



## Marketing systems for livestock and poultry: The case in Cebu, Philippines

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### ABSTRACT

In the Philippines, one of the weaknesses considered in the livestock industry is a poor livestock marketing system affecting the profit of marginal small-scale livestock farmers. This study aimed to assess and describe the marketing system of cattle, goat, swine, and chicken in the province of Cebu. It sought to identify the determinants of effective livestock and poultry marketing and their influence on prices of the livestock; map the marketing channel of these animals; and solicit suggestions from livestock and poultry farmers, middlemen, and buyers for the improvement of the livestock marketing system.

Findings show that the marketing system for most livestock is characterized by the traditional system wherein traders buy the animals at the farmers' place then they bring the animals to the auction market. These animals are then sold to another trader at the auction market on a cash basis using the eye appraisal system, known as "mata-mata" system. Transaction is on a cash basis. However, when the farmer needs cash, he directly delivers and sells the animals to the auction market by himself. There are three different marketing channels for cattle, goat, and swine before they reach the consumers. The marketing channel for chickens is the simplest. The lowest auction prices for livestock is in the month of June and livestock are priced the highest during the month of December.

Farmers recognized the importance of using a standard weighing scale which should be provided by the local/provincial government to attain fair trading for farmers, traders and buyers; farmers should have access to market information through the provision of digital electronic display board where prevailing market price is displayed, shortening the market channel flow, and constant presence of personnel from LGU were the suggestions from the respondents to have an efficient marketing system at the livestock auction market.

**KEYWORDS:** *marketing system, middlemen, intermediaries, large livestock, small livestock*

### 1 INTRODUCTION

In the Philippines, livestock is considered an asset among Filipino farmers and plays an important role in smallholder farming systems. The contribution of livestock to livelihoods, particularly those of the poor in developing countries, is well recognized because they generate income by providing both food and non-food products that the household can sell in formal or informal markets (Thornton, P.K., 2010). Livestock acquisition as a means out of poverty has been documented by (Kristjanson *et al.* 2004). Moreover, in parts of the regions where livestock production belongs in the domain of smallholder producers, according to Samberg *et al.* (2016), the increase in value of agricultural production will likely lead to improved livelihoods. Livestock can be sold and transformed into cash as needed, and can provide a means of income diversification to help deal in times of financial stress. In addition, with the country's economic growth, consumption patterns tend to change towards high value and high protein foods, and the most of these sources are those derived from livestock (Delgado *et al.* 2005). With these benefits, the market demand for livestock and livestock products is expected to grow in the future.

Livestock markets continue to be an important component in the movement pathway of livestock across regions. Marketing includes all activities from the producer to the final consumers including processing and distribution systems. Markets can be a powerful vehicle for rural development. In most developing countries, however, markets are usually poorly developed or missing. This is because rural infrastructure such as roads and bridges are poorly developed and communication facilities are lacking. Because of the inherent problematic conditions in many rural areas, transaction costs are often high. It is not surprising therefore that the terms of trade among Filipino farmers are unfavorable (Rubzen, MFR *et al.*, 2002).

Problems on production are being well-addressed by different government organizations through research and development but marketing of livestock however is given the least concern. This study looked into the current livestock and poultry marketing system and

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found options to improve the existing system which will find ways to encourage the farmers to increase production in Cebu province. Although livestock auction markets are existing, farmers have been doing the traditional way of selling live animals to slaughterhouses and feedlot operators through the help of middlemen. Development of an efficient and sustainable livestock marketing system for the small-scale farmers can be one of the main strategies that would improve farmers' access to formal markets. An improved livestock marketing system is likely to increase participation of small-scale farmers in commercial agriculture that would give them a higher income. This research assessed and described the marketing system of livestock animals (focusing on cattle, goat, swine and chicken) and suggested strategies to improve the marketing systems of large and small livestock as per respondents' recommendation.

## 2 MATERIALS AND METHODS

### The Study Area

Based on the recommendation of the Regional Office of the Department of Agriculture Region 7 (DA), the study was conducted in the municipalities of Barili, Dumanjug, Ronda, San Remigio, and Daanbantayan, Cebu, the selection of the study areas was based on their proximity to these two livestock auction markets (LAM). This study was conducted in August and September 2017.

