

BUSINESS PLAN AND PROGRAM

MELJUN PLANTED SPECIE AND LUMBER SUPPLY Barangay 1, San Francisco, Agusan del Sur

I. INTRODUCTION

Lumber dealership business is one of the most important industries that contributes to the growth and development of the nation. Every construction of whatever size, kind and needs of lumber be it rough or plain. The demand of furniture and lumber is not within countryside but it's a worldwide need. In short, lumber is needed everywhere. That is why the government had formulated policies to safeguard, protect, preserve and conserve our remaining forest areas aside from its policies on maximum utilization of the forest products in order to be assured of continuous supply of raw materials for lumber, furniture and other value added products. However, at present most of the contractors and end users resorted to using planted species of lumber/flitches as their raw materials.

Thus, the proponent of this business plan decides to venture into lumber dealership which may be considered to be small scale buying and selling business using mechanical equipment such as chainsaw, improvised motorized table saw and multiple rip saw, trimmer, edger as prescribed for the KALAKALAN 20 for local livelihood projects

II. PRODUCTION PROGRAM

a. Sources of Raw Materials

- Logs ranging from 16 cm and up as raw materials derived from CTPO/PTPOC/PTPR holders;
- Lumber of planted species shall be purchased from legitimate wood processing plants duly registered with the Department of Environment and Natural Resources with approved Lumber Supply Contract;
- Chainsaw lumber with a dimension ranging from a minimum of 2 inches and maximum of 6 inches in thickness regardless of length

The proponent had tied up thru a supply contract to various private tree plantations owners and other legitimate suppliers for lumber/flitches of planted species.

b. Processing Schedule

- Lumbers purchased from different legal sources of marketable size shall be displayed immediately at the proponents lumberyard without further processing;
- Undersized logs/pulp purchased from different legal sources shall be processed through circular table resaw and/or to multiple rip saw for delivery/supply to plyboard/blackboard manufacturing company;
- Lumbers purchased particularly with dimension ranging from minimum of 4 inches and maximum 6 inches in thickness regardless of length that needs resizing based

in customers preference shall passed through a circular/resaw or any other processing equipment allowed by the DENR to be installed in ordinary lumber dealers business establishment

III. EMPLOYMENT PROGRAM

The proponent business establishment shall hire at least three (3) workers during the operation which translated to the provision of at least a minimum wage and will be paid in accordance and mandated under the law. Regular working time shall start at 8:00 A.M and will be off by 5:00 P.M. Overtime work will be required from time to time if extremely and properly compensated.

Likewise, workers shall benefit from Social Security System (SSS) Insurance, Philhealth and other benefits, thus the project shall help ease the burden of unemployment and poverty in the sector of the industry in CARAGA Region.

The increase in the number of workers that will be hired shall depend on the volume of business of the proponent that shall handle in the succeeding years but is projects at not less than twenty percent (20%) per year.

III. DEVELOPMENT PLAN

The applicant shall seek to expand its business venture to other allied business such as but not limited to the manufacture and sale of wood, moldings, wood tiles, wooden chairs, tables, etc. whenever demands of these products shall rise in the local, domestic and export markets.

IV. POLLUTION CONTROL MEASURES

It aims to a zero waste management as the guiding principle of the business venture. Waste materials from the products shall be converted and/or utilized as raw materials for another product, such as the production of wood tiles from wood trimmings of lumber, wood briquettes and wood chips.

V. MARKETING PROGRAM

Based on statistics and comparative studies of the different government agencies concerned, we know that there is demand of lumber domestically and internationally. Study reveals that market demand of sticks, lumber and furniture products are quite high and therefore, return of investment is quite promising.

Our country's marketing program or the period of our operation shall be confined solely to the local market with the ultimate aim of expanding the marketing area within CARAGA Region, other domestic market as well as foreign buyers by the time when we will be in position to do so and to areas where there is a great demand of furniture, lumber and its by-products.

A. Products

Our establishment (lumber dealer) planned to produce as any kinds of wood and furniture products. Finished or semi-finished products in order to maximize utilization of the wood materials. However, for the mean time, we are going to concentrate on manufacturing of Lumber, sticks, Wood tiles, Wood Pellets, Moldings, and other wood finished products, since we do not have yet the needed and precise machineries needed for the production of the other value added products.

Our target distribution and outlets will be in our local community and those customers from nearby municipalities.

B. Promotional Ads

The proponent will have to display signages within the establishment to attract customers and further offering promotional prices to our clients.

C. Pricing Structure

Pricing structure will depend in accordance with the prevailing market price at the time of sale. Government pricing policies will be strictly adhered and price make-up should not be more than 20% above the acquisition/production cost.

V. COST PRODUCTION PROGRAM

As much as possible, variable cost shall be controlled to obtain a marginal profitability but not to the extent of sacrificing the laborer/workers. Part of the savings that can be made by the company will be plowed back to the employees in form of additional benefits and improved living conditions.

VI. FINANCIAL PROGRAM

The proponent shall invest a sizable amount of capital in this business venture for duration of the operation. This amount shall be increased if the economic atmosphere in the country shall show better prospects as indicated by the increase surplus income of the consuming public, and thus, would result in the brisk trading in every sector of the business community to include the wood industry of our Region.

The proponent is hoping that this plans/program of **MELJUN PLANTED SPECIE AND LUMBER SUPPLY** will be appreciated and be given due consideration and approval as one of the requisite for the approval of this application.

Respectfully submitted by :


MR. SEGUNDINO DAGAANG
Owner/Proprietor