

BUSINESS PLAN

John Lumber and Furniture

2025-2026



Proprietor: HARETO D. DIGOLTO

Location: Purok 3, Barangay Bangonay, Jabonga, Agusan del Norte

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I- INTRODUCTION

The last 15 years, the extraction of wood from the natural forests has been gradually regulated until it was eventually banned in 2010 due to the indiscriminate illegal logging activities in the uplands. Thus, the local sources of the country's wood-based industries are now totally dependent on timber plantation. However, the government still allows the importation of logs and lumber from other countries to address domestic wood requirements. As the "Timber Corridor" of the country, CARAGA Region labeled its name as it is considered the leading producer of timber in the country. It covers 684,503 hectares (ha) of forest lands in Agusan del Sur, Agusan del Norte, Surigao del Sur, and Surigao del Norte (Zaragosa, 2019).

Based on the national research, wood is by far the most important forest product and is now playing a dominant role in today's wood economy. With the constantly increasing demand for wood and wood-based products, Philippines requires 6 million cubic meters of wood annually based on the average consumption of wood from 2006-2014 (FMB 2015) and this demand for wood is projected to increase in the next few years. Out of this national demand for wood, only 25% comes from local sources while 75% are imported (<http://forestry.denr.gov.ph/>).

The above cited provisions suffice the reason to situate market demands on a wood-based industry. Key players and major stakeholders continually deliberate the current policy environment overarching to the needs of each sector, business trends, and investor-friendly regime that can provide practical solutions to ensure sustainability of the Wood Industry in the Philippines.

John Lumber and Furniture is soon to rise with under the name of Hareto D. Digolito, the proprietor located at Purok 3, Barangay Bangonay, Jabonga, Agusan del Norte aspiring to undertake lumber dealership operation. This plan is in compliance with the requirements pursuant to RA 1239 and Ministry Order No. 13, series of 1986.

II- OBJECTIVES

Lumber dealership aimed to:

- ↳ Produce high quality wood-based products making it available to the local residents and neighboring populace;
- ↳ Promotes livelihood opportunity; and
- ↳ Augment to the socio-economic activities of the town

III- PRODUCTION PROGRAM

A. SOURCE OF RAW MATERIALS

Lumber materials of various sizes will be sourced out from the Tree Plantation of Ms Teresita Dingding-Digolto, the mother of the proprietor having a total remaining volume of 358.4 cu.m. that can annually supply for about 20,000 bd. ft. or 80.0 cu.m equivalent. Hence, the production material therefrom suffices the demand for four (4) year duration.

B. PROCESSING SCHEDULE

The Certificate of Tree Plantation Ownership (CTPO) holder Ms. Teresita Ding-ding Digolto will supply the lumber to be felled using chainsaw and subsequently be cut into its desirable sizes.

IV- MARKETING STRATEGY

Current Situation

John Lumber and Furniture has already established its store building. Primarily, this business will engage on lumber dealership and furniture making coming from a legal source. Thus, the proprietor is fast tracking the documentary requirements in pursuit to his desired business endeavor.

On the other hand, demand nowadays is dramatically increasing yet only few individuals ventured into this wood-based production. Due to that, the proprietor proposed to undertake on this business/ operation basically to meet the demand and supply of the community.

Distribution and Pricing

These materials will be dealt within the local community at a reasonable and competitive pricing based on the normal trend in the market value in the locality to ensure business continuity while making it available to the neighboring towns.

Production Program

The owner shall request to the Office of the DENR Caraga for the installation of a table saw, portable band saw, plainer, router, sander and bar clamp and shall be displayed immediately in their lumber yard to produce a high-quality lumber for the benefit of the business. The lumber will then be displayed at the establishment of the lumber yard.

The source will be taken from the area of Ms Teresita Dingding-Digolto where the lumber will be chain sawed and be brought to the lumberyard to re-sawn into assorted dimensions. An average of 6.5 cu.m. will be utilized every month from the registered plantation of the owner.

V- EMPLOYMENT PROGRAM

The building of John Lumber and Furniture is constructed and completed, the employment or the work force is planned to hire 3 individuals to render 8 hours of work per day and will receive at a minimum wage with benefits.

VI- DEVELOPMENT PLAN

John Lumber and Furniture will soon expand its venture into other related business as the need or demand arises. As such, ways forward shall be plotted in order to develop and implement a practical and effective solutions to ensure the sustainability of the wood-based products in the area.

VII- ENVIRONMENTAL MITIGATION MEASURES/PROGRAM

In coherence to RA 9003, the generated waste materials coming from the finished product will be converted into another useful product such as firewood, fencing and for livestock facility. Adaption of solid waste management program shall be observed.

No wood processing-related pollution measures will be initiated because the activity is purely engaged in wood materials distribution. However, national and local policies on environmental protection shall be strictly followed.

VIII- FINANCIAL PROGRAM

The initial investment shall be taken from the personal savings of the owner where there is already an existing construction supply business. In case of higher demand, additional capital will be sourced-out through loans from financial institutions with lower interest rate.

Prepared and submitted by:


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