

## The Practice Of *Suplay*: A Partnership Venture Between The Financiers And Farmers-*Suplay* In Northern Luzon, Philippines

Leonardo L. Samonte

Department of Social Studies, College of Social Sciences, Benguet State University, Km. 5 La Trinidad, Benguet, Philippines

### \*Corresponding Author

LEONARDO L. SAMONTE

---

### ABSTRACT

This study looked into the practice of *suplay* among financiers and farmers from the vegetable-producing communities of Northern Luzon, Philippines. It used Key Informant Interviews as a data-gathering instrument. Results revealed that financiers owned the farms that the farmers cultivate. An average of both respondents are males, married, and residents of the study sites. Financiers and farmers agreed to the terms and conditions on planting schedules, and the inclusions and exclusions on the expenses. Finally, results revealed the dynamics and schemes adapted by the respondents as to the choice of partners and preferred traits their counterparts must possess

**Keywords:** *Dynamics; Farmers-suplay; Financiers; Inputs; Partnership; Suplay*

---

### I. INTRODUCTION

In the Philippines, growing vegetables is an important source of income and employment for farmers. Benguet province and Mountain Province are the two known provinces in Northern Luzon supplying temperate vegetables to Luzon and at other times, to the Visayas and Mindanao. These municipalities produced the bulks of semi-temperate crops and vegetables in the Northern Philippines. Piadozo, M., et al [1] claimed that semi-temperate vegetables in the Philippines are largely grown in Benguet and that cabbages, potatoes, and carrots are the major crops grown by the farmers.

Farmers in Bauko, Mountain Province, and Mankayan, Benguet, Philippines considered vegetable farming as their main source of livelihood. Benguet province has long been known as the salad bowl of the Philippines considering that the province is the largest producer of semi-temperate vegetables in the Cordillera Autonomous Region (CAR). These crops and vegetables are potatoes, cabbage, Chinese pechay (wongbok), carrots, sweet peas, lettuce, cucumber, celery, bell pepper, and many more. Masillem, D. [2] likewise revealed that the municipality of Bauko, Mountain Province, Philippines is gifted with fertile soil hence, farming and vegetable gardening is the major source of household income. About 85% of its total household heads are engaged in this occupation. The Municipal Agriculture Office revealed that the approximate land area devoted to agriculture is about 6,705 hectares or 37.76% of the total land area of the municipality. From this figure, the vegetable production area has the largest share of the pie covering 4,058.2 hectares followed by the rice area of 1,116 hectares.

When a farmer lacks the capital to finance his expenses in farming, he may either become a *pordia* (per day worker), a regular laborer who stays in the house of his employer or he becomes a *suplay*. The *suplay* arrangement has been the practice among the farmers in Mountain Province and Benguet where farmers who do not have lands to till or who are landed but lack finances, may opt to become a farmer-*suplay*. This farmer is called *suplay* while the person who provides the needed financial expenditures that include farm inputs and materials is called a supplier, capitalist, or financier. *Suplay* then as used in this study refers to both the partnership practice and the farmer. Vegetable farming entails a considerable amount of capital so only those who have stable finances and/or lands are the ones who are capable of planting vegetables in large quantities. Consequently, resident farmers who want to earn a living through vegetable farming may enter into an agreement with financiers for the latter to shoulder the expenses in farming and the former to provide the labor. Sidchogan-Batani, R. et.al [3] citing Sidchogan-Batani and Ngina, K. C [3] revealed that in farming communities in Benguet, capital for farm inputs has been a problem. The *pa-suplay* scheme then becomes a more accessible alternative to address the problems on capital. *Pa-suplay* as an informal credit system is quite popular as it is more “accessible” than commercial banks or even cooperatives.

With the high demand for vegetables in the regional and national market, farmers are enticed to plant a large quantity and varieties of agricultural crops thereby requiring a huge agricultural land to be cultivated. However, the financiers cannot produce the needed volumes of vegetables if no one works for them in the farm. Consequently, a workforce is necessary. This situation then paves the way for a special arrangement called *suplay* where basically, the financier offers his vegetable farm for the farmer called “*Suplay*” to cultivate and provides the necessary farm inputs like seedlings, fertilizers, pesticides, and other basic necessities. Likewise, other terms and conditions on how the partnership venture will operate are agreed upon by the farmer-*suplay* and the financiers. Hence, the term “*suplay*” may either refer to the practice or to any person who farms at the expense of the capitalist.

In the case of financiers and the *suplay*-farmers in Bauko, Mountain Province, and Mankayan, Benguet provinces in Northern Philippines, their partnership ventures are certainly governed by informal agreements but just like in any financier-worker arrangement, the worker is always at a losing end. Sidchogan-Batani, R., et.al [3] nevertheless pointed out that the practice of *suplay* still exists as the farmers-*suplay* are optimistic to hit the “jackpot price”. Lewontin, R.C. [4], further observed that a farmer loses any power to choose the actual nature and tempo of the production process in which he or she is engaged, and while at the same time losing any ability to sell the product in an open market, the farmer becomes mere operative in a determined chain whose product is alienated from the producer. That is, the farmer becomes proletarianized.

This practice of *suplay* attracted lowlanders to these highland agricultural areas so that with them, the problem of the lack of laborers and farmers by financiers has eventually been remedied. In fact, farming has relatively flourished in the area accordingly due to the influx of people from the neighboring regions who eventually became engaged in the practice of *Suplay*.

