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## Developing a community-based marketing information system for integrated social forestry products: the Philippine experience

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*An analysis of a pilot effort in local market information systems development, supported by the FAO Forests, Trees and People Programme.*

The inadequacy of punitive measures in addressing the forest occupancy problem and the realization that upland dwellers are potential partners of the government in forest development led to the implementation of the Integrated Social Forestry Program (ISFP) in the Philippines in 1982. A national programme under the Department of Environment and Natural Resources (DENR), ISFP aims to ensure land tenure to forest occupants and involve them in the rehabilitation and protection of forest lands while allowing them to engage in production activities that will provide them with additional sources of income. As of December 1994, there were already 3 600 ISFP sites nationwide covering a total area of 754 000 ha and involving 239 000 participants.

Security of tenure in the form of 25-year renewable stewardship contracts are granted to the participants of the ISFP for their occupied land. Area development strategies follow agroforestry principles. The products in ISFP sites range from wood, non-timber forest products (NTFPs) and agricultural produce such as fruits and vegetables. Whenever appropriate, farmers also raise livestock or undertake other income-generating activities.

Initially, ISFP focused on start-up activities such as the issuance of Certificates of Stewardship, area development and community organization but, as production reached a level exceeding the subsistence needs of farmers, knowledge of marketing became a necessity (Hammet, 1992).

As a response to the new demands, the DENR and the ISFP site of Sta. Catalina

(Atimonan, Quezon Province) initiated a collaborative undertaking to design and test a community-based marketing information system (MIS) for agroforestry and NTFPs. Technical assistance was provided throughout the process by FAO's Forests, Trees and People Programme (FTPP).

A community-based MIS is an instrument which is generally developed and used by a group of people with a common interest in improving the marketing of their products; in this case, small-scale producers and traders of agroforestry products and NTFPs. The system helps the interest group to increase market transparency, which enhances the users' possibility to make better-informed marketing decisions and, eventually, to increase their returns on the goods they produce or trade. The idea is simple - the more one knows about the market, the more visible is the range of options and the possibilities to maximize profit. Ideally, a community-based MIS is a collaborative effort where each participant contributes his or her knowledge about the market to a common pool of information.

Results from the tests in Sta. Catalina as well as in two other sites revealed that producers have been able to enhance their bargaining power in negotiating prices with traders. In all three locations, marketing information systems were designed and developed to enhance market transparency on wholesale prices. In Sta. Catalina, MIS users also decided to keep track of price trends, which improved their understanding of price fluctuations. As a consequence, some farmers began to reschedule rotation of annual agroforestry crops. Indirect effects that were noted were a general increase in interest in marketing issues and improved organizational skills. Female participants in Sta. Catalina explained that being partners in the MIS effort had contributed towards improving their self-esteem and their status in the community. The experience in Sta. Catalina evolved into guidelines on setting up a community-based MIS. The manual was further tested and developed in the two other sites in the Philippines as well as with communities in Peru and Uganda (see [Box](#)).

This article discusses the establishment of the community-based marketing information system in the three sites in the Philippines, the results of a series of evaluations and the prospect of a participatory MIS for ISFP and other community-based resource management programmes in the country.

**[The team responsible for the community-based MIS in the Integrated Social Forestry site in Sta. Catalina, Atimonan, Quezon, the Philippines](#)**

## **IMPORTANCE OF MARKETING INFORMATION SYSTEMS**

Marketing information provides a basis for farmers to make production and marketing decisions. The marketing information system is a mechanism through which collection, analysis and dissemination of information needed to help farmers in making marketing decisions are organized and systematized.

Although marketing information systems in the Philippines were specifically designed and used to provide information on prices, it is equally possible to create systems that organize and disseminate information on other marketing aspects. A systematic understanding of product supply, demand, transportation alternatives and requirements, credit and other relevant data will, similarly, enable farmers to increase market transparency and to develop better production and marketing strategies.

Eventually, this may lead to improved cost-efficiency and thereby higher income.

A community-based MIS is founded on the idea that the people who will be using it will take the lead in its design, operation and possible expansion; the departure point is the users' need for information as well as their interest and capacity to operate the system. With the exception of expenses related to the initial purchase of materials (see below), the costs of running the marketing information systems in the Philippines have been close to zero, as people are taking advantage of their regular trips to the nearby markets to gather the necessary marketing information which they then provide to their common pool of information, i.e. the MIS. The low cost and direct benefits in terms of useful information enhance the possibility for the system to be sustained over time. As long as people find the MIS useful they will continue contributing to it.

