

INVESTMENT GUIDE FOR TOMATO



 SCAN ME

WHY TOMATO?

- The Tomato (*Lycopersicon esculentum*) is a popular fruit vegetable extensively cultivated as a secondary crop in the Philippines. It grows well over a wide range of temperature of about 18 to 30 degrees Celsius. Tomato thrives best on deep sandy loam with a pH value of 5.8-6.5.
- The tomato belongs to the *Solanaceae* family. The crop bears the first fruits three to four months after sowing and harvesting is done from 5 to 15 times during a season.
- Fresh tomatoes usually have a shelf-life of 7 days at normal room temperature and conditions.
- Tomato is the top source of vitamins A and C. It also contains significant amount of dietary fiber, beta carotene, iron, magnesium, niacin, potassium, phosphorus, riboflavin and thiamine. It is rich in lycopene and antioxidants which destroy cancer-causing free radicals in the body.

TOP 5 MAJOR TOMATO PRODUCING REGIONS IN 2019

The top major tomato producing regions are Region I (Ilocos Region) with 73,324.87 MT, Region X (Northern Mindanao) with 48,528.56 MT, Region III (Central Luzon) with 31,452.8 MT, Region IV-A (CALABARZON) with 16,016.93 MT, and Region VI (Western Visayas) with 11,484.12 MT.

¹ Includes all tariff lines under HS 0901 – Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes containing coffee in any proportion





MARKET POTENTIAL

- In the Philippines, tomato is one of the commodities that contributes to farmers' income. The crop is considered to have large market potential locally and internationally due to its various uses encompassing food and skin care among others.
- Tomato is a common ingredient vegetable to many dishes (fresh market tomatoes) and can also be processed into ketchups, sauces and seasoning (processing tomatoes). The fruit is rich in Vitamin C, Beta-carotene and lycopene. The stem can be used in paper manufacture. An antibiotic tomatin can be extracted from the seeds. The dried tomato pulp mixed with pectin is used in the treatment of diarrhea and dysentery.¹
- In 2019, Philippines produced 223,294 MT of tomato in which 77.97% was sold as raw tomatoes. 15% was processed, and the remaining percentage went to seed, feeds and waste. The same year, Tomato per capita utilization is 2kg (PSA, 2020)

SUMMARY OF ONE HECTARE AVERAGE COST AND RETURNS, 2019

Particulars	
Gross Returns (PhP/ha)	246,767
Total Costs (PhP/ha)	233,052
Net Returns (PhP/ha)	13,715
Net Profit-Cost Ratio	0.06
Cost per Kilogram (PhP)	17.08
Yield per Hectare (kg/ha)	13.649
Farmgate Price (PhP/kg)	18.08
Return on Investments (ROI, %)	6

¹ Tomato Production Guide by Bureau of Plant Industry accessed at http://bpi.da.gov.ph/bpi/images/Production_guide/pdf/PRODUCTIONGUIDE-TOMATO.pdf





BUYERS IN THE PHILIPPINES

BUYER	ADDRESS
Jollibee Foods Corporation	Jollibee Plaza Bldg, F. Ortigas Jr. Road (formerly Emerald Avenue) Pasig City, Philippines
Del Monte Philippines Corporation	9th Ave, Taguig, Metro Manila
Northern Foods Corporation	845 Antonio Arnaiz Ave, Legazpi Village, Makati City, 1229 Metro Manila
NutriAsia Inc.	904 Angeles Road, MIS III, Barangay, Marilao Plant, David St, Marilao, Bulacan
Abmarac Corporation	11 Lands Street, Barangay VASRA, Diliman, Quezon City 1128, Philippines
Kitchen Witchery Food Ventures Incorporated	53 B. Serrano St., Corner 7th Avenue, Grace Park, Caloocan City, Philippines
Asia Pacific Aqua Marine Incorporated (APAMI)	Barangay Timpas, Panitan, Capiz, Philippines
Basilan Fisherfolk and Farmers Cooperative	Badjao Village, Maluso, Basilan Philippines
Bernariel Farm	159 St. Gabriel Village, Tolentino East, Tagaytay City, Cavite, Philippines
Amarich Marketing International	G/F 7055 Lanzones St., Comembo, Fort Bonifacio, Makati City, 1217 Philippines

GOVERNMENT SUPPORT/SERVICES:

Financial Support

- The Land Bank of the Philippines (LBP) offers three types of loans: Agricultural Production Loan (APL), Working Capital Loan (WCL), and Re-discounting Line (RL).

