

ORGANIZATION, MANAGEMENT AND UTILIZATION OF THE *TABO* (FLEA MARKET) AMONG RURAL COMMUNITIES IN REGION VIII

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ABSTRACT

The study was conducted in 10 municipalities of Region VIII to look generally into the organizational and management set up of the *tabo* and its uses and effects on the participants and to come up with the baseline data on producers, middlemen and consumers involved in the *tabo*.

One hundred fifty respondents (50 producers, 50 middlemen and 50 consumers) were interviewed. Generally, the educational attainment of the *tabo* participants was low. The highest gross annual incomes earned from chief sources (farming and business) were P30,000, P300,000 and P50,000 among producers, middlemen and consumers, respectively. Middlemen had the lowest average length of residence. Producers and consumers were members of organizations which were mostly agricultural in nature.

In addition to the usual way of disposing products in the *tabo*, farm products were likewise obtained by middlemen direct from the farmers' farms a day before the scheduled market day or these are delivered by farmer producers to their homes or to designated places on or before *tabo* days.

A seemingly flexible structure in the *tabo* had been observed wherein participants were not assigned permanent area to occupy since the kind of commodity they sell greatly determined their place of assignment. However, other vendors displayed their goods in any place within the *tabo* vicinity.

Uncomfortable conditions such as lack of sheds to protect the *tabo* participants from the sun and rain during the selling and buying process was reported as the foremost problem encountered.

Husbands were usually the *tabo* initiator among producer- and middlemen-respondents. The interaction observed among *tabo* participants is at a relatively depersonalized and business-like level. Vegetables, root crops, cereals, fruits and tobacco were highly saleable. The big number of customers who flocked to the *tabo* motivated the producer and middleman vendors to utilize it.

The much lower prices in the *tabo* than in the public market enabled the consumer-respondents to accumulate some savings. Hence, the *tabo* had fulfilled some of the socio-economic needs of the individual.

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INTRODUCTION

Developing countries give high priority to rural development. Generally, the productivity of small farmers cannot be successfully increased without an effective marketing system for both their products and the inputs they require. Proper functioning of the marketing system should go hand in hand with improvement in agricultural production, and any attempt to improve the present marketing system should first start with modernization of traditional rural markets.

Inadequate attention given to the importance of marketing in the development process contributed to the seeming lack of interest on the study of the rural market system. Rural markets must be viewed as crucial frontiers for farm people where they may profitably sell their surplus and purchase farm inputs and daily necessities at reasonable prices (Kim, 1981).

As a vehicle for rural development; the *tabo*, a traditional market system, has played a relevant role among the rural people by affecting their basic patterns of stratification, income distri-

bution, employment patterns, involvement in various community activities, mobility, patterns of interaction, productivity, and the people's general life style to some extent. It deals with buying and selling which are considered the functions of exchange and are directly concerned with the change of ownership of goods. Buying and selling are complimentary to each other, and it is obvious that for every sale there is a corresponding purchase and vice versa.

Although many rural institutions deserve a careful scrutiny as a consequence of their multi-dimensional roles in development and to understand the behavior of rural people in general, an investigation of the organization, management and utilization of the *tabo* is a must.

METHODOLOGY

Multi-stage sampling was done in Region VIII, from which, two provinces with five municipalities each were randomly selected. A total of 10 municipalities or 10 *tabo* served as the locale of the study. From each chosen municipality or *tabo*, five consumer-

respondents, five producer-respondents who at the same time sold their products, and five middleman-respondents were interviewed covering a total of 150 respondents. Respondents were chosen based on the length of time they have participated in the *tabo*. To check and countercheck the data obtained through the interview method, participant observation was undertaken.

A purely descriptive analysis was done to present all relevant data, thus, the study is highly qualitative in nature.

RESULTS AND DISCUSSION

Characteristics of the Tabo Respondents

The average age of the respondents was 44.0 for producers, 42.0 for middlemen, and 43.7 for consumers (Table 1). Generally, the educational attainment of the participants was rather low. The highest and lowest number of household members of the respondents were 11 and 1, respectively. Among the three types of respondents, the middlemen had the lowest average length of residence which was 29.8 years since most of them were traders and relatively new settlers in the locality.

