



CHICKEN **SLAUGHTERHOUSE**

Introduction

Chicken slaughter is an activity performed to obtain chicken meat. It regularly happens as part of traditional and intensive chicken farming. A slaughterhouse, also called abattoir is a facility where animals are slaughtered to provide food.

Broiler chicken are among the most farmed animal in the world. Broiler chickens are chicken raised specially for meat. Generally a hybrid of breeds design to grow rapidly, broiler chickens are wide spread within factory farms around the world. Broiler chicken generally take up to seven weeks to reach market weight.

Chicken contains immune-supporting vitamins B6 and B12 and minerals selenium and zinc. It contains many energy-boosting nutrients: riboflavin, niacin, pantothenic acid, biotin, B6, B12, magnesium, phosphorus, and zinc.

Market Potential & Northeast Scenario

India is one of the leading producers of poultry meat in the world. The increase in the average income and the urban population has led to a tremendous increase in the poultry demand and a steady increase in consumption over the years. In 2022, the consumption of poultry meat in India was found to be over 400 million metric tons.

The recent annual data shows that India ranks 5th in chicken meat production. The growth rate of the chicken market is 8 to 10 percent per annum.

In the North Eastern Region major population is a non-vegetarian and Chicken meat is one of the major non-veg item due to high content of protein and cheaper compared to other non-veg items. slaughterhouse has great market potential in the north-eastern region of India. Customers prefer to but meat produced by slaughter house which is hygienic and more protein value.

Slaughtering Process

The slaughtering process of chicken slaughterhouse is as under: -

- **Ante mortem inspection-** The quality of the chicken is inspected.

- **Stunning-** The chickens are rendered unconscious before slaughtering them for food.
- **Cleaning & chilling-** The hair from the body is removed from the chicken at this stage.
- **Evisceration-** It is the process of removing internal organs from chickens.
- **Post-mortem inspection-** The quality of the product is being inspected.
- **Delivery-** The product is ready to be delivered.

Certification Required

The Food Standards and Safety Authority of India (FSSAI) is the supreme authority which is responsible for regulating and supervising the food safety. So it is mandatory to take FSSAI Food safety License Registration as per the law. Moreover, a veterinary certificate is also required.

The model DPR for chicken Slaughterhouse Unit is basically prepared based on following assumptions that may vary with capacity, location, raw materials availability etc. An entrepreneur can use this model DPR and modify as per requirement and suitability.

Cost of Project

PARTICULARS	Amount (Rs. In Lakhs)
Land own	-
Building with Civil works	11.50
D G Set 25 KVA	2.50
Plant and Equipment	17.47
Escalation & Contingencies	1.57
Preliminary & Preoperative Expenses	1.46
Sub-total (A)	34.51
Working Capital Margin	2.13
Total Project Cost	36.63
Total Working Capital Req (B)	8.51
MEANS OF FINANCE	
Total Funds Required(A+B)	43.01
Loan Component	-
TERM LOAN	22.30
Working Capital	6.38
Total Loan Amount (TL+CC)	28.67
Equity	14.34
Total	43.01

Detailed Cost of plant & Machinery

Sl. no.	Item	Qty	Amount (In Lakhs)
1	Chicken slaughter machine	1	5.5
2	Electric hoist	1	2
3	Hooks	5	0.0075
4	Bleeding rail	1	8.5
5	Trolley	3	0.585
6	Hand wash basin with electric knife sterilizer	2	0.08
7	High pressure jet pumps	1	0.3
8	Exhaust fans, tube lights and other electrical fittings	LS	0.5
	Total		17.4725

Contingencies and Escalations

Contingencies and Escalations have been assumed at 5% at cost of project.

Preliminary Expenses

Particulars	Amount (In lakhs)
Incorporation Expenses	0.10
Project Report Preparation	0.10
Feasibility and Engineer's/Architect's Report and Plans	0.29
Legal Charges - Drafting for agreements, contracts, stamp paper, notary and affidavit cost	0.05
Other recurring expenses of revenue nature upto start of commercial operations -salary, etc	0.76
Interest Cost for period before commercial operations	0.16
Total	1.46

Salary

Designation	Quantity	Amt (Lakhs)
Vet Inspector	1	2.4
Butcher	2	1.44
Cleaner	2	1.2
Watchman	1	1.2
Manager	1	3
Total	16	9.24

