

BIBLIOGRAPHY

PILAS, DESENIA K. APRIL 2007. Profile of Member-Borrowers in the Progressive Citizen Multipurpose Cooperative at Abatan, Buguias, Benguet. Benguet State University, La Trinidad, Benguet.

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ABSTRACT

This study was conducted to determine the demographic profile of the member-borrowers of Progressive Citizen Multipurpose Cooperative, find out the kinds of loan commonly availed by the members, find out how the members used their loans, find out how the borrowers were benefited by the loans, and find out the problems encountered by the members borrowers on loaning and repaying the loan.

This study was conducted in Abatan Buguias on January 2007. The respondents were some officers and staff and 51 member-borrowers from the cooperative.

Majority of the respondents were of middle age, female, married, had 4 – 6 family members, and had post secondary education. The commonly availed loans were the agricultural loan, educational loan, and the regular loan. Majority of the borrowers used their agricultural loan for the purchase of tools and equipment, the educational loan for paying tuition fees of their children, and the regular loan for buying consumer goods. The member-borrowers were benefited by the loans by the improved tools and equipment they bought they were able to increase their production and the value of their farm increased because of the improvements they introduce in their farm; they were able to

send their children to school; they were able to pay their hospital bills; and they were able to improve their houses and finance their businesses.

The causes of failure in the repayment of loan were the following: crop failure due to natural calamity and low market price of produce, bankruptcy of business, borrowed money was diverted to non-productive uses, and money intended for paying the loans was used for another purpose.

The problems they encountered were the following: difficulty in getting co-maker and collateral that delays loan approval and release of loan; lack of money to pay their loan on time because the loan was not used for the intended purpose and money for paying loan was used for other purposes in addition to bankruptcy of business.

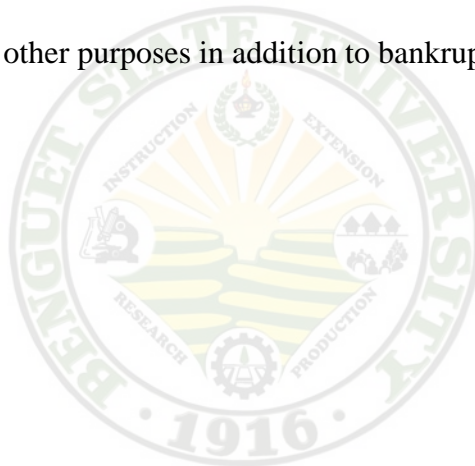


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INTRODUCTION

Rationale

Presently, our country is facing economic crisis, people continue to secure and stable source of income for better living; they continue to discover how to uplift their lives. According to Onagan *et al.*, (1973) cooperatives have a big role in our society specifically in the area of livelihood of families. Credit is one of the services rendered by the cooperative and this could help the people meet their financial problems.

Garcia and Guanzon (1991) said that, people, whether rich or poor always meet financial problems. The rich however are not beset with the problems of money as much as the poor because they can easily secure loans from legitimate, financial institutions at low rates of interest. The poor having no collateral have no access to these institutions. To meet their financial needs, the “have nots” find the sources open of them. One of the popular sources—the usurers, who have mercilessly scalped the poor of all countries for ages. The other is their associations like a cooperative which is owned, operated and managed by them for their mutual benefit and welfare.

The Progressive Citizen Multipurpose Cooperative (PCMC), just like all other cooperatives hopes to help their members uplift their social and economic status. The PCMC is located at Abatan, Buguias, Benguet. It was first established in 1969 and registered with the Securities and Exchange Commission (SEC) before it was registered on October 25, 1991 with the Cooperative Development Authority (CDA) and it was amended on September 17, 1997. It was established with 15 incorporations in Abatan, Buguias, Benguet. Record shows that as of 2005 the Authorized capitalization of the



Cooperative were P33, 200,000.00 and the Subscribed Share Capital amounted to P8, 300, 000.00. As of 2006 there were 152 members in the cooperative.

The foregoing remarkable growth of the Cooperative speaks well of the loyalty of some members, the strong determination and commitment of the Board of Directors. Committee members and Management staff who had been serving. The Cooperative is providing loans to its members which have helped them in their personal needs. It is on this basis that this study was conducted with the intention to the repayment rate of the Cooperative. A profile of borrowers will help cooperative management to adjust policies or rules with regards to credit in order to facilitate payment of loans by borrowers.

Statement of the Problem

The study intended to answer the following questions:

- a. What is the demographic profile of the member-borrowers of the Progressive Citizen Multipurpose Cooperative?
- b. What are the kinds of loan mostly availed by the member-borrowers?
- c. How were the loans used?
- d. What are the benefits derived from the loans?
- e. What are the problems encountered by the member-borrowers on loan repayment?

