



Analysis of farmers' attributes in terms of membership in organization and training, and credit access in Victoria, Oriental Mindoro

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Abstract

In the Philippines agriculture is the leading powerhouse of the country's economy. However, the agricultural sector declines in the passing years due to financial and farming knowledge inadequacies. Relative to this, Farmers' Organizations (FOs) were organized to reinforce the growing problems in the operations of the farmers in terms of fund and farming techniques. In order to assess and improve the scheme of Farmer' Organization the attributes of the farmers in terms of membership in an organization and training, and credit access were understood. The study utilized a descriptive-survey method research design to obtain data regarding the attributes of the farmers' membership in an organization. The respondents of the study are the 324 smallholder farmers of the Municipality of Victoria, Province of Oriental Mindoro, Philippines. The results of the study shows that majority of the farmers are affiliated with the Farmers association as evidenced in the 313 out 317 farmers who are confirmed members of the organization. There are 26 farmers who joined cooperatives and 17 farmers are members of other organization. Most of the farmers, 100 out of 317 respondents joined the organization to obtain assistance and supplies for farming while the remaining joins the social groups non-related to agriculture. On the other hand, farmers tend to join the FOs because of the seminars which the group provided as justified by the result of 259 farmer respondents that usually participates in the agriculture-related seminars. Their primary reasons in joining the organizations are to acquire assistance, obtain supplies or inputs and to have access to technical training. The result also shows that there are few farmers who are not attending seminars or training despite the needs to attend as perceived by the farmer-respondents. In addition, this study revealed that most of the farmers who have current loans or credits whether from formal loan institutions or informal institutions like friends, neighbors, or relatives. After acquiring the data an action plan to improve the Farmers' Organization was done to reinforce the livelihood of the farmers in the study area.

Keywords: credit, farmers, membership, Victoria Oriental Mindoro

Introduction

Agriculture is the prime powerhouse of the Philippine economy. Rapid agricultural growth is a key to achieve development and social goals in a particular region. Thus, in the Philippine agricultural sector growth becomes erratic starting early 1980 (Balisacan, 2001)^[1].

Farmers in developing countries have challenges in terms of government's aid in smallholder agriculture. Some of these challenges are access to natural resources, inappropriate policies, thin and uncompetitive markets, weak rural infrastructure, inadequate production and financial services. As well as deteriorating natural resource base have all contributed to creating an environment in which farming has frequently been risky and unprofitable for smallholders. In order to address the poor conditions of the farmers, they started organizing themselves into groups or association for financial and resource assistance. In addition, knowledge and techniques are also provided for the members of the formed farmers' organization.

Basically, farmers' and rural producers' organizations (FOs) refer to the independent, non-governmental, membership-based rural organizations of part or full-time self-employed smallholders and family farmers, pastoralists, artisanal fishers, landless people, women, small entrepreneurs, and indigenous peoples. They range from formal groups covered by national legislation, such as cooperatives and national farmers' unions, to looser self-help groupings and associations. They can be organized from local, to national, to sub regional, to regional and international levels. Many of these FOs have mixed men and women farmers as members. Farmers' Organizations (FOs) are essential institutions for the empowerment, poverty alleviation and advancement of farmers and the rural poor. Politically, FOs strengthen the political power of farmers, by increasing the likelihood that their needs and opinions are heard by policy makers and the public.

In the agricultural sector smallholder farmers are the most vulnerable group. Most of them are poor and rely on entrepreneurial capitalists that lends them with the needed capital for farm operations. In return, a certain amount of their harvest is collected by the capitalist as profit from the assistance they rendered to the farmers.

Meanwhile, there are available loan credit facilities in both government and other organized lending institutions. Thus, access to them is more complex and has rigid requirements. This includes thorough investigation of their individual background which requires their affiliation or membership to organizations and training attended.

Diverse climate in the Philippines where different crops is concentrated in different areas, productivity tends to be limited more by lack of access of farmers to credit than agronomy or climatic factors. It is believed that expansion of credit programs will have beneficial effects on agricultural production of smallholders and rural incomes because credit could facilitate the purchase of costly inputs and the adoption of alternative crops.

