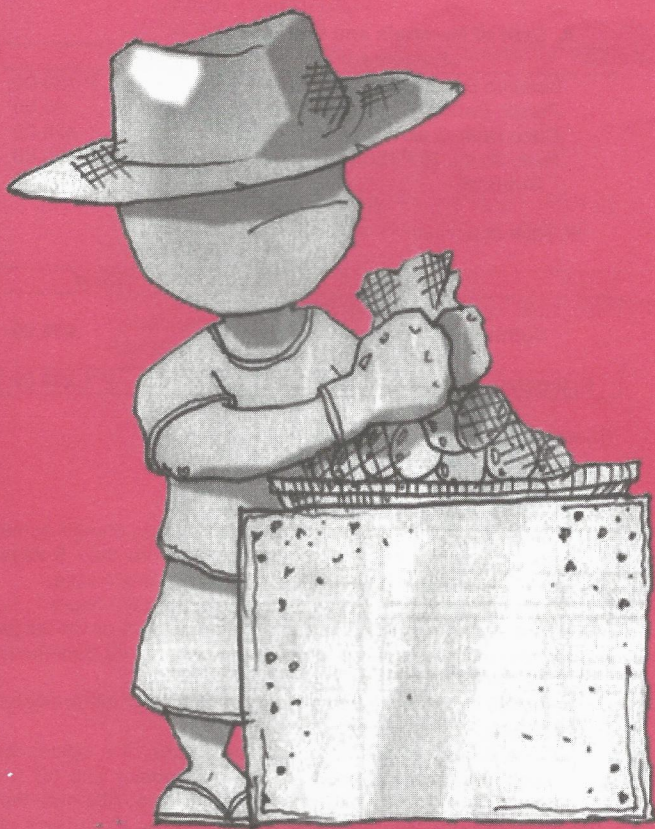


# Starting A Business



## BALUT MAKING

# Starting a Business

**Balut** is a fertilized duck (or chicken) egg with a nearly-developed embryo inside that is boiled and eaten while inside the shell. They are common everyday food in some countries in Southeast Asia, such as in the Philippines, Cambodia, and Viet Nam. It is popularly believed to be an aphrodisiac and is considered a high-protein, hearty snack. *Balut* is mostly sold by street vendors.

## I. ESTIMATED INVESTMENT COST

### A. Cost of Materials and Equipment

Equipment	Cost
Bamboo Basket	P 150.00
Plastic Basket, 3 pcs @P20/pc.	60.00
Coco cloth, 3 yards@ P40/yard	120.00
Rice, 20 kg. @ P15/kg.	300.00
<b>Subtotal</b>	<b>P 630.00</b>

### B. Raw Materials

Particulars	Cost
Duck eggs, 100 pcs.@ P6/pc	
<b>Subtotal</b>	<b>600.00</b>

<b>Estimated Total Investment Cost</b>	<b>P 1,230.00</b>
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\*Based on February 2009 prices

## II. PROCEDURE

- Select eggs that are fit for incubation. Eggs should come from mated flocks, and should not be more than 5 days old. They should have thick shells without any cracks.
- Preheat the selected eggs under the sun for 3-5 hours.
- Heat some unpolished rice in an iron cauldron or vat (large kettle) until it reaches a temperature of about 42 degrees C ( 107 to 108 degrees F).
- Put 100 to 125 eggs into a large cloth made of either abaca (*sinamay*) or coco cloth.
- Place a layer of heated rice at the bottom of a cylindrical bamboo basket incubator (45 cm in diameter and 60 cm depth), and place a bag of eggs on the rice. Alternate the bags of eggs with the bags of heated rice. Eight bags of eggs will fit into the basket. Bamboo baskets can be arranged either in a single row along the wall of the *balutan*, or in double rows placed in the middle of the *balutan*. Firmly tamp down rice husk between baskets as insulator.
- Turn the eggs at least 2 or 3 times a day.

- g. Heat the rice in the morning and in the afternoon on cool days.
- h. Candle the eggs on the 7<sup>th</sup>, 14<sup>th</sup> and 18<sup>th</sup> day to select infertile eggs; i.e. dead embryo on first candling.
- i. The infertile eggs are removed. The fertile ones, those containing normal embryo, are boiled hard and sold as *balut* for snacks.

### III. ESTIMATED COSTING AND PRICING ( for 1 piece of *balut*)

#### 1. Product Costing

##### a.1 Direct Cost

Particulars	Cost
Subtotal ( 100 duck eggs @ P6/pc.)	P 600.00
Labor	7.64
<b>Total Direct Cost</b>	<b>P 607.64</b>

##### a.2 Indirect Cost

Particulars	Cost
Water (P220 consumption/100 eggs/22 days)	P .10
Electricity Consumption (P750/100 eggs/22 days)	.34
Contingency Cost (10% of direct cost)	60.76
<b>Total Indirect Cost</b>	<b>P 61.20</b>

##### a.3 Production Cost

Particulars	Cost
Total Direct Cost	P 607.64
Add: Total Indirect Cost	61.20
	P668.84/100 eggs
Estimated Production cost per egg	P 6.68

# BALUT MAKING

## 2. Product Pricing

Particulars	Cost
Production Cost per egg	P 6.68
Add : 20% of Mark-up	1.33
Estimated Selling Price per Piece	P 8.01
Market Price/piece	P 8.00 – 10.00

Note: The higher the volume of production per day ( more than 100 eggs) the lower the production cost, thus increasing the mark-up to more than 20%

If price per kilogram is lower compared with the existing market price, increase mark-up to 20% or more.

## IV. REGISTRATION REQUIREMENTS

### 1. Business Name Registration

Department of Trade and Industry (DTI) within NCR

Validity: 5 years

- a) 2/F, Atrium of Makati Bldg. Makati Avenue  
corner Paseo de Roxas St., Makati City  
Tel. No. (632) 864.0847 / 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. (632) 332.0854 / 332.0829

Contact the DTI Provincial Office where the business is located.

**2. Mayor's Permit**

Residence Certificate and Sanitary Permit  
Contact the Municipality or city office 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  
Tel. No. 981-7000  
Contact the BIR Office in the region/district where the  
business is located.

**V. FINANCING**

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

2/F, Accelerando Bldg., 395 Sen. Gil Puyat Avenue  
Makati City

Tel. No. (632) 752.3745 loc. 130

(Retail Lending is through partner microfinance institutions )

Email: [corcom@pcfc.gov.ph](mailto:corcom@pcfc.gov.ph)

Website: [www.pcfc.gov.ph](http://www.pcfc.gov.ph)



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