

Mapping the Sweet Path: The Muscovado Sugar Value Chain in Western Visayas, Philippines

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Abstract

The Western Visayas region is the Philippines' top muscovado sugar-producing region, with a 32.5% contribution to the total commodity output. Muscovado is a type of unrefined brown sugar with a strong molasses flavor, low calorie count, and high nutritional content comparable to pure bees' honey. Given the commodity's strong potential as high-value product both at the local and international markets and the need to increase the level of competitiveness of the industry in the region, a study of the muscovado sugar value chain was conducted. The documentation of the regional muscovado sugar value chain will serve as basis in determining the future interventions that will strengthen the industry. Primary data was gathered from numerous focus group discussions, key informant interviews, and expert opinions, as well as secondary data from published government reports, industry updates, and academic journals. Results show that the strategic productivity of the muscovado sugar value chain varies across the different provinces in the region: (1) a highly fragmented muscovado sugar industry in Antique characterized by low product differentiation and loose integrations, and (2) the relatively rationalized industry in the provinces of Capiz, Iloilo, and Negros Occidental distinguished by product differentiation and a higher level of horizontal and vertical integrations. Based on the result of the study, the following are recommended: the crafting of province-specific strategies that will address the peculiarities in the area, market expansion to serve the high-end market, improvement in operational efficiency particularly at the production and processing levels, as well as investment in human capital for sustained level of competitiveness.