

# Starting A Business



**SMOKED FISH**  
***TINAPA***

# Starting a Business

**Smoked fish** or *Tinapa* is fish cooked/preserved through smoking and is a Filipino native delicacy. It has a two-stage process: the brining part, which gives it a good salty taste and makes it moist; and the smoking part, which cooks the fish and gives it the smoky flavor.

## I. ESTIMATED INVESTMENT COSTS

### A. Cost of Utensils

Utensils	Cost
Cutting Board	P 60.00
Strainer Bowl, 8 pcs @ P155.00 each	1,240.00
Knife	110.00
Wooden Spoon	50.00
Measuring Cup	45.00
Big Basins, 5 pcs @ P150.00 each	750.00
Cooking Tongs	70.00
Trays (12x8 inches), 8 pcs @ P 75.00 each	600.00
Fire charcoal, 20 packs @ P 10.00 per pack	200.00
Sawdust / Wood shavings, 2 sacks @ P 30.00 per sack	60.00
Brining Container, 5 pcs @ P 275.00 each	1,375.00
Fishnet, 5 m. @ P17.00 per meter	85.00
Polyethylene plastic (.002" thick), 100 pcs @ P 30.00 per pack of 100s	30.00
<b>Subtotal</b>	<b>P 4,675.00</b>

### B. Equipment

Equipment	Cost
Weighing scale for fish	P 900.00
Plastic Sealer (for sealing of plastic bags)	800.00
Smokehouse (made to order), 2 pcs. @ P 2,500.00 each	5,000.00
Electric Stove or Gas Stove, 1 pc @ Php 900.00	900.00
Bamboo Sieves, 8 pcs @ P 200.00 each	1,600.00
<b>Subtotal</b>	<b>P 9,200.00</b>

### C. Raw Materials/Ingredients

Item	Price
Fresh <i>Galunggong</i> , 20 kilos @ P 90.00/kilo	P 1,800.00
<b>Subtotal</b>	<b>P 1,800.00</b>

Ingredients	
Salt, 1.5 kls. (for every 20 kilos of fish) @ P 10.00	P 15.00
Water	8.00
<b>Subtotal</b>	<b>P 23.00</b>

<b>ESTIMATED TOTAL INVESTMENT COST</b>	<b>P 15,698.00</b>
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\* Based on 2009 prices

\*\* Sources of prices:

- Paco, San Andres, and Sta Ana Wet Markets (for fresh fish and ingredients)
- Landmark, SM Department Store, Binondo shops/stores (for utensils and equipments)

**TIP:** Smoked Fish products are available throughout the year because a wide variety of fish species like *Lapad*, *Tunsoy*, *Banak*, *Kabasi*, *Hasa-Hasa*, *Galunggong* and *Tamban* can be processed using the same technology. Except for *Galunggong*, all other species command a higher price.

## II. PROCEDURE

1. Cut the fish along the back just above the backbone to split it open leaving the belly solid.
2. Remove all internal organs and blood.
3. Wash fish thoroughly with running water.
4. Prepare brine solution (i.e., mixture of water and salt). For 20-kg. fresh fish, use 4 gallons of water and 1.5 kls. of salt.
5. Place the fish in the brine solution for 30 minutes. Be sure that the fish is completely submerged.
6. Boil the brine solution for at least 5 minutes. Boiling the brine solution aids in maintaining the firmness of the fish.
7. Strain the cooked fish and arrange in bamboo sieves. Be sure that excess water is completely drained.
8. Partially sundry fish for 30-45 minutes. Make sure to cover fish with fishnet to avoid contamination.
9. Prepare smokehouse using charcoals and sawdust or "kusot" as fuel.
10. Put fish in bamboo sieves inside the smokehouse and cover. Smoking time varies according to size or dryness of fish. Longer smoking time makes storage longer.
11. Remove fish from bamboo sieves and let them cool in room temperature.
12. Weigh and wrap in plastic bags, then seal.

- Assumption: Fish Smoking is done for 22 days/month
- Sources on procedures:
  - Sustainable Livelihood Options for the Philippines – An Information Kit (Coastal Ecosystem). Department of Environment and Natural Resources (DENR).
  - Department of Science and Technology (DOST) – Industrial Technology Development Institute

## III. ESTIMATED COSTING AND PRICING (FOR 1 KILOGRAM OF *TINAPA*)

### A. Product Costing

#### Direct Cost

Particulars	Cost
Raw Material (1kg. Fresh Fish)	P 90.00
Ingredients used	1.00
Packaging Material for 1kg.	.20
Labor Cost*	19.10
(P382/day min. wage for 20 kg. produced / day x 1 worker)	
<b>Total Direct Cost</b>	<b>P 110.30</b>

