



Food and Agriculture
Organization of the
United Nations



WORLD
FOOD
FORUM



Hand-in-Hand
Initiative



THE PHILIPPINES

Agrifood Key Investment Opportunities

FRANCISCO P. TIU LAUREL JR.
Secretary, Department of Agriculture

INVESTMENT FORUM | ROME, ITALY
15-17, October 2024



PRESENTATION OUTLINE

Country Overview

Enabling Policies & Environment for Investment in Agriculture

Philippine Territory and HHH Typologies

Country Investment Opportunities: Seaweed, Mango, Abaca, and Bamboo

Investment Summary

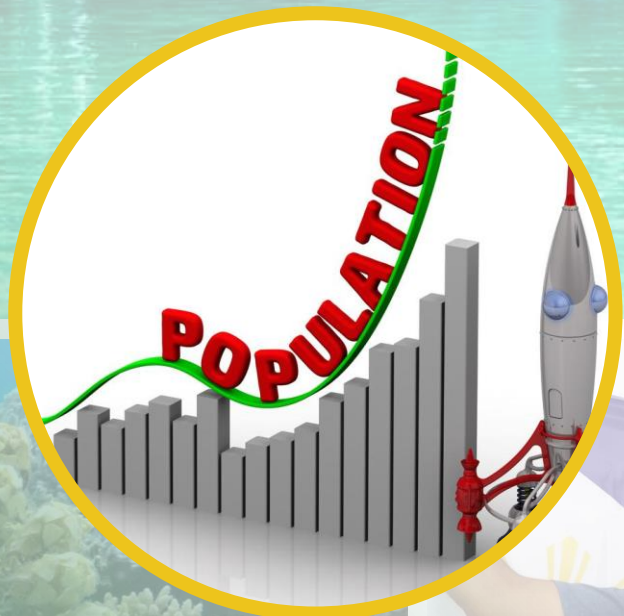
COUNTRY OVERVIEW

The Philippines, situated in Southeast Asia, is a tropical archipelago composed of more than 7,000 islands which boasts a diverse flora and fauna. Divided into three major island groups namely, Luzon, Visayas, and Mindanao, composed of 17 administrative regions and 82 provinces, the country is a cradle to approximately 180 ethnic groups.

SOCIO-DEMOGRAPHIC PROFILE



Total Population
109.03 MILLION*



Population Growth Rate
1.67%



Poverty Incidence Rate
10.9%



Labor Force Participation Rate
64.41%



Total Employment Rate
95.65%

Data Source: Philippine Statistics Authority
*Based on the 2020 PSA PopCen Statistics Report

ECONOMIC PROFILE

ENVIRONMENTAL PROFILE



Gross Domestic Product at current prices (2023)
US \$436.17 Billion



GDP Growth Rate, y-on-y (2022-2023)
5.5%



GDP per capita (2023)
US \$3,717



Exchange Rate (USD to PHP, 2023)
US \$1=PhP54.48



Foreign Direct Investments (in Million USD, 2023)

Inflows
6,210

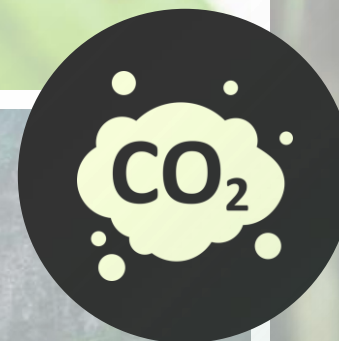
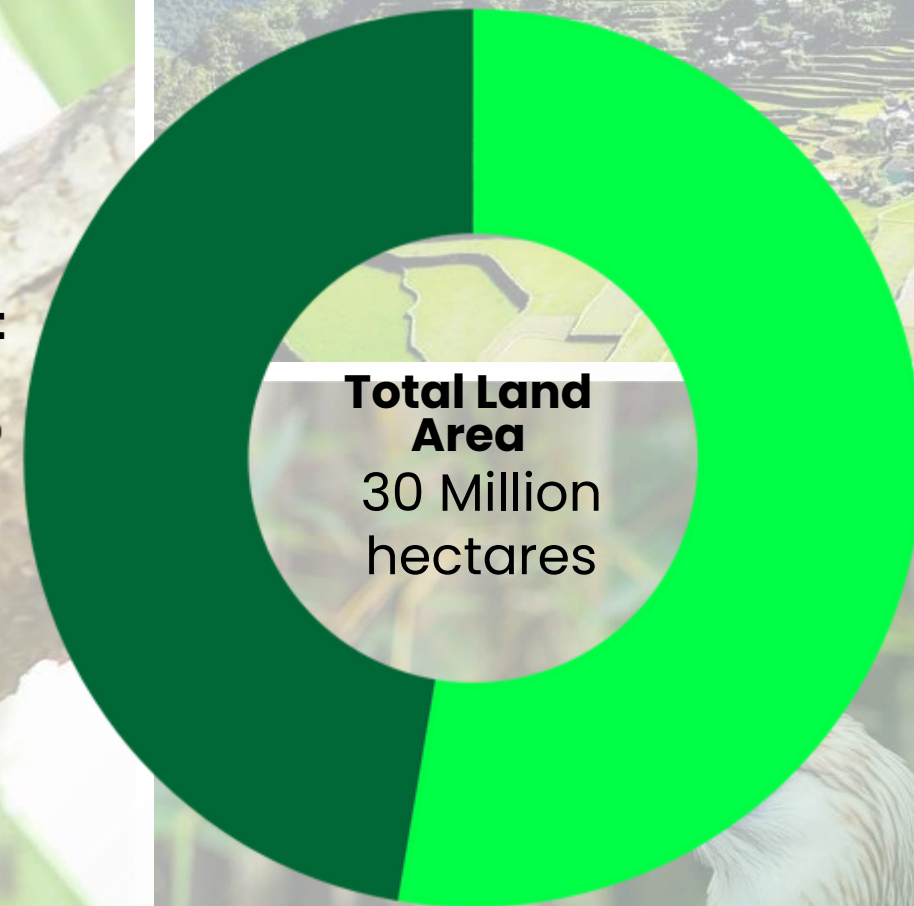
Outflows
1,251



Total Trade (in 2023)
1US \$199.8 M

Imports (in 2023)
US \$126.2 M

Exports (in 2023)
US \$73.6 M



National GHG Emissions (in GigaGrams CO2-e)
204,325.24



Total Water Supply Across all Industries
667.65 Million Cubic Meter

THE PH ADVANTAGES

Robust Economic Performance



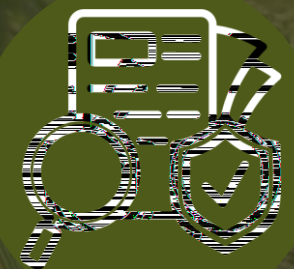
- 2023 GDP grew by 5.5% GDP
- PH on track to become a USD 1-Trillion Economy by 2033

Access to Key Factors of Production & Skilled Manpower



- Abundant arable lands
- competitive and young workforce
- available financing windows
- government-supported technological advancements

Favorable Policies



- RA 8425: Social Reform and Poverty Alleviation Act
- Food security as the Government's consistent priority
- 4-year Agriculture Development Plan

High Internet Use & Penetration



- Country's IT infrastructure growing steadily

PHILIPPINE AGRI-FISHERIES SECTOR AS AN INVESTMENT DESTINATION



Agribusiness Sector share to PH Gross Domestic Product.



