

Linking Small-scale Producers to Markets: The Case of Handicraft of Aklan Multipurpose Cooperative (HAMPCO)

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In any product or commodity, connecting smallholder farmers to markets is one of the most important challenges faced by producers. The continuity of the farming or business operation relies heavily on the ability of the producer or enterprise to sell their outputs to the right market and at the right price. For poor rural smallholder farmers, this is difficult because of the many hurdles that they face. Rarely do they have safe storage facilities that will increase the shelf-life of their products. In most cases, they are forced to sell fresh produce at minimal profit to avoid spoilage losses or even below break-even cost to recoup a portion of their capital. They are also constrained by poor road conditions and affordable transportation means that limit their choice of buyers and better pricing decisions. On top of that, isolated and fragmented producers have poor market information, training, and technological inputs putting them at a disadvantage when making business judgment. Moreover, disorganized farmers cannot meet the quality and quantity requirements of institutional buyers who charge hefty fees for non-compliance with contract terms including delivery schedules, strict certification, packaging requirements, and volume and quality specifications.

These small-scale producers direly need strong links to market to generate economic growth and consequently reduce rural poverty. Having steady markets, both locally and globally, will provide the opportunity for these farmers to sell more products at higher prices. This further creates a virtuous cycle of improvement in the business operation, quality, quantity, and variety of their product offerings. One viable solution to link farmers to markets is setting up or joining community-based organizations like farmer associations or cooperatives. Membership in these groups helps farmers strengthen their market positions in the agricultural value chain, reduce transaction costs, and improve information and credit access, among others.

The Handicraft of Aklan Multipurpose Cooperative (HAMPCO) demonstrates the important role of cooperatives in improving market access for its small-scale producer-members. HAMPCO specializes primarily in one of the oldest industries of Aklan which is the hand loom weaving business of piña and abaca which accounts

for 95 percent of its sales. This cottage industry provided an ideal source of income for idle wives, retirees and the poor households in this province as the art and skills of weaving were age-old traditions handed down among the womenfolk from generation to generation. In isolation, these poor producers and workers have no direct access to buyers, consolidators, and even exporters; and compounded by their lack of price information, they are left at the mercy of unjust demands and low prices set by the traders. Together, the 387 cooperative members consisting of farmers, fiber processors, warpers, weavers, sewers, knotters, embellishers, and employees are able to tap high-value markets and establish long-term partnerships with these customers.



This satisfied and empowered weaver brought steady income to her family because of her affiliation with HAMPCO. (Photo by author)

The cooperative reduces input costs through bulk purchase, manages investment risks for necessary weaving equipment, acts as reliable buyer of piña and abaca fibers from its farmer-members, provides stable employment to its worker-members, consolidates and markets finished products to premium markets in the country and abroad, and empowers its members to be productive members of the society. The cooperative also engages in other revenue streams such as rice retailing and lending where HAMPCO likewise serves as buyers of the rice produced by its farmer-members. Now HAMPCO is considered to be one the major players in Aklan's piña and abaca fiber industry with almost three decades experience of producing high-quality cloths, favored by both local and global designers alike.



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