*Suplay* arrangements, however, vary in every locality and accordingly, huge changes eventually and dramatically have been introduced due to societal influences and competitions among micro-financiers, financiers and suppliers. It is the purpose of this study then to look into the evolving concept of *suplay*, the terms and conditions agreed upon, and the various dynamics that are being adapted by the farmer-*suplay* and the financier.

## II. Objectives

**General and Specific Objectives:** This research endeavored to look into the partnership ventures adapted by the financiers and vegetable farmers of Mountain Province and Benguet province in Northern Philippines and the dynamics that they applied in the practice of *suplay*.

Specifically, the study aimed to look into the following:

1. To document the socio-demographic profile of the financiers and farmers-*suplay* in Bauko, Mountain Province, and Mankayan, Benguet in Northern Philippines;
2. To identify the terms and conditions adopted by the financiers and the farmers-*suplay*; and
3. To identify the dynamics employed by the financiers and farmers-*suplay* on the practice of *suplay* along the following variables namely: financiers’ choice of *suplay*; *suplay*’s choice of financiers; choice of crops; and schedule of planting season.

## III. Methodology

This study was conducted in the municipalities of Bauko, Mt. Province, and Mankayan, Benguet Province in Northern Philippines particularly in the farming areas within the Mount Data reservation and its nearby communities from January 2018-May 2019. The practice of *suplay* has been highly observed in these farming communities due to its vast vegetable farming areas and partner farmers are badly needed. The practice of *suplay* has been widespread since the time cash crop farming was introduced in these vegetable-producing municipalities in the region.

The study is primarily qualitative research. Particularly, it used key informant interviews with financiers and vegetable farmers-*suplay* as key informants. The face-to-face interview was conducted to allow the researcher to make some clarifications on responses that are not specific and clear as well as to be clarified on some concerns. This research involved mainly two groups of Key Informants (K.I) in the persons of the financiers and farmers-*suplay*. The respondents must either be a financier or farmer-*suplay* for at least 8 cropping seasons in order to ascertain their thorough knowledge of the evolving practice of *suplay* in the study site as they have been into it for quite a long time.

In order not to disturb the participants from their work on the farms, data gathering was done in any of these venues such as during wakes; after the Sunday church services and while the participants were in their respective homes in the province. Likewise, in order to facilitate the gathering of data, some interviews were conducted either in the houses of the participants in La Trinidad, Benguet Province or at the Benguet Agri-Pinoy Trading Center (BAPTC) where the farmers

and financiers sell their products. Apparently, these were the convenient time and places when the participants would be at liberty to answer the comprehensive questions and provide the pertinent data.

As a former resident of Sadsadan, Bauko, Mountain Province and had been a farmer in Sadsadan, Bauko, Mountain Province and Kada, Balili, Mankayan, Benguet province during my younger years, I personally know some participants of the study, and some of them were my neighbors, relatives, and acquaintances. Hence, I used purposive sampling. However, I used snowball sampling to identify other participants who could provide pertinent information. I then asked my respondent friends and neighbors to refer some potential respondents to me. Snowball sampling (also known as chain-referral sampling) is a non-probability (non-random) sampling method used when characteristics to be possessed by samples are rare and difficult to find (<https://research-methodology.net/sampling-in-primary-data-collection/snowball-sampling/> April 18, 2018). In the key informant interview (KII), semi-structured interview guide questions were used to enable me to clarify vague responses and to give me the leeway to explore the respondents' personal views and feelings in relation to the objectives of the research and to illicit answers or information that are pertinent to the study. Hence, probing had been done. Finally, a frequency count and percentage were used in presenting the profile of the respondents.

#### IV. Results and Discussions

##### A. Socio-Demographic Profile of Respondents

**1. Financers.** As gleaned from Table 1, the participants of the study are financiers and farmers in Bauko, Mountain Province and Mankayan, Benguet province in Northern Philippines. Of the 28 financiers interviewed, 71.43 % are males, 85.72 % are married and 46.43 % of the respondents are within the age bracket of 50-59. The average financiers (64.29%) who are engaged in the practice of *suplay* are within the 5-15 years bracket and average financiers (64.28%) follow the 2 cropping seasons. All financier except one, are owners of the lands being cultivated by their farmers-*suplay* and nearly all of them cater to 1-5 farmers-*suplay* per planting season except one who has 17 farmers-*suplay*. Finally, all of them are residents of the sites of study.

The findings implied that only financially stable financiers are capable of sustaining the practice of *suplay*. In being a financier in farming, financial stability is a requirement, especially so that prices of vegetables are unstable. Sometimes, the price goes high and in just a matter of hours or days, it would go down to its lowest. This is the reason why we see farmers dump their vegetable produce beside the Halsema highway as no businessmen from Manila would buy their harvest or the price is very low. It is then imperative that for practice of *suplay* to continue, the financier and the farmer need to bounce back. Hence, on the part of the financier, he needs to have reserved capital. This is likewise the reason why some financiers would surrender because they do not have any more capital for the next cropping season.