This study will discuss the membership status of farmers in Victoria through various Farmers' Organizations. Their reasons of joining an organization and the kind of organization they joined will also be deliberated in this research. Likewise, the type of training most farmers attended and their reasons for attending will be tackled in this paper. The identification of credit the farmers acquire and utilization are also part of the discussion in this study.

6. Materials and Method

Research Design

The study implemented a Descriptive-survey method to collect the necessary data. In order to gather the necessary data, the researchers used a descriptive-survey method. It includes techniques that are used to summarize and describe numerical data for the purpose of easier interpretation (Kazmier, 2004) [2]. Descriptive-survey research uses surveys to gather data about varying subjects. This data aims to know the extent to which different conditions can be obtained among these subjects.

The purpose of Descriptive Study is to observe, describe and document aspects of a situation as it naturally occurs and sometimes to serve as a starting point for hypothesis generation. It was used to collect demographic data about people's behavior, practices, intentions, belief and attitudes. In this study, the farmers' attributes in terms of membership

in organization and training, and credit access in Victoria, Oriental Mindoro was evaluated through the use of descriptive survey.

Respondents of the Study

The respondents of this study were the 324 randomly selected smallholder farmers of Victoria, Oriental Mindoro. The researchers chose the smallholder farmers for they believe they can play an important role in livelihoods creation amongst the rural poor focusing on the importance of production for household food security.

Sampling Technique Used

The Cochran formula was used to calculate an ideal sample size given a desired level of precision, desired confidence level, and the estimated proportion of the attribute present in the population. Cochran's formula is considered especially appropriate in situations with large populations. A sample of any given size provides more information about a smaller population than a larger one, so there's a 'correction' through which the number given by Cochran's formula can be reduced if the whole population is relatively small.

The Cochran formula is

$$n_0 = \frac{Z^2 pq}{e^2}$$

Where

- E is the desired level of precision (i.e. the margin of error),
- P is the (estimated) proportion of the population which has the attribute in question,
- Q is 1 – p.

The z-value is found in a Z table.

Research Instrument

A Standardized Questionnaire and Survey form were the main tools used in this study for gathering data and for collecting information about farmers in terms of membership in organization and training, and credit access in Victoria, Oriental Mindoro. The questionnaires were adapted from the study "Action Ready Climate Knowledge to Improve Disaster Risk Management of Smallholder Farmers in the Philippines. The questionnaire contained questions that determine the farmers' attributes in terms of membership in organization and training, and credit access in Victoria, Oriental Mindoro.

Data Gathering Procedure

In asking permission, the researchers made a letter of permission signed by the researchers, noted by the Director for Instruction of Mindoro State College of Agriculture and Technology and approved by the Director of Department of Agrarian Reform of Victoria Oriental Mindoro where the study was conducted.

In distributing the questionnaires, the researchers gave questionnaires to the respondents after the letter of permission was presented. After collecting the questionnaires, the researchers checked how the respondents answered every question then analyzed and interpreted the result.

Data analysis

The researcher checked the instruments for completeness, after gathering data from the field. The content was organized and edited as per the study objectives. Graphs, pie charts and tables were used to present the data.

3. Results and Discussion

Membership Status

Based on membership of smallholder farmers in Victoria, Oriental Mindoro, 317 farmers are members of an organization and 7 are non-member. Refer on figure 1 below.



