

The strong support from government economics essay

[Economics](#)



**ASSIGN
BUSTER**

ON

" Kulfi Plant Unit in Philippines"

Submitted to

Kalol Institute of Management

IN PARTIAL FULFILLMENT OF THEREQUIREMENT OF THE AWARD FOR THE
DEGREE OF

MASTER OF BUSINESS ADMINISTRATION

In

Gujarat Technological University

UNDER THE GUIDANCE OFMs. Khyati Pandya

Submitted by:

NAMEEnrollment No. Roll No. Chandrakumar

Maheshwari11725059208324Mitesh Kathiriya11725059207822Falguni

Kadia11725059210720Dreams Joshi11725059201019Sheetal

Kateshiya11725059208621Ekta Khamar11725059206123

Kalol Institute of Management

MBA PROGRAMMEAffiliated to Gujarat Technological University2012-2013

Introduction

Philippines are the second largest agriculture importer in dairy products after wheat. Philippines are producing less than 1% of the dairy products it consumes in a year. A major burden is that less productivity of animals and therefore less productivity in milk." The average milk production per animal

<https://assignbuster.com/the-strong-support-from-government-economics-essay/>

is 8 liters/day or rests low due largely to give bad food to their animals in Philippines," Agriculture Assistant Secretary Davinio Catbagan said Filipinos consumed P90-billion worth of dairy products in 2011, but only one of every four glasses of milk consumed last year was locally produced. Of the dairy product imports, around 88 percent were under milk and cream. Only skim milk powder as well as buttermilk powder and cheese recorded increases in import levels. There are two major sectors that make the Philippines are milk industry. A vast importing and processing sector and a small milk producing sectors. Importing and processing sector provide 95% of milk to the philippines. And second sector provide remaining of the supply. Out of 95% of imported milk 80% is in powder form. The local and small suppliers does not exceed one percent in liquid milk equivalent (LME). In philippines there are main four types of dairy farms : single smallholder manufacturers (who use and sell locally what they produce), smallholder associations (who collect milk from small producer and deliver to a processing plant), commercial farms (which supply processors), and Government farms (which supply school and rural community feeding programs). In above cases, the processors-producer also secure raw milk from small-producers. Hence, the Philippine's milk producing sector may be considered, on the whole, as a small-holder-based sector. Marketing: In Philippines, manila is major area for fresh milk market and it is also considered in consumer and business sectors. The consumer sectors include schools and households concluded by the government milk feeding program. The business sectors include the retail and institutional operations such as restaurants, coffee shops, supermarkets,

hotels, and small retailers. Institutional buyers and coffee shop is main targets for local milk processors.

Major constraints of the dairy sector

Irregular support from government
 Scarcity of dairy stocks
 Entry barriers
 Rivalry with low-cost product in imported milk powders
 Farmers and Trained technicians are shifting to New Zealand and Australia for work in dairy farms. Expand productivity of animals on the ground
 Rise crowds (sheep) through intensive local advancement
 Rise the number of farmers who making profits from dairy enterprise. Support the formation of upbringing farms to supply new manufacturing candidates with respectable dairy stocks.
 Lack of farmer technicians

Market Opportunity

Increase in Local Production:

- Local production is growing at an annual average rate of 5%
- Increase in local production from 13.8 thousand MT in 2008 to 14.3 in 2009
- 2010 production forecasted at 15.5 thousand MT
- Production comes from the estimated dairy animals of 15,891
- Production is composed of 66% cow's milk, 33% caribou's milk and 1% goat's milk

Increase in Consumption:

- Increase in per capita consumption from 16 kg/yr in 2002 to 19 kg/yr in 2009
- Increase in total consumption of about 1,717.6 thousand MT in 2008 to 1,752.6 thousand MT in 2009 or an annual average increase of 2%
- 2010 consumption forecasted at 1,786.2 thousand MT
- Increase in demand by the specialty coffee shop industry that is seen to sustain its growth of 20%

<https://assignbuster.com/the-strong-support-from-government-economics-essay/>

for the next five years • Growing awareness among consumers of the improving image of coffee and specialty coffee, in mainly, will help sustain the growth of the dairy industry