Barili, Dumanjug, and Ronda are the municipalities near the Mantalongon Livestock Market in Southern Cebu. The Mantalongon livestock facility is the biggest livestock market in Cebu province. This is a seven-hectare property located in barangay Mantalongon, Barili, Cebu. Traders that came from many faraway towns in Cebu and other provinces or islands, like Negros and Leyte and livestock farmers converge in this market to trade and sell pigs, chickens, goats, cattle and other products.

San Remigio and Daanbantayan are the municipalities found near San Antonio Satellite (Livestock) Market. Bogo City's San Antonio Satellite (Livestock) Market found in the Northern part of Cebu is also one of the biggest livestock markets in the whole province. Both of these livestock auction markets serve as an income generator for the farmers, the traders, and the local government units.

### Method of Data Gathering

The research was done by means of a survey through face to face interview using the method of Focus Group Discussion (FGD), to assess the marketing system for livestock and poultry in the province of Cebu. The nature of the problem requires intensive interview to uncover

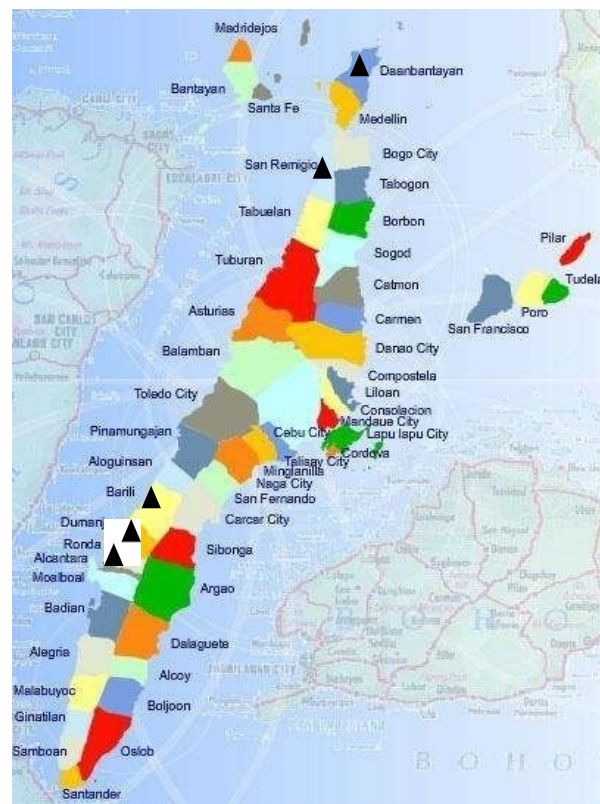


Figure 1 shows the map of Cebu marking the study areas. *The Location of the 5 Municipalities as the Study Sites (in black triangle)*

trends in thoughts and opinions making it impractical to cover a wider sample thus qualitative research was used in this study.

A courtesy call to the Local Government Unit's (LGU), through the office of the Municipal Agriculture was done to inform the offices about the conduct of the research. With the permission of the mayor and the help of the DA-LGU, arrangements were made prior to the conduct of the focus group discussion. Coordination with the barangay officials of the selected areas were done two weeks prior to the survey visit so the LGU had ample time to select the respondents for the focus group discussions.

A total sixty-three (63) livestock and poultry producers who were purposely selected from the five (5) identified municipalities were the respondents of the study. The top two animal producing barangays from each municipality were the source of selection of the respondents. with 7 farmers coming from each barangay.

To verify the consistency of the answers given by FGD participants who are livestock growers, five (5) middlemen and five (5) buyers who were regularly transacting business at the LAM were also interviewed. Using a discussion guide, the focus group discussion was conducted as a means to collect data. Focus Group Discussion was conducted twice in every municipality

in a separate session because there were only two (2) barangays included per town and seven (7) participants included per barangay.

Data was analyzed using descriptive statistics such as frequency count and percentages.



Figure 2. Focus Group Discussion sessions with pre-selected farmer-respondents from San Remigio, Cebu



Figure 3. Focus Group Discussion sessions with pre-selected farmer-respondents from Dumanjug, Cebu

### 3 RESULTS AND DISCUSSION

The reasons for the livestock farmer participants' choice to raise livestock is presented in Table 1. Twenty nine percent (29%) raised animals as a source of additional income to the family; eleven percent (11%) sell animal

products anytime cash is needed for emergency purposes. seven percent (7%) stated that raising livestock will supply animal products that they can sell in the local market. Additional reasons are the following: consumption during special occasions like birthdays, holidays and fiesta celebrations (3%); payment for school fees and school project of their children (3%); source of organic fertilizer (2 %) and cash derived from selling livestock are used as payment for loan/borrowed money from friends or neighbors (1 %).