Fig 1: Membership status of Smallholder farmers

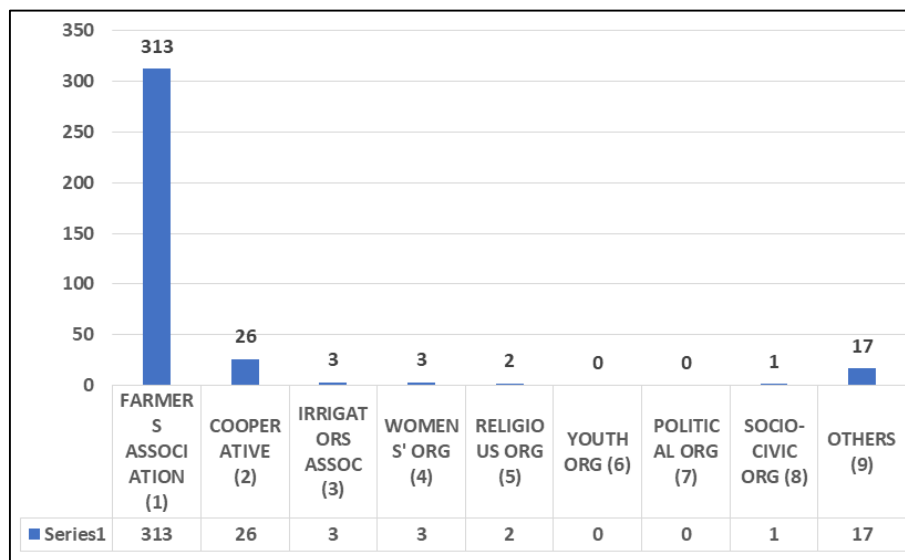


Fig 2: Type of Organization of the Smallholder Farmers

Figure 2 shows the type of organization the farmers have. Majority of the farmers are affiliated with the Farmers association as evidenced in the 313 out 317 farmers who are confirmed members of the organization. There are 26 farmers who joined cooperatives and 17 farmers are members of other organizations. On the other hand, there are farmers who also joined women’s organizations and three are affiliated in irrigators’ organizations. There are two farmers who are also in religious groups and one in a socio-civic group, while youth organization and political organization were not joined by the farmers. The graph also displays that multiple membership was also done by the farmers as evidenced in the

graph with a greater number of membership than the number of the respondents who are members of an organization. The result indicates that if you are a farmer your first choice at hand organization is the one that has something to do with your endeavor, something that will help or improve your life as a farmer. Farmers’ Organizations’ (FOs) play a significant role as an institutional vehicle for promoting agricultural development through helping smallholder farmers solve common problems in relation to agricultural inputs, credit, technical knowledge and marketing of product (Pelimina & Urassa, 2015) ^[4].

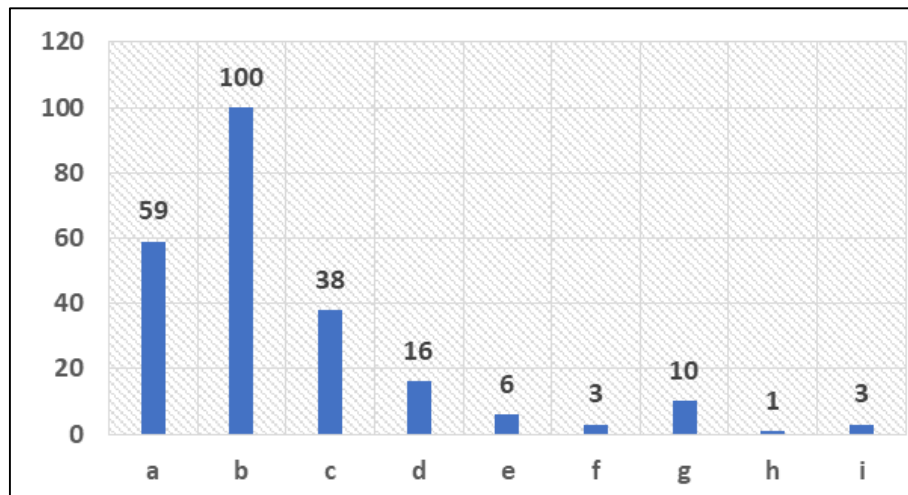


Fig 3: Reasons of the Smallholder farmers for joining the organization

On the survey question why the farmers join the organization, it can be glimpsed that most of farmers which is 100 out of 317 members, join the organization to obtain assistance and supplies, while one of the members join because he/she was invited by friends/relatives (Figure 3). It is truly stated that farmers’ association, which is an organization of farmers with a common purpose and having a formal structure, has been identified as one of major ways to attain good farm outputs. It is the desire of all farmers to have a reasonable measure of output after investing time, energy, money and many of other resources in agribusiness but often time all these efforts result to less expected outcomes just because of not being a member

of agribusiness association of relevance (Agunbiade, 2017).

