



ENHANCING BACKYARD HOG RAISERS ACCESS TO MARKET THROUGH VALUE SHARING

Zeam Voltaire E. Amper, DVM, MSc; Resie Oude Luttikhuis, DVM; Fred Bomans

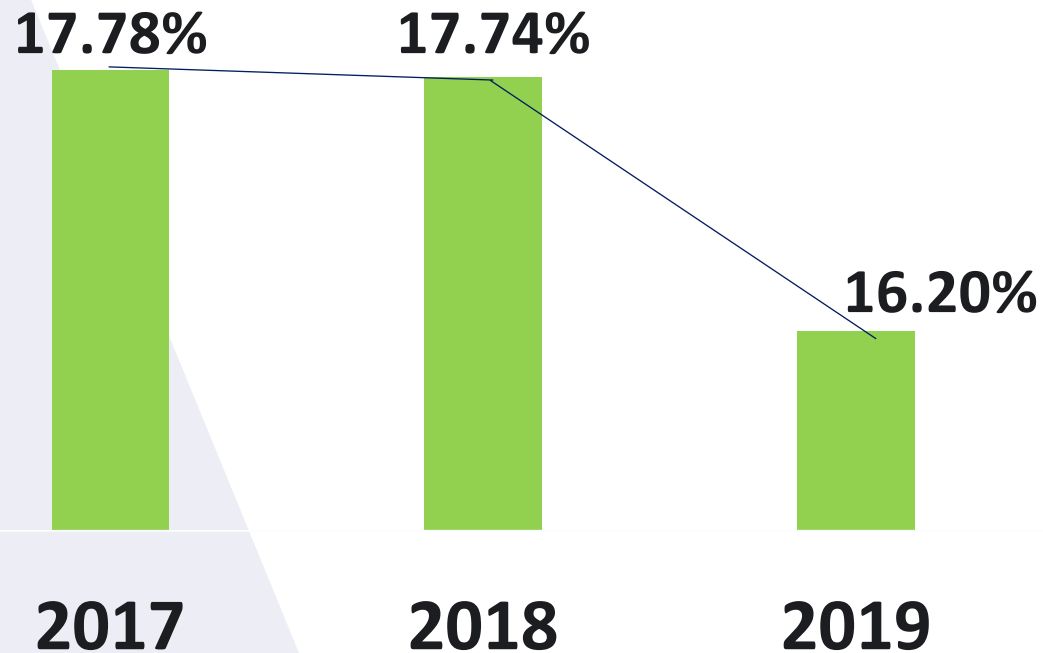
Department of Agriculture-RFO7; VHL University; Wageningen UR





