

DAR-Policy and Strategic Research Service. Case of Banana Sales and Marketing Arrangement Between Hijo Employees Agrarian Reform Beneficiaries Cooperative (HEARBCO 2) and Lapanday Foods Corporation (LFC) in Barangay Madaum, Tagum City, Davao del Norte (Banana). Case Studies on Agribusiness Venture Arrangements (AVAs) Between Investors and Agrarian Reform Beneficiaries (ARBs). November 2006.

The case study aimed to document the experiences of the agrarian reform beneficiaries (ARBs) in entering into Banana Sales and Marketing Agreement with an investor, the Lapanday Foods Corporation (LFC) through their cooperative, the Hijo Employees Agrarian Reform Beneficiaries Cooperative (HEARBCO 2). This type of agribusiness venture arrangement (AVA) was selected based on the following criteria: the type of AVA peculiar to the province; AVA with the most number of ARBs and biggest area in hectares involved; and with the longest duration (in years) of AVA implementation. The results of the case study showcase the successful implementation of AVA which has brought numerous benefits to the ARB members of the cooperative. Notably, HEARBCO's effective handling of the banana plantation and the marketing agreement with LFC has resulted in the following positive results, among others: increased production and income; provision of stable employment for the ARBs and the concomitant benefits and incentives; engagement of the cooperative in various income-generating activities; and continuous and massive education programs for the ARB members. In summary, the success of HEARBCO 2 in managing the operations of the plantation, in running the cooperative, and in entering into a marketing agreement with LFC have resulted in the improvement in the quality of life of the ARBs. An important issue raised in the study is the brewing sentiment of some officers and members of the cooperative to shift to individual farming.