Presence of a Demand-Supply Gap:

- 2009 local production is less than one percent of total consumption or 14. 3 thousand MT as against total consumption of 1, 752. 6 thousand MT <http://www.boi.gov.ph/pdf/industryprofiles/Agri%20Business/Dairy.pdf>

Philippine Advantage

Support Industries:

- Growth in the livestock sub-sector by a modest 0. 5 % in the first three months of 2010, as production increases were recorded for pigs, goat and cattle, while dairy posted a hefty 17. 2% output gain • Increase by 11% in the number of dairy animals from 31, 841 heads in 2009 (Jan-Mar) to 35, 441 heads in 2010 (Jan-Mar)

Human resources:

- Large pool of skilled labor, that is beneficial to investors with restricted capital equipment investment.

Strong Support from Government:

Presence of the National Dairy Authority created under the NDD (National Dairy Development Act) of 1995 (Republic Act 7884) to confirm the accelerated progress of the Philippine dairy industry through policy direction and program implementation National Dairy Development Plan 2008-2030 Herd Build-up Program – increase in both local milk production and local

dairy stocks Save-the-Herd (Sagip-Hayop) - designed to network dairy animals into a pattern which will inspire animal trading, dairy organization improvement and crowd protection. Under this program, the Save-the-Herd partner receives from National Dairy Authority (NDA) a dairy animal which he is grateful to rear, situation and saturate according to prescribed dairy agriculture management standards Animal Infusion (Dagdag-Hayop) - includes importation of diversification of sources, dairy stocks and local procurement of dairy animals Animal for Animal (Palit-Hayop) - NDA allocates possible dairy animals to new but suitable and qualified candidates who in a possible period of time, would option to a payment-in-kind by way of female dairy animals Dairy Business Development Program Dairy zone installation. The minimum requirement for a dairy zone consists of 100 farmers with three dairy animals each located in adjacent villages and within a 30-kilometer radius of an urban market that has the capacity to absorb its milk production. The farmers own the animals, the primary cooperative operates the collection center, a federation or private entrepreneur operates a processing plant and undertakes marketing. In this process, the NDA identifies local partners prepared to put up the counterpart resources needed to startup a dairy zone. Enterprise orientation among dairy producers - equipping participants in the industry through installation of systems, continuous education and training and infrastructure development Training of dairy managers and entrepreneurs Cost-efficient milk handling and processing facilities - allowing local processors to install facilities without resorting to expensive turn-key plants, through the support of the Department of Science and Technology in the design and local

fabrication of equipment; the diversification of equipment suppliers; and, the development of dairy engineering skills. Milk Quality Assurance – In June 2005, the NDA's Central Milk Testing Laboratory was qualified by the Food and Drug Administration to conduct testing for milk quality and animal health. Availability of dairy farming courses offered by the Technology and Livelihood Resource Center, in cooperation with the Dairy Confederation of the Philippines, to make publicly available the technology used successfully by dairy farmers and dairy products producers in the Philippines.

Industry Potentials:

Number of industry players:

- Importer-processors – 13
- Importer-traders – 26
- NDA-assisted dairy producers – 146

Incentives:

Fiscal:

- 4 to 8 years Income Tax Holiday (ITH);
- Special 5% tax rate on gross income after the interval of ITH (for Eco-zone locators);
- Capital equipment incentives:- Tax and duty release on imported capital equipment (for Eco-zone locators);- Duty-free importation of capital equipment (for BOI-registered firms under E. O. 528);- Duty-free importation of capital equipment and inputs for key processing (under R. A. 8435 or the Agriculture and Fishery Modernization Act);
- Release from 12% input VAT on permissible local buying of goods and services, e. g., communication charges (for Eco-zone locators);
- Additional deduction for labor expense.

Non-fiscal:

- Clear use of consigned equipment;
- Release from export tax and wharf age dues, impost and fees, duty;
- Employment of foreign nationals;
- Special Investors Resident Visa.

