

## A feasibility study on the establishment of a Corn Feed Mill in Sablayan, Occidental Mindoro

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### ***Abstract***

Corn is a vital agricultural commodity and a primary feed ingredient essential to the livestock and poultry industry. In Occidental Mindoro, particularly in the municipality of Sablayan, the increasing number of corn farmers and animal raisers highlights the need for a reliable, accessible, and cost-effective supply of animal feed. This feasibility study evaluated the establishment of a Corn Feed Mill in Sablayan, Occidental Mindoro, focusing on market potential, technical requirements, financial viability, and socio-economic impact. A descriptive research design was employed using survey questionnaires, interviews with key stakeholders, and secondary data gathered from books, journals, feasibility studies, and government publications. The results revealed a strong and growing demand for locally processed corn-based feeds, driven by the expanding livestock and poultry sector and the high cost of feeds sourced from other provinces. The technical analysis confirmed the availability of suitable production sites, a sufficient supply of raw materials, and access to skilled labor within the municipality. Financial projections further indicated that the proposed Corn Feed Mill is financially viable, with favorable returns on investment and profitability expected during the early years of operation. Beyond financial gains, the project is expected to create employment opportunities, increase local corn utilization, provide assured market linkages for farmers, and contribute to Sablayan's overall economic development. Based on the market, technical, financial, and socio-economic analyses, the study concludes that establishing a Corn Feed Mill in Sablayan, Occidental Mindoro, is both feasible and promising. It is recommended that the project strengthen partnerships with local farmers, adopt efficient milling technologies, and actively engage with government support and industry training programs.

**Keywords:** corn feed mill, livestock and poultry, local feed production, agricultural development, financial viability

## A feasibility study on the establishment of a Corn Feed Mill in Sablayan, Occidental Mindoro

### 1. Introduction

The livestock and poultry industries are vital components of the Philippine agricultural economy, providing meat, eggs, and other animal products essential to food security and the livelihoods of rural communities (Philippine Statistics Authority (PSA), 2026). The success and profitability of these industries largely depend on the availability of affordable and high-quality animal feed, which accounts for approximately 60–70% of total production costs. Among feed ingredients, yellow corn is the primary energy source and a crucial component in formulating balanced rations for poultry and livestock (Philippine Institute for Development Studies, 2023).

In the MIMAROPA region, the Philippine Statistics Authority (2024) has provided data on Corn Production, Harvested Area, and Yield in MIMAROPA for 2023–2024. The Regional Statistical Services Office MIMAROPA reported that Occidental Mindoro has consistently emerged as the leading corn-producing province, contributing nearly 75% of the region's total corn output. In 2024, the province produced 79,408 metric tons (MT) of corn, reflecting a 20.1% decline from 99,390 MT in 2023, due to reduced harvested area and environmental challenges. Of this production, 98.2% was yellow corn, which is primarily used for animal feed. During the fourth quarter of 2024, the province harvested 3,976.9 MT of corn across 1,171.9 hectares, achieving an average yield of 3.39 MT/ha, exceeding the MIMAROPA regional average of 2.81 MT/ha. However, the total harvested area declined by 12.8%, reflecting the province's vulnerability to seasonal drought, pest infestations, and shifting land use. For the year, Occidental Mindoro devoted 18,285 hectares to corn cultivation, accounting for 67.8% of MIMAROPA's total corn-growing area (PSA, 2026).

Despite being the largest corn producer in the region and a major consumer of animal feeds, Occidental Mindoro currently lacks a local feed mill (Ukaoha, 2023). Poultry and livestock raisers rely on feed sourced from outside the province, resulting in higher transportation costs, exposure to price fluctuations, and occasional supply delays. Establishing a Corn Feed Mill within the province would maximize its agricultural potential, provide a stable local market for corn farmers, and ensure a consistent, affordable feed supply for the growing livestock and poultry sectors. This project presents significant opportunities, including adding value to local corn production by increasing market prices and reducing post-harvest losses; supporting the poultry and livestock industries through a steady supply of high-quality feed; generating employment and stimulating rural economic development; and enhancing food security and agricultural sustainability by reducing dependence on imported feed.

In summary, Occidental Mindoro's dominance in MIMAROPA corn production, combined with its substantial feed demand and lack of a local feed mill, presents a strong case for establishing a corn feed milling facility. By converting locally produced yellow corn into high-value animal feeds, the project will stabilize supply, lower feed costs, strengthen the poultry and livestock industries, create rural employment, and contribute to inclusive and sustainable economic growth.

**Objectives of the Study** - The general objective of this feasibility study is to assess the viability of establishing a Corn Feed Mill in Occidental Mindoro to maximize the province's corn production, support the poultry and livestock industries, and promote sustainable economic growth in the region. Specifically, this study aims to (1) Evaluate the current status of corn production in Occidental Mindoro in terms of volume, yield, and land utilization and determine its capacity to sustain a local feed mill. (2) To establish a cooperative-managed corn feed mill and determine its management structure and operational manpower requirements. (3) Analyze the demand for animal feeds in the province, particularly in the poultry and livestock sectors, and identify market gaps that a local feed mill can address. (4) Determine the technical and operational requirements for establishing a corn feed mill, including location, production capacity, equipment, and manpower. (5) Assess the financial feasibility of the

project by estimating capital investment, operating costs, revenues, and profitability. (6) Examine the socio-economic and environmental benefits of setting up a feed mill, such as job creation, farmer income improvement, reduced feed importation, and enhanced local food security.

**Significance of the Study** - The proposed establishment of a Corn Feed Mill in Sablayan, Occidental Mindoro, is of great importance to various stakeholders in the agricultural and economic sectors. This study will provide essential insights and serve as a valuable basis for informed decision-making, planning, and investment toward the sustainable development of the province's livestock, poultry, and corn industries. For the Corn Farmer, the study will highlight the potential to create a stable, reliable local market for yellow corn, thereby ensuring better farmgate prices, reducing post-harvest losses, and encouraging farmers to expand production. By having a local buyer through the feed mill, farmers can enjoy increased income and improved livelihood stability. For Livestock and Poultry Raisers, local production of quality, affordable feeds will reduce dependence on imported or externally sourced feed products. This will help reduce production costs, ensure consistent supply, and enhance profitability and productivity among local raisers, contributing to the overall growth of the animal industry in the province. For the Local Economy and Community, the feed mill is expected to generate employment opportunities across corn production and transportation, feed manufacturing, and distribution. This will stimulate local economic activity, promote value-added industries, and strengthen the province's agribusiness sector, aligning with rural development and poverty-reduction goals. For the Provincial and Regional Governments, the findings of this study will provide data-driven insights that can guide agricultural planning, policy formulation, and investment prioritization. Establishing a feed mill aligns with the government's objectives of achieving food security, self-sufficiency, and sustainable agricultural development in MIMAROPA. For Future Researchers and Planners, the studies will serve as a valuable reference for future feasibility studies, policy analyses, and academic research on agricultural processing, agribusiness ventures, and regional economic development. In summary, this feasibility study is significant as it provides a comprehensive evaluation of the potential benefits of establishing a Corn Feed Mill in Occidental Mindoro, empowering farmers; supporting livestock and poultry industries, creating jobs, strengthening local economies, and advancing the province toward agricultural sustainability and food security.