Majority (92%) of the producers were engaged in farming. The highest gross annual income earned from chief sources were P30,000, P300,000 and P50,000 among producers, middlemen and consumers, respectively. The lowest mean gross annual income of P14,824 was obtained by producer-respondents.

Fourteen percent each of the producer- and consumer-respondents were affiliated to agricultural organizations such as Samahang Nayon, Rural Improvement Clubs, Farmers' Associations and Food Handlers' Associations. Respondents claimed to be plain members of their respective organizations. More than one-half (54%) of the producers, 46% of the middlemen and 40% of the consumers owned house and lot which they considered valuable (Table 1).

Organizational Structure and Management Practices Inherent in the Tabo

A flexible organizational structure was observed among *tabo* participants. The participants were highly depersonalized and business-like in their dealings due to the temporary state of interaction although some had formed the *suki* relationship. The three participating groups were equally important in the operation of the *tabo* although the organization as a whole is to a large extent determined by the producer and producer-middleman respondents' participation in the supply of products. Except for the presence of some market collectors and policemen during *tabo* days to oversee the tax collection and maintain peace and order, no other local government official was involved in the *tabo*.

In terms of management, many producer and middleman respondents (58 and 46 percent, respectively) had no permanent areas of assignment (Table 2). Some producers sell their produce to the middlemen right at the jeepney station. Greater flexibility in terms of area assignment was observed.

Table 1. Demographic characteristics of the respondents.

| Characteristic | Combined | | |
|--|-----------|-----------|-----------|
| | Producers | Middlemen | Consumers |
| <u>Average Age (years)</u> | 44.0 | 42.0 | 43.7 |
| <u>Sex (%)</u> | 64 | 22 | 46 |
| Male | 36 | 78 | 54 |
| Female | | | |
| <u>Civil Status (%)</u> | 0 | 8 | 8 |
| Single | 92 | 82 | 86 |
| Married | 6 | 8 | 6 |
| Widow | 2 | 2 | 0 |
| Separated | | | |
| <u>Educational Attainment</u> | | | |
| No formal schooling | 10 | 2 | 6 |
| Primary (1-4) | 36 | 20 | 16 |
| Secondary (7-10) | 10 | 40 | 30 |
| College (11-14) | 8 | 12 | 30 |
| <u>Average Length of Residence (years)</u> | 38.4 | 29.8 | 31.3 |
| <u>Chief Source of Income</u> | | | |
| Farming | 92 | 12 | 32 |
| Business | 2 | 76 | 22 |
| Salary | 2 | 4 | 26 |
| Fishing | 2 | 4 | 12 |
| Others | 2 | 4 | 8 |
| <u>Average Gross Annual Income (P)</u> | 14,824 | 27,999 | 20,293 |
| <u>Membership in Organization</u> | | | |
| Agricultural | 14 | 2 | 14 |
| Civic | 0 | 6 | 22 |
| Religious | 20 | 12 | 12 |
| Educational | 24 | 2 | 14 |
| Business | 0 | 2 | 0 |
| None | 64 | 72 | 56 |
| <u>Property Ownership</u> | | | |
| House | 8 | 6 | 10 |
| Lot | 8 | 0 | 4 |
| House and lot | 54 | 46 | 40 |
| House and lot and animals | 20 | 12 | 18 |
| House and lot and appliances | 8 | 14 | 4 |
| None | 2 | 22 | 14 |

The average *tabo* fee paid by producers for a permanent area was P1.25 while middlemen paid P2.21 depending on the quantity and quality of products displayed (Table 2). Sometimes no fixed rates were imposed on transient producer vendors and they would sometimes skip paying fees when the *tabo* collector is not around.

Uncomfortable conditions were experienced by *tabo* participants such as lack of sheds to protect them from the sun

and rain, poor drainage in the area, and traffic congestion. Robberies and quarrels were also observed during *tabo*.

Majority (95.3%) of the respondents claimed they were satisfied and had gotten used to the overall organizational set-up of the *tabo* in their respective communities whereas 88.7 percent expressed satisfaction concerning overall management procedures adopted in their localities during market days (Table 2).

