INVESTMENT OPPORTUNITIES

AGRICULTURE AND AGRI-BUSINESS

Food Security & Sustainability

Negros Occidental stands as the agricultural heartland of the Visayas, contributing over a third of Western Visayas' agricultural output. This sector brief presents a data-driven overview of the province's priority investment commodities—coffee, coconut, and sardines—alongside emerging opportunities in agri-tech, value-chain modernization, and sustainable food production. Anchored by the Provincial Commodity Investment Plan (PCIP) and backed by high-yield potential, idle land assets, and strategic infrastructure, the province invites investors to partner in transforming traditional agriculture into a resilient, competitive, and future-ready industry.

Provincial Overview

The Agribusiness sector of the Province of Negros Occidental is one of the main drivers of the province's economy. Negros Occidental has always been known for its dominant role in the sugar industry and its emergence in organic farming. With over half of its land dedicated to agriculture, the province is a major producer of various crops, livestock, and fishery products. Negros Occidental, for the longest time, has built its economy from sugar, contributing more than half of the country's total sugar production (PCIP 2017-2022). Based on DENR's vegetative land area cover, Negros Occidental's production area is estimated at **501,838.03 hectares** as declared in the 2023-2028 Negros Occidental Provincial Development and Physical Framework Plan (PDPFP). Production lands are categorized into croplands, fishponds, agro-forestry, and production forests. Croplands are mainly utilized for the production of sugarcane, rice, corn, coconut, and other food crops. The Bureau of Fisheries and Aquatic Resources (BFAR) declared that the fishpond area of Negros Occidental totals **12,339 hectares**, **3,573.609 hectares** under Fishpond Lease Agreement.

501,838
Total Production Area (Ha)

12,339
Fishpond Area (Ha)

According to the Negros Occidental's Provincial Commodity Investment Plan (PCIP), the Province's priority commodities for investment planning are muscovado, coconut, coffee, swine, native chicken and goat. The PCIP is a three-year rolling plan used by the Provincial Government to identify and support investments in priority agricultural and fishery commodities. Each of these priority commodities have its corresponding Value Chain Analysis (VCA) to identify the investment opportunities that will be covered by the PCIP as this is a strategic plan that rationalizes the interventions within the various segments of the value chain commodities.

> **Priority Investment Commodities:** Muscovado, Coconut, Coffee, Swine, Native Chicken & Goat — backed by Value Chain Analysis (VCA) under the PCIP 3-year rolling plan.

Sector Overview

Agriculture, forestry and fisheries shared **25%** in the economy of Negros Occidental and contributed **1.1%** in the Gross Provincial Domestic Product (GPDP) according to the

Provincial Development and Physical Framework Plan (PDPFP) for 2023-2028. Prior to the creation of the Negros Island Region, Negros Occidental has been the top producer in the agriculture industry for Western Visayas, **33.8%** share for Region 6 in 2021.

The Provincial Commodity Investment Plan (PCIP) of Negros Occidental, a 3-year rolling plan based on the value chain analysis (VCA) of the commodities conducted with strong participation from various stakeholders in the chain. The document rationalizes the interventions within the various segments of the value chain commodities. It is one of the requirements of the Philippine Rural Development Program (PRDP), a six-year program that aims to develop an inclusive, market oriented, climate-resilient agri-fishery sector by strategically investing in priority value chains. PRDP works with the private and local government sector in developing rural enterprises and in providing key infrastructure, facilities, technology and information that will raise incomes, productivity and competitiveness in the countryside.

Identifying the commodities all starts with the approval of VCAs that is prepared by the Regional Project Coordinating Office and the I-PLAN Component. Priority commodities are ranked according to the Commodity Prioritization Tool provided by PRDP as a guide. A No Objection Letter (NOL) for the VCAs will then be provided by the National Project Coordinating Office (NPCO) and that will signal the start of the formulation of the PCIP.

Priority Commodities - Crops

Coffee

Overview
The coffee sector in the Philippines is vital to agriculture, though it relies on only four commercially viable global species. Robusta dominates national production, accounting for **76%** of the output. This is driven by high domestic demand, as instant coffee accounts for roughly 90% of national coffee consumption.

1,855 ha
suitable idle land for expansion

76%
Robusta share national

Current Situation
National coffee production is increasing, largely led by the SOCCSKSARGEN region (31,979 MT total in 2024). Western Visayas (including Negros Occidental) is declining, with output falling from 1,943 MT in 2021 to 1,235 MT in 2024. Negros Occidental offers a major opportunity for expansion, as **1,855 ha** of suitable land remain unutilized.

Regional Performance
The Philippines has approximately 75 million bearing coffee trees, primarily concentrated in SOCCSKSARGEN (25%), Davao (16.8%), and CALABARZON (13.7%). Western Visayas region holds a smaller share (7.8% of the national total), and within that region, coffee production in Negros Occidental is concentrated in a few key municipalities:

Municipality	Area (ha)	Yield (MT)
La Castellana	518.6 ha	10.37 MT
Sipalay	460.5 ha	9.21 MT
Murcia	294 ha	5.88 MT

These top three account for the majority of provincial production, while others like Cauayan, Kabankalan, and Salvador Benedicto contribute smaller but steady outputs.

