



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

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## Philippines

### Agricultural Situation

### 2008 RP-U.S. Agricultural Trade

### 2009

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**Report Highlights:**

The Philippine economy displayed resiliency in 2008 despite the start of the global economic crisis. Imports of U.S. agricultural, fish and forestry products into the Philippines reached \$1.77 billion last year, a surge of 53 percent from the previous year's level. This was the highest U.S. agricultural export level into the Philippines ever recorded. U.S. imports were enhanced by rising local commodity prices, the strong Philippine Peso and the sustained efforts of FAS Manila.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Trade Report  
Manila [RP1]  
[RP]

### Philippine Agricultural Imports from the U.S.

The Philippines continued to be a key market in Southeast Asia for U.S. agricultural, fish and forestry exports with export sales reaching over \$1.77 billion last year, the highest level ever. According to BICO data, the top U.S. exports last year were wheat, soybean meal, dairy products, red meats, rice, processed fruits and vegetables, feeds and fodder, other intermediate and consumer oriented products, and snack foods (see table below). Total U.S. agricultural, fish and forestry exports rose 53 percent in 2008 compared to the 2007 level due to rising commodity prices, the strong Philippine peso and sustained efforts of FAS Manila to expand U.S. agricultural sales.

| Top Ten RP Imports of U.S. Agricultural, Fish & Forestry Products (in 1,000 US\$) |                                       |                                       |             |
|---|---------------------------------------|---------------------------------------|-------------|
| Product   | 2007 Imports<br>from the U.S. (Value) | 2008 Imports<br>from the U.S. (Value) | %<br>Change |
| Wheat   | 351,797                               | 702,933                               | 99.81       |
| Soybean meal  | 189,872                               | 243,918                               | 28.46       |
| Dairy products  | 151,984                               | 210,226                               | 38.32       |
| Red meats   | 21,528                                | 64,840                                | 201.19      |
| Rice  | 15,220                                | 64,696                                | 325.07      |
| Processed fruit & vegetables  | 51,621                                | 54,876                                | 6.31        |
| Feeds & fodder (excl pet foods)   | 41,715                                | 53,026                                | 27.11       |
| Other Intermediate products   | 55,169                                | 52,435                                | -4.96       |
| Snack foods (excl nuts)   | 41,306                                | 50,464                                | 22.17       |
| Other consumer oriented products  | 28,964                                | 41,745                                | 44.13       |

Source: BICO

### U.S. Agricultural Imports from the Philippines

On the other hand, the United States was the number one (1) market for Filipino agricultural, fish and forestry exports, with record sales reaching \$1.21 billion in 2008 representing a 22 percent increase from the previous year's level. Major agricultural products exported were coconut oil (\$470 million), fish and seafood products (\$266 million), tropical fruits and vegetables (\$158 million) and sugar (\$64 million). The country is the world's largest coconut oil exporter and the U.S. is its largest buyer. It also enjoys a sugar quota with the United States. From 2003-2005, the Philippines enjoyed an agricultural trade surplus but experienced a modest deficit in the last three (3) years.

### Outlook for 2009

Despite the challenges as a result of the global recession, official Philippine GDP growth in 2009 is still forecasted between 3.7- 4.4 percent, slightly lower than the 3.7-4.7 percent previous targeted range. The expected slowdown of the Philippine economy will likely result in a modest decline in U.S. agricultural, fish and forestry exports in 2009. However, the United States is expected to remain a top food and beverage supplier to the Philippines.