**Scope and Delimitation of the Study** - This feasibility study assessed the technical, financial, market, and socio-economic viability of establishing a Corn Feed Mill in Sablayan, Occidental Mindoro. It encompassed the evaluation of local corn production capacity, the demand for poultry and livestock feeds, operational, technical, and financial requirements such as location, equipment, workforce, and production processes; as well as the potential economic, social, and environmental benefits for corn farmers, feed consumers, and the wider community. The study involved the collection and analysis of both primary and secondary data. The primary data were gathered from selected respondents consisting of three hundred seventy (370) local corn farmers, representing a sample from the province's approximately 9,498 registered corn farmers, to determine their average yield, post-harvest practices, and willingness to supply corn to a local feed mill; three hundred fifty-one (351) poultry and livestock farm owners, representing a sample from 3,951 registered hog and poultry raisers, to assess feed requirements, sourcing practices, and issues concerning feed costs and availability; and one hundred (100) local traders or feed distributors, to provide insights on market pricing, supply chains, and potential competition for the proposed feed mill. However, the study was limited by the availability, accuracy, and timeliness of secondary data from government and institutional sources, as well as potential response bias among surveyed participants. The scope was geographically confined to the province of Occidental Mindoro. External factors such as fluctuations in corn and feed prices, climatic and environmental conditions affecting production, technological advancements in feed milling, and potential changes in national and local government policies may influence the project's actual outcomes, implementation, and long-term sustainability beyond the parameters of this study.

## 2. Methodology

This study employed a descriptive research design to assess the market potential, technical requirements, and financial feasibility of establishing a Corn Feed Mill for Poultry and Livestock Production in Occidental Mindoro. Data were collected through surveys, interviews, and secondary sources to provide a comprehensive analysis of

the corn and livestock industries in the province. The survey preparation and on-site field implementation were carried out within one month, covering all nine (9) municipalities of mainland Occidental Mindoro. The overall feasibility study was completed within two (2) months. This timeframe included the development of structured survey instruments to ensure the accuracy, clarity, and relevance of the data collected; coordination with local stakeholders; conduct of field surveys; data collection; and the initial validation of survey responses. Upon approval, printed questionnaires were distributed to local corn farmers and poultry and livestock raisers, focusing on their production capacity, feed consumption patterns, sourcing practices, and market-related challenges. The primary respondents consisted of three hundred seventy (370) local corn farmers, representing a computed sample size from the total 9,943 registered corn farmers as recorded by the Office of the Provincial Agriculturist. They were surveyed to determine their average yield, post-harvest practices, and willingness to supply corn to a local feed mill. Three hundred fifty-one (351) poultry and livestock farm owners, representing a sample of the province's 3,951 registered hog and poultry raisers, were considered to gather insights on feed requirements, sourcing practices, and issues concerning feed costs and availability. The respondents were distributed across municipalities using proportional allocation based on the number of registered farm owners in each municipality. One hundred (100) local traders/market vendors and feed distributors provided information on market pricing, supply chains, and potential competition for the proposed feed mill. The respondents were distributed per municipality based on the number of registered stores, sellers, and feed distributors within each municipality. In addition to primary data, secondary information was obtained from the Philippine Statistics Authority (PSA), Department of Agriculture (DA), and local government units, focusing on corn production statistics, land utilization, and livestock population. Complementary references from online journals, industry articles, and feasibility studies on feed milling and agribusiness were also reviewed to support the study. All collected data were systematically analyzed to assess the sufficiency of local corn supply, demand for animal feed, and the projected financial viability of the proposed feed mill. The researcher ensured that all responses were treated with strict confidentiality and were used exclusively for this study.

**Sources of Data** - This study utilized both primary and secondary data to comprehensively assess the feasibility of establishing a Corn Feed Mill in Sablayan, Occidental Mindoro. Primary Data were collected through surveys and interviews conducted among key stakeholders in the province's agricultural sector. The primary respondents consisted of three hundred seventy (370) local corn farmers, representing a sample drawn from approximately 9,943 registered corn farmers, to determine their production capacity, post-harvest practices, and willingness to supply corn to a local feed mill; three hundred fifty one (351) poultry and livestock farm owners, representing a sample of the province's 3,951 registered hog and poultry raisers, to gather information on feed requirements, sourcing methods, and challenges related to feed costs and supply; and one hundred (100) local traders and feed distributors, who provided insights on market prices, distribution channels, and potential competition. The survey data were gathered using structured questionnaires and interviews.

Secondary Data were obtained from credible government agencies, institutional records, and published materials, including the Philippine Statistics Authority (PSA), Department of Agriculture (DA), Provincial Agriculture Office of Occidental Mindoro, Department of Trade and Industry (DTI), Bureau of Animal Industry (BAI), and other relevant research studies, journals, and reports. These sources provided essential data on corn production volumes, livestock and poultry population, feed consumption trends, and economic indicators necessary for market and financial analyses. The combination of primary and secondary data enabled a comprehensive, evidence-based evaluation of the technical, market, and financial feasibility of establishing a Corn Feed Mill aligned with Occidental Mindoro's agricultural strengths and economic priorities.

**Ethical Consideration** - This study strictly adhered to established ethical standards in research to ensure the integrity, credibility, and protection of all participants involved. Before conducting surveys and interviews, the researcher obtained informed consent from all respondents after fully explaining the purpose of the study, the voluntary nature of their participation, and their right to refuse or withdraw at any stage without penalty or prejudice. All information gathered was treated with utmost confidentiality and used solely for academic and research purposes. To protect respondents' privacy, no personal identifiers, such as names, addresses, or contact

details, were disclosed or included in any part of the study. Data collected were securely stored, accessible only to the researcher, and properly disposed of after the study's completion to prevent unauthorized access or misuse. The researcher ensured that there was no coercion, manipulation, or harm to any participant. All questions were designed to be respectful, relevant, and non-intrusive, allowing respondents to express their views freely. Professional conduct was observed throughout the data-gathering process to maintain fairness, neutrality, and objectivity in both data collection and interpretation.

Moreover, this study complied with the provisions of the Data Privacy Act of 2012 (Republic Act No. 10173) and its Implementing Rules and Regulations (IRR), ensuring the lawful, transparent, and ethical processing of personal data. The principles of legitimate purpose, transparency, and proportionality were strictly observed in the handling of respondent information, ensuring that data privacy rights were respected and protected at all times. In line with these ethical commitments, the research upholds the principles of respect for persons, beneficence, and justice, ensuring that the study contributes meaningfully and responsibly to the advancement of agricultural and rural development in Occidental Mindoro while maintaining the dignity, rights, and welfare of all respondents.

### 3. Market Study

**Market Description** - The animal feed industry is a vital component of the Philippine agricultural economy, serving as the nutritional backbone for poultry and livestock production. According to the Department of Agriculture (DA), the feed milling sector is primarily driven by demand from the poultry, swine, and aquaculture industries, which collectively consume more than 17 million metric tons (MT) of feeds annually. Yellow corn comprises approximately 50–60% of most feed formulations, functioning as the primary energy source, while soybean meal, rice bran, and fishmeal are commonly used as protein supplements. Department of Agriculture (2023) - Philippine poultry (layer) industry roadmap 2022–2040. In recent years, the demand for animal feed in the Philippines has grown steadily due to population growth, urbanization, and rising meat consumption. Although the MIMAROPA region is less industrialized than other regions, it has significant potential for developing the feed industry due to its active livestock and poultry sectors. However, feed milling operations in the area remain limited, with most commercial feeds being sourced from nearby provinces such as Batangas and Laguna. The livestock and poultry industries of Occidental Mindoro are among the key drivers of the province's agricultural economy, providing meat, eggs, and livelihood opportunities for rural communities. Over the years, these industries have grown steadily due to increasing consumer demand. However, they continue to face challenges from high feed prices and dependence on imported or out-of-province supplies.

