

## COMMODITY FLOW OF AGRICULTURAL PRODUCTS IN SELECTED MUNICIPALITIES IN ILOCOS SUR: AN EVALUATION

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DR. AVELINO B. FELICITAS, JR.  
PROF. MATEO L. CABANTING, JR.  
FLORIDA U. URSULOM

### ABSTRACT

This study aimed to: identify the major agricultural products produced by the farmers in selected municipalities of Ilocos Sur, determine their flow/movements from the producer to the consumer, identify the different intermediaries involved, and know the common problems confronting their movements.

The study made use of the descriptive method of research and purposive sampling technique of gathering the data. The scope covered five (5) municipalities of Ilocos Sur, namely: Magsingal, Sinait, Tagudin, Cervantes, and San Emilio with fifty (50) farmers each as respondents totalling to two hundred fifty (250). The data gathering tool used was the survey questionnaire using the frequency and percentage methods for data treatment

Results of the study showed that the major agricultural products produced by the farmers are palay (rice), fruit trees, rootcrops, corn, tobacco, vegetables, pineapple, watermelon, coffee, cotton and sugarcane. Said farmers are also raising chicken, pig, carabao, cattle, goat, dog, cat, ducks, turkey, deer, geese, pigeons, and horse for additional income..

Majority of the farmers expressed their preference of selling their goods within the barangay or farmer's home while some sell them directly to ultimate consumers through wholesale or retail.

The common problems hindering the movement of their products as were: High input cost but low products price, difficulty of bringing their products to the market due to poor roads and bridges and lack of transport facilities, questionable weighing scale of buyers, lack of government support, non-payment of cash on delivery by buyers, non-availability of buyers during peak of harvest, and perishability of goods due to storage problems.

## **Introduction**

The Philippines is basically an agricultural country for it shared one-third of the country's total labor force besides earning 78 percent of the nation's aggregate foreign exchange. The speed of the development and diversification of the Philippine economy depends largely upon the ability of the farmer to feed himself and the increasing number of people who move out of agriculture.

The study in farm-product needs, their improvement in handling and distribution techniques form the basis of agricultural marketing. Besides the regular methodology, it also comprises the study of all the operations of the agencies involved in the process, especially the government agencies designed to protect and help the farmer.

This study aimed to focus on the movement of major agricultural products of farmers, different intermediaries, and system of marketing applied by the producers in the province, and the support or assistance provided by the concerned government agencies and NGO's to producers along infrastructure development, technology transfer, financial and marketing assistance, in order to facilitate the flow of products from the farmers to the consumers.

## **Objectives**

1. To identify the major agricultural crops being produced/animals raised by farmers in selected municipalities of Ilocos Sur,
2. To know the flow/movements of the agricultural products from the production site to the consumer;
3. To identify the different intermediaries involved in the movement of major crops;
4. To be able to determine the common problems besetting the movements of these crops.

## **Review of Literature**

Extension service should be provided to the farmers. Extension agents should use the institutionalized approach in agriculture and rural

development so that the farmers will obtain more benefits from the different programs of the government (Garcia, 1977).

Stabilization of prices of agricultural products and commodities would countercharge problems on price fluctuations and high price of inputs (Manoloto, 1979).

Marketing is the performance of business activities that direct the flow of goods and services from producer to consumers or final user. The marketing process begins at the point of production and continues until a consumer buys the product in the supermarket or until it is purchased as a raw material for another production phase. However, marketing also includes input supply firms that serve the farms and ranches. Thus marketing consists of those efforts that effect transfers of ownership and which create time, place and farm utility to commodities. Time utility is added to commodities by storage. Place satisfaction is added to commodities through transportation services. Finally, farm utility is added to a commodity through the processing function (Cramer and Jansen).

### **Scope and Delimitation**

The study was conducted to determine the commodity flow of agricultural products/animals raised in five (5) municipalities (Magsingal, Sinit, Tagudin, Cervantes, and San Emilio) in Ilocos Sur.

Data gathered were delimited to the: identification of agricultural crops and animals being produced/raised; flow/movements of products from production site to the consumer; different intermediaries involved; and problems besetting the movements of crops as well as solutions offered.

