

I. INVESTMENT REQUIREMENT*

A. Cost of Utensils

Utensils	Cost
Measuring cup/spoon for solid & Cup for liquid (made of plastic or Stainless)	160.00
Spatula	61.00
Kitchen knife	69.00
Knife sharpener	61.00
Kitchen spoon	76.25
Ladle	53.00
Funnel (stainless)	82.75
Stainless bowl "32	213.50
Tray, plastic of aluminum (rectangular)	213.50
Subtotal	Php 990.00

B. Equipment

Equipment	Cost
Weighing scale for spices (0-5 kgs)	334.25
Weighing scale for meat (1-10 kgs.)	686.00
11 cu. ft Refrigerator (can cure 40 kgs. meat)	35,066.00
Polysealer (for sealing of plastic Bags)	1,753.50
Styrofoam cooler (for transport of meat products)	305.00
Subtotal	Php 38,144.75

C. Raw Materials/Ingredients Packaging Material

Item	Kg.	Price/kl.
Raw Materials		
Pork lean, ground coarsely	700 gms.	168.00
Pork backfat, coarsely	300 gms.	52.50
Subtotal		P 220.50

Ingredients

Curing Mix

Refined salt	¼ tbsp.	Php .25
Curing salt	½ tsp.	.25
Phosphate (dissolved in ¼ cup water)	1 tsp.	.75
Vitamin C powder	¼ tsp.	.50
Chilled water (to dissolve the 4 ingredients)	¼ cup	0
Subtotal		Php 1.40

Extenders

In ½ cup water add:	
• ¼ cup textured vegetable protein (TVP). Hydrate for 3 minutes.	4.50
▪ ½ tsp. Carageenan	.75

Seasonings

▪ Refined sugar	1.75
▪ Anisado wine	2.75
▪ Garlic powder	4.00
▪ Black pepper, ground	3.00
▪ Vinegar	0.75
▪ Soy sauce	1.00
▪ Vetsin (Optional)	1.75

Subtotal **Php 20.25**

Packaging Material

▪ Natural hog casing (#23 –28)	Php 21.00
▪ Cellophane (6" x 12") for ½ kg. Meat product	1.50

Subtotal **Php 22.50**

* Based on current market price

II. PROCEDURE

To make *longanisa*, the curing method is applied. This involves the application of salt, sugar, nitrate, and other chemical preservatives that kill microorganisms or delay microbial action.

- Select good quality meat.
- Grind meat and fat coarsely.
- Measure or weigh all the ingredients.
- Add meat to the curing mix and mix thoroughly, then add extenders and mix again.
- Add the rest of the ingredients and mix until well blended.
- Cure at room temperature for 8 to 10 hours or in refrigerator for one day.
- Stuff cleaned, fresh, natural or collagen casing, using a funnel.
- Prick stuffed casing with needle to remove air.
- Link in desired lengths (4 inches long).
- Place *longanisa* in polyethylene plastic bag in ¼ or ½ kg. packages. Remove the trapped air inside the bag and seal immediately.
- Store in freezer.
- Double ingredients for the 2 kilos of *longanisa*.

III. COSTING AND PRICING

A. Product Costing

a.1 Direct Cost

Particulars	Cost
Raw Material (1kg. Pork Meat)	Php 220.50
Ingredients used for 1 kg.	20.25
Packaging Material	22.50
Total Direct Cost	Php 263.65

a.2 Indirect Cost

Particulars	Cost
Labor Cost (P350/day min. wage / 80kgs. Produced x 2 workers)	Php 8.75
Transportation Cost (P120 / 80 kgs.)	1.75
Water & Electricity (P200 consumption / 80 kgs.)	2.50
Contingency Cost (10% of Direct cost)	26.37
Total Indirect Cost	Php 39.37

*Based on 80kgs. Average daily produce

a.3 Production Cost

After mixing all ingredients to the 1 kg. meat, the yield of the finished product would weigh 1.4 kgs.

