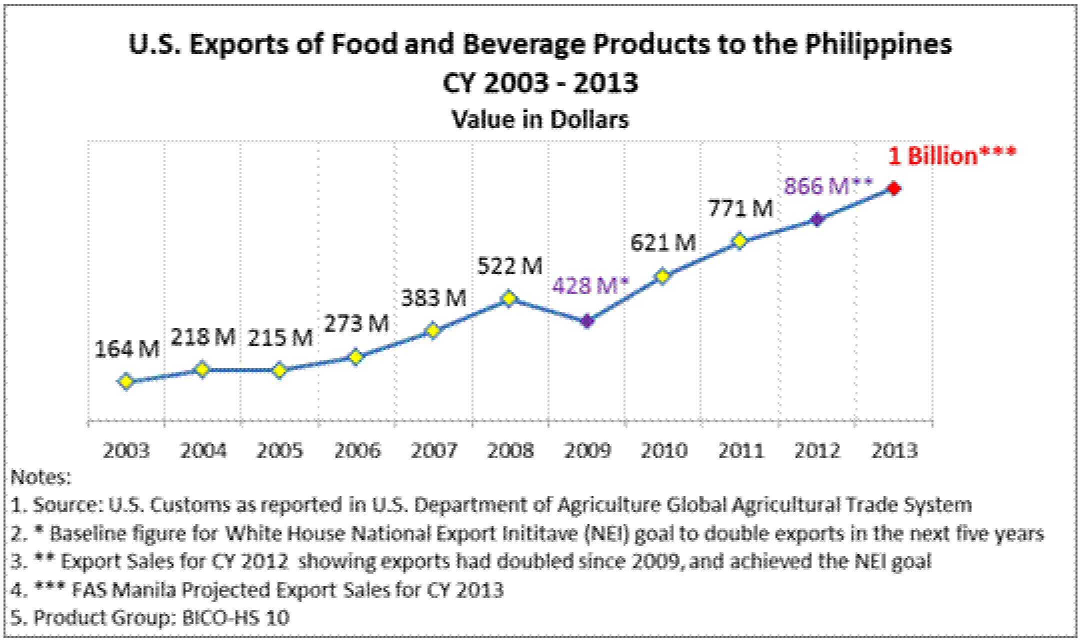
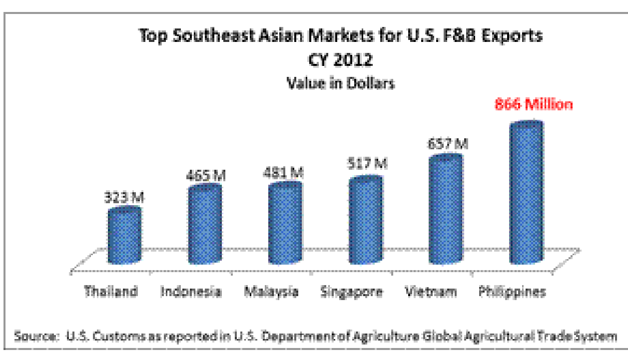
Report Highlights:

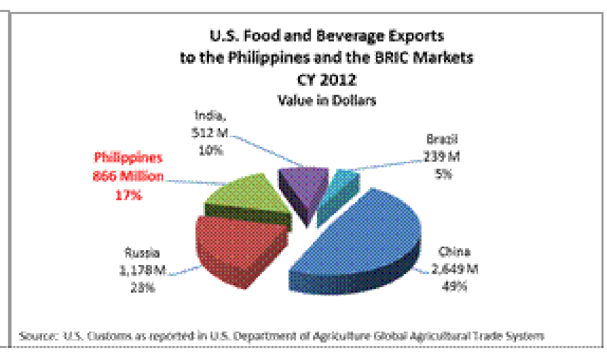
U.S. food and beverage (f&b) exports to the Philippines were up 15 percent from January to September 2013, on track to achieve a 4th consecutive year of record sales, and the tantalizing $1 billion milestone. As the number one market in SE Asia and the 9th largest market in the world for U.S. f&b products, the Philippines is expected to purchase enough value added goods in 2013 to fill roughly 25,000 container trucks stretching some 190 miles. These sales provide key support to the approximately 1.8 million American food processing jobs and to many more throughout the supply chain in both countries. Among the top-20 markets world-wide, the Philippines is one of only two to double in three years. In addition, growth across the sector is exceptionally broad-based, with at least 16 of the 21 products that comprise the f&b category expected to set new records by the end of the year. Top export items in 2013 include dairy, meat & poultry, prepared food, processed vegetables, and snack foods, reflecting rising demand for both food ingredients and retail/restaurant products.

