



Guidelines on Establishing Backyard Poultry Clusters



Backyard poultry farming is emerging as a viable and popular livelihood option among rural households. Among these, native chicken farming is particularly favoured due to its low investment requirements, minimal space needs, and ease of management. It offers an ideal income-generating opportunity for Self-Help Group (SHG) women by utilizing existing household resources and time effectively.

Despite the growing adoption of improved poultry breeds that promise higher productivity, native chicken continues to hold strong market appeal. In rural settings, native chickens are often raised in a semi-scavenging system, feeding on household waste, insects, and farmyard grains. This low-input system aligns well with rural livelihoods. However, adoption of scientific method and in cluster approach will lead to enhance production and income

I. Objectives

- a. To encourage Self-Help Group (SHG) women members to adopt backyard poultry farming as a supplementary income-generating activity that aligns with rural household routines and resources.
- b. To promote integrated farming systems by incorporating native chicken rearing as a complementary livelihood practice, enhancing farm resilience and resource utilization.
- c. To empower small and marginal farmers, landless women, and school dropouts by enabling them to establish small-scale poultry farms that offer a viable path to economic independence and self-employment.

- d. To increase household income and reduce individual risks by encouraging collective rearing and cluster-based enterprise development in native poultry farming.
- e. To ensure family health and nutrition security through the regular consumption of native chicken meat and eggs, known for their superior nutritional value and health benefits.

II. Selection of District -Criteria

All districts were selected based on the significant presence of traditional poultry rearing practices, particularly in rural and semi-arid regions, as rural communities possess indigenous knowledge that can be enhanced through structured interventions across the State.

During the financial year 2025–26, 74 Backyard Poultry clusters will be established @ 2 per district in all districts of Tamil Nadu except Chennai at an estimated cost of Rs.3 lakhs per cluster.

III. Selection of Panchayats:

A) Selection Committee

For establishment of poultry rearing cluster in the district, a **district-level selection committee** will be formed to choose the most suitable panchayat where landless poor women are predominant.

The committee will include:

- a. Project Director, Mathi
- b. Assistant Project Officer (Livelihood)
- c. District Resource Person (Farm)
- d. Block Mission Managers
- e. Representative from Animal Husbandry department.

B) Selection of panchayat – Criteria

- 1) Panchayats where **SHGs are already engaged in poultry farming**, as they will have the necessary skills and knowledge on back yard poultry.
- 2) Panchayats where SHGs are already familiar with income-generating activities related to poultry and show interest and **willingness to engage in poultry farming** and are willing to form back yard poultry clusters for collective farming.
- 3) Panchayats that are **close to urban centres, markets, or large retail hubs** to ensure that the poultry products (meat, eggs, etc.) can be easily sold.
- 4) Panchayats having **accessibility of roads and transportation** systems to ensure that the products can reach the markets efficiently without excessive costs.
- 5) Panchayats that are **near to veterinary hospitals or clinics** to ensure that the back yard poultry units have ready access to animal health services.

IV. Selection of beneficiaries

- a. A **meeting** will be conducted **at the panchayat level** involving representatives from PLF and Community Resource Person (Farm).
 - i. To explain the project objectives, guidelines, and expected outcomes of the back yard poultry cluster initiative.
 - ii. To highlight the benefits of collective back yard poultry cluster as a viable income-generating activity.
 - iii. To encourage participation and address queries or concerns from potential beneficiaries.
- b. Once the meeting is conducted, application needs to be obtained from the SHG members interested in taking back yard poultry

cluster as livelihood activity.

- c. For each cluster, select 20 women farmers who are interested in back yard poultry cluster from the same panchayat.
- d. The details of selected beneficiaries to be placed in Grama Sabha and got approved.

A) General criteria for selection of Beneficiaries:

- a. Should be SHG member for **at least two years**.
- b. The beneficiary **should not have NPA / overdue in any NRLM fund** support.
- c. The beneficiary **should not be the President, Secretary, Joint Secretary or Treasurer of PLF / BLF**.
- d. The beneficiary **preferably not be book keeper, CST, CBC, DRP, BRP, BMM, BC or any other CRP**.
- e. There **should not be repetition of beneficiaries** under various farm livelihood schemes in the last five years.
- f. **Priority** may be given for those **SHG members who are destitute, widow, SC, ST and poor and very poor in PIP list**.