Particulars	Cost
Total Direct Cost	Php 263.65
Add: Total Indirect Cost	39.37
Total over the 1.4 kgs. yield	263.65 / 1.4 kg
Production Cost per Kg.	Php 227.69

B. Product Pricing

Particulars	Cost
Production cost per kg.	Php 227.69
Add: 10% - 20% mark-up of the Production Cost	45.53
Selling Price per kilogram	Php 273.22

Market Price per kilogram **Php 280.00**

* The higher the volume of production per day (more than 80kgs.), the lower the production cost, thus increasing the mark-up to more than 50%.

* If price per kg. is lower compared with the existing market price, increase mark-up to 50% or more.

IV. REGISTRATION REQUIREMENTS

- Business Name Registration**
Visit Department of Trade & Industry (DTI)
Provincial Office where the business is located or log on to www.bnrs.dti.gov.ph
- Mayor's Permit/ Residence Certificate & Sanitary Permit**
From the local municipality where the business is located
- Tax Identification Number (TIN)**
Bureau of Internal Revenue National Office, Agham Road, Diliman, Quezon City
Trunkline: (632) 981.7000 / 981.8888
Email: contact_us@cctr.bir.gov.ph
Website: www.bir.gov.ph
- BFAD Certificate**
From the Bureau of Food and Drugs (BFAD)
Civic Drive, Filinvest Corporate City Alabang, Muntinlupa City
Tel. No.: (632) 807.0721 / 842.5606
Email: bfad@bfad.gov.ph
Website: www.bfad.gov.ph

V. FINANCING FACILITY

- SSS Special Financing Program**
Social Security System (SSS)
Loans and Investment Office
SSS Building, East Avenue, Diliman, Quezon City
Tel. Nos.: (632)920.6401 / 920.6446
Email: member_relations@sss.gov.ph
Website: www.sss.gov.ph
- Small & Medium Enterprise Credit**
Phil. Business for Social Progress
18th Flr., Phil. Social Dev't. Center,
Magallanes cor. Real St. Intramuros, Manila
Tel. Nos. (632)527.7741 to 51 or 527.3751
Fax No. (632)527.3743
Email: pbsp@pbsp.org.ph or smec@pbsp.org.ph
Website: www.pbsp.org.ph
- People's Credit Finance Corporation**
395 Sen. Gil Puyat Ave. Makati
Tel. Nos. (632) 897.8549 / 897.5822
Fax No. (632) 897.8523 / 897.8528
Email: info@pcfc.ph
Website: www.pcfc.gov.ph

VI. TRAINING INSTITUTIONS

- Department of Science and Technology – Science and Technology Information Institute (DOST-STII)**
Gen. Santos Ave. Upper Bicutan, Taguig, Metro Manila
Tel. Nos.: (632)837.2191 to 95 / Telefax: (632)837.7520
Email: vbb@stii.dost.gov.ph
Website: <http://www.stii.dost.gov.ph>
- Animal Product Development Center Bureau of Animal Industry (BAI)**
Fernando St., Marulas, Valenzuela City
Tel. Nos.: (632)291-6834 / 293.5489
Email: apdc@manila-online.net
- Technology Resource Center (TRC)**
TLRC Building, 103 J. Abad Santos cor.
Lopez Jaena Sts., Little Baguio, San Juan, Metro Manila
Tel. Nos.: (632) 727.6205
Website: www.tlrc.gov.ph
- Technical Education and Skills Development Authority For Women Center**
37 East Service Rd. South Superhighway, Taguig City
Telefax. No.: (632) 818.8062
Trunkline: (632) 814.4076 loc. 278
Email: tesdawomen@yahoo.com
Website: <http://twc.tesda.gov.ph>



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BUREAU OF SMALL AND MEDIUM ENTERPRISE DEVELOPMENT (BSMED)
3rd Floor, OPPEN Building
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Email: bsmed@dti.gov.ph
Website: www.dti.gov.ph

Starting A Business



NATIVE LONGANISA