

The Roles of Vegetable Value Chain Actors in the Changing Agri-food System: The Case of Davao City, Philippines

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Abstract

Several studies have shown that the retail food industry has been expanding and that consumers have changed their purchase patterns and preferences over time. These challenge vegetable value chain actors to respond to such trends. Hence, this study seeks to examine how players in the chain respond to the changes in the agri-food system, document the changes in the roles of vegetable value chain actors, and identify implications for smallholder producers. One to three interviews were conducted for each of the 15 types of vegetable value chain actors in Davao City, Southern Philippines, which totals 37 key informant interviews. The respondents were asked regarding vegetable industry trends, their roles and functions, their volume and quality requirements, and their willingness to source directly from farmer groups. A survey was also conducted among 60 vegetable farmers in Davao City to assess their roles in the chain. Farmers' socio-demographic profiles and production and marketing practices were gathered. This study reveals that the layers in the chains have reduced because wholesalers have started to perform forward integration by producing vegetables, moving closer to the production sites, financing vegetable production to establish a strong supply base, and strengthening relationship with suppliers and buyers. Smallholder producers, on the other hand, remain to be heavily dependent on financiers. There are, however, opportunities for smallholder producers, such as organizing themselves into groups to market collectively, share risks, and take advantage of economies of scale and improving production to ensure that they produce better quality vegetables and become more competitive.