

## **PROPOSED PRODUCERS' COOPERATIVE IN BARANGAY MAKILING, CALAMBA CITY, LAGUNA**

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### **ABSTRACT**

*This study was conducted to determine if it is feasible to put up a Producers' Cooperative in Barangay Makiling, Calamba City, Laguna. An interview was conducted with the Barangay Chairman of Barangay Makiling and the Cooperative Development Specialist of Calamba City Hall. In coordination with the Institutional Social Responsibility Office (ISRO) of Lyceum of the Philippines-Laguna, the proponents used the data gathered of the needs assessment of the residents of Districts 3, 4 and 5 of Barangay Makiling. The Producers' Cooperative will be acting as a sub-contractor of Laguna Water Hyacinth Handicrafts Producers' Association, Inc. (LAWHHPA) that will provide manpower and raw materials. The starting members will be the 94 community officials of Barangay Makiling. There were eighteen 18 residents who volunteered to be the official workers on the beginning stage of the cooperative. The cooperative will manufacture Water Hyacinth Handicraft Products made up of dried water hyacinth and will sell it to the Laguna Water Hyacinth Handicraft Producer's Association, Inc. They will produce handicraft products such as bags, placemats, slippers, chairs, etc. The workers will provide quality products that will meet the standards of the Laguna Water Hyacinth Handicraft Producers' Association. The cooperative aims to help uplift the living condition of the Barangay Makiling residents, especially the non-working females by providing a livelihood program. The cooperative will then help the environment by reducing the water hyacinth in lakes and swamps because it becomes a pest when it reproduces. The cooperative has a long-term goal of converting into a multi-purpose cooperative that will surely provide more benefits to its members. It will provide sustainable livelihood program for the residents and aid their overall standard of living. The cooperative will also open a membership opportunity for the entire Barangay Makiling residents.*

**Keywords: producers' cooperative, handicrafts, water hyacinth, cooperative and barangay officials.**

## **INTRODUCTION**

The barangay, as a political unit, is the most enduring legacy of our pre-Hispanic past. As students, we learned that the word barangay traces its roots from *balangay*—small but sturdy boats that our Malay ancestors used to navigate the rough seas of the Pacific to settle in these lands.

A cooperative, by definition, is a duly registered association of persons with a common bond of interest, who have voluntarily joined together to achieve a lawful common social or economic end, and cultural needs and aspirations by making equitable contributions to the capital required, patronizing their products and services, and accepting a fair share of the risks and benefits of the undertaking in accordance with universally accepted cooperative principles.

The Cooperative Development Authority (CDA) is the lead government agency mandated by virtue of Republic Act No. 9520 (Philippine Cooperative Code of 2008) to promote the capability and growth of Philippine cooperatives. It is the only government agency that registers cooperatives.

### **Name of the Enterprise**

The proponents agreed that the name of the cooperative will be *Maria Makiling Producers' Cooperative*. The name was suggested by the Barangay Chairman of Barangay Makiling, Calamba City, Laguna. He got it from their existing group of females namely *Mga Maria ng Makiling* who will be among the potential workers for this cooperative.

This proposed project will give a livelihood program for the residents, especially non-working females of Barangay Makiling, Calamba City, Laguna. This cooperative will manufacture *Water Hyacinth Handicraft Products* and will be sold

and distributed to the Laguna Water Hyacinth Handicraft Producer's Association, Inc.

## **Location**

### **Head Office**

The head office of the business will be located at #0648 Brgy. Makiling, Purok 3, Calamba, Laguna 4027. The Barangay Captain offered his law office to be the head office of the cooperative. The area allocated for the office is 30 sq. meters.

### **Plant**

Like the head office of the business, the production plant will also be located on the same place. The area allocated for the production plant is 30 sq. meters.

## **Project's Long Range Objectives**

The long-term objectives of the cooperative include the following:

- To provide sustainable livelihood program for the residents of Brgy. Makiling, Calamba City, Laguna and to aid their overall standard of living.
- To provide an excellent quality of water hyacinth products that will meet the standards of the Laguna Water Hyacinth Handicraft Producer's Association (LAWHPA).
- To expand the production of this cooperative by producing new kinds of products and extend the market.
- To convert this cooperative into a multi-purpose cooperative that will provide more benefits for the members.

