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## **Philippines**

**Post:** Manila

### **U.S. Fine Foods Show Targets Davao for Increased Sales**

**Report Categories:**

Export Accomplishments - Events

Export Accomplishments - Marketing, Trade Events  
and Shows

Export Accomplishments - Other

Food Service - Hotel Restaurant Institutional

Retail Foods

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**Report Highlights:**

Davao City is a rapidly growing market in the southern Philippine island of Mindanao. As Manila reaches the limits of its growth, markets like Davao and Cebu are expected to become the drivers for consumer growth. As part of its long-term strategy, the USDA's Foreign Agricultural Service office in Manila has targeted Davao with multiple events, including the U.S. Fine Foods Show in June, 2016. The report outlines long-term outcomes of this event, which indicate the strategic value of targeting these emerging cities.

**General Information:**

**Executive Summary** - A one year review of FAS/Manila’s support for the U.S. Fine Foods Show in Davao City found that the show generated increased sales of \$630,000 over the following year. Results were based on feedback from participants. Products promoted included frozen and processed meat, frozen potatoes, fruit juices, snack foods, dried fruit and nuts, and food and bakery ingredients. Food service proved to be a particularly strong channel for product sales, in line with FAS’ expectations.

**Background** - The city of Davao is the urban center of the Philippines second-largest island, Mindanao. Although it has long lagged behind the national capitol, Manila, in size and income, it is growing more rapidly, and is expected to become an important center for demand in the near future. The city is home to over 1.6 million people, and the population is growing at a rate of 2.3% per year. The economy is driven by a combination of tourism and support and processing for agriculture and extractive industries that dominate the economy of Mindanao. As the city of Manila faces limits to growth imposed by traffic, congestion, and urban planning issues, the second-tier cities of Davao and Cebu are expected to pick up a substantial portion of that growth. In addition, both cities are home to port facilities that permit direct shipment, once volumes warrant it. At present, over 85% of cargoes transit Manila Port, including those shipped onward to other destinations in the Philippines. This, despite the high cost of internal shipping: moving a cargo from Manila to Davao is estimated to cost more than moving that same cargo from Long Beach, California to Manila. As direct shipment to Davao becomes more common, the cost of imported products will drop significantly.

As part of its market development strategy, FAS/Manila has made a special point of targeting these emerging cities for promotional event, helping to establish the reputation of high-value U.S. products in the minds of traders and consumers at an early stage of demand growth. The U.S. Fine Foods Show is an annual event staged by FAS/Manila in major cities around the Philippines to promote U.S. fine foods, beverages, and ingredients. In 2016, the show was co-located with the World Food Expo (WOFEX) at the SMX Convention Center in Davao. Post established a partnership with WOFEX to feature the first U.S. Fine Foods Pavilion at WOFEX-Mindanao, in which one USDA Cooperator group and seven importers of U.S. food products participated. Hoteliers, restaurateurs, bar and café owners, food caterers, culinary professionals, supermarket and convenience store owners, and food manufacturers were among the visitors to the show and business networking event, which featured some 150 U.S. products.

Importers reported increased sales amounting to \$630,000 over the twelve month period following the show as a direct result of their participation. Beyond immediate sales, FAS/Manila sees lasting value in establishing a visible presence for U.S. products in this market as it continues to grow.

Following is a list of U.S. food and beverage products featured at the event:

<b>List of US products (type of products)</b>	<b>Brands</b>	<b>Variety</b>
Snacks	Magictime	6 SKUs
Chips	Pringles	8 SKUs
Snacks	Post	7 SKUs

Condiments	Raleys	12 SKUs
Sodas	Coke,Pepsi etc.	8 SKUs
Confectionaries	Mars	6 SKUs
Confectionaries	Nestle	8 SKUs
Confectionaries	Hershey's	4 SKUs
Beverages	Welchs	6 SKUs
Pie Fillings	Comstock	4 SKUs
Cherries	Falcon's Valley	3 SKUs
Sparkling and Apple Juice	Martinelli	3 SKUs
Cranberry Juices and Sauces	Ocean Spray	6 SKUs
Parmesan Cheeses	Old Fashioned	3 SKUs
Raisins	Sun-Maid	2 SKUs
Prunes and Prune Juices	Sunsweet	4 SKUs
U.S. Dried Fruits	Madera/Graceland/Munger	7 SKUs
U.S. Nuts	Alpine Pacific/Treehouse	7 SKUs
Condiments and Sauces	Hunt's	6 SKUs
Peanut Butter	Peter Pan	4 SKUs
Milk Chocolate Drink	Swiss Miss	4 SKUs
U.S. Beef		9 SKUs
U.S. Lamb		6 SKUs
U.S. Pork		5 SKUs
U.S. Organic Bacon		1 SKU
U.S. Turkey		1 SKU
U.S. Frozen Potatoes	McCain	4 SKUs
U.S. Sea Scallops		1 SKU
U.S. Baked Beans (canned)	RAM (local brand)	4 SKUs
U.S. Sausage and Beans (canned)	Century (local brand)	1 SKU
U.S. Green Peas Snacks	Sunshine (local brand)	1 SKU
U.S. Green Peas Snacks	Munchers (local brand)	1 SKU