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STATUS OF VILLAGE-LEVEL PRODUCTION OF
VIRGIN COCONUT OIL IN CAVITE

THESIS

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and Development Studies*
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**STATUS OF VILLAGE-LEVEL PRODUCTION
OF VIRGIN COCONUT OIL IN CAVITE**

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of the requirements for the degree
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(major in Marketing)



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**COLLEGE OF ECONOMICS, MANAGEMENT AND
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Title : **STATUS OF VILLAGE-LEVEL PRODUCTION OF
VIRGIN COCONUT OIL IN CAVITE**

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ABSTRACT

JOYA, RICARDO B. Status of Village-Level Production of Virgin Coconut Oil in Cavite. Undergraduate Thesis. Bachelor of Science in Business Management major in Marketing. Cavite State University, Indang, Cavite. April 2007. Adviser: Prof. Roderick M. Rupido.

The study was conducted to determine the status of virgin coconut oil (VCO) production in Cavite. The specific objectives of the study include the following: (1) determine the socio-economic characteristics of the local VCO producers in selected towns of Cavite; (2) determine the volume of VCO being produced in Cavite; (3) describe the production methods employed by local VCO producers; (4) describe the marketing strategies being employed by local VCO producers; (5) identify the factors that motivates local VCO producers in Cavite; and (6) identify the problems encountered by the local VCO producers.

A total of nine virgin coconut oil producers were interviewed with the aid of a prepared questionnaire. Descriptive method of analysis was used in analyzing and presenting the data gathered through frequency count, percentage, range, mean and ranking.

The ages of the VCO producers ranged from 30 to 85 years with an estimated monthly gross income from all sources ranging from P5,000 to P150,000. Most of the respondents were new in the VCO business which ranged from 1 to 4 years

The total volume of monthly production of VCO in selected towns of Cavite is about 4,199 liters.

Majority of the VCO producers in Cavite employed the traditional hand-pressed/cold pressed method while 33 percent used the machine-pressed/cold pressed.

The following factors motivated them to engage in the VCO business: a good source of income; it was their personal conviction to help the farmers, particularly coconut farmers; health benefits that can be derived; own curiosity; and motivation coming from the government.

The marketing strategies employed by the local VCO producers include advertising through friends, personal selling, selling at local markets (sari-sari stores), joining trade exhibits, and through non-government organization offices.

The major problem encountered by the VCO producers was lack of government assistance followed by problems in complying with the requirements being imposed by Bureau of Food and Drugs (BFAD). The least of the problems include not enough market, diminishing number of coconut trees and lack of capital for expansion.

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STATUS OF VILLAGE-LEVEL PRODUCTION OF VIRGIN COCONUT OIL IN CAVITE ^{1/}

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INTRODUCTION

The Philippines is the world's largest coconut exporter, accounting for \$760 million, or 59 percent of the annual global exports. The country has more than 3.135 million hectares in 68 provinces planted to 324 million coconut-bearing and non-bearing trees. Around 25 million Filipinos are directly or indirectly dependent on the coconut industry (The Manila Times, 2004). According to Philippine Coconut Authority, historically, the Southern Tagalog and Bicol regions of Luzon and the Eastern Visayas were the centers of coconut production. According to PCA, most of the coconut growing areas in Cavite are in the 3rd district, covering the towns of Tagaytay City, Magallanes, Indang, Gen. Aguinaldo, Silang, Alfonso, Maragondon, Mendez, Amadeo, Naic and Gen Mariano Alvarez.

One of the most important products of coconut industry is the now famous Virgin Coconut Oil (VCO). In the Philippines, VCO production is not a new thing since