Mango Industry

Mango, the country’s national fruit is considered as one of the finest fruit in the world. It is the third most important fruit crop of the country based on export volume and value next to banana and pineapple. It has an established domestic market and has bright opportunities for the international market both in fresh or processed forms.

The country’s export variety, the ‘Carabao mango’ is one of the best varieties in the world. As of now, there are already 10 “Carabao” mango strains in the Philippines.

Description
- About 73% of the total area planted to mangoes is owned by small farmers while 24% operate farm sizes between 3 to 9.99 hectares.
- Those operating 10 hectares and above constitute only about 3%.
- About 95% of production is consumed locally.
- Majority of the mango processors are small and medium enterprises.
- Contributes an average of P12.5 billion per year in GVA.
- Mango industry supports about 2.5 M farmers.

Production

World
- World mango production from 1995 to 2004 increased by 1.7% while the area planted increased 2,872,527 hectares in 1995 to 3,699,434 ha in 2004 or an average increase of 2.88%/yr (FAO).
- Average yield decreased from 7.82 mt/ha to 7.11mt/ha (FAO).
- In terms of average yield per hectare, the top. ve were China, Pakistan, Brazil, Mexico and India.

Philippines

National
- Philippines is among the top 10 mango producing countries of the world (No. 6, contributes 3.5% share of the world’s production) producing an average of about 1 Million MT per year.

Mindanao
- In 2003, the total production of mindanao was estimated at 176,669 MT which is about 18% of the total national production. In 2004 it increased to 188,820 mt. The major producers are R12 (51,623 mt), R9 (45,642 mt), R11 (32,382 mt) and R10 (31,845 mt).
- In terms of area, Mindanao contributed around 53,495 hectares in 2003, increasing to 54,635 ha by 2004. The biggest areas are in ARMM (12,239 ha), R9 (11,131 ha) and R12 (10,966 ha) (BAS).

Processing
- About a quarter of the total mango production is processed and this continues to grow relative to the fresh category.
- The mango-processing sector produces various product forms of mango such as mango puree, mango juice, dried mangoes, mango concentrates, frozen mangoes, mango glaze, edible parts, mango in brine and mango preserves.
- The Philippine mango processors are generally small and medium scale processors.
- The mango juice category is dominated by two large food manufacturing companies in the country: San Miguel Corporation and RFM Inc.
- As of 2000, based on the listing of companies registered with the Bureau of Investments (BOI) and other industry listings, there are approximately 17 processors based in Luzon, 11 in Visayas, and four (4) in Mindanao.
- Processing is constrained by the lack of supply as well as the quality of mangoes.
Cost and Return
- In Mindanao the production cost for regular season production was computed at around Php9.88/kg on a yield 8t/ha while during the off-season, production cost increase tremendously at around Php19.07/kg on a yield of 4t/ha.
- This cost built-up is attributed to the required increase in maintenance and inputs like fertilizer, flower inducer and pesticide.

Demand and Supply Projections
- Global demand for Philippine mango products has been increasing.
- Mango juice concentrates for export from 1995-2004 has increased by around 1600% per year while other processed products also posted bullish growth rates: dried mango (25%), mango puree (49%), etc.
- Local demand for fresh fruits such as mangoes is also increasing.
- Demand for processed mango products has also increased particularly for mango juice and dried mangoes
- Growers have expanded area and more recently large. rms such as Dole and Lapanday Foods Corporation have also invested in mango production.

Local Market
- Per capita consumption is 11.23 kg in 2003 up from 10.88 kg in 2003 and 10.19 in 2001 (BAS)
- Around 95% of the country’s mango supply is consumed locally.
- Of this proportion, it is estimated that 75% are consumed as fresh fruit and 25% are processed into various product forms.

Foreign Market/Trade
- Philippine mango is exported to 48 countries
- The major destinations for Philippine mangoes are Hong Kong and Japan that absorb 89% of our mango exports.
- The Philippines is the largest supplier of fresh mangoes, at market share at 65% in these countries. Hong Kong also serves as the transshipment point to China.
- Other existing markets for Philippine mangoes are the USA, Singapore, German Federation, Malaysia, New Zealand and Canada.
- Netherlands and South Korea are new markets for Philippine mangoes.
- In 2004 fresh export was worth $31.11M from 46.98 M mt.
- Export of processed products grew by 22.6% to $36.42M (dried: $8.12M, puree: $9.22M, preserved: $12.75M, juice: $3.47M) from $29.7 M in 2003
- There are approximately 18 companies who regularly ship mangoes to the Hong Kong, Japan and South Korean markets.

Marketing Practices
- The supply chain of the mango industry has been characterized by production-marketing arrangements between growers and sprayers-contractors who also act as traders.
- These growers and traders sell to wholesale markets, processors, wet retail markets, supermarkets and exporters.
- The major cities such as Manila, Cebu and Davao City are the key trading centers for mangoes that are sold in the local market.
Problems
- Processors complain about the lack of supply of mangoes.
- Lack of forward and backward linkage between growers/suppliers and buyers/exporters, which has affected the mango's market potential
- Export market, lowered the maximum residue level (MRL) of chlorpyrifos (toxic substance found in some pesticides) for Philippine fresh mangoes from 0.5 parts per million (ppm) to 0.05ppm
- Lack of supply of quality (certified) planting materials.
- Inconsistent quality and quantity of supply due mainly to the predominance of backyard farms
- Disaggregate sector and multi-layered marketing resulting in inefficiencies.
- Highly perishable (short storage life and susceptible to diseases) resulting in high postharvest loss.
- Lack of QAP and HACCP.
- High freight cost and inadequate transport facilities

Price Trend
- Metro Manila markets June 2005- wholesale: P23-26/kg; Retail: P40-70/kg
- June 2004: wholesale: P24-28/kg; Retail: P50-70/kg
- Export prices: Fresh mango $0.66/kg down 31.8% from 2003; Mango puree $0.98/kg up 6.5% from 2003; mango juice $0.35% in 2004; dried mango $4.25/kg in 2004 down from $5.44/kg in 2003

Credit Assistance
- The National Government provides credit assistance through DA-Quedancor, the Development Bank of the Philippines (DBP), High Value Commercial Crops, the Land Bank of the Philippines (LBP) – Todo Unland Program and its Cooperative Lending Program, the ACPC-IFS Special Agricultural Financing Window and the Export Credit and Guarantee Facility for exporters
- It has also tasked the Agricultural Credit Policy Council (ACPC) to review all credit facilities available to growers, processors and exporters in order to better address their funding requirements and upgrade their facilities to meet GMP, HACCP, ISO and other quality assurance standards.
- Quedancor- Self-reliant Team (SRT), loanable amount of P50-110,000/ha, interest of 14%/annum, maximum of one year duration

Investment Opportunities
- Off season mango production
- Processing such as puree, juice, dried and powdered mangoes
- Expansion areas. The DA is targeting huge expansion areas in R12 and other parts of Mindanao.
- Service facilities such as HWT and VHT

Institutional Support
- Mango is a priority crop of DA-HVCC program
- PCARRD has been in the forefront of setting up the Mango Information Network (MIN), which provides information and updates on all aspects of the mango industry