

## **BIBLIOGRAPHY**

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## **ABSTRACT**

The study was conducted to determine the socio-economic profile of the respondents, the production and marketing practices of the industry and the problems they encountered in the production of the wine products. The respondents were 20 wine producers for the last 5 years. Result of the study showed that majority of the respondents were in middle age, females, mostly married, had undergone formal education, majority were Anglicans, Farmers, considered their business as family owned, and registered their business. The common production practices of the respondents were: they utilized 30 kilograms of fruits in preparing 3-4 jars of wine, obtained capital from loans coming from lending institutions, had a capital range of P26,000.00-P30,000.00, gained their knowledge from the Department of Trade and Industry (DTI), and they had an average production of 401-500 bottles in one year.

Most of the respondents claimed that they market their products through wholesale-retail basis; and sold their products on cash and installment basis; they priced their products based on the prevailing of the industry.

The problems encountered by the respondents were: lack of packaging materials, lack of capital, seasonality of fruits for processing, and high transportation cost.



## RESULTS AND DISCUSSION

### Socio-economic Profile of the Respondents

Table 1 presents the socio economic profile of the respondents that include the age, civil status, educational attainment, religion, their source of livelihood, the number of years they were engaged in winemaking, and the type of ownership they have.

Age. The data revealed that most of the respondents belonged to the age bracket of 41-50 years old; 15% between 51-60 years old and from the age bracket of 61-70 and 30-40 years old is 10%. This indicates that majority of the respondents are at their middle ages.

Sex. The respondents of the study were all females.

Civil status. Majority of the respondents (95%) were married and few (5%) were widowed.

Educational attainment. As shown in Table 1, 50% of the respondents were college graduates; while 45% finished high school; and only 5% reached elementary. This shows that all the respondents are literate and receptive to the adoption of innovations introduced to them.

Religion. Majority (60%) of the respondents were Anglicans while 40% are Roman Catholics.

Livelihood source. As shown in Table 1, most (65%) of the respondents were engaged in farming; 15% in winemaking; 10% of them were either a bank employee or a government employee; and 10% are storekeepers. This indicates that the respondents had other sources of income other than fruit wine production.



Number of years in winemaking. Among the 20 respondents, nine were engaged in winemaking for the last 8 years; while seven for the last 5 years and only four for the last 10 years.

It was noted that the respondents produced cherry, roselle, rice, bugnay, santol, and strawberry wines. Hence, all of them registered their business.

Table1. Socio-economic profile of the respondents.

PARTICULAR	NO. OF RESPONDENTS	PERCENTAGE (%)
<b>Age</b>		
41 to 50	13	65
51 to 60	3	15
30 to 40	2	10
61 to 70	2	10
<b>TOTAL</b>	<b>20</b>	<b>100</b>
<b>Civil Status</b>		
Married	19	95
Widowed	1	5
<b>TOTAL</b>	<b>20</b>	<b>100</b>
<b>Educational Attainment</b>		
College	15	75
Secondary	4	20
Elementary	1	5
<b>TOTAL</b>	<b>20</b>	<b>10</b>



Table 1. Continued...

PARTICULAR	NO. OF RESPONDENTS N=20	PERCENTAGE (%)
<b>Religion</b>		
Anglican	12	60
Roman Catholic	8	40
<b>TOTAL</b>	<b>20</b>	<b>100</b>
<b>Livelihood Source</b>		
Farming	13	65
Winemaking	3	15
Storekeeping	2	10
Bank employee	1	5
Gov't employee	1	5
<b>TOTAL</b>	<b>20</b>	<b>100</b>
<b>No. of years in winemaking</b>		
8 years	9	45
5 years	7	35
10 years	4	20
<b>TOTAL</b>	<b>20</b>	<b>100</b>



### Production Practices.

Table 2 presents the production practices of the respondents in the wine industry.

Kilos of fruits needed. The quantity of fruits needed to produce 3- jars of wine is shown in Table 2. 70% of the respondents utilized 30 kilograms of raw fruits while 20% used 21-25 kilograms and 10% of them used 16-20 kilograms.

Source of capital. Majority (75%) of the respondents obtained their capital from the loans coming from lending institutions and 25% used their own savings.

Capital range. The data shows the capital range needed by the respondents in their production. Majority (50%) of them had a capital which ranges from P26, 000.00-P30, 000.00 which is the highest capital range while only few (5%) had the lowest capital range which is P5, 000.00-P10, 000.00. this indicates that wine production really needs capital in order to operate.

