

**Voluntary Report** – Voluntary - Public Distribution

**Date:** January 30, 2024

**Report Number:** RP2024-0002

**Report Name:** Metropolitan Cebu Market Brief

**Country:** Philippines

**Post:** Manila

**Report Category:** Dairy and Products, Grain and Feed, Livestock and Products, Potatoes and Potato Products, Poultry and Products

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**Report Highlights:**

Metropolitan Cebu offers strong opportunities for direct shipments of U.S. agricultural exports. As the largest domestic shipping port, Cebu serves as a distribution hub for agricultural exports to the Philippines. Located in one of the highest animal feed producing regions in the country, Cebu presents opportunities for animal feed ingredients, especially soybean meal, the top U.S. agricultural export to the Philippines in 2022. Local food and beverage manufacturers import U.S. wheat, dairy products, and mechanically deboned meat. Quick-service restaurants import U.S. poultry cuts and potato fries, while some restaurants and hotels buy U.S. prime beef and pork cuts, dairy products, and fruits from grocery stores.

# Philippine Market Brief

## Cebu City

As the economic center of the Philippines' central Visayas region, Cebu offers strong opportunities for U.S. meat, potato, dairy products, and animal feed ingredients. Cebu Port serves as a key distribution hub in the Philippines. Surpassing the cargo volume of pre-pandemic levels, international and domestic shipments in Cebu reached 66.3 million metric tons with seven percent growth from 2021 to 2022.

Table 1. Cebu City Fact Sheet

1,024,945	Population
1.61%	Population Growth Rate
980/km2	Population Density
\$5.5 billion	Gross Domestic Product
\$576 million	Assets

Source: [Philippine Statistics Authority](#), [Cebu City Government](#), and [Commission on Audit](#)

### Market Overview

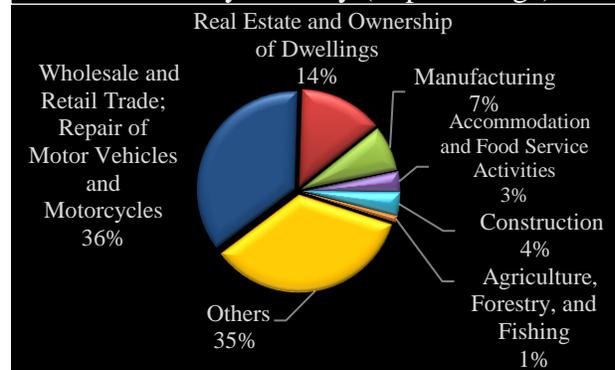
With its rich history alongside its trade and economic development, Cebu, the country's first capital, is a desirable export destination for U.S. products.

Cebu is in the central part of the Philippine archipelago. Regarded as the Queen City of the South, Cebu belongs to the Visayas region and serves as the distribution center for trade extending south to Mindanao.

Cebu, Lapu-Lapu, and Mandaue cities form part of Cebu province, the wealthiest province in the country. Cebu City was ranked as the most improved, highly urbanized city in the Philippines from 2022 to 2023. As the most populous city in the Central Visayas region, Cebu recorded second highest number of births in the Philippines in 2022.

As the top [tourist destination](#) in the Philippines, Cebu welcomed more than 2 million tourists in 2022, with 540,000 foreign tourists, mainly from Korea, the United States, and China. As businesses and investments flourish, Cebu attracts more foreigners, including international students, expats, and retirees. To help address the worsening traffic, the government recently approved the country's first bus rapid transit system in Cebu, which will be fully operational in 2025.

Figure 1. Cebu City Gross Domestic Product 2021 by Industry (in percentage)



Source: [Philippine Statistics Authority](#)

## Market Sectors

### Feed and Food Processing

A total of 2,672 manufacturing establishments in Central Visayas generated revenue of more than eight billion dollars in 2021, with most of them headquartered in Cebu. Animal feed producers located in Central Visayas, one of the top hog producing regions, present opportunities for animal feed ingredients, especially soybean meal, the [top U.S. agricultural export to the Philippines in 2022](#). Other U.S. export products for animal feeds include meat and bone meal, bakery meal, millet, soya protein, oats, whey powder, and distiller's dried grains with soluble. Some food and beverage manufacturers based in Manila have established factories and distribution centers in Cebu to supply the Visayas and Mindanao regions. Meat processing plants purchase chicken mechanically deboned meat as fillings for meat by-products and dumplings. While milling companies buy wheat, dairy manufacturers import white cheddar cheese, whey powder, and skim milk powder.