B). Specific Criteria for selection of Beneficiaries:

- a. **20 SHG women members** should be identified from each selected panchayat. **Preference should be given to landless women** and those from **economically vulnerable backgrounds**.
- b. The selected women farmers must be **practicing poultry rearing** and possess knowledge of its rearing techniques.
- c. **They should have minimum 100 sqft free space around their household**.
- d. Selected members should be willing to contribute minimum **Rs.1000/- as membership fee**. The amount collected as member contribution may be used for administrative reasons

which may be decided by the Cluster.

- e. Selected members must be **willing to undergo structured training** and adopt modern poultry techniques to improve poultry yield and quality, and profitability.
- f. In case of more women expressing interest for establishment of back yard poultry cluster, priority should be given to those SHG members with prior experience in rearing of poultry birds.

V. Formation of Cluster

- 1. **A group of 20 SHG women farmers** interested / experienced in poultry bird rearing from same village will be integrated to form a Backyard Poultry cluster.
- 2. Secretary and Treasurer are to be elected by all 20 members of cluster to manage administrative, technical and accounting works of the cluster.
- 3. A bank account is to be opened in the nearby Indian Bank in the name ` **Panchayat Name as prefix - TNSRLM Backyard Poultry Cluster 2025.** ' (Ex.Kattur TNSRLM Backyard Poultry Rearing Cluster 2025)

VI. Implementation Strategy

- a. The cluster may operate as **individual backyard unit** where each member manages her own small-scale unit **or collectively**.
- b. The choice of operational model will depend on the local context, land availability, infrastructure, and interest of the members.
- c. Each member will rear **100 healthy chicks**, with **procurement done in two phases: Phase 1: 50 chicks, Phase 2: 50 chicks (after one month)**
- d. Beneficiaries may procure chicks from **local farmers who rear local breeds well-adapted** to the region's climate, local feed and has disease resistance.

- e. Members should **collectively purchase** chicks and **poultry feed at wholesale rates** to reduce input costs.
- f. Matured birds and eggs shall be marketed collectively to leverage better prices and ensure consistent supply to local markets.
- g. Direct sales by interested members shall also be encouraged to diversify income streams.
- h. Each member **should construct/purchase a chicken coop** locally costing around **₹5,000**.
- i. **A two days training** should be conducted by the DRP Farm in coordination with the Animal Husbandry Department or Krishi Vigyan Kendras (KVKs) to educate members on poultry care and feeding practices, disease management, hygiene and sanitation and marketing.
- j. A **sales centre** may be established by **1–2 members** of the group to facilitate regular sale of birds and eggs. If suitable, value-added activities may be taken up.
- k. DRP (Farm) and CFS Trainer / SPARK identified by VKP should provide technical guidance to the members in coordination with Animal Husbandry dept. during the implementation of the cluster activities.

VII. Registers to be maintained by the cluster

- a. Beneficiaries Basic Data Register
- b. Resolution Register
- c. Cash book
- d. Loan disbursal and collection register
- e. Backyard poultry production and sales register
- f. Visitor register

VIII. Fund allocation

An amount of Rs.3 lakhs will be released to each cluster with the following break-up.

S. No	Item	Amount (in Rs.)
1	100 chicks for each member (to be repaid) (Rs.9000 each for 20 members in two tranches)	1,80,000
2	Coop for each member (to be repaid) (Rs.5000 each for 20 members)	1,00,000
3	Feed for chicks (to be repaid) (Rs.200 each for 20 members)	4,000
4	Training for 20 members (need not be repaid)	15,500
5.	Registers (need not be repaid)	500
	Total	3,00,000

**Out of Rs.3 lakhs, a sum of Rs.2.84 Lakhs to be repaid*

VIII. Fund release

- a) The amount shall be released from SMMU to DMMU.
- b) The CRP-Farm will verify and confirm the selection of office bearers and the opening of cluster's bank account.
- c) On receipt of fund from SMMU, **an implementation team** of APO (LH), BC LH and BMM concerned should visit the panchayat and ensure formation of cluster with **20 women as per eligibility**, opening of bank account, availability of space for backyard poultry rearing, quotation for cages, other equipment, **readiness of all women**, etc., and submit report to PD, Mathi in the format specified in annexure 2.

