

**SUGAR IN SOUTHERN BUKIDNON:  
A PRELIMINARY REPORT ON  
THE IMPACT OF A NEW INDUSTRY**

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*This paper assembles survey and census data to demonstrate that while the Bukidnon sugar industry has been a highly profitable undertaking, the sugar workers have not obtained a commensurate share in these profits. The workers' conditions appear to have deteriorated since the initiation of the sugar industry in the province, and is likely to worsen as more skilled workers from outside the province are recruited, displacing Bukidnon province residents looking for work. Several recommendations to improve the plight of the sugar workers are given.*

Among the assumptions one might bring to the study of a government-initiated industry like the sugar industry of southern Bukidnon are three: first, that residents of Bukidnon will endeavor to use the opportunities proffered by the industry to maximize their economic standing and their social status to the extent they can; second, that the state, in initiating and supporting such an industry, will have as its goals increasing the economic well-being of the citizens in general, advancing the social tranquility of the society, and the enjoyment of the full amplitude of human rights of all citizens; and third, that the time frame and context of the industry's origin and growth are important aspects for acquiring, in proper perspective, an understanding of the comparative costs and benefits of that industry.

The Bukidnon sugar industry has been a highly profitable undertaking. This is evidenced by the large gross income returns to planters. For example, in the 1981-82 crop season, the top ten sugar producers (BPA 1981-82: 30) averaged a gross income P7.3 million pesos a year, while the second ten grossed on the average P3.1 million. The final seven average P1.9 million. Altogether these 27 largest producers received P117 million, 47.6 percent of the total estimated gross income for Bukidnon sugar in 1981-82. Table 1 shows that in 1981-82,

three percent of the planters controlled 45 percent of the cane sugar area, while at the other end of the membership pyramid, 38 percent of the planters (408) controlled only 8 percent of the land. The top three, constituting 19.7 percent of all members, controlled 71 percent of the sugar hectareage, while the remaining 80.3 percent of the members controlled only 29 percent. One can scarcely be surprised, then, to discover from interviews that Bukidnon Planters' Association (BPA) policies are rather thoroughly controlled by the top 4.9 percent of the members who control more than 50 percent of the sugar lands.

Nobody keeps knocking his head against a wall. Thus the continuing rapid expansion of membership in the BPA is a further index of the profitability of sugar planting (see Table 2).

The continuing expansion of hectareage devoted to sugar, coupled with the continuing decline of the hectareage planted to corn and rice, are further indicators of the profitability of sugar planting (see Tables 3 and 4).

Finally, the profitability of the mill is clearly indicated by the upgrading it went through in 1981-82 (BPA 1981-83: 14), increasing its milling capacity from 4,000 to 6,000 metric tons of cane per day. This meant

Table 1. *Farm area (in hectares)*

	0 - 6	7 - 20	21 - 60	61 - 100	101 or more	Total
Members	408	462	160	17	36	1,083
Percent	37.7	42.6	14.8	1.6	3.3	100.0
Hectares	1.80	4.30	4.34	1.05	9.45	20.90
Percent	8.40	20.50	29.90	5.00	45.20	100.00

Table 2. *Membership of the Bukidnon Planters Association*

Year	No. of members	Rate of Annual Increase <sup>a</sup>	
1976	54	—	—
1981	784	1976-1981	70.76%
1982	1083	1976-1982	82.16%

<sup>a</sup>Compound interest formula.  
Source: BPA 1981-82: 14,22.

Table 3. *Hectares Planted to Crop*

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
<b>Hectares Planted</b>						
Sugar	1.9	3.7	5.5	8.4	12.4	16.2
Corn	72.1	67.7	80.9	65.3	53.3	46.5
Palay	35.7	35.1	34.0	33.4	25.4	25.1
<b>Production</b>						
Sugar (Piculs)	2.6	4.6	7.3	9.9	13.4	14.9 (x 100,000)
Corn (M. tons)	164.2	101.2	169.8	153.1	143.9	143.5 (x 1,000)
Palay (M. tons)	123.5	111.9	116.2	114.7	108.9	82.4 (x 1,000)

Table 4. *Hectares planted to crop, percentage distribution*

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82
<b>Hectares Planted</b>						
Sugar	100	189	282	432	637	832
Corn	100	94	112	91	74	64
Palay	100	98	95	93	71	70
<b>Production</b>						
Sugar (Piculs)	100	77	181	281	415	473
Corn (M. tons)	100	62	103	93	88	87
Palay (M. tons)	100	91	94	93	88	67

the installation of new and expensive machineries, tanks, boilers, and other facilities. It would not have so expanded if the operations had not been quite profitable.

