

# THREE-YEAR FOOD LOGISTICS ACTION AGENDA 2023-2026







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**FOOD LOGISTICS**  
ACTION AGENDA  
2023-2026



# THREE-YEAR FOOD LOGISTICS ACTION AGENDA 2023-2026



i) Revolutionize the Philippines' food distribution system, from farm to fork;



ii) Reduce transport and logistics costs;



iii) Increase investments in logistics infrastructure  
(transportation and storage);



iv) Address other supply chain gaps i.e. Logistics and Distribution, Post-Harvest Management, Market Linkages, Market Information, and Access to Finance;



v) Heighten enforcement measures against hoarding, smuggling, overstaying food imports, and monitoring of warehouses/cold storage facilities; and



vi) Use ICT to improve logistics performance- from streamlining and automation of government permits and licenses to the integration of systems within the logistics ecosystem.



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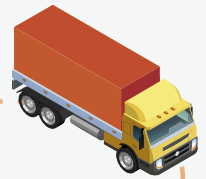
# OVERVIEW

## *The Need for a Food Logistics Action Agenda:*

The 8th Cabinet meeting held on September 12, 2022 provided the impetus for the three-year food logistics action agenda when the President directed the Department of Trade and Industry (DTI), Department of Agriculture (DA), Department of Transportation (DOTr), Department of Public Works and Highways (DPWH), and the Department of Interior and Local Government (DILG) to improve the food logistics chain, strengthen the cold chain industry, invest in port infrastructure and build farm-to-market roads.

Food security is top priority, and the directive is to make food available, accessible and affordable to the Filipino consumer. By linking farmers directly with market, thus minimizing the costs of distribution, reasonable prices are expected. The prime directive is to reduce logistics costs and ensure unimpeded movement of cargo, hence, transport and logistics issues such as high international shipping charges, truck movements, increasing port fees, lack of logistics infrastructure, need to be addressed.

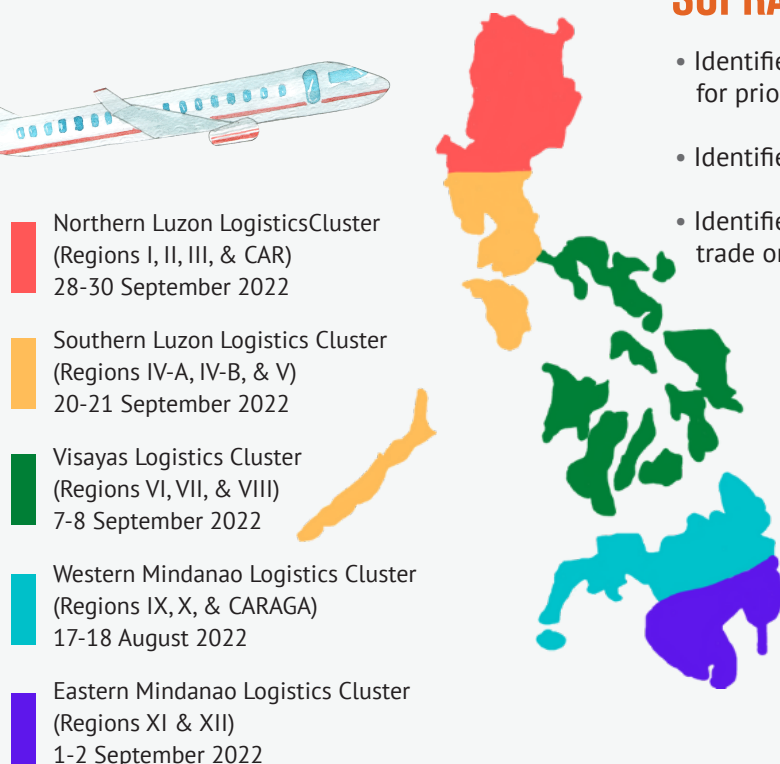
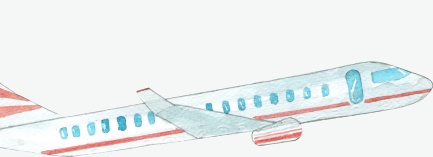
This action agenda intends to adopt a supply chain control tower to effectively address the country's food logistics challenges. The food supply chain involves multiple stages, from the farm gate to storage distribution and retail. Implementing a control tower approach in the food sector could provide real-time visibility into food availability, pricing, demand and potential disruption. This could help in managing food security issues, reducing food waste, and curbing cartelization, among other benefits. However, it would require significant investments in technology and infrastructure, data integration from multiple sources, coordinating among numerous stakeholders, and regulatory compliance.



# How the Action Agenda was Crafted:

The three-year food logistics action agenda was developed through extensive consultations with both the government and private sector. Building upon the issues and concerns raised during COVID, when the DTI was designated by the Inter-Agency Task Force (IATF) to Chair the Sub-Task Group on Food Value Chain and Logistics. As a result, the action agenda incorporates many of the unresolved issues that were raised by the private sector.

When the new administration assumed office, the DTI Secretary placed great emphasis on food as a strategic priority. In order to gather valuable insights, a series of Supra-Regional Consultations were conducted from August to September 2022. These nationwide sessions allowed stakeholders to express their needs and preferences for essential logistics infrastructure. As a result, they successfully identified transportation and logistics challenges that impact the costs of agricultural commodities, while also highlighting potential investment prospects in different regions.



## SUPRA REGIONAL CONSULTATIONS HELD

- Identified transport and logistics cost study for priority **agri-commodities**
- Identified **Investment opportunities** in logistics infrastructure
- Identified **major transport and logistics issues** that constrain trade or hamper the movement of goods, particularly food



As the development of the three-year food logistics action agenda covers various mandates, the DTI coordinated with other key government agencies such as the DOTR, DPWH, and DA including a meeting organized by the Office of the President- Presidential Management Staff and attended by DA, DOTr, DPWH, DILG, Department of Information and Communications Technology (DICT), Department of Finance (DOF), National Economic and Development Authority (NEDA) and Bureau of Customs (BOC). The draft was also presented to the Economic Development Group prior to the presentation to the President.





The 3-year action agenda also incorporated the short-term recommendations of the Asian Development Bank (ADB) which has developed a Philippine Food Chain Logistics Master Plan 2023–2033 for the DA, specifically on (i) enhancing existing food terminals with a Merca City concept, (ii) establishing a comprehensive cold chain distribution system, improving farm-to-market roads, enhancing strategic ports, (iii) creating a funding scheme to attract foreign and private investments, and (iv) increasing promotion of e-commerce for fresh products.

In addition, the Agrologistics Study of the Holland International Distribution Council was used to define the scope of the three-year food logistics action agenda.



### What is Agrologistics?

It includes all Post Harvest activities that bring a product to market in the best quality and safety conditions, at the right time and at the lowest possible cost

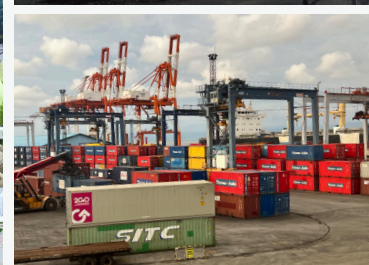


SOURCE: Holland International Distribution Council (HIDC). Introduction to Agrologistics



## What is the Three-Year Food Logistics Action Agenda

The three-year food logistics action agenda is intended to be a short-term action agenda to enable rapid impact and midterm calibration. It focuses on making the food available, accessible, and affordable for consumers ensuring that the latter get the right product, at the right time, at the right price in a reliable manner.





# The three-year food logistics action agenda will focus on six major strategies:



1 Revolutionize the Philippines' **food distribution system**, from farm to fork;



2 Reduce **transport and logistics costs**;



3 Increase **investments in logistics infrastructure** (transportation and storage);



4 Address other **supply chain gaps** i.e. Logistics and Distribution, Post-Harvest Management, Market Linkages, Market Information, and Access to Finance;



5 Heighten **enforcement measures** against hoarding, smuggling, overstaying food imports, and monitoring of warehouses/cold storage facilities; and



6 Use **ICT to improve logistics performance** - from streamlining and automation of government permits and licenses to the integration of systems within the logistics ecosystem.

At the end of 2026, the three-year food logistics action agenda is envisioned to achieve the following: a) reduced logistics costs, particularly on agricultural commodities; b) interoperable transport and logistics-related systems; c) identified at least one food hub in any high-growth areas in Metro Manila, Region III, and Region IV-A; d) upgraded at least one food terminal into modern whole-sale agricultural terminal similar to Mercabarna or Rungis Market ; e) identified, funded, and built key food logistics infrastructure; f) increased private sector investments in cold storage, warehouses, and technology; g) developed warehouse registry; and h) streamlined government processes and available online.



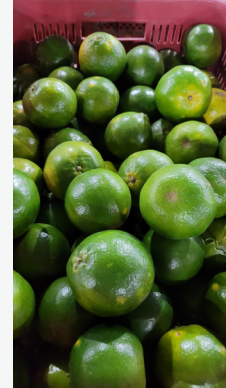
# THREE-YEAR FOOD LOGISTICS ACTION AGENDA 2023-2026

Thanks to a dynamic private-public sector engagement through Logistics Services Philippines (LSPH), an informal aggrupation of private sector organizations that belong to the logistics services sector, several initiatives were pursued to ensure the development of the logistics services sector as an efficient enabler of the manufacturing, agriculture, and service industries. This strong engagement resulted to a significant improvement in terms of the logistics performance of the country.