Trends and Developments
Growing demand for locally sourced, specialty, and sustainable coffee. Government initiatives under the Philippine Coffee Industry Roadmap (2021–2025) aim to strengthen competitiveness and sustainability. Increasing interest in agroforestry and intercropping systems involving coffee.

Challenges
Declining yields and inconsistent productivity across regions. Aging trees and limited access to high-quality planting materials. Fragmented supply chains and low mechanization. Underutilized farmlands — especially the **1,855 hectares** in Negros Occidental identified as suitable but idle.

Opportunities and Outlook
Expansion and rehabilitation of existing coffee farms can significantly boost production. Increasing yields from 0.8 kg to **2 kg per tree** (as targeted by the Department of Agriculture) could reduce import dependence. Mindanao regions, particularly

SOCCSKSARGEN and Davao, are targeted for large-scale expansion, but Negros Occidental has potential for niche specialty coffee and eco-tourism integration. Strengthening farmer cooperatives, marketing, and quality certification systems could improve competitiveness.

> **Yield potential:** Increasing coffee yield from 0.8kg → 2kg per tree can drastically cut import dependency & boost local income.

Conclusion
The Philippine coffee sector, particularly in Negros Occidental, holds significant untapped potential despite varied regional challenges. Strategic investment in productivity, sustainability, and quality is necessary to elevate the country's position in the ASEAN coffee market by 2026.

Coconut

Common name: Coconut | **Scientific name:** Cocos nucifera

The coconut industry is a key contributor to the Philippine economy, covering **69 of 82 provinces** and employing about **3.6 million farmers** across 3.2 million hectares. In 2022, national production reached 14.93 million metric tons, supporting industries such as coconut oil, copra, and other by-products.

5.2 Million
Coconut trees in Negros Occ.

52,198 ha
Cultivated area

In Negros Occidental, 2024 data from the Philippine Coconut Authority (PCA) show **26,441 farmers** cultivating **52,198 hectares** with over **5.2 million trees**, 2.5 million of which are bearing, yielding around 56 nuts per tree annually.

Global Production
The Philippines produced 14.72 million metric tons of coconuts in 2021 and increased slightly to 14.93 million metric tons in 2022. This consistent growth highlights the country's strong and stable coconut industry, ranking **second globally** after Indonesia in overall production.

National, Regional, and Provincial Production
Mindanao remains the top producer, led by Davao Region and Northern Mindanao. In

the Visayas, the Negros Island Region (NIR) began separate reporting in 2024, contributing **284,373.36 metric tons**, with Negros Occidental as the main producer.

Top producers in Negros Occidental (2024)
Calatrava: **₱50.03M** | Cadiz: **₱25.54M** | Hinoba-an: **₱19.21M**

Area Planted
In 2024, the NIR had 94,780.10 hectares of coconut area, with Negros Occidental accounting for **43,900 hectares**, affirming its role as a major producing province.

Strategic Programs (2022-2026)
Organic Farm Development - ₱10M project promoting certified organic coconut farms. Seed Farm Development – 12 – ha site in Bago City for high-yield varieties (₱1.73M). Coconut Hubs – Processing centers in Hinoba-an and Sagay. Intercropping and Animal Integration – Diversification for additional income. Partnership with CPSU – Research and value-added product development. *(Source: PCA – Western Visayas Coconut Farmers and Industry Development Plan, 2022-2026)*

Market Demand - Top 5 coconut exports (CY 2022)
1. Crude Coconut Oil – **USD 1.37B** 2. Desiccated Coconut – USD 369.97M 3. RBD Oil – USD 339.90M 4. Cochin Oil – USD 223.90M 5. Activated Carbon – USD 154.88M *(Source: PCA, Coconut Trade Performance and Market Trends, 2022)*

Priority Commodities - Aqua-fisheries

Sardines

Sector Overview
Negros Occidental is abundant in Sardinella lemuru (tuloy) from the Visayan Sea and Panay Gulf, yet it has no existing local sardine canning facility. All canned sardines are imported from outside the province. To ensure food security, generate employment, and stabilize fisherfolk income, the Provincial Government of Negros Occidental (PGNO) proposes the establishment of a Canned Sardines Manufacturing Facility in the province.

132,000
cans/day capacity

₱192.44M
total project cost

Resource Availability
Visayan Sea catch (2023–2024): 1,422.94 MT → 945 MT | Panay Gulf catch (2023–2024): 1,142.80 MT → 710 MT. Fishing peaks occur from March to October in the Visayan Sea and January to May in the Panay Gulf. Declines are observed during closed seasons due to resource protection and migration patterns.

