Value Chain Analysis of Sinirangan Pig in Borongan City, Philippines

Dacules, Kevin Z.¹; Afable, Felix A.²

Graduate Student, Master of Arts in Management, Eastern Samar State University¹;

Faculty, Graduate School, Eastern Samar State University²

Daculeskevin29@gmail.com¹; butchandmiko@gmail.com²

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ABSTRACT

Value chain analysis of Sinirangan pig producers and processors of native pig lechon was analysed in this study. It employed an explanatory sequential mixed method design where the quantitative data was collected first, through the use of a survey questionnaire adopted from the study of Quintua et.al (2019), followed by the qualitative data collection using guide questions for the key informant interview (KII). Results revealed that native pig raisers have limited production knowledge and needed inputs. These caused little participation in native pig production and unstable supply of stocks. As a consequence, processor purchase/buy native pigs from nearby municipalities and provinces to meet the demand for "lechon" in the locality. Pricing system is a problem of native pig producers. The processors dictate the price of native pig in the area. Although they have no difficulties in selling their native pigs, the processors determines the price hence, has the bigger income compared to native pig raisers. The study further revealed that native pig raising in Borongan City has great industry potential as shown by the high demand of "lechon" in the locality. Hence, it is recommended that financial and technical support should be extended to native pig raisers (the producers) by concerned agencies, particularly in Barangays Siha, San Gabriel and San Jose, whose geographical location is ideal to native pig raising. By capacitating the producers, a stable supply of native pigs for lechon in the locality can be assured, thereby sustaining the Sinirangan pig value chain in Borongan City, Philippines.

Keyword: Sinirangan Pig, Lechon, Marketing, Margin, Qualitative research, Quantitative research, producer, processor, thematic analysis, Borongan City.

1. INTRODUCTION

The Philippines ranked third after Vietnam and China in terms of pig production in Asia in 2012 (food Outlook, 2012, as cited in Lapuz, 2014). In the Philippines swine is one of the major contributor in the livestock industry and in the whole agriculture sector. In the Philippines over 80 percent of all pigs are kept in small scale herds as noted by Posas et al. (1995) cited by Descallar (2008). Backyard farming has very low resources of labor and capital; they are not able to drive a regular and adequate supply of food for an acceptable income and standard of living (F AO-UNESCO, 2002). The low production cost of native pig that is matched with high prices of its processed products offers a financial and sustainable livelihood opportunities for resource-poor rural farmers in Region 8 (Cayubit, 2015). Currently, in Borongan City there is huge demand for lechon but there is a limited supply of native pigs due to different factors.

There is no available data from the Provincial and City Agriculturist Office of the profile of the native pig raisers in the area. Therefore, there is a need to conduct a study about value chain analysis of native pigs in Borongan City and analyze the chain actors and look into the reason why there is a small number of communities who

raised native pigs. The output of this research will serve as baseline data for the next researcher.

1.1 Objectives of the Study

This study aimed to assess the value chain analysis of Sinirangan Pig in Borongan City, Philippines.

Specifically it aims to:

1. Determine the profile characteristics of the participants in terms of:
 - 1.1. Sex;
 - 1.2. Age;
 - 1.3. Educational Attainment;
 - 1.4. Civil Status;
 - 1.5. Length of engagement into production and processing;
 - 1.6. Main Source of income;
 - 1.7. Other Sources of income;
 - 1.8. Annual Income;
 - 1.9. Stall Ownership;
 - 1.10. Business scale;
 - 1.11. Source of knowledge;
 - 1.12. Types of raising native pigs;
 - 1.13. Source of financing;
 - 1.14. Initial Start-up Capital;
 - 1.15. Present Capital;
 - 1.16. Total Capital;
2. To conduct a value chain analysis on the activities of the different actors;
 - 2.1 Producer
 - 2.2 Processor

2. METHODOLOGY

The study was conducted in Borongan City, Philippines. Participants for this study comprised of six (6) native pig producers and four (4) native pig processors. The study focused on the areas where most native pig raisers maybe found and these were Barangays Siha, San Gabriel and San Jose. The researcher sought first the necessary permits from the Municipal Executive Officer after that the respondents were gathered through the cooperation and help of the Barangay Local Government Unit (BLGU) and asked permission about the interview. The study employed an explanatory sequential mixed method design. This method is a two-phased design wherein the quantitative data is collected first followed by qualitative data collection, the purpose of which is to use the qualitative result to aid in explaining and

interpreting the findings of the quantitative study.

3. RESULTS AND DISCUSSION

3.1 Native Pig Producers

Findings of the study revealed that there was no trader in the native pig value chain, only producers and processors. The producers are mostly female, aged 46-55 years, married, attained high school level, and engaged in free-ranged native pig raising for 10 years and below, wherein their know-how on raising native pigs either came from their personal experience or from family members/relatives. Their Initial capitalization ranged from Php1,500.00 - 3,000.00 while present capitalization ranges from Php4,000.00-10,000.00. All producers have an annual income of less than Php100,000.00, two-thirds of which comes from farming as the main source while one-third comes from native pig raising. Raisers sets criteria in selecting the type of native pigs, they prefer those have many teats, good body conformation and prolific. In terms of sex they prefer a female because of its ability to reproduce. They usually give "daliri", root crops and their leftover as to the kinds of feeds they were feeding. As to the housing, raisers have cages for their native pigs but they prefer to keep their native pigs under the tree or under their houses. Most raisers don't practice vaccination and deworming. In terms of marketing producers have problems on the pricing system. They practice estimation in selling their native pigs through its size and length, regardless, of the kinds the kinds of feeds given. Thus, processors take advantage especially when they can sense that a producers were really in need of cash. Therefore, raisers sold their native pigs below its real price.