Legend for the Reasons for joining farmer organization

- a. To have access to technical training
- b. To get assistance in obtaining inputs/ supplies
- c. To have access to modern machines
- d. To have access to loans
- e. To have access to information on the market
- f – To have access to large business orders
- f. To have access to new technologies
- g. Was invited by friends/relatives
- h. Other (specify) _____

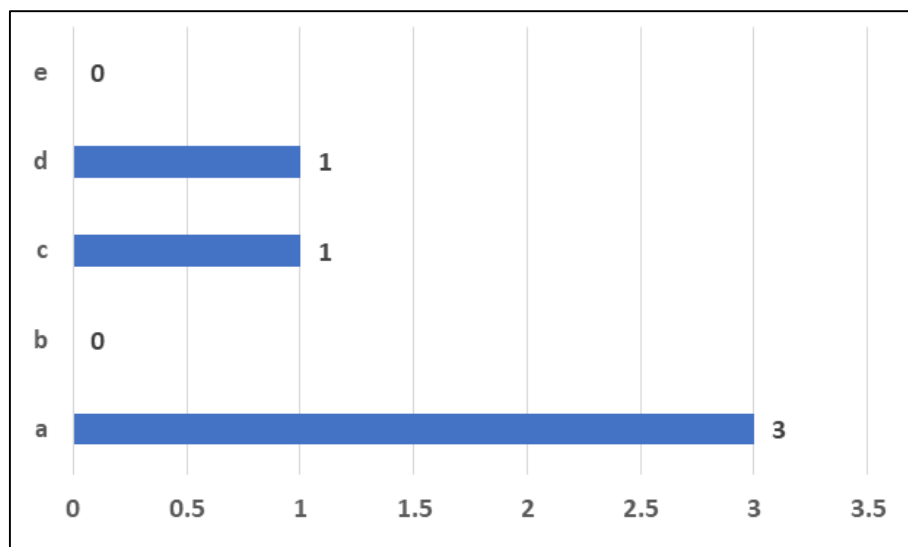


Fig 4: Reasons of the Smallholder farmers for not joining the organization

Legend for the Reasons for not joining farmer organization

- a. Do not see the need to be a member
- b. No farmer’s organization in the area
- c. Too busy with other matters to be a member
- d. Do not believe in farmer’s organization/against my principles
- e. Other (specify) _____

Figure 4 shows the result why the farmers did not join the organization. The graph tells that 3 of them did not see the need to be a member of the organization while there was only one in the description who’s too busy with other matters to be a member; and, another one who did not believe in farmer’s organization or against his/her principles.

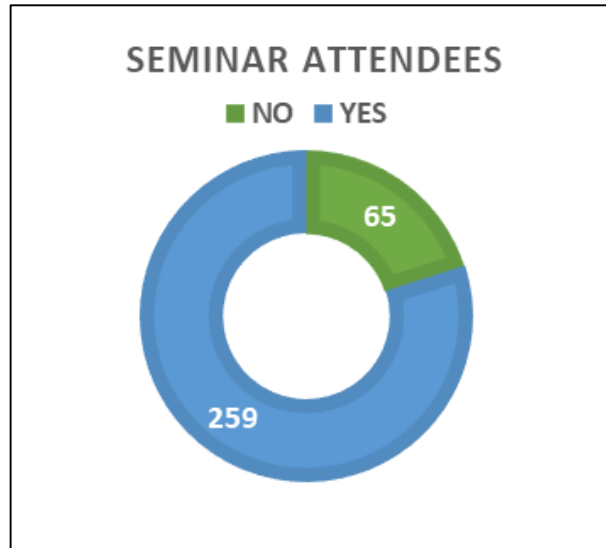


Fig 5: Number of Stallholder Farmers who attended seminars

Figure 5 illustrates the result of the number of attendees in the seminar. The graph indicates that out of 324 individuals,

there were 259 who attended the seminar or said “yes” while 65 of them said “no” or did not attend the seminar.