- d) On receipt of recommendation, DMMU should release 100% of fund allocated for Backyard Poultry cluster to BLF within 7 days.
- e) BLF should release the fund to Backyard Poultry cluster within 7 days, following the **execution of a tripartite agreement** between BLF (agreement model given in annexure – 4), Cluster and the Beneficiary which consists clause stating
 1. Shall utilize the funds for Backyard poultry rearing in the designated village.
 2. To follow cluster approach for procurement of chicks, and other inputs and aggregation, marketing and to carry out value addition in the Backyard poultry cluster.
 3. To repay the loan with **6% interest**, starting **from the third month**.
- f) Only the actual cost incurred for Backyard poultry will be provided as a loan. If the incurred cost is less than the sanctioned amount, only the actual cost will be disbursed. Any additional cost beyond the sanctioned loan amount shall be borne by the beneficiary.
- g) Under this scheme **Rs. 14,200/-** will be provided to each member as **revolving fund** for backyard poultry rearing.

IX. Training

A two days hands-on training program will be organized for all identified 20 SHG members, covering the following key areas by the DRP Farm in coordination with KVK or Animal Husbandry dept. (suggestive topics) at an outlay of **Rs.15,500/- per cluster**.

- a. Breed selection suitable for their panchayat

- b. Housing and cage management
- c. Feeding practices and nutrition
- d. Disease prevention and health care
- e. Egg and meat production techniques
- f. Waste management and hygienic practices
- g. Operation and maintenance of incubators
- h. Temperature and humidity control
- i. Egg setting, turning, and hatching techniques
- j. Handling and care of newly hatched chicks

S. No.	Activity	Unit cost	No of units	Amount
1	Resource person fee to DRP Farm for 2 days	1500	2	3000
2	Food & Refreshments @ Rs.250/- per head for 22 persons 2 days	250	44	11,000
3	Stationery & leaflets	75	20	1,500
Total				15,500

If any amount is needed for additional activities for training, it may be incurred from beneficiary contribution.

X. Marketing Strategy

Before the commencement of production of poultry eggs and birds, the District Team of APO (LH), DRP Farm, DSMS Manager and CRPs concerned in collaboration with the Animal Husbandry department should support the Backyard poultry cluster members on the following aspects for remunerative marketing of eggs & meat produced by all 20 members of Backyard poultry cluster.

- 1) For Marketing of Backyard poultry products, **DRP Farm & DSMS Manager** are to jointly discuss with AH Department officials and study marketing scopes such as local meat shops,

urban wholesale markets, supermarkets, restaurants, and institutional buyers such as hostels or canteens and the marketing avenues, identify traders and marketing tie-up first time and afterwards, DSMS, Manager to follow the marketing of Backyard poultry products.

- 2) **CRP (Farm) / BC (LP)** is to facilitate timely aggregation, grading, and delivery of Backyard poultry products to identified market channels.
- 3) Instead of selling individually, the members should join and aggregate the produce for despatching to bigger markets in the urban areas regularly.
- 4) Instead of selling to middle men, members should engage in the direct sale of eggs and meat in the market and production of various value-added food items made from poultry eggs and meat.

XI. Repayment

- a. Loan repayment should be made at **6% interest rate** and deposited to the cluster bank account.
- b. A sum of **Rs.2.84 lakhs** shall be utilized as **revolving fund** for backyard poultry cluster except training, registers and name board.
- c. Entire fund needs to be repaid to the cluster except the sum of Rs.16,000/- spent for training, registers and name board.
- d. A **moratorium period of 2 months** is fixed during which only interest is to be repaid.
- e. Following the moratorium, repayments should be made in monthly instalments. The repayment amount, along with the

applicable interest, should be paid on or before the 5th of every month to the cluster account.