3.2 Native Pig Processor

There was an equal number of male and female engaged in native pig processing, of which 50% are aged 56-65 years, 25% are aged 36-45 years and the remaining 25% are aged 25-35 years. All of them are married, stall owners and engaged in small scale native pig processing business as their main source of income. Their length of engagement to this type of business ranges from 10 years and above. Majority (50%) of these processors have minimum annual income range from Php100,000.00 - 300,000.00, while 25% earn Php301,000.00 - 500,000.00 and the other 25% earn Php501,000-800,000.00 annually. Processors purchase/buy native pig in selected barangay in Borongan City including the ESSU Piggery but majority of their stock was came from nearby municipalities of, Llorente, Balangiga, Giporlos, Taft, and Arteche. During peak season they usually go

outside the province particularly in Catarman and Leyte. Processor used tricycle in collecting native pigs from producers and truck when it's outside the province. Peak season were January, September and December. Prices of native pig ranged from Php5,000.00-6,000.00 depending on the size of lechon.

Figure 1: Value Chain Analysis of Native Pig in the Borongan City, Philippines.

Table 1. Demographic profile of respondents

Profile Characteristics		Processor (n=4)		Producer (n=6)	
		Frequency	Percentage	Frequency	Percentage
Sex	Male	2	50	2	40
	Female	2	50	4	60
Age	25-35 years old	1	25	1	16.6
	36-45 years old	1	25	1	16.6
	46-55 years old			0	50
	56-65 years old	2	50	1	16.6
Educational Attainment	College Level	1	25	4	66.6
	High School Level	3	75	2	33.3
	Elementary Level				
Civil Status	Single			1	16.6
	Married	4	100	5	83.3
Length of Engagement	10 years and above	1	25	4	66.6
	11-20 years	1	25	2	33.3
	21-30 years	1	25		
	31-40 years	1	25		
Source of Income	Parag-lechon and other livelihood	4	100	2	33.3
	Salary			1	16.6
	Farming			0	50
Other sources	Native Pig Farming and other livelihood	4	100		
	Government Employment				
Annual Income	Below 100,000			6	100
	100,000-300,000	2	50		
	301,000-500,000	1	25		
	501,000-800,000	1	25		
Stall Owner	Yes	4	100		
	No				
Business Scale	Small	4	100		
	Large				
Source of Knowledge	Personal Experience			3	50
	Family Member/Relatives			3	50
Types of Raising Native Pig	Free Range			6	100
	Complete Confinement				
	Tethering				
Source of Financing	Owned			6	100
	Borrowed				
	Partially Owned				
Initial Start-up Capital	1,500-2,000 Php			3	50
	2,001-2500 Php			1	16.6
	2,501-3,000 Php			2	33.3
Present Capital for Native Pig Farming	4,000-6,000 Php			4	66.6

Total Capital	6,001-8000 Php	2	33.3
	5,000-7,000 Php	2	33.3

Figure 2: Paradigm of Value chain analysis of Sinirangan pig producer and processors

7,001-9,000 Php	2	33.3
9,001-10,000 Php	2	33.3

Table 2. Marketing Margin, Percent Margin and Mark-up of the Chain Actors

Chain Actor	Selling Price (Php)	Buying Price (Php)	Absolute Margin (Php)	Percent Margin	Percent Mark-up
PRODUCER					
Live Native Pigs	3,000.00	1,500.00	1,500.00	50	100
PROCESSOR					
Leehan (Wholesale)	6,000.00	3,000.00	3,000.00	50	100
Chopped Leehan					
Tinadtad @ 500Per kilo	8,000.00	3,000.00	5,000.00	62.5	166.66

4. CONCLUSIONS

It was found out that all producers have limited capital to buy a profitable number

of pigs to raise. Aside from limited capital, the pricing

system of live native pigs is another problem faced by them. Native pig was also not part of the top 3 priorities of the Provincial Investment Plan (PIP) of the provincial agriculturist office.

Native pig producers in Borongan City, Philippines, have their personal preferences in choosing native pigs. They likewise have their set of criteria for breeding practices. The Feeding practices of native pig producers include pure organic and mixed feeding. The mixed feeding composition is consisting of commercial feeds and some locally available plants like "Daliri", sweet potato, cassava and other root crops. In terms of housing, some native pig are caged while mostly are tied and raised in open spaces. Pertaining to health management, generally they do not have health issues with their native pigs, but they are willing to have vaccination and consultation with their native pigs there is any available. The marketing practices of native pig producers vary depending on the scale of production. For instance, selling of native pigs is limited to micro scale producers and the price is generally dictated by buyers. The processors obtain their native pigs directly from producers within the city and nearby towns and as far as other areas of the region. They managed the slaughtering of the native which are mostly intended for lechon production. Pertaining to health management, generally they do not have health issues with their native pigs, but they are willing to have vaccination and consultation with their native pigs there is any available. The marketing practices of native pig producers vary depending on the scale of production. For instance, selling of native pigs is limited to micro scale producers and the price is generally dictated by buyers. The processors obtain their native pigs directly from producers within the city and nearby towns and as far as other areas of the region. They managed the slaughtering of the native which are mostly intended for lechon production.

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