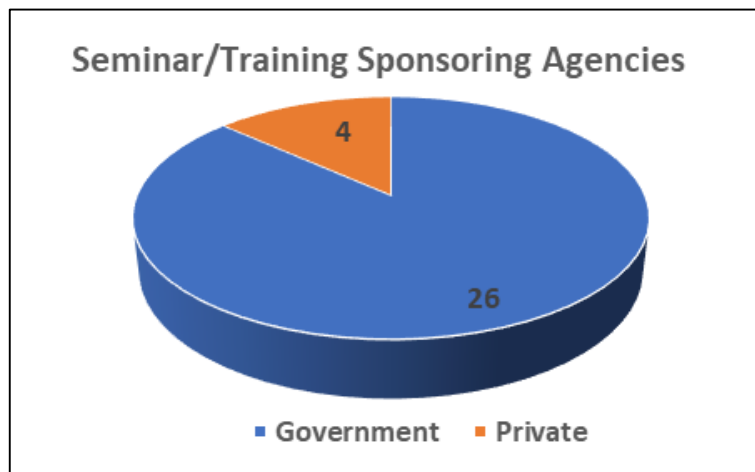


Fig 6: Sponsoring Agencies of the Seminars attended by the smallholder farmers

Figure 6 demonstrates the result of the sponsoring agency of the seminars wherein, 26 came from the government sectors

while 4 of them came from the private sectors.

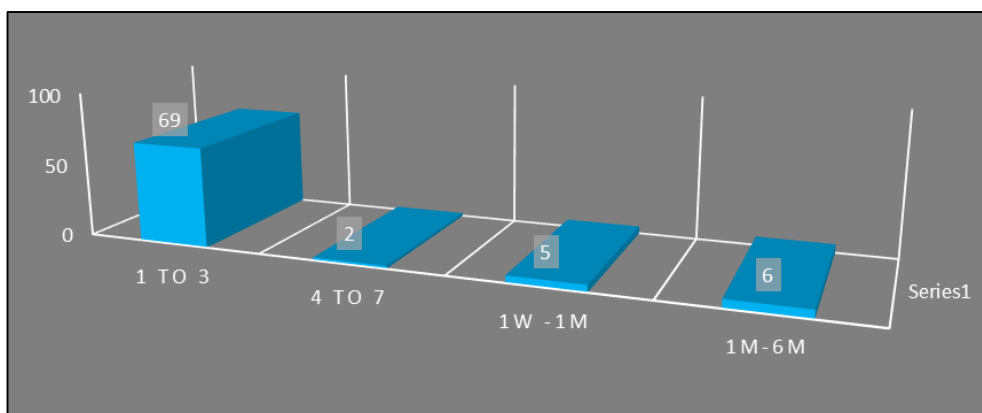


Fig 7: Number of days of the seminars attended by the smallholder farmers

Figure 7 indicates the result of the days of seminar. It can be shown that 69 individuals attended a three-day seminar while there were only two of them attended in 4 to 7 days of

seminar. Five farmers attended one week to one-month seminar and lastly, six farmers stated they were able to attend in a 1 month to 6 months training.

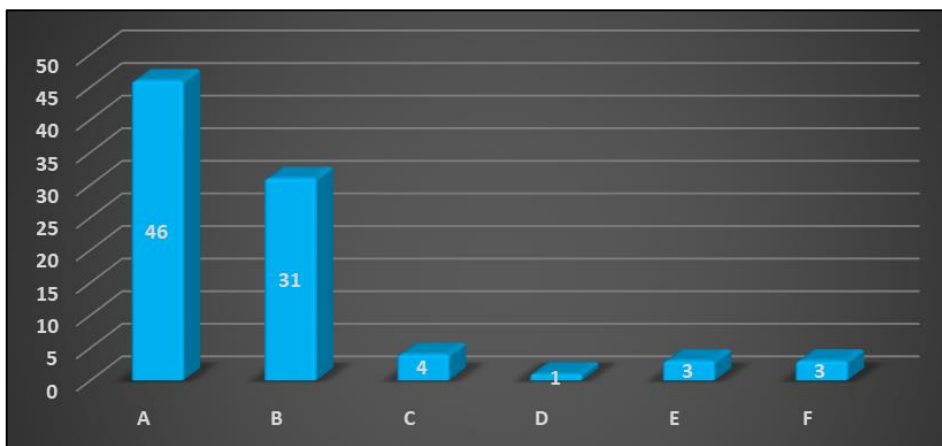


Fig 8: Reasons of the Smallholder farmers for attending seminars/trainings

Legend

- a. To have access to technical training/information
- b. To get assistance in obtaining inputs/supplies
- c. To have access to information on the market
- d. To have access to large business orders
- e. To have access to new technologies
- f. Other (specify) _____