In contrast, the laboring man has not obtained a commensurate share in these profits. There has been very little "trickle down." His economic situation appears to have deteriorated since the initiation of the sugar industry in Bukidnon. There have been large migrations to the sugar producing municipalities of Bukidnon both from within and from outside Bukidnon Province, indicating the desire of the common man to share in these profits.

The interviews reveal that many large planters utilize a capital intensive approach to sugar production, substituting machines for human labor. Actually, we discovered only one large planter who uses a labor intensive approach, and employs field labor instead of machinery in most of his sugar cultivation.

A careful check revealed that most of the employment on the larger farms seems to be short-term, principally for the harvest period. Further, it seems that many persons with technical know-how as well as many *tapaseros* (cutters of cane) obtained employment at the

expense of Bukidnon province residents looking for work, but without matching skills. In Butong, Quezon municipality, one of the largest producers of sugar and the site of the mill, more than 20 percent of those reporting themselves as tenants or former tenants stated that the sugar industry had adversely affected their livelihood, since they had lost their land to the sugar producers and therefore could no longer employ themselves upon it. In Butong, one respondent (not a farmer) claimed that people living near the site of the present Bukidnon Sugar Milling Company, Incorporated, had lost their land to the BUSCO, as it is popularly called, through sale or other circumstances. All those who identified themselves as farmers in both of the large sugar-producer barrios, Butong and Bagonta-as, reported incomes of less than five thousand pesos a year at time of interview. At least some of these, as just noted, had lost their farms (through sale, loss of tenancy rights, and the like). Thus in 1982, their families seemed to have been below the absolute poverty line because they had no farms to fall back on for the family's food.

Occupational data were gathered in all four of the sample barrios of southern Bukidnon. More than 65 percent of the available farm

land in Butong and Bagonta-as is devoted to sugar planting, less than 30 percent in Dagumba-an of Maramag municipality, and a negligible amount, if any, in Macaopao of Kalilangan municipality. The data show only 30 and 32 percent were currently farmers in Butong and Bagonta-as, whereas 86 and 100 percent, respectively, were farmers in Dagumba-an and Macaopao (see Table 5). If we break down the percentages who reported themselves as farmers, we see that much larger

percentages reported themselves as owners in Dagumba-an and Macaopao than in Butong and Bagonta-as, which presumably once had much higher proportions of owners (see Table 6). On the other hand, we discover larger percentages in Butong and Bagonta-as reporting themselves as agricultural laborers. Presumably, to the extent that agriculture is mechanized, it tends to displace agricultural laborers as well as tenants and small owners.

Table 5. *Occupational data upon household heads*

<i>Occupation</i>	<i>Butong</i>	<i>Bagonta-as</i>	<i>Dagumba-an</i>	<i>Macaopao</i>	<i>Means</i>
Administrative/Executive	4	0	2	0	1.5
Professional/Technical	2	2	2	0	1.5
Sales	0	10	0	0	2.5
Crafts/Factory	34	18	0	0	13.0
Service/Entertainment	8	18	0	0	6.5
Driver/Transportation	22	16	4	0	10.5
Business	0	2	6	0	2.0
Farming	30	32	86	100	62.0
Unemployed, retired, sick	0	2	0	0	0.5
All Occupations (%)	100	100	100	100	100.0

Table 6. *Frequency distribution of farmers*

<i>Status</i>	<i>Butong</i>	<i>Bagonta-as</i>	<i>Dagumba-an</i>	<i>Macaopao</i>	<i>Means</i>
Owner	10	20	58	76	41.0
Owner-tenant	0	—	14	4	4.5
Tenant	14	8	12	16	12.5
Farm Labor	6	2	0	0	2.0
Lessee	0	0	2	4	1.5
Farmer/Business	0	2	0	0	0.5
Farmers (All Types)	30	32	86	100	62.0

All respondents in the four sample barangays were asked to rate the economic situation of their families, for the period 1975 up to the present, with the period before 1975, and to say whether they considered their standard of living since 1975 better or worse than it was before Table 7 shows that 60.5 percent stated it was worse, and

only 17.5 said it was better. Finally, they were asked to mention the main benefit that the sugar industry had brought them. Fifty-one percent (see Table 8) said there were no benefits or they did not know of any benefits. Only 10 percent mentioned increased income, and only 13 percent said "permanent job."