**2. Farmers-*suplay*.** Of the 21 respondents, 95.24 % are males; 57.14 % of them are married; and 47.62 % belong to the 30-39 years old bracket. 76.90 % of the respondents have been in a partnership venture as farmers-*suplay* within the 4-9 years bracket and 53.38 % have been engaged in the 3 cropping seasons while 47.62 % have been engaged in 2 cropping seasons. All the farmer respondents are residents of the place. The findings indicate that the practice of *suplay* has been a male-dominated profession because males are preferred over females by financiers to be their partners in the *suplay* venture. And the financiers should not be blamed for such biased attitudes against female farmers because, by the nature of the job, vegetable farming is definitely a highly physical job and thus entails male strength. Looking at the nature of the farming activity, female farmers would be at a disadvantage especially when it comes to carrying farm inputs, spraying and carrying the products from the farms to the accessible roads. Furthermore, the findings implied that the financiers preferred younger male farmers than older male farmers because of the strenuous activities that farming demands.

**Table 1. Socio-Demographic Profile of Respondents**

Respondent Financers		N=28	Respondent Farmers		N=21
<b>Sex</b>	Male	71.43%	Male		95.24 %
	Female	28.57%	Female		4.76%
<b>Civil Status</b>	Married	85.72%	Married		57.14 %
	Single	7.14 %	Single		42.86 %
	Widowed	7.14 %			

<b>Age</b>	30 -39	14.29 %	29 and below	42.86 %
	40-49	28.57 %	30-39 years old	47.62%
	50-59	46.43 %	40-49 years old	4.76 %
	60 and above	10.71 %	50 years old and above	4.76 %
<b>Number of Years as Financiers</b>	5-15	64.29 %	4-9 years	76.90 %
	16-25	25 %	10-15	4.76 %
	26-35	7.14 %	16-20	14.28 %
	36 and above	3.57 %	21 and above	4.76 %
<b>Number of Cropping Season/s</b>	2	64.28 %	2	47.62 %
	3	35.72 %	3	53.38 %

### 3. Preferred Vegetables

The top three vegetables that the financiers and farmers-*suplay* preferred to be planted are potatoes, cabbages, and carrots. Sweet peas and broccoli are high-value crops, but they are less profitable than the ones preferred by the participants because the harvest is lesser and lighter in weight. Besides, other participants claimed that these preferred vegetables are easy to grow. Of the three (3) preferred crops, participants argued that carrots thrive even with a lesser supply of water than cabbages and potatoes. Hence, carrots are usually planted during dry season. The problem however in planting carrots is the difficulty of weeding, destructive seedling selection (*Manbawas*) and hilling up (*Serado*). Carrots accordingly is labor-intensive and a time-consuming crop such that one needs to have plenty of laborers. Compared to potatoes and cabbages, the management of weeds and hilling up are easier. Potato is preferred to be planted over other vegetables during dry seasons than during wet months as it is vulnerable to plant diseases like blight and other fungi, hence this crop is cultivated during the first two quarters and last quarter of the year. Besides, this is to avoid the plants from getting destroyed by typhoons. Another problem encountered by the farmers and financiers about planting potatoes is its expensive seedlings. Before 1990s, farmers who own vegetable farms in high elevations did not plant carrots due to the extreme cold weather in the place. Some farmers revealed that carrots do grow robustly during these years but could not produce better yields. It was only during the 1990s when farmers planted carrots on this top of the mountain except that it would take a longer period (6-7 months) before the plants are harvested as compared to those that were planted in low elevation and semi-temperate places which is 4-5 months. This could be attributed probably to the change in the climate.

Similarly, there are farmers-*suplay* who preferred to plant a particular crop over another claiming that they are used to planting the same crop aside from expecting better income. They further claimed that there are crops that become their “lucky charm” (“Kaimaan”) or crops that give them good fortune. One financier-participant recalled that he partnered with one farmer-*suplay* for two years but despite their plentiful harvests during the three cropping seasons, they were unfortunate as they “have not hit the high price or jackpot” [5] when they sold their crops in the market. On the other hand, there were farmers-*suplay* who despite having a minimal harvest, would hit the highest price when sold in the market.

These top three (3) preferred semi-temperate vegetables are high-value crops (cash crops) aside from the fact that the harvests have higher volume which translates to higher economic value. Besides, said crops are easier to grow compared to other crops. However, there is a problem with over supply of such crops because the same vegetables are planted by most farmers on the same planting schedule and therefore the prices of said vegetables dip thereby affecting the economic life of both the farmer and financiers. This is precisely the reason why some experts in agriculture would advise farmers to adopt the strategy of planting diverse crops on different schedules. Crop rotation is advisable if one wants his crops to have a better yield or harvest although this idea is not usually followed. Apparently, one major reason why farmers plant these major crops regularly is that they have perfected their skill in planting said crops.

In this northern part of the Philippines, the rainy season generally starts in May and ends in October. Besides, the planting schedule during the dry season would depend on whether the land they are cultivating is near a water source or not, hence, other farmers would plant their vegetable crops on various schedules during the dry months depending on their farms’ proximity to the water source. Besides, farmers try to deviate from the planting schedules of most farmers with the hope that by the time they harvest their vegetables, the market would not be flooded with the same vegetables and therefore, the prices would go high.

Finally, cabbage is one of the most profitable crops although at times, the price is so low. Besides, this plant if matured must be immediately harvested even if the price is at its lowest. Otherwise, it would rot as compared to potatoes where the harvest schedule can be delayed for weeks and at times, months especially if these are planted in colder areas. Furthermore, only those with finances could afford to plant said cabbage due to the expenses to be incurred especially on the pesticides. Finally, the club root disease easily attacks cabbages and this virus had been widespread.