Table 1. Reasons of the respondents on raising livestock and poultry in Cebu Province

Reason	Frequency*	Percent (%)
1. Serves as additional income	18	28.5
2. Source of cash for emergency purposes	11	17.4
3. Additional supply in the local market	7	11.1
4. For personal consumption	5	7.94
5. For special occasion like fiesta, birthday, etc.	3	4.76
6. Payment for school fees and school project of children	3	4.76
7. Source of organic fertilizer	2	3.17
8. Payment for loan/borrowed money from friend or neighbor	1	1.59

\*Multiple Response

In the Philippines, the livestock industry is part of the structure of rural farm life. Livestock and poultry makeup two of the most important subsectors in the Philippines' agricultural industry. The livestock species play very important economic, social and cultural roles or functions for rural households. For one, they contribute to improving the income and wellbeing of the family. Livestock helps provide food supply leading to enhanced family nutrition, increased family income, addition to asset savings, enhanced soil productivity, provide livelihoods, can be utilized for transport, agricultural traction, agricultural diversification and sustainable agricultural production, family and community employment, ritual purposes and social status (Moyo, S. and Swanepoel, F. J. C., 2010).

### Location of selling animals in the Province of Cebu

Table 2 presents the location or where the livestock raisers sell their animals. The highest or sixty eight percent (68%) of the respondents sold their animals at the livestock auction market (LAM). In the province of Cebu there are two livestock auction markets (LAM) that are operating successfully. These are the Mantalongon Livestock Auction Market in Barili and Bogo City's San Antonio Livestock Market.

About sixty percent (60% ) of respondents sell their products to the local traders known in their place as

businessmen/ “negosyante”.

Some of these traders are capable of buying large and small animals from barangays because they own vehicles that have the capacity to transport large numbers of animals. The results are in consonance with the study of Luna (2008) that some farmers have been doing the traditional way of selling live animals. Farmers recognized the importance of middlemen as helping them to save costs in terms of time and money. This is because transportation and handling costs limit these farmers to sell their animals themselves. Other traders or business men also stand by and participate in the designated day for the livestock auction market

Thirty percent (30%) of the respondents disposed of their livestock products in the “*tiangge*” or local market in town or in their barangay. According to Knips (2004) that, villagers bring their animals to town to sell them directly to consumers less frequently because farmers have recognized the importance of middlemen as helping them to save costs in terms of time and money. Livestock Auction Markets (LAM) are markets where farmers bring their livestock for sale under a systematic procedure. A livestock auction market system promotes fair trading between farmers and buyers. It provides facilities and services, like weighing scale, grading chart and marketing information on prevailing prices of livestock. (<http://www.bai.ph/faq.html#market>). On the other hand, livestock markets are places where, by tradition, farm animals are gathered from surrounding areas to be bought and sold. Livestock producers bring their animals to town to sell them directly to consumers.

Table 2. Location where livestock farmers sell their animals.

	Place	Frequency*	Percentage
1.	Auction market	43	68.25
2.	Local trader	38	60.32
3.	<i>Tiangge</i> or local market	19	30.16

\*Multiple Response

### **Marketing system of livestock and poultry in Cebu, Philippines**

Marketing of livestock has become one of the sources of income of every animal grower. Table 3 shows the marketing system of livestock and poultry as described by respondents the participants were asked to fully describe how they sold and marketed their livestock. The location of the livestock farms is far from the auction markets so transport and handling costs are the major reasons that beef and dairy cattle raisers cannot sell their animals by themselves. Thus, for cattle raisers, they will wait for traders who served as middlemen to pick their animals at their place. These middlemen will bring their own vehicles to transport the animals. The cattle raisers are paid in cash for every trade made, as claimed by the respondents. The cattle is sold on a liveweight, per

head basis using an eye *appraisal system* as the traders do not bring any standard weighing scale with them. These middlemen will then look for another buyer/trader for the cattle.