Total employed workforce in the AFF Sector. This translates to 11 million workers as of June 2024.



Agri-fishery exports of the country which is 6% of the country's total merchandise export. The Philippines is an established global leader in exporting banana, pineapple, mango, coconut, carrageenan and tuna.

Key investments from multinational companies such as:

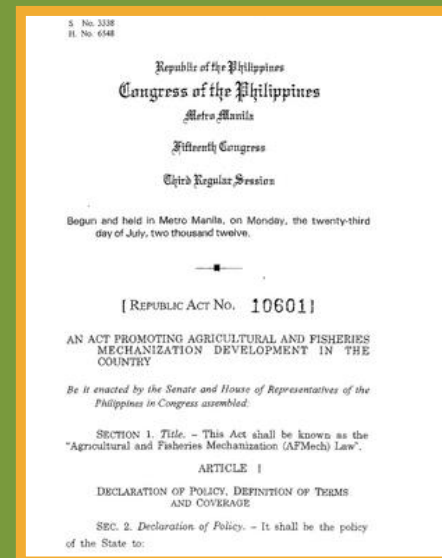


These significant share makes the agribusiness industry one of pillars of the Philippine economy.

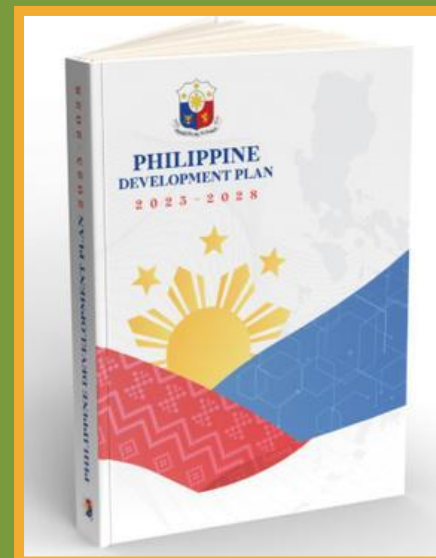
KEY AGRICULTURAL POLICIES AND PLANS



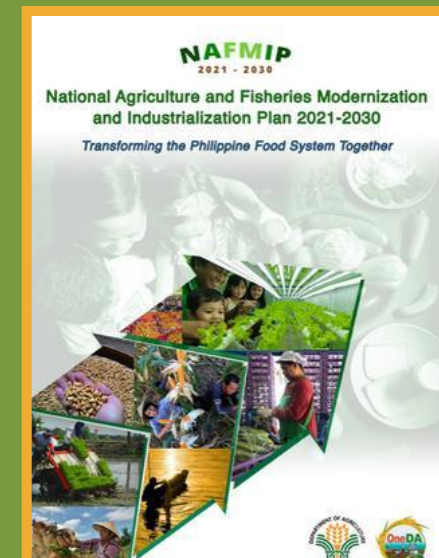
**Republic Act No. 8435:
Agriculture and Fisheries
Modernization Act (AFMA)**



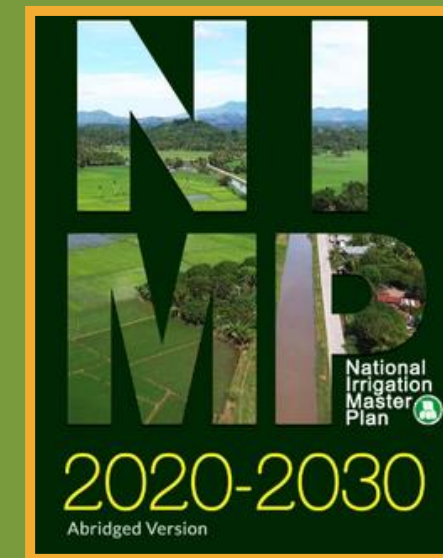
**Republic Act No. 10601:
Agriculture and Fisheries
Mechanization Act (AFMECH)**



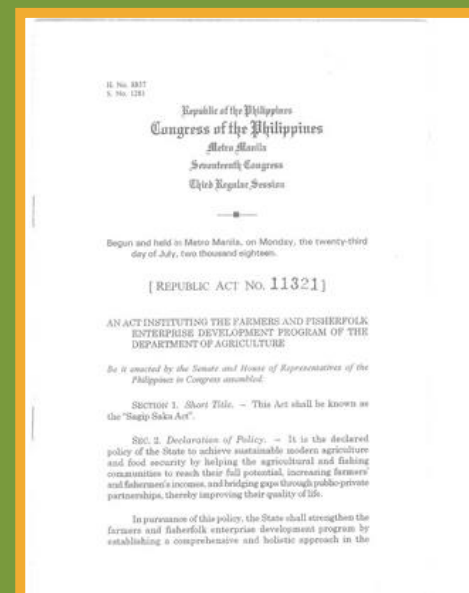
**2023-2028 Philippine
Development Plan**



**2021-2030 National Agriculture
and Fisheries Modernization and
Industrialization Plan (NAFMIP)**



**National Irrigation
Master Plan 2020-
2030**



**Republic Act No. 11321
s. 2019: SAGIP SAKA
ACT**



**Republic Act No. 8550:
The Philippine Fisheries
Code of 1998**

ENABLING ENVIRONMENT FOR INVESTMENTS

I. FISCAL SUPPORT & INVESTMENT PRIORITIES PLAN



Republic Act No. 11534, s. 2021: Corporate Recovery and Tax Incentives for Enterprise (CREATE) Act



Republic Act No. 7042 as amended by RA No. 8179: Foreign Investment Act (FIA)

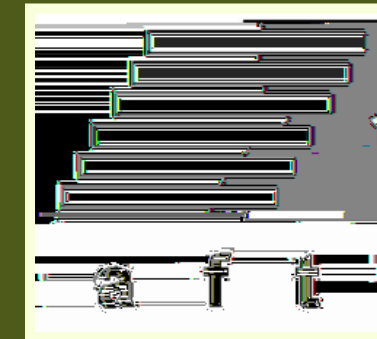


Republic Act No. 11659: Public Services Act (PSA)



Republic Act No. 7916 as amended by RA No. 8748: Special Economic Zones Act

IV. TRADE & MARKET ACCESS



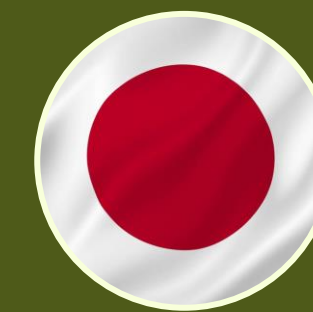
ASEAN Free Trade Agreement



Regional Comprehensive Economic Partnership (RCEP)



ASEAN



JAPAN



EUROPEAN UNION



SOUTH KOREA

V. INFRASTRUCTURE DEVELOPMENT



Build Better More (BBM) Program



Digital Infrastructure

II. GREEN LANES FOR STRATEGIC INVESTMENTS



III. INVESTMENT PROMOTION AGENCIES (IPAS) AND ECONOMIC ZONES



Board of Investments (BOI)

