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Report Highlights:

Since the start of COVID-19, Philippine consumers have incorporated more fresh fruit into their diet. Global exports of fresh fruits to the Philippines increased 36 percent to \$695 million in 2020 and are forecast to grow five percent in 2021. U.S. exports, however, dropped 35 percent in 2020 to \$32.5 million, due to ocean freight challenges which continue to persist. Traders are optimistic that once the pressure on the global supply chain eases, U.S. fresh fruit exports to the Philippines will bounce back to \$50 million in annual sales. The Philippines grows a variety of tropical fruits and U.S. exporters are encouraged to look at counter-seasonal opportunities and fruits that are not widely grown in the Asia Pacific region.

Philippine Market Brief

Fresh Fruit



During the pandemic, more consumers have been opting for foods that are perceived as healthy and associating fresh fruits with “better for you” options. Global exports of fresh fruits to the Philippines increased 36 percent to \$695 million in 2020 compared to 2019, and are forecast to grow further by five percent in 2021.

The top exporting countries in 2020 were China, Australia, and the United States. Exports from mainland China and Australia increased 80 and 17 percent respectively, while U.S. exports dropped 35 percent in 2020. The decline in U.S. exports was across the top three fresh fruits, namely grapes, apples, and oranges amidst ocean freight challenges, while exports of cherries that are air-flown grew 33 percent. Below is a list of the top fresh fruits exported to the Philippines in 2020 and the countries of origin.

While 2021 global exports to the Philippines from January through September climbed eight percent year-on-year (with China and Australia up 9.4 and 8.9 percent respectively and the United States down 40 percent), importers are reporting that the shipping problem will worsen leading to the holiday season. Importers are seeking to minimize risk and prefer to purchase within the region, given the shorter transit time.

Table 1 – Top Fresh Fruit Exports

Top Fresh Fruit Exports to the Philippines	
China	Apples, grapes, mandarins, lemons and limes, pears, grapefruit, and melons (except watermelons)
Australia	Grapes, oranges, and mandarins
United States	Grapes, apples, oranges, and cherries
Pakistan	Mandarins and other citrus hybrids
Hong Kong	Mandarins and oranges
Argentina	Mandarins
New Zealand	Kiwi fruit and apples
Chile	Grapes and cherries

Notes:

1. Above \$2.5 million in annual export value as reported by Trade Data Monitor.
2. Hong Kong is a major transshipment hub.

United States to Philippines Nonstop Shipping Service

The U.S. Agency for International Development (USAID), through its Regulatory Reform Support Program for National Development (RESPOND) project, supported the Export Development Council and University of the Philippines Public Administration Foundation to partner with Royal Cargo and Iris Logistics to launch the first nonstop Philippine shipping service between the Philippines and the United States in decades. MV Iris Paoay is the first Philippine flag container vessel to sail nonstop between the Philippines and the U.S. West Coast. It is expected to reduce shipping time and ease U.S. and Philippine traders' burdens. See the U.S. Embassy press release [here](#). For details on the shipping service, please contact USDA's Foreign Agricultural Service in Manila at agmanila@usda.gov.

List of Allowable Imported Fresh Fruits

The Philippine Department of Agriculture's Bureau of Plant Industry (BPI) maintains a list of allowable imported fresh fruits online. The list can be viewed at <https://npqsd.bpi-npqsd.com.ph/import/>. In the section pertaining to the United States, the list includes **apples, apricots, blueberries, cherries, grapes, lemons, kiwi fruit, nectarines, oranges, peaches, persimmons, plums, and strawberries**. U.S. suppliers who are interested in exporting fresh fruits that are not on the list are advised to contact USDA-FAS Manila.

Market Situation and Trends

- The Philippines grows a variety of tropical fruits. Bananas and papayas are harvested year-round, and the rest are seasonal. This translates to exceptional opportunities for a wide variety of U.S. fresh fruits to enter the market and add variety or counter-seasonal options to Philippine consumers. Below is a chart showing Philippine fruit seasonality.

Table 2 – Philippine Fruit Seasonality

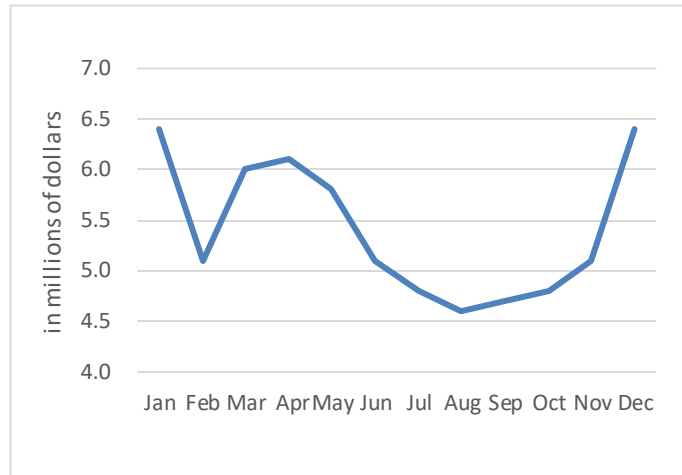
Atis/Sweetsop	Jul–Sep	Lanzones	Apr–Jun/Jan–Apr
Avocado	Jun–Sep	Macopa/Wax Apple	Apr–Jul
Banana	Year-round	Mandarin and Sweet Orange	Nov–Feb
Caimito/Star Apple	Dec–Apr	Mango	Apr–Aug
Calamansi/Philippine Lime	Jul–Sep	Mangosteen	Jun–Dec
Chico/Sapodilla	Apr–Sep	Papaya	Year-round
Dayap/Lime	Oct–Dec	Pineapple	Mar–Jun
Duhat/Java Plum	Apr–Jun	Rambutan	Jun–Sep
Durian	Aug–Nov	Santol	Jun–Oct
Guava	Jun–Aug	Sineguelas/Scarlet Plum	Apr–Jul
Guyabano/Soursop	May–Jun	Suha/Pomelo	Oct–Jun
Jackfruit	Mar–Aug	Tamarind	Jul–Dec