These marketing practices are in consonance with the study of Luna (2008) where livestock farmers will wait for traders or middlemen to come and command prices for their animals. Most of the time, live weights are determined through eye estimates. The transportation and handling costs will be shouldered by the traders themselves. The results also aligned with a study conducted in Vietnam, where, because of disorganized systems of live animal markets, this has resulted in the majority of marketing and distribution of live animals being undertaken through a network of marketers operating in informal groupings and often these exchanges take place on a face to face basis. In addition, results of a survey on smallholder farmers in Cambodia conducted by Neou, S. (2007) showed that 82.5% of the respondents preferred selling their cattle to local middlemen since they get more profit while 27.5% sell to the local butcher.

The marketing system for goats and swine is the same with the scheme in cattle. Respondents claimed that the animals were picked up by barangay traders in their farms then the traders/or middlemen sold the animals to another trader. Some respondents directly deliver the animals to the auction market, and either they are the ones who look for buyers, or look for middlemen at the auction market. Goats and pigs were sold on a live weight basis using the eye appraisal system and are paid in cash. In terms of the marketing system for poultry species, respondents stated that since the birds are easy to handle, either, they are the ones who directly deliver their animals to the auction market and sell them to direct buyers and regular customers in the public market or they can also sell them via middlemen. Chickens are sold on a liveweight, per head and cash basis. The results agree with the study of Knips (2004) in the villages of Cambodia, that local trade of cattle, pigs and chicken consists of slaughterhouse operators or market sellers who come to the villages to purchase the animals. Less frequently, villagers bring their animals to town to sell them directly to consumers.

### **Frequency distribution of the respondents' experiences on the type of marketing system of livestock and poultry in Cebu Province**

A sound marketing system is a prerequisite for reasonable returns to the producers and to protect consumer's interest. Table 4 presents the frequency distribution of the experiences of livestock raisers on the specific method of marketing system for livestock and poultry in Cebu Province. The marketing system for cattle, according to almost fifty nine percent (59%) of the respondents, consists of situations where traders pick up

the animal at their place and these middlemen are the ones responsible for selling their livestock. According to their experience, they cannot demand a good price for their animals because the barangay/local traders are the ones who would set the price. Out of necessity to have cash they could not do otherwise but to agree to the price the trader had set.

Table 3. The marketing system for livestock and poultry in Cebu, Philippines

Item	Information
<b>Cattle Marketing</b>	➤ Most of the time, picked up by barangay trader (who has vehicle for animals) and sold to another trader
	➤ Per head (Eye appraisal /"mata-mata system")
	➤ Paid in Cash
<b>Chicken Marketing</b>	➤ Delivered by farmers to the auction market. Look for buyer, if not, look for middlemen; or delivers to regular customer /"suki" at the public market
	➤ Live, per head
	➤ Cash basis
<b>Goat Marketing</b>	➤ Most of the time picked up by barangay trader (who has vehicle for animals) and sold to another trader
	➤ Sometimes delivered by farmers to the auction market. Look for buyer, if not, look for middlemen
	➤ Live, per head (Eye appraisal /"mata-mata system")
<b>Swine Marketing</b>	➤ Cash
	➤ Most of the time picked up by barangay trader (who has vehicle for animals) and sold to another trader
	➤ Sometimes delivered by farmers to the auction market. Look for buyer, if not, look for middlemen
	➤ Live, per head, (Eye appraisal /"mata-mata system")
	➤ Cash

Table 4. Frequency distribution of respondents' experiences on type of marketing system of livestock and poultry in Cebu Province

Item	Cattle		Chicken		Goat		Swine	
	Freq.*	%	Freq.*	%	Freq.*	%	Freq.*	%
a. Trader picks-up the animal(s) at farmer's place. But cannot demand a good price.	37	58.71			28	44.44	28	44.44
b. Farmer brings the animal(s) to auction market or not in local market. Look for direct buyer. Can demand a good price.	16	15.87	42	66.67	15	23.81	12	19.05
c. Farmer brings the animal(s) to auction market and let the middleman look for buyer. Price is relatively higher and middleman get higher share of the sale than the animal owner.	21	33.33	28	44.44	12	19.05	10	15.87

This result agreed with ENTREPinoy's Atbp.(2008), that cattle and carabao marketing in the Philippines, are characterized by the existence of many middlemen in the distribution network. This scenario is to the disadvantage of producers who received relatively low price for their animals and consumers who pay high price for meat products. Studies have shown that the gross margin derived in selling a head of cattle or carabao is 60 to 88%. Riethmuller and Smith,(1994) stated that in the province of Isabela, the second biggest province in the Philippines in terms of land area, middlemen or livestock traders buy live cattle from the farmers and sell them either to auction markets, to butcher-retailers or to feedlot operators.