In terms of area and productivity, the province consistently devoted an average of 18,000 to 19,500 hectares of land to corn cultivation between 2021 and 2024, representing about two-thirds of MIMAROPA's total corn-growing area. The average yield of 3.39 metric tons per hectare in 2024 remains above the regional average of 2.81 MT/ha, indicating strong production efficiency despite adverse environmental conditions. These figures highlight the province's capability to sustain a reliable and continuous supply of corn that can support a local feed mill operation (Philippine Statistics Authority (PSA), 2021–2024 Provincial Corn Production Reports). At present, Occidental Mindoro raisers rely heavily on feed supplies sourced from nearby provinces such as Batangas, Laguna, and Bulacan, which increases transportation and handling costs and exposes them to supply and price fluctuations. Establishing a local feed mill would help stabilize prices, ensure timely availability, and reduce logistical expenses for the farming sector. On the supply side, Occidental Mindoro continues to be the top corn-producing province in the MIMAROPA Region, contributing approximately 70–75% of the region's total corn output. Corn production data from the Philippine Statistics Authority (PSA) from 2021 to 2024 are summarized below:

Table 1 shows corn production per unit area. These data confirm that Occidental Mindoro maintains a strong production base, with an average yield higher than the MIMAROPA regional average of 2.81 MT/ha. Approximately 98.2% of total production consists of yellow corn, which serves as the principal energy ingredient for animal feeds. The province's extensive corn-growing areas and consistent yields provide a secure and abundant supply of raw materials for feed mill operations.

**Table 1**  
*Corn Production per Yield (MT/Ha)*

Year	Area Harvested (ha)	Production (MT)	Average Yield (MT/ha)	Remarks
2021	19,580	102,560	3.36	Favorable weather conditions; stable output
2022	18,960	96,870	3.26	Slight decline due to input costs and pest incidents
2023	18,730	99,390	3.31	Recovery in production; strong yellow corn output
2024	18,285	79,408	3.39	Decline due to drought, reduced area, and land conversion

Source: Philippine Statistics Authority (PSA), 2021–2024 Provincial Corn Production Reports

**Respondents of the Study** - The distribution of corn farmers per municipality in Occidental Mindoro. The sample size was determined using the Raosoft Sample Size Calculator, with a 95% confidence level, a 5% margin of error, and a 50% response distribution. Out of 9,943 registered corn farmers (Office of the Provincial Agriculturist, 2024), the computed representative sample size was 370 respondents. This sampling aimed to obtain reliable feedback regarding potential sources of corn supply for the proposed feed mill. A proportionate stratified sampling approach was employed to ensure that the sample accurately reflects the population of corn farmers across all municipalities, with the total sample size allocated to each municipality in proportion to its share of the total population. This method ensures that each municipality is represented according to its size, thereby improving the accuracy, validity, and generalizability of the study’s findings. The results from this proportional distribution were applied to determine the average corn yield per municipality, assess post-harvest practices and willingness to supply corn to the proposed feed mill, inform the feed mill’s procurement strategy, including sourcing priorities and potential partnerships with farmers in high-yield municipalities, and enhance the reliability of socio-economic and market analyses by reflecting the perspectives of farmers in both large and small municipalities. By using proportional allocation, the study ensures that findings are representative of the entire province rather than biased toward larger or more accessible municipalities.

**Table 2**  
*Distribution of Respondents Willing to Supply Corn to a Proposed Local Feed Mill*

Municipality	Traders	Outside Mindoro	Local Feed Miller
Abra De Ilog		14	27
Paluan			20
Mamburao			74
Sta. Cruz	2	5	187
Sabluyan	6	12	3
Calintaan			7
Rizal			6
San Jose			7
Magsaysay			331
TOTAL	8	31	

Table 2 presents the respondents’ willingness to supply their harvested corn to the proposed local feed mill in Occidental Mindoro. Results show a highly favorable response, with 331 out of 370 respondents (89.46%) expressing readiness to sell to the local feed mill, while only 8 (2.16%) preferred local traders and 31 (8.38%) sold outside the province. The findings indicate strong farmer support for establishing a local feed mill, citing fair pricing, reduced transportation costs, and easier market access as key advantages (Aku et al., 2018). Respondents also noted that a local feed mill could help stabilize and increase corn prices by reducing the influence of traders who often impose low buying rates. Overall, the data confirm a positive outlook toward the proposed project, underscoring its feasibility and potential to enhance farmer income, promote fair competition, and strengthen the corn industry in Occidental Mindoro.

Table 4 presents the estimated feed consumption per head for various livestock and poultry species, based on interviews conducted with local raisers in Occidental Mindoro. The data reflect the average feed consumption per animal type over a typical production cycle or year, depending on the production purpose. As shown, swine breeders (sows and boars) require the most feed, consuming approximately 1,000 to 1,200 kilograms per head

annually due to their continuous maintenance and reproductive functions (Piles et al., 2025). Fatteners follow with an estimated 300 kilograms per head per cycle, while piglets consume around 45 kilograms before reaching the grower stage. For poultry, layers and game fowls exhibit relatively higher feed intakes of 45 and 18 kilograms per head, respectively, given their longer maintenance periods. Native chickens consume around 12 kilograms per head, whereas broilers, raised for meat production over a short period, require approximately 5 kilograms per head per cycle. Meanwhile, ducks consume about 40 kilograms per head annually, reflecting their continuous feeding requirement for egg or meat production. Overall, the table serves as a vital reference in estimating the total feed demand within the province. These figures provide the basis for computing the aggregate feed requirement of all livestock and poultry populations, thereby supporting the market potential and economic feasibility of establishing a local corn feed mill enterprise in Occidental Mindoro.

**Table 4**  
*Respondents' Feed Consumption per Head*

Type of Animal	Feed Consumption
Piglet	45 kg/head
Fattener	300 kg/head
Breeder Sow	1,000 kg/head
Breeder Boar	1,200 kg/head
Native Chicken	12 kg/head
Broiler	5 kg/head
Game Fowl	18 kg/head
Layer	45 kg/head
Duck	40 kg/head

**Market Segmentation** - Market segmentation in this study was conducted to identify and classify the distinct groups of feed consumers within the province of Occidental Mindoro. The segmentation was based on the number of livestock and poultry raisers, the population of animals raised, and the corresponding feed consumption per head. These variables were used to estimate the potential demand for feeds among different market segments.

**Geographic Segmentation** - The target market is distributed across the eleven municipalities of Occidental Mindoro. Among them, San Jose and Sablayan represent the major market areas, accounting for the largest number of raisers and livestock heads. These municipalities serve as the primary production hubs for both swine and poultry, accounting for approximately 70–75% of the province's total feed demand. (Source: 2024 Occidental Mindoro Inventory of Livestock and Poultry - Office of the Provincial Veterinarian) Secondary markets include Calintaan, Rizal, and Mamburao, which maintain moderate livestock production levels and contribute steadily to feed consumption—meanwhile, smaller municipalities such as Abra de Ilog, Paluan, and Sta. Cruz represents the tertiary market, composed mostly of smallholder backyard raisers with lower but consistent feed requirements.

**Demographic Segmentation** - The respondents in the study comprise 3,951 livestock and poultry raisers, of whom 2,820 are engaged in livestock production and 1,131 in poultry production. This distribution indicates a predominance of livestock raisers in the province, suggesting that swine feeds will account for a major share of the total market (Villanueva et al., 2025).

**Product-Based Segmentation** - Feed consumption varies according to the type of animal raised. Based on Table 6, swine, particularly fatteners and breeders, consume the most feed per head, ranging from 300 kg to 1,200 kg per cycle or year, making them the primary market segment. The secondary market consists of poultry producers, especially layers, broilers, and game fowl, which have significant and recurring feed needs. Layers consume an average of 45 kg/head/year, while broilers require about 5 kg/head per production cycle. Ducks and native chickens form the supplementary segment, with moderate consumption but broad distribution among backyard raisers (Source: 2024 Occidental Mindoro Inventory of Livestock and Poultry—Office of the Provincial Veterinarian). The province's feed market is characterized by a mix of commercial raisers and smallholder producers, with the latter forming the majority. Commercial raisers, concentrated in San Jose and Sablayan, demand bulk quantities of formulated feeds, while small-scale farmers purchase feeds in smaller volumes for daily or weekly use. This creates opportunities for both wholesale and retail feed distribution channels, allowing the proposed feed mill to

cater to diverse market needs. As a result, the segmentation indicates that the swine and poultry sectors constitute the core market for feed production in Occidental Mindoro. The concentration of raisers in San Jose and Sablayan enhances the feasibility of establishing a local feed mill within or near these municipalities. With approximately 10,000 metric tons of feed consumed annually, the segmented data demonstrates a robust and sustainable market base for the proposed corn feed mill project.