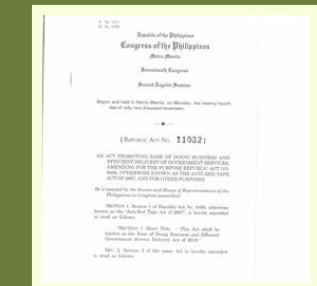


Philippine Economic Zone Authority (PEZA)



Subic and Clark Freeport Zones

VI. EASE OF DOING BUSINESS AND ANTI-RED TAPE ACT



Republic Act No. 11032
Ease of Doing Business Act



Anti-Red Tape Authority (ARTA)

ENABLING POLICIES & ENVIRONMENT FOR INVESTMENTS

STRATEGIC INVESTMENT PRIORITY PLAN (SIPP)

- Contains the list of priority industries and activities eligible for incentives pursuant to Republic Act No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act.
- Prioritizes agriculture with tax holidays, duty-free equipment, and other incentives

SIPP-listed activities registered with the BOI or other investment promotion agencies may enjoy 9 to 40 years of fiscal incentives, depending on Tier classification, location and Market orientation (export/domestic).

FISCAL INCENTIVES INCLUDE:

5-7 Years
Income Tax
Holiday (ITH)

5% Special
Corporate Income
Tax (SCIT) based
on Gross Income
Earned

Duty exemption on
importation of
capital equipment,
raw materials, spare
parts, and
accessories

VAT exemption
and VAT zero-
rating on local
purchases

Enhanced
Deductions



**Republic Act No. 11534 s.
2021: Corporate Recovery
and Tax Incentives for
Enterprise (CREATE) Act**

Transformative and Innovative Investment for Agriculture and Fishery Sector



PH Seaweed Industry Roadmap



PH Mango Industry Roadmap

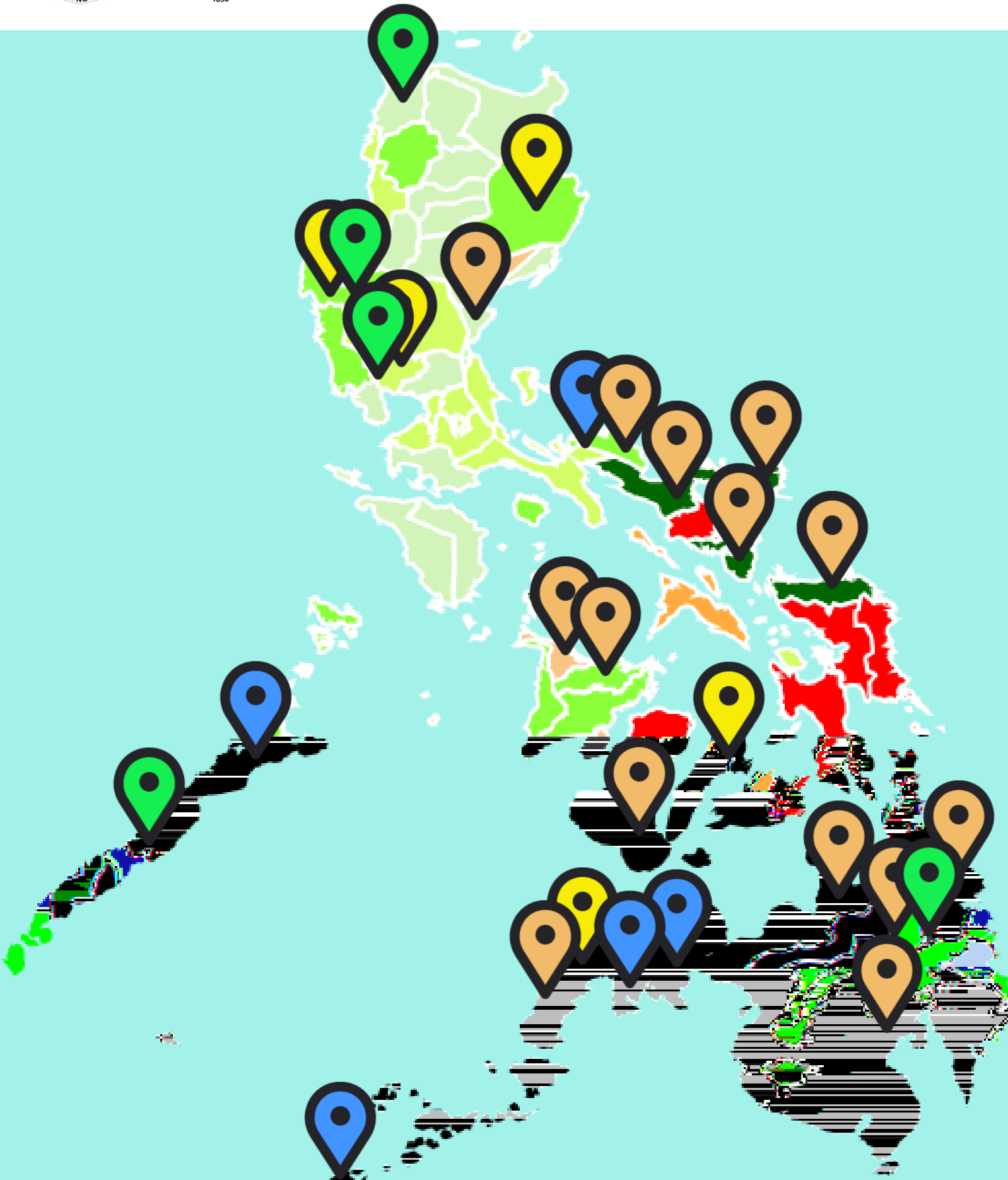


PH Abaca Industry Roadmap



PH Bamboo Industry Roadmap

PHILIPPINE TERRITORY AND HIH TYPOLOGIES



TYPOLOGIES	DESCRIPTION		
	Poverty	Potential	Efficiency
Critical with moderate agricultural opportunities	High	Moderate	Any
Medium priority with moderate agricultural opportunities	Medium	Moderate	Any
Low priority	Moderate	Moderate	Any
High priority	High	Medium/High	Medium / Moderate
Medium priority with high agricultural opportunities	Medium	Medium/High	Medium/ Moderate
Low priority with high agricultural opportunities	Moderate	Medium/High	Medium/ Moderate
High performance	Moderate	Medium/High	High