Table 2. Information on organizational structure and management practices during *tabo*.

| | Producers | Combined Middlemen |
|---|-----------|-----------------------|
| <u>Availability of definite area of assignment for vendor respondents</u> | | |
| Response | | |
| Yes | 42 | 54 |
| No | 58 | 46 |
| Average rental fee for the vendor space (P) | 1.25 | 2.21 |
| <u>Overall Organizational Set-up</u> | | |
| Responses/comments | | |
| Sound and contented | | 95.3 |
| Violations of <i>tabo</i> regulations by new traders | | 1.3 |
| Improper behavior of middlemen in meeting producers from the barangays | | 3.3 |
| <u>Overall Management Procedures Adopted</u> | | |
| Contented | | 88.7 |
| Unfair issuance of tickets | | 10.0 |
| Non-formalized procedures | | 1.3 |

Social Interaction Among Tabo Participants

A generally good relationship exists among the three *tabo* participating groups since the *tabo* generates interaction among friends, relatives and even total strangers, except for those who end up envying one another. While the *tabo* is instrumental in fostering good relationships like *suki* relationship, it has also been perceived as responsible for breaking the ties between people due to individual differences among participants in dealing with business operations. A relatively depersonalized and business-like interaction was observed among and between producers, middlemen and consumers.

More interaction occurs between producers and middlemen than between producers and consumers since the former is more involved in the business operation. Middlemen normally contact direct producers of goods to enable them to obtain high profits. Bargains are less when middlemen obtain goods from their co-middlemen which makes a big difference in their profits. At times, wholesale middlemen go to the residence of the producers, and assume the responsibility of transporting the produce to their respective areas. The middlemen or simply the buyers seem to pay most attention to the establishment of personal contacts as the basis for exchange rather than focus on the quality and price of the goods.

Saleability of Locally Produced Products

Vegetables, root crops, cereals, fruits and tobacco were the first five

commodities highly saleable in the *tabo* (Table 3). These products are locally produced but displayed in small quantities. All the producers reported a steady demand for the products sold.

Advantages and Disadvantages Offered by the Tabo to its Consumers, Middlemen and Producers

Some consumers (42%) had to go to both public markets and some variety stores since they could not find the goods needed in the *tabo* (Table 3). However, the numerous customers who flock to the *tabo* encourage producers and middlemen to utilize it. Accessibility of the *tabo* area and availability of cheaper and fresher goods attracted consumers to the *tabo* (Table 3). Although not all producer-respondents relied mainly on the *tabo*, still 100 percent claimed that they patronized the *tabo* most among the market outlets available.

In terms of price, the *tabo* had cheaper goods than the public markets because bargaining and bartering of goods is widely practised and accepted. As perceived by the respondents, the *tabo* gave employment opportunities to anybody interested and therefore, it added income to the municipality. All consumer-respondents claimed that the *tabo* enabled them to buy farm and sea products at low cost.

Majority (98%) of the producers, 94 percent of the middlemen and 54 percent of the consumers mentioned that the vendors and buyers commonly participating in the *tabo* belonged to the middle-class groups (Table 3). One-

Table 3. Advantages and disadvantages of *tabo*.

