

BUSINESS PLAN/PROGRAM CY 2025

RHEM'S WOOD WORKS

P-5, Baan Km. 3, Butuan City, Agusan del Norte

I. Introduction

The lumber dealership business is an undertaking under the regulatory functions of the Department of Environment and Natural Resources (DENR). This business is endemic and thriving in Caraga Region which is considered as "Timber Corridor" of the country.

The economic prospects of this business venture is high because of the shortage of supply of lumber brought about by the selective logging ban that allows only Caraga Region and Region XI (Davao) as the regions in the entire country where logging is allowed. This automatically translated into increased demand for construction and furniture industries in Caraga and the rest of the country. Thus, the proponent of this business plan decides to venture into lumber dealership.

Rhem's Wood Works, owned and managed by Emmanuel S. Bagaipo, is a lumber dealer business located at Purok 5, Baan Km. 3, Butuan City, Agusan del Norte. The proponent has been a member of the Caraga Lumber Dealers Association (CALDAS) since 2015, an association or a consolidated group of lumber dealers, retailers, furniture makers and stick retailers with place of operations within the City of Butuan. CALDAS was created to include all the small/family lumber dealer, retailer and furniture makers business operators in the entire City of Butuan who cannot afford to process individual applications.

As the lumber business of the proponent improves, they can now afford to file an individual application, enabling it to expand operations and increase market reach.

II. Objective

A. Immediate

To firmly establish a separate and functional lumberyard at Purok-5, Baan Km. 3, Butuan City in order to cater the lumber needs of the growing economic and development activity in the area.

To provide employment opportunities in order to contribute to the upliftment of the socio-economic condition of the urban poor.

B. Long Term

To be able to penetrate the domestic and export market of lumber and other semi-finished products (furniture products).

III. Production Program

A. Source of Raw Materials

Lumber of Philippines Mahogany, Mixed Dipterocarp species, 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, including Private Land Timber Permit.

Lumber considered as plantation species such as Falcata, Gmelina, Mangium, Mahogany, etc., including fruit-bearing tree species shall be purchased from legitimate private plantations/wood processing plants/any available legal sources.

B. Processing Schedule

Lumbers purchased from different legal sources of marketable size shall be displayed immediately at the proponents' lumberyard without any further processing.

Lumbers purchased particularly dimension ranging from minimum of 4 inches and maximum of 5 inches in thickness regardless of length that needs resizing based on costumers preference shall pass through a portable-resaw or any other processing equipments allowed by the DENR to be installed in an ordinary lumber dealers business establishment.

C. Employment Plan

The proponent business establishment shall hire at least three (3) workers in the first year of operation which translated to the provision of at least Php 375,840 for wages per year.

Likewise, the workers shall benefit from Social Security System, Insurance, Phil health, and other benefits, thus the project shall help ease the problem 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 the proponent that shall handle in the succeeding years but is projected at not less than twenty percent (20%) per year.

D. Development Plan

The proponent 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 the demands of these products shall rise in the local, domestic and export markets.

E. Pollution and Control Measures

Zero waste shall be the grinding principle of this business venture.

The waste materials from the products shall be converted and/or utilized as raw materials for another products, such as the production of wood tiles

from trimmings of lumber and wood briquettes from sawdust and wood chips.

The portable resaw and other equipment shall be operated using electrical power (Agusan del Norte Electric Cooperative) and enclosed in such a manner that it will minimize the mechanical noise.

IV. Marketing Program

A. The Products

Primary Products	-	Lumber
Secondary Products	-	Finished products, Sticks, Wood Tiles, Fuelwood, etc.

B. Distribution Channels/Outlets

Local	-	Delivered by Trucks
Domestic	-	By commercial inter-island vessels
Export	-	By commercial foreign vessels

C. Promotional Ads

Construction of one (1) big billboard right the location of the establishment.

Advertisements in the local radio stations.

Offering promotional prices in commodities to attract customers.

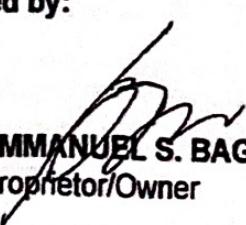
V. Financial Program

The proponent shall invest a sizeable amount of capital in this business for the first year of operation

The amount shall increase corresponding to the increased in economic activity in the region.

Effective marketing strategies, products diversification and not reduction schemes shall all contribute to the growth of the proponents business and improved instrument opportunities.

Prepared by:


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