



INVESTMENT GUIDE FOR NATIVE CHICKEN



SCAN ME

WHY NATIVE CHICKEN?

- The Philippine native chicken is an important livestock resource. It provides livelihood in terms of additional income, food security, and opportunity to convert by-products into high value products.
- With its quality meat and distinct taste, native chicken has established a niche market and is seemingly unaffected by competitive markets. This makes native chicken production a top investment option for small and medium entrepreneurs.
- Resiliency is one of the important characteristics of native chicken making it a preferred business option. They are known for their adaptability to local agro-climatic conditions, hardiness and ability to utilize naturally-occurring feeds, farm by-products, and high tolerance to diseases. They require minimal care, technology, and financial inputs.
- Native chicken is generally perceived as free from antibiotics and other synthetic chemical residues. The global trend of shifting consumer preferences toward organic and naturally produced products in recent years justifies the premium price offered for native chicken. A similar trend is also observed in the Philippines wherein the volume of supply (e.g., 500 kg to 2 tons per month) required by institutional buyers has significantly increased.

TOP 5 MAJOR NATIVE CHICKEN PRODUCING REGIONS IN 2019

The top major native chicken producing regions are Region VI (Western Visayas) with an inventory of 12,448,333 MT, Region X (Northern Mindanao) with an inventory of 9,656,028 MT, Region VII (Central Visayas) with an inventory of 8,613,369 MT, Region XI (Davao Region) with an inventory of 6,635,576 MT and Region III (Central Luzon) 6,560,208 MT.

MARKET POTENTIAL

- Based on the record of Philippine Statistics Authority (PSA), the country's average annual inventory of native chicken increased by 3.1 percent from January 2020 to January 2021. It contributed to the total chicken population in the country, which is 12.86 million heads as of January 1, 2021. Similarly, there is a positive growth trend in Western Visayas Region and its provinces.

Department of Agriculture

Agribusiness and Marketing Assistance Service

Agribusiness Promotion Division



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- As an important livestock resource and livelihood to about 2.5 million Filipinos, production of native chicken is a great investment.
- Native chicken has remained a dependable source of protein and nutritious food in poor and remote rural areas. Despite the popularity of broiler chicken in urban or urbanizing areas, native chicken remains a preferred alternative meat because of its eating quality (distinctively savory, lean and finely textured meat) and health benefits despite its premium price. It has created alternative or niche market especially for those who are health conscious.
- The major markets of native chicken are individual household consumers, municipal and city-based restaurants, hotels and resorts. Most of the native chicken sold directly to household consumers are in live form particularly in the municipalities. Domestic markets of dressed native chicken are found in supermarkets and municipal or city public "wet" markets. Major buyers of dressed native chicken are the Institutional buyers (restaurants, hotels and resorts and hospitals).

SUMMARY OF 60 HEADS-FARM OPERATION AVERAGE COST AND RETURNS

Particulars	
Gross Sales (Php)	1,173,250.00
Total Operating Cost (Php)	482,077.73
Net Income before tax (Php)	708,405.60
Total Investment Cost (Php)	220,448.17
Return on Investment (%)	129.37
Selling Price of RTL (Ready-to-Lay) Pullet (Php/head)	600.00

NATIVE CHICKEN BUYERS IN THE PHILIPPINES

BUYER	ADDRESS
Payoga/Kapatagan MP	Gamu, Isabela
CICM Trading	Villaverde, Nueva Vizcaya
Rufina Farm	La Curva, San Jose, Occidental Mindoro
Wilfredo Z. Marquez Livestock Dealer	Taytay, Sta. Cruz, Marinduque
Magis Agri Trading	Cebu, Philippines
Central Native Chicken	Central Market, Iloilo City
Lan-Lan Native Chicken	Ms. Lanie Acuyado
Bonie & Chef's Native Chicken	Lapaz Market, Lapaz, Iloilo
Willie & Mhe's Native Chicken	Lapaz Market, Lapaz, Iloilo
ISAT University Cafeteria	Burgos St., Jaro, Iloilo City
Iloilo Grand Hotel	Iznart St., Iloilo City
Tatoy's Manokan	Sto. Nino Sur Arevalo, Iloilo City