INTRODUCTION

Livestock Contribution to Agricultural Performance



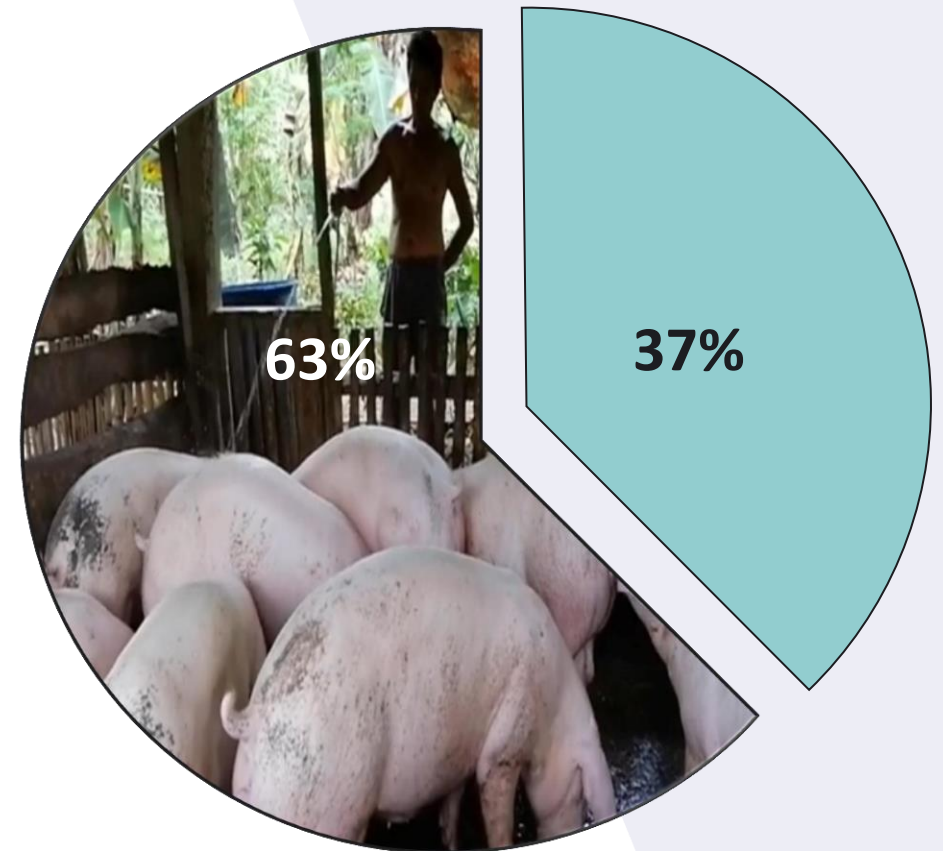
Source: Philippine Statistics Authority

- Agriculture contributes 8.9% in GDP for year 2019
- Livestock contributes 6.5% to agricultural GDP
- Hog industry is the **great contributor** in the production value of livestock sub-sector
- Serves as major agricultural economic growth driver, however, it also pull down the performance