#### 4. Farm Area and Expenses

**Land Area.** The landholdings of the respondents are “scattered” in different sites. Some have a hectare or even lesser in one area and another portion in other areas although there are few big-time farmers who owned 2-4 hectares in one area. The participants estimated their land area based on the number of sacks of chicken manure and fertilizers that they usually used. Most financiers admitted to having one-fourth or just one-half hectare per farmer-*suplay*. One respondent, on the other hand, claimed to have a farm area of 10 hectares and 17 farmers-*suplay* in one cropping season. In most cases, however, the financiers revealed that they owned the farms that their farmers-*suplay* cultivate.

The respondent who claimed to have a farm area of 10 hectares is an exemption from the findings. The reason why other farmers and financiers do not own huge landholdings in the study sites is attributed to the cultural practice among the residents of the place where one cannot just claim to own an area without introducing improvements. Consequently, one can only count by the fingers financiers in the place with huge landholdings.

**Expenses.** The financiers generally spend a minimum of 50,000.00-60,000.00 Php. for every half-hectare of vegetable farm and a maximum of approximately 80,000.00-85,000.00 Php. depending on the weather and the crops to be planted. These estimates were affirmed by the farmers-*suplay*. During the interview, respondents just gave rough estimates as to their expenses, the share of each from the profits, and the land area that they are planting as most of their possessions were only tax-declared and they could not recall the exact measurements.

Of the three vegetables, respondents claim that potato is more expensive because of the farm inputs like pesticide and fertilizers. Potato needs more fungicide during the rainy season. Respondents approximate their expenses to range from 70,000.00-80,000.00 Php. for an estimated half a hectare of land planted with potatoes and cabbages. However, for potatoes and carrots, the expenses are lesser during the dry season than during the rainy and monsoon months as there is a need for frequent application of fungicide to combat blight. Cabbage, on the other hand, requires more pesticides during the dry season as pests easily thrive and multiply during dry months while carrot has lesser expenses with estimates ranging from 50,000.00-60,000.00 Php. for every half hectare of the farm.

The findings imply that the expenses could vary depending on the season of the year, weather, type of crops, and the prices of the farm inputs. For instance, fungicide is badly needed during the rainy season in order to combat early blight attacks in potatoes and carrots. The case is different in cabbage because it is more resistant to blight attack by reason of its thick leaves. The findings further imply that pesticide application becomes frequent because farms are adjacent to each other and that insects from a neighboring farm would just transfer to the nearby farms when a neighbor sprays insecticides on his crops or when the neighbor's crops are already harvested. Besides, with climate change, various pests just appear from nowhere. Finally, chemical companies keep on increasing the prices of farm inputs which adds to the miseries of farmers and financiers.

**5. Crops.** Bauko, Mountain Province, and Mankayan, Benguet Province are a few of the prominent municipalities in the mountainous places of northern Philippines that grow vegetables labeled by people in the lowlands as Baguio vegetables. Most of the high-value crops being cultivated are temperate vegetables such as cabbages, potatoes, carrots, Chinese pechay (Wongboc), broccoli, cucumber, pole snap beans, sweet peas, lettuce, bell pepper, cauliflower, and radish. Nearly all participants in this study revealed that they preferred to plant cabbages, potatoes and carrots for the *pasuplay* scheme considering that these are high value crops and are easy to cultivate. When farmers in other parts of Benguet province and Mountain province plant the same vegetables on the same schedule and therefore flood the markets with the same vegetables, the price of said crops would certainly go down by the principle of supply and demand. This is the reason why farmers learned the strategy of avoiding topplanting the same vegetable on the same schedule in order to avoid the same scenario of over-supply of vegetables. Besides, the problem of over-supply can be avoided when the farmers would plant different vegetables that are not commonly planted in the community.

**6. Number of cropping seasons.** A majority of the participants observed only two (2) cropping seasons due to the inaccessible water supplies while those in areas that are accessible to water supplies can have three crop rotations in a year. A wide portion, however, of the agricultural areas is situated in a mountainous terrain where water is not accessible during the dry season (November-April). In most cases, potatoes are planted in February-March and they would be harvested starting May to July depending on the variety of potatoes.

Cropping seasons are greatly affected by the seasons of the year. In high-elevation vegetable plantations like some of the study sites, the scarcity of water supply is the main culprit why farmers and financiers would not attempt to plant vegetables during dry seasons. The huge farming sites are located on top of the bald mountains where water is scarce during the dry season. This explains why some respondents could only have two planting seasons and why only farms in the low-lying areas can have three planting seasons as they have sufficient sources of water supply.

**7. Number of Farmers-Suplay.** The number of farmers-suplay depends on the land area owned by the financiers. Ideally, a farmer-suplay can only take care of one-half hectare (1/2 ha.) vegetable farm in one cropping season. The study revealed that most of the financiers were the landed residents of the place and that most of them can only afford to cater to 2-4 farmers-suplay in one cropping season owing to the fact that most of them own 1-2 hectares of farmland. The parcels of land that they owned were either passed unto them as inheritance, possessed through industry, or purchased from former owners. Besides, some farms of other financiers are scattered in different places/sites, hence, the financier may need to have another farmer-suplay to cultivate even if it is only ¼ hectare of farmland. In Bauko, Mountain Province, and Mankayan, Benguet Province, most farmers do not own wide tracts of farmland in one location. This is because as revealed by participant Mariano (Personal communication, July 15, 2018), before the 1980s, one could only own an area that he could afford to cultivate. To apply for tax declaration or titling of forested areas as yours through the *longa manu* scheme (pointing by hand/finger the metes and bounds) without introducing improvements or converting the forest into farms was not socially and culturally tolerated and accepted among the residents.

