

Starting A Business



**MEAT PROCESSING
TOCINO**

Starting a Business

Tocino is one of the popular Filipino pork productst. To produce juicy and palatable tocino, one should use meat from the loin (*lomo*). Other meat sources with some portion can be used for tocino like ham (*pigue*) or the shoulder (*kasim*), however, the tocino will not be as juicy and palatable. But as long as the quality of the meat is good (i.e. the color is okay) has no foul odor, and good texture) and the procedures are carefully followed, then you are assured of good product quality.

I. ESTIMATED INVESTMENT COST*

A. Cost of Utensils

Utensils	Cost
Measuring cup/spoon for solid and liquid (plastic or stainless steel)	P 70.00
Spatula	49.00
Kitchen knife	120.00
Knife sharpener	240.00
Kitchen spoon	89.00
Ladle	52.00
Tong	99.00
Stainless bowl 32"	130.00
Rectangular tray (plastic or aluminum)	210.00
Subtotal	P 969.00

B. Equipment

Equipment	Cost
Weighing scale for spices	Php 379.00
Weighing scale for meat	900.00
11ft refrigerator	28,000.00
Polysealer (for sealing plastic bags)	800.00
Styrofoam cooler (for transport of meat products)	305.00
Subtotal	P 30,079.00

C. Raw Material/Ingredients/Packaging Material

Item	Unit	Cost
Raw Material		
Pork (<i>pigue</i> or <i>kasim</i>)	1 kg.	P 160.00
Ingredients		
Salt	2 tbsps.	0.77
Curing salt	½ tsp.	0.15
Sugar	12 tbsps.	6.86
Phosphate (dissolved in ¼ cup water)	1 tsp.	0.54
Anisado wine	2 tbsps.	2.58
Pineapple Juice	2 tbsps.	0.77
Crushed garlic (garlic powder)	2 tbsps.	3.81
Vitamin C powder	¼ tsp.	0.54
Food color, red (optional)		0
Vetsin (optional)	½ tsp.	0
Subtotal		P 176.02

Packaging Material

Polethylene Plastic Bag P 0.50
(6" x 12") for ½ kg. meat product

Estimated Total Investment Cost P31,224.52

- Based on February 2009 market prices

II. PRODUCT PROCEDURE

The curing method is applied in *tocino* making. This involves the application of salt, sugar, nitrate, and other chemical preservatives that kill micro-organisms or delay microbial action.

1. Select good quality meat. Trim and weigh.
2. Slice meat ¼ in thickness.
3. Weigh meat slices and prepare the curing ingredients per kilo of meat.
4. Mix meat with salt, curing salt, phosphate, and Vitamin C (dissolved in ¼ cup water) in a bowl.
5. Add the rest of the ingredients and mix again.
6. Cure at room temperature for 8 to 10 hours or in refrigerator for 8 to 12 hours.
7. Pack tocino in polyethylene plastic bag in ¼ package. Remove the trapped air inside the bag and seal immediately.
8. Store in freezer.
9. For 2 kls of tocino, double all the amount of ingredients.

III. ESTIMATED COSTING AND PRICING

A. Product Costing

Direct Cost

Particulars	Cost
Raw Material (1 kg. pork meat)	P 160.00
Ingredients used	16.02
Packaging Material	0.50
Total Direct Cost	P 176.52

Indirect Cost

Particulars	Cost
Labor Cost (P125/day/ 70 kgs. produced x 2 workers)	P 3.57
Transportation cost (150/ 70kgs)	2.14
Water and Electricity (P600 consumption/70 kgs.)	8.60
Contingency cost (10% of direct cost)	17.65
Total Indirect Cost	P 31.96

- Based on 70kgs. average daily produce

MEAT PROCESSING: TOCINO

Production Cost

After adding all ingredients to the 1 kg. meat, the yield of the finished product should weigh to 1.5 kgs.

Particulars	Cost
Total Direct Cost	P 176.52
Add: Total Indirect Cost	31.96
Total over the 1.5 kgs. Yield	208.48 / 1.5kg
Production Cost per Kilogram	P138.99

B. Product Pricing

Production Cost per kg.	P 138.99
Add: 10% markup of the Production Cost	<u>13.89</u>
Selling Price per kilogram	P 152.88

Market Price per kilogram P 180.00

- *The higher the volume of production per day (i.e., more than 70 kgs.), the lower the production cost, thus increasing the markup to more than 10%.*
- *If price per kilogram. is lower compared with the existing market price, increase mark-up to more than 10%*

IV. REGISTRATION REQUIREMENTS

1. Business Name Registration

Department of Trade and Industry (DTI) within NCR

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

3. **Tax Identification Number (TIN)**
Bureau of Internal Revenue (BIR)
BIR National Office Bldg.
Agham Road, Diliman, Quezon City
Tel. No.: (632) 981.7000
Contact the 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

V. FINANCING

1. **GSIS Family Bank**
AIC Grande Tower, Garnet Road, Ortigas Center
Pasig City
Tel. Nos.: (632)706.0487 to 90 loc. 155
Fax No. 706.0493
(Direct lending for individual borrower)
2. **National Livelihood Development Corporation (NLDC)**
4^F, Hanston Building, F. Ortigas Jr., Road
Ortigas Center, Pasig City
Tel. Nos.: (632)914.7290 to 97 or 631.2955/57
3. **Opportunity Microfinance Bank**
OMB Building, Robinsons Homes East,
Commercial Arcade-1, Robinsons Homes East,
Circumferential Road, Barangay San Jose
Antipolo City
Tel. No.: 630.0141 local 222/229
(Direct Lending for individual borrower)
4. **People's Credit and Finance Corporation**
2F, Accelerando Bldg., 395 Sen. Gil Puyat Avenue
Makati City
Tel. No.: (632) 752.3745 local 130
(Retail Lending is through partner microfinance institutions.)
5. **Philippine Microenterprise Development Foundation (PMDf)**
G/F Melendres Bldg., F. Manalo St., Pasig City
Tel. No.: (632)641.2207/ 642.3895
(Direct Lending for group borrower)

- 6. Small Business Corporation**
17^F and 18th /F, Antel Corporation Centre,
139 Valero Street, Salcedo Village, Makati City
Tel. No.: (632)751.1888
Fax Nos. (632) 894.1677 / 813.5726
(Direcy lending for individual borrower with an asset
size of P500,000-P1M)

VI. TECHNICAL INSTITUTIONS

- 1. Department of Trade and Industry – Cottage Industry Technology Center (DTI-CITC)**
20 Russet St.,SSS Village, Marikina City
Tel. Nos.: (632) 942.3974 / 948.2875 / 941.4516
Fax : (632) 942-0107
Email : citc_dti@yahoo.com
- 2. 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
www.stii.gov.ph
- 3. Animal Product Development Center Bureau of Animal Industry (BAI)**
Visayas Avenue corner Elliptical Road
Diliman, Quezon City
Tel. Nos.: (632) 928.1778, 928.2836
www.bai.ph
- 4. Technology Resource Center (TRC)**
103 J. Abad Santos St.
Little Baguio, San Juan
Tel. No.: 727.6205 loc. 200
www.trc.dost.gov.ph
- 5. Ultima Entrepinoy**
Nutrition Foundation of the Philippines Bldg.
107 E. Rodriguez Sr. Avenue, Quezon City
Tel. Nos.: 742.7866/ 411.1349/ 742.0826