- f. Repayments should be recorded in a cash Book and proper receipts should be given to the beneficiary. Repaid amount should be deposited promptly into the Cluster's bank account.
- g. From the Cluster account, **the due amount (principal & interest) for that month should be transferred to the BLF Farm Cluster Account through ECS**
- h. **Repayment period may be upto a maximum of 12 months** after the moratorium period.
- i. Repaid loan amount may be used as working capital for next year/season for the existing members **up to two more repayment cycles.**
- j. If the existing members are **not willing to buy more poultry birds for rearing, eligible new members** who are interested in joining the cluster may be included after verification by the **team consisting of BC (LH), BMM and APO (LH).**
- k. If no SHG member in the panchayat is willing to take up backyard poultry rearing in later year or after two more repayment cycles with the approval from DMMU, should release the funds to a **new cluster** willing to take up poultry rearing as a cluster activity.

XII. Monitoring & Evaluation

- a. **CRP (Farm)** shall be responsible for ensuring **timely loan repayments** by the SHG members and providing regular handholding support at the cluster level.

- b. The name of the cluster, year, beneficiary details, internal loan given details, no. of cows procured, etc., are to be **maintained by the PLF in the Livelihood register.**
- c. **BMM, Zonal BC & BC LH shall inspect the cluster,** ensure regular meeting, and oversee the expenditure made, number of cocoons produced and income generated besides maintenance of registers.
- d. BLF shall also to maintain a register with the cluster name and year.
- e. The **District Resource Person (Farm)** must visit members' backyard poultry unit, with AH Department officers and provide necessary **technical advice.**
- f. The **Assistant Project Officer (Livelihood)** shall conduct monthly inspections to **monitor Utilization of cluster funds,** Maintenance of records, Adherence to planned activities and timelines.
- g. The Project Director, Mathi, shall randomly visit the operational cluster.
- h. The **PD Mathi** should conduct **monthly review** on functioning, repayment and earnings of the backyard poultry cluster with APO LH, DRP Farm, BMM and BC LH.
- i. **Once in six months** progress should be reviewed in **convergence meeting** with the Line departments under the chairmanship **of District collector.**

XIII. Expected Benefits

- a. Backyard poultry requires relatively low capital investment but offers high returns, making it suitable for small and marginal women farmers.
- b. SHG members will earn a steady income throughout the year by engaging in backyard poultry.

- c. Practicing backyard poultry alongside other agricultural activities (Integrated Farming Practice) optimizes land use and increases overall farm income.
- d. Collective purchase of required equipment and other inputs and adoption of Integrated modern techniques besides aggregation in collection of eggs and poultry birds will reduce cultivation costs and improve yields.
- e. Creates more employment opportunities in the rural area.

XIV. Way Forward

- a. To encourage more SHG members to take up poultry rearing as a viable income-generating activity, thereby promoting local employment and economic resilience in rural areas
- b. To promote inclusion of new members in the poultry rearing cluster in the village for assured income.

Annexure -1 - District-Wise Targets

S. No.	District	Total No. of Clusters
1	Ariyalur	2
2	Chengalpattu	2
3	Coimbatore	2
4	Cuddalore	2
5	Dharmapuri	2
6	Dindigul	2
7	Erode	2
8	Kallakuruchi	2
9	Kanchipuram	2
10	Kanyakumari	2
11	Karur	2
12	Krishnagiri	2
13	Madurai	2
14	Mayiladuthurai	2
15	Nagapattinam	2
16	Namakkal	2
17	Nilgiris	2
18	Perambalur	2
19	Pudukkottai	2
20	Ramanathapuram	2
21	Ranipet	2
22	Salem	2
23	Sivagangai	2
24	Tanjore	2
25	Tenkasi	2
26	Theni	2
27	Thoothukudi	2
28	Tirunelveli	2
29	Tirupathur	2
30	Tiruppur	2
31	Tiruvallur	2
32	Tiruvannamalai	2
33	Tiruvarur	2
34	Trichy	2
35	Vellore	2
36	Villupuram	2
37	Virudhunagar	2
Total		74