Objectives of the Study

The objectives of the study were to:



- a. determine the demographic profile of the member-borrowers of the Progressive Citizen Multipurpose Cooperative.
- b. determine the kinds of loan commonly availed by the member-borrowers.
- c. find out how the members used their loans.
- d. determine the benefits that the borrowers get from the loans.
- e. determine the problems encountered by the member-borrowers on loaning and repaying the loans.

Importance of the Study

The result of this study would serve as a way for the members to recognize their duties and responsibilities as part of the cooperative especially with regards to paying of loans. It would also serve as a basis for the cooperative to improve its loan collections. Furthermore, it could also serve as a source of information for further research on other related studies.



REVIEW OF LITERATURE

Demographic Profile of Borrowers

From Wikipedia, the free encyclopedia, a demographic or demographic profile is a term used in marketing and broadcasting, to describe a demographic grouping or a market segment. This typically involves age bands (as teenagers do not wish to purchase denture fixant), social class bands (as the rich may want different products than middle and poorer classes and may be willing to pay more) and gender (partially because different physical attributes require different hygiene and clothing products, and partially because of the male/female mindsets). A study of the demographic profile may also be important in analyzing the paying capacity of borrowers of loan.

As they said, “The small can become big if efforts put together” in order for the cooperative to thrive. Not just one person or two but everyone should be properly motivated and there should be “mutual trust” among the members. Cooperatives demand professionalism and this includes education and commitment of all members. Cooperative need “one voice” of all members and in such way they could eventually gain social, economical, and even political success through such cooperatives.

The cooperative is also known as “the bank of the common man” because members secure loans from the cooperative at a lower interest rate compared to the banks. It is also through cooperative that other countries achieve economic progress. The cooperative provided the low income people the chance to complete in the capitalist market.



Most cooperative allow members to borrow from three to five times the amount of their capital contribution. Cooperative profits are distributed to their members in form of dividends based on their equity contribution or are retained to increase the capital base that benefits accruing.

According to Sacay (1985) the common thread that seems to through all the studies was the role played by the viability of the borrowers alternatively measured by the net income, production, marketable surplus and other factors. Good borrowers tend to have higher value of assets, production value, sales income, net income, savings and quality of life than the delinquent borrowers.

Membership in Cooperative

Any natural person who is a Filipino Citizen, a cooperative or non-profit organization with juridical personality may be members of the cooperative provide that the qualifications prescribed for membership is limited in the by-laws are satisfied.

For primary cooperatives, membership is limited to natural people (or persons). In secondary cooperatives, the members are primary cooperatives and for tertiary cooperatives membership is only for secondary cooperatives upward to one or more apex organization Abasolo *et al.*, 1996).

Requirements in Borrowing

According to Macli-ing (2002), the requirements to be submitted are according to their purposes. For the livelihood projects, the requirements to be submitted in requiring loans under Real Estate Mortgage: Title/Tax declaration, Sketch plan of the project,



Certificate of non-tax delinquency, TIN/cedula, Applicant's photo which is attached to the loan application form.

Meanwhile, for vegetable trading, requires under chattel mortgages were: Picture of the vehicle, stencil of classis, No./motor No., TIN/cedula, CR/OR, Insurance of the vehicle, certification form that was owned by the borrowers, registration of deeds, applicant's photo, as accepted collateral which was attached to the application form.

Lastly, for the agricultural loan the following required such as: farm plan and budget, and project proposal for those who are engaged in entrepreneur and builder.

The general purpose of imposing requirements and collateral is to ensure the money borrowed. Some agencies even consider age, educational attainment, size of the family and occupation of the applicant before deciding on the loan. Cawaon (1982) stated that the practice of requiring loan collateral for loaning is for the protection of the investors for losses due to the failure of the business or bad faith of borrowers.

Uses of Loans

Ganawed (1997) said that the purpose of agricultural borrowers in loaning is to finance their livelihood activities such as vegetable production, cut flower production, swine production, poultry production and other agricultural activities.

Likewise, the commercial borrowers use loans to finance their commercial business such as sari-sari store, restaurant/eatery, vegetable trading, dry goods store, shoe repair shop and other commercial activities.

The use of credit, in the broad sense of an exchange of current for future resources is probably as old as organized society. It can promote economic growth and contribute



to the nation's wealth. By this, a business firm may borrow to put the loan proceeds to work in an income producing assets which are expected to earn, in due course, more than the amount borrowed.

Perceived Benefits

Credit cooperative, as stated by Fajardo (1994), usually charges one percent interest plus a nominal service charge.