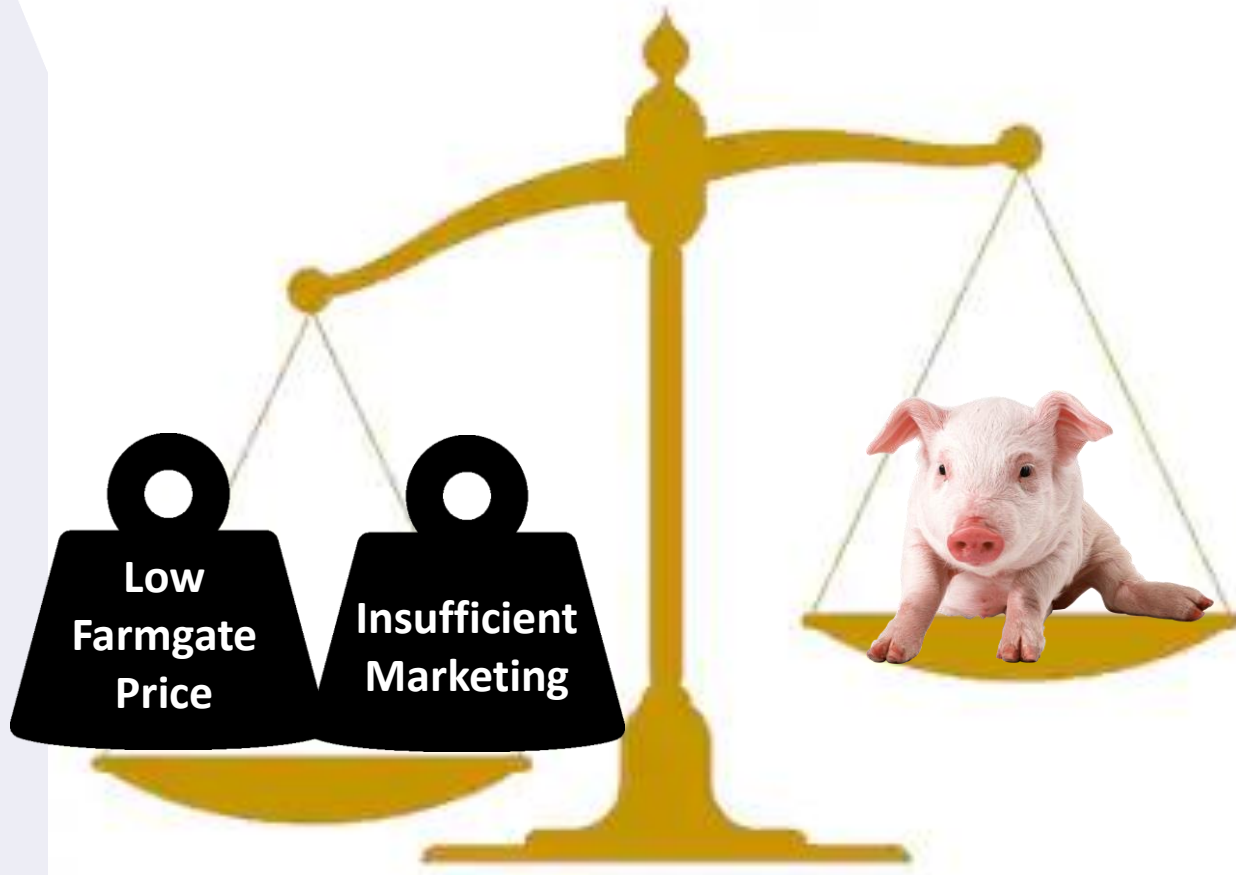


INTRODUCTION

- Hog inventory is **dominantly lead** by the backyard level (*PSA, 2019*)
- Types: **small-scale** and **subsistence backyard farmer**
- Credibility of the farming practices are **questioned** and **affects the quality** of the final product (*Delgado et.al., 2003; Costales, 2007*)



INTRODUCTION



- **Vulnerable** to deep changes in market trends, rise of retailer consolidation, trade agreements and consumer preference (*FAO, 2011*)
