

## **BIBLIOGRAPHY**

TONGYOFEN, RUBY LIZETTE L. APRIL 2013. Marketing Practices of Coffee Producers in Bantay, Tabuk City, Kalinga. Benguet State University, La Trinidad, Benguet. Adviser: Rashid B. Lokines, BSc.

## **ABSTRACT**

The study was conducted to identify the marketing practices, market outlets preferred and the problems encountered by the coffee producers in Bantay, Tabuk City, Kalinga. It was conducted from December 2012 to January 2013.

The producers were planting different coffee varieties such as Robusta, Arabica, and Excelsa which were sold to the local market or retailer in Tabuk City and Nestle Philippines Incorporated located at Tuguegarao City.

The producers performed different marketing practices such as cleaning, grading, packaging, and transporting their produce.

According to majority of the respondents, they encountered problem during milling of coffee because there was only one coffee milling center in the barangay. Some of them encountered problems on drying their produce during rainy season. Another problem they mentioned was price fluctuation. The coping mechanisms of producers for the problem encountered during coffee milling said that they should early in the milling area because of the “first come, first serve” basis. The coping mechanism of producers for price fluctuation was to wait for a better price by storing the product while the coping mechanism for the problems on drying during rainy seasons was by doing fire dried. It was done by putting the coffee one meter away from the fire to dry.



## INTRODUCTION

### Rationale

Coffee is a brewed beverage with a distinct aroma and flavor prepared from the roasted seed of the coffee plant. The seeds are found in coffee “cherries”, which grow on trees cultivated in over 70 countries, primarily in equatorial Latin America, Southeast Asia and Africa. Coffee is slightly acidic (5.0-5.1 pH) and can have a stimulating effect on humans because of its caffeine content. It is one of the most consumed beverages in the world.

Coffee is an important commodity and a popular beverage. Over 2.25 billion cups of coffee are consumed in the world every day. Over 90% of coffee production takes place in developing countries, while consumption happens mainly in the industrialized economies.

According to Tacio (2009), the popular drink comes from an evergreen tree, which was first discovered in Ethiopia, where its red, cherry-like berries (generally containing 2 seeds per berry) were used for wine and food before A.D. 1000. Its beans are first ground and roasted and made into a drink during the 15th century in the Arabian Peninsula. Coffee later spread throughout Europe since the 17th century.

History records show that the first coffee tree was introduced in Lipa, Batangas in 1740 by a Spanish Franciscan monk. From there, coffee growing spread to other parts of Batangas like Ibaan, Lemery, San Jose, Taal, and Tanauan. Batangas owed much of its wealth to the coffee plantations in these areas and Lipa eventually became the coffee capital of the Philippines. In 1880, the Philippines was the fourth largest exporter of coffee beans,



and when the coffee rust hit Brazil, Africa and Java (Indonesia), it became the only source of coffee beans around the world (Tacio, 2009).

In the Philippines, 8 out of 10 adults drink an average of 2.5 cups of coffee every day. Today, however, the Philippines produce only 0.012% of the world's coffee supply. Majority of coffee produced in the country comes from the mountain areas of Batangas, Bukidnon, Benguet, Cavite, Kalinga, Apayao, Davao, and Claveria. About 164,139 hectares of agricultural lands are planted with coffee, employing at least 300,000 Filipinos (Tacio, 2009).

Now, due to the demand of coffee, each coffee producer has their own strategy in producing their product. This study intends to find out the marketing practices of coffee producers in Bantay, Tabuk City, Kalinga.



## REVIEW OF LITERATURE

### Coffee Industry in Cordillera

The Cordillera, according to a Department of Agriculture, is one of the top producers of quality coffee in the country. The Robusta variety is mostly grown in warmer areas such as Kalinga and Ifugao while the Arabica variety thrives better in temperate and mountainous terrain areas like Benguet and Mountain Province (Dar, 2012).

PCARRD (Philippine Council for Agriculture, Forestry and Natural Resources Research and Development) is currently developing Industry Strategic Plans and they have five specific initiatives which aim to improve coffee production and post-production system, namely, P12.2 million to enhance micro-propagation techniques to meet the demand for quality planting materials; P6 million for conservation and management of coffee genetic resources in the Philippines; P9.9 million for climate adaptation and mitigation; P20 million for development of integrated processing system for small-scale coffee processors; and P3.6 million for the research and development program for organic Arabica production (Dar, 2012).

### Coffee Varieties

Arabica is characterized by waxy leaf margin, light green leaf color, thin leaves, pulp and parchment, and known as “Kapeng Tagalog” Yields 500-1000 kg of clean, dry coffee beans per hectare. It could be grown productively in cooler places with an elevation ranging from 1200 to 1800 meters above sea level and 1000 to 3000 feet above the sea level in the tropics. It starts flowering one to two years after transplanting. The plants



flower from December to January and harvesting is done from November to March (Anonymous, 2012).

Robusta coffee trees represent about 30 percent of the world's market. The bean is smaller and rounder than an Arabica bean. Robusta is a heartier plant and can withstand warmer temperatures, up to 85 F (29 C). It can also thrive at lower altitudes than Arabica. Robusta beans produce a bitter-tasting coffee with about 50 percent more caffeine than Arabica. You will find Robusta coffee trees in Southeast Asia and Brazil (Beller, 2012).