### **Methodology**

The study made use of the descriptive method of research, and purposive sampling technique of gathering the needed data.

Fifty (50) farmers were taken as respondents from each of the five (5) municipalities of Magsingal, Sinit, Tagudin, Cervantes, and San Emilio, making a total of two hundred fifty (250) respondents for the study.

Survey questionnaires were accomplished by the respondents from the five (5) selected municipalities. Treatment of the data used the frequency and percentage method.

## RESULTS AND DISCUSSION

This portion presents the analysis and interpretation of data gathered.

### I.a Crops Produced by Farmers

As presented in Table 1, the distribution of agricultural crops being produced by farmers in the surveyed municipalities of Ilocos Sur show that out of the 250 farmer-respondents, 220 or 27.89% are producing rice; 212 or 26.87% are growing fruit trees; 153 or 19.39% producing rootcrops; 85 or 10.77% producing corn; and 54 or 6.84% are growing tobacco. Other crops being planted by the farmers include vegetables, pineapple, watermelon, coffee, cotton, and sugarcane. The total is more than the number of respondents, which goes to show that most of the farmers are producing more than one kind of crops every year.

Table I. Distribution of Crops Produced by Farmers

Crops	No.	%
1. Palay/Rice	220	27.89
2. Fruit Trees	212	26.87
3. Rootcrops	153	19.39
4. Corn	85	10.77
5. Tobacco	54	6.84
6. Vegetables	27	3.42
7. Pineapple	26	3.30
8. Watermelon	5	0.53
9. Coffee	4	0.51
10. Cotton	2	0.25
11. Sugarcane	1	0.13
Total	789	100.00

The data justify that rice is our staple food because palay/rice is the crop most produced by the farmers. Fruit trees, rootcrops and com consecutively follow as they are used as supplement to rice for our food, aside from the reality that they form a good source of income. Tobacco also runs as one of the top five being a cash crop that gives additional income. It is evident that most of the farmers are growing more than one crop per year.

### 1.b Animals Raised by Farmers

Table 2 shows that chicken, pig, carabao, cow and goat are the top five domestic (5) animals raised by the farmers with 26.40%, 24.30%, 16.30%, 13.20%, and 10.70% respondents respectively. This implies that these animals are the common source of additional income for the farmers to what they can get from crops. Other animals being raised by farmers include livestock and pet animals such as: dog, cat, duck, turkey, deer, geese, pigeons, and horse. Again, most of the farmers are raising more than one animal at a time.

Table 2. Distribution of Animals Raised by Farmers

Animals	No.	%
1. Chicken	209	26.40
2. Pig	193	24.30
3. Carabao	129	16.30
4. Cattle	105	13.20
5. Goat	85	10.70
6. Dog	32	4.00
7. Cat	13	1.60
8. Ducks	11	1.40
9. Turkey	7	1.00
10. Deer	4	0.50
11. Geeze	3	0.40
12. Pigeons	1	0.10
13. Horse	1	0.10
Total	793	100.00

## 2. Flow/Movements of Agricultural Products

Table 3 presents the site or place of selling the major agricultural products of farmers.

Table 3. Place Where Agricultural Products are Sold by Farmers

Places	No.	%
1. Barangay/Farmers' Home	165	45.96
2. Municipal Public Market	115	32.03
3. Outside the Municipality	37	10.31
4. Farm/Production Site	34	9.47
5. Outside the Province	8	2.23
Total	359	100.00

As shown above, 165 or 45.96% are selling their products in their home or barangay and 115 or 32.03% are selling their agricultural products in the municipal public markets. Some of the farmers are selling their products either in other municipalities, on their farm or transport them to other provinces. Few consumers are buying the products they need in the farm or site of production. This could be due to the inaccessibility of farm to market roads that makes them difficult to travel to the production site. Likewise, very few farmers are transporting their products to other provinces which could be attributed to the lack of transportation and hauling facilities and equipment.

Table 4 also presents the mode of selling agricultural products by farmers regardless of the place or site.