- There is a **challenge in participating** in the permanent market and exercise bargaining power



LEARNING OUTCOMES



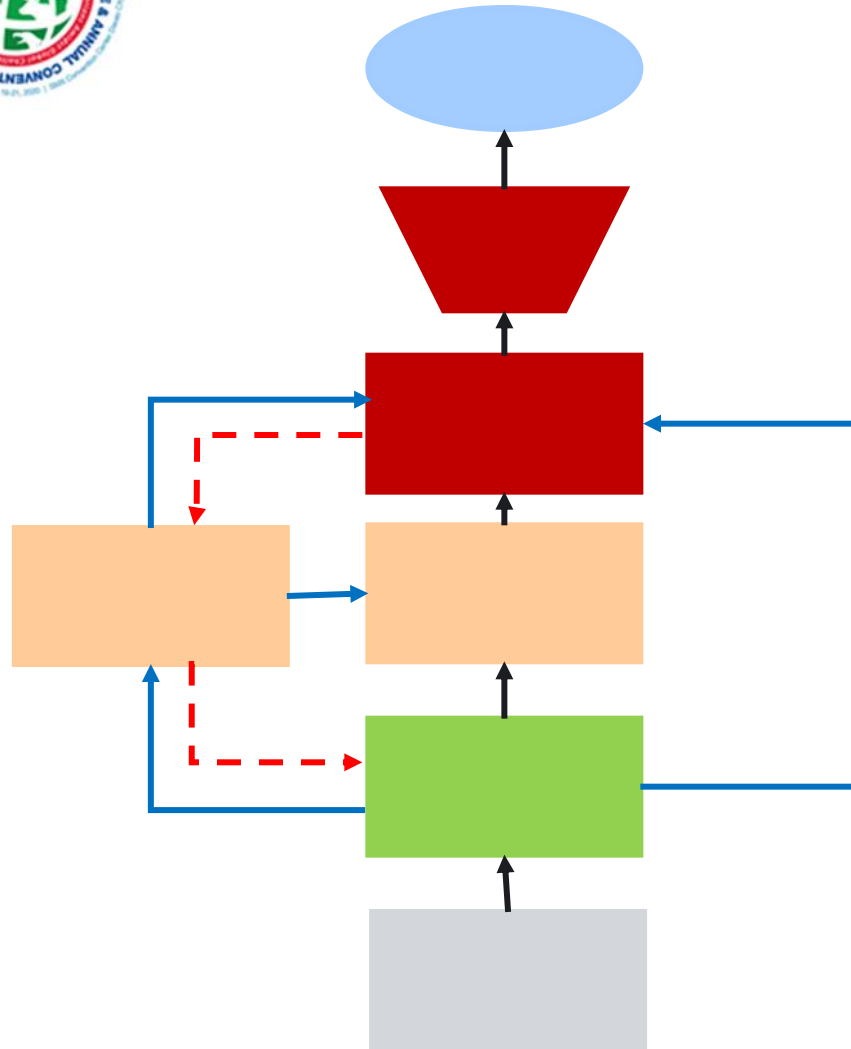
- Understand the status of the ground level of the pork chain
- Identify the market potentials of the backyard hog raisers through Value Chain Analysis
- Design a Business Model for the chain actor (producers)



