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MARKETING COST AND MARGIN OF SELECTED VEGETABLES  
IN DASMARINAS, CAVITE

THESIS

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*March, 1964*

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## A B S T R A C T

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The study was conducted in three selected barangays of Dasmariñas, Cavite to determine the marketing cost and margin involved in performing various marketing functions.

A total of 92 respondents, 60 farmers and 32 buyers composed the samples in the study. Data gathering was done through personal interview.

String beans and okra passed through four channels while the route through which eggplant passed was only three channels.

At the farm level, sold vegetables were either picked up by or delivered to the buyers. Farmers spent much in delivering their produce to retailers. However, they could command a higher price for their produce thus assuring a higher net return than if they delivered their produce to wholesalers.

The most common problems cited by the producers were: lower prices received for produce, no control over prices of products; and inability of outlets to pay debts.

At the buyers' level, the retailers paid the highest price of vegetables purchased from different sources. They also received the highest prices for

string beans, okra and eggplant.

Retailers incurred higher percentage of losses for vegetables. This was so, because selling on retail basis means slower transaction. So chances of spoilage of vegetables not disposed of at once are more or less high.

Considering the net marketing margins for string beans and okra, the retailers obtained the highest followed by the assemblers. The wholesalers obtained the least. The wholesalers, on the other hand, got the highest marketing margin for eggplant followed by the assemblers. The retailers got the least.

The problems encountered by the buyers were: competition among buyers; inability of outlets to pay debts; high cost of transportation, tying and packaging materials; and price variability.

In general, the total marketing spread was higher for the three kinds of vegetables under study. Almost 70 percent of the selling price of okra and 79 percent of the selling price of eggplant were margins.

Farm prices have significant effects on retail prices. A unit increase in farm prices tends to increase the retail prices of vegetables.

Farm price explained 44 percent of the variation in retail price of string beans, 42 percent and 64 percent of the variation in retail prices of okra and eggplant, respectively.

on the average, farmers obtained the highest percentage of the consumers' peso. When the number of links between channels decreases the proportion of consumers' peso that goes to the farmers increases or vice-versa.

When the number of links between channels increases, the marketing margin increases and the marketing system becomes more inefficient.

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CHAPTER I

INTRODUCTION

The Philippines is producing a relatively large amount of vegetables each year. These products indeed contribute to the economy of the country. In fact, among food crops in the Philippines, vegetables ranked sixth in terms of value.<sup>2</sup>

Vegetables, being seasonal and highly perishable in nature, demand a well organized and efficient marketing system to assure technological and economic efficiencies.

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<sup>2</sup> J.R. Deanon, et. al. "The Vegetable Industry in the Philippines." Vegetable Production. UPLB, College, Laguna, 1977., p. 20.