The finding implies that for one to become financier, it is imperative that he has spacious farms and be financially capable and stable. This is so because if on the first cropping season, the partnership venture went bankrupt, then there must be capital left for the next cropping season. The reason why other financiers could not stay long as financiers is the lack of finances, hence a number of their farmers-suplay transfer to big-time financiers. The number of farmers-suplay then would depend on the financial ability of financiers.

**8. Farm Location:** Respondents bared that there are farms in the study sites that are suited only for a particular crop. Some farms are located near the roads while some are far from the roads. Other vegetable farms are located in steep and sloppy areas which could be a factor in the computation of expenses.

Considering the geographical location in the Cordillera, farms are located generally within the slopes of the mountains. Consequently, farms are not as huge compared to what we see in low elevations. This explains why generally, financiers and farmers owned only small parcel of lands. Besides, farms that are located in places away from the roads are not developed for vegetable farming. And because of the far location, residents would plant crops that are light to carry such as sweet peas, beans and bell peppers.

**9. Categories of Financiers:** Participants revealed that the term financiers have three (3) categories namely: big-time, medium-time, and small-time financiers. The following are the salient comparisons among the three:

a. Big-time Financier. A financier is categorized as big-time if he/she owns a wide farmland that could accommodate five (5) or more farmers-suplay in one cropping season. Each farmer-suplay is assigned a minimum of one half (½) hectare farm. The financier owns truck/s to transport farm inputs as well as to transport the produce from the farm to the markets.

b. Medium-time Financier. A person is a medium financier if he can employ 3-4 farmers-suplay per cropping season. The financier has at least 2 hectares of farm and can sustain to finance said number of farmers-suplay during the past cropping seasons. Owning a truck to transport harvested crops is a necessity among the medium financiers.

c. Small-time Financier. A financier is categorized as small-time if he can only afford to have 1-2 farmers-suplay per cropping season. The small-time financier has ½ -1 hectare of farmland. Owning a truck is not a necessity.

The categories show that in the study sites, only a few financiers have huge landholdings because as revealed in the findings, only one belongs to the category of big time capitalist. It implies that in the study site and in nearby farming areas, most financiers belong to the medium-time and small-time categories [3]. This affirms the claim of one respondent that the lands in the study sites are distributed among the residents. That implies that no one has the control and monopoly of the lands.

**10. Terms and conditions in the Practice of Suplay.** The followings are the terms and conditions adapted by the farmers-suplay and the financiers for the following reasons:

**a. On who Owns the Land.** The financiers generally owned the land being cultivated by the farmer-*suplay* except in few cases where farmers who lack the capital but have lands may ask a financier to provide finances and take him as *suplay*. Very few financiers in the past charged rentals to their lands when tilled by a farmer-*suplay*. However, this strategy did not last long as farmers transferred to other financiers who do not practice it and who are more considerate and lenient. In fact, financiers who charged rentals on their lands were ostracized by the residents of the community. Likewise, if the farmer owns the farm, the financier must see to it that he would not pay rentals. The participants of the study revealed that part of their agreements was the non-charging of rentals on the farm regardless of who between them owns it.

The findings imply that people regardless of who owns the land frown upon the act of charging interest to one's farmland. Doing so would make the person the subject of gossip and some prospective farmers-*suplay* might shun away from them. This resulted eventually in the eradication of the practice of charging rents on their lands.

**b. Inclusions in the list of Expenses.** In the computation of expenses, the following items are included, hence, it would be deducted from the gross income before the financiers and farmers divide equally the net profits:

1. Payment of wages during planting and harvesting;
2. Farm implements unless it is going to stay with the farmer-*suplay*;
3. Farm inputs such as seedlings, fertilizers, pesticides and chicken dungs, except potato seedlings;
4. Expenses during the hauling of the vegetables from the farm to the road and from the place of origin to La Trinidad Trading Post, Benguet Agri-Pinoy Trading Center (BAPTC), or in the adjacent provinces of Isabela and Nueva Vizcaya as the case maybe, are part of the expenses;
5. Payment for wages during the harvest, portage and transportation fees form part of the expenses which are to be equally divided by the financier and farmer-*suplay*;
6. Drinks (hard and soft) and appetizers including meals and snacks. It has become a practice among farmers to offer drinks and appetizers to male workers after harvest time and when the farmer comes home after selling his harvested crops. They called this *sukmon* or blowout; and
7. In a few instances, when a financier falls short of capital as he has more farmers-*suplay* to finance, he would loan from farm supply establishments the needed agricultural inputs like fertilizers, pesticides, and insecticides from business establishments. The interest on the loan items would then form part of the expenses. However, this practice did not last long as farmers argued that said expenses must be the obligation of the financiers.

The enumerations as to what items are to be included in the list of expenses give the contracting partners a clear understanding of the partnership undertaking that they have entered into. The obligations of each party are identified, and problems on a fair division of profit as well as on the expenses from the time the partnership undertaking commenced and until the time it would end, are given clarifications and solutions.