General Information:



In the past ten years (2003-2012), U.S. f&b sales more than quintupled. As the Philippines is the fastest growing economy in SE Asia, prospects for 2014 and beyond are excellent for most f&b products, particularly those that can be classified as “healthy,” “gourmet,” or “convenient.” Traders expect that the popularity and reputation for safety and quality of American foods will allow the U.S. to retain its longstanding position as the Philippines’ number one supplier for the foreseeable future. Already a larger market than India and Brazil combined, opportunities for growth are underscored by the country’s strong economic growth, increasing urbanization, the rapid development of food processing, the explosion in supermarket construction around the country, and the fact that import-poor “mom-and-pop” stores still carry 70 percent of national retail food sales. This fertile combination of factors gives the Philippines a market profile that is among the most exciting in the world.





NEI Target Already Achieved

By doubling sales to the Philippines from 2009-2012, f&b exporters achieved the White House National Export Initiative (NEI) a full two years early. The chart below shows record sales were achieved in 2012 for total f&b, as well as by 13 of the 21 products that comprise the category. More importantly, those 13 record-setting products made up 80 percent of sales. By the end of 2013, 16 of the 21 products are expected to reach record levels, contributing more than 90 percent to total f&b export sales.

U.S. Food and Beverage Exports to the Philippines
CY 2009–2012 and Year-to-Date Comparisons
Value in Thousands of U.S. Dollars

	Product	2009	2010	2011	2012	Jan-Sep 2012	Jan-Sep 2013	Period/ Period % Change (Value)
	Consumer Oriented Total	**428,242**	**621,020**	**771,510**	**866,213**	**640,558**	**733,482**	**15**
1	Dairy Products	78,096	185,467	280,306	317,512	249,413	276,970	11
2	Poultry Meat & Prods.	43,443	55,118	72,811	89,231	65,108	59,351	-9
3	Pork & Pork Products	76,531	103,409	92,620	88,172	62,756	90,071	44
4	Prepared Food	38,419	38,124	43,546	58,521	43,460	54,933	26
5	Fresh Fruit	32,787	31,254	41,839	50,845	22,013	27,248	24
6	Processed Vegetables	26,391	42,554	43,834	48,131	38,380	36,818	-4
7	Beef & Beef Products	21,554	29,186	38,030	44,958	34,503	42,291	23
8	Snack Foods NESOI	23,692	26,193	33,993	38,186	27,900	32,021	15
9	Chocolate & Cocoa Products	24,833	25,544	31,524	34,765	26,280	29,306	12
10	Dog & Cat Food	12,704	15,009	19,000	22,370	15,919	19,715	24
11	Condiments & Sauces	10,326	10,185	13,571	14,175	10,967	13,206	20
12	Non-Alcoholic Bev. (ex. juices)	6,012	18,296	14,737	13,174	10,178	11,337	11
13	Processed Fruit	8,004	9,012	9,919	11,976	8,360	9,708	16
14	Fruit & Vegetable Juices	6,719	7,756	7,926	8,313	6,144	6,787	10
15	Wine & Beer	7,423	8,068	8,110	7,970	5,671	7,542	33
16	Meat Products NESOI	4,459	4,781	5,272	5,621	4,632	5,706	23
17	Tree Nuts	2,670	4,532	4,893	5,490	3,559	3,807	7
18	Fresh Vegetables	1,565	4,364	5,873	3,377	2,752	4,366	59
19	Eggs & Products	1,619	825	2,064	2,197	1,580	1,546	-2
20	Other Consumer Oriented	294	310	546	648	529	321	-39
21	Breakfast Cereals	702	1,034	1,095	581	457	431	-6