METHODOLOGY

1. Construction of theory:

- a. Key Informant Interview (KII) with stakeholders from the hog chain
- b. In-depth Interview with trading and marketing sectors of the chain
- c. Focus Group Discussion (FGD) with the hog producers
- d. Review of secondary information through literatures

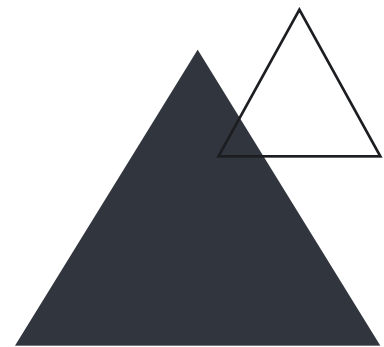


METHODOLOGY

2. Analysis of Data:

- a. Value Chain Analysis
- b. Interest-Role Matrix
- c. Power-Interest Grid
- d. Business Canvass Model

3. Develop a Conceptual Framework





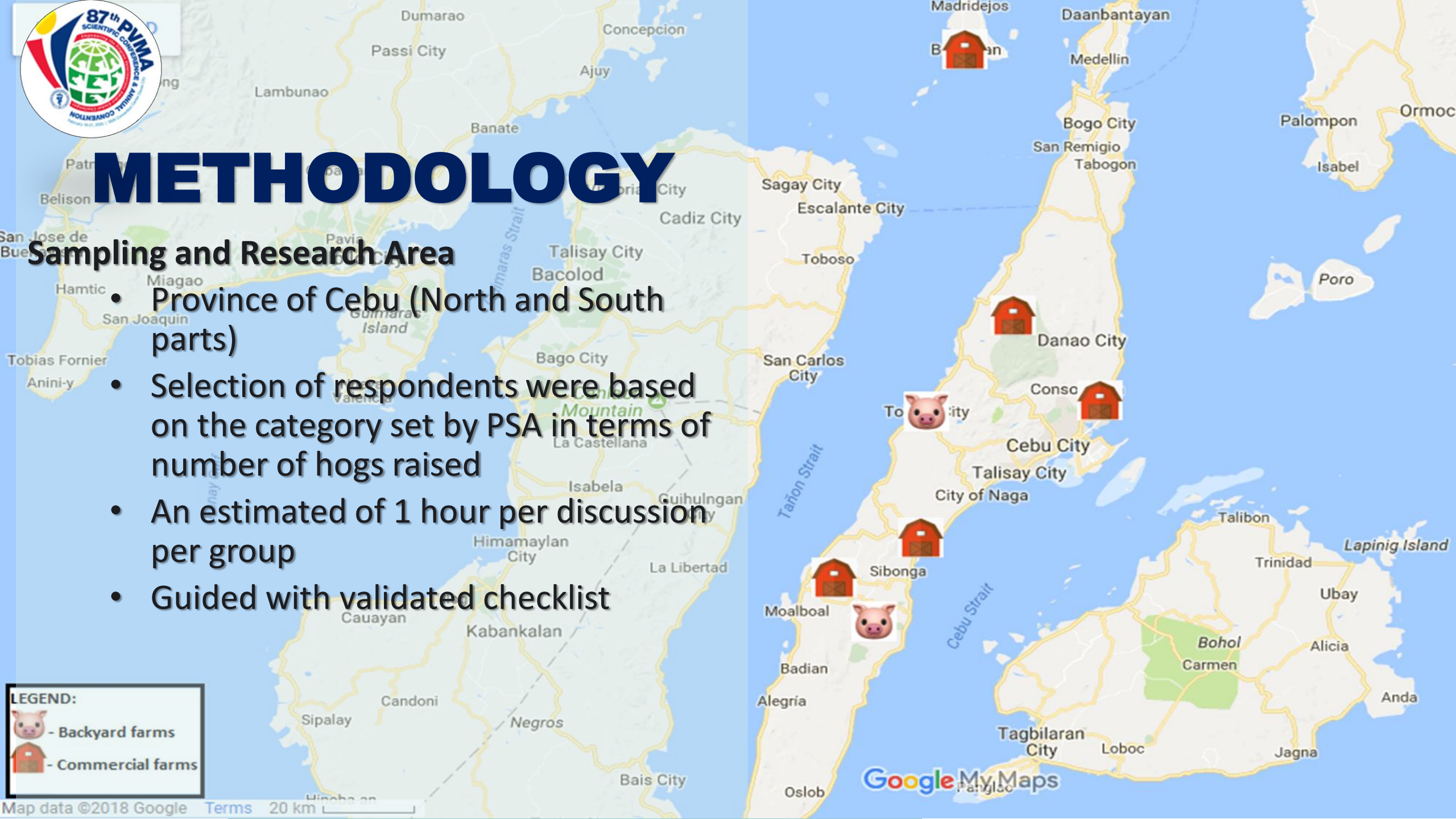
METHODOLOGY

Sampling and Research Area

- Province of Cebu (North and South parts)
- Selection of respondents were based on the category set by PSA in terms of number of hogs raised
- An estimated of 1 hour per discussion per group
- Guided with validated checklist

LEGEND:

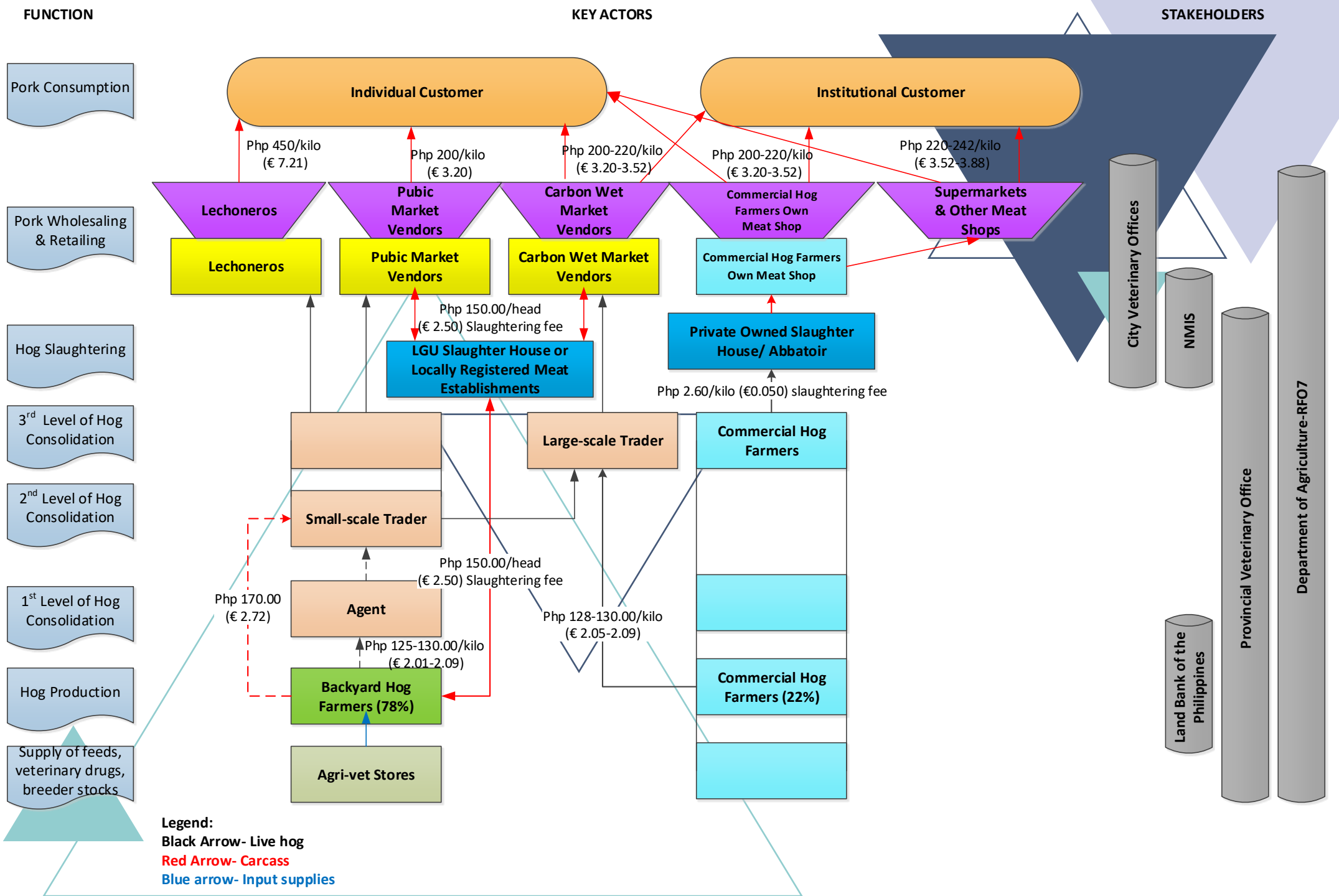
-  - Backyard farms
-  - Commercial farms