In the World Bank study, “Connecting to Compete 2023, Trade Logistics in an Uncertain Global Economy”, the Philippines showed significant improvement in the Philippines’ global ranking in the 2023 Logistics Performance Index (LPI). From a middle third position at 60th spot among 160 economies in 2018, the country is now among the top third countries in LPI at 43rd rank among 139 economies. The Philippines posted improvements in all criteria except for international shipments.

This improvement in rank, notwithstanding, more needs to be done.

The three-year food logistics action agenda is in line with the President’s pronouncement during the 1st State of the Nation Address (SONA) to improve the value chain. The plan also considers the key objectives cited in the Philippine Development Plan (PDP 2023-2028) to 1) ensure food security; 2) keep food and overall prices stable; 3) modernize agriculture and agri-business; 4) dynamic innovation ecosystem; 5) digitalization; and 6) enhanced connectivity.



# Action Agenda #1: Revolutionize the Philippines' food distribution system, from farm to fork.



Revolutionizing the Philippines' food distribution system has the potential to significantly improve the movement of agricultural products from farm to fork. This can efficiently streamline the supply chain by reducing the number of intermediaries involved in the distribution process. Furthermore, it may provide farmers with better access to urban areas and higher pricing for their crops.

Below are the interventions will be made through this action agenda:

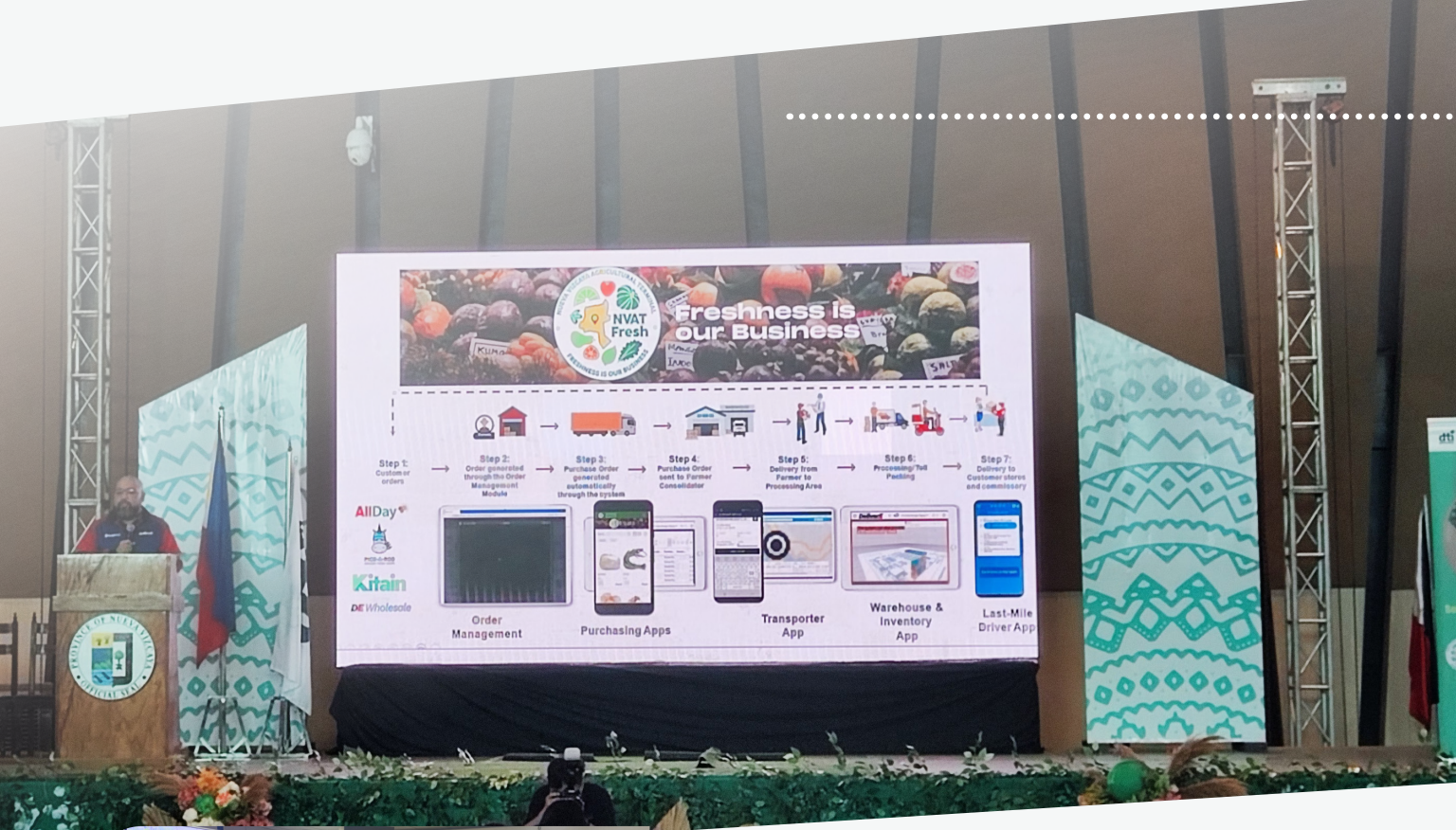
- **Upgrade existing food terminals (Food Terminal Projects (Piloting, Upgrades, and Integration), Refining of Wholesale Market Concepts, Introduction of Training and Research for Food Hubs)**

Upgrading of food terminals in the country will improve food distribution efficiency, enhance food safety, reduce food cost, and contribute to economic growth and sustainability. To enable stakeholders upgrade food terminals, several capacity building initiatives shall be provided by the Department, in collaboration with public and private partners.

In partnership with the United States Agency for International Development (USAID) – Strengthening Private Enterprise for the Digital Economy (SPEED) Activity, a pilot project with the Nueva Vizcaya Agricultural Terminal (NVAT), Inc., where a digital marketplace, (NVATFresh.com) was developed to enhance business and logistics operations. Through a business to business (B2B) approach, NVATFresh connects farmers, buyers, logistics providers, with institutional buyers. This platform can serve as a marketplace where transactions can take place, orders can be placed, and real-time inventory can be viewed.







- Explore additional food hubs in Metro Manila and outside of Metro Manila ie. Cavite or Calamba (as aggregation points for produce from South Luzon) and in Clark or Bulacan (for North Luzon) to decongest traffic in Metro Manila



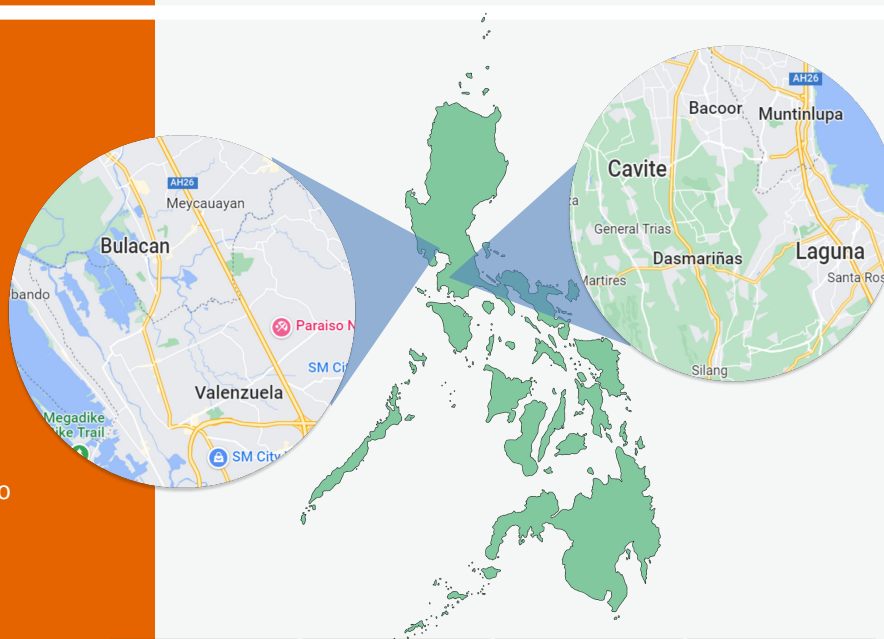


The Philippine Food Chain Logistics Master Plan 2023-2033, which was prepared for the DA by the Asian Development Bank (ADB), has comprehensively identified the necessary requirements and conducted thorough analysis to assess the practicality and potential success of the Merca City concept in Metro Manila.

The Merca City concept will highlight the improvement of food terminals and hubs in Metro Manila. As per the Masterplan, it is advisable to initiate this concept by upgrading an existing food terminal, thereby serving as a practical trial for the proposed Merca City concept, before expanding it to other regions.

Similarly, the Rungis International Market, known as the largest wholesale food market in Europe with over 578 acres, is conveniently situated on the outskirts of Paris (France). It is strategically positioned adjacent to Orly Airport and at the intersection of the city's major highways. This market caters to 2.9 million tons of food product per year. Its ecosystem has 493 companies, including 19 restaurants, a bank, post office, gas stations and the market's own police force. Thus, making it a blueprint for the Merca City in the country.

