

Economics of Copra Production
in Selected Barangays of Buenavista, Guimaras

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The Faculty of the Division of Social Sciences
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by

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ABSTRACT

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This paper provides a background and baseline information on the prevailing profile of copra production and profitability with the use of thirty-five producers based in Buenavista, Guimaras. This study also gave an overview on the problems encountered by copra producers and provided recommendaions for the improvement of the local copra industry.

Costs and returns analysis showed that average costs in copra production was P9.14/kg. Of the average costs, average fixed costs, average variabe costs, and opportunity costs accounted for .33%, 26.59%, and 73.08%, respectively. Average fixed costs was P.03/kg where a third (33.33%) can be attributed to depreciation costs (P.02/kg). As to the average variabe costs of the respondents, P2.43/kg was incurred which was primarily attributed by cost of hired labor (P89.71). Opportunity costs/kg for all producers was P6.68. The major opportunity costs (81.44%) was the implicit cost of coconuts.

Average revenue was P9.43/kg. As a whole, the respondents gained P6.97/kg financial profit. Meanwhile, gross profit was P7.00 for all respondents. Copra producers in Buenavista, Guimaras earned a positive P0.29/kg economic profit.

Payback period of 4.56 years, 7.30% return on investment, and 11.93% return on variable costs were other measures used to determine profitability in copra production.