Costs of Doing Business:**Salaries and wages (per day):**

- NCR – Php 367. 00 - 404. 00
- Areas/Provinces – Php 202. 00 – 302. 00

Rentals, lease, acquisition (per month):

- Commercial space tenancy – US\$2. 0–9. 0/ sq. m.
- Office space charge – NCR: US\$10-12/ sq. m.; Regional/Provincial: US\$5-6/ sq. m.
- Within an economic zone – lease of lots – US\$0. 40/ sq. m.– lease of buildings – US\$1. 0/ sq. m.

Business Permits:

- License to Operate and Product Registration from the Food and Drug Administration (FDA);
- Environmental Compliance Certificate from Environmental Management Bureau (EMB);
- Registration of Incorporation from the Securities and Exchange Commission (SEC).

PESTEL ANALYSIS**Political factor:**

From 2001 to present time, a number of trends in the local dairy sector have helped to accelerate development. These factors indicate that collaborative efforts among national and local governments and dairy enterprises and support through official development assistance have been important growth

drivers. Operating in a trade regime of liberalization, the local dairy sector of the Philippines hardly enjoys any protection, with tariffs on dairy imports down in the range of 0–3 percent. Quality assurance has received a big boost in recent years, highlighted by the introduction of milk payments based on quality in some zones. The law and the national development plan promote smallholder dairying, as contained in the following relevant provisions: The objectives are: Developing the local dairy industry is one of the government's strategies to help reduce poverty in the country. to give support and help in the processing, marketing activities and production of all those involved in the business of manufacturing milk and other dairy products, particularly rural-based small dairy farmers, through the providing necessary support systems; to inspire and support the active sharing of rural cooperatives, farm families and the private sector, identifying them as principal agents in the expansion of the Philippine dairy industry; to develop and distribute appropriate smallholder-based dairy technology. Participation of local government: Local government engagement has expanded to involve provincial governors and provincial boards, a marked improvement from the time when only village and town or city officials supported dairying efforts. In particular, four provincial governments have become active partners in the installation of dairy zones in their provinces. The provincial government provides land for a processing plant and capital loans for dairy enterprises, sponsors milk feeding programmes and deploys provincial dairy programme staff for services and other forms of assistance.

Economical factor:

The dairy market generates sales amounting to US\$ 1. 1 billion annually. Australia, New Zealand and the USA supply 80 percent of milk imports. In 2002, Philippines imported some 215 million kg of milk and milk products at a cost of Php 17. 3 billion (US\$ 346 million). Milk powder comprises 71% of the imports. Around 8, 000 dairy farming in 223 villages is engaged in milk production. They pour milk to over 100 dairy co-operatives accounting for 23 percent of national liquid milk supply- 11 million kg of milk from some 8, 900 milk animals.

Social factor:

The Filipino peoples enjoy milk with daily meals. The demand of milk and other things related with milk increased in day by day.

Technological factor:

Philippines still use old machineries to produce product with milk. Therefore Machineries for manufacturing have to Import from outside of Philippines. The advance machinery for making ice-creams is still not well developing. There is still lack of proper storage facility of ice-cream in bulk.

Ecological factor:

Based on the seasonal rainfall distribution, the climate of the Philippines is classified as follows: Type I: Two distinct periods with extreme rain period from June to September and a dry period this lasts from three to six or seven months. Type II: No dry period with a very distinct extreme rain period from December to February. Type III: No distinct extreme rain period with a short dry season lasting only from one to three months. Type IV: Rainfall more or
<https://assignbuster.com/the-strong-support-from-government-economics-essay/>

less evenly circulated throughout the year.(As ice-creams are mostly preferred in summer season it will be the most preferable season for the growth opportunity.)

Legal factor:

Presence of the NDA created under the National Dairy Development Act of 1995 (Republic Act 7884) to ensure the quicker expansion of the Philippine dairy industry through policy track and program applicationNational Dairy Development Plan 2008-2030Herd Build-up Program – rise in both local milk production and local dairy stocks

Dairy sector in Philippines and its SWOT analysis

A dairy is a business enterprise recognized for the harvesting of animal milk—typically from goats or cows, but also from horses, camels, buffalo or sheep – for human feeding. A dairy is naturally located on a devoted section of a multi-purpose farm or dairy farm that is concerned with the collecting of milk. As a proceeding, the word dairy denotes to milk-based products, processes and derivatives, and the animals and workers included in their production: for example dairy goat, dairy cattle. A dairy farm produces milk and a dairy factory processes into a variety of dairy products. These formations found the dairy industry, a section of the food industry.