**Demand Analysis** - The demand analysis reveals a strong market potential for the proposed corn feed mill in Occidental Mindoro, supported by the province’s substantial livestock and poultry population. Swine breeders consume about 1,000–1,200 kg of feed per head annually; fatteners, 300 kg per cycle; and poultry such as layers, game fowls, and ducks, 45 kg, 18 kg, and 40 kg per head, respectively. These consumption rates indicate sustained demand for feed among local raisers. Since most feeds are currently sourced from outside the province, a local feed mill in Sablayan would reduce transportation costs, ensure feed availability, and promote the use of locally produced corn—enhancing both farmers' income and the feed industry's sustainability.

**Table 5**  
*Demand for Livestock and Poultry Feed Requirements*

Type Of Animal (No. of Heads)						
Swine				Chicken		
Starter To Finisher	Fattener	Sow	Breeder Boar	Native	Broiler	Layer
2532	3979	1323	219	119913	37572	40052
200 (kg) x 2 Cycle	300 (kg) x 2 Cycle	1000 (kg)	1000 (kg)	5 (kg) x 8 Cycle	45 (kg)	12 (kg) x 3 cycle
1012800 (kg)	2387400 (kg)	1323000 (kg)	219000 (kg)	4796520 (kg)	1690740 (kg)	1441872 (kg)
Overall total: 12,871.33 metric tons 257, 426 sacks						

Table 5 presents the feed requirements for different types of livestock and poultry in the study area. The analysis includes swine—classified as starter to finisher, fattener, and breeder (sow and boar)—and chickens, including native, broiler, and layer types. Feed demand was calculated based on the number of animals and their respective feed consumption per growth cycle or year. Swine starters and finishers require 200 kg per head per cycle for two cycles, fatteners require 300 kg per head per cycle for two cycles, and breeders (sow and boar) consume 1,000 kg per head. For poultry, native chickens consume 12 kg per head over three cycles; broilers, 5 kg per head per cycle for eight cycles; and layers, 45 kg per hen annually. Based on the feed requirements for the province’s livestock and poultry presented in Table 5, the total annual feed demand in Occidental Mindoro is estimated at 12,871.33 metric tons, or 257,426 sacks per year, highlighting a significant supply that a locally established feed mill could address.

**Table 6**  
*Respondents’ Willingness to Purchase Locally Produced Feed Mill*

Respondents: “Are you willing to patronize or sell locally produced feed mill?”	Livestock and Poultry Raisers		Feed Distributor, including Cooperatives	
	Yes	No	Yes	No
Abra De Ilog	7		1	
Paluan	6		0	
Mamburao	17		6	1
Sta Cruz	10		2	1
Sablayan	105		32	11
Calintaan	16		2	1
Rizal	13		2	
San Jose	160		28	8
Magsaysay	17		3	2
TOTAL	351		76	24

**Supply Analysis** - Table 6 shows the willingness of livestock and poultry raisers, as well as feed distributors (including cooperatives), to purchase or distribute locally produced feed from the proposed corn feed mill. Among the respondents, 351 livestock and poultry raisers indicated they were willing to patronize the local feed mill, while 76 expressed reluctance. Similarly, 24 feed distributors showed willingness to distribute the locally produced feed,

with a smaller number (noted per municipality) declining. The data indicate a strong overall support from both raisers and distributors, suggesting a positive market reception for the locally produced corn feed.

**Market Share** - The proposed business has a significant market opportunity, with a supply gap of 8,385.58 metric tons (166,651 sacks), representing 61% of total feed demand. This unmet demand offers the feed mill a chance to capture a substantial share of the local market by providing competitively priced, high-quality feeds for poultry and livestock farmers (Market Intelligence, 2026). The data indicates that the community's needs are currently underserved, positioning the feed mill to establish a strong presence in the province and secure a stable customer base from the start.

**Table 7**  
*Potential Market Share of the Proposed Corn Feed Mill during its Initial Operation*

Description	Amount (in Metric Tons)	Equivalent (in Sacks)	Percentage Share	Market Share
Total Feed Demand in Occidental Mindoro	12,871.33	256,426 sacks	100%	6% of the 8,385
Current Feed Supply Distributor / Commercial Feed, Local Cooperative Feed, Hog / Poultry Feeds Vendors	4,485.75	89,775 sacks	39%	MT supply GAP will be the market share
Supply Gap / Potential Market for Local Feed Mill	8,385.58	166,651 sacks	61%	

Table 7 presents the potential market share for the proposed Corn Feed Mill during its initial operation in Occidental Mindoro. The total annual feed demand in the province is estimated at 12,871.33 metric tons, or 256,426 sacks. Currently, the existing supply is provided by a network of distributors, cooperatives, and hog and poultry vendors across the different municipalities, as shown in Tables 10 and 11. These suppliers collectively provide approximately 4,485.75 metric tons, or 89,775 sacks, meeting only 39% of the province's total demand. This indicates a significant supply gap that a locally established feed mill could address. However, the proposed business is expected to capture only 6% of the 8,385.58 MT supply gap, which accounts for 61% of total market demand. The current distributors primarily source feed from outside the province, often resulting in higher costs, inconsistent supply, and logistical challenges. By establishing a local feed mill, the supply chain could be shortened, delivery times reduced, and feed availability stabilized, benefiting both small- and large-scale livestock and poultry producers in Occidental Mindoro.

Regarding price competitiveness, price comparisons show that existing commercial feeds sold by distributors range from ₱2,180 to ₱3,250 per sack, depending on the brand. In contrast, the proposed feed mill is projected to sell feeds at approximately ₱1,400 per sack. This price difference is primarily attributed to the use of locally produced corn and reduced transportation costs. The lower price provides a competitive advantage for the proposed enterprise, making it an attractive option for farmers and feed distributors (Wang et al., 2022; Sachitra, 2016). The proposed business enterprise will produce nutritionally balanced feeds for swine and poultry using locally sourced yellow corn as the primary ingredient. Pricing will follow a cost-based strategy to maintain affordability while ensuring sustainability. Distribution will be centered in Sablayan, enabling efficient supply to nearby municipalities and major livestock production areas. Promotional activities will include farmer seminars, agricultural fairs, radio advertisements, and partnerships with cooperatives and local government units.

The results of marketing analysis demonstrate that Occidental Mindoro possesses the necessary conditions to support a local corn feed mill industry. The province has a strong corn supply, a growing livestock and poultry sector, and a significant gap between feed demand and supply (Sibuea et al., 2023). Survey findings reveal strong farmer support for local feed production and distributors' willingness to participate in the supply chain. Therefore, the proposed feed mill offers a competitive price advantage over existing commercial feeds sourced from outside the province. In terms of the financial feasibility of the proposed Corn Feed Mill, several key assumptions related to production capacity, pricing, and operational costs. The enterprise is projected to capture 6% of the feed demand-supply gap in Occidental Mindoro, equivalent to about 503 metric tons or 10,060 sacks of feed during its first year of operation. Production and sales are expected to increase by 5% annually, while the selling price of feeds will start at ₱1,400 per sack with an estimated annual adjustment of 3.13% to reflect inflation. Costs of raw

materials, overhead expenses, salaries, and other operational expenditures are also projected to increase gradually to account for inflation and wage adjustments. Depreciation of equipment will be computed using the straight-line method, while statutory allocations and cooperative funds will be distributed in accordance with cooperative financial policies.

The total capital requirement for establishing the feed mill is estimated at **₱14,026,156.48**, which covers administrative expenses, raw materials, equipment, operating costs, and facility renovation. A significant portion of the budget is allocated to feed ingredients, such as yellow corn, and other materials necessary for feed production. To finance the project, the cooperative will combine internal capital from member share contributions with external funding assistance. Part of the funding will be sourced from government support programs, including assistance from the **Department of Agriculture's** Agribusiness and Marketing Assistance Division (AMAD), as well as potential financing from other government agencies and development institutions.