According to Macli-ing (2002), credit cooperative in develop countries have been very effective in improving the social and economic condition of the poor, small farmers, fisherman, factory workers, and other low-income groups.

In other society, we can observe that through the help of credit cooperative the poor members especially the farmers were benefited.

Causes of Failure of Credit Cooperatives

According to Taganas (1979), the failures of cooperatives are often due to the member-borrowers to pay their loans or the delinquency of members in paying their loans. The failure of members to pay their loans, according to Taganas, was because the money was diverted to non-farm activities such as food, house repair, education and recreation. Some loans were used to settle other accounts from suppliers of farm inputs.

Problems on Loan Collection

Loan delinquency has always been a big problem among cooperatives and the failure to recognize this problem and to institute the necessary remedy leads to the



demoralization of both members and officers and ultimately to the failure of the cooperatives (Macaranas, 1991).

The causes of difficulty in loan collection reported on farmers as written by Biase (1979) were: money was spent for other purposes, low production, natural calamities, wrong timing of collection, low market price, and high cost of production and lack of transportation facilities.

Definition of Terms

Profile - pertains to all the information and data that are gathered from the cooperatives about the member-borrowers of the PCMC.

Credit - the power to obtain goods and services as well as cash by giving a promise to pay money on demand or at specified date in the figure. It is used synonymously with loan.

Cooperatives - these are voluntarily associations of people organized for the purposes of meeting their common needs, mutual action, democratic control and sharing equal benefits.

Collateral - any property or rights pledged by the borrower, a security for the loan availed of which is usually presented in the form of legal document.



METHODOLOGY

Locale and Time of the Study

The study was conducted in Abatan, Buguias, Benguet where PCMPC is located. The cooperative is found in Abatan near the Lutheran Hospital and it is accessible to all the members. The survey was conducted on January, 2007 during the regular General Assembly meeting of the cooperative. The map of Abatan showing the location of the cooperative is shown in Figure 1.

Respondents of the Study

The respondents of this study included most of the members of the Board of Directors, the general manager, the treasurer, the secretary, the sales clerk, the loan collector and 51 member-borrowers of the Progressive Citizen Multipurpose Cooperative who borrowed from the cooperative for 2000 to 2006. The respondents were participants during the general assembly meeting of the cooperative.

Data Collection

A survey questionnaire was used to gather data. The questionnaire was pre-tested first before it was used. The researcher personally administered the survey questionnaire.

Data Gathered

The primary data gathered from the respondents were their profile, types of the loan they availed, the uses of their loans, benefits they derived from the loan and



problems they encountered in borrowing and repaying their loans. Information regarding the frequency of payment and amount of loan paid by the member-borrowers were taken from their records in the cooperative.

Data Analysis

The data collected were analyzed and interpreted according to the objectives using descriptive statistics.