About sixteen percent (16%) of the cattle raiser respondents shared that they bring their ruminants to the auction market, look for direct buyers where they can demand a good price while thirty-three (33%)percent reported that they bring the animals to the auction market, and allow the middlemen to look for the buyers. With this system, the price is relatively higher and the middlemen get a higher share of the sales than the animal owner; however, access to market information for the livestock owners is limited which puts farmers at a disadvantage when negotiating sale prices for their livestock (Stur, *et.al*, 2002). As reported by FAO in February 2001, concerns were expressed about the marketing activities of middlemen, who are apparently much better at gauging weight and yield of animals. In Bangladesh, it was cited that farmers get low profits due to payments of high commission to middlemen (Betterncourt, EMV *et al.*,2015). This result is not in agreement with the findings of ENTREPinoy's Atbp (2008) who cited that the degree of competition among buyers of live animals is high and price is more advantageous to producers if they are sold in auction or livestock markets

In marketing chicken, the majority (67%) of the respondents described that they bring their animals to the auction market, and look for direct buyers or deliver it to their regular customers in the local market. This time, they can demand a good price because the animal is sold directly to buyers. Forty-four percent (44%) reported that they bring the animal(s) to the auction market and let the middlemen look for the buyers. With these systems, the price is relatively higher but it is the middleman who will get the higher share in the sales.

In marketing goats, forty-four percent (44%)

described the system wherein barangay/local trades gather and picks-up the animals at the farmer's place a few days before "tabo" or market day. They have their vehicle with them to transport the animals to the LAM. With this system, livestock raisers cannot demand a good price for their animals. Twenty four percent (24%) reported that the farmer brings the animals to the auction market and looks for direct buyers and they can demand a good price. Nineteen percent (19%) said that farmers bring the animals to the auction market and let the middleman look for buyers. Price is relatively higher and middleman get higher share of the sale than the animal owner

For the swine, forty four percent (44%) said traders picks-up the animals at the farmer's place, but they cannot demand a good price especially if the supply of swine is high. If the demand is high, that is the only time they could demand a good price even if the animals are picked up from the farmer's place. Furthermore, a number of them (19 %) described that they bring the animals to the auction market, look for direct buyers where they can demand a good price. Sixteen percent (16 %) also bring the animals to the auction market and allow middlemen to look for buyers. The price is relatively higher but it is the middleman who gets a higher share of the sale than the animal owner.

The livestock auction markets usually have their market day every Thursday morning of the week. The mode of transporting the livestock and poultry to the auction market for different animals varies. Poultry raisers catch their native and/or mixed-breed chickens, a day before or every wednesday, and keep them in pens overnight., Early the next morning, the chickens are tied at the feet one by one then tied together with the others usually by fives or tens. Goats, cattle and swine from far flung locations are transported via vehicles owned by middlemen. For livestock near the LAM, farmers tie them with a rope on a neck and allow them to walk until they reach the auction market.

**The marketing channel of each livestock**

It is important to have a general picture of the production part of the chain and how it influences the marketing system. The many actors involved in livestock product marketing are broadly classified as: livestock producers, traders, processors, retailers, food service providers, and consumers. Private and public livestock inputs and service providers are other important market actors

Figure 3a shows the marketing channel of large and small ruminants. Results revealed that there are several marketing channels involved. Beef and dairy cattle, goats and swine being large animals, have more or less the same marketing channel; while chicken as small animals, has a very simple marketing channel.

