

Title Cluster farming as a vegetable marketing strategy: the case of smallholder farmers in southern and northern Mindanao

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Abstract

With increasing population, rising household income and greater urbanization in the Philippines, opportunities are emerging for the vegetable industry to supply hotels, hospitals, supermarkets, restaurants and fast food chains. These institutional buyers need more vegetables for their menus and are looking for more reliable suppliers who can give them a constant supply at a good price while maintaining good quality. With increasing competition from imported products, domestic vegetable producers are unable to meet the demand, the quality specifications or to supply the institutional market at a competitive price. As the majority of the vegetable farmers in the Philippines cultivate less than 3 hectares, producers and producer organizations must collaborate to consolidate their produce. One of the many alternatives for vegetable marketing is to form clusters. This paper will present the key success factors and the challenges faced by cluster farming groups in the Philippines; identify the marketing strategies and the approaches employed for quality control within the cluster marketing groups; and identify what institutional support is important for the success of the clusters. Case studies from Northern and Southern Mindanao will be presented.