Table 7. Comparison of present (1975-83) with past standard of living, percentage distribution

Barangay	Better	About the same	Worse	No Response	Total (%)
Butong	28	18	54	0	100
Bagonta-as	16	22	62	0	100
Dagumba-an	14	30	54	2	100
Macaopao	12	16	72	0	100
Means	17.5	21.5	60.5	0.5	100

Table 8. Benefits of the sugar industry to myself and family

Barangay	No benefits	Don't know	Perma- ment job	More income	Free housing	Work opportunity	Condi- tionally helpful	Can buy sugar	Another crop opportunity	No Resp.	Total (%)
Butong	16	2	12	16	22	14	16	0	0	2	100
Bagonta-as	72	0	8	8	0	4	0	8	0	0	100
Dagumba-an	12	52	18	4	0	2	2	8	2	0	100
Maens	33.3	18.0	12.7	9.8	7.3	6.7	6.0	5.3	0.7	0.7	100

<sup>a</sup>That is, if payment is on time and if planter is considerate.

As has been seen, a decline in rice and corn production has taken place, because of the land transferred to sugar production. From the standpoint of the small farmer, this may be a benefit. It may prevent an oversupply on the market at harvest times which lowers the prices he receives for his palay and corn.

The sugar produced has substantially increased tax payments in Bukidnon. This has

underwritten the expenses of government in an amount that otherwise would have had to come out of the pockets of the citizens in other ways. Thus the sugar industry by these tax payments has contributed to the economic well being of all the citizens. Similarly, the 1.48 million piculs of sugar produced in 1948 undoubtedly earned substantial foreign exchange for the country (a picul equals 139.44 lbs. or 63.25 kg.), something particularly helpful in these difficult times of

large foreign debt obligations.

These data, plus those for family planning, suggest that the sugar industry (the various fertility rates should be examined as relative rather than absolute indicators because of the comparatively small size of

the samples for obtaining these measures) has had at best only a minor depressing effect upon overall Bukidnon fertility (see Tables 9, 10, and 11). Any larger influence would appear largely confined to the Butong Barrio and the larger Quezon municipality areas.

Table 9. *Birth rates (various types) per 1000*

	<i>Butong</i>	<i>Bagonta-as</i>	<i>Dagumba-an</i>	<i>Macaopao</i>	<i>Overall</i>
Per 1000 persons	41.9	31.5	30.5	19.0	(Weighted) 33.0
Per 1000 women all ages	89.0	63.0	6.5	37.3	(Unweighted) 64.0
Per 1000 women 15-49 yrs. old	169.0	119.6	126.3	70.9	(Unweighted) 121.5

Table 10. *Use of family planning, percentage distribution*

<i>Group</i>	<i>Butong</i>	<i>Bagonta-as</i>	<i>Dagumba-an</i>	<i>Macaopao</i>	<i>Unweighted Means</i>
Users	48	40	32	12	33.0
Non-Users	42	42	46	52	45.0
Not applicable (Overage, Single, Sterile)	10	18	22	36	22.0
	100	100	100	100	100.0

Table 11. *Current methods used, percentage distribution*

<i>Method</i>	<i>Butong</i>	<i>Bagonta-as</i>	<i>Dagumba-an</i>	<i>Macaopao</i>	<i>Unweighted Means</i>	<i>n (hh)</i>
Rhythm/Abstinence	37.5	55.0	18.8	0.0	27.8	23
Pills	33.3	25.0	18.8	100.0	44.3	19
IUD	12.5	10.0	25.0	0.0	11.9	9
Sterilization	8.3	10.0	25.0	0.0	10.8	8
Condom	4.2	0.0	6.2	0.0	2.6	2
Herbal	4.2	0.0	6.2	0.0	2.6	2
Households (%)	100.0	100.0	100.0	100.0	100.0	
	24	20	16	3		63

Mortality data are shown in Table 12. These data should also be looked at as relative rather than as absolute indicators. They indicate that mortality is definitely lower in

Butong. The nature of these results does not suggest any significant wider effect upon mortality than upon the area of Quezon Municipality.

Table 12. *Death rates (various types) per 1000*

<i>Rate</i>	<i>Butong</i>	<i>Bagonta-as</i>	<i>Dagumba-an</i>	<i>Macaopao</i>
Infant mortality	68.9	166.7	95.2	200.0
Death rates of:				
Children Under 1	45.5	136.4	76.9	250.0
Children Under 5	23.8	31.6	31.0	33.4
Of All Persons	5.7	10.3	8.5	11.1

Migration data are shown in Tables 13 and 14. The migration to the sugar areas from 1974 to the present appears somewhat greater

than the general migration to Bukidnon. Presumably, this influence may be attributed to the attractive power of the sugar industry.

