

DAR-Policy and Strategic Research Service. Case Study on Banana Production and Purchase Agreement Between DAPCO United Small Growers Multipurpose Cooperative (DUSGROW MPC) and DOLE Philippines, Inc.-Stanfilco in Barangay DAPCO, Panabo City, Davao del Norte (Banana). Case Studies on Agribusiness Venture Arrangements (AVAs) Between Investors and Agrarian Reform Beneficiaries (ARBs). November 2006.

This case study gives insights on the process and dynamics experienced by the agrarian reform beneficiaries (ARBs) who opted for individual farming and entered into agribusiness venture arrangement (AVA) with an investor, DOLE Philippines, Inc.-Stanfilco. The ARBs, through their cooperative i.e., the DAPCO United Small Growers Multipurpose Cooperative (DUSGROW MPC) entered into a Banana Production and Purchase Agreement with DOLE Philippines, Inc.-Stanfilco. This AVA was selected based on the following criteria: 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 study shows that the experience of ARB members of DUSGROW MPC in entering into a Banana Production and Purchase Agreement through individual farming is a showcase of successful implementation of an AVA as indicated by its smooth implementation, the higher incomes derived by the ARBs, the improvement in the ARBs' standard of living, and by the satisfaction of the ARBs over the arrangement. However, the study also raised some issues on individual farming system being practiced by the ARBs such as: the growing trend among ARBs to shift from cooperative-managed plantations to individual farming; the sustainability of banana production under an individual farming system because of variations in some individual farming practices of the ARBs; the employment of farm laborers or help-outs by the ARBs; and the lack of control on the decisions of the ARBs engaged in individual farming which may result to the practice of pole-vaulting.