Below is the surface requirement in other international food hubs used as benchmark to calculate the required surface area for the food hub in Metro Manila, identified in the masterplan by DA and ADB:



Hub of Reference	Served Population	Surface in Ha	Average hectar per mission inhabitants
Mercabarna (Barcelona)	10 million	90 ha	9
Mercamadrid (Madrid)	12 million	222 ha	18,5
Rungis (Paris)	18 million	234 ha	13
Tsukiji Fish Market (Tokyo)	22 million	23 ha	1,045
Borough Market (Tokyo)	4,5 million	1,82 ha	0,404
	Average surface area per 1 million inhabitants		8,389 ha about 9 ha per each million inhabitants
Needed surface area for Manila food hub	13 million	117 ha	

Source: Philippine Food Logistics Chain Masterplan





The DTI coordinated a series of meetings and focus group discussions aimed at addressing key issues in the supply chain and logistics of agricultural and fisheries products within Metro Manila. The goal is to establish food hubs strategically located across different parts of the National Capital Region (NCR) in order to create a more efficient and seamless transportation system. These food hubs are designed to provide a platform for the storage, distribution, and timely delivery of agricultural and fisheries products, ultimately improving food security and affordability for the residents of Metro Manila.

It is important to consider exploring additional food hubs both within and outside Metro Manila in order to help alleviate traffic congestion in the capital region and improve the efficiency of the supply chain. These hubs serve as gathering points for agricultural products, reducing the need for several vehicular trips, multiple handling of produce, and movement of vehicles within Metro Manila. This strategic approach not only helps address traffic issues, but also ensures a smoother flow of goods, benefiting both producers and consumers.

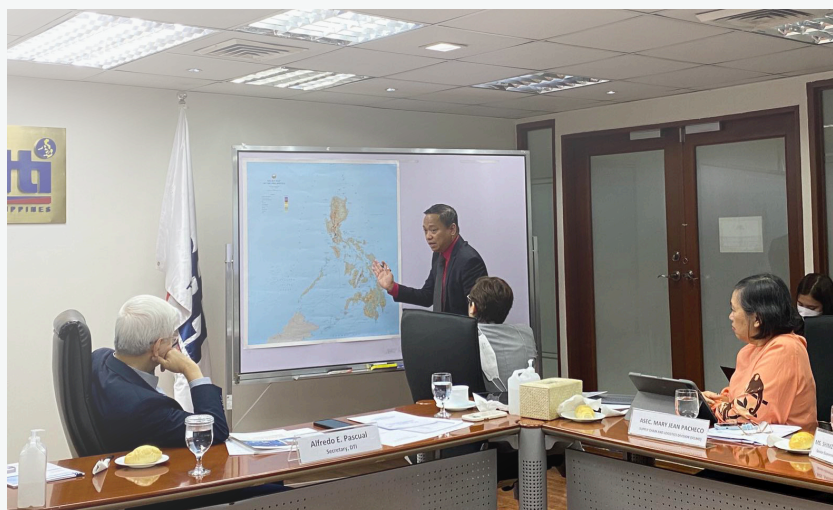
## **Two proposed locations for these food hubs were identified during the discussions:**

### **1. North Sector:**

Located in Valenzuela City, this hub is intended to serve areas such as Caloocan City, Quezon City, Valenzuela City, San Juan City, and Mandaluyong City.

### **2. South Sector:**

Located in Muntinlupa City, this hub will cater to Las Piñas City, Makati City, Paranaque City, Taguig City, Municipality of Pateros, and Pasay City.



The discussions also emphasized the need to explore additional food hubs inside and outside of Metro Manila, in addition to the existing ones. It is suggested that these new hubs could be established in Bulacan (for North Luzon) and Cavite (for South Luzon), serving as aggregation points for produce. By strategically placing these hubs in significant areas, the aim is to alleviate traffic congestion in Metro Manila and enhance the efficiency of the supply chain.

Navotas City is also a potential hub. It is accessible by both land and marine transportation as it is situated along the coastal area of Metro Manila. Its close proximity to major transportation networks, such as highways and ports, enables the efficient transit of agricultural goods to and from other areas in Metro Manila and its surrounding regions.

Each food hub is expected to include essential components, such as a wholesale market, cold chain and logistics facilities, and Kadiwa ni Ani at Kita Stores. These hubs aim to tackle important logistical challenges, such as storage, transportation, and distribution, that play a vital role in maintaining affordable food prices and ensuring a steady food supply in Metro Manila.

- **Pilot the concept of Agro-Industrial Business Corridors in any of these identified areas: Baguio, Bataan, Clark, Cavite, Batangas, Mactan, Davao, Zamboanga, General Santos**



The ABCs or the Agro-Industrial Business Corridors are organized clusters of farm producers that connect with regional centers through an integrated system of roads, rails, and ports. These corridors will provide a ready market for farmers and fisherfolk, offer access to technology, and facilitate increased trade and investments. The goal is to modernize the agricultural sector and harness economies of scale, fostering sustainable agricultural development through value chains along existing infrastructure corridors.

These ABCs encompass various components, including Agri-Fisheries Industrial and Business Parks, Agri-Based Clusters, Agri-Business Incubators, and Special Economic Zones. It also involves public-private partnerships, efficient supply chains, and assured markets through futures trading for strategic commodities. Additionally, they emphasize the critical involvement and inclusion of the smallholder sector in agricultural development.

However, implementing ABCs comes with challenges such as coherence in long-term development plans, inadequate infrastructure, and mobilizing private-public private investors and considering sustainability factors.

As part of the One DA reform agenda, the proposal is to pilot the establishment of ABCs in any of the identified areas with Special Economic Zones (SEZ) such as Baguio, Bataan, Clark, Cavite, Batangas, Mactan, Davao, Zamboanga, and General Santos.





## Action Agenda #2: Reduce transport and logistics costs.

- Moratorium on  
pass-through fees**

Truckers have frequently brought up the issue of pass-through fees in several consultation meetings. The DILG began publishing Memorandum Circulars in 2009 requesting that LGUs cease levying and collecting pass-through fees related to the transit of commodities. Despite the multiple issuances of the DILG, truckers have reported that some LGUs still continue to collect pass-through fees and taxes invoking Sections 141, 153, and 155 of the Local Government Code of the Philippines.

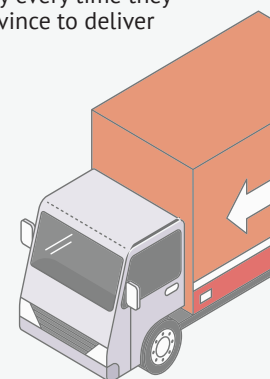
The LGUs continue to impose pass-through fees in the form of travel permits, sticker fees, discharging fees, delivery fees, market fees, or toll fees, thereby increasing logistics costs and prices of commodities.

Particularly, the DTI has been continuously receiving reports from the private sectors that LGUs continue to impose travel permits which add to the cost of logistics:

### Reports sent to DTI on 01 August 2023

Municipality / City	Amount / Classification	Penalty
Manila City	Php2000 Per Travel Permit; Per Unit; Monthly	No permit will be subject to violations that can have the truck impounded.
Pasay City	Php2000 Per Sticker; Per Unit; Yearly	Issuance of traffic violation ticket with Php1,000.00 fine.
Muntinlupa City	Php250 Per 10-wheeler/ Php150 per 6-wheeler Quarterly	Php2,500 penalty (no entry) for trucks without a permit.
Cavite City	Php645 Per Unit/Yearly	Trucks are being stopped by enforcers and are forced to buy stickers.  Enforcers will have the trucks without stickers/permits Impounded. Donation of 16L of paint per truck as A requirement for issuance of travel permit. Truck routes must also be indicated on the travel permit request letter.
Caloocan City	Php 800 Per Unit/Yearly	Enforcers from the municipal hall are on standby at San Simon exit waiting for the trucks that will enter their jurisdiction and trucks are forced to pay every time they enter the province to deliver goods
Province of San Simon	Php300 PER ENTRY	
Meycauayan (MMIA)	Php 300 per unit per entry	
San Simon (BIOFIT)	Php 300 per unit per entry	
Marilao (Moldex/Metroseal)	Php 200 per unit per entry	
Laguna (D&L)	Php 300 per unit per entry	
Batangas (DOSO)	Php 200 per unit per entry	

Hence, the DTI proposes the issuance of an Executive Order directing all LGUs to cease the collection of pass-through fees on national roads and strongly urging the suspension of the collection of any forms of fees under Section 153 or 155 of Republic Act no. 7160 or the “Local Government Code of 1991” on all types of vehicles.





- **Moratorium on the imposition of additional port fees and other charges**

Logistics Services Providers (LSP) have expressed their apprehension over increasing port charges. Way back in April 2016, the PPA released Administrative Order (AO) No. 03-2016, otherwise known as “The Port Terminal Management Regulatory Framework (PTMRF)”. In the AO, PPA seeks to privatize ports and implement a Uniform Tariff Across Tiered Ports. As of today, the tariffs for Tier 3 Ports have been implemented and charged; consequently, the Bidding process for Tier 2 ports has started but the tariffs are yet to be implemented.

During the hearing for the implementation of the Uniform Tariff Rates, collective contentions from the private and public sectors were raised:

- **Region 9 reported 102% and 253% on steel bars and lumber respectively.**
- **Increase in Prime Commodities (Rice) for Iloilo and Davao is expected to range between 114%-165% and 58% - 84% respectively**
- **Lack of Regulatory Impact Assessment**
- **Implementation of the Tariff Rates to underdeveloped ports (and usage of Cagayan De Oro port, a developed port, as a baseline for tariffs)**
- **Increase in tariff rates even without tangible investments and service improvement from port operators.**





Logistics, being present in all aspects of the commodities market and business operations, is a significant determinant of retail and consumer prices. The reduction of logistics costs, therefore, translates to a consumer-friendly market as it prevents the inflationary effect from businesses passing on the additional port charges to the consumers.