**3. Exclusions from the list of expenses.** The following are expenses not chargeable to the partnership venture, hence are to be shouldered by the farmers-*suplay* or the financiers.

**3.a. Considered personal expenses by the farmer-*suplay***

1. Wages of farm helpers during plot preparation, weeding, plotting, spraying, and hilling up (serado);
2. Personal expenses incurred by the farmer-*suplay* like kitchen wares, kitchen provisions, and other personal necessities; and
3. Cash advance by farmer-*suplay* from the financier due to an emergency.

**3.b. Considered personal expenses by the Financier**

1. Potato seedlings. Seedlings for the potatoes are presumed to be taken care of by the financiers provided that the medium size seedlings from their harvest would be retained by him as payment for his seedlings.
2. Farm implements. High-value farm implements such as power sprayers and tractors are under the care of the financiers. This is so because the financiers can use this equipment in some of his *suplay* or in their other farms.

**C. Dynamics and Schemes used.** In every undertaking, the dynamics used by each party must be clear and the schemes set by both parties must be categorical in order to avoid misunderstanding. The results reveal the dynamics used by each group of respondents on the following variables:

**1. Financiers' Choice of Farmers-*Suplay*.** The financiers' choice of farmer-*suplay* and the farmers-*suplay*'s choice of financiers are not easy. In both cases, the traits or personalities of the financiers and farmer-*suplay* play crucial roles. In choosing someone to be a partner in such a venture, it is imperative to look into the positive traits of said partner. One must bear in mind that the failure or success of any activity hinges on the personalities of the main players and this pertains to the financiers and farmers-*suplay*. Hence, one of the parties must be clever enough to know the

personal background of their would-be partners before entering into the partnership agreement. Generally, the relationship between the financiers and farmers-*suplay* is based on mutual trust and confidence. However, each one has in mind some standards which to him/her maybe helpful to a successful relationship.

The first enumerations are the most preferred traits that a farmer-*suplay* must possess as identified by the financiers while the second enumerations are the most preferred traits that the financiers must possess as identified by the farmers-*suplay*.

**a. Most preferred traits of a farmer-*suplay*as identified by the financier**

- **Kaalaan, Kaimaan, Kabagayan (“The Lucky Charm”).** This belief among the financiers and farmers in Bauko, Mountain Province, and Mankayan, Benguet Province in Northern Philippines determines the continuity or non-continuity of their relationship. The terms *kaalaan*, *kaimaan*, or *kabagayan* which may be loosely translated as “The lucky charm”, may either refer to two things: First, even if there is a bountiful harvest if the prices of the commodities in the market are extremely low, then there is no need to continue with the partnership venture. There is no income to be divided anyway. Such experience necessitates the switching of farmers-*suplay* with other financiers. Secondly, the crops that they planted did not produce good yields because they might have been infested by pests which consequently made them bankrupt.
- **No Vice.** Financiers do not prefer to engage the services of farmers-*suplay* who frequent bars or have become alcoholics, lest their crops are not taken care of. Besides, most participants prefer farmers who are family men because accordingly, most of them are conscientious and responsible, knowing that they have families to feed. A number of respondents complained that some unmarried farmers were frequented by their friends resulting in the untimely consumption of their kitchen provisions. Other farmers hung around with their friends or relatives leaving behind their responsibilities. This is the reason why some farmers did not stay long with their financiers
- **Honest/trustworthy.** Farmers-*suplay* who do not cheat are well-loved by their financiers. Consequently, their financiers treated them well as if they are members of the household. One of the common problems that the financiers faced is when their farmers-*suplay* sell agricultural products such as pesticides, seedlings, and other personal properties bought by their financiers and are intended for their crops.
- **Has Initiative.** For the partnership venture to succeed, one of the basic traits that farmers must possess is being resourceful. Farmers must manifest this trait by being concerned about the problems and needs on the farm even if not told by the financier as well as the initiative to go on overtime in looking after the crops without being supervised.
- **Industrious.** Having a farmer-*suplay* with you who works without being instructed and supervised; who works without counting the number of working hours or without counting the costs and who is superbly industrious must be taken care of. There are very few people of his kind nowadays, explained one respondent. In my interview with most participants, only a few farmers-*suplay* stayed with their bosses for more than 5 years. Others left after one cropping season or two.
- **Preferably married.** Financiers prefer unmarried farmers-*suplay* because there is a small chance that they would abscond if their crops do not grow well or if they learned that the price goes down. They are feeding more mouths and they could not afford to see their children go hungry.

**b. Farmer-*Suplay*’s Choice of Financier.** Respondents acknowledged the idea that engaging in a *suplay* scheme requires a good and stable relationship between the contracting parties. Personalities and traits of the financiers are the primordial considerations that farmers-*suplay* must look into. The following are the top traits of financiers that the farmer-*suplay* would look into:

- **Kind, Understanding, and Considerate.** One farmer-*suplay* revealed that one of his financiers was so kind and considerate that when their crops were sold at a very low price, his boss would just divide equally the payment of their crops without deducting the expenses. The acts of providing the basic necessities like salt, sugar, and coffee to their farmers and the humane treatment by the financiers towards their farmers-*suplay* also attracted other farmers to apply as a *suplay*.
- **Trustful of his farmers-*suplay*.** The relationship between two parties would last long if built on trust and confidence. What the farmers do not want from their bosses is when the latter become suspicious of the farmers’ activities like: Are the farmers working or doing their jobs properly and religiously? Are they using the farm implements and farm inputs properly? Sometimes, allegations of manhandling and selling some implements and

farm inputs are the two main reasons why the relationship between the two is strained. Since some financiers are residing far from their farms, it is the trust to the farmers that sustains their partnership.