Market Demand
National consumption (2022): **160 million cans/month** (1.92 billion annually). Projected Demand in Negros Occidental: 2020 – 44.6 million cans, **2024 – 88.5 million cans**. Demand continues to rise across income classes due to population growth and convenience-driven consumption.

Supply Situation
The PGNO currently procures canned sardines externally for calamity food packs. Procurement data: 2018 – 54,227 cans, 2020 – 226,300 cans, 2022 – 160,961 cans. Average cost: **₱26.16 per can**.

Proposed Facility and Production
Product: 155g Canned Sardines in Tomato Sauce (Easy-open tin can). Capacity: **1 ton/hour → 132,000 cans/day**. Operating period: 4 months per year × 20 days/month. Annual output: **10,560,000 cans**.

Financial Viability: Projected annual sales ₱274.56M | ROI Year 1: 30.4% | Break-even: 1,828,413 cans (₱47.54M sales).

Financial Overview
Total Project Cost: **₱192,440,096.95** (DA: ₱145,502,520.40 / 75.61% | PGNO: ₱46,937,576.55 / 24.39%). Projected Sales: 10.56 million cans × ₱26.00 = **₱274.56 million/year**. ROI: **30.4% (Year 1)** → 18.6% (Year 5). Break-even Point: 1,828,413 cans (₱47.54 million sales). Contribution margin ratio: 38.23%. Break-even price: ₱17.77–₱17.84 per can.

Key Opportunities
Reduce dependence on external suppliers; Strengthen local food security and employment; Encourage investments in fisheries modernization; Support government disaster preparedness programs.

Challenges
Seasonal fish availability; Need for proper fishing equipment; Rising production and regulatory costs.

Outlook
The proposed facility is financially viable and strategically aligned with Negros Occidental's development goals. With government support and sustainable fishery practices, the province can develop a self-sufficient, competitive sardine industry.

Other Business Opportunities

Investments
Foreign direct investments (FDI) are promoted by the Philippine Board of Investment (BOI), a government agency under the Department of Trade and Investment (DTI). BOI actively supports investors, offering one-stop-shop services, including advisory, implementation, and aftercare. They provide sector information and local and international partner search and business missions. All information regarding governmental incentives, such as tax holidays, and duty exemptions can be found on their website or via BOI's advisors.

Agri-tech and Agri-IT Sectors
Negros Occidental's economy has been built around agricultural commodities - usually small-scale farmers or fishermen and their families producing the crops. Technology innovations can play a key role in transforming these peoples' everyday life, with improvements across the entire value chain. In the last few years, many IT-solutions and other high-end technologies became available for even the smaller farmers and fishermen, for example, the development of an unmanned ground vehicle drone-aided system with vis-NIR sensors for soil nutrient mapping of coffee farms. In the post-harvest value chain, integration of mobile communications technology with real-time computer and cloud-based data gives farmers information on the market demand and connects them directly with consumers for better price information.

> **Agri-tech frontier:** Drone-based soil mapping, cloud market integration, mobile-enabled value chains — unlocking efficiency for smallholder farmers.

Recommendations and Trends

For Negrense MSMEs

The Philippines, in general, is one of the largest consumer markets in the ASEAN region, with Metro Manila being the largest metropolitan region, making it an attractive target destination. Negros Occidental, with majority of the registered businesses in the Wholesale and Retail Trade (52.16%) in 2022 indicates how big of a consumer market the province is. Still, there are many challenges for producers and traders of agri-food products, including:

- Poor Farm-to-Market Roads (FMR);
- Inadequate pre and post harvesting facilities;
- Limited access to domestic and export markets;
- Negative impacts of climate change;
- Harsh competition or weak coordination/linkage among key players;
- Trade regulations, especially non-tariff barriers are proving to be a burden for the exporters;
- Weak access to financing;
- Insufficient/lack of resources to conduct market intelligence, Research & Development, and innovations particularly among micro and small enterprises;
- Insufficient laboratories in the country and expensive testing procedures outside the Philippines and for certain standards.

Business Development Directions for local companies

The majority of farmers and fisherfolks in Negros Occidental either have small landholdings, smaller than two hectares, or are small fishermen. They are most susceptible to climate and weather change, information asymmetry, due to the non-availability of technical knowledge centres, and may suffer from lack of market linkages, due to land fragmentation and less developed waterways. The most important ways of development for these sectors are:

- Innovation and technological adaptation;
- Climate change in the short- and long-term will force adaptation upon farmers, requiring new varieties of crops, new skills to be developed in everyday practices;
- Construction of more FMR and development in local logistics where local farmers should be able to send their products through new logistic channels;
- Foreign investors should be welcomed, as long as they bring new technologies and market access in.

For more information, please contact:

Provincial Economic Development and Investment Center (PEDIC)
The lead office of the Province of Negros Occidental responsible for local economic development, investment facilitation, and aftercare services.
info@investnegrosooicdental.com | +63 34 431-3165
North Capitol Rd. cor. Aguinaldo St., Provincial Capitol Park and Lagoon, Bacolod City