Table 13. *Growth of selected municipalities and barangay of Bukidnon province. 1970-1980*

<i>Locality</i>	<i>Population</i>		<i>Annual Rate of Growth (in percent)</i>
	<i>1970</i>	<i>1980</i>	
<b>A. Municipalities</b>			
1. Kalilangan	12,325	18,316	4.0
2. Quezon	39,084	59,819	4.6
3. Impasugong	9,169	14,803	4.9
4. Baungon	11,251	18,320	5.0
5. Maramag	21,835	36,734	5.3
6. Valencia	39,708	81,835	7.5
<b>B. Barangays</b>			
1. Macaopao	1,149	1,331	1.5
2. Bagonta-as	1,959	3,080	4.6
3. Dagumba-an	1,769	5,121	11.2
4. Butong (Paitan)	1,108	3,800	13.1

<sup>a</sup>Compound interest formula.

Table 14. *Migration to sample barangays by time of migration*

<i>Barrio</i>	<i>Year of Migration</i>				<i>All Migrants</i>		<i>Born Here</i>	<i>Total Population</i>
	<i>Before 1974</i>		<i>After 1973</i>		<i>N</i>	<i>%</i>		
	<i>N</i>	<i>%</i>	<i>N</i>	<i>%</i>	<i>N</i>	<i>%</i>		
Butong	1,064	28	2,736	72	3,800	100	—	3,800
Bagonta-as	1,715	58	1,242	42	2,957	96	123	3,080
Dagumba-an	3,343	68	1,573	32	4,916	96	205	5,121
Macaopao	803	76	254	24	1,057	92	92	1,149
Totals	6,925	52.7	5,805	44.1	12,730	96.8	420	13,150

Aspects of the Bukidnon population have also undoubtedly affected the sugar industry, to look upon the relationship from the opposite side. The high Bukidnon fertility coupled with its moderately low mortality have produced a high rate of natural increase which has been augmented by a high rate of in-migration. Thus Bukidnon has been one of the most rapidly growing, if not the most rapidly growing, province in the Philippines over the past 30 years. This has meant an abundant cheap labor supply for the sugar industry and the mill, undoubtedly a plus factor in its operational balance sheet.

However, the pressure of this large labor force upon employment opportunities available has also meant more unrest and more unruly behavior. This unrest has been a negative factor in the industry's balance sheet.

The migrations to Bukidnon have brought skilled *tapaseros* (cutters) from the Visayas which has been a plus factor for the industry. But the lack of appropriate skills and training in the Bukidnon labor force has prompted the industry and the mill, especially, to import more skilled and better qualified personnel from other provinces. This has added to operational expense.

The higher mortality and morbidity among Bukidnon labor in relation to many other

Philippine provinces has probably increased the operational costs of the industry, and especially of the mill, because of necessary medical care, medicines, medical equipment, and epidemiological safeguards.

#### *Recommendations*

Six policy recommendations are suggested by the data:

1. Planters should be required to pay the legal minimum wage.

2. The Ministry of Agriculture<sup>1</sup> should consider proposing to the proper authorities regulations concerning the standard features of present contracts between the mill and the planters. In particular, they should assess the advantages of entering an escape clause for planters after one or two years of zero or negative profits, and also of making renewal of contract dependent not only upon the desire of the mill but also of the planter.

3. The government should encourage labor intensive sugar production through positive incentives in view of the large Bukidnon labor surplus and the depressed conditions of Bukidnon rural labor. It should also discourage capital intensive sugar production by disincentives such as increasing the import duties of machineries for cultivating sugar cane, and of the parts for such machineries.



4. The government should require the mill and the planters to invest a small fixed percentage of their profits upon research calculated to make the Bukidnon sugar production more efficient, such as used to be carried out by the Victorias Milling Company. While government or semi-government entities exist to carry out such research, specific research in Bukidnon is needed to improve Bukidnon sugar production (e.g., research upon cane varieties better suited to Bukidnon's various seasonal and local climatic, soil, and other conditions).

5. The Ministry of Labor should be authorized to supply free legal counsel and assistance to small farmers, especially indigenous small farmers, confronted with questions about their tenancy status or their title to their land or whether to sell their rights.

6. The Ministry of Labor should also consider whether there are not ways in which residents of Bukidnon Province could be effectively favored for employment as field workers in competition with field labor from other provinces seeking employment in the Bukidnon sugar industry.

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### *Notes*

Isaias S. Sealza directed the field operations of this study, wrote a preliminary summary of the data gathered, and made a preliminary analysis of these data.

<sup>1</sup>The NASUTRA has jurisdiction over the sugar industry rather than the Ministry of Agriculture. However, the Ministry of Agriculture has greater involvement than the NASUTRA in the welfare of the farmer (planters and employees) and thus seems the logical group to make carefully studied recommendations for the good of the farmers vis-a-vis the sugar mill.

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