

BIBLIOGRAPHY

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Adviser: Clifton D. Llanes, MSc.

ABSTRACT

The study intended to profile the “Bagsakan” traders; to describe the manner of management of various trading resources in buying, selling and financing management practices; their relationship between suppliers and buyers, and to come up with possible recommendation.

There were 75 respondents out of a total of 210 operators at the “Bagsakan” area. There were personally interviewed by the researcher with the use of interview guide. The data collected were analyzed by tabulated and interpreted using statistical tools such as frequency counts, measures of tendency, ranking and percentages.

With a mean age bracket of 31 to 40 years, the respondents were mostly females, married and reached or finished college level.

The operator in “Bagsakan” area purchased their products mostly from contract growers. They claimed that there is schedule on delivery of supplies. And the common practices they employed were to pay upon delivery and cash advance. Grading is based on size and class. The vegetables are sold in wholesale and retail basis. Furthermore, prices are based on prevailing market price. The vegetable traded were mostly cucumber,

pepper, cauliflower, beans, lettuce, broccoli, chayote, leek onion and celery. On the other hand, some major crops are trade to the buyer direct to the vehicles, or the may trade at booth and Bahigawan area. The average volume bought and sold per day were differ by commodity. And the highest volume bought and sold ranges from 200 to 2,500 kilograms. The purchase their products from various sources. And the major sources of supplies were from Kibungan, Bakun, Mountain Province, La Trinidad, Kabayan and Buguias. For November to April; Ilocos, Cervantes and Nueva Viscaya were added as sources of supplies. Wherein, for May to October the plant palay as their majority crops. The products destination either Metro Manila, Bicol, Samar, Cebu, Palawan, Ilo Ilo, Baguio City, some part of Bataan, Davao, Naga City and Tacloban.

Price of vegetables depends on quality and size. Likewise, on supply and demand. The buying prices differ by each type of commodity, the mean price ranges from P.50 to P190.00 per kilogram. On the other hand, the selling price ranges from P1.00 to P200.00 per kilogram.

Among problems encountered was price fluctuation. The product problems identified were poor quality because of high perishability and improper handling. High transportation cost, unpredictable demand and supply, delay of payments and bouncing check were also identified.

Recommendation suggest included in market information dissemination; price control, proper handling, transport the products and its importance, crop programming, and sell on cash basis only and do not accept check payment.

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INTRODUCTION

Background of the Study

Resource is any physical or virtual entity of limited availability. In most cases, ethic or commercial require factors require resources allocation through resource management (Wikipedia the free Encyclopedia, undated).

Resource Management is the efficient and effective deployment of organization resources when they are needed. Such resources may include financial management, inventory, human resource management, production management, and information management (Wikipedia the free Encyclopedia, undated).

Financial management is primarily concerned with the investment financing and decisions. Investment decision making involves the preparation of long range plus and budget for major investments such as plant extension and replacement of existing production facilities (Rodriguez et al., 1998).

Inventory is a list for goods and materials, or those goods and materials themselves, held available in stock by a business. It also hold in order to manage and hide from the customer the fact that manufactured/ supply delay is longer than delivery delay, and also to ease the effect of imperfections in the manufacturing process that lower production efficiencies if production capacity strands idle for lack of materials (Wikipedia the free Encyclopedia, undated).

Human resource management is the science of allocating human resources among various projects or business goals; and performing the activities that are necessary in the maintenance that workforce through identification of staffing requirement, planning and



oversight of payroll and benefits, education and professional development and administering their work-life needs (Wikipedia the free Encyclopedia, undated).

Production management wherein contracting is being used in many ways. One is market specification contract. As the same implies, it is an agreement under which farm inputs or products will exchanged at some specified future date at an agreed price (or fairs for calculating the price). This contract specified the average that is to be grown, the price per ton and some instances the delivery schedule. Another contract which provides the same features as the market specification content, but in addition the farmer received the technical advice and management services from the input or processors (Cadangen et al., 1999).

Information management is the collection and management of information from one or more sources and the distribution of that information to one or more audiences. This sometimes involves those who have a stake in, or a right to that information (Wikipedia the free Encyclopedia, undated).

Vegetable trading is a complex process. These involved the participation of so many people and perform various services before it can reach the ultimate consumers. The farmer's role is to produce products like vegetables, and bring them to the market with expectation of a good price. Traders take the goods as they buy the products and resell the same to other traders for a profit. The buy and sell transaction of middlemen involve cost and set mark-up price for the products. In addition, the performance of marketing services also affects the product like decrease in weight which is considered as a loss, packaging to containers and even the transportation. Marketing does not only involve the buying price but also includes other items like labor, packaging, materials,



transportation and others. The cost could mean added value to the product as it transforms one buyer to another buyer (Daplian, 2001).

Vegetable wholesaling in Benguet have some factors affect directly or indirectly the marketing strategies. The activities conducted can be considered as one of the most significant factors in strengthening the marketing practices employed by wholesalers. The marketing of farm products faces a number of special problems, problems that arises from or due to the conditions surrounding production and the product themselves, the marketing system and the traders. Furthermore, there are some variables that must be considered in the whole process of achieving an efficient and effective marketing system between the wholesalers, their functions, marketing arrangements, the sources of vegetables and the quantity and quality of vegetables traded in the market. The vegetable wholesale in the market are traders aim for higher profit, thus profit; incentives to the market participants also affect the vegetable wholesale in the distribution of vegetables (Tawali, 2006).

Statement of the Problem

This study centered its survey and analysis on resource management practices, techniques or strategies of “Bagsakan” traders in La Trinidad Trading Post. Specifically, this study wants to know the following:

Who are “Bagsakan” traders?

How “Bagsakan” traders manage their trade resources?



Objectives of the Study:

Specifically, this study aimed to:

1. To profile the “Bagsakan” traders.
2. To describe the manner of management of various trading resources by the “Bagsakan” traders as to;
 - a. Buying practices
 - b. Selling practices
 - c. Financial management practices
 - d. Relationship between supplier and buyer

Importance of the Study

The result of this research may provide basic information of the traders in making important decisions regarding their buying, selling and financing their products. Other concerned stockholder may also be guided in formulating policies to improve not only in the physical facilities but also operators in the said market.