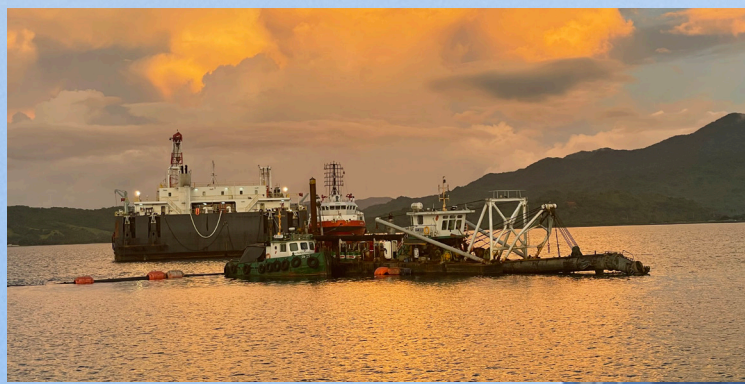
The DTI proposes a review of such and related policies that will increase logistical costs.

- **Zero tolerance on “gray costs”**

Taking off from the issues and concerns raised during COVID, the DTI was tasked by the IATF to Chair the Sub-Task Group on Food Value Chain and Logistics, many of the issues that surfaced and have not been addressed, are included in the action agenda.

One of the issues reported is the questionable traffic violations where enforcers ask truckers for birth certificates, marriage certificates, and chassis numbers on temporary plates.

In addition, there are numerous instances where enforcers are not aware of the current policies and regulations being implemented.







- **Legislation to regulate high international shipping charges**

High international shipping charges have emerged as a persistent concern within the private sector in the Philippines. This problem has been repeatedly brought up throughout the years due to the excessive and unreasonable nature of these charges. Because of its huge impact on the competitiveness of the Philippine economy, the issue of excessive questionable international shipping lines' destination charges was raised by the private sector as early as 2017 by the private sector, particularly the Export Development Council Networking Committee on Transport and Logistics.

In 2018, during the Logistics Service Philippines (LSPH) Conference, importers and exporters have again raised the issue to a panel, the following were brought out:

- There is no agency to regulate international shipping charges, as both the DTI and MARINA claims it is not within their mandate.
- Representation with international shipping lines need to be made by government, at the highest levels.





Some of the destination charges imposed by international shipping lines include container deposit fees, container cleaning fees, container detention and demurrage charges, port congestion surcharges, emergency cost recovery surcharges, and other unspecified charges. Amid mounting concerns over arbitrary international shipping charges in the Philippines, the DTI took a series of actions.

In 2018, the DTI endorsed exporter complaints to the Philippine Competition Commission (PCC) to investigate potential anti-trust violations by international shipping lines. Subsequently, in 2019, the DTI led the development of a Joint Administrative Order (JAO) aimed at regulating these charges and alleviating port congestion. Despite initial approval by the DTI and DOTr, the DOF opposed the JAO, citing regulatory constraints. The DTI then formulated a draft Philippine Shippers Act of 2020, proposing the jurisdiction of the MARINA over international shipping lines. Currently, bills on International Maritime Trade Competitiveness Act are pending. The bills propose to address charges that include excessive fees, surcharges, destination charges, and unjustifiable fees imposed by international shipping lines.



## • Measures to reduce logistics costs:

- Establishing truck routes

The DTI-Supply Chain and Logistics Management Division (SCLMD) organized several workshops, conferences, and meetings with stakeholders that aim to explore strategies for unhampered movement of goods and address concerns, particularly those related to truck bans and routes. The DTI brought together stakeholders from the logistics sector, government agencies, and industry experts to discuss critical issues affecting the movement of goods in the Philippines. They identified several significant challenges hindering the unhampered movement of goods in the Philippines.

The primary challenge identified was the unsynchronized truck bans imposed by Local Government Units (LGUs) across different regions. These varying bans led to disruptions in truck deliveries, delays, and severe port congestion, ultimately impeding the efficient movement of goods. Inconsistencies in truck ban schedules caused significant inefficiencies in logistics operations, necessitating immediate attention. The stakeholders and the DTI discussed the possible solutions:

### 1. Exploration of No Truck Ban Policy

Stakeholders advocated for the exploration and potential implementation of a comprehensive “No Truck Ban on Truck Routes” policy. This policy would ensure that designated routes for truck transportation remain accessible at all times, mitigating delays and disruptions.

### 2. Unified Truck Ban Schedule

The participants recommended that the Metropolitan Manila Development Authority (MMDA) take the lead in imposing a unified truck ban schedule across Metro Manila. This standardized schedule would provide consistency and predictability for logistics operations, reducing the risk of delays and bottlenecks.



### 3. Clear Guidelines for LGUs

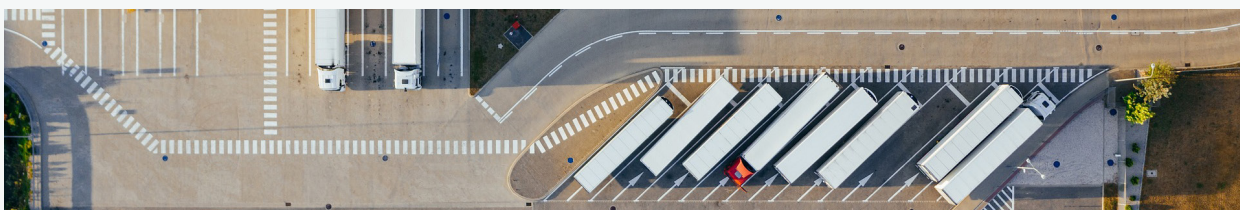
To prevent individual LGUs from imposing their own truck ban ordinances, clear and uniform guidelines should be established at the national level. These guidelines would help create a streamlined and efficient system for goods transportation.

### 4. Mapping of Truck Routes

An essential step in facilitating unhampered goods movement is the comprehensive mapping of truck routes in key regions. This would aid logistics providers in planning efficient delivery routes and avoiding areas with restrictions.

### 5. Improved Land Traffic

To further enhance the movement of goods, there is a need to address broader land traffic issues, considering the needs of both commercial and private vehicles. Coordination between government agencies and industry stakeholders is crucial to achieving this goal.



Another challenge that was identified during these meetings was the Anti-Overloading Law in the Philippines, officially known as RA 8794, which has been a significant point of discussion and concern within the logistics and trucking industry. This law, which prohibits vehicles from exceeding certain weight limits, has posed several challenges to truckers and the transportation of goods.

One of the primary issues is the additional financial burden it places on truckers, who are often responsible for the associated fees rather than their clients. Moreover, the rehabilitation of the Candaba Viaduct, a crucial trade route, further exacerbates these challenges, as vehicles weighing over 33 tons are no longer allowed to use it, resulting in additional operational costs, including fuel, compliance with local ordinances, vehicle maintenance, and labor. As the law affects the cost of doing business for truckers and has an impact on the overall logistics landscape, discussions have revolved around finding practical solutions, such as revising the Anti-Overloading Law, conducting consultations with stakeholders, and exploring alternative routes to alleviate the financial and operational burden imposed by the law.

The proposed solutions encompass streamlining regulatory processes, aligning national and local policies, revising existing laws, and establishing a unified approach to truck bans. These solutions aim to enhance logistics efficiency, reduce operational costs, and foster economic development.

As the Philippines continues to solidify its position as a regional logistics hub, collaboration between stakeholders, government agencies, and industry experts remains pivotal for implementing these proposed solutions and achieving seamless goods movement in the land sector.





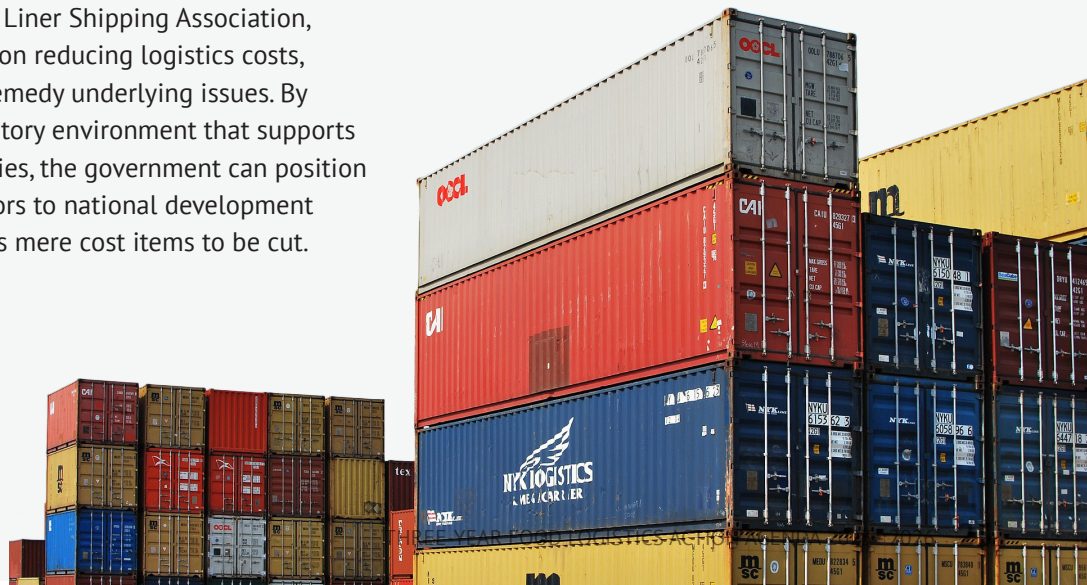


- Taxes on operating costs of foreign vs. domestic vessels

Domestic shipping lines have expressed their concern on the need to shift the perspective on transport and logistics, solely as industries of their own, but as integral components of cost reduction efforts. Below is a comparative analysis of factors influencing the operating costs of foreign and domestic vessels plying Philippine waters, as reported by the private sectors:

