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Report Name: Shelf-Stable and Frozen Ready Meals Market Brief

Country: Philippines

Post: Manila

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Report Highlights:

Amidst government warnings to stay home, food service players moved their business off-premises and with the help of food delivery companies, made it easier for consumers to purchase meals. Retailers are also reporting brisk sales in ready meals, growing 12 percent in 2020 to \$81 million. Industry contacts forecast sales of meals from the overall food service and retail channels will increase five percent in 2021 to \$6.6 billion, as companies introduce higher-quality products and make improvements in e-commerce and delivery services. U.S. suppliers can grab a share of this market by introducing shelf-stable and frozen ready meals. With changing consumer habits, Post sees 5 to 8 percent annual growth over the next five years even after lockdown restrictions have eased and more people dine in restaurants.

Philippine Market Brief

Shelf-Stable and Frozen Ready Meals



As the COVID-19 pandemic presses on, consumers have settled into routines that involve more home cooking, but the surge in off-premises food service sales suggests consumers are coupling home cooked meals with ready meals. (Defined as a meal already prepared and cooked that only requires heating at home) Even those who love to cook take a break from whipping up multiple meals a day. This opens an opportunity for American shelf-stable and frozen ready meals to grab a share of the market.

Food Service	Share		Sales in \$M		%Δ
	2019	2020	2019	2020	2020/2019
Dine In	61%	23%	9,266	1,966	-79%
Drive Through	2%	7%	365	641	76%
Delivery	16%	33%	2,491	2,786	12%
Take-out	20%	37%	3,068	3,154	3%
Total	100%	100%	15,190	8,547	-44%

Retail	Sales in \$M		%Δ
	2019	2020	2020/2019
Shelf-Stable Ready Meals	41.7	47.2	13%
Frozen Ready Meals	30.4	33.8	11%
Total	72.1	81.0	12%

Drive-through, delivery, and take-out channels increased 11 percent in 2020 to \$6.5 billion. Industry forecasts five percent growth in 2021 spurred by a burgeoning e-commerce landscape and improvements in food delivery service. There is no current prospect for dine-in sales to improve amidst continued challenges with COVID-19.

Data: Euromonitor International

Consumers are adding more ready meals to their basket and cutting down on perishable foods to limit trips to supermarkets and wet markets. Retailers forecast sales of ready meals will grow 10 percent in 2021 as they introduce new local and imported products.

Household capacity to store frozen foods and heat-ready meals has been rising. In 2020, 45 percent of households owned a refrigerator and 30 percent owned a microwave, up 11 and 28 percent respectively over the past five years. Retailers of home appliances are eyeing two to five percent annual growth through 2025. [Source: Philippine Statistics Authority, Euromonitor, and FAS interviews]

Market Trends and Indicators

- Foodservice operators and food processors are looking to sustain their operations amidst COVID-related restrictions by introducing a variety of ready meals.
- Great Food Solutions, the one-stop foodservice arm of San Miguel Foods, shifted gears and began offering consumers a [ready-to-eat line](#) under the Cook Express and Chef's Selection brands which now has 15 dishes. The products come in 500-gram microwaveable tubs, and are available at Petron gas stations and [The Mall](#) online market. The company aims to introduce a broader range of ready meals once the [second phase](#) of its manufacturing plant becomes operational in 2024.
- Convenience stores have joined the home delivery scene. Ministop partnered with MyKuya personal shopper app and began offering "[heat and eat](#)" frozen versions of their quick-meal line. Market leader 7-Eleven joined quick delivery leader Foodpanda and launched a wider selection of ready-to-eat and microwaveable meals under its [Chef Creation brand](#).
- Foodpanda holds a 70 percent market share in food deliveries. Since the start of the COVID quarantine in March 2020, the company's user base grew eight times; its restaurant partners increased five times; and order count expanded 12 times. The company does not expect the numbers to shrink even after lockdown restrictions have eased and more people dine in.

Quick commerce or [q-commerce](#) is the key driver in growing sales of ready meals. Quick commerce brings small quantities of goods to customers almost instantly, and local delivery service players have been quick to fill this need.