- **Honest.** Some financiers accused their farmers-*suplay* of cheating them and the same accusations or allegations of dishonesty were hurled by some farmers at their former or present bosses. In fact, one major reason why some farmers-*suplay* transferred to another financier is because of the dishonesty of their bosses. For instance, there are some financiers who include items as part of expenses even if not actually purchased and used.

**3. Choice of Crops.** The three (3) cash crops most preferred to be planted by farmers-*suplay* and financiers of Bauko, Mountain Province, and Mankayan, Benguet Province are cabbages, potatoes, and carrots. Basically, the reason is that these crops entail higher yields so if the price is high, then farmers-*suplay* expect a bigger share. In my interview with farmers-*suplay* and financiers, most of them bared that the choice of crops to be cultivated primarily depends upon the farmers especially so if said farmers have long experience in planting the crops. The farmers-*suplay* are given the discretion to choose which vegetable to plant considering their expertise in planting the said vegetable. The financiers argue that since the farmers-*suplay* are used to planting the crop, they then know the intricacies and strategies of growing said crops.

Few respondents though mentioned that the choice of crops is the result of the mutual agreement between the partners. Accordingly, this is the best way in order to prevent one party from blaming the other especially if during the harvest time and disposal of the crops in the market, the vegetable hits the lowest price.

**4. Estimated Expenses on the Practice of *Suplay*.** Expenses depend on various factors such as the type of vegetable that they plant; the planting season; weather conditions and the distance from where the farm is located as portage and transportation differ depending on the distance between the farm and the road, the participants argued. In carrots, for instance, the amount of chicken dung, commercial fertilizers, and pesticides used is much lesser compared to cabbages and potatoes. During wet seasons, potatoes have to be sprayed twice a week to prevent the leaves from getting attacked with leaf blight. Cabbage, on the other hand, requires more insecticide during the dry season.

Another variation on the expenses comes in if a farmer wants his crop to grow faster. This means that in the desire of the financiers or farmer-*suplay* or both that their crops would catch up with the higher or highest price of the vegetable in the market, they would increase the frequency of applying commercial fertilizers or any growth-enhancing medium. Accordingly, if the price of the vegetables in the market is relatively high, then they would be tempted to apply growth-enhancing fertilizers like urea (46-0-0 NPK ratio) even if they do not regularly use said fertilizer. This practice holds true when using pesticides. Due to the farmers' desire to protect their crops from plant diseases, they would add more amount of pesticides and fungicides contrary to what is prescribed or contrary to the recommended dosage. Expenses would then differ depending on the varied factors such as season; the distance of the farm to the road; provisions, quantity, quality of inputs, and other farm needs.

**a. Type of crops and planting season.** The type of crops cultivated and the schedule of planting season relatively affect the farm expenses. The primordial reason is that during the dry season, pests easily attack the plants. This is attributed to the fact that pests easily propagate during the dry season and that the larvae are not washed away by rain as compared to crops planted during the rainy season. Likewise, the pesticides used are easily diluted and washed away during the rainy season thereby making the pesticide and fungicide less effective. Besides, the spray interval becomes shorter than the usual schedules.

**1. Carrot.** Expenses for fungicide during the dry season is minimal compared to the expenses incurred during the rainy season. The leaves become vulnerable to blight and other fungi during the wet season which definitely requires frequent spraying and an additional dosage of fungicides and pesticides. Otherwise, the plant's leaves would wither resulting in the stagnant growth of the crop. During the dry season, the plant is sprayed once a week as compared to during the rainy season where the crops have to be sprayed with fungicide twice or thrice a week.

**2. Potato.** Expenses for potato during the dry season is lesser compared to the expenses incurred during the rainy season. Like carrots, potato leaves are susceptible to getting attacked by fungi which cause the leaves to develop early blights and rot. And if not sprayed on time with fungicide or at a shorter interval, the leaves would definitely get attacked by blight. Besides, if the vegetable is not sprayed with a higher dosage of fungicide or with a strong fungicide, it would certainly decay very early. During dry seasons, on the other hand, the problem that commonly distresses farmers is the lack of sources of water supply. Consequently, farmers have to invest in putting up water tanks or to buying bundles of hoses especially if the source of water is relatively far.

**3. Cabbage.** This type of plant is resistant to attacks by pests because of its thick leaves compared to carrots, potatoes, and other leafy vegetables. Thus, pesticide application in cabbage is less frequent. The problem however with cabbage is that during the dry season, insects hide underneath and underside of the leaves making it difficult to be sprayed or washed away when watered.

As a comparison, expenses incurred generally for carrots are relatively lower than for potatoes and cabbages whether during the rainy season or dry season. Expenses on potatoes are higher than the expenses incurred on cabbage during the rainy season because of the higher need for fungicide while cabbage needs little fungicide and insecticide. What adds to more expenses in potatoes is the seedlings if the financiers will have to buy them. On the other hand, cabbage is more expensive to cultivate during the dry season due to the need for more pesticides as insects easily thrive and reproduce during dry seasons. Ag Professional [6], found that spider mites generally stay on the undersides of leaves and suck large amounts of sap. Leaves take on a spotted appearance and dry out. Mites are able to also pass some diseases.