- To build the cooperative's name recognition within the community through a community project in seven- to 10-years' in time.

### **Feasibility Criteria**

The following are the guidelines that should be proven to test how feasible the study is:

#### *Market Study*

- ✓ Accessible to its target members and workers;
- ✓ Adequate demand to meet the needs and wants of the members and workers; and
- ✓ Marketability of the products of the cooperative.

#### *Technical Study*

- ✓ Services offered;
- ✓ Narrative description of establishing a cooperative;
- ✓ Office schedule;
- ✓ Channels of distribution;
- ✓ Raw materials and supplies;
- ✓ Jobs and job descriptions;
- ✓ Plant location, plant layout, building and facilities; and
- ✓ Utilities.

#### *Management Study*

- ✓ Form of business ownership;
- ✓ Number of members of the cooperative;
- ✓ Procedures in establishing the business;
- ✓ Legal requirements to establish the business;
- ✓ Organizational structure of the cooperative; and
- ✓ Organizational policies.

#### *Financial Study*

- ✓ Estimated capital budget to cover all start-up costs including the minimum capital required by Cooperative Development Authority (CDA);
- ✓ Capacity of the members of the cooperative to finance the product; and
- ✓ The recovery of the invested capital.

### **RESEARCH METHODOLOGY**

It is the process used to collect information and data for the purpose of making business decisions. The methodology may include publication research, interviews, surveys, and other research techniques, and could include both present and historical information (Business Dictionary).

#### **Benefits of Research Methodology (M S Sridhar):**

- ✓ Advancement of wealth of human knowledge.
- ✓ “Tools of the trade” to carry out research; provide tools to look at all things in life objectively.

- ✓ Develops critical and scientific attitude, disciplined thinking or a 'bent of mind' to observe objectively; skills of research will pay-off in long term particularly in the age of information.
- ✓ Enriches practitioner and his practices; provides chance to study subject in depth; enables us to make smart decisions.
- ✓ It helps to inculcate the ability to evaluate and use results of earlier research with reasonable confidence and take rational decisions.

As a primary source, the proponents gathered data and information through an interview with the Barangay Chairman of the Brgy. Makiling, and the Cooperative Development Specialist. They also collected data from the printed materials such as related feasibility studies and books. For secondary source, the Internet is also one of the helpful means where other data can be acquired. The proponents also distributed survey questionnaires to the respondents.

### **Data Gathering**

The proponents used survey questionnaires in gathering data. Here are the following benefits of this process:

- ✓ Practical;
- ✓ Large amounts of information can be collected from a large number of people in a short period of time and in a relatively cost effective way;
- ✓ Can be carried out by the researcher or by any number of people with limited effect to its validity and reliability,
- ✓ The results of the questionnaires can usually be quickly and easily quantified by either a researcher or through the use of a software package;

- ✓ Can be analyzed more 'scientifically' and objectively than other forms of research;
- ✓ When data has been quantified, it can be used to compare and contrast other research and may be used to measure change; and
- ✓ Positivists believe that quantitative data can be used to create new theories and/or test existing hypotheses (<http://libweb.surrey.ac.uk>).

### **Highlights of the Project**

The proponents coordinated with the Institutional Social Responsibility Office (ISRO) of Lyceum of the Philippines-Laguna in gathering data of the needs assessment of the residents of District 3, 4 and 5 of Brgy. Makiling. The result of the survey showed that most of the residents are unemployed or earning below minimum wage rate per month. It aims to give a source of income to the residents especially to the housewives and out-of-school youths. That is why they came up with the idea of putting up a Producers' Cooperative to act as a middle man between the Laguna Water Hyacinth Handicraft Producers' Association, Inc. and the residents of Barangay Makiling in order to provide livelihood, lower the unemployment rate and help lift the economic status of the residents.

The proposed Producers' Cooperative will coordinate with the Laguna Water Hyacinth Producers' Association, Inc. which will be the principal market of its handicraft products. The residents of Brgy. Makiling will be the potential workers for producing water hyacinth handicraft products and collecting water hyacinth from dams and lakes.