Figure 8 specifies the result of the reasons for attending seminars. It demonstrates that 46 individuals have the reason

for attending seminars to have access to technical training or information while 31 of them indicates that their reason is to get assistance in obtaining inputs/supplies. However, the lowest number is one which indicates that his/her reason is to have access to large business orders. Through seminars and short agricultural courses, farmers may be aware on many aspects such as floor price, buffer stocks, fertilizer subsidies, credit subsidies and public irrigation schemes which are directly provided by the government.

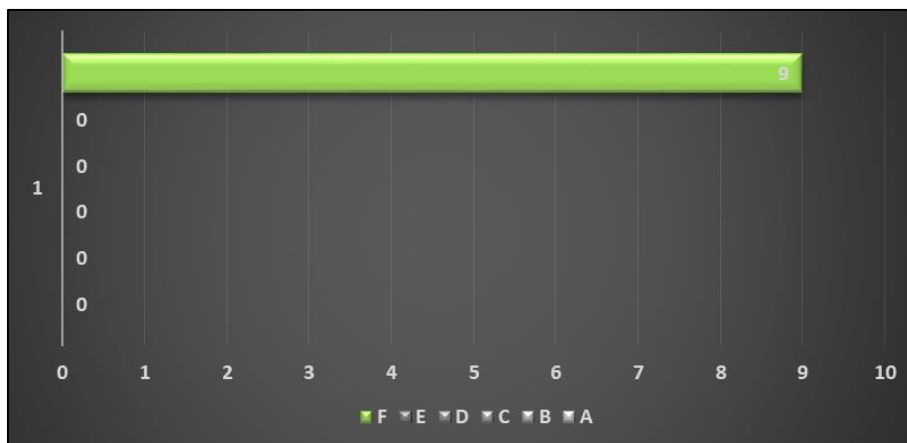


Fig 9: Reasons of the Smallholder farmers for not attending seminars/trainings

Reason for not attending seminar/training

- 1. No time/too busy
- 2. Not available when seminar was conducted
- 3. House is far from training site
- 4. Do not see the need for one
- 5. Can get the information without attending
- 6. Other (specify) _____

Figure 9 explains the result of the reasons of several people for not attending the seminars. It says that 9 individuals specify that their reasons are lack of disseminations for the said seminar and too old to attend. Despite of seminars and short training courses provided by the government to farmers, reviewed literature shows that still there is challenge of most of the farming community to be involved in the design and delivery of agricultural curricula, not only that but also the private sector involvement in the design and delivery of curricula has also not taken place or even where there is some consultation; it tends to be sporadic.

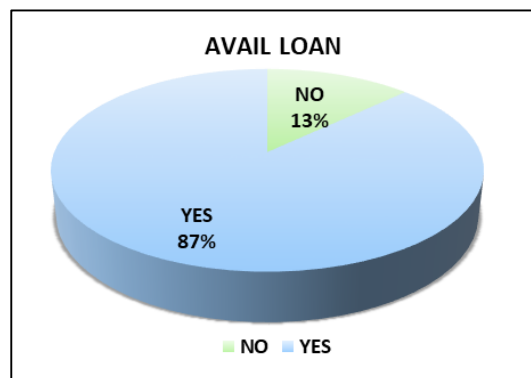


Fig 10: Number of Smallholder farmers who avails loan

Figure 10 shows the result of the people who availed loan. It clearly demonstrates that there were 87% who said “yes” or willing to avail loan while 13% said “no” or were not willing to avail loan.

