

Enhancing Agricultural Competitiveness through Strategic Alliances between Farmer-Suppliers and Agro-Processors

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The research focused on a marketing-driven approach in enhancing Philippine agricultural competitiveness. It is believed that farmer-suppliers in strategic alliances with selected agro-processors are in a better position to compete in the domestic and world markets because they can achieve desired levels of marketability and profitability. In the Philippine context, such strategic alliances exist but have not been widely studied, if at all.

This study delved on strategic alliances between farmer-suppliers and selected agro-processors: to analyze various external and competitive environments of selected agro-processing enterprises, and identify relevant opportunities and threats; to evaluate current objectives and strategies of selected enterprises, with greater emphasis on the production and supply aspects; to identify resulting problems, weaknesses and gaps in the whole strategic management process of such enterprises; and to recommend solutions that will strengthen the competitive positions of such enterprises. The research methods employed included qualitative analytical tools such as strategic cost analysis, supply chain and value chain analysis; TOWS analysis (e.g. analysis of the company's competitive advantage); and company's evaluation of strategies. Project areas covered Pangasinan, Pampanga, Bulacan, Batangas and Davao (corn/feeds-hog-meat processing); Nueva Ecija and Ilocos Norte (onion/garlic); Cebu, Dumaguete and Davao (mango); and Cavite, Benguet of Cordillera and Davao (coffee). Feeds were tackled in connection with the needs and requirements of hog producers on such raw materials, particularly corn. The research output mainly consisted of industry analysis and selected cases of agro-processors, supported by the results and findings of the farmer-suppliers surveys (FSSs), focus group discussions (FGDs) and key informant interviews (KIIs). The analysis of the research output were mainly tackled in five major integrating papers: a) Philippine Experiences in Strategic Alliance; b) Analysis of Opportunities; c) Strategic Cost Analysis and Supply Chain Management; d) Value Chain Analysis; and e) Management of Culture. Strategic alliance is indeed a strong driver of change if properly managed by the stakeholders; desired cooperation and collaboration between local governments, the Department of Science and Technology (DOST) and the farmer-suppliers on value-adding activities; development and management of culture-supportive strategies; and other concrete measures to help strengthen the partnership or partnering between the farmer-suppliers and the agro-processors over a long period of time.

Keywords: strategic alliance; strategic cost analysis; supply chain analysis; value chain analysis; management of culture