SWOT analysis of Dairy

Dairy Sector's Strengths:

The huge cattle population is a vital asset for the country and different many other natural resources which will reduce over the years, a supportable cattle production system will continue to push Philippine economy. The <https://assignbuster.com/the-strong-support-from-government-economics-essay/>

organizations have to focus on supplying fresh milk to the consumer market in a way that maximizes their returns from a premium product. The industry should focus on the very clear, growing liquid milk market, which involves demand from middle to upper income group consumers, the specialty coffee shops, and hotels and restaurants. In Philippines animal's milk productivity is low; there is a huge scope for expansion of the milk production and accordingly increased salable surplus of milk for processing. Purchasing power of the consumers is on the improvement with continually increasing population of middle class & growing economy of country.

Dairy Sector's Weaknesses:

Periodic vacillations in milk production pattern, area difference of milk supply and species-wise variation (goat, cow, buffalo etc.) in milk quality expected by milk plants continue to pose serious handicaps. Dependence on imports for tropical crosses mainly sourced from New Zealand, Australia and US. Limited farmer education, with poor farm management practices continuing to impede development of the industry. The price of the product will be costly because of lack of easy availability of raw materials such as milk, milk powder etc.

Dairy Sector's opportunity:

In Philippines there is a unique scope for innovations in product development, packaging and presentation. The local dairy farmers are losing market share as the market for milk and dairy products grows around them. Expanding market will creation of huge self-employment opportunities and job. Company can introduce value-added products like shrikhand, ice

creams, paneer, khoa, flavored milk, dairy sweets, etc. This will lead to a greater existence and flexibility in the market place along with opportunities in the field of brand building. Some cultured products like yoghurt and cheese lend both in terms of utilization of resources and presence in the market place. As most of the Philippines people are ice-cream lovers it will be good opportunity for such market. There is a best opportunity to expand business through franchisee and contact with existing big Ice-cream Dealers.

Dairy sector's threat:

The Milk vendors are un-organized sector Today milk vendors are occupying the pride of place in the industry. Innovative Product can give either higher profit or higher loss also, so the risk in business is more. If Prices of Milk fluctuated as per countries fluctuating inflation it directly affects on business profits. Distributors still control a very big amount of the milk procurement. Serious efforts need to be taken to remove them from the supply chain. Entry of international business could result in a big percentage of milk being providing towards value added products which, though it augers well for the producers, is likely to disturb the accessibility of liquid milk supply for mass consumption especially for the poor urban class.

Porter's Five Forces Analysis

1. Threat of new entrants to the industry: LOW

Some outstanding characteristics of the milk industry include stable growth, high profit, and comparatively stable market share. Therefore, in order to enter the market, companies must have an abundant source of capital to overcome such barriers as: Product specification: Most major dairy

companies in the world have participated in Vietnam's dairy market, who have already had a certain and stable market share. Therefore, new competitors who want to enter the market will have to invest substantially in order to alter present customers' loyalty. Large capital requirement: Capital source must be abundant enough to cover advertisement and R&D expenses. Distribution channels: Dairy market's distribution channels are filled. Hence, new entrants have to attract these distribution channels by paying higher commission, leading to higher cost. However, the expansion and penetration of foreign brands into Philippines may pose a potential threat for current Dairy processors.

2. Threat of substitute: LOW

Dairy products are nutritious ones that are essential for life. Therefore, it hardly can be replaced by other products.

3. Bargaining power of buyer: LOW

20% of dairy products are now distributed through small retailers to consumers. It is the necessity of the Filipinos and they are import 98% milk from Australia, New Zealand, US.

