

food and agri business

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industry views

VIETNAM TIPPED TO BE ASIA'S FASTEST-GROWING CONVENIENCE MARKET

“According to new data released by international grocery research organisation IGD, Vietnam is forecast to be the fastest-growing convenience market in Asia by 2021, followed by the Philippines and Indonesia.

Asia’s grocery market is the largest in the world, with a predicted 6.3 per cent compound annual growth rate (CAGR) leading up to 2021. Its size is forecast to reach US\$4.8 trillion by 2021 – equivalent to Europe’s and North America’s combined. In the convenience channel, IGD is forecasting high double-digit compound annual growth over the next four years in Vietnam (37.4 per cent), the Philippines (24.2 per cent) and Indonesia (15.8 per cent), based on the performance of the leading convenience store operators in each market.”

You can read the whole article [here](#).

Comments by Prof. Rolando T. Dy, Ph.D
Executive Director, CFA-UA&P

Food is a major component of grocery items. The VIP countries will grow faster due to high economic growth that fuels the middle class.

Sadly, the Philippine market is still dragged by the very high poverty rate: 21.6 percent in 2015

Compared to Indonesia 11.3 percent in 2014 and Vietnam 13.5 percent in 2014.

In population terms, Philippines has 22 million poor, Indonesia has 28 million and Vietnam has 12 million.

Leave your comments [here](#).

RICE SELF-SUFFICIENCY 2020?

By Senen U. Reyes
Senior Management Specialist, CFA-UA&P

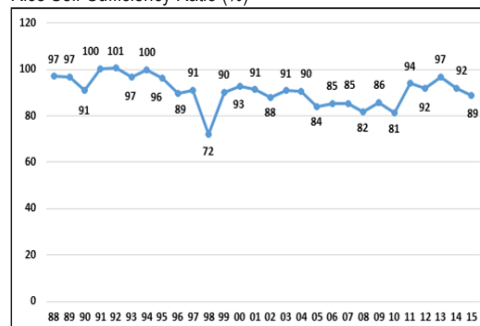
Rice self-sufficiency has been the target of every administration. However, it has also been a moving one from one president

and agriculture secretary to another up to the current president and agriculture secretary. The reasons: climate change, occurrence of severe calamities, lack of funds, budget request not acted upon favorably, absorptive capacity, etc. The latest is that rice self-sufficiency will be attained in 2020 from the previous 2018 then 2019; three pronouncements over the first nine months in office.

Can it happen? Yes it can. Will it happen in 2020? Several factors have to be considered to attain the target of 21.67 million tons based on government estimates: absorptive capacity of the agriculture department on the execution of programs and projects, infrastructure development, increase in cropping intensity and productivity, lifting of the quantitative restrictions on rice importation in July 2017, competitiveness of the rice industry, etc. This will need a sustained growth of 5-6 percent annually over four years barring severe weather disturbances.

It is indeed a tall order. But at the end of it all, will rice self-sufficiency translate to the farmers’ better quality of life?

Rice Self-Sufficiency Ratio (%)



Source: Philippine Statistics Authority

Leave your comments [here](#).

SRA PROPOSES IMPORT DUTY ON CORN-BASED SWEETENER

“THE Sugar Regulatory Administration (SRA) is set to propose to the National

Food Basket MONITOR

Rice M. Manila: PhP35.00 Cebu: PhP34.04 Davao: PhP37.50 Cag. de Oro: PhP37.67	Beef Lean M. Manila: PhP300.00 Cebu: PhP236.16 Davao: PhP260.57 Cag. de Oro: PhP240.54	Chicken M. Manila: PhP145.00 Cebu: PhP140.48 Davao: PhP136.87 Cag. de Oro: PhP127.68	Pork Lean M. Manila: PhP195.00 Cebu: PhP194.44 Davao: PhP171.43 Cag. de Oro: PhP183.04
Eggplant M. Manila: PhP95.00 Cebu: PhP47.60 Davao: PhP46.33 Cag. de Oro: PhP43.64	Banana Latundan M. Manila: PhP40.00 Cebu: PhP33.70 Davao: PhP25.70 Cag. de Oro: PhP27.60	Bananas M. Manila: PhP120.00 Cebu: PhP127.77 Davao: PhP119.63 Cag. de Oro: PhP128.35	Eggs M. Manila: PhP6.00 Cebu: PhP5.74 Davao: PhP5.75 Cag. de Oro: PhP5.48
		Potato M. Manila: PhP50.00 Cebu: PhP49.46 Davao: PhP49.68 Cag. de Oro: PhP71.23	Onion M. Manila: PhP50.00 Cebu: PhP71.15 Davao: PhP69.46 Cag. de Oro: PhP69.94

