

Forestry Sector



SEASONING OF WOOD

Introduction

This business idea is premised on production of 59,800 seasoned wood/timber per month which translates into 717,600 products per year. The revenue potential is estimated at US \$70761 per month which translates into US \$ 849,132 per year. The project cost is US \$ 50600.

Production Process

The two methods of seasoning timber are; air seasoning and kiln seasoning. But one can use the following steps; Chop the wood/ pole to the desired measurements, Stack the wood so it isn't sitting directly on the ground or right up against a wall, Allow space between your stack and a wall to allow air to move, Ensure that the top of the wood is covered to allow rain to run off without soaking the wood, but the ends of the stack are uncovered to allow air to circulate and moisture to escape.

Tools and Equipment in US\$

| Item | Unit | Qty | @ | Total |
|--|------|-----|--------|--------|
| Vertical Boiler | No. | 1 | 3,850 | 3,850 |
| Conveyer Belts | No. | 1 | 1,100 | 1,100 |
| Lift loaders | No. | 1 | 9,350 | 9,350 |
| Electric oven with thermostatic buzzer | No. | 1 | 2,200 | 2,200 |
| Hand tools | No. | 1 | 1,100 | 1,100 |
| Trucks | No. | 2 | 16,500 | 33,000 |
| TC of Machinery | | | | 50,600 |

Production and Operating Costs in US\$

Direct Materials, Supplies and Costs

| Cost Item | Units | @/ day | Qty/ day | Prod. cost/ day | Prod. Cost/ month | Prod. Cost/ yr |
|----------------|-------|--------|----------|-----------------|-------------------|----------------|
| Electric Poles | No. | 50,000 | 100 | 500 | 13,000 | 156,000 |
| Fencing poles | No. | 0.8 | 2,200 | 0.0004 | 0.009 | 0.108 |
| Chemicals | Ltrs | 0.5 | 20 | 0.025 | 1 | 12 |
| Sub-total | | | | | 13,001 | 156,012 |

General costs (Overheads)

| | | |
|--|--------|---------|
| Utilities (power) | 100 | 1,200 |
| (Utilities (water) | 15 | 180 |
| Salaries | 300 | 3,600 |
| Rent | 300 | 3,600 |
| Depreciation (Assets write off) Expenses | 1054 | 12,648 |
| Sub-total | 1,769 | 21,228 |
| Total Operating costs | 14,770 | 177,240 |

Project Product Costs and Price Structure In US\$

| Item | Qty/ day | Qty/yr | @ | Prod./ yr (\$) | UPx | TR (\$) |
|----------------|----------|---------|-----|----------------|-----|---------|
| Electric poles | 100 | 31,200 | 0.3 | 7,800 | 75 | 585,000 |
| Fencing poles | 2,200 | 686,400 | 0.3 | 176,088 | 1.5 | 264,132 |
| TR | | | | 183,888 | | 849,132 |

Profitability Analysis In US\$

| Profitability item | per day | per month | per year |
|-----------------------------|---------|-----------|----------|
| Revenue | 2721.6 | 70761 | 849,132 |
| Electric poles | 1,875 | 48,750 | 585,000 |
| Fencing poles | 847 | 22,011 | 264,132 |
| Less Prod & Operating Costs | 568 | 14,770 | 177,240 |
| Profit | 2,153 | 55,991 | 671,892 |

Market

The seasoned wood is used by various government departments including: Defence, Electricity and Railways as well as private individuals for making furniture, sleepers, interior furnishings, doors and window frames etc. Therefore, the market can be exploited.

Sources of Raw Materials and Equipment

Raw materials like timber and other wood can be obtained from the local market. Some of the above tools and equipments can be fabricated locally.

Government Incentives

Government through National Forestry Authority has embarked on conservation of forests and planting of various species of trees.