Australian Government
Australian Centre for
International Agricultural Research

Australian Aid

Developing Vegetable and Fruit Value Chains and Integrating Them with Community Development in the Southern Philippines

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DOST - PCAARRD

How we mapped fruit & vegetable value chains in Southern Philippines

Brainstorming…

- A farmer has to sell all their produce
- Distribution of produce is more like a complex spider-web than a neat single chain, despite how they might be portrayed by academics
- The role of supermarkets is increasing but is not the only or necessarily the best single market

The Problem

- Insufficient information on which to prioritise product/market/segments.
- We needed to obtain a broad understanding of the entire market.
- With sufficient depth to allow specific customers or segments to be prioritised.
- Distribution channels are changing.
- Supermarkets.
- Emerging distribution actors.
- Organic.
- Consumer demands.

Fruit and vegetable sales in selected supermarkets in Philippines

Store	Sales in USDm		
	2000	2005	2010
SM	16	47	207
Puregold		3.4	56
Robinsons	7	25	66
Rustans		30	58
Makro	20	26	
President Chain (7-11)	.4	.4	1
Others	75.8	15.4	25

The Solution

We decided to study the whole market rather than attempt to focus on single chains.

And use the information to identify, select and prioritise potential customers (partners).

Methods

- Snowball ‘sampling’ to identify all ‘nodes’.
- Purposefully targeted largest three actors.
- Semi structured interviews.
- Single interview guide.
- Training.
- Undertaken by Filipino partners in language preferred by respondent.
- Mixture of qual and quant.
- Data analysis and sense-making is (hopefully) ongoing.
- Exploratory.
- ‘Best estimates’ based on respondent data.
- Unashamedly a commercially-oriented research approach, but with appropriate academic rigour.

What we wanted to know

Characteristic
Consumer and intermediary (eg. processor, wholesaler, distributor, exporter, supermarket, restaurant) trends, desires, unmet and emerging needs.
Quality characteristics sought but not being delivered consistently.
Prices and value-add opportunities.
Stage of product life cycle.
Sources and strength of competition.
Willingness and capacity to provide support to farmer group including finance for inputs, agronomic advice, market intelligence, ot.
Volume of commodity traded.

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Interview guide

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**Interview
Guide**

Number of Interviews: Davao Vegetables

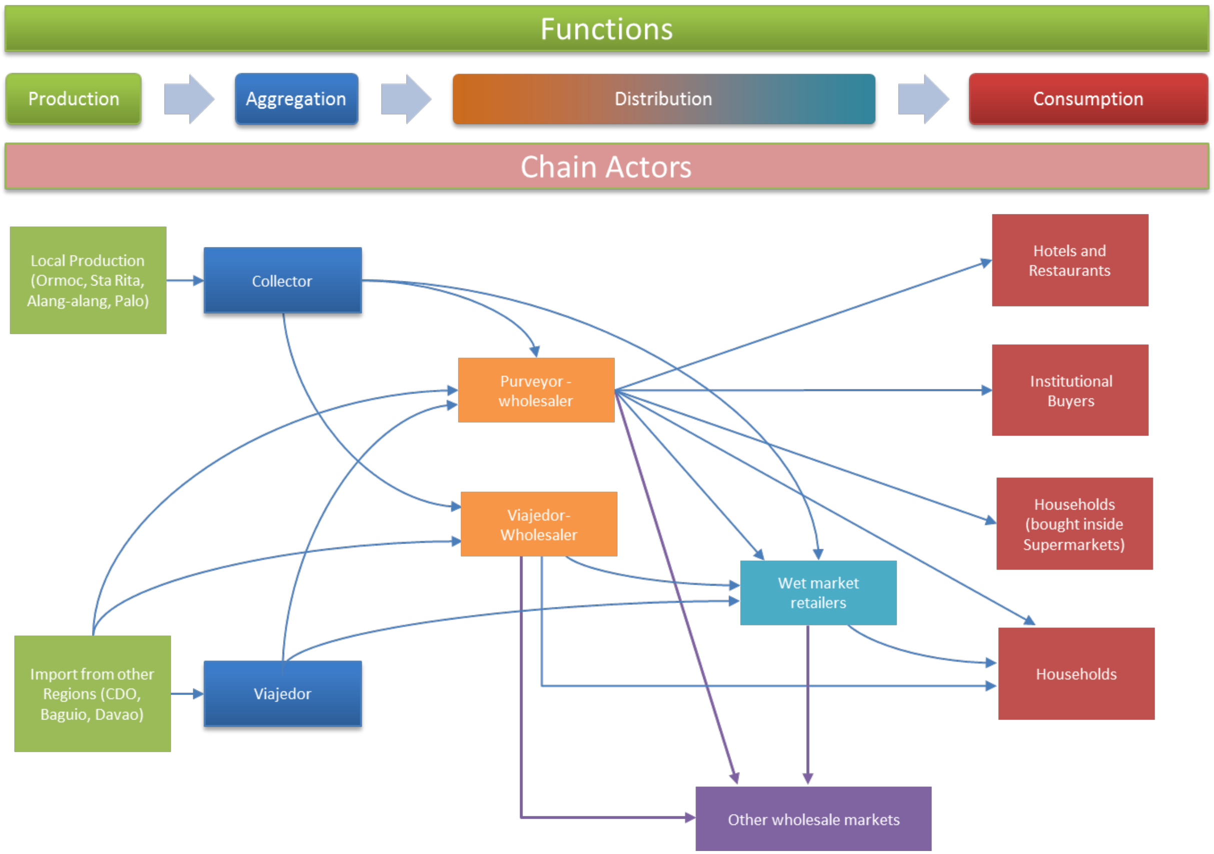
Node	Number of Interviews In Davao
Assembler-Collectors	3
Collector-Wholesalers	3
Viajedors	2
Specialised Wholesalers	2
Producer Wholesalers	1
Small-scale Wholesalers	3
Concessionaires	3
Purveyors	3
Shippers	3
Supermarkets AB	1
Supermarket C	1
Hotels and Restaurants (4 and 5 star)	3
Budget Hotels and Restaurants	2
Institutions	4
Wet Market Retailers	2
Industry Specialists	1
Total	37

Number of Interviews: Cebu Vegetables

Node	Number of Interviews In Cebu
General Wholesaler	4
Specialised Wholesaler	3
Class A Wholesalers	3
Wet Market Retailers	2
Concessionaires	4
Supermarkets	5
Budget Hotels	1
Premium Hotels and Resorts	6
Restaurants (Fast food, casual dining, buffet)	4
Total	33




How understanding changed



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Class A Wholesaler Description

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Davao Vegetable Table

Reflections & Learnings

- Industry participants were uninformed (or non-communicative) about industry-wide data and issues.
- Attractiveness is site/node specific.
- Forward planning – move into new nodes as production and post-harvest technologies improve.
- Iterative analysis & ongoing data collection becomes market orientation and creates a 'learning organisation'.
- Collaborative action-learning.
- Market-oriented collaborative learning organisations.