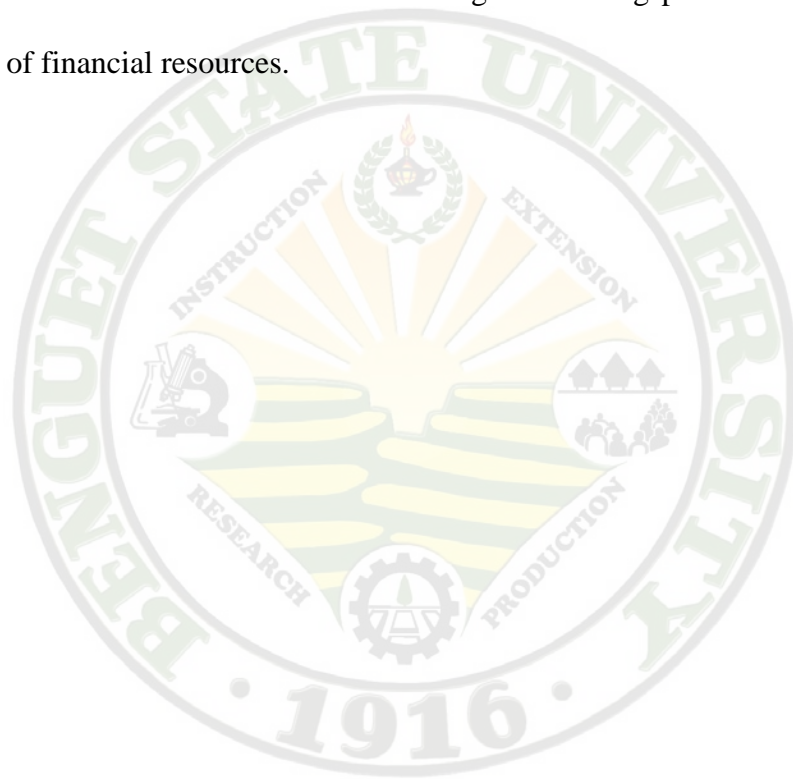
Thus, this study will serve as a guide to the local government to develop and improve the system. Further, it will provide better understanding on “Bagsakan” traders, operations and resource management practices. Knowing the problems of these traders would guide government agencies and other institutions concerned to develop support system for such traders and overall, improve the marketing system for vegetables.



Scope and Limitation of the Study

The study was conducted on September to October 2008. Respondents of this study were the trading post vegetable traders specifically those who have space occupants in “Bagsakan” area of La Trinidad Trading Post. Traders who don’t have space in “Bagsakan” as both owners and sidewalk vendors were not included so that retrieval of questioners from them are expected not to be hard.

Respondents were asked of their sourcing and trading practices as well as their management of financial resources.



REVIEW OF LITERATURE

Vegetables are important commodities, which are the major producer of semi-vegetables in the Philippines. Among the major vegetables being produced in the highlands are carrots, cabbage, Chinese cabbage, potato, chayote, radish, beans, garden peas, broccoli, cauliflower, lettuce(romaine and iceberg), celery, pepper(Chinese, bell, and plastic), leek onions, cucumber and others. Vegetables cover almost 47,700 hectares in the Province of Benguet. There are 600,000 metric tons of vegetables harvested yearly (DA. CASCADE, undated) as cited by (Lugang-a, 2006).

Agayam (1996) stated that vegetable products are perishable in nature; it is needed to have pre-marketing arrangement before harvesting to ensure its marketability. The arrangement is done by the farmers and traders. Some farmers are engage in supply system. In this practice, the wholesaler produces the farm inputs which the condition that the produced vegetables will be submitted to the wholesaler or supplier. The supplier will deduct the cost of farm inputs and surplus will be given to the farmers.

Darrah (1958) as cited by Estay (1997) claims that wholesalers play an important role in moving products from the farm to the consumers. They are found in large towns and cities. The wholesalers are specialized operators. They handle single crops, but some are diversified handling more closely related products of vegetables and fruits. He added that it is the characteristic of marketing in the Philippines that many wholesalers who in turn sell still other wholesaler before the products are broken up into small quantities for sale to an individual retailer which represent the final link in the marketing practices are those operating in public markets.



Miranda (1986) as cited by Ueda (2001) stated that since merchants and businessmen purchase goods primarily for resale, proper care, skills and good relationship should be exercised. The marketing services are performed by the middlemen from the time products leave the farm until they are finally purchase by consumers.

Marketing is the process by which sellers find buyers and by which goods and services move from producers to consumers (World Book, 1999). Marketing activities involved in getting goods and services from the producer to consumer concentrates on the buyers, or the consumers, determining their needs and desires, educating them with regard to availability of the products and important products, features developing strategies to persuade them to buy and finally, enhancing their satisfaction with purchase. In addition, marketing is responsible for the physical distribution of the products, determining the channels of distribution that will be used and for the profitable flow of the goods (Encarta Encyclopedia, 2008).

Production Practices

Bangcado (1997) in her study that fruit and vegetables processors mostly employ permanent labor because of the difficulty of employing contractual workers which could be trusted. Furthermore, Cadangen et al. (1999) found out that entrepreneurs give salary to their permanent workers based on the Philippine Wage law.

Marketing Practices

According to the study of Cadangen et al. (1999) that the enterprises priced their products based on prevailing market price which was the simplest way of pricing the



product. On the other hand, in order to maximize profits enterprises mostly base their pricing on production cost plus a percentage mark-up of at least 5% as Tad-awan et al. (1999) found in their study.

Financial Management Practices

Ag-agwa et al. (1999) found out in their study that enterprises took the risk of trying their hands in business by using other people's money to show that they can make it despite of heavy responsibilities and challenges that awaits them. They felt it safe by borrowing from their relatives because in the case of long delay of paying loans, they cannot be counting the interest instead; they can pay when they have money. However, Cadangen et al. (1999) found out in their study that enterprises financed the operations of their industries though combination of owner contribution and loan because they were fortunate enough to have been granted financial assistance from lending institutions.

Agricultural marketing has traditionally been the function of the private trading sector within the contest of a free market system. The private sectors is a complex system of market intermediaries who intersect in the buying, transporting, storing, processing and financing of agricultural commodities. They also stressed that the attempts of government intervention of agricultural marketing in the Philippines were based on the stereotype assumption that the traders are exploiting the farmers (Sardino, 1982) as cited by Agayam (1996).

Marketing channel refers to an inter-organizational system made up of a set of interdependent institutions and agencies involved in the task of moving products from their point of production to the point of consumption. A simple case of marketing channel



with only one middlemen (Producer - - - - Retailer - - - - Consumer), as the market grows and develops wholesaler – retailer or wholesaler might enter the channel and become additional intermediaries in the movement of the product. These emergences of other traders are explained by four logically related steps in an economic process, namely: increasing efficiency of the process, adjusting the discrepancy of assortment, organization of transaction and facilitation of the sorting and searching process Yarobe et al. (1981) as cited by Ueda (2001).

Kalinangan (1992) as cited by Agayam (1996) in his specific local study that marketing channel is specific local study of it showed that there, still exists the “harang” system. “Harang” is a local term for blocking or intercepting. The farmer’s regular distribution channels are wholesalers and wholesalers-retailers by financier/ supplier and “harang” agents. These financier/ supplier and “harang” traders remained as main sources of inputs and capital. However, the terms of a ride with those traders which price bid due to loan payable of these traders, also courses to low return to the producers even though it reduces the risk of market fluctuation the farmers observe the traditional practices of sorting and grading their products based on the size, variety and quality of the products.