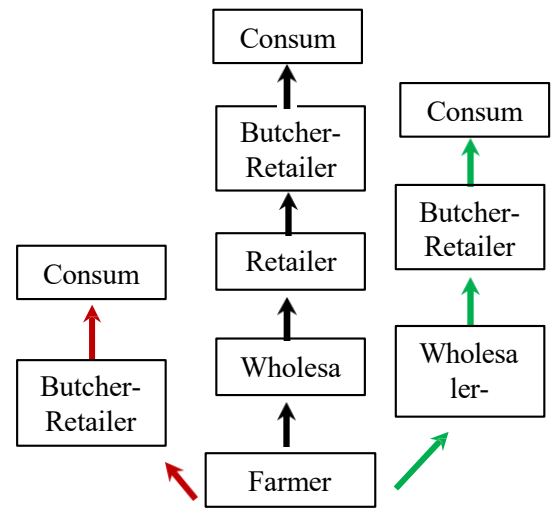


Figure 3a. The Marketing Channel of cattle and goat

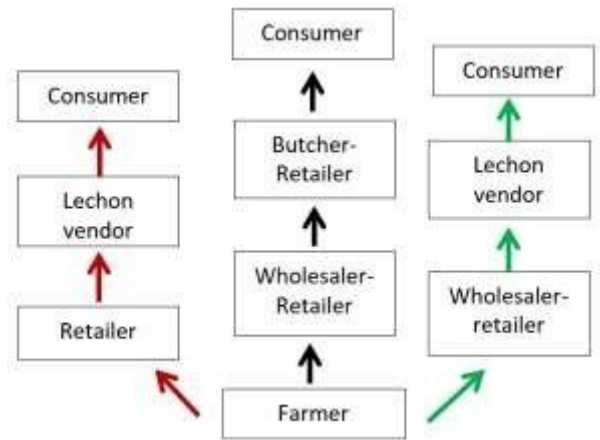


Figure 3b. The Marketing Channel of Swine



Figure 3c. The Marketing flow of Chicken

There are three different marketing channels for cattle, goat and swine. Respondents described the first marketing channel of large animals with the flow starting from livestock raised by the farmer which are sold to the wholesaler, then to the retailer, to butcher-retailer and finally to the consumer. The butcher retailer is the person usually working at the slaughterhouse of the municipality. The second type of market channel is from farmer to wholesale-retailer to butcher-retailer and finally to consumer; and the third one is from farmer to butcher-retailer to consumer. The wholesaler and even wholesaler-retailer is known in their barangay as

“negosyante” who buys animals, collects and gathers them before the *tabo* or market day. This scenario was confirmed by middlemen and buyers who were also asked to describe the marketing channel of large and small livestock. The results agree with the study by Lapar, *et.al*, (2003) that beef cattle marketing is composed of 4 middlemen: which are the following; trader, wholesaler, slaughterer and retailer. In Lao, the marketing system for cattle and buffalo is also characterized by small traders bringing the animals to nearest truck loading points. Traders based in major towns organize collection by trucks and they are the ones who supply the urban market. In the province of Isabela, the second biggest province in the Philippines in terms of land area, middlemen or livestock traders buy live cattle from the farmers and sell them either to auction markets, to butcher-retailers or to feedlot operators (Rodrigo,2007).

Figure 3b describes the marketing channel for swine. There are three types of market channels for this species. One type of channel is from farmer to wholesaler-retailer to butcher-retailer to consumer. The second is from farmer to wholesaler-retailer to lechon vendor to consumer and the third type is from farmer to retailer to lechon vendor to consumer. This result is in consonance with a study in pig marketing where the traders or middlemen pick-up the animals at the farmers’ place. This system enables the farmers to save on transportation costs and avoid transport losses due to stress. However, the prices they receive are lower as pick-up prices are generally low. There are several marketing channels involved particularly in the marketing of pigs. From the farmers, the animals have to pass through several middlemen before reaching direct consumers. While several marketing channels exist, farmers in the area generally follow the farmer-wholesalers-butcher/retailers-consumer channel (Rola-Rubzen, Maria Fey, *et al*, 2002)

Figure 3c describes the marketing channel for poultry species. The marketing channel is simpler compared to the other livestock. The market channel can be firstly, from farmer to wholesaler-retailer to consumer; secondly, from farmer to retailer to consumer; and thirdly from farmer direct to the consumer. Supply chains for chicken are relatively simpler. There are four alternative channels available to farmers. Selling to merchants (wholesalers-retailers) then onwards to consumers is the most common channel.

