

HORT/2007/066-2

**A CASE STUDY ON VEGETABLE PRODUCTION  
AND MARKETING ASSISTANCE PROJECT, MAASIN, LEYTE**

**Working Paper No. 5**



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*The Australian Centre for International Agricultural (ACIAR) project HORT/2007/066 “Enhanced profitability of selected vegetable value chains in the Southern Philippines” is concerned with increased income, and improved livelihoods for vegetable growers in the Southern Philippines. One component of the project relates to protected cropping. This component seeks to determine whether vegetables can be profitably grown under protected cropping (eg under plastic or netting) in the Southern Philippines. The focus is primarily Leyte, given the very difficult growing conditions that prevail there for certain times of the year.*

### **SUMMARY**

MIAN (Management Inputs for Agricultural Networking) is a project of the City Agriculture in Maasin City, for assistance to farmers in providing production inputs such as seeds, planting materials, fertilizers and marketing assistance by buying their product at reasonable price.

The MIAN vegetable project started on December 2004 after detection of abaca bunchy top, a viral disease to abaca plant that causes reduction of abaca fiber production. Their five general objectives of the project was (1) to rehabilitate infected abaca plantation by planting vegetables to provide additional income to these affected farmers, (2) to attain and assist farmers on vegetable, (3) to provide production inputs such as seeds, planting materials, fertilizers and other needed inputs, (4) to provide financials assistance in the form of honorarium for the farmer cooperator and (5) to provide marketing assistance to these farmers by buying their product at reasonable prices. The farmers served by MIAN project accounted to

about 25 barangays of the Maasin City precinct. The main vegetable products of the farmers were tomato, squash, sweet pepper, eggplant and cabbage.

This working paper describes the overall operation and management of the MIAN project. Specifically, the study attempts to present information on the management, production, marketing, and financing aspect of the project; analyze and identify existing problems and to recommend feasible solutions to the problems identified.

For the four years of operation the project was found useful and gainful to the farmers as a source of livelihood and additional income for the family. The continued operation of the project was due to the effective and efficient management of the city agricultural services.

However, a financial analysis of the project showed that the high percentage of input payment collectibles from the farmer-cooperators (ie payments owed by farmers to the project but not collected) was a major problem as it may render the project unsustainable. It is recommended that the MIAN Management craft a concrete input repayment schedule of farmers. Furthermore the current project on protective cropping may enable farmers' productivity to be enhanced in such a way as to facilitate the repayment of input purchases.

### **METHODOLOGY OF THE STUDY**

The operations of the MIAN Project of the City Agriculture Office in Maasin City, Southern Leyte were studied during the period November 2008 to January 2009. Primary data were gathered through personal interviews with the farmers

involved in MIAN project and the head of the project office. Participation in the different farm activities contributed additional information for the study.

Secondary data were sourced from the office record and other information related to the study was researched at the Visayas State University main library. The problems were identified and analyzed using the SWOT analysis and the case method approach. Data gathered were summarized and analyzed with the use of figures and tables, and financial analysis.

### **THE MIAN PROJECT**

MIAN vegetable project started with a capital of Php 1,000,000, a loan from the Presidential Social Fund. This amount was used to purchase the seeds or planting materials which amounted to P92, 000; fertilizers P110, 500; P300, 000 for the refrigerated van used in delivering the products. Trainings for the farmers amounted to P60, 000 and they were given an initial honorarium of P337, 500. Marketing assistance for P100, 000 was used to pay the produced vegetable of the farmers.

During the first year of operation there were 75 farmers beneficiaries served by the project. This same year, the project bought 200 crates, 3 weighing scale, 2 basins and 1 pail which were used in the Bagsakan Center, a facility owned by the local government of Maasin, where the vegetable products are displayed and sold.

## Project Facilities

Table 1 indicates the project facilities, building and equipment used in the project operations. The project has its own building where the vegetable are displayed for selling, called Bagsakan Center. The refrigerated van and truck were used for transport and storage of farmer's produce. There were 4 weighing scales, 500 crates used as a container for the harvested vegetable picked-up by the project and one cooler refrigerator used to preserved the unsold vegetable.

Table 1. MIAN Project Facilities, Building, Machineries and Equipment

<b>ITEMS</b>	<b>UNITS</b>	<b>USES</b>
Bagsakan Center	1	A building/ facility where the vegetable are displayed for selling
Refrigerated van	1	Used for transport and storage of farmers product.
Truck	1	Used in delivering vegetable to the bagsakan Center
Weighing scale 50 kgs.	2	used in weighing harvested vegetable Prior to selling
Weighing scale 10 kgs.	2	Used in weighing harvested vegetable before selling
Crates	500 pcs	Used as container for the harvested vegetables.
Cooler refrigerator	1	Used to preserved the vegetables

Source : MIAN File, 2008

## **Organization and management**

The MIAN vegetable project was characterized by a simple organizational chart (Fig. 1). There were 6 employees involved in the project, which include the head of the City Agriculture, two agriculture technologist and three marketing personnel.

Mr. Amado P. Acasio, the head of City Agriculture was the overall in charge in monitoring the activities of the project. Every first day of work, he organizes a meeting to identify what problems to be possibly encountered so that they can come up with possible solutions.

There are two other agricultural technologists involved in the project. One was responsible in issuing the inputs to the farmer cooperators and to facilitate the farmers' operations. Second is the cashier who is responsible in collecting the farmer debt and is disbursing officer. Three marketing personnel were assigned in the Bagsakan Center. The responsibility of the marketing personnel was selling vegetable products, record the procured vegetable and sales for every day operation.