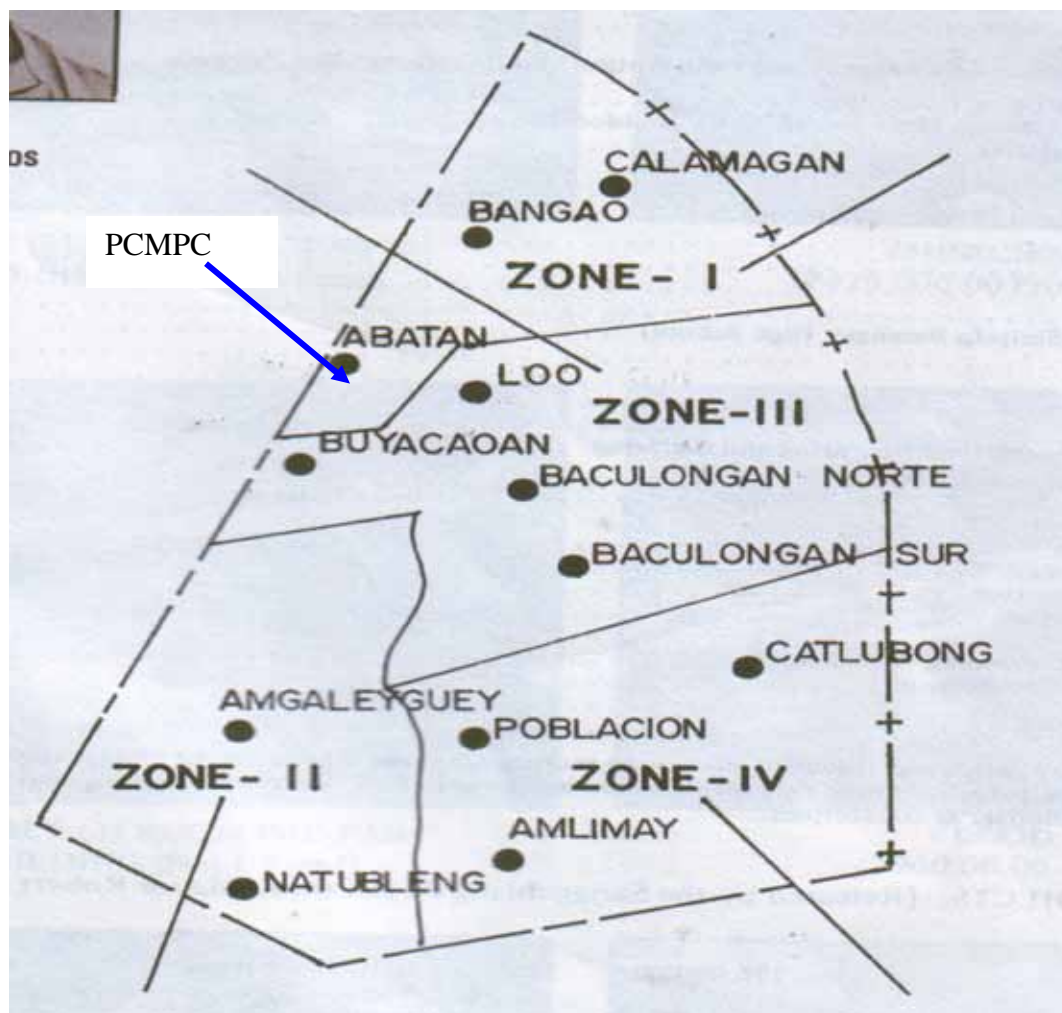


Figure 1. Map of the Study Area



RESULTS AND DISCUSSION

Respondents' Profile

The personal profile of the respondents is presented in Table 1. The profile included their age, sex, civil status, household size, household income, and educational attainment.

Age. Most (31.25%) of the respondents were between the age of 41 – 50 years old followed by the age bracket of 51 – 60 years old with 25.40%. The age bracket of 31 – 40 years old was next with 23.44% while the 21-30 years old and 61 years old and above were the least in number with 9.37% each. The finding shows that majority of the respondents were of middle age. This also implies that majority of the members who borrowed for the year 2000 to 2006 were of middle age.

Sex. Majority (76.19%) of the respondents were female and only 23.81% were male. According to the female respondents, their husbands do not have time to attend the cooperative's activities because they are always pre-occupied with farm activities and other businesses, thus they delegated to their wives the membership to the cooperative.

Civil status. All of the respondents were married. However, 11.11% were already widowed. This indicates that all of them have families to support.

Household size. There were very few (9.52%) respondents with 1-3 household size. Majority (71.43%) had 4 - 6 family members. This is very close to the average household size in the country which is 6 - 7 persons. There were 12 or 19.05% with 7 – 10 household members.



Household income. The respondents' earnings were measured yearly. Most of the respondents (49.21%) had an annual income of P51,000 – P100,000, 23.81% had P101,000 – P150,000, 17.46% had P50,000 and below, 6.35% had P151,000 – P200,000, and only 3.17% had more than P200,000. This finding implies that majority of the respondents had an annual income of less than P100,000.

Educational attainment. The finding shows that all of the respondents had formal education and very few were reached elementary level. Majority of them pursued a post secondary education with 49.21% had a college degree while 4.76% had a vocational course. There were 30.16% that reached the secondary level.

Table 1. Profile of the respondents

PARTICULAR	FREQUENCY	PERCENTAGE
Age		
61 and below	6	9.34
51 – 60	16	25.40
41 – 50	20	31.25
31 – 40	15	23.44
21 – 30	6	9.37
TOTAL	63	100.00
Sex		
Male	15	23.81
Female	48	76.19
TOTAL	63	100.00



Table 1. Continued

PARTICULAR	FREQUENCY	PERCENTAGE
Civil Status		
Married	56	88.89
Widow/widower	7	11.11
TOTAL		100.00
Household Size		
7 – 10	12	19.05
4 – 6	45	71.43
1 – 3	6	9.52
TOTAL	63	100.00
Household Income		
P 201,000 and above	2	3.17
P 151,000 – P200,000	4	6.35
P 101,000 – P 150,000	15	23.81
P 51,000 – P 100,000	31	49.21
P 50,000 and below	11	17.46
TOTAL	63	100.00
Educational Attainment		
College Degree	31	49.21
Vocational Degree	3	4.76
Secondary	19	30.16
Elementary	10	15.87
TOTAL	63	100.00



Sources of Income

Table 2 shows that the sources of income of the respondents were from vegetable farming, salaries as government or private employees, wages as skilled laborers, and from business (sari-sari store, stall operation, restaurants and from trucking).

