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# Sampaloc Talisay Producers Cooperative: Can We Really Do It on Our Own?

Anicia V. Malabanan, production manager of the Sampaloc Talisay Producers Cooperative (STPC) in Batangas, Philippines, was anxious about the upcoming general assembly meeting. As she gazed around the cooperative's milkfish processing plant, she mused that the organization had come a long way from using a metal drum as a smoke house to becoming Food and Drug Authority (FDA) compliant. Now it was time for the cooperative to expand its market reach. She asked herself: Can the cooperative penetrate new markets? Will we be able to meet customers' expectations? Can we really do it on our own?

## History of the Cooperative

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Sampaloc Talisay Producers Cooperative's (STPC) origins could be traced back to 2006. At that time the Department of Agrarian Reform encouraged the agrarian reform beneficiaries in Sampaloc, Talisay to form an association to promote thrift and savings. The resulting organization was called Sampaloc Auto

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Saving Association (SASA). The initial 80 members contributed Php 180,100 (3,730 USD)<sup>i</sup> and registered themselves under the Department of Labor and Employment (DOLE). On September 30, 2010, SASA was registered as the Sampaloc Talisay Producers Cooperative under the Cooperative Development Authority (CDA). In 2015 STPC had 68 members 2015.<sup>1</sup>

The cooperative was located along Taal lake (see **Appendix A**). The major source of income for its members was milkfish (bangus) and cichlid (tilapia).

### Milkfish Industry

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Milkfish is farmed in brackish water, fresh water, and marine environments through various culture systems such as fishponds, fishpens, and fishcages. The main producing regions in the Philippines are Regions VI, I, III, and IV-A.<sup>2</sup>

Milkfish are sold either fresh or processed. The fish can be preserved in a traditional fashion by drying, smoking, or fermenting. Milkfish can also be preserved by freezing or canning. Canned milkfish is accepted in the market due to its convenience but only large canneries can package milkfish in this way. Small processors use glass bottles since they do not require expensive machinery and are relatively cheaper compared to tin cans.<sup>3</sup>

The most popular value-added process for milkfish is deboning. Deboning is a tedious process of removing 170 inter-muscular bones by hand. Deboned milkfish can be sold fresh-hilled, smoked, marinated, chilled, or individually packed and frozen. Trimmings and bits of flesh are used to produce fish balls, milkfish lumpia, quekiam, embutido and chicharon<sup>ii</sup>.<sup>4</sup>

Fresh milkfish was sold at local wet markets.<sup>iii</sup> In the Philippines it also was not unusual to see a fish vendor walking around a neighborhood selling fresh, smoked, or marinated fish. In supermarkets or groceries, frozen fresh, smoked, and marinated milkfish were sold.<sup>5</sup>

### Government Assistance

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The Department of Agrarian Reform (DAR) trained STPC's members (mostly women) in fish processing to produce smoked-deboned, deboned-marinated, and plain-deboned bangus. In a small area, they established their processing plant. They used a metal drum to smoke the fish and could only produce 5 kg of fish per batch or 10 kg per day. In 2009 and through the Department of Science and Technology (DOST), they received cooling equipment such as a freezer and chiller. In 2010, the cooperative was able to improve its processing plant through a grant from DAR. In the same year, the cooperative received financial assistance from the local government units of Malvar and Talisay for operating expenses.<sup>6</sup>

The cooperative received assistance from many other government agencies.<sup>7</sup> **Table 1** summarizes the government assistance received by STPC.

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<sup>i</sup> As of September 30, 2016 Php 1 = 0.021 USD.

<sup>ii</sup> Byproducts from milkfish.

<sup>iii</sup> A place where fresh meats are sold.