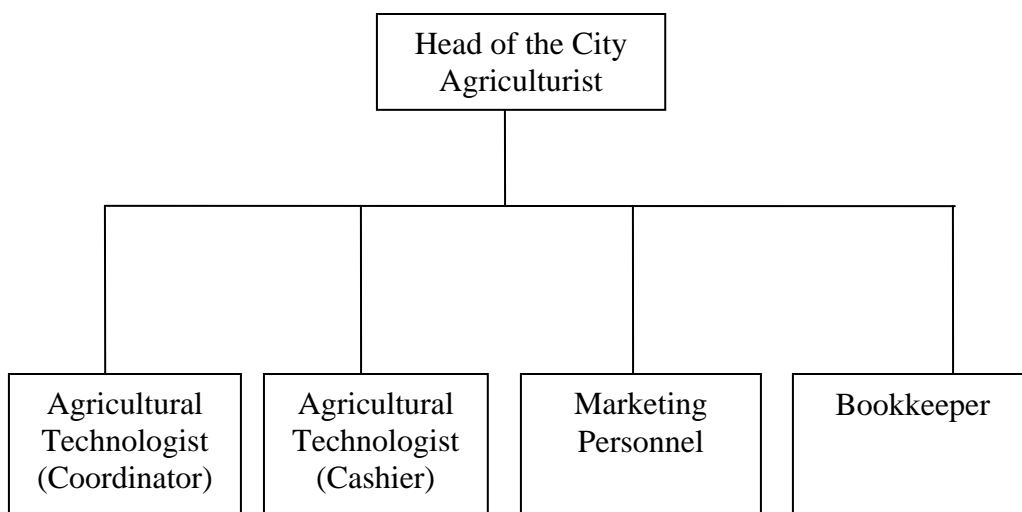


Figure 1. Organizational Structure (personnel) of MIAN Project.

### **Qualification for Farmer Membership of the MIAN Vegetable Project**

The project had the following qualifications for membership: the farmer must be of legal age, Filipino, and a resident of any barangay of Maasin City. In processing of contract each should have at least 2 witnesses (barangay captain and counselor in agriculture). They should also have interest, hardworking and have a background in vegetable gardening. The area for vegetable production is assessed based on the following: must be near to water supply, open field (sunlight penetration), distance to road and/or farm house, and size of at least 1,000 square meters. Finally, farmers will undergo in training in vegetable production.

## **Application for Membership**

The application for membership and agreement between MIAN and farmer cooperators should be made in writing. The essential elements of the agreement include: The farmers shall establish a vegetable production project in any barangay within Maasin City; secure a suitable area minimum of 1,000 sq. m; have attended a training conducted by the office of the City Agricultural Services and willing to adapt the recommended technologies.

The farmer shall be a recipient of farm inputs and must see to it that these inputs shall be used for the exclusive benefits in the aforementioned project area, shall sell the produce upon harvest to the project and pay the cost of the farm inputs being received and in case of natural calamities, the farmer were not liable to pay the full value of inputs received.

## **VEGETABLE PRODUCTION**

MIAN vegetable project provides inputs and other needed materials in vegetable farming to the farmer involved in the project. It also provides trainings to the farmer coordinators to improve their knowledge in vegetable production. The farmer's counterpart contribution will be his land and labor. The marketing assistance given to the farmers is in terms of buying their produce with the cost of inputs to be deducted from the proceeds from the product with the payment used to fund other farmer-cooperators.

A summary on the total number of farmers involved, and area planted on vegetable is presented in Table 2. In 2006, a total of 25 barangays were

involved in the vegetable production which composed of 46 active farmers (8.4 hectares) in 2006, 47 farmers (9.18 hectares) in 2007, and 46 farmers (11.10 hectares) in 2008. It can be noted that for the three years, among 25 barangays, Hinapo daku has the most number of farmers engaged in the vegetable production with a total of 29 farmers, followed by barangay Tigbawan with 18 farmers, barangay Libhu with 15 farmers, Hinapo gamay with 13 farmers, and Cansirong with 12 farmers. The average area planted per farmer was about 1000sq. m. (minimum) and 5000 sq. m. (maximum).

The farmers produced different kinds of vegetables in one cropping season. A farmer can plant multiple crops in his land area. The production of the said vegetables is very much higher with proper care and with favorable weather condition. Cabbages are more productive during rainy season unlike squash, tomato, eggplant, and sweet pepper which were more productive during summer season. Most of the cooperators farms are located in an elevated area. MIAN farmer-cooperators had an all year cropping season for the sweet pepper, eggplant, squash and tomato. The squash was harvested 70 to 80 days after transplanting, cabbage 55 to 60 days, tomato 55 to 65 days, eggplant 60 to 65 days and sweet pepper 60 to 65 days. The average squash harvest was 1000 kg/week, for cabbage 500 kg/week, for tomato 700 kg/week and for sweet pepper and eggplant 500 kg/week.

The main activities of the project include procurement of inputs for the farmers, distribution of inputs, monitoring and supervision of farmer's

production activities, marketing assistance which include purchase of farm produce by MIAN and selling of the farmer's vegetable produced (Figure 2).