Approved by
Managing Director

Annexure - 2

Format for recommendation for fund release from DMMU to BLF

S. No.	Particulars	Details
1	Name of the Block	
2	Name of the Cluster	
3	Name of the Panchayat	
4	Grama Sabha approval date of selected Beneficiaries	
5	Date of Account opening	
6	Bank Name	
7	Branch Name and IFSC code	
8	Account Name as per bank passbook	
9	Account Number	
10	Secretary Name and Mobile Number	
11	Treasurer Name and Mobile Number	
12	Beneficiary eligibility (Sub format enclosed) for number of Beneficiaries whether verified	
13	Per member contribution in (Rs.)	
14	Conduct of Regular meeting	
15	Name of the Register Maintained	
16	Nearby markets (mentioned name and distance)	

Cluster formation and selection of beneficiaries are verified as per guidelines and recommended for release of funds to the _____ cluster of _____ PLF in _____ Block through BLF.

Block Coordinator
(LH)

**Block Mission
Manager**

Asst. Project Officer
(LH)

Annexure -3

Sub Format for Eligibility of Beneficiary Identified***

S. No.	Particulars	Details
1	Name of the Beneficiary	
2	Name of the Husband/ Guardian	
3	Address	
4	Date of Birth/Age	
5	Mobile Number	
6	Name of the SHG	
7	Number of years as an SHG member	
8	NRLM member ID No.	
9	Community(SC/ST/MBC/BC/Others)	
10	Whether comes under Special Category (Diff. abled / Widows/Destitute widows)	
11	Aadhar card Number	
12	Smart card Number	
13	Do you have MGNREGA card? If yes, provide card number	
14	PIP Number and Category	
15	Total area of Land owned / leased(Acres)	
16	Whether the member presently rearing backyard poultry?	
17	Experience in backyard poultry rearing	

18	Area of land proposed for rearing backyard poultry (in cents)	
19	Any loan availed under livelihood activities a. Name of the scheme: b. Loan amount availed in Rs.	
20	Any overdue / NPA in Rs.	

I declare that the above details are correct and in line with my consensus.

Date:
Signature

Beneficiary

Place:

The above details were verified by me and found correct

Name of the CRP(Farm):

CRP(Farm) Mobile Number:

Signature of CRP(Farm):

Attachment:

1. Aadhar Card Xerox Copy
2. Smart Card Xerox Copy
3. MGNREGA Xerox card
4. SHG Resolution copy for the number of years as an SHG member
5. SHG Resolution copy not to be a office bearer in BLF/PLF
6. SHG Resolution copy for No overdue or NPA in any Bank/institution
7. Patta copy/Lease agreement copy
8. Selected Member Grama saba approval copy

*** This format to be collected for each beneficiary separately and attached to the Annexure-1 for fund release to BLF.

Annexure-4
TRIPARTITE AGREEMENT

This Tripartite Agreement is made on this ____ day of _____, 20__ at _____

Among:

1. Block Level Federation (BLF), a community-based organization constituted under the guidelines of the [Tamil Nadu State Rural Livelihoods Mission], having its office at _____, represented herein by its President/Secretary, Shri/Smt. _____, hereinafter referred to as the "First Party" (which expression shall, unless excluded by or repugnant to the subject or context, include its successors and permitted assigns);

AND

2. _____ Cluster, a collective of _____ cultivating SHG women farmers functioning under the aegis of the First Party, with its registered/recognized office at _____, represented by its Cluster Leader/Representative Selvi/Smt. _____, hereinafter referred to as the "Second Party";

AND

3. Selvi/Smt. _____, daughter/wife of _____, residing at _____, a member of the Self Help Group _____ under the jurisdiction of the above-mentioned BLF, hereinafter referred to as the "Third Party" or the "Beneficiary".