**Demand and Supply Analysis** - The proposed Corn Feed Mill in Occidental Mindoro has strong market potential, driven by the province's substantial livestock and poultry population. Swine consumption ranges from 45 kg per starter pig to 1,000 kg per breeder sow annually, while poultry consumption ranges from 5 kg per broiler per cycle to 45 kg per layer per year. Based on the number of animals in the province, the total annual feed demand is estimated at 12,871.33 metric tons (256,426 sacks). As such, according to Table 12: Potential Market Share of the Proposed Corn Feed Mill during Its Initial Operation, local distributors currently supply only 4,485.75 metric tons (89,775 sacks), meeting 39% of the total demand and leaving a supply gap of 8,385.58 metric tons (166,651 sacks), or 61% of the market. Survey results reveal strong support from 351 livestock and poultry raisers and 76 feed distributors, indicating a ready market for locally produced feeds. The province's abundant corn production provides a sustainable supply of raw materials, which can help lower production costs and offer farmers a stable market. This unmet demand represents a significant opportunity for the feed mill to capture a substantial share of the local market, establish a strong presence, and secure a reliable customer base.

**Marketing Strategies** - To ensure competitive positioning and customer loyalty, the proposed Corn Feed Mill will adopt a combination of product, price, place, and promotion (4 Ps) strategies:

**Product.** The feed mill will produce various feed formulations tailored for broilers, layers, hogs, and ruminants. Emphasis will be placed on quality, nutritional balance, and adherence to Bureau of Animal Industry (BAI) standards. The proposed Corn Feed Mill in Occidental Mindoro will primarily use locally sourced yellow corn as its major raw material, comprising about 50–60% of the total feed formulation. Corn serves as the main energy source in both hog and poultry feeds due to its high carbohydrate content, good palatability, and digestibility. To achieve balanced nutrition for optimal growth, the feed formulation will also include several supplementary ingredients that provide protein, vitamins, minerals, and essential nutrients. These components can be sourced from local suppliers, agricultural by-products, and commercial feed additives (Pesti & Choct, 2023).

**Table 8**  
*Comparison of Proposed Local Corn Feed Mill Price with Imported Feed based on Price*

Feed Type	Price per 50 kg Sack (₱)	Notes
Proposed Local Corn Feed Mill	1,400	Cost-based pricing; 35% lower than imported feeds
Imported Feed	2,160	Higher due to transportation and raw material costs

Table 8 illustrates that the proposed business will implement a cost-based pricing strategy, selling its 50 kg feed sacks at **₱1,400**, which is **35% lower than the ₱2,160** charged for imported feeds, taking advantage of reduced transportation and raw material costs.

**Place / Distribution.** The distribution strategy will primarily focus on the province of Occidental Mindoro, with Sablayan serving as the central, most strategic location to efficiently meet province-wide feed demand. From this central hub, the operation can ensure accessible delivery to surrounding municipalities. In the long term, distribution will gradually expand to other parts of the MIMAROPA Region. The products will be marketed and sold both directly to farmers and through accredited distributors and agri-supply stores across the province.

**Promotion.** Awareness campaigns will include participation in agricultural fairs, direct farmer seminars, radio advertisements, and partnerships with local government units and cooperatives.

**Product Description -** The proposed feed mill will produce formulated animal feeds for poultry and livestock, specifically broilers, layers, hogs, and ruminants. The main product categories will include: Broiler Starter, Grower, and Finisher Feeds; Layer Mash and Pellets; Swine Starter, Grower, and Finisher Feeds; and Ruminant Feeds (for cattle and goats). All formulations will be based on scientifically established nutritional standards using yellow corn as the primary energy source. Other ingredients, such as soybean meal, rice bran, copra meal, fishmeal, salt, and vitamin-mineral premixes, will be blended to ensure complete and balanced nutrition. Each feed type will undergo quality control testing to ensure compliance with the Bureau of Animal Industry (BAI) and Department of Agriculture (DA) standards for feed manufacturing.

**Production Process**

The production process of the Corn Feed Mill involves several systematic stages designed to ensure the quality and uniformity of the finished products. The general process flow is as follows: Corn Procurement and Delivery – Locally produced yellow corn is purchased directly from farmers and delivered to the feed mill. Receiving and Cleaning – Raw corn is weighed, inspected for moisture and foreign materials, and passed through a cleaning machine to remove impurities. Grinding/Milling – Cleaned corn is crushed into fine particles using a hammer mill to achieve the desired particle size for mixing. Batching and Mixing – Ground corn is combined with other ingredients (soybean meal, rice bran, copra meal, etc.) in precise proportions using a mixer to create a homogenous feed mixture. Pelletizing (if applicable) – The mixed feed is then processed through a pellet mill to form compact pellets suitable for livestock consumption. Cooling and Screening – Hot pellets are cooled using a cooler and screened to remove fines or broken pellets. Bagging and Weighing – The finished feed are packed in 50-kg polypropylene bags using an automatic bagging and weighing machine. Storage and Dispatch – The bagged feeds are stored in a warehouse under controlled conditions and distributed to

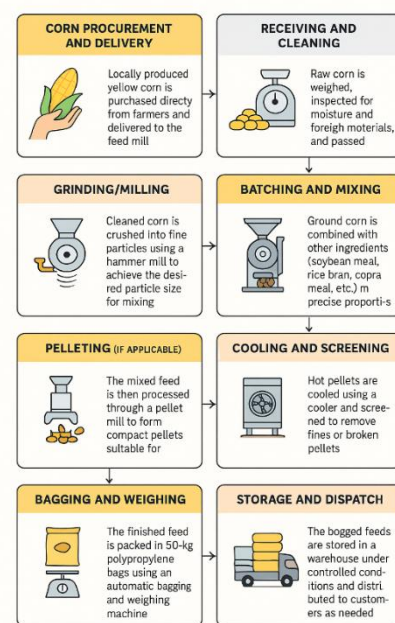


Exhibit 1. Production Process Cycle

**Project Location -** The proposed feed mill processing facility will be established in Brgy. Ligaya, Sablayan, Occidental Mindoro, on a site covering approximately 2,000 square meters. The area is designated as industrial land, making it ideal for feed mill operations. It is not near residential areas, as the location is currently sparsely populated, minimizing potential community disturbances. The site provides direct access to the national road, facilitating efficient transport of raw materials to the facility and distribution of finished products to various municipalities. Being centrally located in the municipality of Sablayan, it offers a strategic advantage in serving both northern and southern municipalities of Occidental Mindoro, reducing overall logistics costs. Additional advantages of the location include an existing building suitable for feed mill operations and storage, minimizing construction costs (Williams & Rosentrater, 2004); ample warehouse capacity to accommodate approximately 5,000 sacks of feed, ensuring efficient inventory management; access to electricity and water supply to support continuous operations; potential for future expansion due to the property’s size and industrial zoning; and a low risk of environmental or social conflict, as the facility is situated in an underpopulated area unlikely to disturb nearby communities. Overall, the proposed location offers logistical efficiency, operational convenience, and scalability, making it highly suitable for establishing the feed mill processing facility.