Source of knowledge in winemaking. As shown in Table 2, some of the respondents gained their knowledge from the Department of Trade and Industry (DTI); others from their own experiences and training and from the Department of Agriculture (D.A); and only a few from formal education. This implies that the respondents gained their knowledge from various sources.

Average production per bottle (750ml) in one year. The table shows that 45% of the respondents produced an average range of 401-500 bottles which is the highest production in one year while only few had the lowest production range which is 100-200 bottles. This indicates that the producers do not have uniform quantity of produce.



Table 2. Production practices of the wine industry.

PARTICULAR	NO. OF RESPONDENTS N=20	PERCENTAGE (%)
Kilos of fruit needed		
30 and above	14	70
21 to 25	4	20
16 to 20	2	10
<b>TOTAL</b>	<b>20</b>	<b>100</b>
Source of capital		
Loans from Institutions	15	75
Savings	5	25
<b>TOTAL</b>	<b>20</b>	<b>100</b>
Range of capital		
P 26, 000.00- P 30, 000.00	10	50
P 21, 000.00- P 25, 000.00	6	30
P 11, 000.00- P 20, 000.00	3	15
P 5, 000.00- P 10, 000.00	1	5
<b>TOTAL</b>	<b>20</b>	<b>100</b>



Table 2. continued...

PARTICULAR	NO. OF RESPONDENTS N=20	PERCENTAGE
Source of knowledge		
Department of Trade and Industry	10	50
Experiences and training	6	30
Department of Agriculture	3	15
Formal Education	1	5
<b>TOTAL</b>	<b>20</b>	<b>100</b>
Average production per bottle (750ml) in one year		
401 to 500	9	45
501 to 600	6	30
201 to 300	3	15
100 to 200	1	5
301 to 400	1	5
<b>TOTAL</b>	<b>20</b>	<b>100</b>

### Market Outlet

The wholesale-retail method is commonly practiced by most respondents as indicated by a mean of 3.75. In this way, most of the profit will go directly to the fruit processor. Thus, selling through wholesale-retail means more profit since the products can be easily disposed.

Marketing through middlemen is also practiced by the producers as indicated by a mean of 2.40. This is only practiced when middlemen come to the locality to buy the wine products at a pick-up price.



Consignment is also practiced by the respondents. However, the respondent and the consignee should establish a good relationship and should have mutual understanding as to the marketing of the product.

These findings imply that the wine producers prefer to market their products through wholesale-retail basis since based on their experience it was the most profitable way of disposing their product compared to other methods.

Table 3. The marketing practices as to the marketing outlet of the wine products.

MARKET OUTLET	MEAN	DESCRIPTION
Wholesale-retail	3.75	High
Consignment	2.95	Moderate
Middlemen	2.40	Fair
Average Weighted Mean	3.03	Moderate

Legend:

Statistical Limits	Description
4.5 and above	Very High (VH)
3.5-4.49	High (H)
2.5-3.49	Moderate (M)
1.5-2.49	Fair (F)
1.49 and below	Low (L)





## Mode of Payment

Table 4 shows that the respondents preferred cash as the mode of payment of their products as indicated by a mean of 3.70

Payment through installment basis was also practiced since cash was not always available and the payment was taken through the sales of produce that was sold.

Other respondents had no choice but to market their products through credit. The respondents claimed that they were encountering problems in terms of collecting when the payment terms are all in credit. But they said that they cannot do away with credit if they want to dispose their product.

Table 4. The Mode of payment by the respondents.

MODE OF PAYMENT	MEAN	DESCRIPTION
Cash	3.70	High
Installment	3.50	High
Credit	3.35	Moderate
Average Weighted Mean	3.51	High

Legend:

Statistical Limits	Description
4.5 and above	Very High (VH)
3.5-4.49	High (H)
2.5-3.49	Moderate (M)
1.5-2.49	Fair (F)
1.49 and below	Low (L)



### Ways of Pricing their Product.

Table 5 presents the pricing of the product. The respondents claimed that they price their product based on the prevailing price which is the normal practice in business.

Some favor the mutually agreed price where the respondent negotiate with their regular customers. And this can also be advantageous especially if the customer purchases more products.

A few claimed that the price is sometimes dictated by the buyer which is sometimes beyond the control of the respondent because they want to dispose their product even it means taking the risk.

