



Mango Agribusiness Research Program

Agribusiness research and development opportunities
for tropical fruit processing in the Asia-Pacific region
AGB/2016/010

Session 1: Commercial Demand & Supply of Processed Mango

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**Title: Sector and policy trends, factors and challenges
affecting mango processing development in the Philippines**

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Information
Markets
Biosecurity
Quality



Implementing Agency



Funding Agency





Sector Overview

- ▶ Philippine mango and processed products known worldwide for superior taste; country ranked 7th in world market (2015)
- ▶ Variety of products including dried mango, puree, juice, candies, nectar, slices and halves; new products such as fruit blends
- ▶ Active domestic processing industry
- ▶ Most firms are small and medium-sized; clustered in Metro Manila and Cebu; big firms account for 95% of total mango exports
- ▶ Raw materials largely from “open market”; only 23% of processors own production or source by contract arrangements

*Sources: Fernandez-Stark, Couto and Gereffi, 2017
Pearl2 Project, 2004
PSA (2007-2014)*



Policy Trends

Public Stakeholder	Policies/Programs
Department of Agriculture	Agricultural policies including funding of technical assistance, and R&D <ul style="list-style-type: none"> • High Value Crops Development Program • Agricultural Training Institute – trainings on mango • BAFS Philippine National Standards – GAP Code for mango but only few farms certified yet
Department of Trade and Industry – Board of Investment	Investment priorities including commercial production of high value crops and downstream processing of local agricultural products <ul style="list-style-type: none"> • Coordinating roadmap initiative for specific products • Shared Services Facility Program
DOST-PCAARRD	<ul style="list-style-type: none"> • Policies and programs for science and technology-based R&D • Direct funding support for transfer of technology and knowledge
Department of Environment and Natural Resources	2015: 25-year leases accepted as collateral for loans allowing investors to leverage properties for high value crops
Department of Agrarian Reform	ARCESS Project implemented in agrarian reform beneficiary areas planted to high value crops
Philippine Economic Zone Authority (PEZA)	Provides incentives for processing – 1 mango company established processing operations in PEZA zone, 2005-2015
Others (national government)	<ul style="list-style-type: none"> • Philippines’ inclusion in the EU Generalized System of Preferences Plus (EU GSP+) – tariff free entry to dried mango • US GSP+ - duty free entry for dried and other processed mango products • Free Trade Agreement with European Free Trade Association – preferential trade in mango chutneys, jams and marmalades



Factors & Challenges

Advantages	Challenges
Superior quality variety Ideal climate Strongly driven domestic processors	Lack of scale economies in production Lack of modern production and harvesting techniques Poor postharvest management and SPS control Lack of coordination between growers and processors; between industry and high bureaucracy Main issue: lack of quality mangoes at reasonable price
Opportunities	Threats
Increasing global demand Competition: few countries able to penetrate global market	Climate change Competitors increasing production and exports, and upgrading More stringent SPS and quality standards in major export markets