WHEREAS:

- The First Party is responsible for facilitating and overseeing Cluster initiatives at the Block level.
- The Second Party manages implementation and support at the cluster level.

- The Third Party is a beneficiary of the scheme, participating through her Self Help Group (SHG).

NOW, THEREFORE, THIS AGREEMENT WITNESSETH AS UNDER:

1. Roles and Responsibilities

1.1 First Party (Block Level Federation) Shall:

- Facilitate capacity building, training, and support services for _____(Agriculture/Horticulture/Sericulture/Animal Husbandry)
- Mobilize and release funds/grants/subsidies received under any government or non-governmental scheme to the Second and/or Third Party, as per approved norms.
- Release the _____ cluster funds Rs. _____ received from the District Mission Management Unit to the Second Party's bank account within 7 days from the date of receipt of funds.
- Participate (through any one of its representatives) in the monthly meeting of the cluster and monitor the cluster activities and progress.
- Monitor the proper maintenance of registers by the cluster.
- Provide conflict resolution support and maintain oversight over operations.
- Monitor and evaluate the implementation of the project and ensure adherence to prescribed guidelines.

1.2 Second Party (_____ Cluster) Shall:

- Coordinate procurement, input supply, training, and market linkages.
- Maintain records of disbursements, training, production, and sales.
- Release of Rs. _____ against activities such as to the Third Party's bank account within 7 days of receiving funds from the First Party.
- Monitor the utilization of the fund released to the Third Party for the above-mentioned purposes.
- Collect 6% interest from the Beneficiary starting from _____ month onwards and transfer the loan due amount (principal & interest) to the 1st party's Cluster Bank account.

1.3 Third Party (Beneficiary) Shall:

- Utilize the funds strictly for the purposes they are meant for and shall not divert the funds for consumption or personal purposes.
- Repay the loan with 6% interest starting from the _____ month from the date of receiving funds from the Second Party and pay only interest during the _____ months.

- Properly maintain all assets acquired under the scheme and shall not sell or transfer them to outsiders without prior approval from the Second and First Parties.
- Participate in training, share production data, and allow inspections as required.
- Ensure cleanliness in _____ units, and follow standard protocols.

2. Duration

This Agreement shall remain in force till the repayment of loan unless extended by mutual consent or terminated earlier as per Clause 5.

3. Financial Terms

Disbursement and utilization of funds shall follow the installment structure detailed in Section 1.2.

All repayments with interest shall be made as per the repayment schedule.

Refer to Annexure A for repayment schedule.

4. Dispute Resolution

Disputes, if any, shall be resolved amicably at the Panchayat level first. If unresolved, they shall be escalated to the Block Level Federation under the TNSRLM.

5. Termination

This Agreement may be terminated:

- By mutual consent of all parties;
- By the First Party upon breach or non-performance by the Second or Third Party;
- By the Third Party upon return of all assets and repayment of funds as applicable, with 30 days written notice.

6. Miscellaneous

The Agreement does not constitute an employment or agency relationship.

All annexures, rules, guidelines, and communications relating to the scheme are binding components of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Signature of First Party (BLF Secretary & Treasurer)

Name: _____

Designation: _____

Name: _____

Designation: _____

Seal:

Seal:

Signature of Second Party (_____ Cluster Secretary & Treasurer)

Name: _____ Name: _____

Designation: _____ Designation: _____

Seal: _____ Seal: _____

Signature of Third Party (Beneficiary)

Name: _____

SHG Name: _____

Witnesses:

1. _____ (Name & Address)

2. _____ (Name & Address)

Annexure A: Repayment Schedule

Name of the cluster or Activity:

Name of the Beneficiary with Father or Husband Name:

Name of the SHG:

Total Loan Amount:

Interest rate:

Repayment period:

S. No.	Month	Repayment Amount (Rs.)		Total amount to be repaid
		Principal	Interest	
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				

Signature of the BLF

Secretary & Treasurer

Signature of Cluster

Secretary & Treasurer

Signature of the Beneficiary