There were 38 respondents that receives salary monthly, 26 said they get their income from vegetable farming. Eighteen get their income from direct farm production while 8 through the supply system wherein 5 were suppliers and 3 operated the farm. There were 2 respondents who get their income from wages as skilled laborers and 24 respondents get their income from business operation. Ten of them were operating sari-sari store, 2 were renting stall in the market place and operate sari-sari store, 5 were operating restaurants, and 7 were engaged in trucking or vegetable transporting business.

Table 2. Sources of income of the respondents

PARTICULAR	FREQUENCY	PERCENTAGE
Vegetable Farming	26	28.9
Farm operator	18	69.23
Supply system	8	30.77
Salary	38	42.2
Government employees	7	18.40
Private employees	31	81.60
Wages for Skilled Labor	2	2.2
Business	24	26.7
Sari-sari store	10	41.70
Stall operator and store owner	2	8.30
Restaurant	5	20.80
Trucking/vegetable transporting	7	29.20
TOTAL	63	100



Number of Years as Member in the Cooperative

Table 3 presents the number of years the respondents were members in the cooperative. As found, 19 or 30.16% of the respondents were members for 1 - 5 years, 19.05 for 6 – 10 years, 17.46% for 11 – 15 years, 12.70% for 16 – 20 years, 1.59% for 21 – 25 years, 6.35% for 26 – 30 years, and 12.70% for 31 years and above. This finding implies that most of the respondents were members in the cooperative for ten years and below and very few were members for more than twenty years.

Table 3. Number of years as members in the cooperative

NUMBER OF YEARS	FREQUENCY	PERCENTAGE
1 – 5	19	30.16
6 – 10	12	19.05
11 – 15	11	17.46
16 – 20	8	12.70
21 – 25	1	1.59
26 – 30	4	6.35
31 and above	8	12.70
TOTAL	63	100.00

Types of Loan Availed by the Respondents

The types of loan availed by the respondents were agricultural loan, educational loan, emergency loan, regular loan, and special financing loan as shown in Table 4. The types of loan mostly availed by the members were the regular loan (55.50%), educational



loan (42.90%), and agricultural loan (41.30%). The least availed loan was the special financing loan because this loan can only be availed if there is a project to be financed. This loan can also be given to non-members. There were also very few members who availed of the emergency loan because the amount is small compared to the other types of loan.

Table 4. Types of loan availed by the respondents

TYPES OF LOAN	FREQUENCY*	PERCENTAGE
Agricultural loan	26	41.30
Educational loan	27	42.90
Emergency loan	11	17.50
Regular loan	35	55.50
Special financing loan	4	6.30

* Multiple Response

Number of Times of Each Type of Loan Was Availed

Table 5 presents the number of times the respondents availed of the same type of loan for the years 2000 to 2006. The result shows that most of the members availed of the agricultural loan 5 time and the other respondents borrowed the same type of loan less than 3 times. For the educational loan, most (33.33%) of them borrowed twice and majority borrowed less than three times. For the emergency loan, an equal number borrowed twice and four times with 27.27% each. Only one member borrowed 5 times. For the regular loan, most of them (31.43%) borrowed once. An equal number of



members borrowed twice, thrice and five time with 20% each. All the 4 borrowers who availed of the special financing loan borrowed twice.

Table 5. Number of times the type of loan was availed by the respondents

NUMBER OF TIMES AVAILED	FREQUENCY*	PERCENTAGE
Agricultural loan		
1	6	23.08
2	7	26.92
3	1	3.85
4	1	3.85
5	11	42.31
TOTAL	26	100
Educational loan		
1	7	25.92
2	9	33.33
3	2	7.41
4	5	18.52
5	4	14.82
TOTAL	27	100
Emergency loan		
1	2	18.18
2	3	27.27
3	2	18.18
4	3	27.27
5	1	3.70
TOTAL	11	100



Table 5. Continued ...

NUMBER OF TIMES AVAILED	FREQUENCY	PERCENTAGE
Regular loan		
1	11	31.43
2	7	20.00
3	7	20.00
4	3	8.57
5	7	20.00
TOTAL	35	100
Special financing loan		
2	4	100
TOTAL	4	100

Uses of Loan Availed

For agricultural loan, majority of the borrowers used it to finance agricultural production, a few of them (3 or 11.54%) used it for farm improvement while 26.92% of the respondents used it to purchase farm tools and equipment. For the educational loan, majority (88.89%) used it to pay the tuition fee of their children and only 3 or 11.11% used it for buying school supplies. Majority of the member-borrowers who availed of emergency loan used it for hospitalization and the others used it to buy consumer goods. The regular loan was used by 71.43% of the respondents for buying consumer goods while 14.28% each used the loan for the purchase of farm inputs and for paying the



tuition fee of their children. The special financing loan was used by all the borrowers to buy needed things as shown in Table 6.