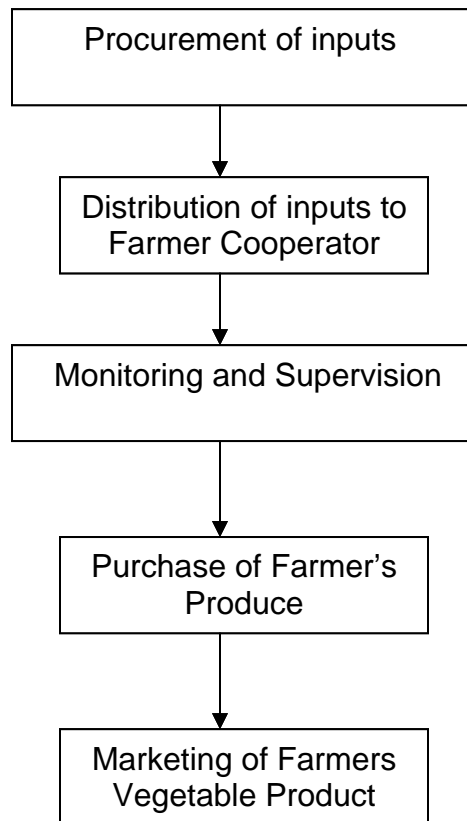


Figure 2. MIAN Project Operations

Table 2. Summary on the total number of farmers involved and area planted in the different Brgy. Covered in MIAN project for three years (2006-2008)

<b>BARANGAYS' INVOLVED</b>	<b>NO. OF FARMERS SERVED BY YEAR/ AREA PLANTED (SQ. M.)</b>					
	<b>2006</b>	<b>AREA</b>	<b>2007</b>	<b>AREA</b>	<b>2008</b>	<b>Area</b>
Libhu	3	6,000	6	9,000	6	12,500
Bactul II	-	-	5	10,000	4	7,500
Malapoc Sur	-	-	1	2,000	1	2,000
Malapoc Norte	-	-	1	5,000	-	-
Hinapo Gamay	6	10,000	3	7,000	4	12,500
Nonok Norte	-	-	1	2,000	2	4,000
Hinapo Daku	8	14,500	12	20,000	9	22,000
Gawisan	-	-	1	3,000	1	5,000
Tigbawan	7	15,000	7	15,000	4	12,500
Dongon	-	-	1	800	1	1,000
Cansirong	5	5,000	2	3,000	5	11,00

Table 2. Continued

BARANGAYS' INVOLVED	NO. OF FARMERS SERVED BY YEAR/ AREA PLANTED (SQ. M.)					
	2006	AREA	2007	AREA	2008	Area
Pinascohan	2	3,000	1	2,000	2	4,500
Ibarra	-	-	1	1,000	1	1,000
Lunas	3	5,000	-	-	-	-
Santa Cruz	-	-	1	2,000	-	-
Bogo(gotosan)	1	2,500	1	5,000	1	5,000
Hanginan	1	1,000	1	2,000	-	-
Libertad	6	15,000	1	2,000	-	-
Rizal	-	-	1	2,000	1	2,000

Table 2. Continued.

BARANGAYS' INVOLVED	NO. OF FARMERS SERVED BY YEAR/ AREA PLANTED (SQ. M.)					
	2006	AREA	2007	AREA	2008	Area
Batuan	3	4,000	-	-	1	2,000
San Isidro	-	-	-	-	1	1,500
Cagnituan	-	-	-	-	1	2,000
Hantag	-	-	-	-	1	3,000
San Agustin	1	1,000	-	-	-	-
Cambooc	2	2,000	-	-	-	-
<b>TOTAL</b>	<b>46</b>	<b>84,000</b>	<b>47</b>	<b>91,800</b>	<b>46</b>	<b>111,000</b>

## Sources and Procurement of Inputs

The main supplier of all inputs of MIAN vegetable project was the Pacifica Agrivet Supplies in Maasin City (Table 3). The raw materials purchased are kept at the City Agriculture Office storage room and are made ready for release.

Table 3. Sources and Procurement of Raw Materials

RAW MATERIALS	QUANTITY	SCHEDULE OF PURCHASE	PRICE	SOURCE
<u>Seeds or Planting Materials</u>				
Tomato (marimar) 25 g.	5 cans	every 3 months	P750	Pacifica Agrivet Supplies
Eggplant (Casino) 50g	5 cans	every 3 months	1,042	“
Sweet Pepper (Hybrid Majesty) 25g	4 cans	every 3 months	1,015	“
Hybrid Kalabasa (Suprema) 250 g	2 cans	every 3 months	1,700	“
<u>Chemicals</u>				
Decis 500 ml	8 bottles	every 2months	800	“
Malathion 250 ml	5 bottles	every 1 month	160	“
Lannate	10 sachets	every 1 month	185	“
Manade	10 sachets	every 1 month	395	“
<u>Fertilizer</u>				
Urea	10 bags	every 3 months	2,000	“
Complete	10 bags	every 3 months	2,100	“
Muriate of Potash	10 bags	every 3 months	2,100	“
Dura Bloom	10 bags	every 3 months	260	“
Ammonium Phosphate	5 bags	every 3 months	2,150	“

<u>Other Inputs</u>					
Trellising mat.	60 pack	every 3 months	269		“
Plastic Wine	50 roll	every 3 months	175		“
Seedling tray	30 pcs.	every 3 months	115		“
Plastic Mulch	50 roll	every 3 months	2,165		“

Source: MIAN File, 2008

### **Distribution of Inputs**

For the distribution of inputs to the farmers, the farmer personally visits MIAN Office to make a request of the inputs needed for the farm activities. When there were no available inputs in the office, the coordinator will first make a purchase order to the supplier. If the inputs had already arrived in the office of MIAN from the supplier then it was ready for the distribution to the farmer. But when there was an available input in the office, farmers automatically picked up the inputs needed.