Definition of Terms

Bagsakan - trading of crops that must be classified according to classes and sizes and crops that are sari-sari.

Trader - general term used for person engaged in the business is buying and selling vegetables.

Trading - the buying and selling of goods and services.



Wholesaler - refers to the trader who buy vegetables in large quantities to sell in wholesaler or retailer basis.

Retailer - trader who directly sell to the consumer.

Wholesaler-wholesaler - trader who sell to the wholesaler on wholesale basis.

Wholesaler-retailer - trader who sell directly to the retailer on a wholesale basis.

Assembler-wholesaler - trader who buy from producer and contract-buyers, assemble the products in large volume and transport them to the market center.

Agent-assembler - trader who assemble products and make mark-up price.

Marketing - buying and selling of vegetables and other functions that goes with it like transport, grading, packaging, pricing and among others.

Middlemen - all types of traders who buy and sell vegetables.

Trucker-wholesaler - trader who buy vegetables in large volume and transport them to the market center.

Institutional buyers - refer to supermarket, factory, hotels, restaurant and other establishments that buy vegetables from the traders.

Consignment - term of selling wherein vegetables are goes to somebody who acts as agent to sell with the agreement that he will take title to and pay for what he sells.

Harang-agent - middlemen who buy the products direct from type of suppliers along the road and sell to other buyer or to their co-traders.

Contract grower - refer to the farmer who have existing agreement with the trader were said stall provide inputs to their production activities then said farmers will be selling their products to the traders or stall operators.

Suki - individuals who are regular supplier or regular buyer.



Financier-wholesaler - traders who support farmers by providing loans or inputs in their production activities.

Commission agent - trader who facilitate the product to be delivered to other trade on commission basis and do not hold title to the products.

Symbols

W _ Wholesaler

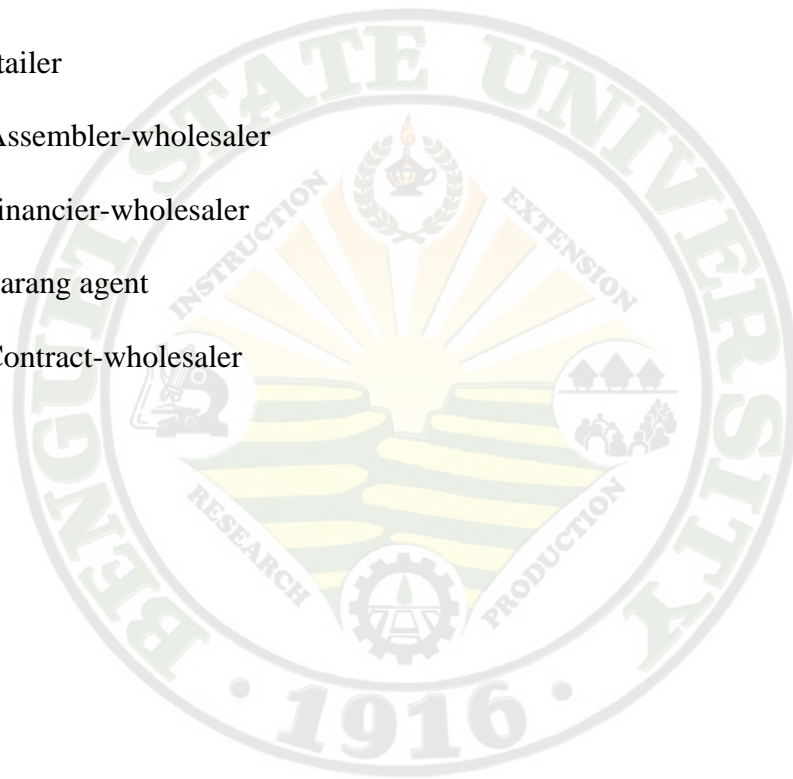
R _ Retailer

AW _ Assembler-wholesaler

FW _ Financier-wholesaler

HA _ Harang agent

CW _ Contract-wholesaler



METHODOLOGY

Locale of the Study

This study was concentrated on the resource management practices of “Bagsakan” traders at La Trinidad Trading Post. Respondents are from the operators who having permanent space.

Respondents of the Study

Respondents of this study were the “Bagsakan” operators who are occupying permanent space in the “Bagsakan” area.

Research Instrument

An interview guide was used as a tool in gathering data and information.

Method of Data Collection

The researcher interviewed the respondents using an interview guide.

Data Analysis

All data were analyzed and tabulated using simple statistical tools such as frequency counts, measures of tendency, ranking and percentages.





RESULT AND DISCUSSION

The Respondents

The Department of Agriculture has opened regional “Bagsakan”. This is where farmers can trade their crops by the help of middlemen. It is intended to serve as an intermediate point of buy and sell vegetables to Northern Luzon consumers or bring it to Southern Provinces and Cities. Out of 210 having space/ cubicle at the trading post “Bagsakan” area. There were 75 respondents for this study. Table 1 presents the general information of the respondents according to age, gender, civil status and their educational attainment.

Age. Of the 75 respondents, 31 (41.33%) belong to the age bracket 31-40 years old and 18 (24%) of them belong to the age bracket of 41-50 years old. Only few respondents were age 51 and above or below 30 years old of age. Hence, most respondents are more or less at their middle age with most older than 31 years but younger than 50 years old.

Gender. Most 88% respondents are female which may indicate that most traders in the “Bagsakan” area of the Trading Post are women.

Civil status. Most 90.67% of the respondents were married and only 5% claimed to be single while 4% were widowed.

Highest educational attainment. Majority 54.67% of the respondents have indicated that they have attained a college education while 38.67% have attained high school and only 6.67 attained elementary. “Bagsakan“ area are dominated by those with a higher level of formal education



Table 1. General information of the respondents

PROFILE	FREQUENCY	PERCENTAGE
Age		
21 and below	15	20.00
31-40	31	41.33
41-50	18	24.00
51 and above	11	14.67
TOTAL	75	100.00
Gender		
Male	9	12
Female	66	88
TOTAL	75	100
Civil Status		
Single	4	5.33
Married	68	90.67
Widowed	3	4.00
TOTAL	75	100.00
Highest educational attainment		
Elementary	5	6.67
High school	29	38.67
College	41	54.67
TOTAL	75	100.00



Table 2 presents the business profile of the respondents operation as to the nature of its ownership and operations.

Type of business as to ownership. Most 76% of the respondents say that their business is a sole proprietorship. Only 18 (24%) claim it to be a partnership. This implies that the most common type of business as to ownership for traders in the “Bagsakan” area is sole proprietorships.