However, three critical elements influence the sustainability of the system. First, the evaluations from the Philippines indicate the importance of a facilitator who assists in designing and setting up the system and provides training in marketing, etc. Initially, MIS operators will depend on external human resources and their availability. Second, the users of the MIS may during its evolution identify needs that require further expansion or adjustment of the system, geographically and/or in complexity. To travel and learn about distant markets is costly, especially on a regular and systematic basis. External grants may be an option, but they can contribute to increased dependency and vulnerability. Similarly, crafting a more complex system will possibly require added resources through further assistance from a facilitator during its design and implementation. In the third - ideal - case, increased returns on products traded, indirectly generated from the MIS, would be partly reinvested in the necessary expansions of the system. The absence or insufficiency of these external factors may leave the users with a system that is designed for organizing a certain type of data. As needs change over time, there is a risk that the system may become outdated and cease to address future demands.

## **NTFPs AND MARKETING INFORMATION SYSTEMS**

The basic principles of the community-based information system apply to most products produced at the community level - non-timber forest products, agricultural or timber products. Working specifically with marketing and marketing information systems on NTFPs several aspects require consideration. Most NTFPs are less well linked to the official marketing system. This can be an advantage where most agricultural product prices and marketing services are controlled by the government and rural producers are disadvantaged by regulations. However, since most NTFPs are in the informal market structures, the information about prices, product flows and potential markets is less known and special skills in marketing information and analysis may be required. Many NTFPs are harvested on open access areas and increased market transparency may result in overexploitation of the resource. When the gestation of many NTFPs is very long, the monitoring of their supply will be critical. In situations when open access and common lands are the predominant sources, there are likely to be many products and many stakeholders, sometimes with potentially conflicting uses. Such aspects should be taken into account in designing an MIS and discussing the organization of its operation.

## **THE PILOT MARKETING INFORMATION SYSTEM**

The field-testing of the marketing information system in Barangay Sta. Catalina, Atimonan (Quezon) was facilitated by a consultant of the Forests, Trees and People Programme and a local counterpart from the Department of Environment and Natural Resources. Based on discussions with the community and their assessment of the local market information needs, a system which is basically for price monitoring was designed. It was then presented, discussed and modified in a series of consultations with the community. In October 1991, the system was finally implemented by the community. Teams of volunteer data collectors gathered weekly wholesale prices of six different products from five traders in each of five nearby markets. DENR staff at the community and provincial levels participated in data gathering in two of the markets.

The data were then summarized by a record keeper and posted on bulletin boards strategically located within the community. Space was provided on the board for any marketing-related comments the data collectors may have gathered or indicated. Likewise, retail prices for two of the products as provided by the Bureau of Agricultural Statistics through radio broadcasts were monitored and included in the information list posted.

Training of data collectors on the use of price monitoring forms and pointers on the proper way of approaching traders were important inputs in the implementation of the MIS. Monthly meetings at which different teams reported on their experiences and accomplishments encouraged participation and provided all members with additional marketing knowledge. They also provided a venue for raising problems encountered and discussion for workable courses of action.

During the process of actual price monitoring, it was evident that some traders were wary of the data collectors. The identification cards and vests which were later supplied to data collectors served as proofs of legitimacy as well as creating a sense of authority and responsibility among the data collectors and traders became cooperative thereafter.

To improve the system further, the evaluations resulted in several recommendations such as expansion of the system in other sites, more training sessions, more publicity about the MIS, gathering of additional marketing information and identification of distant markets for pineapple (*Ananas comosus* Linn.) which is expected to be harvested in large quantities in the near future.

With regard to the training of farmers, information sharing on the identification and calculation of processing and marketing costs of cocoa (*Theobroma cacao* L.) and the financial analysis of a small-scale hog raising project have been conducted in a meeting with ISFP participants and local DENR staff in Sta. Catalina. Likewise, the data collectors have been taught and involved in the analysis of product price trends based on the data gathered. Farmers pointed out that some of the products originally listed on the bulletin board were no longer in season and suggested that it would be more useful to gather market information on products in season. The community intends to install two additional blackboards in Sta. Catalina to respond to specific community requests.

In order to expand the system, in addition to two other MIS located in Bataan and

Aklan provinces, the simultaneous setting up of new MIS in ten more ISFP sites was to commence in June 1995. The dissemination of information about the local MIS process is currently being undertaken at the national, regional, provincial and community levels for selected DENR personnel who are involved in community-based forestry programmes. Coaching and technical assistance will also be provided on-site for the ten new information systems to be established.

## **MIS EXPANSION SITES**

The two additional ISFP sites that were selected in 1993 for the expansion of the system are located in Barangay Alion, Mariveles, Bataan Province and Barangay Julita, Libacao, Aklan Province.

### **Barangay Alion**

Products raised in Barangay Alion include mangos, cashew nuts, coffee, bananas and peanuts. Once the marketing situation analysis had been conducted, an MIS was designed to monitor the wholesale price of products in season in five different markets and to provide better market transparency for cashew nuts, including information on processing opportunities.