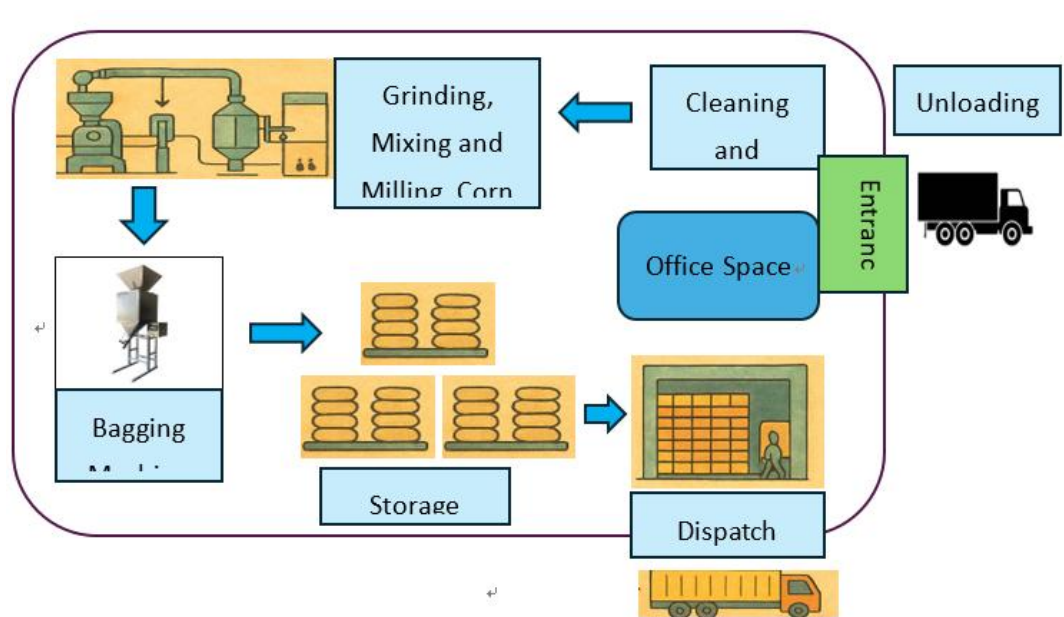


Exhibit 2. Layout of the Production Area of the Proposed Business

Exhibit 2 illustrates the feed mill production layout, designed to ensure a smooth and efficient linear workflow in strict compliance with standard corn feed mill infrastructure. The process begins with the procurement and delivery of locally produced corn directly from farmers to the receiving area, where it is weighed, inspected for moisture and impurities, and cleaned to maintain quality. The cleaned corn is then transferred to the grinding and milling area, where it is crushed into fine particles suitable for feed production. These ground particles are accurately measured and blended with other ingredients, including soybean meal, rice bran, and copra meal, in the batching and mixing area to produce a homogeneous feed mixture. The mixture is optionally processed through a pellet mill, cooled, and screened to remove fines or broken pellets. The finished feed is automatically bagged and weighed in 50-kg bags, with up to 5,000 bags stored in a dedicated stock area under controlled conditions to preserve quality. From this storage area, the feed is systematically dispatched to customers, ensuring a seamless flow of materials from raw inputs to finished products while minimizing handling, preventing contamination, and maximizing operational efficiency.

**Business Organization** - The proposed business will operate as a cooperative under the name of Golden Harvest Corn Feed Mill Agriculture Cooperative (GHCFA Co). The proponent will initially organize the group, aiming to recruit approximately 200 members, each contributing a minimum capital share to support the project's startup costs. As a member-owned and member-managed enterprise, the cooperative is established to serve corn and livestock farmers by addressing service gaps in the feed industry. This cooperative structure ensures a stable market for its products, fosters equitable profit sharing, and encourages active participation of members in both decision-making and operational management. The proposed business will require an initial operating capital of ₱11,816,156.48 to cover production setup, facility improvements, raw materials, labor, and working capital. However, since the business operates as a cooperative, there is a strong possibility that the estimated ₱11,000,000 allocated for renovation, operating expenses, machinery and equipment, and raw material financing may be requested as financial assistance from various national government agencies that support the advancement of the agriculture sector. This aligns with the Philippine government's priority thrusts under the Sustainable Development Goal (SDG) 2040, which emphasize agricultural modernization, livelihood enhancement, and rural development (The Sustainable Development Goals in the Philippines).

Registration with the Cooperative Development Authority (CDA) grants the enterprise legal recognition, access to technical and financial assistance, capacity-building programs, and potential tax incentives, thereby enhancing operational efficiency and long-term sustainability. Overall, the cooperative model promotes inclusivity, economic empowerment, and shared prosperity—positioning the enterprise as both a profitable and community-

oriented agribusiness contributing to national agricultural growth and sustainability (CDA, 2025).

*Nature of Business* - The proposed business, Golden Harvest Corn Feed Mill Agriculture Cooperative (GHCFM ACo), is a corn feed mill cooperative established to produce and distribute high-quality livestock feed, primarily made from locally sourced yellow corn. The cooperative aims to support corn and livestock farmers by providing affordable, accessible, and nutritionally balanced feed products while ensuring a stable market for members' corn produce. In addition to feed production, the cooperative will be involved in the procurement of raw materials from member-farmers, storage and inventory management, marketing and distribution of feeds to local livestock and poultry raisers, and provision of technical assistance and advisory services on proper feed usage and animal nutrition. The cooperative will operate under democratic governance, where members participate in decision-making and share in the profits, reinforcing community development, sustainable agriculture practices, and long-term economic growth for its stakeholders.

*Project Cost* - To start the proposed business operation, the initial capital is being identified below.

**Table 9**

*Total Project Cost*

Items	Descriptions	Cost	Total Cost
Administrative Expense	Salaries and Wages	620,880.00	
	Employee Benefits and Premiums	134,066.48	
	Permits and Licenses	30,210.00	785,156.48
Direct Materials	Yellow Corn (Maize)	4,800,000.00	
	Soybean Meal	1,200,000.00	
	Rice Bran (Darak)	420,000.00	
	Copra Meal / Coconut Cake	360,000.00	
	Fish Meal	800,000.00	
	Molasses	105,000.00	
	Limestone / DCP	100,000.00	
	Salt	25,000.00	
	Vitamin-Mineral Premix	100,000.00	
	Feed Additives (Lysine, Enzymes, etc.)	50,000.00	7,960,000.00
Pre-Operating Expenses	Feed Processing Equipment and Machinery	2,050,000.00	
	Utilities and Auxiliary Equipment	575,000.00	
	Packaging and Storage Materials	285,000.00	
	Safety and Maintenance Tools	60,000.00	
	Material Handling Equipment	1,250,000.00	4,220,000.00
Furniture and Fixture	Office Furniture and Fixture	230,000.00	230,000.00
	Operating Expenses		
Renovation Cost	Office Supplies and Materials	24,000.00	
	Utilities (Electricity, Water, Internet)	60,000.00	
	Communication Expenses	18,000.00	
	Repairs and Maintenance (Office Equipment)	30,000.00	
	Transportation and Travel Allowance	60,000.00	
	Insurance	10,000.00	
	Warehouse Rent	60,000.00	
	Professional Fees	25,000.00	
	Representation and Meetings	24,000.00	311,000.00
	Civil Works (Building Repair & Structural Improvements)	150,000.00	
	Electrical Works	50,000.00	
	Plumbing Works	20,000.00	
	Roofing and Insulation	50,000.00	
Flooring Improvement	150,000.00		
Partitioning / Office Renovation	50,000.00		
Painting and Finishing	50,000.00	520,000.00	
<b>TOTAL PROJECT COST</b>			<b>14,026,156.48</b>

Table 9 presents the total project cost of ₱14,026,156.48, representing the overall capital requirement to establish and operate the proposed Corn Feed Mill. This amount covers all essential expenditures necessary to commence operations efficiently and sustainably. The major cost component is Direct Materials, amounting to ₱7,960,000.00, which constitutes the largest share of the total cost and includes the procurement of key raw

materials such as corn, soybean meal, rice bran, and other essential feed ingredients required for production. Pre-operating expenses totaling ₱4,220,000.00 cover the acquisition of machinery and equipment, the installation of utilities, and the installation of packaging and handling facilities needed to ensure efficient feed-processing operations. Administrative expenses totaling ₱785,156.48 include salaries and benefits for management and staff, as well as permit and license costs. Additional allocations consist of Operating expenses of ₱311,000.00 for utilities, office supplies, transportation, and insurance; Furniture and fixtures worth ₱230,000.00 for the office setup; and Renovation costs of ₱520,000.00 for necessary structural and facility improvements. Notably, ₱11,000,000.00 of the total project cost, primarily covering operating costs for machinery and equipment as well as raw materials, will be sourced from a grant under the Department of Agriculture's Agribusiness and Marketing Assistance Division (AMAD) Program. This financial assistance aligns with the government's Ambisyon Natin 2040 and the Sustainable Development Goals, particularly SDG 2: Zero Hunger, by supporting the modernization of agricultural productivity, strengthening the feed supply chain, and promoting sustainable and inclusive agri-based enterprise development (AmBisyon Natin 2040, n.d.).