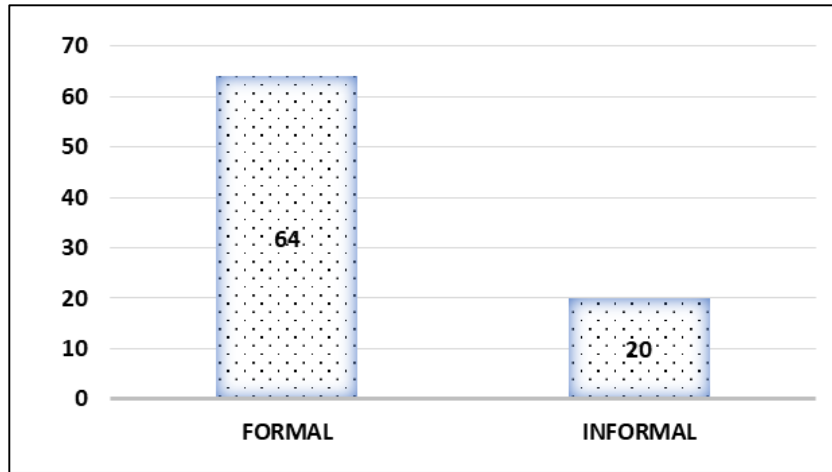


Fig 11: Source of Loan of the Smallholder Farmers

Figure 11 illustrates the result of the source of loan. It shows that the source of loan of 64 individuals came from formal while 20 of them came from informal.

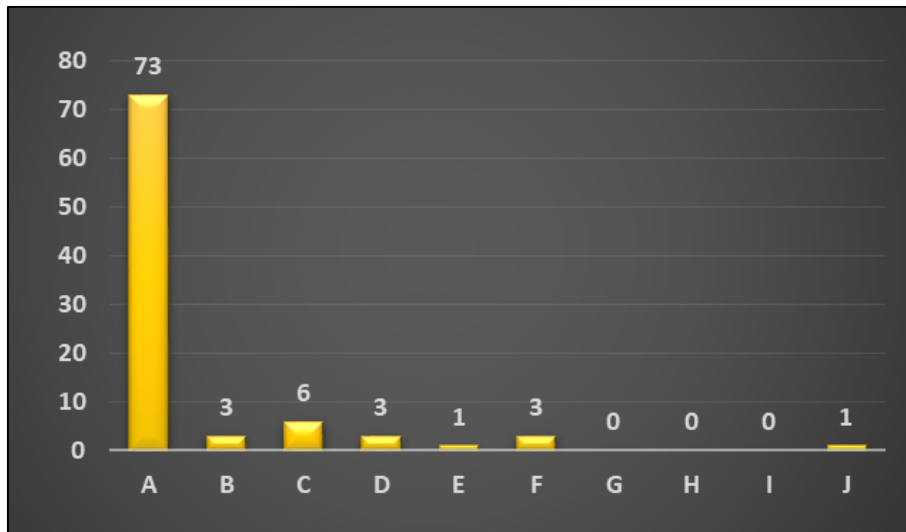


Fig 12: Utilization of the availed loans of the smallholder farmers

Legend

1. Farm production (inputs)
2. Farm improvements (purchase of machinery, etc.)
3. Household Consumption
4. Medical and health expenses
5. Education
6. Business investments (non-farm)
7. House construction/ repair
8. Purchase of land
9. Purchase of vehicle
10. Others_____

Figure 12 indicates the result of utilization of the availed loans. It explains that most of them, which is 73 individuals, use their loans for farm productions while none of them availed for the use of house construction/repair, purchase of land and purchase of vehicle. This result was similar in the statement of Asian Development Bank (ADB) regarding the problem of smallholder farmers. ADB cites seven priority areas for concerted action to achieve transformation of the rural economy of the country. These are: expansion of irrigation, improving agricultural extension services, expeditious completion of the agrarian reform program,

developing rural infrastructure improving upland agriculture and natural resource management, strengthening local government units and improving the provision of rural credit (Wattanaputtipaisan, 2003) [5].

4. Conclusion

There are few farmers who are not attending seminars or training despite the needs to attend as perceived by the farmer-respondents. In addition, this study revealed that most of the farmers who have current loans or credits whether from formal loan institutions or informal institutions like friends, neighbors, or relatives.

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