	Foreign Shipping Lines	Domestic Shipping Lines
<b>Fuel Prices</b>	No tax	Duties and VAT of 12%
<b>Philippine Income &amp; Freight Taxes</b>		
VAT on Gross Freight	0%	12%
Corporate Income Tax	0%	32%
Common Carrier's Tax	3%	0%
Tax on Gross Philippine Billings (Outgoing)	2.5%	0%
<b>Operating Costs</b>		
Steel Plates, Spare Parts & other supplies	0%	10%
Duties VAT	0%	12%
Dry-docking VAT		
<b>Vessel Acquisition</b>		
Vessel Cost (in Pesos)	288,000,000.00	288,000,000.00
12% VAT and 3% duties	0%	43,200,000.00

According to the Philippine Liner Shipping Association, rather than focusing solely on reducing logistics costs, it's crucial to identify and remedy underlying issues. By creating a conducive regulatory environment that supports the growth of these industries, the government can position them as valuable contributors to national development rather than viewing them as mere cost items to be cut.





## Action Agenda #3:

### Increase investments in logistics infrastructure.

- **Budgetary support for logistics infrastructure vessels**

Infrastructure development projects play a crucial role in bolstering food security through a multitude of benefits. Under the 3-year action roadmap, a National Logistics Investments Plan (NLIP) shall be developed. The NLIP is a blueprint to ensure the country's comprehensive interconnectivity network of logistics infrastructure projects. It identifies the Framework for Comprehensive Interconnectivity Network of Logistics Infrastructure Projects, among them is the framework on Logistics Gateway Infrastructure for Urban and Regional Centers of Growth. It supports the idea that highly urbanized cities and major secondary cities must be supported with sufficient transport and logistics gateway capacity today and tomorrow. The NLIP seeks to identify major airports, seaports, container yards to support major ports, integrated food terminals, cold storage beside ports and airports, and rail projects connecting major cities.

Overall, these infrastructure initiatives not only strengthen the foundations of food security but also contribute to the economic well-being of farming communities, fostering a more sustainable and reliable food supply for the nation. Government agencies shall include its convergence programs as follows:



- **DTI-DOTr Convergence Program: Logistics Efficiency and Transport Seamlessness for Growth Outcomes (LETS GO)** - This program aims to establish a working arrangement between DTI and DOTr to undertake the planning, budgeting, implementation, and monitoring and evaluation (M&E) of transport infrastructure projects that will contribute to logistics efficiency and transport seamlessness. The basis of the program's guidelines will be the National Logistics Investment Plan (NLIP), where priority airports, seaports, terminals, and other transport infrastructure across the country are identified.







- **DTI-DPWH Convergence Program: Roads Leveraging Linkages of Industry and Trade (ROLL IT) 2.0 – Logistics Efficiency and Transport Seamlessness to Enhance Agribusiness Trade (LETS EAT)** - This program aims to renew and reformulate the working arrangement between the DTI and the DPWH to jointly undertake the planning, budgeting, implementation, and M&E of road infrastructure projects that will enhance food security and logistics efficiency. From the start of ROLL IT 1.0's implementation in 2018, a total of P60.83 billion has been appropriated for the construction and upgrading of 2,041 km of access roads leading to industries and trade corridors across the country. Currently, 1,067 km have already been completed.





- **DTI's support on DA's Farm-to-Market Road Network Plan (FMRNP)** - The FMRNP is a comprehensive master plan for the rehabilitation and construction of existing and proposed road networks that link farms, agri-fishery production areas, processing plants, markets, agri-tourism sites to the national highway. This interagency program aims to facilitate trade and provide better opportunities for livelihood to local farmers and fisherfolk.

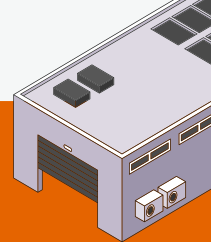


- **Aggressive investment promotion campaign on investments in logistics services (PSA, FIA) / Create an integrative funding scheme attracting foreign and private investments**

The passage of the amendments to the Public Service Act enables 100 percent foreign ownership of public services, including airports, railways, expressways, and telecommunications will make investments in logistics services in the Philippines offering significant potential and attractive opportunities for both domestic and international investors. The Department will pursue the immediate issuance of act's Implementing Rules and Regulations (IRR) to invite potential transport and logistics investors.

- **Build a cold chain integrative distribution system (Full implementation of the Philippine Cold Chain Industry Roadmap)**

The Philippines, with its predominantly agricultural economy, faces a critical need for a well-established cold chain integrative distribution system. This urgency stems from the country's heavy reliance on perishable goods like fruits, vegetables, and seafood for both domestic consumption and export. Without a reliable cold chain infrastructure, a significant portion of these goods is lost due to spoilage, impacting not only the livelihoods of farmers and fishermen but also the nation's food security. Moreover, the absence of a robust cold chain system impedes the timely and safe distribution of crucial healthcare products, including vaccines and medicines. This vulnerability was glaringly evident during health crises, underlining the pressing requirement for a comprehensive cold chain network. By investing in such a system, the Philippines not only minimizes economic losses but also fortifies its capacity to respond effectively to public health emergencies, ultimately contributing to a more resilient and sustainable future.



The Cold Chain Industry Roadmap lays down the blueprint for industry expansion towards the “new normal” adept in coping with health emergencies. A National Cold Chain Committee will be created following the launch of the Roadmap. The Committee will implement and monitor programs on the five focus industries of the roadmap, namely: meat/processed meat, fisheries and aquaculture, dairy, fruits and vegetables, and non-food such as pharmaceuticals and electronics. These would include the promotion of investments in the cold chain in key geographic areas to increase food security and safety in times of supply-disrupting events such as the COVID-19 pandemic.

## • Modernization of strategic ports



One of the recommendations in the Philippine Food Chain Logistics Master Plan 2023-2033 by the DA and ADB, is to alleviate strategic ports with appropriate facilities for smooth food distribution. Navigating port infrastructure as a facility for food distribution requires several factors that need to be considered, such as the size and location of the port, volume of cargo traffic, and types of operations.

It is also important to note that the needed port infrastructure such as high-capacity cranes, unloading conveyor belts connected to different silos, stackers, special hoppers will also depend on the commodities and operations inside the port.





## Action Agenda #4: Address other supply chain gaps.

Supply chain gaps are weaknesses or deficiencies, in the flow of goods, information and resources, within the supply chain process. These gaps can occur at various stages from production to marketing to distribution. It is therefore crucial to address these supply chain gaps in order to improve efficiency, reduce costs and enhance competitiveness.

Below are some of the identified several supply chain gaps in the country that needs to be addressed:

- **Logistics and Distribution** – Aside from transportation, logistics covers storage/sorting/grading, and distribution, i.e. bringing a product to market in best quality at the right time, and the lowest possible cost. One of the interesting findings is that there is no centralized registry of warehouses in the country. A warehouse registry is important for many reasons: (i) regulatory oversight: monitor and enforce compliance with regulations related to safety standards, storage conditions environment, and other legal requirements (ii) resource allocation: need to identify where there is inadequate infrastructure, gaps in storage capacities, and areas of high demand where investments can be made (iii) disaster management (iv) food security (v) anti-illegal activities, and (vi) data-driven policy formulation. The DTI proposes the creation of a comprehensive national warehouse registry in support of investment promotion, food security, and policy formulation.



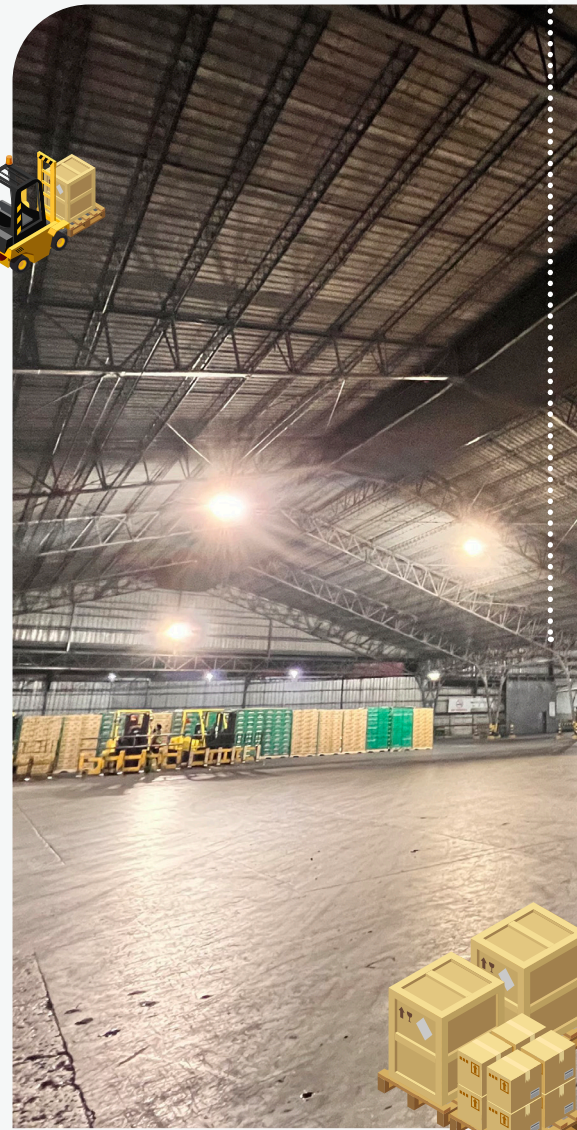


- **Post-harvest Management** – Post-harvest losses can significantly impact agricultural productivity.
- **Market Linkages** – Increasing market access between farmers/producers and buyers is an important element. The DTI and DA shall collaborate to connect farmers with buyers.