Profitability Statement

Particulars	Year- 1	Year- 2	Year- 3	Year- 4	Year- 5
<u>A. INCOME</u>					
Capacity (for chicken slaughtered)	97,200	1,06,920	1,17,612	1,29,373	1,42,311
Capacity utilisation	50%	55%	60%	65%	70%
Capacity utilised (chicken slaughtered)	48,600	58,806	70,567	84,093	99,617
Sale of slaughtered chicken	19	24	28	34	40
Capacity (Blood Meal) (Kg)	97,200	1,06,920	1,17,612	1,29,373	1,42,311
Capacity utilisation	50%	55%	60%	65%	70%
Capacity utilised	48,600	58,806	70,567	84,093	99,617
Sale of Blood meal	15	18	21	25	30
Total income during the year	34	41	49	59	70
<u>B. OPERATING EXPENSES</u>					
Salary	9.24	9.70	10.19	10.70	11.23
Repair & Maintenance	0.63	0.66	0.69	0.73	0.77
Power & utilities	0.38	0.40	0.42	0.45	0.47
Depreciation and Amortisation	2.09	2.09	2.09	2.09	2.09
Total Operating Expenses	12.35	12.86	13.40	13.96	14.56
Operating Profit (A-B)	21.67	28.30	36.00	44.90	55.18
<u>C. FINANCIAL EXPENSES</u>					
Interest on Term loan	0.85	0.66	0.47	0.29	0.10
Interest on WC Loan	0.67	0.67	0.67	0.67	0.67
<u>D. Other Expenses</u>					
Administrative and General Expenses	0.68	0.82	0.99	1.18	1.39
Total Expenses	2.20	2.15	2.13	2.13	2.17
Profit Before Tax	19.48	26.15	33.87	42.77	53.01
Provision for Tax	4.87	6.54	8.47	10.69	13.25
Profit After Tax	14.61	19.61	25.40	32.08	39.76
Dividend	-	-	-	-	-
Retained Profit	14.61	19.61	25.40	32.08	39.76

Breakeven Point

Sl. No.	Particulars	Year – 1	Year - 2	Year - 3	Year - 4	Year - 5
A.	Net Sales	34.02	41.16	49.40	58.86	69.73
B.	<u>Variable Cost</u>					
	Power and Utility	0.38	0.40	0.42	0.45	0.47
	Total Variable Cost	0.38	0.40	0.42	0.45	0.47
C.	Contribution (A-B)	33.64	40.76	48.97	58.42	69.26
D.	Fixed					
	Salary	9.24	9.70	10.19	10.70	11.23
	Interest on term loan	0.85	0.66	0.47	0.29	0.10
	interest on working capital	0.67	0.67	0.67	0.67	0.67
	Depreciation and Amortisation	2.09	2.09	2.09	2.09	2.09
	Total Fixed Cost	12.85	13.12	13.42	13.75	14.09
E.	Breakeven Point	38%	32%	27%	24%	20%
F.	Cash BEP	32%	27%	23%	20%	17%

Debt-Service Coverage Ratio

Sl. No.	Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5
i	Profit	14.61	19.61	25.40	32.08	39.76
ii	Depreciation	2.09	2.09	2.09	2.09	2.09
iii	Interest on term loan	0.85	0.66	0.47	0.29	0.10
A	Total (i + ii + iii)	17.55	22.37	27.97	34.46	41.95
i	Interest on term loan	0.85	0.66	0.47	0.29	0.10
ii	Principal repayment	1.96	1.96	1.96	1.96	1.96
B	Total (i + ii)	2.80	2.62	2.43	2.25	2.06
	DSCR (A / B)	6.26	8.54	11.50	15.34	20.37

Interest on Term Loan and Principal Repayment

Refer Annexure I.

ANNEXURE- I

Year	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Annually
I													
Principal													
Opening	9.80	9.63	9.47	9.31	9.14	8.98	8.82	8.65	8.49	8.33	8.16	8.00	
Repaid	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	1.96
Closing	9.63	9.47	9.31	9.14	8.98	8.82	8.65	8.49	8.33	8.16	8.00	7.84	
Interest	0.08	0.08	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.06	0.06	0.85
II													
Principal													
Opening	7.84	7.67	7.51	7.35	7.18	7.02	6.86	6.69	6.53	6.37	6.20	6.04	
Repaid	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	1.96
Closing	7.67	7.51	7.35	7.18	7.02	6.86	6.69	6.53	6.37	6.20	6.04	5.88	
Interest	0.06	0.06	0.06	0.06	0.06	0.06	0.05	0.05	0.05	0.05	0.05	0.05	0.66
III													
Principal													
Opening	5.88	5.71	5.55	5.39	5.22	5.06	4.90	4.73	4.57	4.41	4.24	4.08	
Repaid	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	1.96
Closing	5.71	5.55	5.39	5.22	5.06	4.90	4.73	4.57	4.41	4.24	4.08	3.92	
Interest	0.05	0.05	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.03	0.03	0.03	0.47
IV													
Principal													
Opening	3.92	3.75	3.59	3.43	3.27	3.10	2.94	2.78	2.61	2.45	2.29	2.12	
Repaid	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	1.96
Closing	3.75	3.59	3.43	3.27	3.10	2.94	2.78	2.61	2.45	2.29	2.12	1.96	
Interest	0.03	0.03	0.03	0.03	0.03	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.29
V													
Principal													
Opening	1.96	1.80	1.63	1.47	1.31	1.14	0.98	0.82	0.65	0.49	0.33	0.16	
Repaid	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	1.96
Closing	1.80	1.63	1.47	1.31	1.14	0.98	0.82	0.65	0.49	0.33	0.16	-0.00	
Interest	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.10