Years of operations. Results show that 34 (45.33%) have been in the vegetable trading business for 6-10 years and only 6 (8%) of the respondents have been operating for more than 16 years. Most of the respondents have been operating for less than 10 years which implies that they are relatively new to the business.

Type of trader. Majority 37.33% engage as retailer, followed by wholesaler, wholesaler/ retailer, wholesaler/ assembler-wholesaler, wholesaler/ financier-wholesaler, contract wholesaler and only 10.67% engage as Wholesaler/ assembler-wholesaler/ financier-wholesaler. Result that Bagsakan area is preferable in retailing vegetable.

Number of workers. Majority 61.33% of the respondents claim to employ only one laborer to help them in their business operations while 25 (33.33%) employ 2 workers. This may means that individual operations of traders in the Bagsakan area require only a minimal amount of human labor to do their operations and that having more than 2 workers is a rarity.

Membership to trade organizations. Majority 69.33% of the respondents claim that they are members in any trade organization and only 30.67% are not members. Result prior to members in related trade organization such as officer and member to cooperative (MPC) that will help their operations.



Average monthly net income (operations alone). Majority 66.67% of the respondents in Bagsakan area earn a net income between Php6, 000 to Php10, 000 a month. Only few respondents claim to earn a monthly net income more than Php11, 000.

Table 2. Business profile

BUSINESS PROFILE	FREQUENCY	PERCENTAGE
Type of business		
Sole Proprietorship	57	17
Partnership	18	24
TOTAL	75	100
Year in business		
5 or less	24	32.00
6-10	34	45.33
11-15	11	14.67
16 or more	6	8.00
TOTAL	75	100.00
Type of trader		
W	28	37.33
R	8	10.67
W/R	7	9.33
W/AW	3	4.00
W/AW/FW	4	5.33
W/FW/CW	4	5.33



Table 2. Continued...

BUSINESS PROFILE	FREQUENCY	PERCENTAGE
W/R/FW/CW		
TOTAL	75	100.00
Number of workers		
1	46	61.33
2	25	33.33
3 or more	4	5.34
TOTAL	75	100.00
Member of any related trade organization		
Member	52	69.33
Not member	23	30.67
TOTAL	75	100.00
Average monthly net income		
P5,000 or less	6	8.00
P6,000-10,000	50	66.67
P11,000 or more	19	25.33
TOTAL	75	100.00

Buying Practices

The operator in “Bagsakan” area, bought and sold per day may differ by commodity, and the highest volume bought and sold ranges from 200 to 2,500 kilograms.

The purchased their products from various sources, mostly from Kibungan, Bakun, Mt.



Province, La Trinidad, Kabayan and Buguias. For November to April; Ilocos, Cervantes and Nueva Viscaya were added as a source of supplies.

Buying price depends on the quality and size, differ buy each type of commodity, the mean price ranges from P.50 to P190.00 per kilogram.

Tables 3 to 12 present the buying practices of the studies respondents. Table 3 shows the supplier choices or preferences of the respondents while table 4 presents the vegetables commonly purchased and the volumes of their purchases. Table 5 shows the method of acquisition of supplies; table 6 is about payment and basis for price for supply acquired. Table 6 presents the basis of volume of supplies purchased. Table 7 shows what the respondents do when the expected quality is not up to their standards, table 8 present quality assurance issues of the respondents, table 9 is about the selection of the vegetables quality, table 10 are the strategies to determined quality acquired, table 11 present quality assurance issues of the respondents, and table 12 the problem encountered in buying vegetables.

Choice of supplier. Majority 66.67% and 60%, of the respondents respectively prefer to acquire supplies from contract-suppliers and farmers. There were less respondents acquiring supplies from other intermediaries such as wholesalers, harang - agent, or even from commission agents. Financier-suppliers were the sources by the least number of the respondents. The result implies that most “Bagsakan” area traders prefer to source their supplies from contract-suppliers and farmers more than any other source.

Reasons for choice of supplier. Respondents gave various reasons for their choice of suppliers. These ranged from the assurance of good quality 30.67%. The supplier being a relative or friend 28%. Suppliers being trustworthy 29.33%, to the reason that



they are regular suppliers 36% indicating a built or established relationship between the trader and his supplier. However, there were no dominant reasons given for their choice of supplier. It can be surmised though that such choices are commonly built on established relations who may generate trust among the parties.

Table 3. Type of suppliers and the reason for preferring as suppliers

BUYING PRACTICES	FREQUENCY	PERCENTAGE
Type of suppliers		
Farmer	45	60.00
Wholesaler	25	33.33
Harang agent	20	26.67
Commission agent	20	26.67
Financier – supplier	15	20.00
Contract – supplier	50	66.67
Reasons for preferring as suppliers		
Good quality	23	30.67
Relative/ friend	21	28.00
Regular supplier	27	36.00
Have trust	22	29.33
Accessibility	10	13.33

*multiple response

Vegetables purchased. Type of Vegetables Commonly Bought from the Sources.

Table shows the type of vegetables commonly traded by the operators. That 40



respondents for assorted vegetables was the major crop traded, followed by pepper, falling to cucumber, beans, cauliflower, broccoli, lettuce and chayote, leek onion and celery is the least.

Average monthly volume (tons) bought from the sources. Table shows the average monthly volume in tons bought from different sources of products. The finding revealed that majority cucumber were bought having 76 tons per month, followed by chayote having 69 tons per month, beans having 66 tons per month and the least were celery having only 6 tons per month.

Table 4. Type of vegetables and the average monthly volume (tons) bought from the sources

BUYING PRACTICES	FREQUENCY	VERAGE MONTHLY VOLUME IN TONS
Type of vegetable		
Cucumber	10	76.00
Pepper	13	61.00
Cauliflower	7	42.00
Beans	9	66.00
Lettuce	5	35.50
Broccoli	6	55.00
Chayote	5	69.00
Leek onion	3	14.00
Celery	2	6.00
Assorted vegetables	40	8.75

* multiple response



Acquiring products from the sources. The respondents bought products from the sources 49.33% were by orders, followed by relying products sent by contract suppliers, some also by canvassing products brought in the market. And others were through agent.

Medium communication with the supplier. Majority 64% negotiate their transaction on personal negotiations. It was noted that 60% number of respondents did it in the cell phone and only 16% did through agent. This indicated that the several traders using medium of communication which were of course very important for hastens the flow of commodities, thereby for minimizing possible losses.

Information requirements in negotiation. Most 45.33% claimed that there were fixed schedule on when supplies delivered, followed to price, volume and have 24% to quality as identified. These respondents preferred such schedule for they were given time to process/ repack the said commodities. These en tact sacrifice that at least the commodity was ready before buyers arrive.

Table 5. Acquiring products, negotiations and information's negotiating suppliers

BUYING PRACTICES	FREQUENCY	PERCENTAGE
Acquiring products from the source		
By order	37	49.33
Through agent	10	13.33
Through canvass on the products in the market	17	22.67
Rely on the products sent by contract and financier-supplier	17	22.67



Table 5. Continued...