### Food Service

The Philippines' accommodation and food service sectors registered the [highest production growth at 32.1 percent](#) versus other industries from 2021 to 2022. The Cebu government expects to double visitors this year versus 2022, with hotels reaching full capacity during peak season. More 5-star hotels and resorts, high-end restaurants, and international restaurant chains have opened in Cebu and are featuring U.S. ingredients on their menus, such as premium beef cuts, pork cuts, and duck (e.g., [Nustar Resort](#), [Mott 32 – by a Michelin-awarded chef in New York](#), [Il Primo – Cebu's first Italian steakhouse](#), and [Kazuwa Prime](#)). Most of the large hotels in Cebu offer buffets that locals frequent for weekend staycations, celebrations, business meetings, and events. New restaurants strategically open in information technology parks, high-end malls, or nearby exclusive villages. Hotels and restaurants in Cebu that feature U.S. ingredients include [Shangri-La Mactan](#), [Marco Polo Plaza Cebu](#), [Dusit Thani Mactan Cebu](#), [Bai Hotel](#), [La Vie Parisienne](#), [Casa Verde](#), [TGI Friday's](#), and [Italianni's](#).

Most restaurants in Cebu buy fresh produce and grocery items from wet markets and retail stores, while some restaurant and hotel chains purchase food and beverages directly from importers to reduce costs. Restaurants and hotels in Cebu frequently buy large packages of cheese spreads, cream cheese, mozzarella, butter, and frozen potato fries in grocery stores. As in Manila and other key cities, hotels, and restaurants offer meat dishes using U.S. beef cuts (ribeye, short ribs, brisket, chuck roll, short plate, hanging tender, tenderloin, short loin, sirloin, knuckles, tripe, navels, and head) and pork cuts (shoulder, ear, jowls, back skin, ham, and brisket). Quick-service restaurants buy large volumes of chicken leg quarters, chicken drumsticks, and frozen potato fries.



## Food Retail

While grocery stores in Cebu sell mainly local products, most also sell imported meat, fruits, canned goods, snacks, sauces, condiments, cheeses, and wines. Warehouse clubs offering a wider selection of imported food and beverages experience a growing demand for American brands, with plans to expand in the Visayas region. Food and beverages sold in warehouse clubs represent more than half of total sales.

Some Cebu retail stores occasionally reach higher sales than Manila branches due to purchases from restaurants and hotels in Cebu and buyers from nearby cities. With 40 percent of the population 14 years old and below, some grocery stores have powdered milk, cheeses, ice cream, snacks, and frozen fries as their top-selling products. Some of the more popular U.S. products found in retail stores are beef, pork, chicken, turkey, apples, oranges, lemons, strawberries, condiments, soups, non-alcoholic beverages, and wines.

Key retailers in Cebu City include [Landers](#) (Cardinal Rosales), [The Marketplace](#) (Robinsons Galleria, Ayala Mall, and Base Line Center), [Robinsons Supermarket](#) (Banilad and Fuente), [Metro Supermarket](#) (Ayala, IT Park, and Colon), [Super Metro Hypermarket](#) (Mambaling and Carcar), [SM Supermarket](#) (North Reclamation Area and Seaside), [Savemore](#) (Elizabeth Mall), and [Gaisano](#) (North Reclamation Area).

## Importation and Logistics

Manila, the capital of the Philippines, receives 80 percent of the country's agricultural imports. Some exporters directly contact the central purchasing offices of manufacturers, importers, and retail stores in Manila for consolidated orders. These food and beverage companies later ship the products to Cebu and other parts of the country. Based on interviews, some companies incur additional shipping costs, longer lead times, and at times are deprioritized, leading to occasional shortages of supply, especially during peak season. A shipment from Manila takes an additional month before arriving in Cebu. U.S. exporters may consider contacting agents, distributors, or importers based in Cebu to explore potential direct shipments.



Cebu Port remains the largest domestic shipping port in the country. With 80 percent of local shipping companies headquartered there, Cebu serves as a gateway to the growing economy of the Visayas region and a distribution center for some agricultural products for the entire Philippines. Cebu's top outbound local shipments include feeds, while inbound local shipments include wheat, corn, grains, and energy drinks.

The [Cebu Port Authority](#) (CPA) separately has managed all ports in Cebu province since 1996, while the [Philippines Ports Authority](#) (PPA) system handles most ports elsewhere in the Philippines. Cebu ports include Cebu City, Mandaue, Danao, Santa Fe, Toledo, and Argao ports.

Cebu has international shipping routes across Southeast Asia, with shipping routes to Australia, China, Hong Kong, Indonesia, Japan, Malaysia, Mexico, Myanmar, Singapore, Taiwan, Vietnam, and the United States. According to CPA, Cebu's top imports include animal feeds, frozen meat, and marine products, while Cebu's exports include [furniture, corrugated papers, and other wood products](#).