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BUYER	ADDRESS
Breakthrough	Sto. Nino Norte Arevalo, Iloilo City
Sario's Lechon	Sto. Nino Norte Arevalo, Iloilo City
Mr. Cow Restaurant	Iznart St., Iloilo City
Bohol Association of Hotels, Resorts and Restaurants	CPG Avenue, Agora, Tagbilaran City
Panda Tea Garden and Suites	J.A Clarin St., Tagbilaran City
Reyna's The Haven and Gardens	0067 Bruñidor St., formerly New Calceta St. Cogon, Tagbilaran City
Tany's Fried Chicken	Loay Interior Road, Poblacion, Sur, Carmen, Bohol
Pidros Fastfood Village	Circumferential Road, Poblacion 3, Tagbilaran City
6 Sisters	F. Torralba St., Cogon, Tagbilaran City
STK Food Hauz	Maria Clara St. corner Graham Avenue, Tagbilaran City
Payag ni Sano	San Jose, Talibon, Bohol
The Original Conching's Native Chicken and Fastfood	Juan Luna St. North Reclamation Area, Cebu City
Maco Manok	A.S. Fortuna St, Mandaue City
TsiBoom Native Restaurant	168 Ouano Avenue, Mandaue City
Neo-Neo Grill House	Kasambagan, Cebu City
AA BBQ	Lahug, Cebu City
F & C Guest House	6223 Rizal St., Canlaon City
Chicken Ati-Atihan Restaurant	Corner Mabini and Gomez St., Tanjay City
Lolo Amar's Chicken House	Tanjay City
Baha Bar and Restaurant	San Juan, Maite, Siquijor
Coco Grove Beach Resort	San Juan, Siquijor
Capilay Spring Park	San Juan, Siquijor
Dalahikan Grill Masters	San Juan, Siquijor
Fuego Cantina and Grill	Tubod, San Juan
Dagsa	San Juan, Siquijor
Salagdoong Beach	Maria, Siquijor
Lazi Beach Club	Lazi, Siquijor
Ga-ay Sugba-Sugba and Fast Food	San Juan, Siquijor
Aloha Bar	Lalao, San Juan, Siquijor
Melencia Acedo	Dao, Tagbilaran City
Nutrichoice Meatshop	Inglis St., Tagbilaran City
Raquel Olmillo	JJ Torralba St., Tagbilaran City
Elena Kudemus	JJ Torralba St., Tagbilaran City
Ester Pon	Purok 3, Mariveles, Dauis, Bohol
Ray Anthony Masayon	Purok 2, La Victoria, Trinidad, Bohol
Bernardo Macabenta	Purok 4, Cabangahan, San Migule, Bohol
Junvic Ando	Canmaya Centro, Sagbayan, Bohol
Ismael Tumanda	Garcia, Batuan, Bohol
Sandy Gulay	Trinidad, Guindulman, Bohol
Lyn A. Angcahan	Sinakayana, Catigbian, Bohol
Island City Mall Supermarket	Dao, Tagbilaran City





BUYER	ADDRESS
Plaza Marcela	Cogon, Tagbilaran City
Alturas Mall	B. Inting St., Tagbilaran City
BQ Supermarket	Tagbilaran City
Shoppers Mart	Corner JS Torralba-Marapao St., Tagbilaran City
Nutrichoice Meatshop	Inglis St., Tagbilaran City
Bohol Upland Farmers Federation of Cooperatives	Bahi, Alburquerque, Bohol
White Gold Club	A. Soriano Ave., Cebu City
Colonnade Mall	Colon St., Cebu City
Metro Gaisano	Colon St., Cebu City
Barangay Food Terminal - CCMPC	Catulayan Community Multi-Purpose Cooperative, Siquijor
3C Meat Shop	Larena, Siquijor
Alvarico Meat Shop	Dela Pena St., Poblacion Siquijor
Larena Public Market	Larena, Siquijor
Siquijor Public Market	Siquijor
Maria Public Market	Maria, Siquijor
Lazi Public Market	Lazi, Siquijor

GOVERNMENT SUPPORT/SERVICES:

Financial Support

- The Department of Agriculture (DA) through the Agricultural Competitiveness Enhancement Fund (ACEF) makes available loans with 2% interest per annum. The loan program is being administered by LBP.
- The Agricultural Credit Policy Council (ACPC) offers loan programs namely Expanded Sure Aid and Recovery Project (SURE COVID-19), Kapital Access for Young Agripreneurs (KAYA), and the Agri-Negosyo (ANYO) Loan Program. The said loan programs target farmers and fisherfolks, the youth, Overseas Filipino Workers (OFWs), and Micro, Small and Medium Enterprises (MSMEs) as beneficiaries.
- Land Bank of the Philippines (LBP) offers loans for agricultural production and processing under its usual credit programs for small farmers.
- The Department of Science and Technology (DOST) provides loans through its Small Enterprise Technology Upgrading (SET-UP) Program.
- The Department of Trade and Industry (DTI) through the SB Corporation offers varied loan packages for MSMEs under the Pondo sa Pagbabago at Pag-asenso (P3) Program.



