

## REVIEW ARTICLE

## SUSTAINABILITY OF KADIWA: LINKING FARMERS DIRECTLY TO CONSUMERS

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## ARTICLE DETAILS

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## ABSTRACT

This study focuses on the sustainability of the “Kadiwa ni Ani at Kita” program. This program is under the direct supervision of Department of Agriculture, under the government. There two objectives of this program. One is to create a direct system and convenient way of trading with the farmers, which will also ultimately improve their income. The other objective is to offer ultimate consumers low-priced agricultural products by eliminating layers of traders. The study used the quantitative research design using the program as a case study. Data were gathered through face-to-face interviews with open ended questionnaires. The respondents, purposely selected for this study, consisted of fifty farmers in the provinces of Quezon and who are producing high-value crops (vegetables that are in demand in the market). The data were analyzed using simple statistical tolls like mean and standard deviation. The researcher’s initial findings show that one of the main reasons for the majority of farmers’ inability to improve their income is the lack of access to better market prices among others. Results further show that continuous development of “Kadiwa ni Ani at Kita” Program, through an enhanced marketing platform, strategically designed management, and building outlets in adjoining areas will achieve its sustainability. It will benefit the farmers to patronize their agricultural products in the market venture, and for consumers to acquire affordable goods. This paper will be submitted to the Department of Agriculture’s AMAD (Agri-Business and Marketing Assistance Division) in an attempt to help AMAD expand its role and fulfill its mandate of assisting farmers to become agri-preneurs.

## KEYWORDS

Kadiwa ni ani at kita, farmers, consumers

### 1. INTRODUCTION

The practice of agriculture plays a significant influence on the economies worldwide. It supports the livelihoods of generations of families no only in the Philippines but all over the world. It fosters trade, and creates multiple job opportunities and encourages innovations. Through technological improvements and mechanization, agricultural businesses optimize efficiency, producing bountiful goods while preserving natural resources, and creating continuous growth in the field of agriculture. Countries have different ways and strategies to uplift the different sectors of society to get through the challenges of food security in the midst of growing population and climate change. Sustainability is a major challenge that can secure biodiversity and food availability that will benefit present and future generations.

The Philippines is a tropical country in Southeast Asia, and its agriculture sector is essential to the country’s economy. It has a lot of fertile land, tropical climate, and is host to various plants and animal species. For a long time, this industry has been significant in providing food and employment to millions of Filipinos. The Covid19 pandemic has significantly impacted food distribution and trading, along with other various factors like inflation, product shortages, volatile pricing of oil products that drive fam machinery, numerous intermediaries in the supply chain, and the increasing expenditure in agricultural operations. As a result, the prices of agricultural inputs have increased significantly, causing difficulties for local farmers in general.

The president of the Philippines, Ferdinand R. Marcos Jr. pledged to provide food accessibility and affordability to all Filipinos. In his press

conference “after the first Cabinet Meeting, the President stressed that his key instructions to DA focus on ensuring food supply for the next two quarters of the year,” the Department of Agriculture initiated further improvements the Kadiwa ni Ani at Kita program. It must be recalled that the Kadiwa concept was first launched in 1979 during the administration of Ferdinand E. Marcos, Sr. in response to the oil crisis. The concept involved rolling stores and NFA warehouses selling basic food necessities like rice, sugar, and cooking oil at government-subsidized prices. The Estrada and Duterte administrations later revived the program with varying degrees of funding and support. The current form is an extension and further enhancement of the program that gained momentum during Dr. William D. Dar’s term as DA Secretary. The current Kadiwa sa Ani At Kita program has four different modalities; Kadiwa retail selling, Kadiwa-on-Wheels, Kadiwa Express, and E-Kadiwa. The program will create a marketplace for local farmers, fishermen, and small businesses that sell essential items and goods. It also focuses on making food and vegetables accessible, ensuring their quality, safety, and affordability. The foremost concept of this project is to make a direct system of trading, which will link the consumers with local farmers. The innovative modalities of the Kadiwa program provide a convenient way of trading between consumers and farmers that will benefit both parties. The launch of the said program appears promising as it expands the roll out of the outlets through different modalities, and may have the potential to reach even remote areas of the country. The Philippine Government continues to closely monitor the program and fund, seeking its long-term viability. This study aims to provide assistance to the government in fulfilling its objectives and generating ideas on whether the program has the capacity to achieve sustainability based on the findings of the study.

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## 2. LITERATURE REVIEW

"Kadiwa" was initially launched during the time of then President Ferdinand E. Marcos during the 70's when the world was reeling from the effects of the OPEC oil embargo and food crisis that was felt all over the country. Basic food commodities like rice, sugar, coffee, and milk were in short supply. "The emergence of Kadiwa stores to the oil crisis of 1973, when prices of many commodities soared and scarcity of food was felt. It was during this time that the concept of retailing the seven basic commodities at government-controlled rates was systematized. On April 14, 1980, the first KADIWA Center was put up at the FTI Complex. Jürgen Rüländ, in a 1986 article in the *Asian Journal of Public Administration*, pointed to a pre-Kadiwa effort of the Imelda Marcos-led Metropolitan Manila Commission (MMC) – the so-called "rolling stores" project in 1979 that sold food and essential items in depressed areas at subsidized prices.

"The actual legal basis for the Kadiwa stores was the 1981 Presidential Decree (PD) 1770 which placed FTI, and with it the incipient Kadiwa, under the National Food Authority (NFA). PD 1770 also designated Imelda as the head of the council that ran the NFA."

The current format of "Kadiwa ni Ani at Kita" program was officially launched on September 13, 2019. It was devised to strengthen the Department of Agriculture's strategy for achieving enhanced commodity supply while uplifting the livelihoods of farmers and fishermen. Moreover, it aims to address consumers' needs by ensuring the accessibility of safe and cost-effective goods.