Department of Agriculture

Agribusiness and Marketing Assistance Service

Agribusiness Promotion Division



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- The Agricultural Credit and Policy Council (ACPC) offers several agricultural credit programs for farmers to address their credit needs such as: Production Loan Easy Access (PLEA) financing for production of crops, poultry, livestock and fisheries; Capital Loan Easy Access (CLEA) finances working capital requirement for trading/marketing and processing of agri-fishery products; and Agriculture and Fisheries Machinery and Equipment finances the acquisition of machinery, equipment or facilities from production, harvesting to post harvest.
- The Department of Science and Technology (DOST) provides loans for processing facilities and equipment through its Small Enterprise Technology Upgrading (SET-UP) Program.
- The Department of Agriculture (DA) through the Agricultural Competitiveness Enhancement Fund (ACEF) makes available loans with 2% interest per annum. The loan program is being administered by LBP.
- The Department of Trade and Industry (DTI) though SB Corporation offers various loan packages for MSMES under the Pondo sa Pagbabago at Pag-asenso (P3) Program.

Technical/Non-Financial Support

- DA conduct trainings on production, marketing and entrepreneurship. The Department also provides processing equipment and/or supplies for feasible projects.
- DA through the High Value Crops Development Program (HVCDP) provides technical support services in areas covering production, market development, extension support, educational and training, as well as agricultural and fisheries machinery, equipment and facilities support.
- DA through the Agribusiness and Marketing Assistance Service (AMAS) and its regional counterparts, the Agribusiness and Marketing Assistance Division (AMAD) provides webinar on agribusiness investment opportunities and market linking activities.
- DA through the Agricultural Training Institute (ATI) makes available technical training and seminars.
- DTI provides market and trade promotion, as well as the provision of shared service facilities to qualified associations.

REFERENCES:

PHILIPPINE STATISTICS AUTHORITY
OpenSTAT by the Philippine Statistics Authority thru
<http://openstat.psa.gov.ph/Database/Agriculture-Forestry-Fisheries>

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ONE HECTARE AVERAGE COST OF PRODUCTION, 2019

ITEM	AMOUNT (in PhP per hectare)
CASH COSTS	176,187
Planting materials	6,012
Fertilizers	20,974
Soil ameliorants	462
Mulching materials	221
Pesticides	17,611
Hired labor	59,345
Land tax	124
Caretaker's/overseer's wage	2,451
Other permanent employees' salary	302
Rentals	4,053
Fuel	2,751
Oil	468
Transport cost of inputs	1,580
Transport cost of produce from farm to first point of sale	15,435
Interest payment on crop loan	718
Storage fee	1,935
Water expense	121
Electricity cost	255
Repairs	2,888
Food expense for hired and exchange labor	7,125
Landowner's share	5,436
Financier's share	4,563
Sack/Crate/Box/Kaing	18,275
Other costs	3,084
NON-CASH COSTS	299
Pesticides	3
Rentals	277
Landowner's share	19
Financier's share	1



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ITEM	AMOUNT (in PhP per hectare)
IMPUTED COSTS	56,566
Planting Materials	3,045
Fertilizer	1,919
Mulching materials	88
Pesticides	1,261
Operator labor	16,827
Family labor	7,428
Exchange labor	106
Depreciation	7,232
Interest on operating capital	5,912
Land tax	113
Rentals	1,872
Rental value of owned land	3,073
Rental value of owned animals	1,259
Oil	27
Transport cost of inputs	811
Transport cost of produce from farm to first point of sale	3,887
Storage fee	19
Water expense	879
Sack/Crate/Box/Kaing	372
Other costs	436
TOTAL COSTS	233,052
GROSS RETURNS	246,767
RETURNS ABOVE CASH COSTS	70,580
RETURNS ABOVE CASH AND NON-CASH COSTS	70,281
NET RETURNS	13,715
NET PROFIT - COST RATIO 0.14	0.06
Cost per kilogram (PhP)	17.08
Yield per hectare (kg/ha)	13,649
Farmgate price (PhP/kg)	18.08

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