

BUSINESS PLAN/PROGRAM

BAYUGAN CITY LUMBER & WOOD WORKS SUPPLY EMPLOYEES ASSOCIATION, INC.

Poblacion, Bayugan City, Agusan del Sur

For Calendar Year 2025 - 2026

I. INTRODUCTION

Bayugan City Lumber and Wood Works Supply Employees Association, Inc. (BALUWWSEA) is composed of twenty (20) members who are small-time businessmen engaged in stick and lumber retailing/dealing, as well as operating furniture shops within the City of Bayugan. The association is duly registered with the Securities and Exchange Commission (SEC) under Registration No. 202104001136-03, issued on April 12, 2021.

All members are registered with the Department of Trade and Industry (DTI) - Caraga Region, and possess valid business permits from the local government as stick and lumber retailers/dealers and furniture shop operators.

The association sees strong economic prospects with the issuance of a Furniture and Lumber Dealer Permit. The demand for sawn lumber sticks and finished products derived from harvesting/logging operations from private plantations can be maximized for local consumption. These materials will be used in building construction within Bayugan City and nearby towns, as well as other areas outside the CARAGA Region. All activities will comply with Executive Order No. 23, which prohibits the cutting of naturally-grown trees.

The association also intends to engage in trading planted species and logs sourced from legitimate operations under existing CBFMA, Private Land Timber Permits, and lumber produced by WPP holders, subject to proper documentation.

In support of environmental initiatives, the association will actively participate in activities conducted by the Department of Environment and Natural Resources (DENR), including tree planting under the National Greening Program and other Climate Change initiatives of the government. The association commits to continuous participation in these environmental programs.

II. OBJECTIVES

Main Objective

- To maintain and operate functional lumber yards within Bayugan City to help meet the growing demand for lumber in the city and nearby municipalities and provinces;
- To provide employment opportunities for able local residents and contribute to the economic upliftment of the urban poor;
- To stimulate economic development in affected areas through tax contributions and related business activities;
- To support private tree planters by ensuring a market for their products, thereby encouraging further tree planting efforts aligned with the DENR's National Greening Program; and

- To penetrate both domestic and export markets with high-quality finished and semi-finished wood products in the near future.

Secondary Objective

- Dispose of approximately 20,810.0 board feet of lumber; sticks, and finished furniture products per quarter with potential increases as based on demand.
- Sell other semi-finished/finished wood product, such as crates, boxes, and furniture items.

III. MARKETING PROGRAM

The applicant will primary trade:

A. Products

Lumber, sticks, crates, boxes, and furniture with raw materials from legitimate suppliers as a registered stick lumber dealer permittee.

B. Pricing Structure/Strategy

Applicant will engaged in both wholesale and retail transactions of lumber and finished products. Prices will be based on the prevailing market price at the time of the disposition of the products and will be adjustable based on the following factors:

- The species and quality of furniture and lumber.
- Cost of production including freight, milling, loading, labor, electricity, and maintenance.
- Taxes and other expenses.

The selling price will be based on production cost with a profit margin and management of approximately 25%.

C. Distribution channels and outlets

Lumber products will be distributed locally or to other regions, depending on agreements with buyers. Payment will be collected on Cash on Delivery (COD) basis, and a Sales Invoice Receipt will be issued to the buyers as proof of transaction.

D. Use of Private and Promotional Facilities

The applicant will not utilize private promotional facilities unless solicited or donated for advertisement in government activities or local barangay events. Business establishments may participate in local fiestas where they serve as donors for games and other activities.

IV. PRODUCTION PROGRAM

A. Development Plan

The development plan focuses on innovative and systematic production and marketing strategies for lumber, furniture, and related goods to ensure profitability and industry competitiveness.

The Stick and Lumber Dealer business establishment is equipped with the following;

- a. One (1) Unit Chainsaw
- b. One (1) Unit 5-hp Electric power table saw
- c. One (1) Unit 5-hp Electric power rip saw
- d. One (1) Unit 3-hp electric power trimmer

These tools are essential for re-sawing lumber to the required dimension based on customer demand.

B. Source of Raw Materials:

The association has an approved Lumber/Log Supply Contract with San Isidro Villangit Farmers Association (SIVAFA), a legitimate Community-Based Forest Management-People's Organization. SWIFCA is the holder of CBFMA No. 71029, located at Barangay San Isidro and Villangit, Sibagat, Agusan del Sur, with a total volume of 300 cubic meters / 63,600 (50% recovery) board feet of matured FALCATA, MANGIUM, GMELINA, MAHOGANY, and BAGRAS trees, as programmed under the approved Community Resource Management Framework (CRMF) and Five-Year Work Plan (FYWP).

In addition, the association also accepts chainsawn lumber products delivered by legitimate private tree plantation owners.

C. Operation Schedule

Lumber yard operations will continue year-round, provided that all necessary permits and clearances are secured from the relevant government agencies.

D. Processing Schedule:

- The association will not process raw logs into lumber in compliance with DENR policy. However, some members can re-saw into other dimensions using table saws.
- Lumber purchased from various legal sources, regardless of marketable size, will be displayed immediately at the proponent's lumber yard without any further processing.
- Lumber with thicknesses ranging from 4 to 6 inches, regardless of length, may be resized per customer specifications. Resizing will be done using DENR-approved equipment, as permitted in ordinary lumber business establishments.

E. Pollution Control Measures

The proponent will adopt a zero-waste policy as a core principle in its operations by focusing on value-added products. Waste materials generated from lumber will be repurposed into raw materials for other wood-based products such as sticks, crates and boxes, among others.

Additionally, the establishment will also implement the 5R 's reuse, reduce, recycle, refuse and repurpose in waste collection and disposal.

F. Employment Generation

- The association's lumber dealer operations are considered small-scale businesses that typically require only two (2) to three (3) workers. Since the beginning, the association has prioritized hiring capable local residents for available jobs.
- The number of workers may increase depending on the volume of business activity and market demand.

V. FINANCIAL PROGRAM

As lumber dealer permittee, applicant's income depends on the demand of lumber materials in the local market. Below is the Return on Investment (ROI) Statement for CY 2024.

• Revenue Estimates

- Annual disposed lumber : 83,239.68.00 bd.ft.
- Cost per board feet : Php 35.00
- Annual Income : Php 2,913,388.8

• Annual Production Projection Cost

Materials/Equipment/Operating Expenses	Annual Cost
Raw Materials (83,239.68 bd.ft. with price of Php. 9.00 per bd.ft.)	Php 749,157.12
Labor for milling (83,239.68 bd.ft with price of Php. 1.00 per bd.ft.)	Php 83,239.68
Annual power consumption/electricity	Php 150,000.00
Annual Rent	Php 420,000.00
Salary (on call laborer)	Php 240,000.00
Transportation of raw materials including labor	Php 83,240.00
Annual utilities/water	Php 36,000.00
Equipment/tools maintenance and repair cost (circular saw and trimmer)	Php 51,000.00
Total Cost	Php 1,812,636.8

• Net Income Calculation

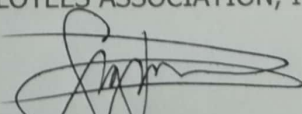
The **net income** for lumber retailing is estimated at **Php. 1,100,752.00** for CY 2024, net income is projected to increase as the business grows and the supply and demand network expands.

The lumber dealer business has an **initial investment of Php. 200,000** to finance its operations. As a result, it does not require financial assistance from any lending institution for the current year.

Respectfully Submitted,

BAYUGAN CITY LUMBER &
WOOD WORKS SUPPLY
EMPLOYEES ASSOCIATION, INC.

By:


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Proprietor