The April 1994 evaluation revealed that the MIS had increased marketing knowledge among the users and provided an opportunity to compare different market options. However, very few of the non-ISFP participants in the community knew about the existence of the price bulletin board. The need for more marketing information, including production volumes, harvesting cycles and market demands as cited during the situation analysis and more information on the marketing of cashew nuts, was reiterated.

The assessment in the data collectors' perceived participation of the MIS shows that they are

"very much in charge of the planning and implementation process but are less inclined than the Sta. Catalina group to make long-term commitments to their voluntary work as they are still very dependent on the assistance and moral support of the facilitator" (Sjoberg, 1994).

During the last visit to the site in February 1995, the data collectors specifically requested more regular visits by the facilitator.

The community in Alion has modified the MIS to respond to increased needs for different market information. Not only are prices monitored but also information on demand is included as well as information on buyers, product specifications, prices offered, volume needed and delivery requirements. A cashew nut buyer from an adjacent province who needed 6 400 kg of cashew seeds at \$0.46 per kilogram coordinated with the Alion Upland Farmers Cooperative which, in turn, facilitated the purchase of the seeds needed. In addition, a visit by at least two farmers to a small-scale cashew processing plant is being planned.

### **Barangay Julita**

Barangay Julita, the third MIS site, is located on Panay Island in the central

Philippines. The crops raised there include abaca (*Musa textilis*), ambulong (*Metroxylon sagu* Rottb.), coconuts, bamboo, rice and bananas.

Abaca fibres, or Manila hemp in pulp and paper mills, for making ropes, bags, sacks, slippers and other handicrafts are classified into three grades in Julita. Type A is the premium grade and is whiter, commands a better price than types B or C which are light brown and dark brown in colour, respectively. Fibres are sold to local traders in 40 kg bundles. The decision for determining the grade of the bundle rests with the trader. During the situation analysis, interviews with traders in Kalibo, the main town of Aklan Province, revealed that they classify fibres into six grades, each representing a different quality and price. The fibres are further classified into 12 grades by exporters in Legaspi City, Albay Province.

Ambulong palm leaves are used for making roofing materials and are sold by farmers in nearby resorts. Coconuts are processed into copra and sold to local traders or directly to oil processing mills in Kalibo. Based on the situation analysis, the farmers and the facilitator design a price monitoring system for the three grades of abaca, copra and for the two types of ambulong sheaths in three different markets.

Six farmers originally volunteered to participate in the system; the number later increased to eight. The farmers monitored data from local traders in Julita and in the town of Libacao. In view of the distance and transportation costs, DENR staff gathered information from the Kalibo market instead.

Results of the 1994 evaluation showed that farmers had been regular in monitoring the necessary data. Unfortunately, the information from Kalibo which was supposed to serve as a basis for farmers in determining price differences had seldom been made available as the person designated for data collection was transferred to another office. It was then suggested that at least two more DENR staff should be trained to gather information. A farmer volunteered the services of his daughter who is studying in Kalibo to bring to Julita the information gathered by DENR.

The farmers were very interested to learn about the different grades of abaca fibres, the supply and demand of abaca in both local and international markets and the crops compatible and incompatible with abaca production, and requested a training session on this topic. Consequently, a training session on abaca production and fibre grading was organized in November 1994 for the farmers and traders in Julita. The regional executive directors of the Fiber Industry Development Authority (FIDA) of Region 6 (Western Visayas) and Region 7 (Central Visayas) and a technician from FIDA served as resource persons. The course covered all the topics recommended by the farmers.

Likewise, during the coordination meeting with FIDA regarding the training on abaca, it was discovered that the FIDA office was monitoring weekly prices of abaca fibres from different traders in Kalibo. Since then they have been providing DENR with a copy of the report which has facilitated the implementation of the MIS.

### [A volunteer data collector in a retail store in Sta. Catalina](#)

## **INSTITUTIONALIZATION OF A COMMUNITY-BASED MARKETING INFORMATION SYSTEM**

Realizing the importance of marketing in the ISFP, efforts are being made, particularly

in the Forest Management Bureau (FMB), to institutionalize the community-based MIS. As well as the development of the three ISFP training centres, funds have now been allocated by the FMB for the development of marketing information systems in at least ten more ISFP sites nationwide. Likewise, guidelines on the strengthening of marketing activities in social forestry programme areas are being implemented in the field.

For these initiatives to succeed, support mechanisms need to be established. These include the strengthening of community organizations and marketing training for farmers in the ISFP sites; development of linkages with organizations and institutions that provide marketing assistance; and capability building of DENR personnel in facilitating MIS development and other marketing activities. Provision of financial support is also necessary during the initial phase of MIS development.

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