# SMOKED FISH: TINAPA

## Indirect Cost

Particulars	Cost
Water (P 220.00 for 20 kgs / 22 days )	.50
Electricity (P750.00 for 20 kgs / 22 days)	1.70
Contingency Cost (10% of Direct cost)	11.03
<b>Total Indirect Cost</b>	<b>P 13.23</b>

## Production Cost

Particulars	Cost
Total Direct Cost	P 110.30
Add: Total Indirect Cost	13.23
<b>Estimated Production Cost per kilogram</b>	<b>P 123.53</b>

## B. Product Pricing

Particulars	Cost
Production cost per kilogram	P 123.53
Add: 25% mark-up of the Production Cost	30.88
<b>Estimated Selling Price per kilogram</b>	<b>P 154.41</b>

<b>Market Price per kilogram</b>	<b>Php 160-200.00</b>
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- \* The higher the volume of production per day (more than 20 kgs.), the lower the production cost, thus further increasing the mark-up to more than 25%. The higher the markup, the higher the profit margin.
- \* If price per kilogram is lower compared with the existing market price, increase mark-up to 25% or more.
- \* Labor is based on NCR Minimum Wage Rates per Wage Order No. NCR-14 effective 14 June 2008.



#### 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.: (632) 501.5135
- b) 2/F, Park N' Ride, Lawton,  
P. Burgos Ave., Dr. Basa St., Ermita, Manila  
Tel. No.: (632) 536.7153
- c) G/F, Highway 54 Plaza,  
EDSA, Mandaluyong City (across SM Megamall),  
Tel. No.: (632) 706.1767
- d) 5/F, Araneta Square Mall, Monumento Circle,  
Kalookan City  
Tel. Nos.: 332.0854 / 332.0829

DTI Office in the province where the business is located

Website: [www.bnrs.dti.dov.ph](http://www.bnrs.dti.dov.ph) for online registration

Validity: 5 years

2. **Mayor's Permit / Residence Certificate and Sanitary Permit**

Municipality or city where the business is located

Validity: 1 year

3. **Tax Identification Number (TIN)**

Bureau of Internal Revenue (BIR)

BIR National Office Bldg.

Agham Road, Diliman, Quezon City

Trunkline: (632) 981.7000 / 981.8888

Email: [contact\\_us@cctr.bir.gov.ph](mailto:contact_us@cctr.bir.gov.ph)

[www.bir.gov.ph](http://www.bir.gov.ph)

BIR Regional or District Office where the business is located

4. **BFAD Certificate**

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](mailto:bfad@bfad.gov.ph)

[www.bfad.gov.ph](http://www.bfad.gov.ph)

BFAD Office in the province where the business is located

Validity: 1 year

## **V. FINANCING**

### **Small Business Corporation**

17/F and 18/F, Antel Corporate Center,  
139 Valero Street, Salcedo Village, Makati City  
Tel. No.: (632) 751.1888  
www.sbgfc.org.ph  
(Direct lending for individual borrower with an asset size of  
P500,000 – P100M)

### **People's Credit and Finance Corporation (PCFC)**

2/F, Accelerando Building,  
395 Sen. Gil Puyat Ave., Makati City  
Tel. Nos.: (632) 897.8521 or 752.3745  
Fax No.: (632) 325.0448/49  
Email: info@pcfc.ph  
www.pcfc.gov.ph

### **National Livelihood Development Corporation (NLDC)**

7/F, One Corporate Plaza, 845 A. Arnaiz Ave., Makati City  
Tel. Nos.: (632) 817.3012 / 817.2657 / 817.0445  
Email: nlsf-info@nlsf.gov.ph

## **VI. TECHNICAL ASSISTANCE**

### **Department of Science and Technology – Industrial Technology Development Institute (DOST-ITDI)**

DOST Compound, Gen. Santos Ave., Bicutan, Taguig,  
Metro Manila  
Tel. Nos.: (632) 837.2071 to 82  
Telefax: (632) 837.3167  
Email: fpd@dost.gov.ph

### **Technology Resource Center (TRC)**

TLRC Building, 103 J. Abad Santos cor.  
Lopez Jaena Sts., Little Baguio, San Juan, Metro Manila  
Tel. No.: (632) 727.6205  
www.tlrc.gov.ph

### **Technical Education and Skills**

#### **Development Authority (TESDA) Women's Center**

37 East Service Road, South Superhighway, Taguig City  
Telefax No.: (632) 818.8062  
Trunkline: (632) 814.4076 loc. 278  
Email: tesdawomen@yahoo.com  
twc.tesda.gov.ph