- Still unable to travel freely, consumers are turning to culinary adventure and different cuisines, more willing to explore ethnic and exotic tastes and flavors.
- Supported by growing awareness and adoption of global trends, plant-based foods including ready meals have taken hold of a recognizable niche market. See: [Plant-based Food Products Market Brief](#).
- As a means of expression and to keep in touch with friends and family amid community quarantine measures, consumers share snapshots of the food they eat on social media. Ready meals must not only taste good, they must look good.
- Consumers are choosing meals that contain better-for-you and functional ingredients, such as brown rice and legumes. The Philippine Food and Nutrition Research Institute (FNRI) began looking into [prebiotic properties of functional food products](#). FNRI affirmed that the country lacks a [clear policy on functional foods](#) and the government has yet to develop specific guidelines.

Philippine Cold Chain Capacity

Amidst challenges in strengthening the country's cold chain capacity, the Philippine Board of Investments, in cooperation with industry and government stakeholders such as the Cold Chain Association of the Philippines and the Philippine Department of Agriculture, launched a "[Cold Chain Industry Roadmap](#)," which includes growth projections and investment, policy, and regulatory actions over the next five years. The local cold chain industry aims to increase its capacity by 10 to 15 percent annually, equivalent to 50,000 pallets per year. The current storage capacity is 400,000 metric tons or 500,000 pallets. In addition, the roadmap outlines milestones to be achieved through 2022 including five investments in new cold storage facilities.

Top 10 U.S. Ready Meal Brands

There is room for American ready meal brands to enter the market. Below are the top ten U.S. frozen meal brands; only five of them are present in the market.

Brand	Parent Company	Distribution
Stouffer's	Nestlé	none
Jimmy Dean	Tyson Foods	S&R Membership Shopping
Lean Cuisine	Nestlé	none
Hot Pockets	Nestlé	S&R Membership Shopping
Healthy Choice	ConAgra Brands	none
Marie Callender's	ConAgra Brands	none
Totino's	General Mills	none
Bibigo	CJ Corp.	Products come from the CJ Corp. facility in South Korea; available online at Bibigo Market Philippines , FrozenMNL , and Theo's Community Market
Amy's Kitchen	Amy's Kitchen	Imported by Sonia Trading ; available at leading supermarkets
Banquet	ConAgra Brands	S&R Membership Shopping

Note: Ranking based on retail sales collated by Euromonitor International from trade sources and national statistics.

Regulatory Overview

***Disclaimer: This overview is not a comprehensive guide and regulations can frequently change. Exporters should verify requirements with their importers before shipping.*

The Philippines generally maintains low applied MFN tariffs, often close to the preferential rates offered to U.S. competitors. The tariff rates on specific goods are posted on the Philippine Tariff Commission's [website](#).



(A) Identify an Importer

FAS Manila assists U.S. exporters in identifying potential importers in the Philippines.

(B) Provide Documents

Prior to importation and retail sale, importers are required to register the product with the Philippine Food and Drug Administration. The exporter must provide the designated importer with a set of documents.

Any of the following:

- Foreign Agency Agreement/Certificate of Distributorship/Appointment Letter
- Proforma Invoice
- Memorandum Agreement between the supplier or manufacturer and the Philippine importer



Any of the following:

- Manufacturer's Certificate of Registration with Good Manufacturing Practices compliance or its equivalent
- ISO 22000 Certification or HACCP Certificate
- Health Certificate/Certificate of Free Sale issued by a U.S. government regulatory agency or health authority stating that the product applied for registration is freely sold and/or fit for human consumption.

Labeling Requirements

The following must be included on the labels:

1. Product name/name of the food
2. Use of brand name and/or trademark
3. Complete list of ingredients used in the product (in decreasing order of proportion), including additives, flavorings, and preservatives used
4. Net contents and drained weight
5. Name and address of manufacturer, packer, or distributor, including country of origin, and the name and address of the Philippine importer or distributor
6. Lot identification
7. Storage condition
8. Expiry or expiration date/use-by-date/consume before date
9. Food allergen information
10. Direction/instruction(s) for use
11. Nutrition facts/nutrition information/nutritive value

Attachments:

No Attachments.