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**Table 1**

Government assistance received by STPC

| Year | Name of Agency                          | Program Type   | Assistance Given   | Amount (Php) |
|------|---|--|--|--------------|
| 2009 | Department of Science and Technology    | Grant-in-Aid   | Product Development<br>Equipment such as freezer, chiller and utensils | 82,000       |
| 2010 | Department of Agrarian Reform- BARBD    | Village Level Grant  | Building Construction  | 100,000      |
|      | Local Government Unit of Malvar         | Financial Assistance   | Operating Capital  | 10,000       |
| 2011 | Local Government Unit of Talisay        | Financial Assistance   | Operating Capital  | 30,0000      |
|      | Department of Science and Technology    | Small Enterprises<br>Technology Upgrading<br>Program (Soft loan) | Tools and Equipment  | 314,000      |
| 2013 | BFAR                                    | Grant  | Freezer  |              |
|      | Department of Trade and Industry - SMED | Shared Service<br>Facility- Grant                                | Equipment  | 275,000      |
| 2014 | BFAR                                    | Grant  | Industrial Pressure Cooker   | 55,000       |
|      | Department of Labor and Employment      | DILEEP-Grant   | Equipment and raw materials  | 460,000      |

Source: STPC Presentation 2016

### Production and Marketing Challenges

Malabanan saw production improve over time. In 2008, STPC could process just 5 kg of fish per batch but in 2016 it could process 60 kg per batch. The packing also improved. Previously, only ordinary plastic was used. By 2015, the products were vacuum sealed with labels. All their tables were stainless steel and the raw fish was stored separately from the finished products to eliminate cross contamination. With these improvements, the cooperative was able to comply with the standards of the FDA and was given a license to operate in 2011.<sup>8</sup> Aside from smoked fish, the cooperative was also able to produce fish burger patties, bottled bangus, relyeno<sup>iv</sup> and embutido bangus<sup>v</sup> (see **Appendix B**).

The cooperative had seven employees, five of which were assigned to the production area while the remaining two were administrative staff. The production schedule was based on client orders. The cooperative typically processed milkfish three to four times a week. The fish were harvested from 7 a.m. to 9 a.m. and 1 p.m. to 3 p.m. A cooperative member's vehicle was used to transport the fish from the port to the production plant. By 9 a.m. the employees were deboning the fish and marinating or processing it in the smoke house. After marination and smoking, the fish were cooled and packed. The finished products were stored in freezers.<sup>9</sup>

Some members sold the fish in the neighborhood. Government agencies like DAR, the Department of Trade and Industry (DTI), Malvar, and Bureau of Fisheries and Aquatic Resources (BFAR) also bought fish from the cooperative to give to their guests. In addition, the cooperative was frequently invited to trade fairs and bazaars organized by government agencies. Several walk-in customers bought fish at the processing plant. However, since their production was not regular, the processing plant was not always open. STPC's biggest client was Balai Isabel Resort also located in Talisay, Batangas.<sup>10</sup>

<sup>iv</sup> Relyeno is stuffed fish.

<sup>v</sup> Embutido is a type of meatloaf made with bangus

## Moving Forward

As Malabanan reviewed annual production and sales of smoked and marinated bangus (as presented in **Tables 2 and 3**) she knew that much could be done to improve the performance of the cooperative. They had not reached the full capacity of their production plant since they were only operating three to four days a week. She had to develop a strategy to improve their market coverage in order to increase their production and optimize their capacity.

**Table 2**

Annual Production for smoked and marinated milkfish of STPC

|      | Smoked Milkfish |              |              | Marinated Milkfish |              |              |
|------|-----------------|--------------|--------------|--------------------|--------------|--------------|
|      | No. of Kgs      | No. of Packs | Amount (Php) | No. of Kgs         | No. of Packs | Amount (Php) |
| 2010 | 1,920           | 3,077        | 337,920      |                    |              |              |
| 2011 | 1,660           | 2,478        | 297,360      | 1,121              | 1,737        | 173,700      |
| 2012 | 1,886           | 2,929        | 410,060      | 510                | 837          | 100,440      |
| 2013 | 2,633           | 4,275        | 602,820      | 1,223              | 2,010        | 241,200      |
| 2014 | 2,264           | 3,433        | 494,380      | 1,654              | 2,621        | 314,520      |
| 2015 | 2,092           | 2,915        | 421,540      | 1,603              | 2,370        | 287,130      |