BUYING PRACTICES	FREQUENCY	PERCENTAGE
Information requirements in negotiation		
Price	32	42.67
Volume	31	1.33
Quality	18	24.00
Schedule of delivery	34	45.33

*multiple response

Mode of paying vegetables from the suppliers. The common practice was to pay their supplies upon delivery 54.61%. It was noted that several 32% were consigned and deduct the cost of inputs in contract-suppliers. This means that at least the respondents won't realized losses from the consigned products and for the meantime they can use the deducted payment for other purposes and financier-supplier mostly done to credit, then after harvesting all the crop and deduct all the expenses before the get their share according to their percentage agreement.

In Terms of Credit. Majority 60% allowed paying their products every other deliver, some paid later in the day, others paid after 1 week and noted that 5% paid their products after 1 month or until crops are all harvested. This is advantageous for the respondents because they don't need more capital in paying their supplies.

Basis of price. In terms of price, most 91.46% bought their products based on prevailing market price. A noted 6.67% bought based on negotiated price 1.33% have agreed fixed price that don't change even if price fluctuate in the market.



Table 6. Mode of payment, payment on credit and basis of price from the supplier

BUYING PRACTICES	FREQUENCY	PERCENTAGE
Mode of payment		
Cash on delivery	41	54.67
Consignment	24	32.00
Deduct the cost of inputs	24	32.00
Credit	20	26.67
Payment on credit		
Paid later in the day	5	25.00
Paid every other deliver	12	60.00
Paid after 1 week	2	10.00
Paid after 1 month/ crop harvested	1	5.00
Basis of price		
Vegetables are price based on prevailing market price	75	91.46
Price are being negotiated	5	6.67
We have agreed that fixed price that don't change even if price fluctuate in the market	2	1.33

*multiple response

Volume ordered from the suppliers. Majority 52% of the respondent order supplies based on the estimated demand for the day. Several 42.67 % orders depend on the vegetable sent by the farmers. Some order extra stocks if ordered at lower price and others agree daily fix order volume.



Table 7. Volume ordered from the suppliers

BUYING PRACTICES	FREQUENCY	PERCENTAGE
Agree daily fixed order volume	13	17.33
Depend on the vegetables send by the farmers	32	42.00
Order extra stock if order at lower price	21	28.00
Order are based on the estimated demand for the day	38	52.00

*multiple response

Do when buy vegetable that is not the quality desired. Table shows that mostly 88% of the respondents accept but sell base on quality price, some says accept but never buy again and others says reject but never buy again.

Table 8. Do when buy vegetable that is not the quality desired

BUYING PRACTICES	FREQUENCY	PERCENTAGE
Accept but sell base on quality price	66	88
Reject but never buy again	3	4
Accept but never buy again	6	8
TOTAL	75	100

Quality of vegetables. The most common 60% quality of vegetables bought by the respondent depend on the vegetables quality delivered by the suppliers, followed by the combination of first and second class, it depends on size, order first class only, order rumble. A noted that 10.67% order second class as respondents only preferred.



Table 9. Quality of vegetables

BUYING PRACTICES	FREQUENCY	PERCENTAGE
Order first class only	15	20.00
Order second class only	8	10.67
Order first and second class	29	38.67
Order depend on size	26	34.67
Order rumble	11	14.67
Depend on vegetables quality delivered	45	60.00

*multiple response

Strategies to determine quality acquired. Table shows that majority 50.67% inspect first the supplies delivered, followed by offering them better price, some says be a good payer and other says to have a guaranteed profit.

Table 10. Strategies to determine quality acquired

BUYING PRACTICES	FREQUENCY	PERCENTAGE
Offering better price	36	48.00
Guaranteed profit	19	25.33
Inspection of deliver supplies	38	50.67
Good payer	22	29.33

*multiple response

Often discuss the quality, price and volume with the regular suppliers. Mostly 70.67% discussed the quality, price and volume in every deliver, several were in weekly, others were in monthly or twice a year and yearly depend on when the crop already are harvested.



Table 11. Often discuss the quality, price and volume with the regular suppliers

BUYING PRACTICES	FREQUENCY	PERCENTAGE
Weekly	26	34.67
Monthly	20	26.67
Twice a year (for financial supplier)	4	5.33
Yearly (for financial supplier)	6	8.00
Every deliver	53	70.67

*multiple response

Problems encountered in buying vegetables. The most common problem encountered 85.33% by the respondents was the price fluctuation. Although they seldom encountered losses during fluctuation. The impact of this problem was actually being minimized by the consignment arrangement with their suppliers. Some encountered were high transportation cost, other says because of unpredictable demand and supplies. A noted that poor quality and inadequate supply were also identified.

Table 12. Problems encountered in buying vegetables

BUYING PRACTICES	FREQUENCY	PERCENTAGE
Inadequate supply	5	10.60
Poor quality	18	24.00
Price fluctuate	64	85.33

Table 12. Continued...



BUYING PRACTICES	FREQUENCY	PERCENTAGE
Unpredictable supply	20	26.67
Unpredictable demand	28	37.33
High transportation cost	52	69.33
Not exact weight	8	6.67

*multiple response

Selling Practices

The operator in “Bagsakan” area sell their products to different buyer and various destination. The products destination either Metro Manila, Bicol, Samar, Cebu, Palawan, Ilo Ilo, Baguio City, some part of Davao, Bataan, Naga City and Tacloban.

Table 13 to 20 presents the selling practices of the studies respondents. Table 13 shows the buyer choices or preferences of the respondents while table 14 present the vegetable commonly disposed and the volume the were disposed. Table 15 is about payment and credit collection, table 16 present the cleaning and grading products before marketing, table 17 shows the pricing and the volume ordered, table 18 shows what the respondents disposed the product that with signs of deterioration, table 19 is about the class of the vegetable the buy, and table 20 shows the problems encountered in marketing products.

Type of buyer. Majority 49.33% of the respondents sold their products to wholesaler followed to retailer, commission agent, trucker-wholesaler and institutional buyer. It was noted that most buyers were regular.



Reasons for preferring as buyer. The primary reasons on why they preferred was because they were regular buyer 36.00%. Several were in good payer, have trust and relatives/ friends.

Table 13. Type of buyer and reasons for preferring as buyer

SELLING PRACTICES	FREQUENCY	PERCENTAGE
<u>Type of buyer</u>		
Institutional buyer	21	28.00
Trucker-wholesaler	24	32.00
Commission agent	25	33.33
Wholesaler	37	49.33
Retailer	28	37.33
<u>Reason for preferring as buyer</u>		
Good quality	23	30.67
Relatives/ friends	21	28.00
Regular buyers	27	36.00
Have trust	22	29.33

*multiple response

Average monthly volume in tons. Table shows the monthly volume in tons commonly disposed to their different buyers. The finding revealed that cucumber has the most volume disposed with 76 tons sold per month, followed by chayote, beans, pepper and broccoli falling by cauliflower, lettuce, leek onion, assorted vegetables and the least were celery.



