

STRATEGIC ACTION PLAN CUTFLOWERS

Executive Summary

1. The development of the Strategic Action Plan involved the participation of the private sector at the national and selected regions. At the national level, a Consultative Group composed of representatives of key industry associations and firms as well as concerned government institutions discussed the constraints and recommendations and identified recommended actions. The draft SAP was also presented to a Technical Panel composed of distinguished representatives from the private sector and former top officials of the Department of Agriculture (DA) and Department of Trade and Industry (DTI) led by former DA Secretary Senen C. Bacani with former DTI Secretary Ceferino L. Folloso.
2. The SAP followed a private sector-led and market-oriented approach to developing the Philippine cutflower industry. It is expected to be implemented and monitored by the private sector in partnership with the government led by the DA. The Plan, as a first version, must be regularly updated to consider any changes in the industry. Operational details as well as localized adaptation are also encouraged especially at the provincial and municipal levels.
3. The industry trends showed that while there are current drawbacks in the growth of the industry due to economic problems faced by the key export markets as well as the Philippines, there are good market opportunities and long term potential on which to anchor optimism for developing a strategic action plan. The industry has an increasing domestic demand due to the growing tourism industry as well as changing preferences and improved buying capacities of high and medium class consumers. There is also a need to upgrade and/or improve the cutflower industry for cost-efficiency in various operations in the input supply and distribution, farm production, postharvest, processing and marketing for it to be competitive in the global market.
4. While there is a need for the industry to be unified in terms of objectives and long-term directions to enhance private investments and profitability, the government also has to be in unison in addressing the industry weaknesses by harnessing their own strengths and mandates. Policy reforms and advocacy are critical areas for government and private sectors to work on especially in the areas of infrastructure, transportation and human resource development.

5. Industry Goals and Objectives:

GOALS	SPECIFIC OBJECTIVES
1. To increase year-round production and supply of high quality fresh cutflowers	1a. To develop new and better varieties and improved production technologies 1b. To reduce production costs 1c. To enhance production arrangements
2. To enhance global competitiveness of fresh and processed cutflowers (selected types and varieties)	2a. To improve postharvest practices/ technologies 2b. To enhance quality and safety of cutflowers for domestic and international markets 2c. To increase the market outlets and enhance the import competitiveness of cutflowers in the domestic market 2d. To increase and sustain access to export market 2e. To enhance the policy and regulatory environment

6. Industry Profile

ITEMS	WORLD	PHILIPPINES
Trade Fresh Cutflowers	<i>Major Exporters:</i> Netherlands, Colombia, Israel, Ecuador, Italy, Spain	<i>Major Markets:</i> Japan, South Korea, Netherlands
Dyed/Dried/Bleached Cutflowers		<i>Major Markets:</i> Netherlands, Portugal, United States, Lebanon, German Federation, Spain, China

7. Industry Targets

VARIETY	Base Year (2001-2002)	Short Term (2004)	Medium Term (2007)	Long Term (2012)
<i>Production Targets ('000 Dozens/HA/Year)</i>				
Chrysanthemum	30	40	48	53
Roses	28	56	84	125
Dendrobium	45	75	120	180
Anthuriums	35	41	47	58
<i>Reduction in Postharvest Losses (Percent)</i>				
Chrysanthemum	2-10	2-8	1-6	1-3
Roses	3-52	2-42	2-42	1-15
Dendrobium	9	7	7	2
Anthuriums	3	2	2	1

8. Major Strategies and Key Government Institutions Involved

MAJOR STRATEGIES	KEY GOVERNMENT INSTITUTIONS
Enhancement of and Increased Funding for Research, Development and Extension	<ul style="list-style-type: none"> • DA: BAR, BPI, ATI, BPRE, BSWM • UPLB (Biotech, IPB, PHTRC) and other SCUs • DOST: PCARRD • LGUs
Improving Access to Quality and Reasonably Priced Production Inputs and Irrigation Facilities	<ul style="list-style-type: none"> • DA: BPI, BAR, FPA, BSWM, ACPC, NIA • UPLB and other SCUs • DTI, Tariff Commission • DPWH
Promotion of Various Forms of Partnerships as Industry Support Mechanism (e.g. Institutional/Industry Strengthening)	<ul style="list-style-type: none"> • DA: NAFC, Operations Group, AMAS • CDA • LGUs
Enhancement of Postharvest Research, Development and Extension	<ul style="list-style-type: none"> • DA: ATI, BPI, BPRE, BAR • DOST • UPLB and other SCUs
Enhancement of Product Quality and Classification Standards	<ul style="list-style-type: none"> • DA: BAFPS, BPI, AFIS, • UPLB • DTI: Packaging Center
Domestic and Export Market Development	<ul style="list-style-type: none"> • DA: AMAS, HVCC-PMO, ITCAF, OSEC, Policy and Planning Service, Attaches, NAFC, BAS, ACPC, PPG • DFA • DTI
Policy Analysis and Advocacy	<ul style="list-style-type: none"> • DA: Policy and Planning Service, FPA, Operations Group, ITCAF, BPI • Bureau of Customs, PPA, MARINA, LGUs