

## LINKING FARMERS TO THE MARKET: TOWARDS TRANSFORMING SUBSISTENCE FARMS TO COMMERCIAL FARMS

### BACKGROUND

The Philippines has approximately ten million hectares of arable land dominated by the production of traditional and low value crops, about three fourths of which are rice, corn and coconut; while only less than ten percent is devoted to high value crops. Smallholder agriculture characterizes the sector with majority of the farmers engaged in subsistence farming and are planting low value crops. Thus, productivity gains in these farms do not assure direct improvements on the economic welfare of the farmers taking into account that the government has focused most of its interventions in technology and productivity support.

The challenge to address this issue is to transform the traditional subsistence farms into a feasible commercially oriented production. Linking farmers to the market is a key strategy in this transformation. The research areas envisaged to strengthen this strategy include the following: determining the key constraints of farm-market linkage, a systematic scanning of the commercialized agriculture to establish the state-of-the-art farm-to-market linkage, benchmarking the farm-market linkage, and identifying best practices in farm-market linkage in the domestic setting.

Beforehand, a study conducted by <sup>1</sup>Balcha in Ethiopia already established that farmers' access to market is a key determinant to a commercialized production.

It is against this background that the Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA) implements the project *Linking Farmers to the Market: towards Transforming Subsistence Farms to Commercial Farms*. The project is funded by the Department of Agriculture-Bureau of Agricultural Research (DA-BAR) and is carried out in collaboration with the Department of Agricultural and Applied Economics, University of the Philippines, Los Baños, Laguna.

The project officially started in mid-October 2015 and is expected to run for 16 months with Dr. Prudenciano Gordoncillo, specializing in monitoring and evaluation, agricultural development, and policy analysis, as the Project Leader.

<sup>1</sup> Balcha, Y., 2013: Prospects of Transforming Subsistence Agriculture into Sustainable Livelihoods, A case- study of the Ribb sub Catchment, Ethiopia.



### PROJECT PARTNERS



## ABOUT SEARCA

The Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA) is one of the 21 regional centers of excellence of the Southeast Asian Ministers of Education Organization (SEAMEO). Founded on 27 November 1966, SEARCA is mandated to strengthen institutional capacities in agricultural and rural development in Southeast Asia through graduate scholarship, research and development, and knowledge management. It serves 11 SEAMEO member countries, namely: Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Timor Leste, and Vietnam. SEARCA is hosted by the Government of the Philippines on the campus of the University of the Philippines Los Baños (UPLB) in Laguna, Philippines. It is supported by donations from SEAMEO member and associate member states, other governments, and various international donor agencies.

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## OBJECTIVES

This research project aims to document best practices in farm-market linkage and develop policy recommendations leading to reforms that will improve farm-to-market linkage in Philippine agriculture. The specific objectives of the project are:

- Establish the typology of farmers in the countryside;
- Establish the state-of-the-art in farm-market linkage in the domestic scene;
- Determine the key constraints to direct farm-market linkage;
- Identify best practices in farm-market linkage domestically;
- Benchmark best practices in domestic farm-market linkage; and
- Draw policy implication towards replicating best practices in market linkages and promoting farm-market linkage to transform subsistence agriculture into viable commercial farms.

## METHODOLOGY

The project focuses on three traditional crops, namely rice, corn and coconut. Reconnaissance survey and participatory rapid area appraisal were conducted to identify the specific geographic focus of the project. As a result, the provinces of Iloilo, Isabela, Lanao del Norte and Quezon were selected as project sites for rice, yellow corn, white corn, and coconut, respectively.

Household level survey will be conducted to characterize the farmers and establish the nature of their farms. Participatory rapid appraisal technique will be used to assess the implemented projects under the Department of Agriculture's National Technology Commercialization Program and other relevant initiatives in the Philippines. Best practices in farm-to-market linkage observed from the two activities will serve as the basis for case studies.

Descriptive analyses will be employed for the farm-household level data. Inferential analyses will be employed in doing a multivariate regression analyses on the typology of farmers relative to the market access gap and in terms of social and public institutions.

## ANTICIPATED OUTPUTS

The project is expected to increase understanding of the state-of-the-art in farm-to-market linkage and its key constraints, and to provide evidence-based information as bases for policy formulation towards transforming subsistence to commercial farms.