* Retail prices: MM prices as of March 2017, Regional as of January 2017, PhP/kg except for eggs (per piece)

Click the photo to view the data
Photo credits: shutterstock, 123rf, freepik

Economic and Development Authority (NEDA) this week the imposition of an import duty for high fructose corn syrup (HFCS), the sweetener that has dampened industrial demand for refined sugar.”

You can read the whole article [here](#).

Comments by Florence Mojica-Sevilla
Senior Agribusiness Specialist, CFA-UA&P

Given that sugar demand is about 2 million tons a year and beverages comprise about 40 percent of total demand, the entry of 373,000 tons of HFCS is significant.

Why the trade negotiators did not anticipate this is puzzling. If the country goes back to WTO to raise HFCS tariffs, China and the US could now demand concessions such as lower meat or corn tariffs, what ever is convenient?

Leave your comments [here](#).

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Humans share 50% DNA with bananas

~ Mirror.co.uk



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Craft Coffee: The Third Wave Coffee Shops in the Philippines

Joy Kristel L. Orzales
Researcher

Coffee has always been part of most Filipinos' breakfast and staying-up-late beverage. Third wave coffee shops, or also called artisanal coffee shops, are starting to invade the Philippines to give Filipinos a new culture in coffee drinking.

But what are the coffee waves and third wave coffee shops?

THE COFFEE WAVES

The term "wave" was first used in 2002 by Trish Rothgeb in a publication of Roasters Guild. She identified the three "movements" in coffee history that made each wave different

from each other, having specific trends and progressions.

First wave. The first wave was in 1960's when coffee became accessible to the masses through foiled packs and cans at home or at the office. Coffee consumption grew drastically during this time. Folgers, Maxwell, and Nestle became very popular. Coffee,

however, was acidic and with low quality so drinkers needed to use a lot of milk and sugar to make up for the taste. The quality of coffee was sacrificed for mass production.

Second wave. In the late 1960's, companies like Peet's Coffee and Starbucks started to bring a higher quality of coffee, also called specialty coffee, to drinkers through coffee shops. Coffee drinkers started to enjoy coffee in a relaxed ambiance and handcrafted beverages such as Frappuccinos and espressos became popular. Drinkers also became aware of the different kinds of coffee beans and how they can be brewed.

Third wave. In the 1990s, specialty coffee started to be marketed as an artisanal beverage like wine. It became a movement to make people appreciate coffee instead of just enjoying the beverage.

The third wave, the wave we are into, is about bringing out the unique characteristics of each coffee bean and not incinerating

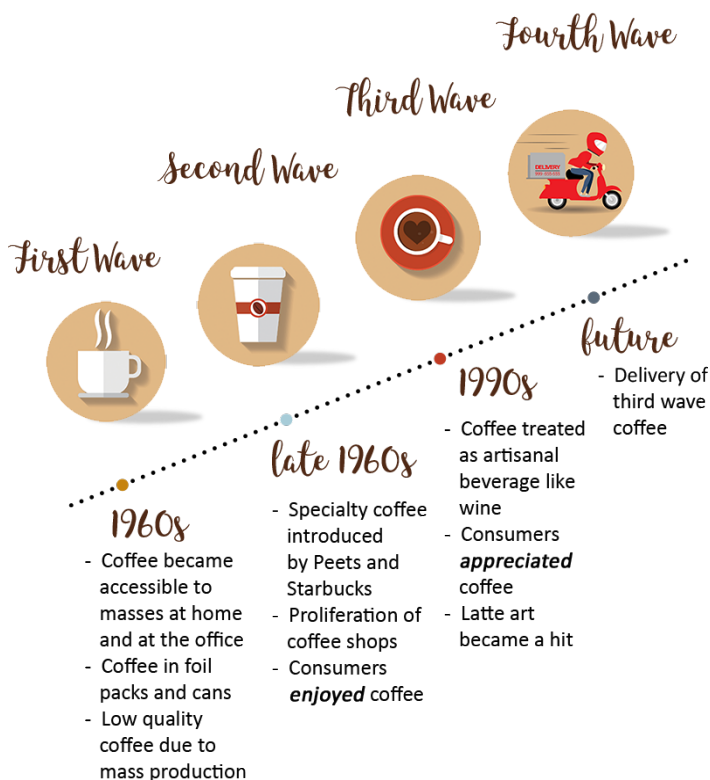
Aside from using high quality coffee beans, they also buy single-origin beans directly from farmers instead of countries.