Table 6. Uses of loans availed by the respondents

USES OF LOAN	FREQUENCY	PERCENTAGE
Agricultural loan		
Purchase of farm inputs	7	26.92
Purchase of farm tools and equipment	16	61.54
For farm improvement	3	11.54
TOTAL	26	100
Educational loan		
Tuition of children	24	88.89
Buy school projects/requirements	3	11.11
TOTAL	27	100
Emergency loan		
Hospitalization	7	63.64
For buying needed things	4	36.36
TOTAL	11	100
Regular loan		
For consumption	25	71.43
Purchase of arm inputs	5	14.28
Tuition fee of children	5	14.28
TOTAL	35	100
Special financing loan		
For buying things needed	4	100
TOTAL	4	100



Sources of Funds for Payment of Loan

Table 7 presents the sources of cash for payments of loan by the member-borrowers. Most (48.53%) of the borrowers used their salary for paying their loan. There were 19 or about 28% of the respondents used their income from their business to pay their loan and 23.53% paid their loans from the sales of their vegetables.

Table 7. Sources of fund for paying loans by the respondents

SOURCES OF FUND	FREQUENCY*	PERCENTAGE
Sales of vegetables produced	16	23.53
Income from business	19	28.00
Salary and wages	33	48.53
* Multiple response		

Loan Repayment Practices by the Member-borrowers

Table 8 presents that majority (57.14%) of the respondents paid their loans by going personally to the cooperative office while 36.51% paid their loans through the collector and only 6.35 sent their payments through a representative. The finding further showed that majority (84.13%) paid their loan on installment basis. However, there were 15.87 who paid their loan upon maturity. This implies that majority of the members were paying their loans on installment basis. Majority of those who paid on installment gave it on a monthly basis. There were 12.70% who paid on a quarterly basis while 6 or 9.52% paid their loans on a daily basis.



Table 8. Loan repayment practices of the respondents

PRACTICES	FREQUENCY	PERCENTAGE
How payment was made		
Through collector	23	36.51
Paid personally in the office	36	57.14
Through representative	4	6.35
TOTAL	63	100
Mode of Payment		
Full payment	10	15.87
Installment	53	84.13
TOTAL	63	100
Interval of Installment Payment		
Daily	6	9.52
Monthly	39	61.90
Quarterly	8	12.70
TOTAL	53	100

Benefits Derived from the Loan

Table 9 presents the benefits the respondents derived from the loans they availed from the cooperative. The benefits derived from the agricultural loan as mentioned by the respondents were as follows: the value of their farm increased because of the improvements, their production increased because of the improved farm practices and improved tools and equipment and farm inputs. For the educational loan, the respondents



mentioned that they were able to send their children to college, they were able to buy books and school supplies of their children and were able to buy the schools projects of their children. The emergency loan benefited them because they were able to pay hospital bills and buy medicines and many of them were able to buy consumer goods when they badly needed them. Some said they were able to pay their debts and bills on time thus they were not penalized. For the regular loan, many of them were benefited from the house improvement and helped them finance their business. Some were able to have their appliances and vehicles repaired. One each was able to buy needed appliances, a vehicle, and land. The special financing loan benefited them because they were able to buy the things they needed.

Table 9. Benefits derived from the loan

BENEFITS FROM THE LOAN	FREQUENCY	PERCENTAGE
Agricultural loan		
Increased value of the farm due to improvement introduced	9	36
Increased in production	6	24
Improved farm practices	3	12
Improved tools and equipment	7	28
TOTAL	25	100
Educational loan		
Send children to college	17	48.57
Buy books and school supplies	11	31.43
Buy school projects of children	7	20.00



Table 9. Continued

Emergency loan		
Pay hospital bills and buy medicines	3	15
Buy additional farm supplies	5	25
Buy consumer goods when badly needed	9	45
Pay debts and bills on time	3	15
TOTAL	11	100
Regular loan		
Financed their business	19	42.22
Improved their house	20	44.44
Had their appliances, vehicles, tools repaired	3	6.67
Buy needed appliances	1	2.22
Buy land	1	2.22
Buy vehicle	1	2.22
TOTAL	45	100
Special financing loan		
Buy the things they needed	4	100
TOTAL	4	100

Causes of Failure on Repayment

Table 10 presents the causes of failure of the respondents to pay their loans. Nineteen or about 30% mentioned that they had no money at the scheduled of payment. Fourteen or 21.54% mentioned low price of their product that their sales proceeds was not even enough to buy their family needs and starting capital and another 6 respondents



or 9.23% said that their business went bankrupt. There were about 13% who said that their crops failed due to natural calamity. Eleven respondents or 17% said that their loan was used for non-productive purpose thus there was no income for paying the loan while 7 or 11% said the money for payment of loan was used for another purpose.