4. Bargaining power of the suppliers: AVERAGE

Limited bargaining power of domestic milk material suppliers. Regarding the scale of the cow-raising industry, 95% are raised in households while only 5% are raised in specialized farms which have minimum scale cows, buffalos and goats. It can be inferred that farmers raise cows spontaneously leading to their inability to ensure the quantity and quality of milk supplies. Their bargaining power is thus weakened. Their lack of management experience,

<https://assignbuster.com/the-strong-support-from-government-economics-essay/>

as well as the small-scale farms and high proportion of reproductive disorders and diseases in dairy cows, etc cause many difficulties to farmers. Therefore, domestic dairy companies take the initiative in negotiating fresh milk purchase price. High dependence on imported milk powder prices. As 98% of input milk is imported, international milk powder prices also greatly affect Philippine's milk production industry. In the forthcoming time, milk powder price will tend to increase. Meanwhile, supply from Philippine's main exporters such as New Zealand or Australia will slightly rise in the context that import demand of Asian countries also grows. Therefore, companies' ability to control milk powder purchase contract, regarding both quantity and quality, is of great importance to their competitive capacity. However, the recent fluctuations in milk powder prices have put domestic in passive position.

5. Rivalry among competitors: HIGH

There are lot of dairy processors in Philippines in 2010. The major tools for competition are: (i) launching new products that are supplemented by new ingredients or new formula that provide special substance or usage, (ii) promotional program.

FEASIBILITY ANALYSIS

Status of ice-cream industry in Philippines

1. In Philippines sales of Ice cream were expected to grow by 2. 8% in 2009 to PHP8. 75bn (US\$195. 4m). Volumes were prediction to inch up 0. 7% to 64m liters. 2. The market is subjected by two large players, with Unilever arm Selecta Wall's having a share of 40% and Nestle accounting for

42. 5% of sales in 2008. 3. In Philippines the Nestle brand is the largest ice cream brand, accounting for 37. 2% of 2008 sales. The Selecta brand enjoyed 36. 2% of sales in 2008. 4. According to Euro monitor, the medium term remains " dull" for ice cream in the Philippines; the volume CAGR is projected at just 1% between 2009 and 2014. 5. The " nominal growth" will mainly come from the development of smaller lower-priced brands like Creamline Dairy Corp. and others in desire ice cream. On the other hand, major manufacturers such as Selecta Wall's and Nestlé will see more development in quantity of ice cream. 6. Bulk ice cream will stay the " happiest spot" in ice cream with a volume CAGR of 1. 3% over the prediction period. This development in volume will donate to the continuous reduction of other take-home ice cream, namely ice cream desserts. 7. Usage of ice cream in the Philippines was focused within the Greater Manila area between 2004 and 2008, with 60% of total volume purchased there. 8. The production of smaller companies offering lower-priced branded products in the market has been grasping sales from major brands especially in desire ice cream. 9. Chocolate remains the undisputed favorite of Filipinos making it the number one flavor launched and developed by manufacturers.

History of Kulfi and its production process

" Kulfi or Qulfi", a popular frozen milk based dessert from India and Pakistan and is often described as the traditional ice cream of India. Kulfi is a famous street chilled dessert sold by many local street vendors sold at a very economical and reasonable price. It is frozen treat delight served chilled in a special ice and salt filled pot called a matka. Although the usual way to serve it is with a simple garnish of nuts, some vendors also serve sweetened with

<https://assignbuster.com/the-strong-support-from-government-economics-essay/>

vermicelli rice noodles with ice cream or also served like a stick ice cream. It is admired throughout many South Asian countries, Burma (Myanmar) and the Middle East. It has similarities to ice cream (as popularly understood) in appearance and taste, but is denser and creamier. The origin of Kulfi must have originated from few people living in the Indian subcontinent especially those living high in the Himalayas usually exposed to snow and ice where they must have stumbled on learning the technique of freezing various sweetened liquids and decorating them into exotic chilled desserts. These privileges were limited to royalty and upper levels of aristocracy in India until modern day refrigeration technology reached South Asia. History does not point to one specific inventor, Mughal emperors who reigned in the 16th to 19th centuries in India are thought to have originated kulfi. Inhabitants who lived near the Himalayas had come across freezing methods that included sweets or desserts.

Process of Kulfi

Kulfi, a flavored frozen dessert originating in India, is a popular custard-like alternative to present-day ice cream. Step 1: It is prepared using a mixture of both evaporated and sweetened condensed milks and heavy cream. Step 2: The mixture along with sugar is added and brought to a boil. Step 3: Minutes later, flavors, dried fruits and cardamom are added. Step 4: Once cooled, the mixture is placed into moulds and frozen - the result is a tasty resemblance of ice cream.