them through incorrect grinding, roasting, and brewing. Brewing methods are based on artistry and science and preparing coffee is more than just pressing the button of a machine.

Other people may say that the Philippines is not yet in the third wave since the majority of coffee drinkers are still drinking low-grade coffee, soluble or 3-in-1. That is why third wave coffee shops continue to invade the Metropolitan to spread the appreciation of craft coffee.

Fourth wave. A fourth wave is still being defined but in general, enthusiasts and entrepreneurs are studying how to deliver artisanal coffee to consumers' homes.

The Coffee Waves



THE THIRD WAVE COFFEE SHOPS

Artisanal coffee shops have distinct characteristics that differentiate them from regular specialty coffee shops. Aside from using high-quality coffee beans, they also buy single-origin beans directly from farmers instead of countries. Coffee beans also have lighter roast and baristas surprise their customers with latte art.

Third wave coffee shops use almost all available brewing methods according to the ideal temperature, weight, time, grind and using the correct filter to give the customers' preferences. The shops even give lectures so that their customers would appreciate coffee more.

The information about the coffee beans used is readily available if asked by the customers. This information includes the origin, variety, estate (if known), grade, taste, aroma, and overall characteristics and tasting notes.

PLAYERS

Most of the artisanal coffee shops in the Philippines are local and independent players. Most, if not all of the third wave coffee shops, are in Metro Manila.

Some of the popular third wave coffee shops include The Curator, Yardstick, Coffee Empire and Habitual Coffee. Foreign brands are also starting to enter the local market of third wave coffee.

The Curator Coffee and Cocktails.

The Curator, a Makati-based shop, is one of the best-rated coffee shops by coffee drinkers and enthusiasts. The shop offers different hand brew methods such as Chemex, cone drip, and Aeropress. It is also known to have accommodating crew and spectacular service. The must-try drink of this shop is its Dark Matter Theory Cappuccino.

The Curator also sells coffee beans, meals and cocktail drinks. It transforms into a cocktail bar from 6:30 pm to 2:00 am.



Yardstick. Yardstick is an artisanal coffee shop, roaster and training space in Makati that started in 2013.

The shop has several filter offerings and is known for its house-bottled cold brews.

With its modular and minimalist coffee bar setup, the shop is designed to have a cohesive interaction among employees, students, and patrons.

Aside from being a coffee shop, Yardstick also sells coffee beans, coffee tools (e.g. grinder and coffee press), and coffee equipment. It has a school called The Yardstick Academy of Resource and Development that offers home and professional workshops on coffee brewing, latte art, and barista training. The shop also offers free coffee tasting every month to educate coffee lovers on different coffee flavors.



Coffee Empire. Coffee Empire is a shop with branches in Quezon City and Taguig established in 2014. It offers a mix of about 20 varieties of local and

imported coffee beans to give its customers the taste that they want.

Coffee Empire is also proud that their baristas have mastered the correct coffee preparation for each method and equipment with the correct time, temperature, and filter. The coffee is also prepared in front of the customers while the baristas explain different methods of brewing and coffee flavors.

Aside from being a coffee shop, Coffee Empire also offers training for baristas and coffee enthusiasts. The shop also distributes brewing equipment and accessories for coffee enthusiast.

h *Habitual Coffee.* This coffee shop started as an AeroPress bar but transformed into an award-winning full-fledged coffee shop in Makati. It uses single-origin beans both from local and international roasters. The shop is known for its AeroPress brewed coffee.