Table 10. Causes of failure on repayment

CAUSES OF FAILURE	FREQUENCY	PERCENTAGE
Bankruptcy of the business	6	9.23
Low market price of produce	14	21.54
Crop failure due to calamity	8	12.31
No money at the schedule of payment	19	29.23
Loan was used for nonproductive purpose	11	16.92
Money for payment was used for another purpose	7	10.77
TOTAL	65	100

Problems Encountered

There were 50.79% of the respondents who commented on the procedures in borrowing. They said that securing collateral and co-makers were just making them delay in getting their loans. Thirty three percent of the respondents said that their problem in borrowing was the delayed release of the loan because they have to wait for the availability of funds while 15.87% mentioned delayed approval of loans.



Table 11. Problems encountered by the respondents

PROBLEMS	FREQUENCY	PERCENTAGE
Delayed release of loans	21	33.33
Difficulty in getting co-maker and collateral	32	50.79
Delayed approval of loan	10	15.87
TOTAL	63	100



SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

This study was conducted to determine the demographic profile of the member-borrowers of the Progressive Citizen Multipurpose Cooperative, determine the kinds of loan commonly availed by the member-borrowers, find out how the members used their loans, determine the benefits that the borrowers get from the loans, and determine the problems encountered by the member-borrowers on loan repayment.

This study was conducted in January 2007 with 63 member-borrowers from Progressive Citizen Multipurpose Cooperative as respondents. It was found that majority of the members were female, with ages between 31 – 50 years old, married, with household size between 4 – 6 members, had an income range of P 51,000 - 100,000 per annum and finished post secondary education. Most of them were salaried employees, either as government employee or private employee and some were farmers and business owners. Most of them were members in the cooperative for less than ten years.

The type of loan commonly availed by the members was the regular loan followed by agricultural loan and educational loan. The agricultural loans were used by the members in financing their farm production, and for the purchase of tools and equipment as well as for the improvement of their farms. The educational loan was used merely for the education of their children while the regular loan was used mostly for basic consumption. The emergency loan was mostly used for payment of hospital bill and purchase of medicines.



The members mentioned several benefits derived from the loans they got from the cooperative. With the loans they availed they had capital for their farm operation and their business, they were able to send their children to school and buy the needs of their children, they were able to pay their bills and debts on time from the loan proceeds, they were able to buy the things they needed and they were able to pay their hospital bill and buy medicines which they would not have done without the loan. However they also mentioned some problems they met regarding their loans. Some said their loans were delayed because of the unavailability of funds. They also met problems in the payment of their loans because when it was time to pay their loans, they had no money thus they have to pay a surcharge. Their failure to pay their loans on time were associated with several factors like low price of their produce, crop failure due to calamity, and bankruptcy of their business. Some of the factors were due to their own doing like misuse of loans and using the money for loan payment on another purpose.

Conclusions

Based on the finding of the study, the following conclusions were made:

1. Majority of the members are females, married, finished college education, salaried employees and receiving an annual salary ranging from P100,000 to P150,000 per annum.
2. Majority of the member-borrowers availed various loans from the cooperative. The most common was the regular loan where they used it for their basic consumption, educational loan where they used it for tuition fee of their children. The respondents who availed of agricultural loan used it to purchase farm tools



and equipment while those who availed of the emergency loan used it for hospitalization and those who borrowed the special financing loan used it for buying things they needed.

3. The member-borrowers encountered problem in repaying their loans because they did not use their loan on the intended purpose. Besides, they use the money intended for paying their loan for other purposes. Some were hard up in paying their loans due to bankruptcy of their business brought about by natural calamity and low market price of their crops.

Recommendations

In order to sustain the dynamism of the cooperative, the following recommendations were formulated:

1. Educational committees should provide proper education about the cooperatives to the members not to look the cooperative as a source of credit.
2. The cooperative should mandate their credit committee to check if loans were used for the purpose stated in the loan form that are used as bases for releasing their loans.
3. Cooperative must be strict in implementing the policies on loan collection to avoid delay of payment and lacking of the fund for lending and to be ensured on good circulation of the business.