Exporters should provide trade support such as sampling, consumer and trade promotions, and trade servicing, especially for new-to-market products. USDA-FAS Manila recommends exporters coordinate with U.S. trade organizations, especially those with a Philippines or regional representative, for marketing programs and support. Please refer to the following for guidance on importation:

- [Philippines: Country Commercial Guide](#) for general information on doing business in the Philippines
- [Philippines: Exporter Guide](#) for new-to-export companies
- [Philippines: FAIRS Annual Country Report](#) for import food standards, regulations, and import procedures
- [Philippines: Connecting Port to Plate amid Evolving Food Preferences](#)

Access other reports and market briefs at the USDA-FAS Manila [webpage](#):

- Philippines: Food Processing Ingredients,
- Philippines: Food Service – Hotel Restaurant Institutional
- Philippines: Retail Foods
- Philippines: Livestock and Poultry
- Philippines: Grain and Feed

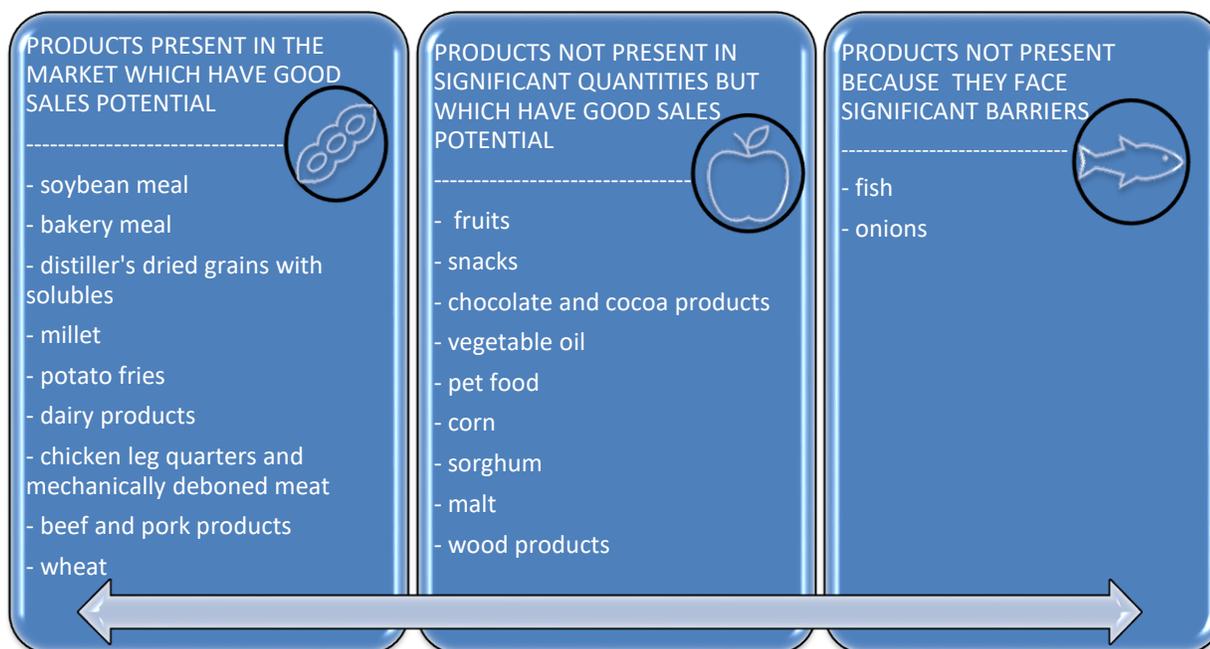
Table 1. Cebu Port Agricultural Shipments

CEBU PORT	
<b>INTERNATIONAL SHIPMENTS</b>	<b>DOMESTIC SHIPMENTS</b>
<u>Imports</u>	<u>Inbound</u>
☑ Animal Feeds	☑ Wheat
☑ Frozen Meat	☑ Rice
☑ Marine Products	☑ Corn
<u>Exports</u>	☑ Grains
☑ Wooden Products	☑ Energy Drinks
☑ Furniture	<u>Outbound</u>
	☑ Feeds
	☑ Rice Noodles

Source: [Cebu Port Authority](#)

## Best Product Prospects Categories in Cebu

Table 2. Best Products Categories in Cebu



Source: [Trade Data Monitor](#), [Global Agricultural Trade System](#), and USDA-FAS Research

## Key Contacts and Events

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<a href="#">Department of Trade and Industry (DTI)</a>	<a href="#">Department of Agriculture</a>	<a href="#">Food and Drug Administration</a>
<a href="#">Bureau of Animal Industry</a>	<a href="#">Bureau of Plant Industry</a>	<a href="#">Cebu City Government</a>
<a href="#">Cebu Chamber of Commerce</a>	<a href="#">WOFEX Cebu</a>	<a href="#">Bakery World</a>

### Attachments:

No Attachments.