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**Report Highlights:**

The convenience provided by deli shops combined with the popularity of online platforms facilitated increased home consumption of imported premium products, especially U.S. beef, during the pandemic. As the country rolls back pandemic mobility restrictions, deli stores supplying to individuals, restaurants, hotels, and events should experience continued sales increases, recovering to pre-pandemic level in 2023. Deli shops provide opportunities for U.S. beef, cheese, wine, and spirits.

# Philippine Market Brief

## Deli Shops



**Deli shops present a growing opportunity for selling premium imported products, including U.S. beef, cheese, wine, and spirits. As internet sales grew during the pandemic, many deli stores boosted their online platforms. With the reopening of the Philippines economy, sales of deli shops in 2023 are expected to reach their pre-pandemic levels as bulk orders from restaurants, hotels, and event catering resume.**

In the Philippines, most deli shops serve as retail stores, providing convenience and safety to households for daily consumption of imported premium products and celebrations at home. Other deli shops offer a taste of deli products through dine-in or takeaway meals. The number of deli shops increased at the onset of the pandemic as more deli shops joined the market. Others pursued online platforms to offset low foot traffic. Based on interviews, however, sales of online resellers declined in 2022 as some consumers resorted back to buying products from brick-and-mortar deli shops and retail stores. The majority of sales for most deli shops come from U.S. beef, indicating more opportunity for U.S. products.

The Philippines ranked the highest in Southeast Asia in 2021 on U.S. consumer-oriented exports, valued at 1.4 million dollars.

Consumer-oriented products from the United States posted 23 percent growth in the market from 2020 to 2021.

Importers, however, continued to experience logistical challenges during the pandemic and resorted to advance ordering, especially for U.S. beef.

*Table 1 Key Imported Deli Shop Products by Country of Origin*

Key Imported Deli Shop Products by Country of Origin	
Beef, Pork, and Poultry	United States, Australia, Spain, Portugal, and New Zealand
Cheese	France, Switzerland, Italy, Netherlands, Spain, Australia, New Zealand, and England
Wines	France, Italy, South Africa, Brazil, Argentina, Australia, and United States
Spirits	Germany, Switzerland, Italy, France, Switzerland, and United States

Source: USDA-FAS interviews and research

### Market Situation and Trends

- Premiumization trends led to product quality improvements and diversification of product selections. Consumers, especially Gen Z, allocate more resources toward enjoyment, resulting in occasional splurges on food like the imported products found in deli shops.

- Safety concerns during the pandemic led some consumers to buy from neighborhood-based deli shops and online stores. Home cooking became a practical choice for many, especially for imported food found in deli shops. Demand for imported premium beef, cheeses, and wines for weekends and special occasions became popular.
- In the 1990s, deli shops became prevalent in Metro Manila, the metropolitan area made up of 16 cities. Several deli shops sprang up due to consumers' desire to enjoy high-quality food at home after tasting dishes previously enjoyed in restaurants, in hotels, and during travel abroad. Other deli shops eventually expanded outside Metro Manila, such as [JedCo](#) in Cebu City and [Mindanao Basket](#) in Davao City.
- Online sales platforms of deli shops facilitated growth of imported goods in the market during the pandemic. Some shops reported that 2021 sales surpassed 2020 thanks in part to high demand for premium U.S. beef, particularly ribeye steak. Others experienced shortages in U.S. ribeye and other cuts due to the sudden proliferation of online deli stores and meat resellers.



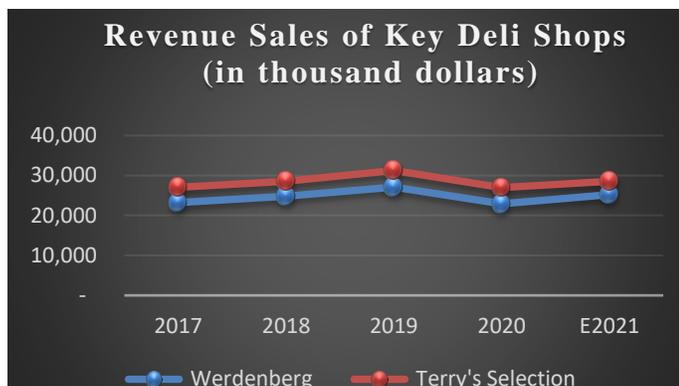
- Trends among deli shop include gift packs curated by famous chefs, organic produce, and foods produced through sustainable farming efforts. Some delis provide selected products made from premium local and imported ingredients, packed conveniently for home consumption. Others offer personalized services, including choice cuts of meat and cheese and customized baskets for gift-giving, especially during the Christmas season.
- Deli shops can quickly launch promotions without the listing fees, minimum volume orders, and merchandising usually required of traditional grocery stores and supermarkets. Deli shops can introduce new products without large volume quantities and samplings.