Barangay Gawisan had the highest number of farmers served and high inputs provided, second were barangay Libhu 15 farmers and followed by Nonok Norte. The total inputs provided were: 320 boxes pesticides, 92.5 cans of seeds and 223.5 bags of fertilizers.

### **Monitoring and Supervision**

During the production period, municipal agricultural technician visits the farm of the farmers-cooperator, starting from land preparation up to the harvesting of the crops. Agricultural technician observed the farm operation and frequently suggests to farmers what kind of fertilizer is suitable for the crops planted. Technicians also check on other problems of the farmer in growing

vegetables. If there are problems about the crops planted, agricultural technician also provide or suggest what kind of pesticide and management practices to employ to prevent damage of the crops. Since the project has two technicians, the project office can also request other municipality technician to visit the farmer-cooperators though they are not actively part of the MIAN management. This was done to visit and monitor all the barangays served by the project.

Final monitoring and evaluation will be done by the coordinator and the head of the City agriculture every two weeks from the time the farmers started production for the verification of the reported vegetable planted by the famers and if the requested inputs are indeed used.

### **Purchase of Farmers Produce**

During the harvest time, the MIAN personnel visit the farm and pick-up vegetables produced by the farmers. The project office uses the refrigerated van in transporting the product and does not require payment from farmers for the services provided.

MIAN purchases vegetables during Tuesday and Thursday from different barangays and they bought the vegetable produce of the farmer at a price lower by 2-3 pesos compared to the buying price in Maasin City Public Market. From 2005-2008 of operation the total vegetable harvest sold amounted to Php 2,211,213 or a total of 596,711 kilograms (Table 4). The vegetable with the highest amount harvested was tomato (202, 389.01) kilograms, second is the sweet pepper (180, 101.48 kgs.), and the least vegetable produce was the cabbage (13, 873.50 kgs). The total sales of vegetables amounted to 2, 211, 213.81 pesos with a total of 596, 711.79 kilograms of produced vegetables.

The refrigerated van and truck used by the project in purchasing and picking -up the farmer-cooperators' produced is shown in Figure 3. The Bagsakan Center is shown in Figure 4



Figure 3. Refrigerated van and Truck



Figure 4, Bagsakan Center.

Table 4. Amount of Vegetables Produced and Total Sales of Vegetable for the year 2005 to 2008.

MONTH	COMMODITY (kg.)					TOTAL AMOUNT
	Squash	Sweet pepper	Tomato	Eggplant	Cabbage	
January	5,172.74	13,956.21	13,956.21	7,920.53	3.63	153,182.12
February	4,117.73	10,599.59	767.27	13,882.22	260.69	205,945.52
March	1,077.26	21,818.17	780.64	11,987.81	268.14	347,781.86
April	1,623.91	41,781.02	3,783.85	4,635.76	186.65	234,327.21
May	880.95	27,091.79	4,959.08	9,238.81	2,802.00	301,150.61
June	3,444.71	25,824.39	18,172.10	7,603.60	2,926.26	233,952.86
July	14,833.27	7,219.26	15,838.21	27,861.61	-	352,744.60
August	17,782.73	10,913.37	3,783.05	25,753.07	161.60	289,659.35
September	7,360.78	20,897.68	94,187.06	21,322.30	5,385.11	345,502.60
October	11,346.94	17,244.59	46,161.00	25,023.09	1,227.77	314,334.00
November	18,861.06	22,598.10	21,551.32	12,151.87	394.10	178,110.35
December	965.96	38,945.59	4,901.44	12,746.12	187.56	195,525.44
Total	67,640.08	180,101.48	202,389.01	132,707.71	13,873.51	2,211,213.81

Source: MIAN, Files, 2008

## **Marketing of Farmers Vegetable Product**

Marketing assistance was provided by the city government in terms of buying product with the 25% cost of inputs to be deducted from the proceeds. And the remaining balance will be paid during the next harvest season. The vegetable are displayed in the Bagsakan Center, a facility owned by the municipality, near the public market. The marketing personnel of MIAN do the selling of the farmers' produce. In essence, the MIAN farmer-cooperators have no problem in marketing the product since the MIAN does this job.

## **Quality Control**

The MIAN quality control measures are applied to the harvested vegetable. The picking up of the harvest vegetable from the farmer was done in the morning to make sure that the product will be fresh when it was received by the customer. The project had a cooler refrigerator for the unsold vegetable to preserve for the next day. Damaged vegetables are separated from undamaged ones to avoid contamination.

## **MARKETING**

Marketing is a process of distributing the goods and services from the producer to the consumer, and it involved many different activities.

In marketing there are 4 P's such as product, price, place of distribution and the last was promotion.

## Product

The main products produced by farmer-cooperators of the MIAN Project were squash, cabbage, tomato, eggplant and sweet pepper. Other products include ampalaya, cucumber and string beans but these were produced only occasionally. The sweet pepper is planted every cropping season and it was highly demanded in the market.

Tomato was classified into Class A and Class B. Classifications was based on the appearance, and size. Class A had no damage and has a bigger size while Class B had a smaller size and showed a slight damaged.

## Price

Generally, prices of the product of MIAN depended on the quality (Table 5). Class A was sold in a higher price while class B was sold in a lower price.

Selling price also depended if it will be bought in wholesale or in retail basis. Wholesaled vegetables have cheaper price than retail vegetables.