Mission and Vision

Mission: Expand Indian taste of ice cream in Philippine and introduce Indian taste of kulfi in Philippine. Vision: To become one of the best brands of ice cream in Philippine

Business plan phases

1st Phase:

Open a new unit and introduce an Indian kulfi and distribute our product to other Ice-cream parlors/Local Distributors.

2nd Phase:

After getting success in the initial phase, the company going to open their own outlets in other different place.

3rd Phase:

After achieving good position in the mind of people as well as in kulfi product we make our good brand.

Business objective:

Main objective of company's product is to introduce taste of Indian traditional ice cream (Kulfi) in Philippine. To develop and disseminate appropriate smallholder-based dairy technology.

Name of kulfi shop (Company):- Yummiza kulfi Center

Business Type: Kulfi center and Supply to Local DistributersLocation:

ManilaArea: 55 Sq. Meter (Approx. 600 Sq. Ft.)Rent: 285120 (Estimate) (For 1 year)

Organization structure

Owner

2 Experts/ supervisors

2 Delivery boy

1

Employee for unit handling

1 sweeper

2 Employees for kulfi making

Major Competitors

ALI'S ICE CREAM HOUSE

ARCE DAIRY ICE CREAM

Blissful Delights Ice Cream Station

EASTERN-ICE CREAM FACTORY

ECHAGUE ICE CREAM PARLOR

HONEY ISLAND ICE CREAM HOUSE

MACKY'S ICE CREAM HOUSE

Party Plus

A Process of starting business in Philippines

1. Register the name of the business with the Securities Exchange

Commission (SCE) in the Philippines. This will help you reserve the name for

your business until you get everything else set up. 2. Deposit the appropriate

amount of start-up capital in the Authorized Agent Bank. When you deposit

money, it has to be at least PHP 5, 000, and it has to be at least 6. 25 percent of the amount of stock you are going to issue. 3. Create the articles of incorporation for your business. This is the legal document that will describe your business and officially create it. You will also have to have the document notarized before it is official. 4. Register your new business with the Securities Exchange Commission (SEC) of the Philippines. During this step you will provide the articles of incorporation to the SEC. 5. Issue shares of stock to the owners of the company. When you do this, you will also have to pay a documentary stamp tax on the issuance of the share. 6. Get the appropriate licenses to do business in your area. The Barangay in which you plan on operating will require you to get a business license. You will also have to obtain a permit from the mayor's office. 7. Address the tax requirements associated with your business. This will include getting a tax certificate from your community and city. You will also have to register with the Bureau of Internal Revenue, the Social Security System and the Philippines Health Insurance Company. 8. Complete the necessary book work invoice requirements, which include buying special books of account and then getting the authority to print invoices and receipts from the Bureau of Internal Revenue. You must then have everything stamped by the BIR before you can do business in the Philippines.

Rental Agreement in Philippines

In the National Capital Region and other highly urbanized cities all lessors of residential units who are currently paying total monthly rents within the range of PHP1. 00-PHP10, 000. 00 for each leased unit are gratified to follow the law. In other areas the lessors of residential units who are paying total

<https://assignbuster.com/the-strong-support-from-government-economics-essay/>

monthly rents within the range of PHP 1,000-PHP 5,000.00 for each leased unit are similarly gratified to follow the law. The only lessors whose total monthly rental does not fall in range specified in the law so that they get released from the provisions of the Act; and those who are still bound by remaining lease contracts with their lessees. All lessors protected by the Act must follow the restrictions set on rises in rent, to wit: No rise in rent shall be forced 1 year from the successful of the Act. After the ending of this 1 year period, the rent cannot be rises by more than 7% yearly if the unit is engaged by the same lessee. In case the unit becomes unoccupied, the lessor is not assured by the maximum bound. All lessors protected by the Act that they cannot demand more than 1 month advance rent and more than 2 months deposit. Entire duration of agreement the deposit shall be kept in a bank under the lessor's account name. The interest earn through the deposit shall be returned to the lessee at the ending of the lease contract. In case of lessee is failure in utility bills, distribution of any accessories and component of building than lessee allowed to pay Penalty of this deposit. All lessees paid rent to the lessor at the time which is at the day set in the lease agreement. If there is no lease agreement, the lessee has to pay rent within first 5 days of month or the commencement of the lease agreement. In the case of ejectment of lessee, the payment of rent for a total of 3 months without any rejection on the part of the lessor to receive the payment. The rental payment of lessees are rejected by the lessors regardless of their current agreement are permitted to deposit the rent by way of consignment to any of the following entities: a. the city or municipal treasurer, as the case may be; b. a bank; c. barangay chairman; and d)