*Source of Financing* - The source of financing will be the cooperative members' paid-up capital, with 200 prospective members contributing not less than 2,500 shares each at a ₱100 par value per share, for a total of ₱250,000.00. In addition, there will be a subscribed share capital of at least 7,500 shares with the same par value, supported by the cooperative's Capital Build-Up Program as stated in its By-Laws. To further strengthen the project's financial capability, the cooperative will seek ₱13,000,000 in funding assistance from various external sources, including grants, subsidies, and other forms of financial support from National Government Agencies (NGAs) and their programs. Key potential sources include the Philippine Rural Development Project (PRDP) under the Department of Agriculture (DA), the Department of Trade and Industry (DTI) for enterprise development and MSME support, the Department of Agrarian Reform (DAR) for cooperative development programs, the Department of Science and Technology (DOST) for technology transfer and process innovation, and the Land Bank of the Philippines or Development Bank of the Philippines for low-interest loans and capital financing. Additional assistance may be accessed through the DA's Agricultural Competitiveness Enhancement Fund (ACEF), the Bureau of Small and Medium Enterprise Development (BSMED), and other DA-attached agencies. Given that there is currently no corn feed mill in Occidental Mindoro, this project strongly supports the government's initiatives in agricultural development, value addition, and rural industrialization. Through these NGA interventions, the cooperative can secure technical assistance, capacity-building programs, market access facilitation, and financial resources, ensuring the successful establishment of the corn feed mill and long-term benefits for local corn farmers and livestock producers.

Furthermore, the cooperative is well-positioned to qualify for grants and financial assistance from programs offered by the Philippine Center for Postharvest Development and Mechanization (PhilMech), the DA Agribusiness and Marketing Assistance Division (AMAD), and other related agencies. These programs aim to enhance agricultural productivity, sustainability, and food sufficiency, aligning perfectly with the objectives of the proposed Corn Feed Mill. With strong institutional support, the project has a high potential for funding approval and long-term success in contributing to the province's agricultural growth.

*Basic Financial Assumption* - The proposed cooperative is expected to capture 6% of the provincial feed demand-supply gap in the first year, equivalent to 503 metric tons (10,060 sacks) of feed. Production and sales are projected to increase by 5% annually. The selling price will be set at ₱1,400 in the first year, with an annual increase of at least 3.13%, based on the average inflation rate from 2019 to 2023, to anticipate possible increases in the cost of raw materials and other expenses. The costs of raw materials and overhead expenses are projected to rise in line with the average inflation rate of 3.13%. Depreciation expense is computed using a straight-line method with an estimated useful life of 5-10 years. Salaries, 13th-month pay, and mandatory government contributions or premiums will increase by 2% annually. Promotional expenses, office supplies, utilities, repair, and maintenance will increase by 2% annually. An annual communication and internet allowance of ₱18,000 will be provided. The rental rate will be adjusted upward by 5% at three-year intervals.

The production of feeds for poultry and livestock will start in the last quarter of 2026. The program will purchase the raw materials needed in the 1st month of the 2nd quarter of 2026. For the first five (5) years of operation, 50% of the net surplus will be allocated to the Reserve Fund to ensure financial stability and sustainability. Beginning in the sixth (6th) year of operation, this allocation will be reduced to 10%. The Cooperative Education and Training Fund (CETF) will be set at 10% of the net surplus, with 50% allocated for local use and the remaining 50% remitted to the chosen Federation or Union. The Optional Fund will be set at 7%, and the Community Development Fund (CDF) will receive 3% of the net surplus. The undistributed net surplus, after allocation to the statutory reserve, will be divided equally: 50% will be allocated to Interest on Share Capital (ISC) for distribution to members, and the remaining 50% will be designated as Patronage Refund (PR) to be distributed to member patrons.

### ***Financial Projections***

**Table 10**  
*Projected Five-Year Demand and Sales*

Year	Annual Volume of Production (MT)	Annual volume per sack (50 kg per sack)	Price per sacks	Annual Sales
2027	503	10,060	1,400.00	14,084,000.00
2028	518	10,362	1,445.00	14,972,801.00
2029	534	10,673	1,490.00	15,902,254.46
2030	550	10,993	1,535.00	16,873,999.61
2031	566	11,323	1,585.00	17,946,350.53

Table 10 shows the five-year demand and sales projection for the proposed Corn Feed Mill, based on a Demand-Supply Gap Analysis with an estimated 6% market share. Production, sales, and prices are projected to grow steadily from 2027 to 2031. In 2027, production is estimated at 503 MT (10,060 sacks), generating ₱14,084,000 in sales at ₱1,400 per sack. By 2028, production rises to 518 MT (10,362 sacks) with sales of ₱14,972,801 at ₱1,445 per sack. This upward trend continues, reaching 534 MT (10,673 sacks) and ₱15,902,254 in 2029; 550 MT (10,993 sacks) and ₱16,873,999 in 2030; and 566 MT (11,323 sacks) and ₱17,946,351 in 2031, at ₱1,585 per sack. Overall, the projections reflect consistent annual growth in production and revenue, highlighting the Corn Feed Mill's strong market potential, profitability, and long-term sustainability. Likewise, the projected financial results of the Corn Feed Mill indicate a financially viable and sustainable operation, with a first-year net surplus of ₱2,912,157.81, demonstrating its capacity to cover operating costs while generating positive returns. From this surplus, ₱2,038,510.46 is allocated to statutory reserves in compliance with cooperative requirements, including the General Reserve Fund (50%, ₱1,456,078.90), Education and Training Fund (10%, ₱291,215.78), Optional Fund (7%, ₱203,851.05), and Community Development Fund (3%, ₱87,364.73). The Education and Training Fund is divided equally, with ₱145,607.89 remitted to the federation and ₱145,607.89 retained locally to support training, education, and capacity-building for officers, staff, and members. The remaining net surplus is available to accrue interest on share capital and to fund patronage refunds, ensuring that members directly benefit from the cooperative's operations. Overall, the Corn Feed Mill demonstrates operational efficiency, regulatory compliance, and member-centered growth, generating surpluses that fund statutory reserves and development programs, ensuring long-term financial sustainability and continued support for both members and the community. Overall, the results indicate that establishing a corn feed mill in Sablayan is both market feasible and economically promising, with the potential to improve feed accessibility, strengthen agricultural value chains, and support the sustainable growth of the livestock and poultry industries in Occidental Mindoro.

### ***Financial Ratios and Analyses***

The *Gross Profit Ratio (GPR)* measures a business's efficiency in generating profit from its sales after deducting the cost of goods sold (COGS). It indicates the portion of each peso earned from sales that is retained as gross profit. A higher GPR reflects better cost control and improved profitability. The Gross Profit Ratio of the proposed business shows a consistent increase from 39% in 2027 to 46% in 2031, indicating improved efficiency and profitability. This upward trend reflects effective cost management, optimized production, and growing market

acceptance. As operations stabilize and economies of scale are achieved, the business gains higher returns from sales each year. Overall, the rising Gross Profit Ratio indicates a strong, positive financial outlook, confirming that the corn feed mill operation is becoming more efficient, sustainable, and profitable over time. The results of the gross profit ratio are supported by established financial management literature. Horngren et al. (2013), in *Introduction to Management Accounting*, explain that a higher gross profit ratio indicates more efficient control of production costs relative to sales, suggesting improved profitability and sound cost management. Similarly, Brigham and Ehrhardt (2017), in *Financial Management: Theory & Practice*, assert that sustained improvements in the gross profit margin indicate enhanced operational efficiency, effective pricing strategies, and positive market acceptance, which are essential indicators of a firm's long-term financial sustainability.

