FEASIBILITY STUDY ABSTRACT

Title: Hand-made Paper from Agricultural Residues in Pangasinan

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Executive Summary:

Handmade paper manufacturing is generally considered as a small scale type of industry requiring a relatively small capital but in other mills large amount of capital is needed especially if the owners of the mills will use motor-driven machines.

Management Aspect:

The business will operate under the name of SML Hand-made Paper Manufacturing. It will adopt the simplest business organization which is sole peoprietorship. The firm will be managed by the manager; one adminsitrative clerk; a driver and atleast three helpers; a production supervisor with five sheetformers and two pulpers; and liaison officer in charge of the marketing of the products.

Marketing Aspect:

The paper industry remains optimistic of its potential growth. It sees to improve production through the proper equipment and processing technology. The industry has a number of problems and prospects such as want of knowledge on modern processing, financing, poor state of machineries, equipment and tools, distibution system, and insufficient promotion. It is agreed to have 20% as their initial target market share and it is projected to increase by 1% annually through sufficient capitalizaton, proper management of labor and other resources. The proponents decided to distribute the product 40% outside Pangasinan and 60% throughout Pangasinan. The firm's target market are giftshops, bookstores, converters, art schools and printing shops.

Technical Aspect:

Manufactured papers are made from agricultural residues like bagasse, rice and cereal straws, cogon grass, abaca, banana tree from top to bottom can also be used as raw materials. Because different fibers requires different treatments especially for making different kinds of papers, there is no standard way of making paper. However, in general, the following steps apply:(1) Preliminary mechanical treatment of fiber (2) Chemical

treatment of fiber (3) Mechanical pulping and beating (4) Chemicals added (5) Rinsing (6) formation of sheets and (7) drying.

Financial Aspect:

Based on the materials, supplies, equipments, physical plant and manpower needs of the project specified, total project cost is estimated at ₱ 1,500,000. Forty percent of it will come from loan in a bank payable within 5 years having 20% interest rate and sixty percent of it will come from the business proprietors.

Return on investment is 1.12 percent for the first year and has a payback period of four years and five months.

Socio-Economic Aspect:

The industry provides specific contributions to the Philippine society of economy in terms of favorble effect on the following such as increase in government revenues, increase in foreign exchange reserves, growth of related industries, provide better opportunities to those currently employed and rural and regional development.