court. The payment must be in the name of the lessor and he/she must be informed of such within 1 month after his/her rejection of rental payment. In case refusal is carry on, the lessee can continue depositing the rent in the same way within 10 days of every present month. Lessees are enabled to continue in the properties unrelatedly of the presence of a mortgage or sale of the property to a third person. A similar right occurs even though either the mortgage or sale is registered. Lessees are enabled to give an advance notice of 3 month to lessor for suitable necessity of recover the property for the use of his/ her instant family or for his/her own use. In case the lease is for a certain period, lessees are enabled to continue in the buildings until the ending of the lease. Temporarily, the lessor is forbidden from leasing the unit or permitting its use by a third party for at least 1 year from the time of reclamation.

Salary structure

Numbers Designation Salary

(Rs.) 1 Supervisors/Experts 40000 2 Employees 10000 3 Delivery

boys 6000 4 Sweeper 4000 Maximum incentive per had is 3000 Rs. Only for delivery boy.

Personal management

1 Owner (Handling From India) :

Owner will manage all the activities. Handle all the legal activities related to license for starting business, hiring people for business, guide the people for marketing, and taking major decision for that plant arrangement and related to equipments and related to finance.

2 Supervisors/Experts (Kulfi making) From India:

They will come to give training for making Kulfi to Philippines. This training will be conduct for 20 days and it will be on the job training.

Employees hiring from the Philippines:

2 employees for kulfi making, 1 for Unit handling, 1 delivery boy, 1 sweeper

Training scheduled:

Two Supervisors/Experts of Kulfi maker will go to Philippines with two latest Kulfi making Machine for giving training to trainees. This training will be conduct for almost 20 days. At the initial stage there will be only 2 people for making kulfi and 1 Unit handling person. The most familiar type of " On the job training" is coaching or understudy method.

Step 1: Prepare the Employees

First experts will give introduction about the product (kulfi) to trainees that what kind of ice-cream it is. Trainer explains kulfi's uniqueness and differentiates it from the other ice-cream which is existing in Philippines.

Familiarize worker with equipments, material, ingredients, tools. Introduction about all type of products and flavors.

Step: 2 present the operation

Explain quantity and quality requirement of kulfi. Go through job at normal pace. Explain each step between making the process of kulfi. Explain the quality level or those in which errors are likely to be made.

Step: 3 do a try out

Have the learner go through the process of Kulfi. Slowly in observation of trainer. Do correction and give suggestion if any problem occurs in between process to make it up to the mark.

Step: 4 follow up

Designate to whom learner should go for help. This Kulfi making training will be continued for the 10 days.

Supply chain management

Manufacturing unit

(Raw material handling, kulfi making, supply, and storage)

Rizal dairy

Kulfi

Input supplier

Milk, cream, custered powder.

Sugar, dry fruits,

Chocolates, fruits, sticks

Wholesaler

Customer

Yummiza unit

Local Retailers

Conclusion

Company has decided to launch " Kulfi" in Philippines, because their people prefer to have ice cream. Our main source of raw material is Rizal dairy which very near to the area of our business. It will be easy for us to get the raw material as the suppliers of raw material are available in nearby places. As per our study we also found that the business of KULFI is having a good scope in Philippines. If any company wants to launch dairy product or even KULFI is beneficial to those companies. Overall we concluded that in Philippines there is a good scope for conducting the business in dairy

industry. The KULFI business is more benefited to us and it gives good profit to our business also in first phase and so on.