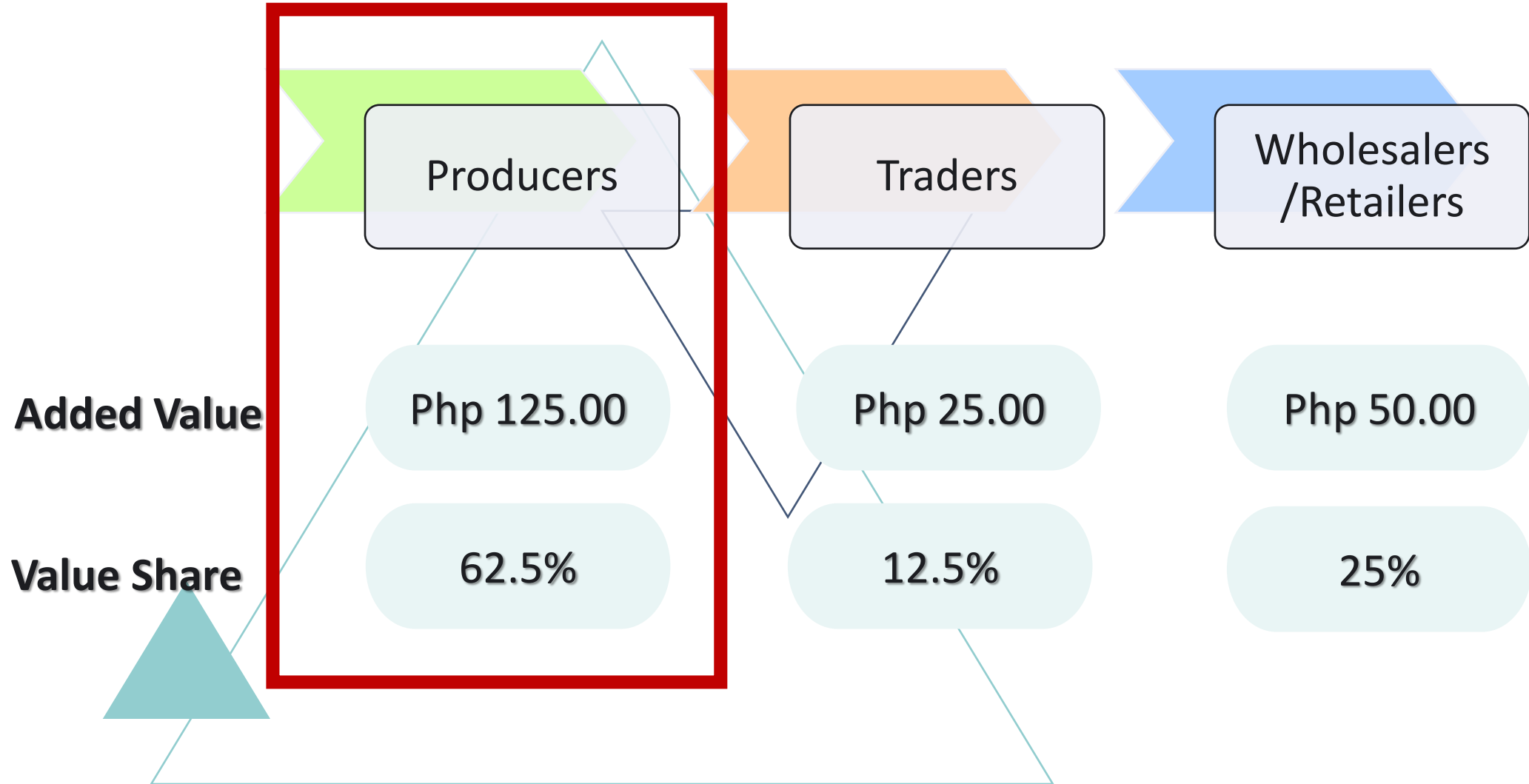
GROUNDNED THEORY

THEMES	CATEGORIES	CODES
Motivation	Livelihood	Market Oriented Always have a Demand A Form of Savings More Resilient than Crop
	Food Source	Easy to produced than other commodity All time favorite in festivals/celebration Lot of dishes can be made





RESULTS





RESULTS

- Fragmented sector
- 2 common marketing scheme:
 - Sold by live weight
 - Sold as carcass “rasyon”
- Most of the respondents are **dependent on the traders** about the market information
- Most of the respondents have made an **informal link with the traders**
- Make transactions through **verbal agreements**



INTEREST-ROLE MATRIX

ACTORS	INTEREST	PROBLEM PERCEPTION	RESOURCES	ROLES
Trader	<ul style="list-style-type: none"> Consistent quantity of pork supply from farm source Demand asked by market 	<ul style="list-style-type: none"> Unsorted product Distant farm source Unplanned expenses Livestock health 	<ul style="list-style-type: none"> Willing to pay based on the quality Link with the producer Transport vehicles Market Information Cash on hand payment 	<ul style="list-style-type: none"> Carry and Transport animals that does not cause stress Constantly supply hog to the wholesaler/retailer
Processor	<ul style="list-style-type: none"> Clean and Uncontaminated carcass 	<ul style="list-style-type: none"> Inadequate labour Maintenance of the facility 	<ul style="list-style-type: none"> Existing hog line for traceability of the carcass GMP accredited procedures 	<ul style="list-style-type: none"> Slaughter in hygienic and humane procedure



INTEREST-ROLE MATRIX

ACTORS	INTEREST	PROBLEM PERCEPTION	RESOURCES	ROLES
Retailers	<ul style="list-style-type: none"> • Consistent supply of quality and quantity of pork • Demand by customers 	<ul style="list-style-type: none"> • Insufficient volume of pork supply • Varying quality of pork supply 	<ul style="list-style-type: none"> • Willingness to pay for quality pork • Traceability of the product 	<ul style="list-style-type: none"> • Hygienic Meat handling
Government Offices	<ul style="list-style-type: none"> • Production of safety food for consumption • Availability of safety food to consumers • Continuity of programs 	<ul style="list-style-type: none"> • Insufficient experts & man power • Bureaucracy 	<ul style="list-style-type: none"> • Technical personnel • Budget/Funds • Enforcement power • Linkage to other actors 	<ul style="list-style-type: none"> • Livelihood to producers • Implement food safety