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APPENDICES

Appendix A. Letter to the Respondents

College of Agriculture
DEPARTMENT OF AGRICULTURAL ECONOMICS
AND AGRIBUSINESS MANAGEMENT
Benguet State University
La Trinidad, Benguet

January 2007

Dear Respondents;

The undersigned is a fourth year Agribusiness student of Benguet State University, and currently conducting a research titled “Profile of Member-Borrowers in the Progressive Citizen Multipurpose Cooperative at Abatan, Buguias, Benguet.”

In this regard, may I humbly request your kind support and cooperation in answering the attached questionnaire. Your kind assistance will enable me to complete the requirements on my course. Rest assured that all data gathered will be kept confidential.

I highly appreciate your wholehearted support in this endeavor. Thank you very much and God bless.

Respectively yours,

DESENIA K. PILAS
Researcher

Noted by:

ANDREW K. DEL-ONG
Adviser



Appendix B. Survey Questionnaire

Fill the blanks with the necessary information and check the choices that correspond to each statement being asked.

A. Respondent's Profile

Name: _____

Age: _____

Sex: _____

Civil Status: _____

Household Size: _____

Household Income per annum: _____

Sources of Income (please check)

() vegetable farming (please indicate if farm if:

___owner-operated

___supply system

___supplier

___operator

() salary

___government employee

___private employee

() wages for skilled laborers, carpenters, etc.

() business

___sari-sari store

___grocery

___stall operator (public market)



___restaurant

___trucking/vegetable transporting/hauling

___others (please specify)

Occupation of Spouse:_____

Highest Educational Attainment (please check)

() Elementary

() Secondary

() Vocational Course (please specify)_____

() College

() Post College Degree (please specify)_____

Number of years of membership in the cooperative (please specify)

Position in the Cooperative (please check)

() Board of Director

() General Manager

() Treasurer

() Book Keeper

() Member

B. Types of Loan Availed by the Member

From date of membership to the cooperative, please indicate the kinds of loans you availed, number of times and the amounts you borrowed.

Type of Loan Availed	Number of times	Maximum Amount Granted
Agricultural loan		



Educational loan		
Emergency Loan		
Regular Loan		

C. Uses of Loans Aailed

Loan Type	Uses
a. agricultural loan	<input type="checkbox"/> purchase of farm tools and equipment <input type="checkbox"/> financed farm production (as capital) <input type="checkbox"/> farm improvement <input type="checkbox"/> others (please specify)_____
b. educational loan	<input type="checkbox"/> tuition fee of children <input type="checkbox"/> for school requirements/projects <input type="checkbox"/> others (please specify)_____
c. emergency loan	<input type="checkbox"/> hospitalization <input type="checkbox"/> funeral expenses <input type="checkbox"/> others (please specify)_____
d. regular loan	<input type="checkbox"/> consumption <input type="checkbox"/> purchase of farm inputs <input type="checkbox"/> tuition fee of children <input type="checkbox"/> others (please specify)_____

Sources of payment(s) for the loans borrowed

- sales from vegetable farming
 salary



- income from business
- wages
- others (please specify)_____

How did you pay your loans to the cooperative?

- through collector from cooperative
- personally went to the cooperative
- sent payment through representative (ex: family member)
- others (please specify)_____

Mode of Payment

- full payment
 - installment
 - others (please specify)_____
- If installment, what were the terms of payment?
 - weekly
 - monthly
 - quarterly
 - annually
 - others (please specify)_____

D. Benefits Derived from the Loan

1. Agricultural Loan

- increased value of the farm due to farm improvement
- increased in production
- improved farm practices



improved tools and equipment

Others (Pls. specify) _____

2. Educational Loan

able to send children to college

able to buy books and school supplies for my children

able to buy the school projects of my children

others (Pls. specify) _____

3. Emergency Loan

able to pay hospital bills and buy medicine

able to buy additional farm supplies on time

it helped us to buy consumer goods when badly needed

it helped us pay our debts/ bills on time

others (Pls. specify) _____

4. Regular Loan

it helped us finance our business

it helped us improve/repair our house

it helped us repair our appliances/vehicles/tools and equipment

able to buy needed appliances

able to buy land

able to buy vehicle

others (Pls. specify) _____

E. Causes of Failures on Repayment

bankruptcy of the business



- low market price
- crop failure due to calamity
- no money at the schedule of payment
- loan is used for non-productive purpose
- money for payment is used for another purpose
- others (please specify) _____

F. What are the problems you encountered in borrowing from your cooperative?

G. What are the problems you encountered in the repayment of your loans?

