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A CASE STUDY OF ALAY KAPWA RURAL WOMEN MULTI-PURPOSE COOPERATIVE IN SARIAYA, QUEZON

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INTRODUCTION

- Cooperatives play a vital role in the improvement of rural opportunity-deprived areas.
- Alay Kapwa Rural Women Multi-Purpose Cooperative is an organization of the residents of Brgy. Sto. Cristo, Canda, and Sampaloc II.

INTRODUCTION

- Alay Kapwa MPC aims to address issues related to poverty, inequality, and education as they strengthen the advocacy of *Sariayahins* to local products.
- Alay Kapwa MPC is engaged in the production of agricultural products such as *malunggay* tea, coco jam, and coconut coir.

INTRODUCTION

- Alay Kapwa MPC has its focus on its coconut coir production due to the abundance of coconut in Sariaya and promotion of coconut coir industry in Quezon Province.
- Foundation for a Sustainable Society (FSSI) reported that there is a bright future for the coconut coir industry.

INTRODUCTION

- This case research assessed the overall performance of Alay Kapwa Rural Women Multi-Purpose Cooperative, ascertained the challenges they face, and proposed strategies that they can implement to improve their overall performance.

METHODOLOGY

Research Design

- Case study approach

Data collection

- The respondents of this study included the general manager, two officers, three board of directors, and forty-eight members of the cooperative. Out of 131 members, only a total of 54 members or 41.22% were interviewed.

METHODOLOGY

Data analysis

- SWOT Analysis
- Michael Porter's Five Forces Model
- IFE-EFE Matrices
- Financial ratio computation
- Preference matrix

RESULTS AND DISCUSSION

Personnel management

- Alay Kapwa has two organizational charts.
- Members reported that they lack technical and entrepreneurial skills.
- The average age of members working in Alay Kapwa ranged from 41 to 60 years old.

RESULTS AND DISCUSSION

Personnel management

- Most members were married and were elementary graduates.
- Ninety percent (90%) of members interviewed were encouraged to join the organization for the scholarship offered by the cooperative.

RESULTS AND DISCUSSION

Marketing management

- Alay Kapwa makes use of a made-to-order strategy.
- Buyers contact members for placement of orders.
- Some of the products of the cooperative do not have a distinct market.

RESULTS AND DISCUSSION



Figure 1. Malunggay powder



Figure 2. Coco jam



Figure 3. Coconut coir

RESULTS AND DISCUSSION

Name	Description ^b	Location	Products supported
Pilipinas Eco Fiber	Manufacturer of coco and abaca fiber	San Pablo	coconut coir, coco dust
UNIQUEASE	Restaurant and Fair Trade Shop	Makati	coco jam, malunggay tea
Gift and Graces	Fair Trade Foundation	Makati	malunggay tea
Yamazaki	Restaurant and Grocery	Makati	malunggay tea, coco jam

Name	Description ^b	Location	Products supported
Cocowell	Coconut products dealer	Japan	coco jam
Ms. Osel	JICA member	Makati	malunggay tea
Ms. Jikihara	JICA member	Makati	malunggay powder
Ms. Gondaira	Individual customer	Subic	malunggay tea
Japan Malunggay Farm	Malunggay Products Supplier	Laguna	malunggay dried
Lubi Resort	Resort	Cebu	malunggay tea



RESULTS AND DISCUSSION

Marketing management

- The cooperative's coconut coir produce solely goes to Pilipinas Eco Fiber.
- Products of the cooperative were sold to members and non-members at the same price.
- Promotion was done through word of mouth and positive feedbacks.

RESULTS AND DISCUSSION

Operations management

- The plants allocated for the *malunggay* tea production and coco jam were mostly open spaces.
- All of the raw materials used by the cooperative were outsourced.

RESULTS AND DISCUSSION

Operations management

- The cooperative only acquired its inputs from local farmers who do not use chemicals to ensure that their products are 100% organic and chemical-free.
- Aside from livelihood programs, Alay Kapwa had what they call the “*tulong-aral*”.

RESULTS AND DISCUSSION

Operations management

- As of 2012, they have sponsored 19 elementary students, 21 high school students, and seven college students.

RESULTS AND DISCUSSION

Finance management

- Alay Kapwa source its funds from share capital of the members, reserve funds, and donation.
- Vertical analysis showed that the cooperative was not able to generate enough profit.
- Computation of Alay Kapwa's profitability ratios showed that it was incurring losses.

RESULTS AND DISCUSSION

Strengths

- Quezon Province is abundant with coconut.
- Alay Kapwa and Pilipinas Eco-Fiber are the only business ventures in Sariaya involved in coir production.
- Alay Kapwa is supported by various organizations such as JICA, WISE Act, and Binhi.

RESULTS AND DISCUSSION

Strengths

➤ Alay Kapwa is a member of the Municipal Cooperative Development Council (MCDC) and is being supported by the LGU, DTI, and DOLE, among others.

RESULTS AND DISCUSSION

Weaknesses

- The lot where the cooperative is situated as well as their production plant, do not belong to them.
- Alay Kapwa is having a hard time generating positive profit.
- Alay Kapwa is not able to fully utilize its human capital.

RESULTS AND DISCUSSION

Weaknesses

- Alay Kapwa's equipment is not enough to carry out big volume of demand.
- Some members of the cooperative lack technical and entrepreneurial skills.

RESULTS AND DISCUSSION

Opportunities

- Local fibers are deemed as a profitable venture.
- Coconut coir industry is being promoted in Quezon Province.
- Some countries are very supportive of the coir industry.