*The Net Profit Ratio* of the proposed business shows a consistent increase from 21% in 2027 to 34% in 2031, indicating strong profitability and financial growth. In the first year of operation (2027), the business will achieve a 21% net profit, reflecting a solid start and a full year of productive operation. This positive outcome demonstrates that the enterprise efficiently managed its initial costs and established a stable revenue stream early on. In the succeeding years, the net profit ratio rose from 27% to 34%, indicating improved cost efficiency, higher sales volume, and sustained operational growth. This upward trend signifies sound financial health and effective management performance. Overall, the increasing profitability not only ensures the business's stability but also encourages investor confidence and member participation, leading to the continuous expansion of capitalization and business operations. The strong financial outlook confirms that the proposed corn feed mill is on a sustainable path toward long-term success and growth. The net profit ratio results are supported by relevant financial management literature. Horngren et al. (2013) explain that the net profit ratio measures a firm's overall profitability after accounting for all expenses, reflecting its ability to convert sales into net income; an increasing ratio indicates effective cost control, revenue growth, and operational efficiency. Likewise, Brigham and Ehrhardt (2017) and Handayani & Winarningsih (2020) emphasize that rising net profit margins over time signify improving financial health, sustainable growth, and sound management practices, thereby reinforcing the positive implications of the net profit ratio results.

The ROI shows a strong upward trend from 21% in 2027 to 43% in 2031, indicating efficient use of invested capital and increasing profitability. In the first year, the 21% ROI reflects a solid start and effective utilization of the full-year operation. The continuous increase in the following years demonstrates improved cost efficiency, higher sales, and sustainable growth. Overall, the rising ROI signals strong financial health and a positive outlook, encouraging investors and cooperative members to increase participation and supporting the business's continued expansion. The return on investment (ROI) results are supported by established financial management literature. Horngren et al. (2013) explain that profitability measures, such as the net profit ratio, reflect a firm's ability to generate net income from its sales through effective cost management, revenue growth, and operational efficiency, all of which directly influence the return generated on invested capital. Similarly, Brigham and Ehrhardt (2017) and Setyopurnomo et al. (2025) emphasize that sustained increases in profitability indicators, including net profit margins, are associated with improved financial health, efficient resource utilization, and sound management practices, all of which contribute to a higher and more favorable return on investment.

***Socio-Economic Aspect*** - The establishment of the Golden Harvest Corn Feed Mill Agriculture Cooperative (GHCFM ACo) in Sablayan, Occidental Mindoro, is expected to generate broad socio-economic benefits. Cooperative members gain financial returns and decision-making opportunities, while employees secure stable jobs and skills development. Local farmers benefit from guaranteed markets and fair prices, and the community experiences increased economic activity and rural employment. Consumers, such as hog and poultry raisers, have access to affordable, high-quality feed, improving productivity. Overall, the cooperative promotes sustainable agriculture, inclusive growth, and strengthened local food systems (Galano, 2025).

***SWOT and Potential Problem Analysis*** - The Golden Harvest Corn Feed Mill Agriculture Cooperative (GHCFM ACo) leverages key strengths, including being the first feed mill in Occidental Mindoro, using locally sourced corn, operating under a cooperative structure, receiving government support, and offering competitive

pricing. Weaknesses include limited startup capital, technical experience, reliance on member corn supply, and unestablished marketing channels. Opportunities arise from growing feed demand, government programs, market expansion, value-added opportunities for farmers, and the promotion of sustainable agriculture. Threats include price fluctuations, competition, climate risks, regulatory changes, and livestock/poultry disease outbreaks (Bilotto et al., 2024).

*Potential Problems and Mitigation* - The proposed Golden Harvest Corn Feed Mill Agriculture Cooperative (GHCFM ACo) may encounter several operational challenges. Limited capital could delay equipment purchases and startup activities. However, this risk can be mitigated by securing funding from national government agencies, banks, and member contributions, and by phasing project implementation. Technical gaps that may affect feed quality can be addressed through staff training, hiring experienced management, and collaborating with agencies such as DOST and PhilMech. Fluctuations in corn supply, which could increase costs, can be managed via long-term agreements with farmers, maintaining inventory buffers, and careful crop planning (Sulillari, 2023). Market competition may reduce market share, which can be countered through competitive pricing, emphasizing locally produced high-quality feed, and strengthening cooperative branding. Operational inefficiencies that lead to higher costs and waste can be minimized by implementing standard operating procedures, enforcing strict quality control, and pilot-testing production processes (Gerpott & Berends, 2022). Climate risks that affect raw material availability can be mitigated by diversifying sourcing, investing in adequate storage facilities, and obtaining crop insurance. Regulatory changes may cause compliance delays or additional costs, which can be mitigated by maintaining active liaison with the CDA, DA, and LGUs and by monitoring relevant regulations (Sahoo et al., 2026). Finally, low member participation, which could weaken operations, can be improved by holding regular meetings, offering training programs, providing incentives, ensuring transparency, and adhering to democratic governance. By implementing these mitigation measures, GHCFM ACo aims to ensure fair pricing, transparency, high-quality feed production, environmental sustainability, community contribution, and full compliance with laws, thereby fostering trust and social responsibility (Burke, 2011).

#### **4. Conclusions**

The establishment of the Golden Harvest Corn Feed Mill Agriculture Cooperative in Sablayan, Occidental Mindoro, is feasible and promising due to the following reasons: (1) First-mover advantage, as it will be the first corn feed mill in the province, allowing early brand recognition and market capture. (2) The proposed business has a stable raw material supply, uses locally sourced yellow corn, supporting a reliable production process. (3) As a cooperative type of business, it benefits from strong linkages with the government, gaining access to programs and financing from national agencies that support rural industrialization and cooperative development. (4) Market demand is strong and growing for livestock and poultry feeds locally and regionally. (5) In terms of profitability, the financial projections indicate sustainable revenue and returns for members. (6) The socio-economic impact demonstrates strong support for local farmers, generates employment, stimulates the community economy, and enhances the local livestock sector.

*Recommendations* - Based on the conclusions presented in this study, the proponent has arrived at the following: (1) The proponents will move forward with establishing the Golden Harvest Corn Feed Mill Agriculture Cooperative (GHCFM ACo) in Sablayan, Occidental Mindoro, or this feasibility study may be adopted by an existing registered cooperative in the vicinity, recognizing the strong market potential, socio-economic benefits, and strategic advantage of operating the first local feed mill. (2) The Manager, with the approval of the Board of Directors, will secure additional funding and technical support from government agencies and financial institutions such as the Department of Agriculture, PhilMech, AMAD, PRDP, and DOST to address initial capital requirements and operational challenges. (3) The management may ensure capacity and capability building through staff training, quality control systems, and efficient production workflows to ensure high-quality feed and operational efficiency. (4) The management may establish long-term agreements with local corn farmers to stabilize raw material supply and promote sustainable agricultural practices. (5) The management and cooperative officers may promote cooperative membership engagement, transparency, and democratic decision-making to strengthen ownership,

accountability, and commitment. (6) The Management, together with the Board of Directors, may continuously monitor market trends, competition, regulatory developments, and climate-related risks to adjust strategies and ensure the long-term sustainability of the business. (7) The Board of Directors and the Management may mitigate challenges such as limited capital, technical capacity, supply fluctuations, and competition through training, partnerships, and operational planning. (8) The Board of Directors and the Management may ensure fair practices, high-quality feed, and environmentally responsible production for sustainable and ethical operations.

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