Source: Philippine Department of Agriculture, Bureau of Plant Industry

- In general, consumers believe eating a variety of fruits casts a wider nutrient net. A typical fruit basket will include both local and imported fruits. Apples, citrus, and grapes are a staple for get-well-soon gifts for loved ones.

- Given the shift to remote work during the pandemic, consumers have more opportunity to prepare food at home, which enables them to include more fruit in their meals. [BusinessMirror](#) reported on the 2020 Diet Decisions Survey by OnePoll and Herbalife Nutrition; the survey revealed 53 percent of respondents have started eating more fruits and vegetables.
- Demand for imported fruits peak during the holiday season (October through December) and during the dry season (March through May) as consumers eat more fruit to refresh themselves and stay hydrated.
- Imported fresh fruits such as apples and oranges are often lower priced than some domestic fruits. This is in large part because of the seasonality of local fruits and the strong export demand for Philippine fruit, primarily bananas and pineapples, in Japan and other East Asian countries. Further, while fruits intended for export are produced specifically for foreign markets, the economic resources that are utilized affect the overall supply of fruits for domestic consumption.
- Driven by COVID-19, quick commerce has become key in growing sales of fresh fruit. Quick commerce brings small quantities of goods to customers almost instantly, and a fast-growing number of fresh fruit online traders along with delivery service players, such as Grab and Lalamove, have been quick to fill this need.
- Consumers are excited to try new-to-market fruit varieties such as the Cotton Candy grape variety and are telling their friends about it on social media. Northwest Cherries banked on this excitement and went all out in promoting 15 cherry varieties including Black Pearl, Coral Champagne, Elegant, Santana, and Sonnet through Cherries for Charity, a four-week campaign featuring three of the country's influential chefs.

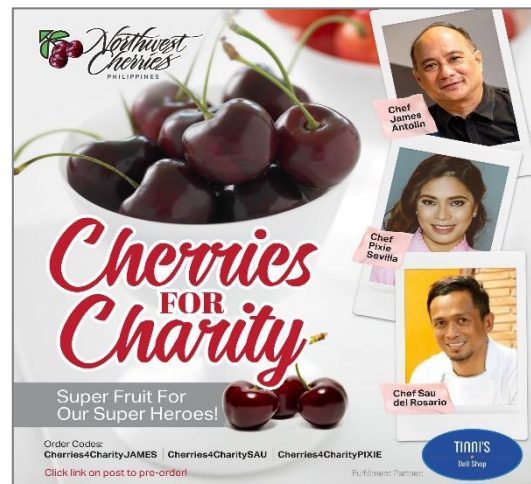
Chart 1 – Peaks and Troughs of Global Fruit Exports to the Philippines (CY 2020)



Notes:

- Source: Trade Data Monitor
- Does not include data from exporting countries such as Pakistan and Vietnam that report on an annual basis

Figures 1 and 2 – Social Media Promotional Efforts



Regulatory Overview

Disclaimer: This overview is not a comprehensive guide and regulations can change. For more information, see the [FAIRS Country Report](#) and visit the Philippine Bureau of Plant Industry [website](#). Exporters should verify the requirements with their importers before goods are shipped.

Tariffs & Taxes

The tariff rates on specific goods are posted on the Philippine Tariff Commission's [website](#). All imported unprocessed fruits and vegetables (whether whole, cut, sliced, broken, dried, fresh, chilled, frozen, shelled, skinned, or split) are exempt from the 12 percent value-added tax (VAT). The exemption includes fruits and vegetables that recently gained market access, such as U.S. fresh blueberries. See this [GAIN report](#) for more information.



A Identify an Importer

USDA-FAS Manila assists U.S. exporters in identifying potential importers in the Philippines. Importers must obtain accreditation from the Bureau of Plant Industry under the Philippine Department of Agriculture (DA).

B Documents and Shipping

Prior to importation, importers must apply for a Sanitary and Phytosanitary Import Clearance (SPSIC). The “Must Ship Out by” date for fresh fruits is 20 days from the issuance of the SPSIC. The product may not be loaded on the vessel until the SPSIC is issued. The SPSIC is non-transferable and is specific to individual shipments. The SPSIC cannot facilitate multiple shipments. An unused SPSIC shall be considered expired after its “Must Ship Out by” date.

All U.S. fruits entering the Philippines must be accompanied by a phytosanitary certificate issued by the USDA Animal and Plant Health Inspection Service. The importer must file an Application for Inspection at least 24 hours prior to the arrival of the shipment. Along with the application, the following documents need to be presented:

- Phytosanitary Certificate
- Bill of lading/airway bill

Attachments:

No Attachments.