Seaweed



Mango



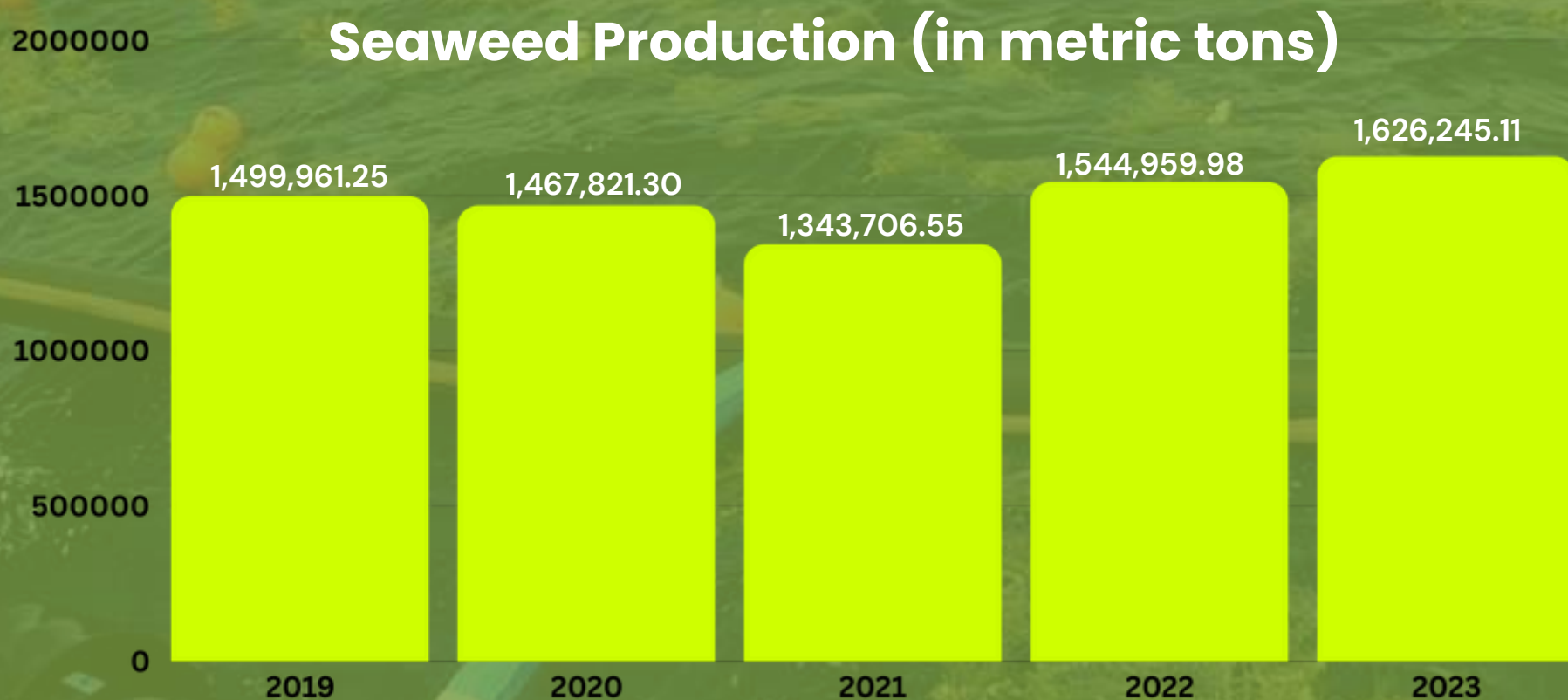
Abaca



Bamboo

INVESTMENT OPPORTUNITY 1: INNOVATIVE DEEP-SEA SEAWEED FARMING USING CIRCULAR CAGE METHOD

- Carrageenan Global Market Value (2023) - **USD 924.74M**
- Percentage contribution to the total aquaculture production (2023) - **68%**
- Approximate Utilized Seaweed Farming Areas (in hectares) - **90,586**
- Approximate Potential Farmable Areas (in hectares) - **700,000**



Source: Philippine Statistics Authority

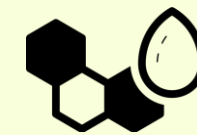
Why invest in Seaweed?



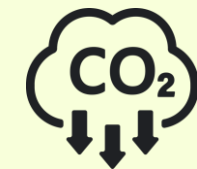
Growing local and international demand industries such as food and beverages, pharmaceuticals and cosmetics



Sustainable economic solution as major source of income in the coastal communities, etc.



Rich in essential nutrients and human health-promoting compounds as well as natural plant hormones and source of biogas



Vital environmental services serving as habitat of different marine species, sequester CO2 from the atmosphere, reduce ocean acidity, etc.

Seaweed Products



RAW FRESH SEAWEED



RAW DRIED SEAWEED



SEMI REFINED CARRAGEENAN



REFINED CARRAGEENAN

INNOVATIVE DEEP-SEA SEAWEED FARMING USING CIRCULAR CAGE METHOD

BOTTLENECK	KEY INVESTMENT NEEDED	RISK	MITIGATION
<ul style="list-style-type: none">• Shortage in the production of laboratory-grown plantlets.• Lack of Seaweed Nurseries.• Limited supply of good quality propagules due to low productivity of the current cultivars.	<ul style="list-style-type: none">• [Private] Expansion of seaweed production sites / areas.• [Public] Upgrading of the 10 seaweed culture laboratories to produce good quality propagules.• [Public] Research and Development on fast growing species of <i>Kappaphycus</i>.	<ul style="list-style-type: none">• Vulnerability to seasonal weather disturbances and Impacts of climate change.• Prevalence of seaweed pests and diseases.• Lack of direct linkage by the farmers to the exporters and processors.• Limited knowledge on developmental aspects of seaweed farming.	<ul style="list-style-type: none">• Regular monitoring of environmental parameters and farmed seaweeds.• Implement biosecurity measures.• Application of insurance with PCIC.

INNOVATIVE DEEP-SEA SEAWEED FARMING USING CIRCULAR CAGE METHOD

Objective: To foster the sustainable progress and resilience of Philippines' seaweed sector

Target Project Location: 5 sites - Camarines Norte (Region V), Palawan (MIMAROPA Region), Zamboanga Sibugay, Zamboanga Del Sur (Region IX), and Tawi-Tawi (BARMM)

Beneficiaries: 22,500 seaweed farmers

Required Investment (1 Year): US \$931.60 Million

Internal Rate of Return (IRR): 32%

Net Present Value (NPV): US \$2.67 Billion

GOVERNMENT COUNTERPART:

- Operation of seaweed laboratory to produce good quality propagules - **USD 53,360**
- Analysis of quality RDS - **USD 17,786**
- Technical assistance on the operation of circular cages - **USD 1,700**
- At least 2 Capacity building to strengthen seaweed farmers' cooperatives - **USD 250,000**

EXPECTED OUTPUT:

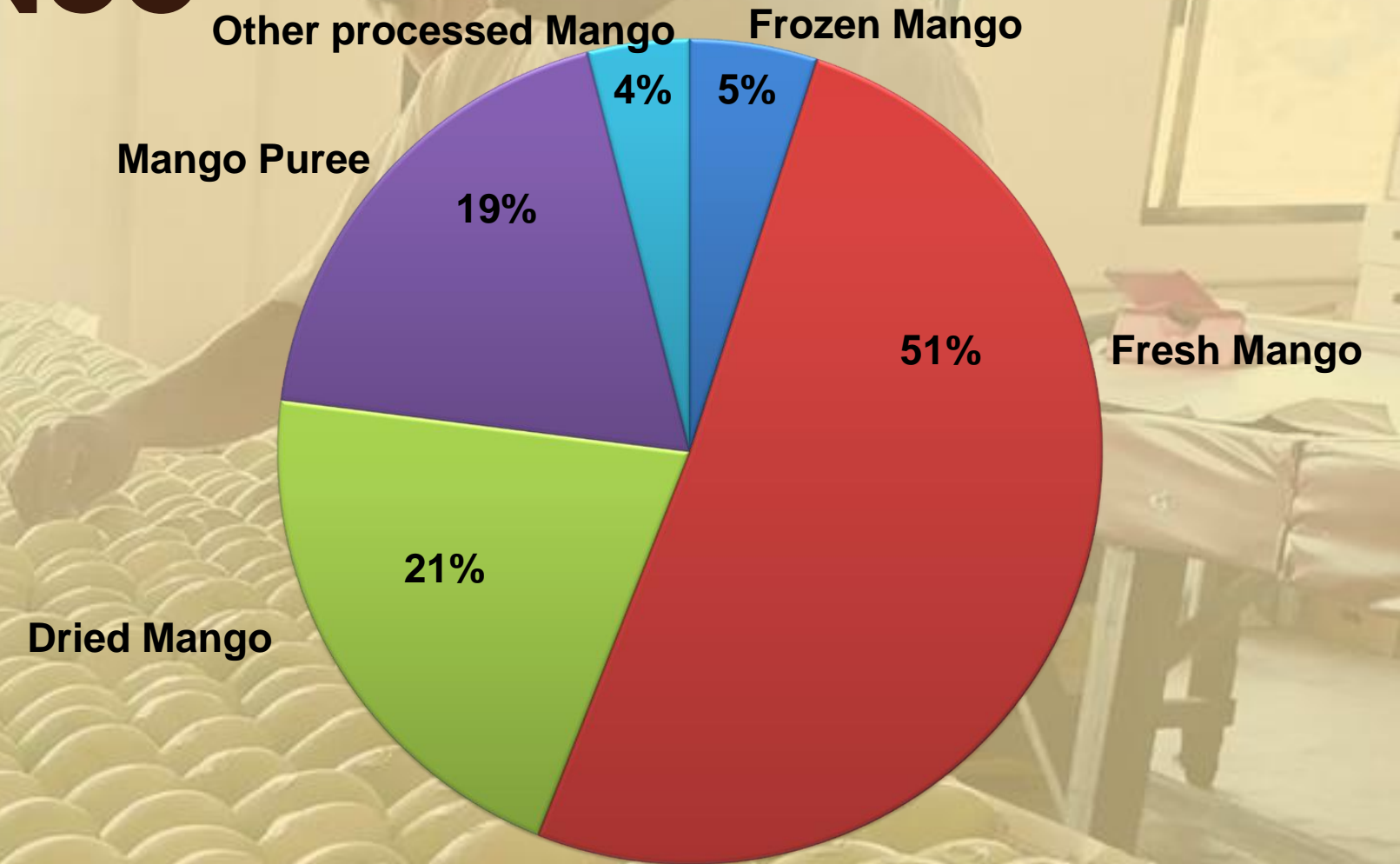
- Increased annual income of seaweed farmers by 50-60%.
- Expanded market access.
- Increased carrageenan production and utilization.



INVESTMENT OPPORTUNITY 2: MANGO INTEGRATED TREATMENT AND PROCESSING FACILITY

Philippine Mango Industry

- Volume of Production in 2023 (metric tons) – 786,043.7
- Area of production in 2023 (hectare) – 191,874.8
- Number of bearing trees – 9,974,227
- Average Yield (metric ton/hectare) – 4.1
- Mango is the 3rd most exported fruit crop in the Philippines (fresh or processed)



Why Invest in Mango?



Mango Products

- Identified as one of the top priority commodities; promoted for FAO-One Country, One Product Initiative.
- High demand in both local and global markets.
- Philippine Mango industry has active stakeholders.
- Philippine Guimaras Mango earned the Geographical Indication (GI) seal from IPOPhil for the fresh mango fruits produced in the province.

MANGO INTEGRATED TREATMENT AND PROCESSING FACILITY

BOTTLENECK

- In consistent supply and price (highly seasonal).
- High post-harvest losses
- Limited access to modern post-harvest facilities for export and value adding.
- Underutilized mango waste from processing (mango peels and kernels).

KEY INVESTMENT NEEDED

- Post-Harvest and Value Addition Technologies
 - Advanced technologies to extend the shelf-life of mangoes and improve quality for broader market access.
 - Development of mango processing facilities and commercialization of mango by-products to maximize resource utilization and create additional revenue streams.
- Export Infrastructure
 - Establish and upgrade export treatment and processing facilities, such Individual Quick Frozen (IQF) facilities.
- Plantation Expansion
 - Expansion of mango plantation areas to boost production capacity and ensure sustainability.

RISK

- Market fluctuations and price volatility.
- Farmer engagement or supply continuity.
- Incidence of pest and diseases.
- Climate-related risks affecting supply .

MITIGATION

- Diversify product offerings to include dried, frozen, and processed mangoes, enabling the project to tap multiple market segments.
- Adopt science-based climate-resilient farming practices.
- Crop production programming
- Close cooperation with farmer groups

MANGO INTEGRATED TREATMENT AND PROCESSING FACILITY

Objective: Promote value addition and improve product quality and shelf life of mango to foster competitiveness in local and global markets through exportable high-quality processed mango products.

Target Project for Facility Establishment: 5 sites - Pangasinan (Region I), Isabela (Region II), Pampanga (Region III), Cebu City (Region VII), and Zamboanga City (Region IX)

Beneficiaries: 27,268 Mango Farmers (5 Mango farmer cooperatives and associations)
Product Output: Fresh mango export, IQF mangoes, Purees, Pickled Mangoes and Waste Utilization (Fertilizer)

REQUIRED INVESTMENT:	US \$50 Million
INTERNAL RATE OF RETURN (IRR):	65%
NET PRESENT VALUE (NPV):	US \$64.1 Million

GOVERNMENT COUNTERPART:

- Support to area expansion and subsidized production operation.
- Coordination with farmer groups for market linkages.