Table 5. Selling Price of Vegetables in MIAN Bagsakan Center

<b>VEGETABLES</b>	<b>PRICE/ KILOGRAM (Php.)</b>
Cabbage	wholesale -20.00 and retail- 25.00
Sweet pepper	wholesale-50.00 and retail- 60.00
Eggplant	wholesale-18.00 and retail -25.00
Squash	wholesale- 10.00 and retail-15.00
Tomato	
Class A	wholesale-18.00 and retail-25.00
Class B	wholesale-15.00 and retail- 22.00

Source: MIAN File, 2008

## Place of Distribution

Farmer's vegetable product like cabbage, squash, tomato, eggplant, and sweet pepper were delivered in the bagsakan center, located near the area of Maasin City Port. Most buyers are in local market of the town and other buyers are from nearby towns. The buyers are paid in cash or in consignment basis and the highest demand of the product like sweet pepper, generally took placed in December. Figure 5 shows the distribution channel of the farmers' produce.

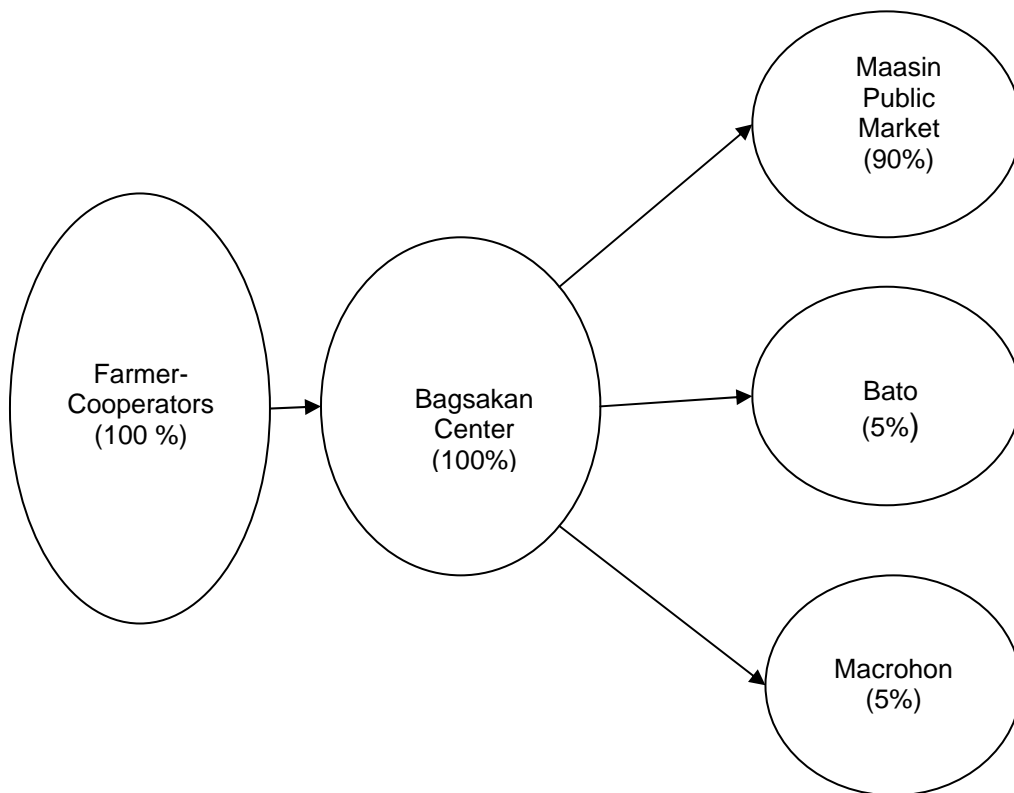


Figure 5. Distribution Channel of MIAN Vegetable Project

## **Promotion**

Promotion refers to marketing efforts made to create public awareness of particular product in the market. They promote their product through word –of-mouth; contact other buyers from other places such as Bato, Macrohon, and other near municipalities.

## **FINANCING**

The project started on December 04, 2004 with an initial capital of Php 1,000,000. This was used to purchase a refrigerated van at Php 300, 000, the procurement of inputs like seeds / planting material for Php 92,000.00, fertilizers amounting to Php110, 500.00, marketing assistance costing Php 100,000, and farmer's honorarium for three months starting from the land preparation totaling Php 337,500. The fund was sourced from the Presidential Social Fund in a form of loan. The 75 farmers initially served by the project where from 25 barangays of Maasin City. The source of fund to sustain the activities of the project comes from the continuing operation of marketing the vegetable produced by the farmers and the re-payment of farmers for the inputs used. This project was intended only to help the farmer partly solve the poverty and have an additional income of the farmer.

The project hired a bookkeeper to record the transactions made which include the sales of vegetables, the cost of vegetables purchased from the farmers, the amount of payment for inputs and the remaining payables for inputs sourced by the farmer-cooperators from MIAN.

## **Financial Analysis**

In 2005, the project was able to sell vegetable produce of the farmer-cooperators amounting to Php 951,041. In 2006, the farmer produce decreased by 23.21 %. This decline was attributed to the considerable number of farmers that stopped vegetable farming or become inactive members. In 2007, the farmers produce again went down. The decreased from 2006 to 2007 was 10%. During this year, there were farmers who ceased their farm operations and some others who marketed their produce to others. In 2008, there was a slight increase in sales of 5.87% relative to 2007. Total sales in 2008 amounted to Php 695, 325.

The project also has considerable amount of collectibles or sales on account. From 2005, the on account sales increased to Php 99, 005.95 in 2008. The goods sold by the project were the farmer-cooperators' produce. The recorded cost of goods sold was the amount of farmers' produce less 25% of input payments for the specified cropping schedule. For the four year operation of the project, the vegetables produced by the farmers was decreasing every year, with a highest recorded amount in 2005, the first year of project operation.