### Top Deli Shops

While most deli shops are clustered in Metro Manila, others have found markets in cities like Bacolod, Cebu, and Davao. Supermarkets such as [The Marketplace](#) have introduced deli sections to sell imported meat, cheese, and sandwiches to grocery shoppers.

Moreover, some independent deli shops found a niche in opening new stores in selected communities, while others closed due to low foot traffic.

The largest deli shop chain in the Philippines is [Santi's Delicatessen](#), followed by [Terry's Selection](#). Santi's posted an estimated 10 percent growth in 2021 due to increased sales of U.S. beef. Some of the top deli shops in the Philippines are found in Table 2.



Source: Audited Financial Statements and USDA-FAS interviews

Table 2 Deli Shops in the Philippines

Deli Shops	Shop and Dine Deli Shops	Online Deli Shops
<a href="#">Santi's Delicatessen</a>	<a href="#">Terry's Selection</a>	<a href="#">Rare Food Shop</a>
<a href="#">Bacchus Epicerie</a>	<a href="#">The Marketplace</a>	<a href="#">Deli by Chele</a>
<a href="#">JEDCo</a>	<a href="#">Meat Depot</a>	<a href="#">Delimondo</a>
<a href="#">Mindanao Basket</a>	<a href="#">Swiss Deli</a>	<a href="#">Deli.PH</a>
<a href="#">One World Deli</a>	<a href="#">Wildflour Deli &amp; Bakery</a>	

Source: USDA-FAS interviews and research

### [Santi's Delicatessen](#)

Werdenberg International Corporation opened [Santi's Delicatessen](#) 35 years ago. From a small section in the factory of Euro-Swiss Food, Santi's evolved into 12 branches across Metro Manila, Cavite, Laguna, and Batangas. Santi's Delicatessen is known for selling U.S. beef, processed meats of Euro-Swiss Food, and customized Christmas baskets.

### [Terry's Selection](#)

For almost 23 years, [Terry's Selection](#) has provided deli products in Metro Manila and Cebu. Terry's Selection provides dine-in services and winetasting events through seven branches of Terry's Bistro and Bistro Madrid restaurants while offering ready-to-eat dishes online. Products include charcuterie and cheese platters, wine kits, and savory dishes including U.S. beef.

## Top Selling Products

Deli shops sell imported meat, cheeses, wines, spirits, chocolates, sauces, dressings, condiments, produce, and other products. U.S. beef remains the top-selling product in most deli shops. Fine cheeses, wines, and spirits from the United States show potential but need more consumers awareness.

## [Beef](#)

Consumers frequent deli shops for premium beef cuts, and U.S. beef enjoys a reputation as the best.

Ribeye, tenderloin, short rib, and top plate remain the best-selling cuts.

Interviewees indicated consumers prefer U.S. ribeye steak the most, where deli

shops experience supply shortages due to significant demand. Other meat cuts such as Samgyeopsal and Sukiyaki are becoming popular.

Due to premiumization trends and pent-up demand, some purchasers upgrade to premium cuts or higher grades of beef for abundant marbling, such as Prime ribeye and Wagyu beef. Though not known to most consumers, the [USDA grade shields](#), varying from [Select, Choice, and Prime](#), assure importers of safe and high-quality American beef. Some U.S. cattle breeders cross breed Wagyu, a cattle breed made famous in Kobe, Japan, with U.S. cattle to create American Wagyu beef or Kobe-style beef.

While U.S. beef forms the majority of the sales of most deli shops in Metro Manila, Australian beef is more prevalent in other places such as Baguio City. Other beef imports frequently sold in supermarkets and used by manufacturers come from Brazil, India, Europe, the United Kingdom, New Zealand, and Canada. Please refer to the [2021 Livestock and Poultry Annual Report](#) for details on meat imports.