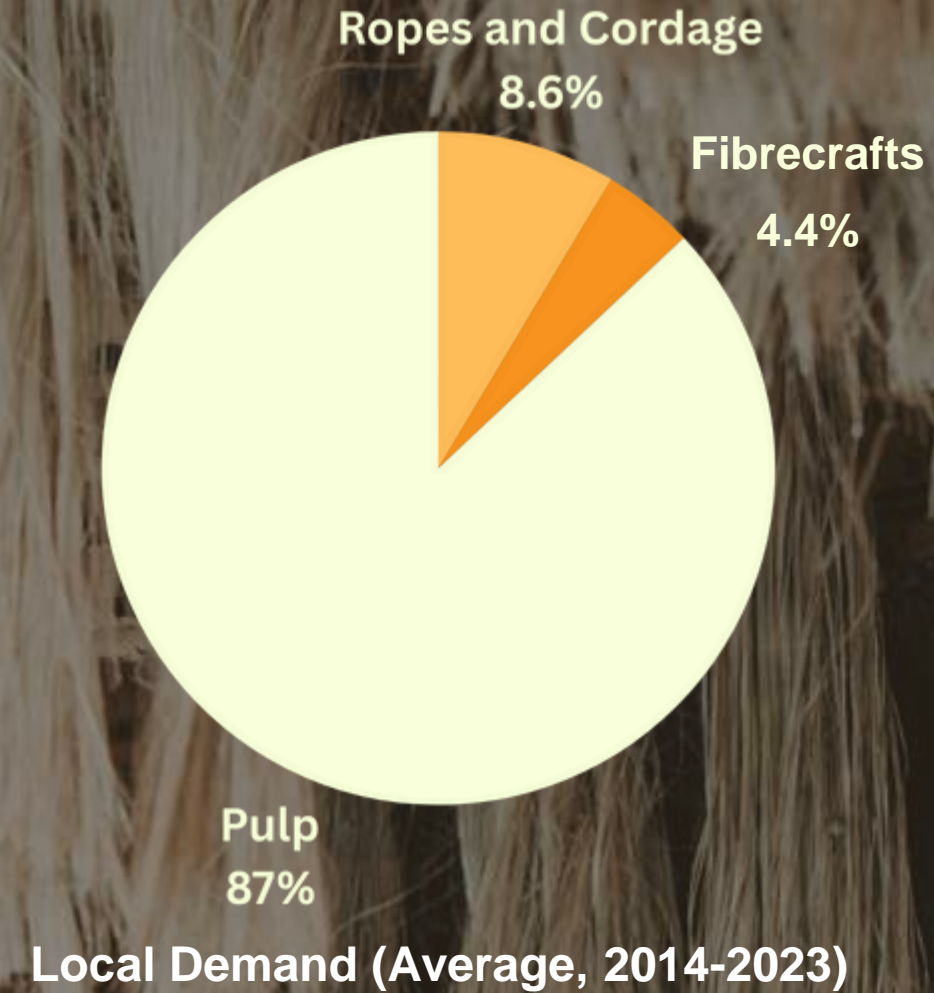
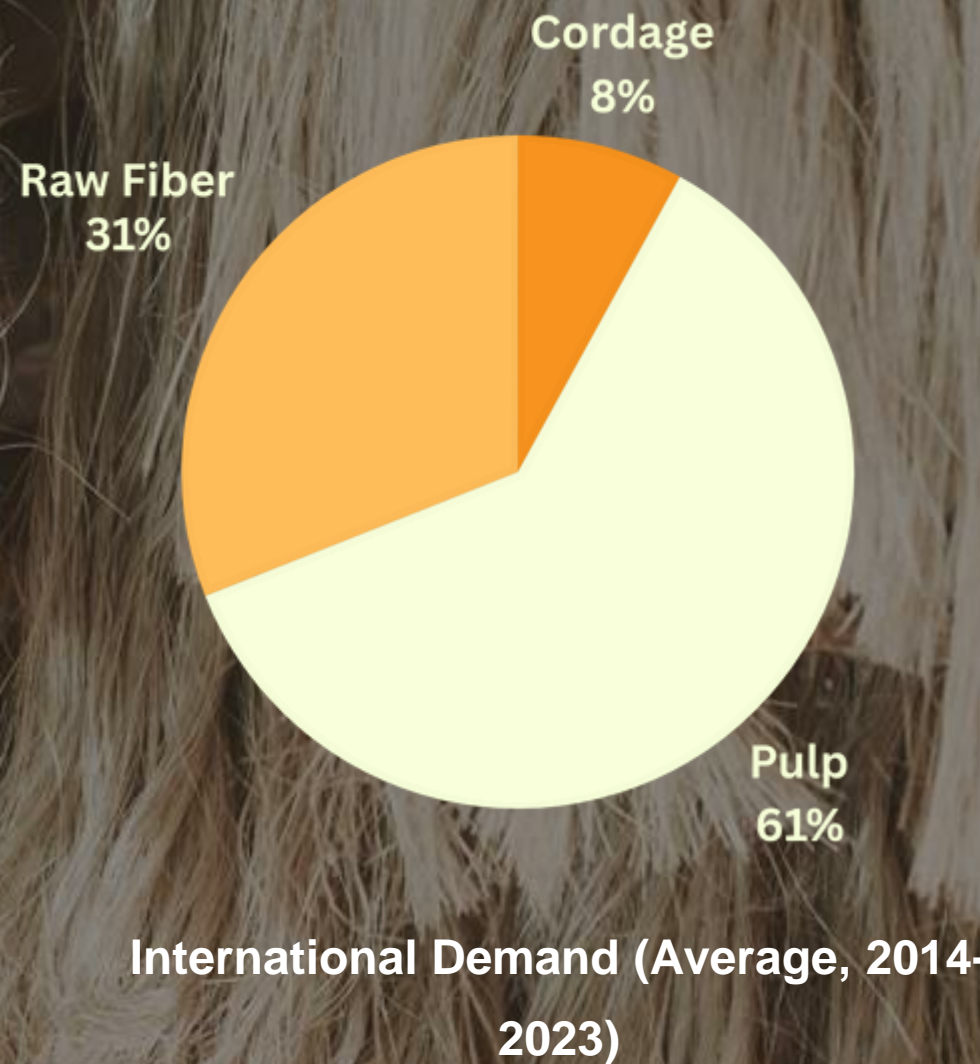
EXPECTED OUTPUT:

- Philippine Mango as *world's best - fresh and processed products.*
- Efficient processing of mango products and utilization of by products
- Increased income in all segments of the value chain.



INVESTMENT OPPORTUNITY 3: ABACA PROCESSING CENTER

- Philippines contribution to the world's abaca requirements – **85.7%**
- Production area in 2023 (hectares) – **162,546.2**
- Production volume (metric tons) – **46,195.9**
- Export earnings (in F.O.B. USD) – **117.22 Million**



Why Invest in Abaca?



Teabags



Furniture



Ropes/Cordage



Composites for
Automobile

Uses of Abaca

- High demand and major export commodity
- Significant supply gap: Annual volume deficit of raw fiber at least **25,000 metric tons**.
- Sustainable and Environment-Friendly wherein it aligns with the growing movement towards reducing plastic and non-biodegradable wastes.
- Job opportunities for low-income farmers by providing sustainable livelihoods throughout the entire production chain.

ABACA PROCESSING CENTER

BOTTLENECK

- Inadequate post-harvest facilities/center for abaca fiber extraction and value-added which leads to inefficiencies and lower quality of abaca fiber produced/products

KEY INVESTMENT NEEDED

- Establishment and expansion of abaca plantations as a sustainable source of fiber.
- Establishment of a processing center with support equipment and facilities to boost production efficiency, enhance fiber quality, and produce value-added products.

RISK

- Abaca plants are vulnerable to diseases and pests, which can lead to reduced yield and affects the supply chain.
- The global demand for abaca fibers can fluctuate based on changes in the market and competition with synthetic fibers.
- Variations in fiber extraction techniques and improper post-harvest handling can lead to inconsistent fiber quality, affecting market value.
- Limited facilities to process and add value to the fiber, reducing potential profits and market opportunities.

MITIGATION

- Invest in establishing processing centers to increase extraction efficiency, improve fiber quality, and add value to the products, thereby enhancing overall productivity and profitability.
- Engage in Public-Private Partnerships to share the investment and ensure sustainability of the facilities.

ABACA PROCESSING CENTER

Objective: To increase the income of abaca farmers, through improved quality and sustainable fiber production.