## **SUMMARY, FINDINGS AND CONCLUSIONS**

### **Market Feasibility**

The potential members of the cooperative will be the primary factor to be considered in the marketability aspect. Based on our interview with the Community Chairman, there will be a certain number of 94 members in starting up the proposed Producers' Cooperative. These 94 potential members are the community officials of Barangay Makiling. The proponents also made a survey of needs assessment of the residents of the Brgy. Makiling particularly Districts 3, 4 and 5 because they will be the prospective workers of the Producers' Cooperative. There were 18 residents who volunteered to be the official workers on the beginning stage of the cooperative.

The handicraft products that will be produced by the workers of Producers' Cooperative have a primary target market which is the Laguna Water Hyacinth Handicraft Producers' Association, Inc. The pre-finished handicraft products and collected dried water hyacinth will be sold directly to the said association. These handicraft products will help not only on providing livelihood for the residents but also to preserve the Laguna Lake.

### **Technical Feasibility**

The technical study is mainly about putting up a cooperative and its operation. The cooperative can provide jobs to those unemployed residents of Brgy. Makiling and help improve their livelihood.

Under this study, they also considered the availability of raw materials, supplies, and equipment together with their suppliers, order frequencies and prices. The researchers also determined the location of the office and plant, and designed a layout to suit the needs of its workers for faster service, quality control, and easy access to customers.

## Management Feasibility

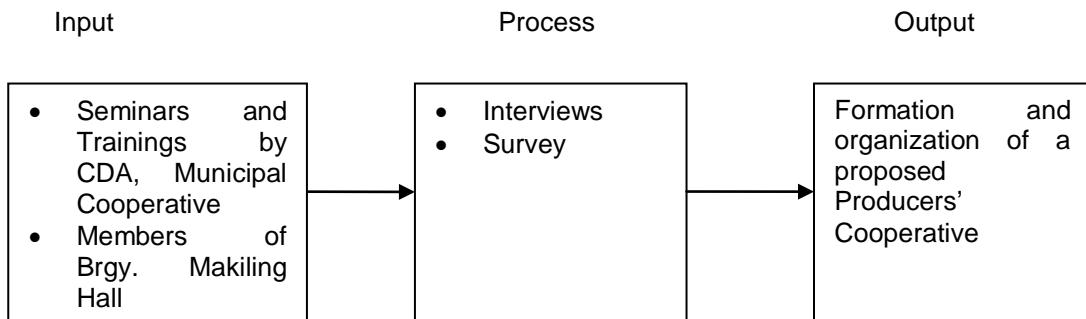
The type of ownership is cooperative with 94 members. The business is a producers' cooperative wherein the cooperative will produce products made of water hyacinth for sale to the Laguna Water Hyacinth Handicraft Producers' Association, Inc. and to other potential markets in the future. The business will initially hire 18 workers in order to produce its handicraft products. These workers will undergo trainings and seminars in order to be efficient and to meet the needs and wants of its potential buyers. The cooperative will comply with the legal requirements as set forth by the Cooperative Development Authority.

## Financial Feasibility

The initial capital of *Maria Makiling Producers' Cooperative* amounting to ₱79,900 will cover the pre-operating expenses of the cooperative. The cooperative expects to gain continuous income in five to 10 years. The payback period was computed to be four months and 14 days, and other financial probability ratios additionally show the financial feasibility of the project.

## Research Framework

This research will provide analysis of the feasibility of putting up a Producers' Cooperative in Barangay Makiling, Calamba City, Laguna.



## **Project Time Table**

The project time table will allow the business to determine if the proposed project is on track to meet the target date of starting operation. The proposed project is expected to start its business operation within four months after July 2014. Components that go into the timetable must be fully understood to allow the business to develop the project precisely in order to lessen the adjustments once the project begins.

<b>Activities</b>	<b>Months of Research (2014)</b>				
	<b>July</b>	<b>Aug.</b>	<b>Sept.</b>	<b>Oct.</b>	<b>Nov.</b>
<b>1</b> Planning & studying the viability of the business.					
<b>2</b> Researching of the requirements.					
<b>3</b> Obtaining & complying the required documents.					
<b>4</b> Organizing the cooperative.					
<b>5</b> Securing funds from the members.					
<b>6</b> Legalizing the cooperative.					
<b>7</b> Acquiring of office furniture, equipment, supplies & other related concerns.					
<b>8</b> Hiring and training employees.					
<b>9</b> Normal business operation.					

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