Table 14. Type of vegetables and the average monthly volume disposed to the buyer

SELLING	FREQUENCY	AVERAGE MONTHLY VOLUME IN TONS
Type of vegetables		
Cucumber	10	76.00
Pepper	13	61.00
Cauliflower	7	42.00
Lettuce	5	35.50
Broccoli	6	55.00
Chayote	5	69.00
Leek Onion	3	14.00
Celery	2	6.00
Assorted Vegetables	40	8.75

*multiple response

Mode of payment products to the buyers. The common practice they employed was to sell cash 72%. It was noted that several 43% on credit, it was also practiced for them to create a “suki”. Others on cash advance then fully paid upon pick-up, these are done to new buyers to be sure that vegetables were be sold. Some were consigned especially if with sign of deterioration and price is very low.

Credit collection. Majority 84% of the respondents paid their products every other transaction 34.88%. Secondly, they paid their products after 1 week, followed by paying later in the day. Others paid after 1 month or more depends on their agreement.



Table 15. Mode of payment products to the buyers and credit collection

SELLING PRACTICES	FREQUENCY	PERCENTAGE
Mode of payment		
Cash	54	72.00
Cash advanced then full paid upon pick-up	19	25.33
Consign	5	6.67
Credit	43	57.33
Credit collection		
Collected later in the day	10	23.26
Collected every other transaction	15	34.88
Collected after 1 week	11	25.58
Collected after 1 month or more	7	16.28

*multiple response

Cleaning products before marketing. Majority (84%) of the respondents claimed to clean their vegetables before marketing.

In order to attract more buyers. Some says it command better price. Only 16% didn't practice cleaning their products; as they say it was just a waste of time on their part. Cleaning the products, hence, is important to most of the respondents to bring in more sellers.

Grading products before marketing. Most (81.30%) of them practice grading to facilitate easier selection of buyers. Compare to only 18.67% of them didn't practice



grading which the reason was time consuming. This implied that grading helped the respondents to dispose their products easily.

Table 16. Cleaning and grading products before marketing

SELLING PRACTICES	FREQUENCY	PERCENTAGE
Cleaning products before marketing		
Clean products before marketing	63	84
Don't clean before marketing	12	16
TOTAL	75	100
Reason for cleaning		
Products attract more buyers	47	74.60
Products command better price	16	25.40
Grading products before marketing		
Grading products before marketing	61	81.33
Don't grade	14	18.67
TOTAL	75	100
Reasons for grading		
Attract more buyers	13	21.31
Facilitate easier selection of buyers	48	78.69

Pricing products. In terms of price, mostly 93.33% sold their products based on prevailing market price. A noted 10.67% sold their products based on the negotiated price. And it was found out that there were 2.67% who agreed on fixed price that don't change even if price fluctuate in the market.

Volume ordered by regular buyer. Majority 57.33% of respondents ordered by their regular buyer depends on their demand that day, some agreed on fixed volume. And



it was noted that except institutional buyer 16% order extra stocks that is easily sold/disposed.

Table 17. Pricing products and volume ordered by regular buyer

SELLING PRACTICES	FREQUENCY	PERCENTAGE
Pricing products		
Price based on prevailing market price	70	93.33
Price are being negotiated	8	10.67
Agreed fixed price that don't change even if price fluctuate in the market	2	2.67
Volume ordered by regular buyer		
Agreed fixed order volume	17	22.67
Depends on the availability/level of supply	23	30.67
Depends on their demand for the day	43	57.33
They order extra stocks that is easily sold/disposed	12	16.00

*multiple response

Mode of disposing products with the signs of deterioration. Table 18, shows that mostly 85.33% of the respondents sold their products with the signs of deterioration by selling at lower price, several 57.33% for family consumption, some also give it free and others throw away.



Table 18. Mode of disposing products with the signs of deteriorations

SELLING PRACTICES	FREQUENCY	PERCENTAGE
Sell at lower price	64	85.33
Throw away	5	6.67
Home consumption	43	57.33
Give it free	17	22.67

*multiple response

Quality of vegetables. The most common 90.67% quality of vegetables disposed first class only. Several 72% were sold depend on size, followed by the combination of first and second class, and 12% disposed rumble. A noted 9.33% disposed second class only.

Table 19. Quality of vegetables

SELLING PRACTICES	FREQUENCY	PERCENTAGE
Sell first class only	68	90.67
Sell second class only	7	9.33
Sell first and second class	17	22.67
Sell depend on size	54	72.00
Sell rumble (mix class and size)	9	12.00

*multiple response

Problems encountered in marketing products. The most common problem 74.67% encountered by the respondents was the price fluctuation. This was the reason on



why sometimes they encountered losses, when price is going down unless vegetables are all consignment. Several encountered delayed payment of buyers, some also not disposed their products regularly. A noted that only 24% encountered poor quality of vegetables. And 6.67% bouncing check payment.

Table 20. Problems encountered in marketing products

SELLING PRACTICES	FREQUENCY	PERCENTAGE
Unable to dispose all products regularly	27	36.00
Delayed credit payment	34	45.33
Poor quality of vegetables	18	24.00
Price fluctuation	56	74.67
Bouncing check	5	6.67

*multiple response

Financing Management Practices

The respondent has different strategies in financing their operation. Table 21 and 22 presents the financing management practices of the studies respondents. Table 21 shows the source of operating capital, sources of loan and the reasons why the preferring of lending institution while table 22 presents the need additional capital.

Source of operating capital. Majority 53.33% of the respondents financed their operation through their personal money. And 46.67% of the respondents through loan.

Source of loan. Majority 48.57% respondents loaned in private agency, followed by friends and relatives. Some were from bank such as commercial bank, government bank and few for rural bank.



Reason for choices of lending institutions. For the reason that mostly 24% were accessible if needed, several 22.67% were no stringent collateral requirement, some wanted to loan in banks for the reasons that interest is low and the duration of payment is longer than in private agency. This was because most respondents wants immediately and don't have time to complete all requirements needed in the banks.

Table 21. Source of operating capital, source of loan and the reason for choices of lending institutions

FINANCING MANAGEMENT PRACTICES	FREQUENCY	PERCENTAGE
Source of operating capital		
Owned	40	53.33
Loaned	35	46.67
TOTAL	75	100.00
Source of loan		
Friends/ relatives/ neighbors	7	28.57
Rural bank	2	11.43
Commercial bank	5	25.71
Government bank	4	14.29
Private agency	17	48.57
Reason for choices of lending institution		
No stringent collateral	17	22.67
Low interest	8	10.67
Longer duration of payment	10	13.33
Easily accessible	18	24.00



Need additional capital. Majority 69.33% of the respondents need additional capital to finance farmers/suppliers, some 36% increase in level of operation and 16% because purchased price increase.