Target Project for Processing Center Establishments: 14 sites- Aurora (Region III), Catanduanes, Camarines Norte, Camarines Sur and Sorsogon (Region V), Capiz and Aklan (Region VI), Negros Oriental (Region VII), Northern Samar (Region VIII), Zamboanga del Norte (Region IX), Misamis Oriental (Region X), Davao del Sur (Region XI), Surigao del Sur and Agusan del Norte (Region XIII)

Beneficiaries: 2,800 Abaca Farmers

Farms to expand/establish: 2,400 ha of abaca farm areas (400 ha.-expansion, 2,000 ha. -establishment)

REQUIRED INVESTMENT (3 YEARS):	US\$24.017Million
INTERNAL RATE OF RETURN (IRR):	39%
NET PRESENT VALUE (NPV):	US \$41.8 Million

GOVERNMENT COUNTERPARTS:

- Areas where the center will be established (US \$ 14,006)
- Maintenance of abaca farm areas to ensure a sustainable supply of tuxies for the center and continuous production of abaca fibers (US\$ 420,103)
- Continuous training on Good Agricultural Practices (GAP) and technical support services (US\$ 24,506)

EXPECTED OUTPUTS:

- Produced at least 12,600 metric tons of abaca fibers annually, which can meet only 50.4% of the total global demand for abaca
- Increased income of abaca farmers by at least 50%
- Established 14 processing centers and 2,400 abaca farm areas.

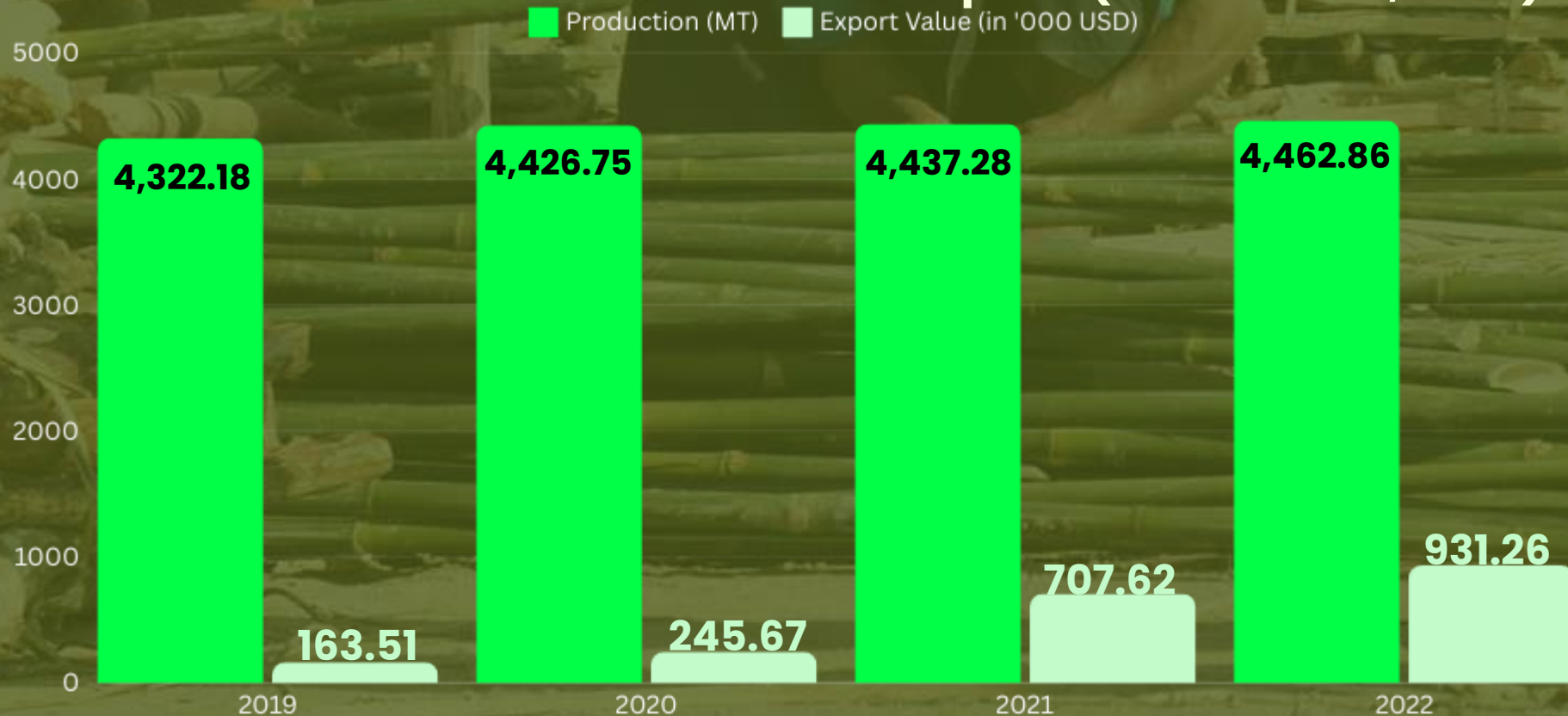


INVESTMENT OPPORTUNITY 4: CLIMATE SMART BAMBOO DEVELOPMENT

Bamboo Industry

- Significant role in both environmental **sustainability and economic development**.
- Supports industries such as furniture, construction, handicrafts, and new markets like engineered bamboo products, biomass, and aviation fuel.
- Export Markets of PH Bamboo- US, Japan, and Europe
- GVA (2018) is approximately Php 3.75 Billion (Mfg: Wood, Bamboo, Cane & Rattan)

Bamboo Shoot Production & Value of Export (PSA and DTI, 2023)



Why invest in Bamboo?



Growing Global Market set to reach \$75.12 billion by 2024, with a CAGR of 6.8% from 2024 to 2033, offering significant export potential for the Philippines.



High Export Potential, PH bamboo reached USD 25 million in 2022. Major expansion markets are U.S., Japan, and EU.



Bamboo's versatility in construction, furniture, textiles, and others - positions it as a sustainable alternative to traditional materials like wood and plastic (sustainable, durable, and eco-friendly).



Early maturity of 3-5 years and can be harvested annually for up to 50 years, providing consistent, long-term returns.

Bamboo Products



Industrial use



Carbon sequestration



Furniture



Food and cosmetics

CLIMATE SMART BAMBOO DEVELOPMENT

BOTTLENECK	KEY INVESTMENT NEEDED	RISK	MITIGATION
<ul style="list-style-type: none"> • Infrastructure gaps and lack of processing facilities. • High entry costs of establishing plantation and facilities. • Competing land uses and limited awareness of the bamboo market and potential use. • Supply chain issues & Lack of inventory of bamboo database. • Regulatory hurdles in bamboo investments. 	<ul style="list-style-type: none"> • [Private] Establish or upgrade local processing and manufacturing facilities. • [Private] Invest in bamboo breeding, sustainable practices, and climate-smart technologies. • [Public-Private] Securing long-term land access and promotion on the value of bamboo development. • [Public-Private] Investment in streamlining registration and nursery privatization. • [Public] Develop supply chain infrastructure and market linkages. 	<ul style="list-style-type: none"> • High initial capital investment in processing facilities and infrastructure. • Climate change impacts on plantation growth and productivity. • Deviation of land development plan. • Volatility in market demand for bamboo products. • Regulatory and policy shifts affecting land use and environmental regulations. 	<ul style="list-style-type: none"> • Public-Private Partnerships (PPP) to share risks and leverage funding. • Adopt climate-smart practices and resilient varieties. • Executive Order No. 879 - identify idle and marginalized areas for bamboo production. • Diversify products and markets through expanding bamboo product portfolio. • Secure government support to navigate regulatory and policy hurdles.