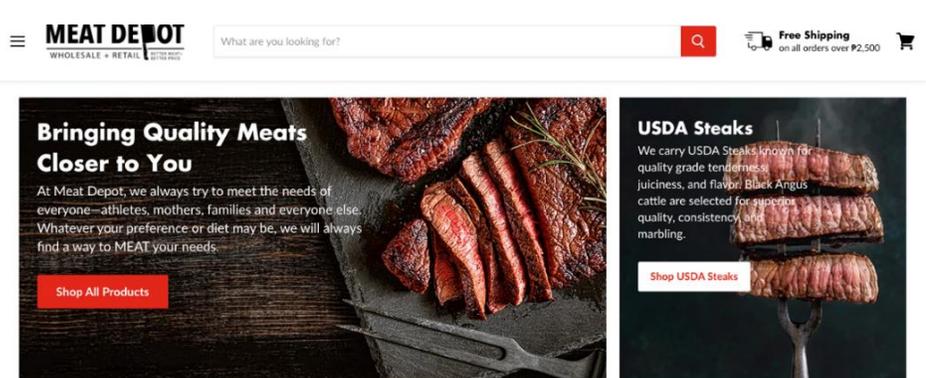
## [Dairy](#)

During the pandemic, households prepared imported cheese and charcuterie boards, primarily found in deli shops, to celebrate special occasions and small successes with family. As dine-in at restaurants and public events resume, hotels will drive demand for more imported cheeses served in buffets. Sales grew 4 percent in 2021 for hard cheese such as Cheddar, Edam, and Parmesan as pizza chains used cheese products flourished in deliveries and restaurants increased in foot traffic. Post expects imported cheese to grow further at 4 percent in 2022 to 52,000 metric tons. See [2021 Dairy and Products Annual Report](#) for details.

## [Wines and Spirits](#)

Red wine paired with steaks and spirits paired with cold cuts, cheeses, fruits, and chocolates, are primarily found in Philippine deli shops. As the ad valorem tax were levied on wines and spirits, wine sales decreased 6 percent to 23 million liters in 2020, and spirits declined by 1 percent to 751 million liters. Restrictions on social gatherings, tasting events, and alcohol consumption during the pandemic

Figure 1 Online shop featuring USDA steaks



contributed to the decline. Though most wines and spirits in the Philippines are locally made, the potential for imported wines and spirits remains.

Hotels and deli shops still favor European wines and cheeses over those from the United States, Canada, and Australia. While Santi's Delicatessen carries California wines, other deli shops in the Philippines have yet to explore U.S. wines. Traders selling U.S. wines are optimistic about growing sales five to ten percent annually despite an increase in excise tax. For details, read [New Excise Tax Structure for Alcohol Products](#).

### Others

Deli shops sell imported produce such as lettuce, cherry tomatoes, and other vegetables to make salads. Seasonal fruits, such as California strawberries, became available in deli stores. Some deli shops sell imported chocolates, biscuits, sauces, condiments, and pasta for a broader range of products.

## Importation and Logistics

Deli shops source imported products directly from U.S. exporters or Philippine importers. Buyers import products to the Philippines via airfreight or sea freight through consolidated containers. Consolidators facilitate loose cargo shipments, especially when the volume is insufficient to fill an entire container. Air freight is an alternative for high-value products coming from the Midwest and East Coast of the United States. Other deli shops with minimal volume acquire products from importers, resellers, distributors, or agents in Metro Manila.

U.S. trade associations provide marketing support, such as sampling of products, to retail stores, including deli shops. To contact U.S. trade associations, access: <https://apps.fas.usda.gov/pcd/>.

Read the following reports for further information on the import procedures:

- [Philippines: FAIRS Annual Country Report](#)
- [Philippines Country Commercial Guide: Market Entry Strategy](#)
- [Customs, Regulations, and Standards](#)
- [Import Requirements and Documentation](#)

Access other reports on the Philippine market:

- [Philippines: Exporter Guide](#)
- [Philippines: Food Service - Hotel Restaurant Institutional](#)
- [Philippines: Retail Foods](#)
- [Philippines: Food Processing Ingredients](#)

[USDA-FAS Manila](#) at the U.S. Embassy is ready to assist exporters in providing U.S. agricultural products to the Philippines and helping potential importers obtain access to U.S. suppliers. To avail of the services, contact (632) 5301-2000 or e-mail at [AgManila@usda.gov](mailto:AgManila@usda.gov).



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