

Starting A Business



**VINEGAR FROM
BANANA PEELING**

Starting a Business

Vinegar is used in various cooking and food preparation. It is also used as preservative and food dips. This is sold in the local and export markets.

I. ESTIMATED INVESTMENT COST*

Production Cost/Capital Outlay

Particulars	Cost
Materials	
Sliced banana <i>saba</i> peeling (150 cups)	0.00
Brown sugar (8 kgs. @ Php 31/kg)	248.00
Soap (powder, 1 box)	45.00
Water	8.45
Sub-total	P 301.45
Tools/Equipments	
Plastic carbouys, 50 pcs. (1 gal. capacity @ P8/pc.)	400.00
Cheesecloth (<i>katsa</i>) 5 pcs. @ P15/pc.	75.00
Cotton (1/2 kg.)	25.00
Kerosene gas (2 liters @ P29/liter)	58.00
Plastic pails, 2 pcs. (5-gal. capacity @ P175/pc.)	350.00
Earthen jars, 10 pcs. (5-gal. capacity @ P200/jar)	2,000.00
Subtotal	P 2,908.00
Labor cost	285.00
Electricity	21.10
Transportation	100.00
Estimated Total Investment Cost	P3,615.55

*Based on February 2009 NCR prices.

II. PROCEDURE

1. Wash the *saba* peeling to remove dirt. Drain and cut into pieces approximately $\frac{1}{2}$ " x $\frac{1}{2}$ ".
2. Measure the following ingredients and place them equally in each of the 10 earthen jars:
 - 15 cups sliced banana *saba* peeling
 - 5 cups brown sugar dissolved in 2.5 liters water
 - 5 teaspoons baker's yeast (optional)
3. Fill the earthen jars with clean water to at least 1 inch from the rim.
4. Cover each jar with a piece of cheesecloth, securing it with a plastic twine.
5. Let the mixture stand undisturbed for 1 week.
6. After 1 week, stir the mixture in each jar with a clean ladle for at least 5 minutes daily. Do this for 1 week. Make sure to cover the jars after stirring.
7. Let the mixture in each jar stand undisturbed for another 2 weeks. After then, the vinegar should be ready.

Caution:

- *Do not use plastic containers for fermenting vinegar as this will affect the quality of the product.*
 - *Do not expose the earthen jars to direct sunlight during fermentation.*
8. Strain the mixture with a clean cheesecloth to separate the *saba* peeling from the vinegar.
 9. Store the vinegar in clean plastic pails for further fermentation.
 10. Set aside the fermented *saba* peeling for later use as organic fertilizer through composting.
 11. Boil the strained vinegar for 10 minutes. Allow to cool.
 12. Pour the vinegar into clean carbouys (galunan) through funnel filtered with cotton.
 13. Cap the carbouys tightly and prepare for marketing.
 14. Clean the earthen jars in preparation for the next batch fermentation.

Source: Department of Environment and Natural Resources "Sustainable Livelihood Options for the Philippines"

VINEGAR FROM BANANA PEELING

III. ESTIMATED COSTING AND PRICING

A. Product Costing

1. Direct Cost

Particulars	Cost
Materials: (banana peeling, sugar, plastic carbouys, cheesecloth, cotton, soap)	P 793.00
Kerosene gas	58.00
Water (11 cu.m/month @ P23.05/cu.m divided by 30 days)	8.45
Labor cost (Php 47.50/hr. x 2 hrs./day x 3 days (based on P380 daily wage rate in NCR)	285.00
Total Estimated Direct Cost	P 1,144.45

2. Indirect cost

Electricity (100 kwh/month @ Php 6.33/kwh divided by 30 days)	21.10
Transportation	
Processing implements* (plastic pails, earthen jars)	100.00 195.83
*Applied cost/month (P2,350 divided by 12 months)	
Total Estimated Indirect Cost	P 316.93

3. Production Cost

Total Estimated Direct Cost	P 1,144.45
Add: Total Estimated Indirect Cost	316.93
Estimated Production Cost	P 1,461.38

B. Product Pricing

Total Estimated Production Cost	P 1,461.38
Add: 30% mark up	438.41
Total	P 1,899.79

Estimated Selling

Price/gallon (Total production cost + 30% mark up divided by 47 gallons)	P 40.42
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Market Price/gallon **P 75.00 or more**

Assumption: Production recovery =95% or 47 gallons output from 50 gallons input. The producer may opt to sell vinegar in bottles of varied size. The higher the mark up, the higher the profit margin.

Ecological implications:

This livelihood lessens waste generation in the community inasmuch as saba peeling are recycled to produce vinegar. Fermented saba peeling can be composted to make organic fertilizers. Thus, it does not only help in solving the waste disposal problem but also provides supplement income.

Laws and restrictions:

The product must be submitted to the Bureau of Food and Drugs (BFAD) for approval to ensure safe human consumption. For commercial vinegar production, there is a need to secure business permits from concerned government agencies.

IV. REGISTRATION REQUIREMENTS**1. Business Name Registration**

Department of Trade and Industry (DTI)
within NCR

- a) 2/F Atrium of Makati Bldg., Makati Ave., corner
Paseo de Roxas St., Makati City
Tel. No.: 501.5135
- b) 2/F Park N' Ride, Lawton, P. Burgos Ave.,
Dr. Basa St., Ermita, Manila
Tel. No.: 536.7153
- c) G/F Highway 54 Plaza, EDSA (across SM
Megamall)
Mandaluyong City
Tel. No.: 706.1767
- d) 5/F Araneta Square Mall, Monument Circle
Kaloocan City
Tel. No.: 332.0854 / 332.0829

DTI Provincial Office where the business is
located or log on to www.bnrs.dti.gov.ph for
online registration
Validity: Five years

2. Mayor's Permit/Residence Certificate

Municipal or City Office where the business is
located
Validity: One year

- 3. Tax Identification Number (TIN)**
Bureau of Internal Revenue (BIR)
National Office
Agham Road, Diliman, Quezon City
Tel. Nos. 929.7676 / 927.2511
Email: contact_us@cctr.bir.gov.ph
Website: www.bir.gov.ph

Or at the Regional/District BIR Office where the Business is located

- 4. Bureau of Food and Drugs (BFAD)**
Filinvest Corporate Center, Alabang
Muntinlupa City
Tel. No. 842.5606 Fax No. 807.0751
Email: bfad@bfad.gov.ph
Website: www.bfad.gov.ph

V. FINANCING

People's Credit and Finance Corporation (PCFC)
2/F Accelerando Building
395 Sen. Gil Puyat Avenue, Makati City
Tel. Nos.: 897.8521 / 752.3745
Fax Nos.: 896.1610 / 325.0449

VI. VI. TECHNICAL ASSISTANCE

Technology Resource Center (TRC)
TRC Building (formerly ELT Center)
103 J. Abad Santos corner Lopez Jaena Sts.,
Little Baguio, San Juan City
Tel. No. 727.6205 loc. 208 / 209



BUREAU OF MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT (BMSMED)
5/F, Trade and Industry Building
361 Sen. Gil J. Puyat Ave. Makati City
Tel. Nos.: (02) 897.1693 / 897.7596 / 890.4968
Fax No.: (02) 896.7916 ♦ Email: bmsmed@dti.gov.ph
www.dti.gov.ph