- **Market Information** – Access to accurate and timely market information enables farmers to make informed decisions, improve price transparency, and provide fair returns for their produce. The information, once shared with the government, can also help key decision makers in developing and implementing program, activities, and projects. Likewise, the information can also be used in monitoring and evaluation of implemented programs, activities, and projects.
- **Access to Finance** – Address access to affordable credit to enable farmers to invest in modern technology to enhance productivity and reduce post-harvest losses. Capacity building for farmers to promote financial inclusion and digitizing merchant payments is also a priority.







## Action Agenda #5:

Heighten enforcement measures against hoarding, smuggling, overstaying food imports, and monitoring of warehouses/cold storage facilities.

- **Adopt limited stay policy on food imports**

During the COVID-19 Pandemic, the DTI, DA, DOTR, DOF, BOC and PPA formulated the Joint Administrative Order (JAO 20-01) or the Adoption of Processes for the Expedited Release of Refrigerated Containers, and Dry Vans During the Period of Enhance Community Quarantine. The issuance of this JAO resulted in improved yard utilization. PPA reported that the yard utilization of Manila Ports has dropped to 67% to 65% on average (normal average level) from as high as 90% to 98% in the early part of the ECQ which effectively prevented possible port congestion and disruption of the supply chain. To improve supply situation, it is recommended to consider the adoption of a “limited stay in the ports” policy, particularly on food. This will require the BOC to expedite the release of refrigerated containers and dry vans of food imports. Likewise, overstaying or non-withdrawal of containers shall be declared abandoned and subjected by the BOC to disposal proceedings for donation to the Office of Civil Defense.

- **Step up the fight against food smugglers and hoarders**

Republic Act No. 10845 or the Anti-Agricultural Smuggling Act of 2016 mandates the State to promote the productivity of the agricultural sector and to protect farmers from unscrupulous traders and importers, who by their illegal importation of agricultural products, especially rice, significantly affect the production, availability of supply and stability of prices, and the food security of the State. The DA, DTI, DOF, Department of Justice (DOJ), among others shall increase its collaboration in terms of enforcement against abusive traders and importers.





- Revitalize Sub-Task Group on Economic Intelligence**

During the COVID-19 Pandemic, the Sub-Task Group on Economic Intelligence (STG-EI), created under the IATF Task Force on Food Security, was tasked to gather information to assist in assessing the causes and effects of price and supply developments, adjustments, trends, and conditions of basic necessities and prime commodities (BNPCs) and other essential goods to address issues on food security including their accessibility and affordability. It is recommended to reconstitute the STG-EI consisting of law enforcement agencies to curb hoarding, and smuggling in order to promote fair competition, ensure food availability, and maintain price stability in the food market. The STG-EI shall be composed of DTI, DA, DILG, DOJ, BOC, National Security Council (NSC), Philippine Competition Commission (PCC), National Bureau of Investigation (NBI), Philippine National Police-Criminal Investigation and Detection Group (PNP-CIDG), and National Intelligence Coordinating Agency (NICA) to implement strict market surveillance and economic intelligence and strengthen data sharing on agri-commodities and food products among these agencies.





## Action Agenda #6:

Use ICT to improve logistics performance from streamlining and automation of government permits and licenses, to the integration of systems within the logistics ecosystem.



- **Digitalization of food terminals**  
(Pilot Nueva Vizcaya Agricultural Terminal Inc.)

The DTI and the DA has identified major food terminals existing in the country such as those located in Benguet, Pangasinan, Quezon, Cebu, Davao and Nueva Vizcaya.

For example, the Nueva Vizcaya Agricultural Terminal (NVAT), Inc. is a 6.7-hectare multi-purpose facility that consolidates, processes, and stores agricultural and non-agricultural products from Nueva Vizcaya and other provinces <sup>(1)</sup> across the Ilocos Region and Central Luzon. The agricultural terminal is largely supported by the private sector <sup>(2)</sup>, with investments accumulating 85.43% of the total shares. The remaining 14.7%, on the other hand, is accounted for by the Provincial Government of Nueva Vizcaya and its municipalities. The NVAT brick-and-mortar consists of 20 buildings that can accommodate 300 stalls, two *tiangge* centers that can house 41 stalls, three packing/storage buildings which can fit 15 stalls, one wet market with 12 spaces, one processing building, one warehouse, and one administration building, among other structural provisions.

NVAT is home to a number of major commodities, such as, but not limited to the following highland and lowland agricultural products.

1. Benguet, Ifugao, Quirino, Isabela, Nueva Ecija, and Pangasinan.

2. Cooperatives, corporations, and individual shareholders.



- **Highland vegetables** - Carrots, Potato, Cabbage, Sayote, Cucumber, Wombok, Bell Pepper, Cauliflower, Broccoli
- **Lowland vegetables** - Eggplant, Ginger, Onion, Squash, Tomato
- **Citrus fruits** - Satsuma

67.09% of the agri-produce in NVAT is provided by the Cagayan Valley Region, while 30.18% are coming from the Cordillera Administrative Region (CAR), 2.59% from Central Luzon, and 0.14% from the Ilocos Region. In terms of outflow, the National Capital Region receives 28.29% of the commodities, followed by Central Luzon (35.43%), Cagayan Valley (32.54%), Calabarzon (2.91%), Ilocos Region (1.63%), and CAR (1.03%).





Commodity prices in NVAT fluctuate regularly, depending on variables including supply and demand, weather conditions, harvest management, and logistics efficiency. Another component that adds to the inflated costs of commodity prices is the traditional NVAT supply chain, which consists of multiple intermediaries (traders and purchasers) between farmers and retailers and results in higher cost and logistics expenses, as well as extended durations in storage facilities. NVAT cites the need for more market access.

The limitation of market access is heavily caused by the reluctance of farmers to deal with traders other than their “*suki*” traders, whom they have already established long-standing connections with. Suki dealers have a reputation for being reliable and trustworthy with their partner-farmers. It can be difficult for farmers to build trust with new traders because of knowledge asymmetry and the traders’ propensity to back out of transactions when they find comparable items being sold for less money or in better condition.





During DTI's Supra Regional Consultations in the North Luzon Logistics Cluster on 28 September 2022, farmers and traders recognize the significant role of NVAT, but raised note-worthy issues relative to the operations of NVAT. These include the non-availability of cold chain infrastructure; lack of storage, processing, and packing facilities; unstable volume of fruit and vegetable supply; inconsistency in product quality; and high logistics costs. Diagram 6.1.1. represents the multiple layers that products go through before they reach their end consumers.

Diagram 6.1.1.

### TRADITIONAL SUPPLY CHAIN



A proposal to digitalize NVAT was presented as a solution to the problems listed above. This digitalization effort also involves increasing the number of processing, packing, and cold chain facilities, improving capacity for product quality management and pricing, and giving farmers better market access. The proposed digitalization program for NVAT is an approach that was deemed effective in resolving the issues that hamper stable prices and food accessibility.

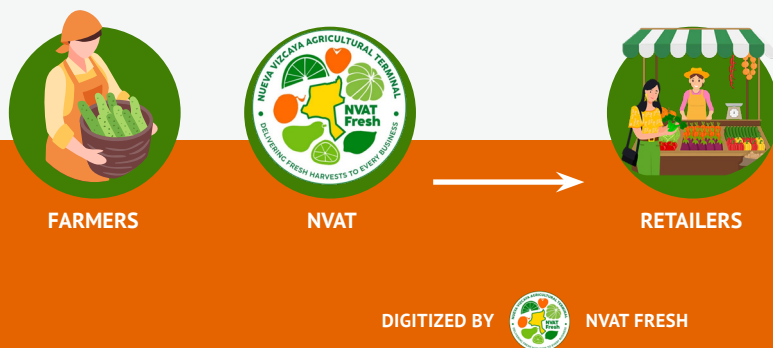


Therefore, the DTI, in collaboration with the USAID-SPEED Project, and the NVAT Inc., developed "NVAT Fresh", as part of the digital revolution in the Philippines, providing a stable and sustainable market for agricultural products and securing a data-driven environment for agriculture, trade, and financing. The website is not only a web retail store, but a complete end-to-end supply chain management system. It was launched and introduced as a B2B e-commerce platform on 31 August 2023.



Diagram 6.1.2. illustrates the shortened supply chain, and direct linkage of farmers to retailers after the products are consolidated, processed and packed at NVAT.

