

# Kegg Farms

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# Innovation Summary

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## □ Context

- 1987 Livestock census estimates the village poultry population at 172.6 million, yet according to NABARD Report, village poultry contributes only 28% of the national poultry production.
- The high yielding Industrial poultry stocks require sophisticated and intensive inputs for their survival and performance.
- The management of such stock calls for a scale of operations not practical in the village environment.

## □ Challenge/ Opportunity

- The Industrial type poultry stocks are not viable in the village scenario.
- Keggfarms thus perceived a business opportunity in substantially improving the efficiency of poultry production in villages through a development of superior village specific poultry stock and marketing this effectively in the villages.

# Innovation

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**KUROILER - Genetic breeding of a multi colored dual purpose (yielding both eggs and meat) extremely hardy poultry stock.**

- ❑ Like a country chicken, this too lives off the land (a broiler would never survive).
- ❑ But unlike a country chicken, it grows rapidly – reaches a kilo in 60 days and lays nearly 200-250 eggs a year.
- ❑ A country chicken reaches a maximum of 1.5 kg in weight. The Kuroiler grows to nearly 5 kg.
- ❑ The birds are a piggy bank for him. Whenever he needs money urgently, perhaps when someone is ill in the family, all he does is sell a bird. A 4-kilo bird fetches him nearly Rs.300.
- ❑ Overall, a much better value proposition for the common villager

# Innovation Scorecard

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- Uniqueness
  - Only organization to have recognized the business opportunity in the rural poultry sector and successfully implemented a model based on profits at all stages in the delivery and rearing activity. **Data Source – Dr. Vinod Kapur, CEO Kegg Farms**
  
- Impact (2000-2005)
  - Keggfarms estimatedly services over 7 Lac rural households. **Data Source for # Chick Sales : NABARD; # Households served: Empirical Data point (Validated)**
  - The income generation is currently over Rs. 300 crores per year in the hands of rural households. **Data Source for # Income generated per household : NABARD and Business Standard study ; Total Income Generated : Empirical Data point (validated)**

# Innovation Scorecard

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## □ Sustainability and Scalability

- The company is now posting 30% annual growth after a period of initial hiccups. **Data Source – Dr. Vinod Kapur, CEO Kegg Farms**
- Sustainable because it created rural entrepreneurs and a great deal of scalability happens when entrepreneurship is created as demonstrated by Sam Pitroda.. **Data Source – Dr. Vinod Kapur, CEO Kegg Farms**
- It's been scaled up in West Bengal, UP, Bihar, Jharkhand, Orissa, North East, Karnataka, Kerala and Tamil Nadu. **Data Source – NABARD Document**
- The Government of Uttaranchal is working closely with Kegg farms on projects for its Rural Poultry Development plans. **Data Source – NABARD Document.**

## □ Leverage

- In terms of investment for the rural household, definitely. At a cost of just Rs.20 per chick, in a year's time, this investment increases to about Rs.300 in terms of meat alone. While broiler is sold for Rs.35-40 per kg, kuroiler fetches Rs.65-70 per kg. **Data Source – Kegg Farms and Onsite Interview.**