Table 22. Need additional capital

FINANCING MANAGEMENT PRACTICES	FREQUENCY	PERCENTAGE
Increase in level of operation	27	36.00
Need to finance farmers/suppliers	52	69.33
Increase in purchase price	12	16.00

*multiple response

Relationship between Suppliers and Buyers

Table 23 and 24 shows the relationship of the studies respondents between suppliers and buyers. Table 23 shows the loyalty and information shared with the supplier while table 24 also shows the loyalty and information shared to the buyers.

Relationship between suppliers. Table shows the loyalty insurance of suppliers that majority 58.67% of respondents were helping the supplier in acquiring their needed resources; followed 57.33% of respondents were committed to the agreement.

Information shared to supplier. Majority 56% of the respondents informed to the supplier for the availability of vegetables when it needs, followed by the good reputation for vegetables quality. Several were informed vegetable deliver when required; some were informed the adequate volume and wide range to choose from.



Table 23. Loyalty and kind of information shared with supplier

RELATIONSHIP	FREQUENCY	PERCENTAGE
Loyalty with supplier		
Offer higher price	43	57.33
Commitment to agreement	29	38.67
Helping them in acquiring their needed resources	44	58.67
Kind of information shared with supplier		
Availability of vegetables when it need	42	56.00
Adequate volume and a wide range to choose from	9	12.00
Good reputation to supplier for vegetables quality	43	54.67
Vegetables deliver when required	33	44.00

*multiple response

Relationship with buyers. The respondents were ensured the buyer that majority 57.33% helped them in acquiring their needed resources, followed by offering them lower price and others were committed to agreement.

The information shared. Majority 56% of the respondent informed the availability of vegetables. Several were informed good reputation to buyer for vegetables quality.



Table 24. Loyalty and kind of information shared to buyer

RELATIONSHIP	FREQUENCY	PERCENTAGE
Loyalty to buyer		
Offer lower price	43	57.33
Commitment to agreement	29	38.67
Helping in acquiring their needed resources	44	58.67
Kind of information shared		
Availability of vegetables	42	56.00
Adequate volume and wide range to choose from	9	12.00
Good reputation to buyer for vegetables quality	41	54.67
Vegetable deliver when required	33	44.00
*multiple response		



SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

The study was conducted to determine and give us information of the resource management practices of “Bagsakan” traders at La Trinidad Trading Post. The respondents were composed of 75 operators or traders. This study intended to profile the “Bagsakan” traders; to describe the manner of management of various trading resources in buying, selling, financing management practices; their relationship between suppliers and buyers; to relate their manner of resource management to their profile, or and to come up with possible recommendation.

The survey was conducted through personal interview with the aid of prepared questionnaires. The gathered data were statistically analyzed by tabulated using frequency counts, measure of tendency, ranking and percentages.

The respondents interviewed were composed of wholesaler (W), retailer (R), wholesaler/ retailer, wholesaler/ assembler-wholesaler (AW), wholesaler/ assembler-wholesaler/ financier-wholesaler (FW), wholesaler/ financier-wholesaler/ contract wholesaler (CW) and wholesaler/ retailer/ financier-wholesaler/ contract wholesaler. Majority of them belong to the age bracket of 31-40 years.

The mode of payment in buying their supplies was cash on delivery and cash advance. Most of the respondents grade their products they bought. They classified their crops bought in terms of size and class. Plastic and cartoons were used as their major packing material for all crops. Out of the 75 respondents they sold their products at wholesale and retail basis and priced is based on prevailing market price. However, if



when there were crops unsold in a day, the operator practiced selling the crops in the next day at prevailing market price.

The respondents trade more than one crop. The vegetables traded were cucumber, pepper, cauliflower, beans, lettuce, broccoli, chayote, leek onion and celery. On the other hand, some major crops were not present at “Bagsakan” area because may either trade direct to the vehicles from farm, or may trade at booth and Bahingawan area. The average monthly volume bought and sold ranges from 200 to 2,500 kilograms a day.

Each of the traders classified earlier availed of the products they handled from different sources of supply and according to type of traders. The sources of supplies come from Kibungan, Bakun, Mountain Province, La Trinidad, Kabayan and Buguias. For November to April, Ilocos, Cervantes and Nueva Viscaya were added as a source of supplies. Wherein, from May to October these can not avail supplies because their major crops were “palay”. They acquired their supplies from contract grower, farmer, wholesaler, financier-wholesaler, “harang” agent, and commission agent. Their reason for choosing market sources were because of better quality.

The products destination were either Metro manila, Bicol, Samar, Cebu, Palawan, Ilo Ilo, Baguio City and some part of Bataan, Davao, Naga City and Tacloban. These types of buyer were wholesaler, retailer, commission agent, trucker-wholesaler and institutional buyer. And the primary reasons on why the preferred because they were regular buyer.

The prices depend on the size and class of the vegetables send by the suppliers. Likewise, on supply and demand, the buying price of vegetables traded was classified according to each commodity per kilogram. The mean price ranges from P.50 to P190.00



per kilogram. On the other hand, the selling price ranges from P1.00 to P200.00 per kilogram.

Conclusions

Based on finding on the study, the researcher arrived with the following conclusions;

1. Price fluctuation
2. High perishability and improper handling of vegetables
3. High transportation cost
4. Unpredictable demand and supply
5. Delay of credit payments and bouncing checks

Recommendations

Based on the results, the following are recommended to minimize problems and needs incurred by the “Bagsakan” traders;

1. Prices changes according to the supply of vegetables entering in Trading Post because no stable price in the day. Thus, those who have bought their supply in a high price but supply increases after, the selling price decreases. Then traders affected as to every hour.
2. The trading center should conduct an orientation/ seminar for traders and farmers of perishable products on how proper handling must be. In that way, they will use the skills they learned from the seminar that would help them minimize losses.
3. To compensate the transportation cost, the products must transport to its importance.



4. Dissemination of daily market information and crop programming should be established. For better commitment, form the trading center and other government agencies to provide efficient and effective market information system

5. Must sell their products on cash basis only and do not accept check payments in order to avoid delaying payments and to escape for their responsibilities.



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APPENDIX

Guide Questionnaire

This research aims to investigate the vegetable traders. All information will be treated with confidentiality. Please answer the questions honestly by fill-up the blank and by putting / (check) mark in the appropriate space provided for. Thank you very much!