## NVAT FRESH SUPPLY CHAIN



A co-creation workshop was organized by DTI and USAID-SPEED and was attended by local shareholders from Nueva Vizcaya, particularly farmers, NVAT, Inc. board members, and Local Government officials on 10-11 May 2023. The attendees of the workshop were able to provide their concerns relative to their experiences in the current trading system, and their recommendations for the institutional and operational aspects of the online platform.





Following the co-creation workshop, several interventions were identified:



# 1.

**Adherence to quality standards** – to ensure the freshness of produce and reduce wastage, there is a need to inculcate among farmers and traders the importance of quality and introduce behavioural and process improvements such as the use of food-grade plastic crate manufacturers.



# 2.

**Financing** – in light of the fact that farmers prefer cash payments while institutional buyers are more likely to arrange specific payment terms, loans may be made available by Government Financial Institutions.



# 3.

**Capacity Building** – training on proper pricing and quality management, basics of e-commerce, digital payments, and financial literacy.

# 4.

**Internet Connectivity** – B2B e-commerce is not possible without internet connection, hence DTI shall be working with development partners to provide internet connection for farmers in remote areas access.

As a B2B, NVAT Fresh is also envisioned to integrate third-party providers such as payment gateways (i.e., GCash and Maya), logistics service providers (i.e., Lalamove, NinjaVan PH), and other applications into its system to promote smooth operations, swift expansion, and convenient transactions for its users.





Diagram 6.1.3 shows how a digitalized food terminal such as NVAT Fresh, can address common issues encountered within the country's agri-supply chain through its three-pronged lines of action that were based on the identified factors of price fluctuation.



### Supply and Demand — Harvest Handling — Logistics Efficiency

Market expansion and data forecasting to resolve the unstable volume of supply.

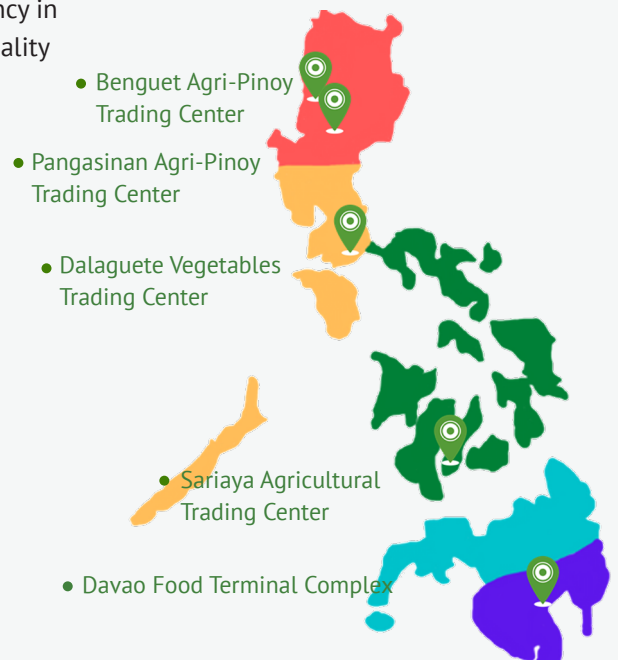
Capacity building on product quality management to resolve the inconsistency in product quality and size.

Budget provision for cold storage, processing facilities, and plastic crates to resolve the lack of proper handling equipment.

The involvement of third-party service providers and the reduced touchpoints or single consolidator to resolve logistics inefficiency and high costs.

Digitalizing food terminals will significantly aid in promoting national food security. This program in digital transformation and food security is planned to be replicated in various food terminals across the Philippines, such as but not limited to:

1. **Benguet Agri-Pinoy Trading Center in CAR**
2. **Pangasinan Agri-Pinoy Trading Center in Ilocos Region**
3. **Dalaguete Vegetables Trading Center in Central Visayas**
4. **Sariaya Agricultural Trading Center in Calabarzon**
5. **Davao Food Terminal Complex in Davao Region**



Asian Development Bank. (2021, November 29). Food inflation and food and nutrition security situation in developing Asia during the COVID-19 pandemic. <https://www.adb.org/news/features/food-inflation-food-nutrition-security-situation-developing-asia-covid-19-pandemic>





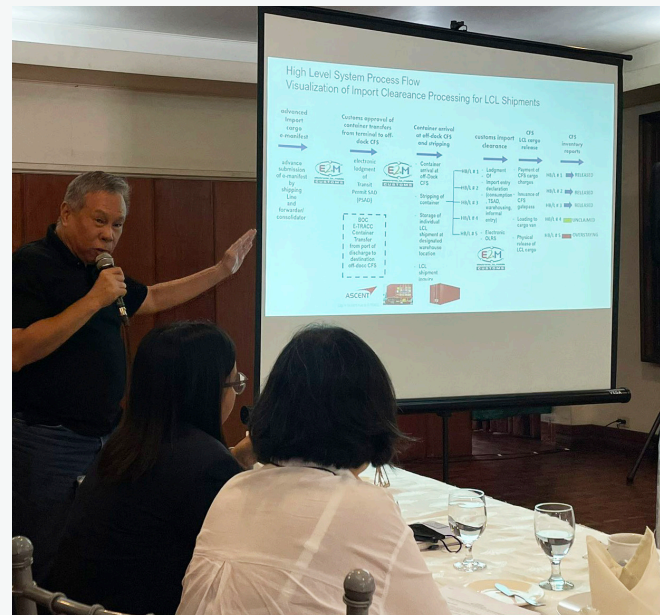
## • Creating a Digital Commissary

The DTI, DA, and the DICT in partnership with the private sector shall conceptualize and develop a “Philippine Digital Commissary” envisioned as an online platform that links farmers, farmers cooperatives, suppliers, buyers, logistics providers, consumers, and service providers that allows for a futures market mechanism in which participants are able to engage in a futures contract for product or service delivery on a longer, and future delivery date. Additionally, this online platform provides access to accurate and timely information, starting with a directory of public and private shareholders belonging in the agricultural, logistics, and trade industries, price, key statistics, among others.



- **Interoperability of transport and logistics-related systems (developed by terminal operators, shipping lines, container yard operators, Virtual Asset Service Providers (VASPs), Bureau of Customs (BOC), Philippine Economic Zone Authority (PEZA), etc.)**

Achieving interoperability among various stakeholders' transport and logistics-related systems cannot be overstated. Harmonization of these systems that involves terminal operators, shipping lines, virtual asset service providers (VASPs), BOC, container yard operators, and PEZA, holds the promise of transforming the entire logistics and trade ecosystem. It means smoother operations, fewer delays, better cargo visibility, improved tracking and tracing, and heightened efficiency throughout the supply chain. Moreover, interoperability encourages collaboration and coordination among these entities, equipping them to respond adeptly to any disruptions or changes in the logistics landscape. Furthermore, it brings about cost reduction by eliminating redundant tasks and optimizing resource allocation. It also enhances compliance with regulatory requirements through streamlined systems and improved data sharing, ultimately fostering a more effective and efficient logistics and trade industry.



In the Philippines, both private and public sectors are undergoing digital transformation. The Association of International Shipping Lines (AISL), Association of Container Yard Operators (ACYOP), and Association of Off-Dock CFS Operators of The Philippines (ACOP) are among the private stakeholders that are pioneering efficient digitalization measures while the BOC, PPA and the DOTr are among the public agencies that strive to introduce digitalization in their processes to improve efficiency, documentation and reduce red tape in government procedures.



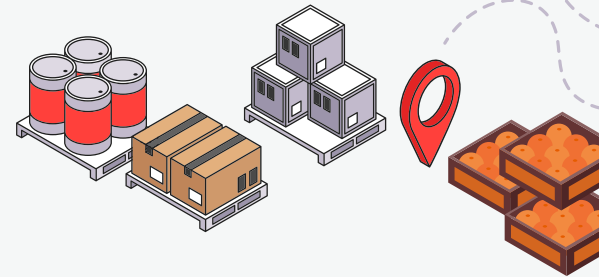
Organization	System	Salient Features
Association of Container Yard Operators (ACYOP)	Automated Container Management and Monitoring System (ACMMS)	<ul style="list-style-type: none"> <li>Provides real-time information on container yards within AISL's jurisdiction.</li> </ul>
	GoFast	<ul style="list-style-type: none"> <li>Web-based Empty Container Return System that provides paperless, no queuing and online documentation of transactions.</li> <li>Utilizing Electronic Data Interchange (EDI) for functionality.</li> </ul>
	Simply Book	<ul style="list-style-type: none"> <li>Simply Book provides a scheduling and booking platform for clients.</li> <li>Provides a database for forecasting, efficiency, and</li> <li>Utilization of Shipping Lines and Shippers.</li> </ul>
Association of Off-Dock CFS Operators of The Philippines (ACOP)	IMS	<ul style="list-style-type: none"> <li>Inventory Management System reflecting incoming and outgoing containers.</li> </ul>
Asian Terminals Inc (ATI)/ International Container Terminals (ICTSI) MICT	Terminal Appointment Booking System (TABS)	<ul style="list-style-type: none"> <li>The TABS is an innovative online system that schedules the withdrawal and delivery of containerized cargoes at the international ports of Manila.</li> </ul>
	NAVI	<ul style="list-style-type: none"> <li>System of ICTSI that improves gate, yard and vessel operations and throughput growth.</li> </ul>
Bureau of Customs (BOC)	Electronic 2 Mobile (E2M) Customs Memorandum Order 15-2018	<ul style="list-style-type: none"> <li>The E2M system allows customs officers and traders to electronically process most customs transactions, although importers are still required to submit hard copies of import documents and attachments to the Entry Processing Unit (EPU) for verification.</li> </ul>
	ETRACC (CMO No. 04- 2020)	<ul style="list-style-type: none"> <li>Generating Real-Time and accurate information and monitoring the movement and location of laden containers using tracking devices.</li> <li>Linking Tracking data to electronic documentation system.</li> </ul>
Philippine Economic Zone Authority (PEZA)	e-IPS (Import Permit System)	<ul style="list-style-type: none"> <li>Online Application function for obtaining Importation Permits.</li> </ul>
	e-AEDS (Automated Export Documentation System)	<ul style="list-style-type: none"> <li>Online Platform for Export Filing, Documentation System</li> </ul>



Under the 3-year food action agenda, the private sector and government agencies shall endeavor to develop a platform that that will allow existing systems to share, capture information/data relative to cargoes coming in and out of the country, and simplify the -

process of trade facilitation including securing permits, licenses, clearances, etc.