Technical/Non-Financial Support

- DA conducts trainings on production, marketing and entrepreneurship. The Department also provides processing equipment and/or supplies for feasible projects.
- DA through the Agribusiness and Marketing Assistance Service (AMAS) and its regional counterparts the Agribusiness and Marketing Assistance Division (AMAD) provide webinars on agribusiness investment opportunities and market linking activities.
- DA through the Agricultural Training Institute (ATI) makes available technical trainings and seminars.
- DOST -Philippine Council for Agriculture, Aquatic, and Natural Resources Research and Development (PCAARRD) facilitates and provides developed guidelines to enhance native chicken raiser's pastures and range areas to further improve production.
- DTI provides market and trade promotions, as well as the provision of shared service facilities to qualified associations.
- Department of Agriculture - Regional Field Office (DA-RFO 7) and Provincial Agricultural Technology Coordinating Office (DA-PATCO 7)
- Provincial and Municipal Local Government Units – Provincial and Municipal Agriculture Offices and Veterinary Offices organize and provide technical capability building seminars and trainings. These units also study the stock selection, developing native strain, and formulation of alternative feeds to improve animal health and resistance to diseases. Further, Barangay Livestock Aides supplement the services of employed field technicians.
- Agri-Vet Stores provide product information and techniques or procedures in administering vaccines and antibiotics, given for free as answers to queries of raisers.

SOURCES:

Livelihood Enhancement through Improved Native Chicken Production; Provincial Planning & Development Office (PPDO), Province of Bohol

Financial statement for Native Chicken Enterprise (Dr. Rene Santiago, NSPRCDC – BAI)

Financial statement of Panay Native Chicken Enterprise (PANCE) assisted/funded by Philippine Rural Development Project (PRDP)

Labor (Minimum Wage): <https://nwpc.dole.gov.ph/regionandwages/region-vii-central-visayas>

Price of Rice Bran - <https://www.philstar.com/business/agriculture>

Price of commercial poultry feeds (average) - <https://businessdiary.com.ph/>





CAPITAL INVESTMENT AND ANNUAL COST AND RETURN ANALYSIS, 2020

CAPITAL INVESTMENT	
ITEM	AMOUNT Php
Chicken house (approximately 40 sq. m.)	10,000.00
Enclosure net (approximately 3 rolls at P1,500.00/roll)	4,500.00
Foundation stock:	37,000.00
10 cocks at P700.00/each (P7,000.00)	
50 RTL pullets at P600.00 each (P30,000.00)	
Incubator	10,000.00
Brooding equipment	4,000.00
Initial Working Capital	154,948.17
Total Investment Cost	220,448.17
COST AND RETURNS ANALYSIS	
GROSS SALES	AMOUNT Php
Native Chicken (6,412.5 kgs at 180/kg)	1,154,250.00
Eggs (1,900 at P10.00/egg)	19,000.00
	1,173,250.00
Operating Expenses	
Feed (5,404 heads at 10 grams/head; P17.50/kg for 365 days)	345,180.50
Labor	
(1 retainer/veterinarian at 1500/month)	15,000.00
(1 farm aide/worker at P351/day; 7,722/month)	92,664.00
Power & Water (Lump at P1,000.00/month)	12,000.00
Depreciation Expenses (See table below under assumptions.)	17,233.33
	482,077.73
Net Income before tax	708,405.60

Basic Assumptions:

- The foundation stocks of 50 pullets are 4-5 months old and are all ready to lay (RTL), cocks as well are ready to breed.
- The initial working capital is good for 4 months operation.
- The farmgate price of live native chicken is P180/ kilogram.
- The average live weight of the chicken at the market shall be at 1.2 kilograms at 4 months old.
- Each hen will lay an average of 150 eggs annually. Only 75% (112 eggs) from each hen will be hatched from which 95% (106 pcs) will reach the market. The remaining 25% (38 pcs) eggs per hen shall be sold as table egg. Price shall be at P10.00 each at farm gate prices.
- For purposes of analysis, supplemental feed to be used is 50:50 of commercial feeds and local feed resources (i.e., rice bran) P17.50 per kilogram. Supplemental feeding shall be placed at an average of 10 grams per chicken daily. (Dr. Rene Santiago, Agricultural Center Chief IV, National Swine and Poultry Research and Development Center – Bureau of Animal Industry)
- Labor cost vary depending on the location or regions. Reference material used is for the Province of Bohol. Labor cost may be higher or lower in other geographical areas.
- Depreciation schedule (in Php):

Particulars	Acquisition Cost	Economic Life	Annual Depreciation
Chicken house (approximately 40 sq. m.)	10,000.00	5	2,000.00
Enclosure net (approximately 3 rolls)	5,500.00	5	1,100.00
Foundation stock			
50 RTL pullets at P600.00 each	30,000.00	3	10,000.00
10 cocks at P700.00 each	7,000.00	3	2,333.33
Incubator	10,000.00	10	1,000.00
Brooding equipment	4,000.00	5	800.00
Annual Depreciation Cost			17,233.33