The marketing channels of swine and chicken are more or less consistent with the findings of the previous study conducted by Rubzen, MFR, *et al*. (2002) stating that the poultry value chain is relatively short in comparison to the red meat value chain. Parent stocks are sold either directly to farms or through distributor agents. Small-scale backyard poultry producers sell poultry directly to consumers in the local market or to actors in

the middle who then sell to traders who sell to final consumers in the urban and peri-urban markets.

### Marketing Practices at the Auction Market

Table 5 shows the practices of livestock and poultry raisers regarding the standard age and weight for marketing livestock products.

**Table 5. Marketing practices for livestock and poultry**

Item		Information	
<b>Cattle</b>			
Age marketed	when	➤	6 to 7 months old from birth (for fattening)
		➤	2 years old, as old as 4 years old (for slaughter)
Weight marketed	when	➤	At least 40 kg (for fattening)
		➤	150 kg (for slaughter)
<b>Chicken (free-ranged)</b>			
Age marketed	when	➤	At least 6 mo. old (for slaughter)
Weight marketed	when	➤	At least 1 kg
<b>Goat</b>			
Age marketed	when	➤	6 to 8 mo. old (for breeding/fattening)
		➤	at least 1 ½ yr. old (for slaughter)
Weight marketed	when	➤	20 kg (for breeding/fattening)
		➤	30 to 40 kg (for slaughter)
<b>Swine</b>			
Age marketed	when	➤	at least 1 ½ mo. old from birth (weanling for breeding/fattening)
		➤	3.5 mo. old from birth (for lechon)
		➤	4 mo. old (for slaughter)
Weight marketed	when	➤	10 kg (weanling for breeding/fattening)
		➤	35 kg (for lechon)
		➤	60 kg (for slaughter)

According to the respondents, cattle is marketed when they reached six (6) to seven (7) months old with a weight of at least forty (40) kilograms. Buyers usually purchased at this age for fattening purposes. The cattle is also marketed when it reached two (2) years old with a weight of one hundred fifty (150) kilograms, when it is used for the purpose of beef production or meat purposes. Free ranged and native chickens are sold for slaughter when it reached six (6) months old weighing at least a kilo. Swine is marketed at the age of one and a half (1 ½) month after it has been weaned, weighing at least ten (10) kilograms and they are bought by consumers for fattening purposes. Respondents also claimed they sold

their swine for *lechon* when it is three and a half months (3 ½ ) old weighing at least thirty five (35 ) kilograms . Some also claimed to have sold their swine when it is four (4) months old having a weight of at least sixty (60) kilograms, for slaughter for meat purposes

The age to slaughter animals varies depending on many things. The highest quality beef comes from animals that are under thirty six (36) months of age. Old cows produce highly acceptable beef if properly fattened and processed. Depending on the calf and the feeding regime, calves are best slaughtered between three (3) and sixteen (16) weeks of age. Hogs may be killed any time after they reach six (6) weeks of age, but for the most profitable pork production may need to be fed for five (5) to ten (10) months. Sheep and goats may be killed anytime after six (6) weeks, but the more desirable age is from six to 12 months.(FAO Guidelines for slaughtering, meat cutting and further processing <https://www.fao.org> ).

**Determinants of livestock marketing and their influence on price**

Selling or buying of livestock and their products is important among communities who derive their source of livelihoods from livestock production. There are factors that influence the decision to participate in livestock markets and the extent or level of participation in livestock markets. According to the respondents, most of them sell their livestock out of immediate necessity during the month of June, in which there is a dire need of cash in time for opening of classes. It is during this month that supplies of animal are high but the demand is low, thus prices are lower. On the other hand, livestock and poultry raisers can command higher prices during special occasions such as fiesta, commencement exercises celebration which is from March to April. Prices of livestock are usually high during holiday season, or the month of December in time for Christmas and new year celebration.

**Suggested Strategies of Respondents on how to improve the marketing system**

A total of seventy three (73) respondents consisting of sixty three (63) livestock raisers, five (5) middlemen and five (5) buyers were asked regarding their personal suggestions on how to improve the marketing system in the Province of Cebu, and the data is shown in Table 6.

All of the seventy three (73) respondents or one hundred percent (100 %) suggested that provision of standard weighing scale in any market channel should be imposed so that livestock raisers could be assured of fair prices. A livestock auction market should provide facilities and services, like weighing scale, grading chart and marketing information on prevailing prices of livestock.

Table 6. Strategies how to improve marketing system as suggested by respondents (n=73).