Legend:
1. Orange Highlight: Denotes highest export levels since at least CY 1970
2. Red Outline: Denotes export sales in 2012 that at least doubled since 2009, achieving the White House
3. Blue Highlight: Expected to set new record level

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

Top Ranking Products in 2013 and Top Prospects for 2014

According to U.S. Customs statistics, the top 10 f&b product categories by value through September 2013 were: dairy products, pork & pork products, poultry meat & products, prepared food, beef & beef products, processed vegetables, snack foods, chocolate & cocoa products, fresh fruit, and dog & cat food. The top 10 f&b products that led the growth through September 2013 were: fresh vegetables, pork & pork products, wine & beer, prepared food, fresh fruit, dog & cat food, beef & beef products, meat products, condiments & sauces, and processed fruit.

The trade projects continued growth in U.S. f&b exports in 2014 and beyond, with excellent potential for "gourmet", "healthy" and "convenience" products. In addition to being consumed directly, many U.S. f&b products (e.g. dairy, dried fruits and tree nuts) are being used by the Philippines' burgeoning food processing sector.

TOP 5 PRODUCTS by VALUE (in Thousands of Dollars)			TOP 5 PRODUCTS by GROWTH (in Thousands of Dollars)				
		Jan-Sep 2013			Jan-Sep 2012	Jan-Sep 2013	% Growth
#1	Dairy Products	276,970	#1	Fresh Vegetables	2,752	4,366	59
#2	Pork & Pork Products	90,071	#2	Pork & Pork Products	62,756	90,071	44
#3	Poultry Meat & Products	59,351	#3	Wine & Beer	5,671	7,542	33
#4	Prepared Food	54,933	#4	Prepared Food	43,460	54,933	26
#5	Beef & Beef Products	42,291	#5	Fresh Fruit	22,013	27,248	24
#6	Processed Vegetables	36,818	#6	Dog & Cat Food	15,919	13,206	24
#7	Snack Foods	32,021	#7	Beef & Beef Products	34,503	42,291	23
#8	Chocolate & Cocoa Products	29,036	#8	Meat Products NESOI	4,632	5,706	23
#9	Fresh Fruit	27,248	#9	Condiments & Sauces	10,967	13,206	20
#10	Dog & Cat Food	13,206	#10	Processed Fruits	8,360	9,708	16
Source: U.S. Customs as reported in U.S. Department of Agriculture Global Agricultural Trade System							

TOP PROSPECTS for 2014	
Healthy, Natural & Organic Products	Instant or "Convenience" Foods
Gourmet Products	Breakfast Cereals
Beef	Coffee Flavoring & Syrups
Lamb	Preserved Fruits & Pie Fillings
Deli Meats and Cheeses	IQF Fruits & Vegetables
Snack Foods	Fruit & Vegetable Juices
Dips and Spreads	Dried Fruits & Vegetables
Tree Nuts	Potatoes (Frozen, Dehy & Fresh)
Wine	Dairy Products

Notes:

1. "Gourmet", "healthy" and "convenience" products are experiencing excellent growth and prospects, but are not defined by U.S. Customs.
2. The selection of top prospects is based on discussions with chefs, retailers and food processors.

Further Information & Assistance

FAS Manila is ready to help exporters of U.S. food and beverage products achieve their objectives in the Philippines. For further information or assistance in exporting U.S. agricultural products, please contact:

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