POWER-INTEREST GRID

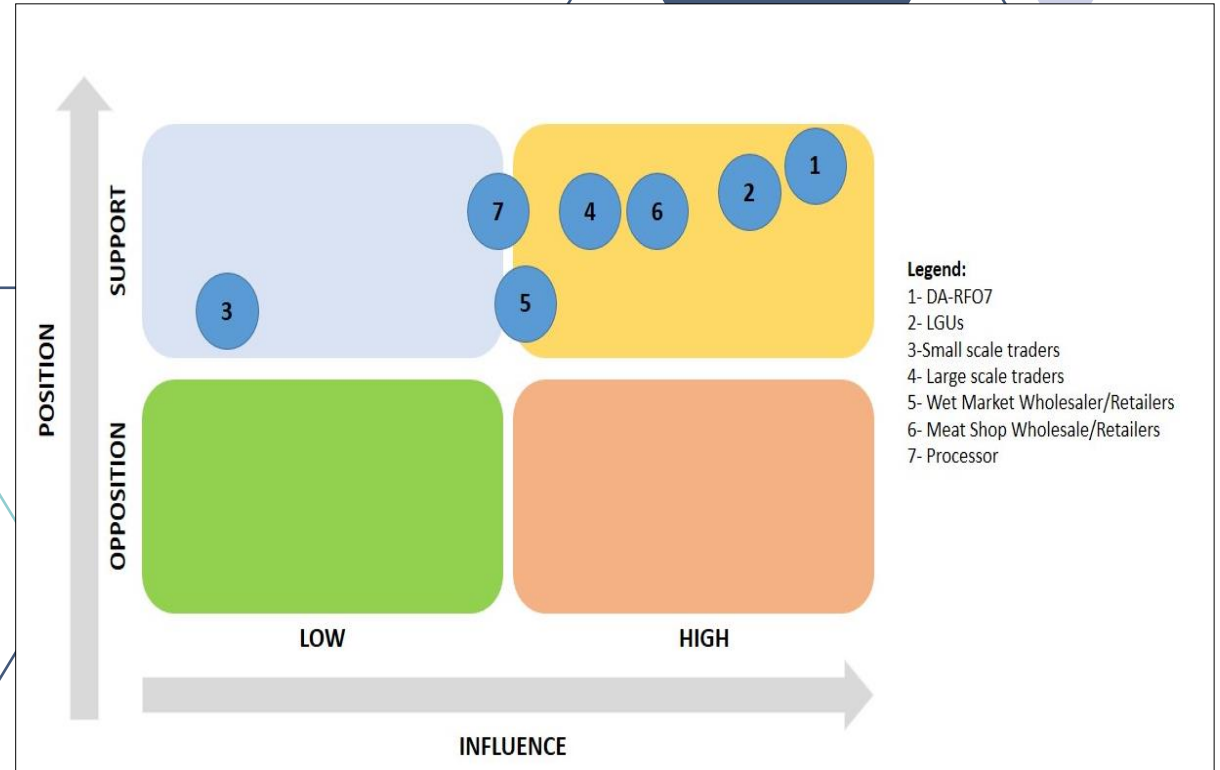
- **Highest interest and influence** to improve the hog producers position in the market are the **government group**
- **High interest but low influence** is those that in processing level
- **High influence and low interest** are those in **wholesaling/retailing** and **large-scale traders**
- **Low influence and low interest** are the **small-scale traders**





POSITION-INFLUENCE GRID

- **Highest influence and position** to create link of hog producers to the market and strengthen capacity building are the **government group, large-scale traders, pork wholesalers and retailers**
- Processors have **moderate influence and position** in terms of market performance and capacity building
- **Lowest in both influence and position** are small-scale traders





BUSINESS CANVASS MODEL

KEY PARTNERS

1. Large scale traders
2. Processors
3. Meat shop wholesale/retailer
4. Individual and institutional customers
5. Government offices (DA and LGUs)

KEY ACTIVITIES

1. Regular auditing
2. Consultation with other actors (platform)

KEY RESOURCES

1. Linkages to each actors (intellectual and human)
2. Financial
3. Physical

COSTS

1. Fixed cost
2. Variable costs

VALUE PROPOSITION

1. GAHP certified
2. Fair trade product
3. Animal welfare label product
4. Environmental friendly product

CUSTOMER RELATIONSHIP

1. Sure traceability
2. Safety food compliance

CHANNELS

1. Physical (Display at supermarkets)
2. Web

REVENUE STREAMS

1. Direct sales in each value chain actors

CUSTOMER SEGMENT

1. Middle to upper class consumers
2. Young-professionals
3. Cebuanos
4. Other locals
5. Tourists
6. City dwellers
7. Institutional customers (restaurants, supermarkets)
8. Health-conscious individual



RECOMMENDATIONS

- Clustering or grouping of individual backyard hog raisers
- Identification of the target market
- Involvement to market promotions
- Diversification of the market
- Value adding
- Understand and practice cost-benefit



DAGHANG SALAMAT!

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