| | Producers | Combined Middlemen | Consumers |
|---|-----------|-----------------------|-----------|
| <u>Market outlets aside from the <i>tabo</i></u> | | | |
| Public market | 24 | 24 | 10 |
| Variety stores | 6 | 6 | 10 |
| Public market and variety stores | 12 | 24 | 42 |
| Other province (Cebu) | 0 | 20 | 0 |
| Total | 42 | 74 | 62 |
| <u>Reasons for utilizing the <i>tabo</i></u> | | | |
| Many customers | 54 | 74 | 0 |
| Accessible | 40 | 6 | 54 |
| Able to sell and buy other needs | 40 | 40 | 0 |
| Cheaper and fresher goods | 0 | 0 | 54 |
| <u>Market outlet patronized most by the respondents</u> | | | |
| <i>Tabo</i> | 100 | 72 | 86 |
| Public market | 0 | 28 | 4 |
| Variety store | 0 | 0 | 4 |
| Any outlet that supplies the needed products | 0 | 0 | 6 |
| <u>Categories of sellers and consumers in the <i>tabo</i> as perceived by the respondents</u> | | | |
| Middle class | 98 | 94 | 54 |
| Lower class | 0 | 4 | 2 |
| All classes | 2 | 2 | 44 |
| <u>Percentage of population in the locality served by the <i>tabo</i> as perceived by the respondents</u> | | | |
| 1-25 | 52 | 12 | 6 |
| 26-50 | 36 | 44 | 14 |
| 51-75 | 8 | 30 | 14 |
| 76-100 | 4 | 14 | 66 |
| <u>Distribution of respondents with or without change in income status as a consequence of their participation in the <i>tabo</i></u> | | | |
| Yes | 84 | 90 | 42 |
| No | 18 | 10 | 48 |
| Unnoticeable | 0 | 0 | 10 |
| <u>Other family members involved in selling at the <i>tabo</i></u> | | | |
| Children | 32 | 38 | |
| Spouse | 24 | 26 | |
| Others | 20 | 18 | |
| None | 24 | 18 | |
| <u>Overall advantages offered by <i>tabo</i> as perceived by middlemen-respondents</u> | | | |
| Serves as source of livelihood | 56 | | |
| Serves as secondary source of income | 44 | | |
| Offers employment | 18 | | |

third of the consumer-respondents estimated that 76-100 percent of the population in their localities were served by the *tabo*. Majority (90%) of the middlemen, 84 percent of the producers, and 42 percent of the consumers claimed that their economic status had improved. Changes involved increased family income because they were able to accumulate some savings and engage in small business on market days. Producer-respondents mentioned that their spouses, children and other family members (parents, nieces, nephews and cousins) are involved in selling at the *tabo*. More than one-half (56%) of the middlemen revealed that transacting business during *tabo* days in different localities was their livelihood. The overall advantages offered by the *tabo* were socio-economic in nature. The only drawback experienced by consumers was overshooting the family budget due to the availability of cheaper products.

RECOMMENDATIONS

It was observed that locally produced products especially farm products are highly saleable on *tabo* days. These are the goods which people from the *poblacion* are inclined to buy. Fresher and cheaper farm products are anticipated by customer but such goods come in small quantities. Therefore, development-oriented agencies working in the farm areas should give priority to the mass production of farm products such as vegetables, fruits and root crops and monitor their prices in collaboration with some local government officials.

Information and price stabilization of products in the study areas are limited hence, the government should support the producers in price standardization. Reliable forecast of prices of products must be implemented to help narrow down the gap between the net margin of the producers and that of the middlemen.

The generally low educational attainment of the *tabo* participants probably caused them to remain ignorant on how to maximize profits. The lack of marketing knowledge and standard units of measurement exacerbate this problem. This could be corrected by providing a communication program assisted by the agricultural extension workers assigned to different municipalities who will disseminate information among producers especially regarding current prices.

Some producers are tied up to particular buyers because of cash advances given. They are forced to sell their products to these buyers at a much lower price hence they can not sell their products to buyers who offer higher prices. Improved credit facilities for the farmers through credit cooperatives at the barangay level can solve these problems.

Generally, producers who perform some marketing services get higher peso returns than those who sell their products directly to the buyers. This implies that the producers' marginal cost in performing a marketing function is very much lower than its marginal revenue. Farmers then are advised to perform some services such as sorting, storing, processing and

transporting with the use of public utility vehicle.

Lack of space to display producers' products should be resolved with the help of local government officials especially those in-charge of municipal planning. A proper arrangement of goods should be done and assistance from the Integrated National Police is necessary to prevent traffic problems, robberies and quarrels.

Since the study dealt broadly with the management, organization, and

utilization of the *tabo*, a study on the participants' recommendations to improve *tabo* operations must be conducted. The *tabo* participants are in a better position to suggest possible ways to satisfy their needs since they have a clearer picture of the actual *tabo* situation. They should not only be recipients or beneficiaries of projects or programs but they must be involved even in the planning and organizing stages.

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