An integrated system will provide valuable insights to all parties involved, fostering a more informed and collaborative approach to logistics management.



## INTEROPERABLE LOGISTICS OPERATIONS SYSTEM



## DIGITAL SYSTEMS

## AUTOMATED CONTAINER MOVEMENT MONITORING SYSTEM

**Provides real-time information on container yards.**

## ELECTRONIC TO MOBILE (E2M)

**ELECTRONIC TO MOBILE (ETM)**  
Allows customers and traders to electronically process transactions.

**Service Providers:** E-Konek Pilipinas Inc., Intercommerce Network Services, CDEC

## INVENTORY MANAGEMENT SYSTEM (IMS)

Reflects incoming and outgoing containers.

## SIMPLY BOOK

**SIMPLY BOOK**  
Schedules and books platforms for clients.

## E-AEDS (AUTOMATED EXPORT DOCUMENTATION SYSTEM)

### Regulated filing and documentation systems of ecozones

**Service Provider: E-Konek Pilipinas Inc.**

## ELECTRONIC TRACKING OF CONTAINERIZED CARGO SYSTEM (E-TRACC)

Generates real time accurate information and monitors the movement and location of containers.

## MICT E-GATE

**UNIQUE SALE**  
Unifies initiatives to accelerate gate processes of customers at port.

## TERMINAL APPOINTMENT BOOKING SYSTEM (TABS)

Schedules the withdrawal and delivery of containerized cargoes at the international ports of Manila.

## E-IPS (IMPORT PERMIT SYSTEM)

Produces and accelerated process approval cycle time in applications for import shipments.

**Service Providers:** E-Konek Pilipinas Inc., Intercommerce Network Services

**GOFAST**

**Web-based empty container return system that provides paperless, no queuing, and online documentation of transactions.**

**Service Provider: CDEC**

## NAVIS

**NAVIS**  
Improves gate, yard, vessel operations and throughput growth.

- ***Streamlining and automation of government permits and licenses***

Streamlining and automating government permits and licenses reduces the bottlenecks and bureaucratic hurdles that delay the application of regulatory requirements. By simplifying the application processes, time and resources are significantly reduced to promote business productivity, which in turn, creates a competitive business landscape and generates job creation. A streamlined and automated system in processing government permits and licenses ensures transparency and accountability within government agencies, resulting in reduced opportunities for red tape and corruption.

One of the identified courses of action in the Three-year Food Logistics Action Agenda is to streamline and automate government permits and licenses, particularly for agribusinesses, in response to the growing concerns about food security. This initiative is seen to encourage more shareholders to invest in production sites, storage facilities, and markets owing to the competitive economic landscape it creates. Even before the conception of this short-term master plan, the DTI has already made efforts to promote ease of doing business and lower logistics costs.

- In a Transport and Logistics Cost Study on Pork conducted for the DTI by the University of the Philippines Public Administration Research and Extension Services Foundation, Inc. (UPPAF) - Regulatory Reform Support Program for National Development (RESPOND), it was reported that a number of hog production businesses have taken more than the ideal processing time to apply for government permits and licenses. Anecdotal reports on the difficulty in obtaining compliance requirements were reported from Tax Identification Number (TIN) from the Bureau of Internal Revenue (BIR) to Certificate of Accreditation/License to Operate (LTO) for Meat Transport Vehicle (MTV).



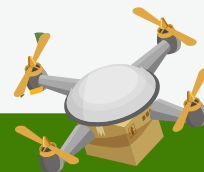


Additionally, some respondents highlighted the existence of unofficial fees during the process of obtaining various permits. These charges were encountered when acquiring the Barangay Clearance, Business Permit, and Sanitary Permit from the Local Government Unit, the Local Transport Permit from DENR, as well as the Meat Inspection Certification and Shipping Permit from DA. In addition to the listed permits and clearances above, there are several more which were mentioned by the respondents, such as pass-through fees, veterinary permit, veterinary inspection permit (i.e., Makati city), quarantine/ASF certificate, slaughter permit from NMIS, fire safety inspection certificate, occupancy permit, food handling permit, and weighing scale calibration. A total of fifteen (15) permits and clearances from different government agencies were identified as a requirement in establishing and operating a hog production business.

- In DTI's LSPH Project Streamlining, it was discovered that based on private stakeholder accounts, it takes 27 permits, licenses and/or clearances with a minimum processing time of four months before a cold storage can operate its business, and 44 permits, licenses, and/or clearances with a minimum processing time of one year and nine months before a general warehouse can also operate its business. The data were obtained from Citizen's Charters and were verified through a series of consultation meetings with the private and public shareholders. These include application and processing steps, requirements, time, costs and other expenses incurred in applying, processing, and issuing the identified licenses, certificates and permits. The DTI study gathered recommendations from respondents to further streamline the regulatory Starting a Business (SAB), Operating a Business (OAB), and Closing a Business (CAB).

### • *Introduce smart logistics/ smart agriculture*

Chapter 5 of the Philippine Development Plan 2028 espouses Modern agriculture and agribusiness. As the PDP states, "modernization is geared towards shifting the source of productivity from natural resources to knowledge (technology)." Also, the 3-year action plan is in line with Outcome 2 of PDP Chapter 5, which provides as a strategy, the improvement of physical and digital infrastructure, where government will rationalize investments in agricultural, fisheries and forestry infrastructure through the use of planning tools and information systems such as the ABEMIS (Agricultural and Biosystem Engineering Management Information System) and the GEOAGRI (Geographic Information System for Agricultural and Fisheries Machinery and Infrastructure (GEOAGRI) Portal.





These are geared towards building more and improving the interconnectedness of multimodal transport and logistics especially those required for perishable products, upgrading processing port harvest and storage facilities with emphasis on cold chain technology, establishing sustainable infrastructure such as green ports, and integrating and improving the interoperability of agri fisheries and forestry information systems to harness the Fourth Industrial Revolution technologies (i.e. big data, block chain, and IoT), and in promoting and strengthening the capacity of famers and fisherfolk to use mobile and web-based platforms for marketing, payment and product delivery.<sup>^3</sup>

The use of an unmanned aerial vehicle (UAV), or simply known as a “Delivery Drone” are essential tools in transporting agricultural goods in an efficient and timely manner, especially in remote or inaccessible areas in the Philippines. This is especially important in the sector of agriculture since goods that are delivered are mostly perishable. To avoid spoilage and wastage of agricultural products, delivery drones can significantly reduce the goods’ transit period from its origin to its destination. Another benefit of opting for the use of delivery drones is the potential transport cost reduction, specifically for lightweight cargoes often ordered by individual buyers.

Whether through precision farming (use of drones, GPS, or sensors), data analytics, use of mobile apps and connectivity, or agribusiness digital platforms, government under the 3-year food logistics action agenda shall introduce programs to promote smart agriculture, because of its potential to address food security.

<sup>^3</sup>: Philippine development plan 2023-2028, page 132







# THREE-YEAR FOOD LOGISTICS ACTION AGENDA 2023-2026

**Published by Department of Trade and Industry – Digital Philippines**  
with office at 395 Sen. Gil Puyat Avenue, Makati City  
Email: [oasdp@dti.gov.ph](mailto:oasdp@dti.gov.ph)

MARY JEAN PACHECO  
**Editor-in-Chief**

JONATHAN CABALTERA \* MONIQUE AMANTE  
**Managing Editors**

JADE RONN R. AMBROSIO  
**Graphics/Designer**

KIMBERLY SAHILAN \* PATRICIA LOI PANALIGAN  
**Associate Editors**

LARA BETTINA JIMENEZ \* JOHN MICHAEL CAMUS \* ERWIN NOCON  
**Contributors**

BIANCA LOLITA ASIÑAS-AGA \* MARVIN BAGATAN  
**Administration and Support**







# CONTENT

## SIX ACTION AGENDA

- i) Revolutionize the Philippines' food distribution system, from farm to fork;
- ii) Reduce transport and logistics costs;
- iii) Increase investments in logistics infrastructure (transportation and storage);
- iv) Address other supply chain gaps i.e. Logistics and Distribution, Post-Harvest Management, Market Linkages, Market Information, and Access to Finance;
- v) Heighten enforcement measures against hoarding, smuggling, overstaying food imports, and monitoring of warehouses/cold storage facilities; and
- vi) Use ICT to improve logistics performance- from streamlining and automation of government permits and licenses to the integration of systems within the logistics ecosystem.