Excelsa yields 1000 kg of clean dry coffee bean per ha. It could be grown from sea level to 600 meters above sea level. This variety is more tolerant to drought, nematodes and rust than other varieties. Excelsa has better flavor and aroma than Robusta and Liberica. The plant starts bearing 4 to 5 years from transplanting. It flowers from March to July and harvesting is done from January to April (Tacio, 2009).

Liberica it is locally known as “Kapeng Barako” or “Kapeng Amerikano” because it produces the biggest berry. This variety belongs to the species of *Coffea liberica*. It is rounded and borne singly or in a small clusters, has thicker leaves than Excelsa and twice as long as Arabica. The pulp is thick and the parchment is woody. Liberica also characterized a very strong pharmacopial taste and flavor. It is tolerant to drought, quite resistant to nematodes and grows in a wider type of soil. It begins to bear fruits 4 to 5 years from transplanting. Yields 1000kg of clean dry coffee beans per ha (Anonymous, 2012).

Beller (2012) states that all commercial varieties of coffee are available in the Philippines – Robusta accounting for 70% of the country’s total production, and Arabica with about 5-10%. Other variety such as Excelsa and Liberica also thrives in the country and accounts for 15-20% of the total.



## **METHODOLOGY**

### Local and Time of the Study

The study was conducted in Bantay, Tabuk City, Kalinga. It was conducted on December 2012 to January 2013.

Barangay Bantay has major crops like coffee, corn, fruits, and vegetables.

### Respondents of the Study

The respondents of the study were the coffee producers having more than 30 coffee trees planted in their farm. There were 15 coffee producers as respondents.

### Data Gathering Procedure

The data were gathered through personal interview, with the aid of an interview schedule.

### Data Analysis

The data gathered were tabulated and analyzed using frequency and descriptive analysis.



## RESULTS AND DISCUSSIONS

### Profile of the Respondents

Table 1 shows the profile of the respondents according to age, sex, civil status and educational attainment.

Age. In terms of age, a greater proportion (40%) of the respondents belonged to the age bracket of 54-58 years old, 33.33% fall under the age bracket of 49-53 while the age bracket of 39-43 were 20% followed by 6.67% who belonged to the age bracket of 44-48 years old. This finding implies that production of coffee is managed mostly by farmers who are adult.

Sex. As to the sex of the respondents, most (80%) of the respondents were males and 20% were females. This can be attributed to the fact that male were the ones who do most of the farm works in the area.

Civil status. Most (80%) of the respondents were married while 20% were single.

Educational attainment. Finding shows that 53.33% finished college while 46.67% completed high school. This means that all of the respondents attended formal education and literate enough to enter into agreements with traders or middlemen.

Years in coffee farming. Table 1 presents the years in coffee farming of the respondents. A greater proportion of the respondents (46.67%) have been engaged in coffee production for 18-24 years while 26.67% for 4-10 and 11-17 years. The results show that the respondents experience in coffee production.



## SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

### Summary

The study was conducted to identify the marketing practices of coffee producers, market outlet preferred and problems encountered by respondents in Bantay, Tabuk City, Kalinga. Fifteen coffee producers were taken as the respondents of the study. It was conducted from the month of December 2012 to January 2013.

Majority (80%) of the respondents were male while 20% of them were female. A greater proportion (40%) of the respondents belonged to the age bracket of 54-58 years old. As to educational attainment, all of them attended formal education thus they are literate enough to enter into agreements with traders or middlemen.

A greater proportion of the respondents (46.67%) have been engaged in coffee production for 18-24 years. Majority (86.67%) of the respondents have a land area of 1 to 2 hectares devoted to coffee production. All of them are land owners. The coffee varieties that they are planting are Robusta, Arabica, and Excelsa which are sold to the local market or retailer in Tabuk City and Nestle Philippines Incorporated located at Tuguegarao City.

The farmers performed different marketing practices such as cleaning, grading, packaging, and transporting. In terms of cleaning, majority (80%) of them dried their produce under the sun for 4-6 days because it was considered to be required for producing coffee of the best quality. In grading, majority (80%) of the respondents based on weight by percentage because the coffee beans remaining after the screening is weighed and the percentage is recorded. All of the respondents prefer to use sack in packaging their product.





Majority (66.67%) of the respondents use truck when transporting their products to the market.

Majority of the respondents, encounter problem during coffee milling. Some of them encountered problems on drying their produce during rainy season. Another problem they mentioned is price fluctuation. The coping mechanisms of producers for coffee milling said that they should early in the milling area because of the “first come, first serve” basis. The coping mechanism of the producers for price fluctuation is to wait for a better price by storing the product while the coping mechanism for the problems on drying during rainy seasons is by doing fire dried.

### Conclusions

Based on the findings, the conclusions were derived:

1. All of the respondents performed different marketing activities such as cleaning the product through drying under the sun, milling using coffee miller, and pounding using mortar and pestle. The grading is in weight, screening, class and variety namely robusta, excelsa, and arabica;
2. The market outlets preferred by the coffee farmers in selling their product are the local market or retailer in Tabuk City and Nestle Philippines Incorporated located at Tuguegarao City because they offer higher prices; and,
3. Majority of the respondents, encountered problem during coffee milling because there is only one coffee miller in the barangay, some of them encountered problem during rainy seasons because the drying of coffee beans will be affected and price fluctuations.

### Recommendations



Based on the conclusions, the following recommendations are derived:

1. The government should provide facilities and equipment like coffee miller that will be used in milling the coffee beans; and
2. The government should administer seminars or trainings to improve the knowledge and skills of the coffee farmers in the production and marketing their products.



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