RESULTS AND DISCUSSION

Opportunities

- United Conference on Trade and Development noted the potential of rubberized coir in attracting serious investment in the future.
- There are various government and non-government institutions that were mandated to give support and assistance to cooperatives.

RESULTS AND DISCUSSION

Threats

- Declining productivity of coconut farmers
- Occurrence of natural calamities and disasters
- Increasing prices of farm inputs and machineries

KEY SUCCESS FACTORS OF COOPERATIVES ENGAGED IN COIR PRODUCTION

- Availability of raw materials in the area
- Sure market for their produce
- Accessibility of the area
- Awareness to new practices
- Good and competent management

KEY SUCCESS FACTORS OF COOPERATIVES ENGAGED IN COIR PRODUCTION

- Attitude and commitment of members
- Financial stability
- Exporting capability
- Continuous support from the government

KEY CONCERNS OF THE COIR INDUSTRY

- Intensive research and development
- Capacity building, quality upgrading, and cost-effectiveness
- Flexibility and ability to adapt to fast-changing consumer preferences
- Widening choices of other alternatives

MANAGEMENT ISSUES

Personnel management

- Inactivity of members
- Lack of skills of those in top management
- Lack of congruence between management and members

MANAGEMENT ISSUES

Marketing management

- No consistent demand and distinct market for coco jam and *malunggay* tea
- Lack of value-addition
- Lack of promotional activities
- No accessible outlet in Sariaya

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MANAGEMENT ISSUES

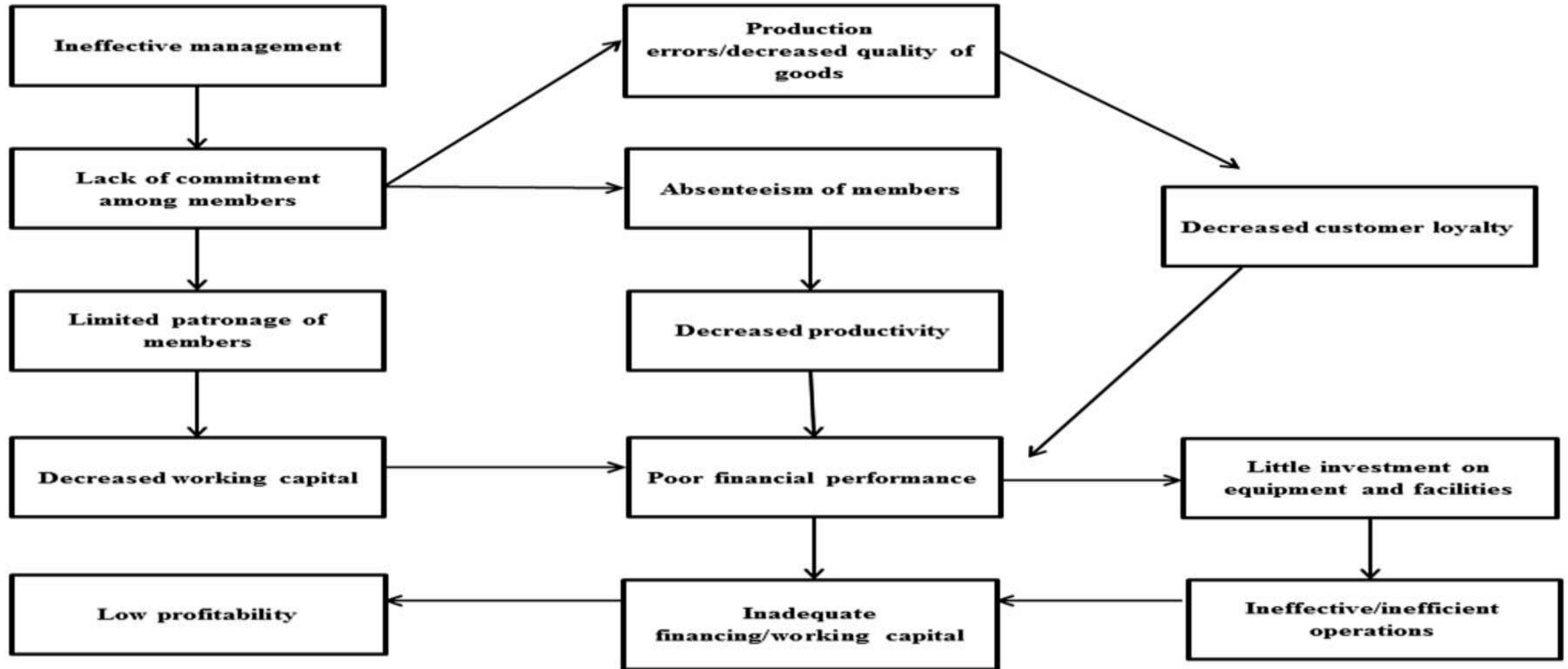
Operations management

- Problems in outsourcing raw materials
- Limited production

Finance management

- Hard time generating enough profit
- Inadequate working capital
- Reliance on donation and grants
- Fluctuation in sales and increasing operating expenses

MANAGEMENT ISSUES



CONCLUSION AND RECOMMENDATION

- Alay Kapwa MPC must establish a strategic alliance with farmers in the area to address their poor financial performance and limited scope of operations.
- They must hold pre-training seminars to orient new members about the cooperative and the corresponding responsibilities as a member.

CONCLUSION AND RECOMMENDATION

- Every now and then, the cooperative must also hold trainings and seminars to further improve the knowledge and skills of members.
- For the scholarship program of the cooperative, the management must set rules and prerequisites to ensure that the money they are using are put to good use.

CONCLUSION AND RECOMMENDATION

- For those who already received the scholarship, it is advised that they must return service thru sharing of knowledge and skills gained.

THANK YOU!