Table 4. Mode of Selling Agricultural Products

Mode of Selling	No.	%
Combination of Retail & Wholesale	139	51.87
Wholesale (large quantity)	77	28.73
Retail (small quantity)	52	19.40
Total	268	100.00

As presented in the above table, most of the agricultural products of the farmers in Magsingal, Sinait, Cervantes, Tagudin, and San Emilio, Ilocos Sur, are sold by both retail and wholesale as indicated by 139 or 51.87% respondents; 77 or 28.75% respondents through wholesale only; and 52 or 19.40% by retail or on small quantities.

Table 5 also presents the procedures in selling agricultural products as claimed by farmers.

Table 5. Procedures in Selling Agricultural Products

Selling Procedures	No.	%
1. Farmer to Middlemen	146	44.79 <sup>s</sup>
2. Farmer to Cooperative	100	30.67
3. Farmer to Consumers	60	15.34
4. Farmer to Market	30	9.20
Total	326	100.00

The above table shows that 146 or 44.79% of the farmers interviewed sold their products directly to middlemen; 100 or 30.67% to cooperatives; 50 or 15.34% directly to consumers; and 30 or 9.20% sold their products in the market. Most of the farmers are selling their products to middlemen who profit more from them. Again, there is a need to utilize farmers association and cooperatives in the marketing of agricultural products so as to avail them more of the profit.

### 3. Intermediaries Involved in the Movement of Major Products

Table 6 below shows the intermediaries involved in the movement of agricultural crops. Among the farmers interviewed, 100 or 39.52% claimed that retailers are the most involved in the movement of their products. This was followed by wholesaler with a number of 80 or 31.62%. Next are consumers, meaning that there is no intermediary involved (producer to consumer), with a number of 60 or 23.72% respondents. The least involved are the agents/brokers with a frequency of 13 or 5.14%. This goes to show that retailers are the ones having the biggest role in evolving products in Ilocos Sur.

Table 6. Different Intermediaries Involved in the Movement of Agricultural Products

Intermediaries	No.	%
Retailer	<b>100</b>	<b>39.52</b>
Wholesaler	<b>80</b>	23.72
Consumer	60	31.62
Agents/Brokers	13	<b>5.14</b>
Total	253	<b>100.00</b>

### 5. Problems Besetting the Movements of Agricultural Products

The problems besetting the movements of agricultural products are presented in Table 7.

Table 7. Problems Besetting the Movements of Agricultural Products

Problems	No.	%
1. High cost of inputs but low price of products	50	17.24
2. Poor roads and bridges	45	<b>15.52</b>
3. Questionable weighing scale of buyers	40	13.79
4. Low demand during peak of harvest	40	13.79
5. Transportation problem	35	12.07
6. No government support	20	6.90
7. Payment of not cash on delivery	20	6.90
8. No available buyer	15	<b>5.17</b>
9. Perishability of products	15	<b>5.17</b>
10. Storage problem	10	3.45
Total	290	100.00

The most common problems of the farmers relative to the marketing of their agricultural products are the high cost of inputs but low costs of products as per 50 or 17.24 respondents followed by poor roads and bridges with 45 or



15.52%; questionable weighing scale of buyers and low demand during peak of harvest with equal number of 40 or 13.79% each; transportation problems is next with a number of 35 or 12.07%; no government support and payment of not cash on delivery got the same number or 20 or 6.90% each; no available buyer and perishability of products due to time with a number of 15 or 5.17% each; and the least serious problem is on storage with a number of 10 or 3.45% respondents. It is evident that farmers are disturbed with multifarious problems in marketing their products, which hamper their development and progress.

## **SUMMARY OF FINDINGS**

The study aimed to find out the major agricultural crops/animals being produced by the farmers, flow or movements of the agricultural products from the production site to the consumer, different intermediaries involved in the movement of the major crops, and most common problems impeding the movements of the agricultural products in selected municipalities of Ilocos Sur.