I. General Information

A. Name of trader: _____

B. Type of trader: () Wholesaler () Retailer () _____

Wholesaler/retailer

() Wholesaler/assembler-wholesaler () Wholesaler/assembler-wholesaler/financier

-wholesaler () Wholesaler/financier-wholesaler/contract-wholesaler

() Wholesaler/retailer/financier-wholesaler/contract-wholesaler

C. Age: _____ Gender: _____ Civil Status: _____

D. Highest Educational Attainment: _____

E. Years in vegetable trading: _____

F. Type of business: () Sole proprietor () Partnership

G. Number of worker(s) you have: _____

H. Are you a member of any organization related to your trade?

() Member



() Not member

If member, please specify _____

I. Average monthly income from vegetable trading: _____

J. Other source(s) of income: _____

II. Buying Practices

A. Please indicate the type of vegetables you trade, the source and the volume required per month. Under type of supplier just put number only (1. Farmer, 2. Wholesaler, 3. Harang agent, 4. Commission agent, 5. Financier-supplier, and 6. Contract- supplier).

Type of Vegetable (tons)	Type of Supplier	Average Monthly Volume
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____





B. What are the reasons for preferring them as supplier?

- Good quality of products
- Relative / friend
- Regular suppliers
- Have trust
- Easily accessible
- Others, please specify _____

C. How do you acquire products from the sources?

- By order
- Through agent
- Through canvass on the products brought in the market
- Rely on the products sent by contract/ financier-suppliers
- Others, please specify _____

D. Medium of communication with the supplier and buyer

- Personal negotiation
- Through cell phone or telephone
- Through agent
- Others, please specify _____

E. Information requirements in negotiation

- Price
- Volume
- Quality
- Schedule of delivery



Others, please specify _____

F. Mode of payment

Cash on delivery

Consignment

Partial payment upon delivery

Deduct the cost of inputs (for contract suppliers)

Credit

Others, please specify _____

If credit, what is/ are the trends

Paid later in the day

Paid every other day

Paid after 1 week

Paid after 1 month/ crop harvested

G. Basis of prices

Vegetables are priced based on prevailing market price

Prices are being negotiated / haggled

We have agreed fixed price that don't change even if price fluctuate in the market

Others, please specify _____

H. Volume ordered from your supplier

We have agreed daily fixed order volume

Depend on the vegetable send by the farmers (for contract growers)

We order extra stocks if ordered at lower price



- () Volume ordered are based on the estimated demand for the day
- () Others, please specify _____

I. Quality of vegetables

- () We order first class only
- () We order second class only
- () We order first and second class
- () We order depend on size
- () We order rumble (mix class and size)

J. What do you do when you buy vegetable that is not as the quality specified/ desired?

- () Accept but sell base on quality price
- () Reject but never buy again
- () Accept but never buy again
- () Others, please specify _____

K. Strategies to determine quality acquired

- () Offering better price
- () Guaranteed profit
- () Inspection of delivered supplies
- () Good payer
- () Others, please specify _____



L. How often do you discuss the quality and volume with your regular supplier(s)

- Weekly
- Monthly
- Twice a year (for financier-supplier)
- Yearly (for financier supplier)
- Others, please specify _____

M. Problems encountered in buying vegetables

- Inadequate supply
- Poor quality (rumble delivered)
- Price fluctuation
- Unpredictable supply
- Unpredictable demand
- High transportation cost
- Not exact weight (hangin)
- Others, please specify _____

III. Selling Practices

A. Per type of vegetable, please indicate the average monthly volume in kilograms you are selling or disposing with the buyer (if type of buyer just put number only as

1. Institutional buyer {supermarket, factory, hotel and restaurant}, 2. Trucker-wholesaler, 3. Wholesaler, 4. Retailer and 5. Commission agent).



Type of Vegetable (tons)	Type of Buyer	Average Monthly Volume
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____
_____		_____

B. What are the reasons for preferring them as buyer?

- () Good payer
- () Regular buyer



Relative/ friend/ neighbor

Have trust

Others, specify _____

C. Mode of payment (except for direct consumer)

Cash on delivery

Cash advance then full paid upon pick up

Consignment

Partial payment

Credit

If credit, what is/ are the trends?

Collect later in the day

Collect every other transaction

Collect after one week

Collect after 1 month or more

D. Do you clean your products before marketing?

Clean

Not clean

Reason for cleaning

Products are more attractive to buyers

Products command better price

Others, please specify _____

E. Do you practice grading?

grade



Not grade

Reason for grading

Attracts more buyers

Facilitates easier selection by buyers

F. How products are being priced?

Vegetables are priced based on the prevailing market price

Price are being haggled / negotiated

We have agreed fixed prices that don't change even if price fluctuate in the market

Others, please specify _____

G. Determined the volume ordered by your regular buyers/ suki?

We have an agreed daily fixed order volume

Depends on the availability/ level of my supply

Depends on their demand for the day

They order extra stocks that is easily sold/ disposed

Others, please specify _____

H. How do you dispose of the products with signs of deterioration?

Sell at lower price

Throw away

For home consumption

Give it free

I. Quality of vegetables

We sell first class only



- We sell second class only
- We sell first class and second class
- We sell depend on size
- We sell rumble (mixed quality and size)
- Others, please specify _____

J. How do you dispose the products with signs of deteriorations?

- Sell at lower price
- Throw away
- For home consumption
- Give it free

K. Problems encountered in marketing products

- Unable to dispose all my products regularly
- Delayed credit payment
- Poor quality of vegetables to be sold
- Price fluctuation
- Bouncing check
- Others, please specify _____

IV. Financial Management Practices

A. Source of operating capital

- Owned
- Loaned

If loaned, source(s) of loan



- Friends/ Relatives/ Neighbors
- Rural banks
- Commercial Banks
- Government Banks
- Private Agency
- Others, please specify _____

B. Reasons for choice of lending institutions

- No stringent collateral requirement
- Low interest
- Longer duration of payment
- Accessibility
- Others, please specify _____

C. What instances would you need additional capital?

- Increase in level of operation
- Need to finance type of suppliers
- Increase in purchase price
- Others, please specify _____

V. Relationship between supplier and buyer

A. Relationship with supplier

1. How do you ensure the loyalty of your supplier?

- Offer higher price



- () Commitment to agreement
- () Helping them in acquiring their needed resources
- () Others, please specify _____

2. Kind of information shared

- () Availability of vegetables when it needs
- () Adequate volume and wide range to choose from
- () Good reputation as supplier for vegetables quality
- () Vegetables deliver when required
- () Others, please specify _____

B. Relationship to buyer

1. How do you ensure the loyalty of your buyer?

- () Offer lower price
- () Commitment to agreement
- () Helping them in acquiring their needed resources
- () Others, please specify _____

2. Kind of information shared

- () Availability of vegetables when it needs
- () Adequate volume and wide range to choose from
- () Good reputation as buyer for vegetables quality
- () Vegetables deliver when required
- () Others, please specify _____