CLIMATE SMART BAMBOO DEVELOPMENT

Objective: Establishment of a diversified bamboo farming system (Tissue Culture and Processing Facility + Plantation)

Target Project Production and Facility Development: 5 sites – Ilocos Norte (Region I), Pangasinan (Region I), Pampanga (Region III), Palawan (Region MIMAROPA), and Agusan del Sur (Region XIII)

Initial production area: 100 ha (Ilocos Norte)

Potential production areas: 400 ha (idle and mined-out areas)

Direct Beneficiaries: 4 farmer associations + 1 Indigenous People Community

REQUIRED INVESTMENT (5 YRS): US \$2.602 Million

INTERNAL RATE OF RETURN (IRR): 48%

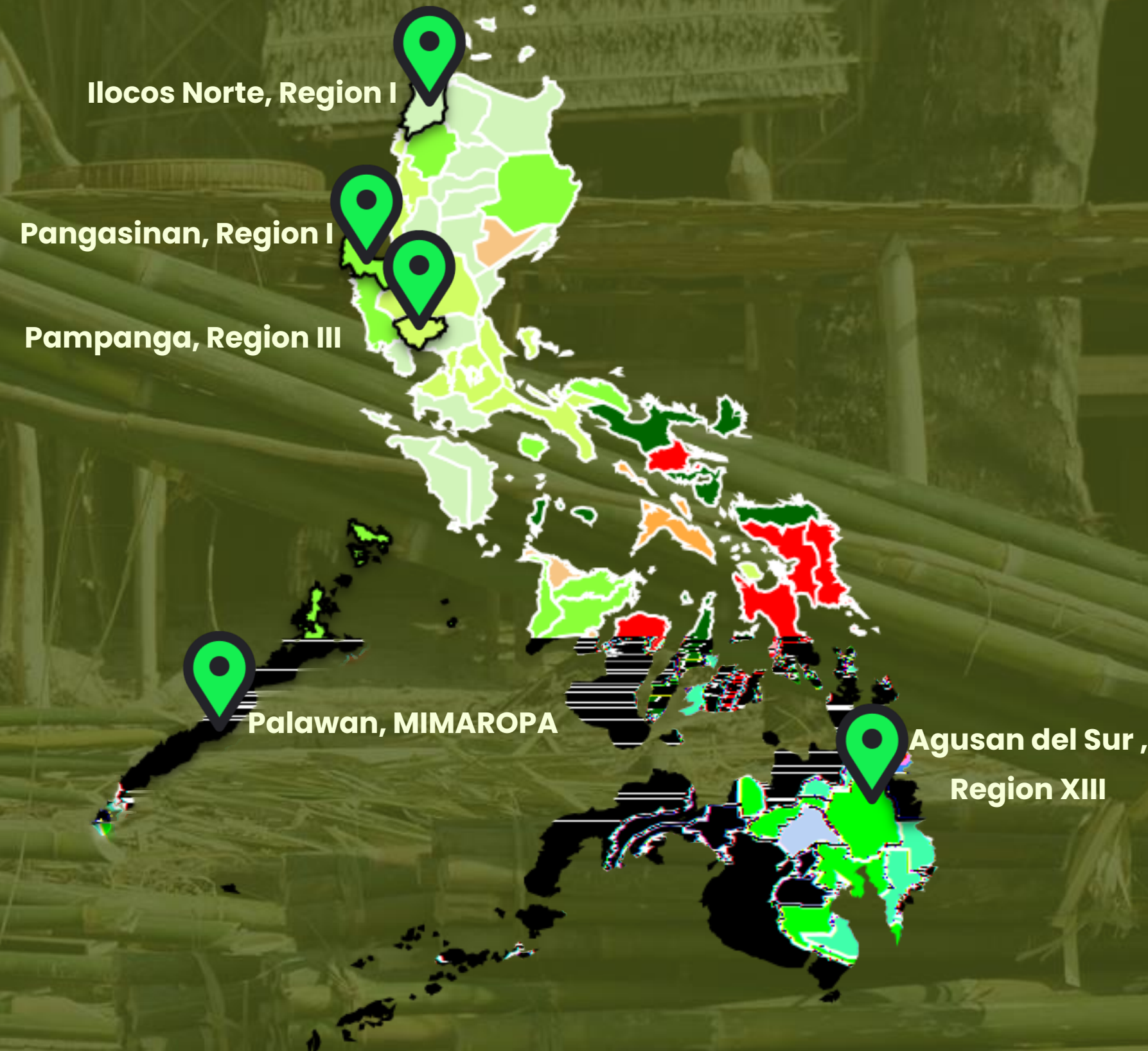
NET PRESENT VALUE (NPV): US \$11 Million

GOVERNMENT COUNTERPART:








- Policy formulation and support
- Bamboo-based agroforestry model plantation
- Technology transfer and capacity-building activities
- Infrastructure and Market Support
- Climate Action and Environmental Protection



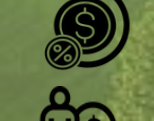



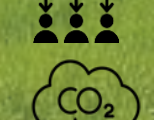
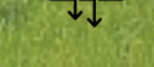
EXPECTED OUTPUT:

- Reduced CO₂ emissions (200 tons/ha/yr absorption)
- Biomass & Aviation Fuel Use
- Substitute to wood
- Increased income
- Diversified farming system
- Sustainable practice



HIH INVESTMENT PLAN

						
Total Investment Requirement	Total NPV	Average IRR	Average Per Capita Income	Provinces	Total Beneficiaries	Total CO2-e Sequestered
US \$1.008 Billion	US \$2.787 Billion	46%	US \$36,681	29 Provinces	52,668 Farmers	182,403 tons

	SEAWEED	MANGO	ABACA	BAMBOO
	Innovative Deep-Sea Seaweed Farming using Circular Cage Method	Mango Integrated Treatment and Processing Facility	Abaca Processing Center	Climate Smart Bamboo Development
	US \$931.6 Million	US \$50 Million	US \$24.017Million	US \$2.602 Million
	US \$2.67 Billion	US \$64.1 Million	US 41.8 Million	US \$11 Million
	32%	65%	39%	48%
	US \$118,608	US \$1,514	US \$16,290	US \$10,311
	5 Provinces	5 Provinces	14 Provinces	5 Provinces
	Global Market Value US \$924.74 Million	Global Market Value US \$ 63.65 Billion	Global Market Value US \$139.19 Million	Global Market Value US \$75.12 Billion
	22,500 Seaweed Farmers	27,268 Mango Farmers	2,800 Abaca Farmers	100 Farmers
	750 tons	161,488 tons	12,600 tons	7,575 tons