

Food & Beverage August 2013

Familiarity of products and a close relationship makes the Philippines a picturesque market for United States food companies. In 2012, Nebraska agricultural commodity exports exceeded \$19 million to the Philippines. While agriculture is important to the Philippines, the population is multiplying and the agricultural resources are not. Food standards in the Philippines follow those of the United States Food and Drug Administration, which makes exporting easy.

The Philippines offers numerous opportunities for Nebraska food companies, yet they face some challenges. The Philippines has an insufficient cold chain system and packaging needs to be able to withstand extreme heat and humidity. This may force many food companies to repackage their food products. However, Philippine consumers recognize the high quality products they can receive from the United States and they tend to purchase U.S. products.

PHILIPPINE FOOD & BEVERAGE INDUSTRY

Even though the United States and the Philippines have a good relationship, competition in the Philippine market is intense. Products from the United States are higher priced than other imported products, and Philippine consumers are highly price sensitive. However, Philippine customers tend to eat five meals a day, including numerous snacks, which is beneficial for United States food companies. Nebraska food companies can be successful in the Philippines if they develop long term relationships and keep prices as low as possible.

The following products are in high demand in the Philippines:

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| Pet food | Natural & health foods |
| Beef & pork products | Wine |
| Tree nuts | Cheese |
| Food ingredients | Dried fruits & nuts |
| Juices | Food processing ingredients |



Here are tips for exporting to the Philippines:

ANALYZE MARKET POTENTIAL:

The USDA Foreign Agricultural Service (FAS) has a program called Food Export. Food Export provides food companies resources to help export their food overseas. Analyzing market potential is vital to exporting successfully, and Food Export offers Food Export Helpline and Market Builder for companies who want to export. Go to www.foodexportalliance.org/eweb to find out more information on both of these programs.

APPOINT A REPRESENTATIVE, AGENT, OR IMPORTER:

Once you have found the market for your product, the next step is to find a way to get the product into that market. Food Export Helpline can aid you in finding those distributors. Contact the Nebraska Agricultural Trade Office for details.

USE A PERSONALIZED APPROACH:

Developing a relationship with importers can make the process easier. Filipino businessmen value interpersonal relations highly. A great way to meet potential buyers is through Food Export Buyer's Missions and Focused Trade Missions. Food Export has Buyer's Missions and Focused Trade Missions which allow you to meet face-to-face with potential buyers.

KNOW EXPORT REQUIREMENTS:

Exporting regulations differ depending on the product and country. Nebraska Agricultural Trade Office staff can provide information regarding regulations and documentation. Also, Food Export provides webinars covering topics such as export documentation and the three "P's" of exporting.

LABELING REQUIREMENTS:

You need to be aware of what the local importer requires as far as languages or nutritional information on labels. Philippine food regulations and labeling requirements are the same as the United States. However, you may need to change your labels to include the "Made in the USA" statement on them. Food Export provides the Branded Program, which is a reimbursement program. The Branded Program allows companies to be reimbursed for marketing endeavors, which includes printed materials. Keep this in mind as you learn more about your importers' expectations and needs for your products.

EXPORT ASSISTANCE:

Nebraska Agricultural Trade Office staff can provide information and assistance for your company in regards to your exporting endeavors. Food Export also has programs specifically designed to help food companies find markets and contacts, learn more about exporting, and become successful in international settings.



For More Information Contact:
Stan Garbacz
Agricultural Trade Representative
Nebraska Department of Agriculture
(402) 471-2341
stan.garbacz@nebraska.gov