Inputs released to farmers are recorded. The 25% payments for inputs are payable by farmers. The project had an increasing amount of inputs released and are still payable by the farmers. Input expenses for the four-year operation continuously increased up to 2007 and went down in 2008 60%. The total collectible from 2006-2008 is Php 482,208.28. Table 6 shows the financial analysis of MIAN Project Income Statement from 2005-2008.

Table 6 Financial Analysis of MIAN Project Income Statement (2005-2008)

ITEMS	2005	2006	INCREASE/ DECREASE 2005-2006	%	2006	2007	INCREASE/ DECREASE 2006-2007	%
Cash Sales	951,0431.25	730,343.50	(220,697.75)	(23.21)	730,343.50	656,769.20	(73,574.30)	(10.07)
Sales on Account	67,477.45	74,869.75	7,392.30	10.95	74,869.75	95,524.00	20,654.25	27.59
<b>TOTAL SALES</b>	1,018,518.10	805,213.25	(213,305.45)	(20.94)	805,213.25	752,293.20	(52,920.05)	(6.57)
Less: CGS								
Beg. Inv.								
Add: Purchases	1,003,882.25	823,464.71	(180,417.74)	(17.97)	823,464.71	673,845.24	(149,619.47)	(18.17)
Less: Damage	68,367.45	35,240.00	(33,127.45)	(48.45)	35,240.00	10,023.34	(25,216.66)	(71.56)
Total goods Avail. for sale	935,515.00	788,224.71	(147,290.29)	(15.74)	788,224.71	663,821.90	(124,402.81)	(15.78)
Less: Ending Inventory								
<b>TOTAL COST OF GOODS SOLD</b>	935,515.00	788,224.71	(147,290.29)	(15.74)	788,224.71	663,821.90	(124,402.81)	(15.78)
<b>GROSS INCOME</b>	83,003.70	16,988.54	(66,015.16)	(79.53)	16,988.54	88,471.30	71,482.76	420.77
LESS: inputs Expense	125,609.90	145,814.80	20,050.20	(15.96)	145,814.80	150,720.85	4,906.05	3.36
Operating Expenses	20,050.20	4,638.50	(15,366.70)	(76.64)	4,638.50	6,089.50	1,451.00	31.38

<b>NET INCOME</b>	(62, 648.40)	(133, 464.76)	(70, 816.36)	(113.04)	(133, 464.76)	(68, 339.05)	65, 125.71	48.80
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Table 6. Continued.

ITEMS	2007	2008	INCREASE/ DECREASE 2007-2008	%
Cash Sales	656, 769.20	695, 325.00	38, 555.80	5.87
Sales on Account	95, 524.00	99,005.95	3, 481.95	3.64
<b>TOTAL SALES</b>	752, 293.20	794, 330.95	42, 037.75	5.95
Less: CGS				
Beg. Inv.				
Add: Purchases	673, 845.24	671, 339.54	(2,505.70)	0.37
Less: Damage	10, 023.34	22, 301.74	12, 278.40	122.49
Total goods Avail. for sale	663, 821.90	649, 037.80	( 14, 784.16)	2.23
Less: Ending Inventory		435.00		
<b>TOTAL COST OF GOODS SOLD</b>	663, 821.90	648, 602.80	(15, 219.10)	2.29
 <b>GROSS INCOME</b>	 88, 471.30	 145, 728.15	 57,256.85	 8.10
LESS: inputs Expense	150, 720.85	60, 070.73	(90, 650.12)	60.14
Operating Expenses	6, 089.50	1, 900.00	(4, 189.50)	68.80
<b>NET INCOME</b>	(68, 339.05)	83, 757.42	152, 096.47	(2.22)

## SWOT ANALYSIS

SWOT of MIAN is summarized in table 7. The MIAN vegetable project had the following strength such as good management, organized monitoring and supervision and good relationship between MIAN and farmers. These were identified as strengths of the project because these helped the project to continue serving farmers.

Weaknesses of the project are high unpaid inputs procured by farmers and rejected products. In terms of farmer operations, the project can make use of new technology in vegetable production. The threats of the project are fluctuating price of the commodity and when there are new vegetable products from other place that can affect the farmers of their income and for the project itself because the farmers will be delayed in paying the inputs procured from the project.

Table 7. SWOT MATRIX

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
Good management	Reject of the product
Organized Monitoring and supervision	High unpaid inputs procured by the
Good relationship between MIAN and	farmers
the farmers	
<b>OPPORTUNITIES</b>	<b>THREATS</b>
Marketing assistance	New vegetable product from other
Financial assistance	place
Improve technology in	Fluctuating price of vegetable
vegetable production	

MIAN vegetable projects provide an alternative source of livelihood to abaca farmers whose farm had been infected by the abaca disease. MIAN provides production inputs such as seeds and other planting materials, fertilizers and giving financial assistance to the farmers. Farmers could source inputs by just informing the Municipal Agriculture Office about their needed inputs and it will give to them. Before the project start they conduct a training and seminar to all farmer-cooperators in preparation for vegetable farming and provided also an honorarium for three months starting from land preparation of not more than Php 1,500.00.

Marketing assistance will be provided in terms of buying the product produced by the farmers with the cost of inputs to be deducted from the proceeds of their product and the decisions when to pay remaining balance will be given to the farmers, usually in their next cropping season. The MIAN management will do the marketing of the farmers produce. The farmers are required to pay 25% of the cost of inputs immediately after the MIAN have bought the produce from farmers. On the other hand, there was no fixed time as to when the remaining 75% of inputs cost will be paid by the farmer-cooperator.