Item	Frequency*	Percentage
1. Provision of standard weighing scale in any market.	73	100.00
2. Short marketing channel as possible.	63	86.30
3. Provision of digital electronic display board at livestock auction market where current market prices of each animal are being displayed.	59	80.82
4. Free access to market information for fair trading.	59	80.82
5. Presence of LGU personnel to regulate the number of middlemen operating at livestock auction market.	50	68.49
6. Presence of animal health expert from LGU to check whether the animal is healthy, fit to be sold.	10	13.70

Respondents further shared that it is much financially better if they can avoid the presence of middlemen (86%). This result is in consonance with the study of Luna (2008) that by encouraging direct selling from producers to butcher retailers or processors, the efficiency of marketing can be improved because the number of stages in the marketing channels is reduced. However, sometimes, this is not possible due to the location of producers relative to markets and the prevalence of small-sized farms, resulting to small volume of sales.

Another suggestion coming from 81% of the respondents is the provision of digital electronic display board at the livestock auction markets where current market prices of livestock and poultry species are displayed. With this board displays, farmers, middlemen and buyers can see and be aware of the current market prices which will ensure fair trading.

Eighty one percent of the respondents (81%) also suggested for free access to market information where current market prices, supply and demand information can be easily accessed by farmers, middlemen, and buyers. As related by a respondent, having access to market information is ideal so that they are aware about the current demand and supply, and the prevailing market prices.

Sixty eight (68%) per cent suggested that there should be constant presence of LGU personnel in the livestock auction markets to regulate the number and presence of middlemen during the market day .One of them bravely revealed his bad experience upon his

arrival at Mantalongon livestock market when he sold his bull. According to him, without his consent, someone suddenly grabbed the rope with the cow from his hand. Then it was passed on to two other middlemen. When the animal was bought, each person who touched the rope of his cow asked for twenty (20) pesos. The respondent shared how traumatic and worried he was in giving a lot more money if he allowed more than three middlemen to sell his bull.

About fourteen (14%) percent of the respondents suggested for a constant presence of animal health expert from LGU to check whether the animal is healthy and fit to be sold. This suggestion is coming from middlemen and buyers. According to them, there were instances when feedbacks from the buyers stated that the livestock that was bought were sick so it was disposed by the raisers. According to the Department of Agriculture-Bureau of Animal Industry (DA-BAI) a livestock auction market system not only promotes fair trading between farmers and buyers, but creates awareness on the animal health condition before selling them through issuing of veterinary certificates for meat safety purposes for the ultimate consumers

### 3 CONCLUSIONS

The findings of the study shows that the marketing system of livestock and poultry in Cebu is characterized by the existence of many middlemen at the distribution network.

Cattle, goat and swine have more or less similar marketing system. These animals are mostly picked up by barangay traders from the farmer's place. Traders have their own vehicles that has the capacity to carry considerable number of animals from the farmer's place and deliver it to another trader. These animals are sold live, per head, and in cash basis.

Chicken raisers often deliver the animal by themselves to the auction market or to their regular customers at the local market. This animal is sold live, per head, and in cash basis.

The determinants of effective livestock marketing and their influence to price are based on the demand, supply and the season. If livestock farmers sell their animals in the month of June, the price is lower as compared to other months because many livestock farmers sold their animal in this month to have cash to be used to pay for the tuition fees, and other school needs of their children. In addition, farmers also sell their animals any time of the year when there are special occasion like "fiesta" celebrations and special occasions. This is during months from March to April and in December in the celebration for Christmas and New Year.

The marketing channel for cattle, goat and swine is

more or less similar. It passes to two (2) to four (4) channels; while for Chicken, it passes to one (1) to two (2) channels only.

### RECOMMENDATIONS

With the present livestock marketing system, it is recommended that other options should be looked into to improve the existing system. A letter of recommendation based on the results of the study will be provided to proper government agencies emphasizing the fact that competition among buyers of live animals is high and price is more advantageous to producers if they are sold in auction or livestock markets. Due to the existence of many middlemen at the distribution network the respondents are suggesting for a shorter marketing channel(s), by encouraging direct selling from producers to butchers, retailers or processors. It is recommended that there should be provision of standard weighing scale. presence of electronic displays at the auction market and presence of personnel from the local government as well as veterinarians to check if the animals are fit to be sold.

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