

BUSINESS PLAN/PROGRAM

CY 2025 - 2026

RNVS LUMBER TRADING

Purok-4, Barangay Awa, Prosperidad, Agusan del Sur

I. INTRODUCTION

RNVS Lumber Trading is a registered small-scale trading business operating in Prosperidad, Agusan del Sur. In line with the KALAKALAN-20 program for local livelihood projects, the business utilizes mechanical equipment such as chainsaws, motorized table saws, and trimmers/edgers to support its operations.

The business is primarily engaged in the trading of lumber, as well as other value-added products such as furniture, boxes, and crates. This enterprise plays a vital role in supporting the socio-economic development of local tree farmers by providing a ready market for chainsaw-cut lumber sourced from private tree plantations within Agusan del Sur and neighboring provinces.

Lumber trading is considered a highly viable investment due to the increasing demand for sawn timber and finished wood products. RNVS Lumber Trading maximizes the use of harvesting and logging waste from private plantations, contributing to the local construction industry and supplying materials to towns and cities across the CARAGA Region.

The applicant commits to sourcing lumber exclusively from legal and documented origins, including Community-Based Forest Management Agreements (CBFMA), Private Land Timber Permits (PLTP), Private Tree Plantation Registrations (PTPR), and Wood Processing Plant (WPP) holders.

All procurement and trading activities shall be conducted in full compliance with existing DENR regulations and requirements, ensuring sustainability and legal accountability.

II. OBJECTIVE

Main Objective

The primary objective of RNVS Lumber Trading is to legally trade, transport, and display lumber and finished wood products at its designated business location in Purok-4, Barangay Awa, Prosperidad, Agusan del Sur. The business aims to supply high-quality lumber to legitimate buyers both within and beyond the CARAGA Region, supporting sustainable development and ensuring compliance with all relevant forestry and trade regulations.

Secondary Objective

- RNVS Lumber Trading aims to dispose of approximately 1,000 board feet of lumber, sticks, and finished furniture products per quarter, with the potential for increased volume based on market demand and production capacity.
- The business will also engage in the sale of other semi-finished and finished wood products, including but not limited to crates, boxes, and various furniture items, to serve the needs of local and regional markets.

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

The applicant will engage in both wholesale and retail transactions of lumber and finished wood products. Pricing will be based on the prevailing market rates at the time of product disposition and may be adjusted accordingly based on several key factors:

- Species and quality of lumber and furniture items
- Cost of production, including freight, milling, loading, labor, electricity, and equipment maintenance
- Applicable taxes and other operating expenses

The selling price will be calculated based on the total production cost, with a target profit and management margin of approximately 25%. This pricing strategy ensures both competitiveness in the market and sustainability of operations.

C. Distribution channels and outlets

Lumber and finished wood products will be distributed locally and to other regions, depending on the terms of agreements made with buyers. All transactions will follow a Cash on Delivery (COD) payment basis to ensure prompt and secure payment. A Sales Invoice Receipt will be issued to each buyer as official proof of transaction, in compliance with standard accounting and regulatory practices.

D. Use of Private and Promotional Facilities

The applicant will not utilize private promotional facilities for advertising purposes, except when solicited or donated for government-led activities or barangay-sponsored events. However, the business may participate in local fiestas and community celebrations as a donor or sponsor for games and related activities, demonstrating its support for local traditions and community development.

IV. PRODUCTION PROGRAM

A. Development Plan

The development plan centers on innovative and systematic production and marketing strategies for lumber, furniture, and related products, aiming to enhance profitability and maintain a competitive edge within the industry.

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

- One (1) Unit five hp electric power table saw
- One (1) Unit three hp electric power edger
- One (1) Unit three 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

1. Contract with Amaon Wood Works

RNVS has entered into an approved Lumber/Log Supply Contract with Amaon Wood Works, a duly registered and legitimate lumber dealer bearing Registration No. LD-R13-ADS-35-11212023.

- a. Approved Volume: 1,430 board feet / 34.50 cubic meters
- b. Species Covered:
 - i. Matured Philippine Mahogany group (8,508.0 bd.ft.)
 - ii. Furniture/Construction Hardwood (846.0 bd.ft.)
 - iii. Lesser Used/Miscellaneous Species (3, 206.0 bd.ft.)
 - iv. Matchwood/Pulpwood species (2,070.0 bd.ft.)
 - v.

2. Contract with Antonio Guillarte

RNVS also has a valid supply contract with Antonio Guillarte, holder of PTPR No. R13-ADS-03-2024-07-31-08.

- a. Approved Volume: 25,440 board feet / 60.00 cubic meters
- b. Species Covered:
 - i. Gmelina (11,448.0 bd.ft.)
 - ii. Falcata (6,360.0 bd.ft.)
 - iii. Mangium (7,632.0 bd.ft.)
- c. Type: Chainsawn Lumber from planted species

These contracts are in accordance with existing forestry regulations and are intended to support RNVS's operations in line with sustainable and legal sourcing practices.

C. Pollution Control Measures

RNVS Lumber Trading is committed to minimizing waste by recovering usable wood materials such as sticks, crates, and boxes, thereby maximizing resource efficiency.

As part of its environmental responsibility, shade trees have been planted around the display center to serve as a natural anti-pollution measure. The working areas are designed to be well-ventilated and free from pollutants, ensuring a safe and healthy environment for employees.

The establishment will also implement the 5R's principles Reuse, Reduce, Recycle, Refuse, and Repurpose in its waste collection and disposal processes to further promote sustainability and environmental stewardship.

D. Employment Generation

The applicant is committed to prioritizing the hiring of workers from within the local community, as part of its effort to help alleviate unemployment and contribute to the socio-economic development of the area.

V. FINANCIAL PROGRAM

As a registered lumber dealer permittee, the applicant's income is primarily dependent on the demand for lumber materials in the local market. The profitability of the business is influenced by market trends, seasonal construction activities, and the availability of raw materials.

Below is the Return on Investment (ROI) Statement for Calendar Year (CY) 2024, reflecting projected revenues, operating costs, and net income based on current market conditions.

- **Revenue Estimates**

- Annual disposed lumber : 9,073.00 bd.ft.
- Cost per board feet : Php 35.00
- Annual Income : Php 317,555.00

- **Annual Production Projection Cost**

Materials/Equipment/Operating Expenses	Annual Cost
Raw Materials (9,073 bd.ft. with price of Php. 9.00 per bd.ft.)	Php 81,657.00
Labor for milling (9,073 bd.ft. bd.ft. with price of Php. 1.00 per bd.ft.)	Php 9,073.00
Annual power consumption/electricity	Php 30,000.00
Rent	Php 60,000.00
Salary (on call laborer)	Php 60,000.00
Transportation of raw materials including labor	Php 3,600.00
Annual utilities/water	Php 1,200.00
Equipment/tools maintenance and repair cost (circular saw and trimmer)	Php 5,100.00
Total Cost	Php 190,630.00

- **Net Income Calculation**

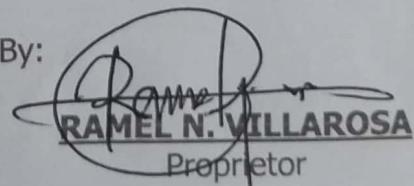
The **net income** for lumber retailing is estimated at **Php. 126,925.00** for CY 2024, net income is projected to increase as the business grows and the supply and demand network expands.

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,

RNVS LUMBER TRADING:

By:



RAMEL N. VILLAROSA
Proprietor