### **Problem Identification**

After conduct of the study in MIAN vegetable project the author was able to identify problems that require attention of the project management. The identified problems include the following: high input payment collectible from farmer-cooperators, farmers selling produce outside the MIAN and fluctuating prices of vegetable. The problems identified were prioritized based on the

importance of the issue to the project and the possibility that the management can succeed in solving the problem. Using the said prioritization criteria, the problem on high input payment collectible from farmer-cooperators was seen as the problem needing utmost attention.

The main problem of the project was high inputs payment collectible from farmer-cooperators. MIAN project provided inputs such as seeds/planting materials, fertilizers and marketing assistance to the farmers that are recipient of the project.

The main cause of the problem was that there was no fixed time in the agreement in terms of paying the inputs used by the farmers, specifically the remaining 75% of the cost of inputs sourced from MIAN.

Table 8 shows the number of farmers that were actively involved in the MIAN Project up to 2009. There were also farmers that stop farming, hence the inactive status out of the 89 farmers served, 46 farmers were already inactive. Both the active and inactive members have inputs payment payable to MIAN. For the period of 2005-2008, MIAN has a total collectible of 482,208 pesos.

Table 8. Accounts payable and Status of MIAN Project Farmer-Cooperators

<b>NAME OF FARMERS</b>	<b>STATUS OF MEMBRESHIP AS OF 2008</b>	<b>ACCOUNTS PAYABLE</b>
Danilo Abino	active	17, 311.60
Ernesto Cero	active	7, 511.24
Manolo Marsada	active	5, 906.25
Ricardo Dolino	active	8, 754.00
Francisco Petagra	active	11, 031.54
Dario Marsada	active	12,287.50
Alex Panco	active	11,969.70
Jose Siega	active	11,488.90
Florencio Palin	active	7,623.90
Narciso Loyola	inactive	340.00
Alfredo Dolino	active	6, 085.65
Carlito Marsada	active	2,864.50
Rosendo Mijares	inactive	6, 450.50
Evangeline Ani	active	21, 417.20
Angelito Heldo	active	4, 885.25
Maria Timkang	active	4, 565.50
Susana Galvez	inactive	2, 927.25
Gleserio Duarte	inactive	3,652.75
Juan Jimo	inactive	3,768.50
Alvin Sanaco	inactive	4,769.25
Yosina Ani	inactive	12,574.25
Genera Guso	inactive	4,321.00
Esidio Buntog	inactive	1,580.75
Niculas Daguman	inactive	4,066.25
Romolo Quiron	inactive	12,848.75
Raymundo Ortez	active	28,962.40
Jeffrey Labaho	inactive	13, 671.25
Forferio Angelo	inactive	19,189.75
Raynald Betonio	inactive	4,383.75
Leocadio Zamora	active	1, 714 .60
Rolando Saybidra	active	4, 031.00
Ernesto Tinkang	active	10, 471.91
Reynalda Alvarez	active	280.50
Arsenio Jabar	active	17,841.25
Calixto Miking	active	7,042.75
Reynaldo Padecio	inactive	2, 908.00
Benito Yebe	inactive	3, 306.20
Alvin Tagra	active	4, 174.95
Erik Caubi	active	5, 189.05

Table 8. Continued

<b>NAME OF FARMERS</b>	<b>STATUS OF MEMBERSHIP AS OF 2008</b>	<b>ACCOUNTS PAYABLE</b>
Sany Yebe	active	5, 659.35
Ybes Costillas	active	3, 087.60
Amado Dunias	active	59.75
Alexia Tagra	active	2, 806.40
Genera Piya	inactive	1, 107.61
Berginia Calje	active	2, 210.00
Santos Menisis	inactive	5. 563.63
Larinso Salap	inactive	4, 682.50
Crisostomo Arvel	inactive	31, 912.65
Miguelito Magat	inactive	8, 685.25
Zosimo Moris	inactive	4, 381.00
Elberto Samaco	inactive	18, 694.75
Alberto Gospin	inactive	3, 256.50
Felipe Tam-is	inactive	2, 946.00
Resurrection Salapi	inactive	4, 072.00
Magno Sepris	inactive	4, 012.40
Felisizimo Asis	inactive	1, 550.25
Arseniano Laura	inactive	3,733.00
Macani Rosillo	inactive	2,705.00
Esterlina Plasada	inactive	2,515.00
Leoncio Limas	inactive	2,515.00
Mateo Basa	inactive	757.75
Edgardo Adobis	inactive	2,632.55
SSJerry Burgos	inactive	2,580.00
Cresisio Bestodio	inactive	2,580.00
Jasmin Bernadet	inactive	5,139.00
Renato Caindoy	inactive	2,299.00
Dionisio Mecoris	inactive	2,345.00
Alejandro Majorca	active	625.70
Magdalino Tijano	inactive	5,298.00
Beneto Lorsano	inactive	5,412.60
Ernesto Bug-os	active	2,398.50
Ermeta Segonia	inactive	1,762.75
Arsilino Diaz	inactive	2,561.45
Manuel Mulig	inactive	2.50
Rutillo Bactol	inactive	3,405.00
Verancio Ponse	inactive	2,507.50
Alejandro Mulig	active	5,639.50
Romulo Bludo	active	11,701.69
Jacinto Telen	active	7,376.95
Rolando Sumaya	active	27,773.95

Table 8.Continued

<b>NAME OF FARMERS</b>	<b>STATUS OF MEMBRESHIP AS OF 2008</b>	<b>ACCOUNTS PAYABLE</b>
Cristita Toledo	active	6,609.69
Bonifacion Escoro	active	5,201.50
Santiago More	active	18, 970.45
<b>TOTAL</b>		<b>482,208.28</b>

Source: MIAN Files, 2008

### **Alternative Courses of Action**

To address the major concern of MIAN vegetable project about the collectible money from the farmer cooperators, the following alternatives are suggested:

#### **Encourage Inactive Farmers to Activate MIAN Membership**

After the analysis of MIAN vegetable project the problem, it was recommended that the project encourage farmers to enhance the productivity of vegetable farming. This will help the farmer lessen their debt in the project. This alternative is expected to solve the problem of the project and benefit farmer in the long run.