### **I. On the Identification of Major Agricultural Products**

It is found out that from the 250 farmer-respondents in the selected municipalities of Ilocos Sur, 27.89% are producing rice, 26.87% produce fruit trees, 19.39, rootcrops, 10.77%, com, 6.84%, tobacco, 3.42%, vegetables, 3.30%, pineapple, 0.63%, watermelon, 0.51%, coffee, 0.25%, cotton, and 0.13%, produce sugarcane. The same respondents indicated that they are also raising animals for additional income. It is found out that 26.40% are raising chicken, 24.30%, pig, 16.30%, carabao, 13.20%, cattle, 10.70%, goat, 4%, dog, 1.60%, cat, 1.40%, ducks, 1%, turkey, 0.50%, deer, 0.40%, geese, and 0.10% each produce pigeons and horse.

### **II. Flow/Movements of Agricultural Products**

The study revealed that there are 45.96% from the 250 farmer-respondents who sell their agricultural products in their home or barangay, 32.03% in municipal public markets, 10.31% outside the municipality, 9.47% in their farm or production site, and 2.23% outside the province.

It is also shown that 51.87% sell their products by a combination of retail and wholesale, 28.73% sell by wholesale only, and 19.40% sell by retail alone.

It was also found out that the procedures of selling the agricultural products were from farmer to middlemen with 44.79% farmer-respondents, from farmer to cooperative with 30.67% farmer-respondents, from farmer to consumers with 15.34% farmer-respondents, and from farmer to market with 9.20% farmer-respondents.

### III. Intermediaries Involved in the Movement of Major Products

It was found out that the different intermediaries involved in the movement of agricultural products of the farmers in the selected municipalities of Ilocos Sur were retailers with 39.52% respondents, consumer (from producer to consumer directly), no intermediary involved) and wholesaler with 27.67% respondents each, and agents/brokers with 5.14% respondents.

### IV. Problems Besetting the Movements of Agricultural Products

It was found out that the most common problems hindering the movements of their agricultural products were high cost of inputs but low price of products with 17.24% respondents, poor roads and bridges with 15.52% respondents, questionable weighing scale of buyers and low demand during peak of harvest with 13.79% respondents each, transportation problem with 12.07% respondents, no government support and payment of not cash on delivery with 6.90% respondents each, no available buyer and perishability of products with 5.17% each, and storage problem with 3.45% respondents.

## CONCLUSIONS

Based on the findings of this study, the following conclusions were drawn:

1. Rice still prevails as the number one major crop produced by the farmers followed by fruits, rootcrops, corn and tobacco.

2. Most farmers do not just rely on planting crops as source of income. They are also actively engaged in raising chicken and animals like pig, carabao, and cattle.

3. More farmers prefer to sell their products at home. Some prefer to dispose them at the municipal public market; while others looked for market outside their town of province.

4. Using both wholesale and retail as a means of disposing their product is preferred to wholesale only or retail alone.

5. More farmers prefer to sell their products to middlemen than selling them directly to consumers and other outlets.

6. Retailers are regarded as the most active intermediary by most farmers followed by wholesalers.

7. The common problems encountered were: high input cost but low product price, poor roads and bridges, questionable weighing scale of buyers, low demand during peak of harvest, transportation problem, no government support, non-payment of cash on delivery by buyers, non-availability of buyers during peak of harvest, perishability of products and/or storage problem.

## **RECOMMENDATIONS**

Based on the conclusions drawn, the following are recommended:

1. Improvement and maintenance of farm to market roads and bridges should be considered as a priority project of the government more especially in the remote areas. It is expected that better roads will have a significant impact on the farmers transportation problems, storage problems, minimizing damages on perishable goods and, ultimately, will reduce the overall cost of the farmers' products.

2. Farmers should consider the use of locally available materials and technologies that are more economical and suitable under the Philippine environment and condition more especially at this time that farm inputs keep on rising because of their imported components.

3. A more aggressive program of disseminating new technologies generated to counter over production and over supply of farm products should be made in all possible media outlets through trainings and seminars.

4. Farmers should learn to adopt appropriate postharvest technologies to be able to sell their products when prices are more favorable.

5. Farmers organizations should be strengthened to be able to establish a stronger position along distribution, pricing, and promotion of their products.

## **REFERENCES**

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