The program was derived from the concept of "one idea, one thought," or "isang diwa" in the local Tagalog dialect. According to DA, The Kadiwa program is an initiative in direct marketing, connecting agricultural products directly to consumers. It establishes Kadiwa retail stores strategically located to provide accessible and reasonably priced food commodities to the public. The Kadiwa-on-Wheels rolling stores (or trucks) are parked in community gathering points to cater to low-income communities who are the other targeted beneficiaries of the program.

The DA Agribusiness and Marketing Assistance Service (AMAS), responsible for handling KADIWA accreditation applications, has recorded a total of 308 KADIWA outlets. This number includes stores, pop-up stores, and KADIWA-on-Wheels across the country (DA-AFI, 2023). The program demonstrates visible progress as it continues to expand. Notwithstanding the successful launch, the sustainability of Kadiwa remains unpredictable due to its dependence on subsidies provided by the Philippine Government. However, amidst considerations pertaining to operating expenses and potential losses, the Kadiwa program will be sustained by the Marcos, Jr. administration. Aside from the crucial government support for expanding the store network, it has actively improved the farmers' income, by providing a marketplace for the farmers abundant harvests that significantly impact the supply chain. This positive outcome, in turn, cultivates consumer loyalty, further solidifying the program's potential for enduring success.

## 3. METHODS

The research utilizes data sourced from the Department of Agriculture following the guidelines of the National Action Plan on Food Security (Food Resiliency). The researcher disseminated survey questionnaires and conducted face-to-face interviews with respondents. Comments and suggestions were solicited from the farmer-respondents during the interviews. Additional questions that focused on how the current Kadiwa set up could be improved to increase its efficiency and sustainability from the farmers' point of view. Aside from the farmer respondents, comments were also gathered from customers who have patronized the ongoing operations of the Kadiwa program to assess its sustainability.

## 4. MEAN AND STANDARD DEVIATION METHOD

The Mean deviation calculated the values in a dataset being spread out. On the other hand, standard deviation measures the amount of variation or dispersion in the dataset. The computation of Mean deviation and Standard Deviation occurs through the utilization of these formulas.

$$\text{Mean Deviation} = \Sigma |x - \mu| / N$$

$$\text{Standard Deviation } (\sigma) = \sqrt{(\Sigma (x - \mu)^2 / N)}$$

## 5. THE DATA ANALYSIS

In conducting the research, certain variables were identified that influence the Kadiwa marketing strategies as the independent variable (IV) and consumers and farmers as the dependent variable (DV) influenced by the dependent variable. The influence was expressed in terms of the five dimensions of marketing strategies of Kadiwa service which are quality, satisfaction, sustainability, affordability and effectiveness.

Kadiwa are now being enjoyed by the consumers which were introduced through barangay campaigns, rolling stores and online selling. One of the many projects of the Department of Agriculture, Kadiwa aims to eliminate middlemen thus resulting to a price affordable to consumers and creating an environment of increased sales to farmers giving the latter a better income. In addition, farmers in the barangay may seek help from the barangay officials to help them promote sales of their produce through Kadiwa. This idea will be beneficial to farmers and the government alike.

Most of the farmers are residents of barangay in Quezon particularly Talisay, Ayusan and Antonino. Owning a small area of more or less 150 sqm, they plant eggplants, ampalaya and sweet potato giving them an income of almost P 15,000 monthly but with alternate earnings from poultry and hog raising.

Both farmers and consumers are satisfied with Kadiwa. In this regard, the government thru the participation of the Department of Agriculture should continue to introduce modern techniques on farming and encourage additional Kadiwa stores to chosen barangays for a healthy environment for bot farmers and consumers.

## 6. CONCLUSION

This study targeted to determine the sustainability of Kadiwa program based on the survey questionnaires and interpreted by using the given statistical tools which are the mean and standard deviation. Additionally, the data gathered from face-to-face interviews using open-ended questionnaires was used to perform a comprehensive evaluation for accurate interpretation of data. Through the favorable feedback from farmers and consumers who are actively participating in the Kadiwa program, it is evident that the program has proven to be advantageous to the farmer. In the same manner, the satisfaction and loyalty expressed by consumers, along with the prospect of improved market prices create a positive outlook for future success and sustainability of the program.

Expanding the Kadiwa program to include more farmers from the Laguna and Quezon areas is crucial for achieving broader food security goals and achieving its ultimate objective of improving farmers' incomes. To speed up this expansion, the following steps should be undertaken:

- i. Closer Farmer Engagement: Conduct outreach programs, workshops, and training interventions to capacitate and encourage farmers to participate in the Kadiwa. Emphasize the benefits of direct marketing and the potential for increased income.
- ii. Local Government Units (LGU) Partnership and Engagement: Closer collaboration with LGU to identify potential clusters of farmers producing similar products. Clustering will improve the efficiency of projects and grants. Necessary support like infrastructure development and improved access to credit (without the required collateral if possible) should also be studied and implemented by the LGUs.
- iii. Improve Logistics and Distribution. The LGUs (Provincial and Municipal) should partner to improve the transportation and distribution network. Building more Farm-to-Market Roads in vegetable-producing areas of the 2 provinces will positively impact the cost of produce, thus reducing the price of vegetables in the Kadiwa outlets.

Like any other government program, the Kadiwa Sa Ani at Kita is continuously evolving in form, substance, and support from stakeholders. This study is one attempt to measure its perceived success at this point in time. It will be up to the program's movers and policymakers to decide on the direction and innovations that they will introduce in response to new challenges and realities in the marketplace. Sustainability can be accomplished by implementing an improved technology-based marketing

platform for e-commerce, strategically planned management, and establishing more physical outlets in neighboring areas.

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