Advantages:

- Help the farmers to continue farm operation
- Help also the farmer in paying the old account of the project

Disadvantage:

- Consume time, additional cost of operating expenses for the implementation

## **Require Submission of Farm Production Schedule**

To address the problem about the dishonesty of other farmers for selling the produce to others, it was recommended that farmers be required to submit farm production schedule to monitor when to harvest their crops. This alternative would be advantageous to the project in the sense that the farmers will always be monitored by the Agricultural Technologist assigned.

Advantages:

- Monitor the farm operation of the farmers

Disadvantage:

- Additional cost

## **Craft a Concrete Input Payment Schedule**

The MIAN farmer cooperator source input from the project every production cycle. They are required to pay the on account input using the proceeds from the sales of vegetables from the farmer's farm which are sold still by MIAN. The project requires that the farmer's pay only 25% of the input sourced that is, to be deducted from the cost of vegetable purchased from the farmers, and leave with the farmers the decisions on when to pay the remaining balance. The farmers were expected to pay the accounts after the next harvest season but this has not been possible most of the time. This led to high amount of unpaid inputs sourced by farmers from the MIAN Project. This alternative course of action seeks to eliminate the problem on collectibles from the farmers by scheduling payment for the remaining inputs payable to MIAN by the cooperators.

Advantages:

- Continued project operation
- Availability of liquid fund for the project
- Reduce the collectible money from farmer's cooperators

Disadvantage:

- Possible hesitance of farmer-cooperator
- Additional work for MIAN Technicians

### **Recommendation**

After the analysis of the case of MIAN project, the high percentage of collectible money from the farmers was considered the major problem of the project, which needed an immediate management attention. If not addressed, this problem could affect the operation of the project in the long run. To address the problem, it is suggested that MIAN project management craft a concrete input payment schedule based on the production schedule of farmers.

### **Implementation Plan**

The following activities are suggested to MIAN management to put into action the recommended solution to the problem on collectibles. A meeting should first be done with the MIAN management and farmer-cooperators presenting the updates of the project. It is important that the farmers be given documentation of the inputs they have sourced, paid and have to pay. The concern on high collectibles should be emphasized. In this meeting, the farmers should be informed of the new requirement from them, that is, to strictly abide

by the schedule of input payment based on the production schedule. The time they sourced input they should inform the MIAN office about their production activity. MIAN management could provide notices to farmers as to when their payment schedule be.

## **APPENDIX**

### *Vegetable/ Fruit Tree Production Project Contract*

#### **KNOW ALL MEN BY THESE PRESENT**

That I \_\_\_\_\_ of legal age, Filipino and resident of barangay \_\_\_\_\_, Maasin, City, Southern, Leyte, hereby acknowledge to be a farmer-cooperator of the Management Inputs for Agricultural Networking (MIAN) *Vegetable/Fruit tree Production Project* of the City Government of Maasin City through the Office of the City Agricultural Services (OCAS) and hereby bind my self to comply with the following conditions:

1. That I shall establish a Vegetable/ Fruit tree Production Project in barangay \_\_\_\_\_, Maasin City.
2. That I secure a suitable area of \_\_\_\_\_ square meters as one of my counterpart in this project.

3. That I shall have attended a training conducted by the Office of the City Agricultural Services for this purpose and is willing to adopt the recommended technologies being introduced during the training.
4. That I shall be a recipient of farm inputs such as vegetable seeds/fruit tree seedlings, fertilizers and others from the City Government of Maasin and shall see to it that these inputs shall be used for my exclusive benefits in the aforementioned project area.
5. That I shall receive an honorarium of not more than One Thousands Five Hundred Pesos (P1,500.00) per month good for three (3) months starting from land preparation for my operator labor to be based on my accomplishment which shall be determined by the OCAS personnel assigned in my barangay.
6. That I shall be willing to provide for the additional labor, inputs and materials necessary in my project as my additional counterpart.
7. That I shall be subject to periodic monitoring and supervision by personnel of the OCAS and the city government of Maasin, shall abide by their instructions and recommendations and submit farm schedule/calendar of activities.
8. That I shall sell my produce upon harvest to the city government of Maasin through the OCAS and shall pay the cost of the farm inputs being received which will be deducted from the proceeds of my harvest and I shall be entitled to receive the remaining amount.

9. That should be proceeds from my harvest be inadequate for the cost of the farm inputs being received, I shall pay the remaining balance during the next harvest season.
10. That in case of natural calamities such as typhoons and droughts which will cause damage to my crops, I shall not be liable to pay the full value of inputs received and shall be based on the evaluation of the extent of damage to my crops.
11. That I shall see to it that the project will continue for the following cropping seasons even with lesser government intervention in order to have a sustainability of production.
12. That in any event that will render in capacitated to continue to work on this project; my next in line beneficiary\_\_\_\_\_shall see to it that the project will be continued.
13. That failure on my part to comply with any of the provisions set forth herein shall deprive me of the privileged accorded under this contract and shall disqualify me from availing of any similar program from the City Government of Maasin through the OCAS.