Source: STPC Presentation 2016

**Table 3**

Annual Sales for smoked and marinated milkfish of STPC

| Year | Smoked/Marinated Bangus (Php) |
|------|-------------------------------|
| 2010 | 402,868                       |
| 2011 | 437,890                       |
| 2012 | 561,501                       |
| 2013 | 736,410                       |
| 2014 | 799,568                       |
| 2015 | 845,098                       |

Source: STPC Presentation 2016

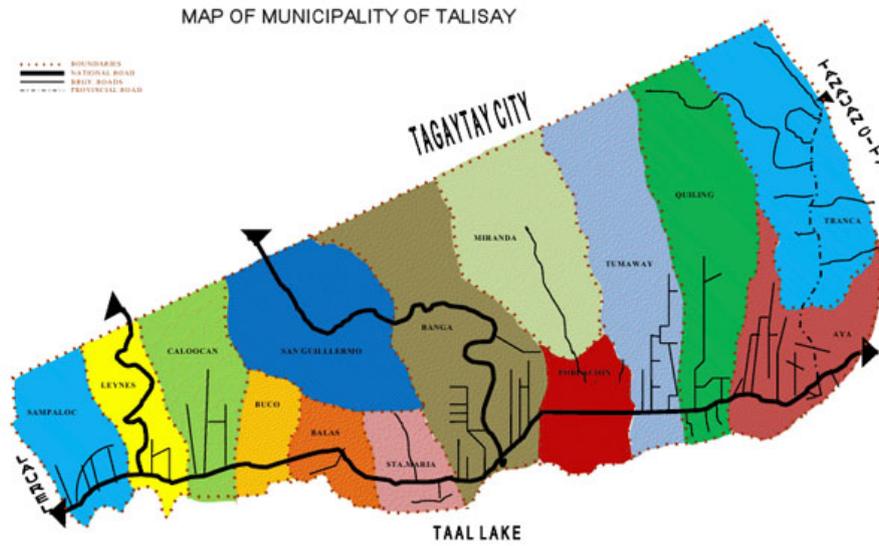
If only the cooperative could penetrate other resorts within Talisay! She also contemplated how to penetrate hotels and resorts in Tagaytay City, a town near Talisay which was a leading tourist destination. However, it would be costly for to deliver there because the cooperative did not have its own vehicle. Malabanan also observed that similarly packed products had already penetrated local groceries and supermarkets.

With all the assistance STPC received from the government its members had to prove that they could sustainably operate their bangus processing enterprise. They had to show that the money was used for a purpose. They would have to demonstrate that the cooperative could improve the quality of life and standard of living of its members. But how?

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**Appendix A**

Map of Talisay Batangas



Source: <http://www.talisaybatangas.gov.ph/about-talisay/talisay-map/>

**Appendix B**

Sample Products of STPC



Source: STPC, 2016

## Endnotes

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<sup>1</sup> Sampaloc Talisay Producers Cooperative. PowerPoint Presentation. 2016.

<sup>2</sup> PCAARRD. "Milkfish Information Network." Accessed 11 Jul. 2016. <<http://www.pcaarrd.dost.gov.ph/home/momentum/milkfish/>>.

<sup>3</sup> Yap, Wilfredo G., Antonio C. Villaluz, Ma. Gracia G. Soriano and Mary Nia Santos. "Milkfish Production and Processing Technologies in the Philippines." Milkfish Project Publication Series No. 2, 2007. Accessed 11 Jul. 2016.<[pubs.iclarm.net/resource\\_centre/WF\\_37171.pdf](http://pubs.iclarm.net/resource_centre/WF_37171.pdf)>.

<sup>4</sup> Yap et. Al.

<sup>5</sup> Yap et.al.

<sup>6</sup> Sampaloc Talisay Producers Cooperative.

<sup>7</sup> Malabanan, Anicia and Leoncia Sangalang. Production manager and former chairperson, Sampaloc Talisay Producers Cooperative. Personal interview 9 Nov. 2015.

<sup>8</sup> Malabanan and Sangalang.

<sup>9</sup> Malabanan and Sangalang.

<sup>10</sup> Malabanan and Sangalang.