#### **b. Profit Sharing Scheme**

Part of the oral agreements between the financiers and the farmer-*suplay* prior to the start of the partnership venture or *suplay* agreement is the profit sharing scheme. Data collected revealed that the prevailing scheme practiced by the financiers and farmers-*suplay* in Bauko, Mountain Province, and Mankayan, Benguet Province is the 50-50 share. To them, this is the most equitable and fair scheme, a win-win situation involving the financiers, and the farmers-*suplay*. This means that after deducting all the expenses, the financier and the farmer-*suplay* or group of farmers-*suplay* would divide the net profit equally.

Accordingly, as confessed by the participants of the study, some profit-sharing scheme followed by some financiers in the past was the 45-55 scheme. This means that the farmer-*suplay* gets 45% of the net profit while the financier gets the 55%. The argument advanced by the financiers is that if the partnership gets bankrupt as the price of their vegetable dipped to its lowest, then the financiers suffer the biggest loss because of the big amount of expenses they incurred while the farmer-*suplay* only suffers the equivalent compensation for his labor. To quantify it, if the financier spent 70,000.00-80,000.00 Php for a half-hectare vegetable plantation and the farmer-*suplay* only attended to it for a total of 60 days as there is no need to be attending to the vegetable every day until it matures in 3-4 months as the case maybe, then the farmer-*suplay* only losses the equivalent amount of his 60 day-labor compared to the bigger amount spent by the financier. This scheme however did not continue as no farmers wanted to partner with financiers following said scheme.

### **CONCLUSIONS**

Based on the results, the following conclusions are drawn:

Younger male farmers are more engaged in the practice of *suplay* than the female and older farmers; married financiers and farmers-*suplay* are more engaged in the practice of *suplay* than the unmarried ones; much older and married financiers are more financially capable and stable than the younger ones, and only a few farmers stay longer as *suplay* than the older ones; being financially stable allows a financier to bounce back from previous bankruptcy; having good personal relations with the farmer-*suplay* may result in sustaining a healthy partnership venture. Finally, farmers-*suplay* has the potential of becoming financiers if they have perseverance, industry, and patience to work;

The terms and conditions in the practice of *suplay* are the results of the mutual agreement between the partners. Any party that reneges from the agreement authorizes the aggrieved party to discontinue the partnership agreement; and finally, the financiers and the farmers-*suplay* follow some criteria in the choice of their partners, choice of crops, and planting schedule.

### **Recommendations**

In light of the results of the study, it is recommended that the financiers are encouraged to help improve the economic life of women and older farmers by pushing them to engage in the practice of *suplay*. Besides, they have to ascertain financial stability before engaging themselves in a partnership venture in order to ascertain the continuity of the partnership and to sustain the supply of farm inputs.

For financially challenged residents, they may consider grabbing the opportunity to engage in the practice of *suplay* while they are still young and there are willing financiers. The financiers have to be honest, patient, and understanding in dealing with their lowly farmers-*suplay* to sustain the partnership venture. On the other hand, farmers-*suplay* have to be responsible, honest, and trustworthy.

As this is also the concern of the government, the Department of Agriculture must initiate a program that would cater to the needs of lowly farmers by offering discounted capital or loan with relatively low interest for the farmers to be more independent instead of being beholden to the financiers; and finally, the results of this research may be used by the

DOLE, DA and LGU's in addressing the Sustainable Development Goals for 2020 and Beyond relative to crafting pro-labor, pro-farming policies and other pro-economic policies and programs.

### **Acknowledgment**

I would like to thank Benguet State University administration for the financial support.

### **Literature Cited**

1. Piadozo, M. S., et. al. (2013) Problems of the Marketing System for Vegetables Grown in the Highlands in the Philippines: A Case Study of Vegetables Grown in Benguet and Laguna. Accessed on May 31, 2017. [https://nodaiweb.university.jp/noukei/pdf/NSO104\\_09.pdf](https://nodaiweb.university.jp/noukei/pdf/NSO104_09.pdf)
2. Masille, D. A. (2012). Characterization of Vegetable Producing Community in Bauko, Mountain Province. Benguet State University-Open University.
3. Sidchogan-Batani, R. and Ngina, K.M.C (2011). Work and Well-Being in Climate Change Scenarios: A Case of Farming Communities in Northern Philippines" Asia Pacific Gender and Macro Economics Quarterly Newsletter. Vol. 2, Issue 4. October 2011. <https://research-methodology.net/sampling-in-primary-data-collection/snowball-sampling/>. Retrieved on April 18, 2018.
4. Lewontin, R.C. (2006). The maturing of capitalist agriculture: Farmer as proletarian. Expanded Academic ASAP. Thomson Gale. Univ of California Santa Cruz (CDL). (<https://people.ucsc.edu/~dustin/MR.Lewontin.capitalist%20ag.html>)
5. Batani, R.S. et al. (2012). Pansig'dan: Promoting the Well-being in an Agricultural Community in Northern Luzon, Philippines. Understanding Suicide in the Context of Cash Crop.
6. Ag Professional (2014). Cool-weather affects the insects population. <https://www.agprofessional.com/article/cool-wet-weather-affects-insect-populations> Accessed June 25, 2019).