Third wave coffee shops will continue to grow as Filipinos are now becoming educated and sophisticated in terms of coffee choices.



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It has three branches in Metro Manila (two in Makati and one in Bonifacio Global City). Habitual Coffee also sells coffee beans from Kalsada Coffee, a company that sells local coffee beans.

Foreign brands. There are foreign chains that entered the Philippine market of third wave coffee. These include Starbucks Reserve (Starbucks), Duck and Buvette (Intelligentsia), and Toby's Estate.

Others. There are other artisanal coffee shops in Metro Manila such as Craft Coffee Revolution, Department of Coffee Manila, Commune Cafe, and Magnum Opus Fine Coffee.

BREWING METHODS COMMON IN THIRD WAVE SHOPS

Third wave coffee shops are known for their hand brew methods instead of using percolators and automatic coffee machines. These methods include using cone drip, Chemex, french press, Aeropress and cold brewing.

Cone drip. Cone drip is a manual pour-over method using a cone-shaped equipment. Cone drips may come in plastic, glass, metal or ceramic material. Manual pour-overs create better flavor than coffee makers since baristas can control the temperature, timing, and weight of the coffee.

Popular brands of cone drips include Hario V60, Bee House, and Kalita.

French press. French press is a device patented by Attilio Calimani in 1929. Using this device is one of the simplest ways to brew coffee. Just put the coffee grounds into the pitcher, add hot water and let the coffee absorb it. Once ready to serve,

just press the strainer down and a freshly-brewed coffee comes out. The longer the grounds are steeped, the stronger the caffeine of the beverage.

Aeropress. Aeropress was invented by Aerobie in 2005. The device has a plunger to put pressure inside the equipment and push the coffee through a filter and then to the cup. It produces an espresso-like coffee.

Chemex. Chemex is a slow and steady brewing device that started in 1940s. It is a combination of pour-over cone and glass decanter. Chemex is like an automated coffee maker but requires a filter that is up to three times thicker than the normal ones, resulting in a smoother texture and purer flavor of coffee with fewer fatty oils. The equipment keeps the water at 180 degrees to 200 degrees. Chemex also produces clean and sweet coffee.

Cold brew method. Cold brew process is slightly similar to French press technique but instead of hot water, cold water is used to let the grounds steep for up to 12 hours. A crisper, sweeter cup of coffee is produced using this technique because it prevents the removal of coffee's natural flavor that is removed by hot water.

Cold brews are perfect for coffee lovers who do not want an acidic coffee, especially those who have heartburn and acid reflux.

Others. There are other devices used by third wave coffee shops to brew coffee such as vacuum pot, siphon, Moka pot, and Eva solo.

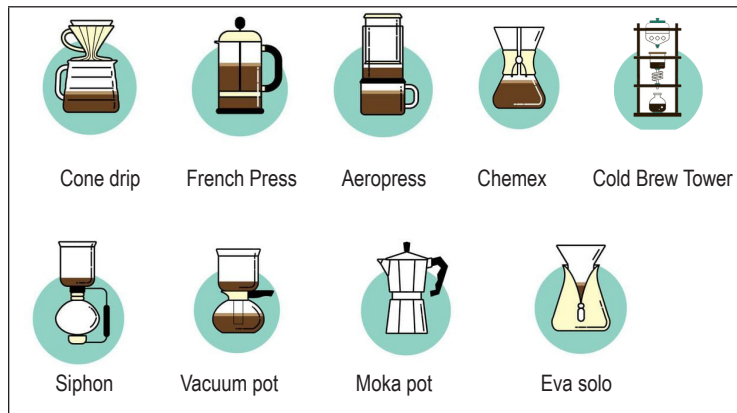
PROSPECTS

The continued increase in the number of third wave coffee shops can be attributed to consumers' increasing sophistication on beverages and food. With the constant change in consumers' tastes to food and beverage, Filipinos will continue to seek new and innovative products. Third wave coffee shops will continue to grow

as Filipinos are now becoming educated and sophisticated in terms of coffee choices. However, second wave brands such as Starbucks will continue to dominate the beverage industry because of their accessibility due to the number of branches and established names.

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