Table 5. The ways of pricing wine products by the respondents.

PARTICULAR	NO. OF RESPONDENTS N=20	PERCENTAGE (%)
Based on the prevailing price	16	80
Mutually agreed Price	2	10
Price dictated by the buyer	2	10
<b>TOTAL</b>	<b>20</b>	<b>100</b>



Table 6. The price of 750ml bottle of wine produced by the respondents.

PARTICULAR	NO. OF RESPONDENTS N=20	PERCENTAGE (%)
P100.00-P120.00	18	90
P80.00-P100.00	2	10
<b>TOTAL</b>	<b>20</b>	<b>100</b>

#### Price of 750 ml Bottle of Wine.

Table 6 presents how the respondent's price a bottle of their product.

Almost all of the respondents (90%) priced their products from P100.00-P120.00 per bottle. Although the price can increase based on the availability of capital and raw materials.

Only a few of them sold at P80.00-P100.00. This implies that some respondents take the risks of lowering the price just to dispose their products.

#### Production Problems

Table 7 reflects the problems encountered by the respondents in their production.

The lack of capital and high transportation cost were considered serious problems since they need cash to buy all the materials needed for wine processing. Transportation cost is also considered since they spend so much in transporting their products to other places.

The seasonality of fruits for processing was also considered serious since it is only on the months of June and July that these fruits are available , the respondents cannot



sustain their production the whole year round due to the in availability of fruits to be processed.

The lack of packaging materials is also a serious problem due to the lack of supply of packaging materials such as bottles, caps, and boxes sometimes.

Table 7. The problems encountered by the respondents of the winemaking industry.

PARTICULAR	MEAN	DESCRIPTION
Lack of capital	4.05	Serious
High transportation cost	4.05	Serious
Seasonality of fruits for processing	3.85	Serious
Lack of packaging materials	3.60	Serious
Average Weighted Mean	3.78	Serious

Legend:

Statistical Limits	Description
4.5 and above	Very Serious (VS)
3.5-4.49	Serious (S)
2.5-3.49	Moderately Serious (MS)
1.5-2.49	Fairly Serious (FS)
1.49 and below	Less Serious (LS)



## SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

### Summary

This study was conducted from October to December 2012 in Barangay Bila, Bauko, Mountain Province to determine the socio-economic profile of the respondents, the production practices of the industry, their marketing practices, and the problems they encountered in their wine production.

The findings of the study are as follows:

As to the socio-economic profile of the respondents, the findings showed that majority of the respondents were 41-50 years old, females, majority were married, had undergone formal education, and were Anglicans. It was also shown that majority of them were farmers and winemaking is an alternative source of income for them. They considered their business as family owned which was registered as their own business.

With a capital of P26, 000.00-P30, 000.00, they were able to produce 3-4 jars of wine with the use of 30 kilograms of raw fruits. Furthermore, their knowledge in the production of wine was obtained through the assistance from the Department of Trade and Industry.

The marketing outlet of their produce is either through wholesale-retail method, middlemen, and consignment basis. As to the mode of payment, either through cash or installment basis depending on the availability of cash and based on their sales. The price range of a bottle of their produce ranges from P100.00-P120.00 per bottle and they based their price from the prevailing price of the industry.



On the production problems, the most common problems encountered by the respondents were lack of packaging materials, lack of capital, seasonality of fruits for processing, and high transportation cost.

### Conclusions

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

1. The respondents were in their middle age females, mostly married, had undergone formal education, they were Anglicans, farmers, considered their business as family owned, which was registered as their own business, and winemaking is their alternative source of income.
2. Winemaking industry considers a big capital and is dependent on the availability of fruits to process.
3. The winemaking industry markets their products through wholesale-retail basis and adopts cash and installment as their mode of payment which is dependent on the availability of cash and based on their sales.
4. The wine industry is face by many problems which should be addressed in order to make it a more feasible enterprise as a major source of livelihood.

### Recommendations

Based on the conclusions, the following recommendations are offered:

1. Knowledge and skills on fruit wine production should be improved. Technology on production of off season fruits to ensure an all year round supply of fruits.
2. The technology supports of the fruit wine production need to be strengthened by



the local government and other concerned agencies. They can offer technical assistance by implementing training programs to enhance the capability of processors.

3. A common trading center should be established within the barangay for the wine producers to advertise and market their products.



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