



Guidelines on Establishing Incubators Units



Egg hatching is a **scientific technique** aimed at enhancing **poultry farming and chick production**, particularly benefiting **small and medium-scale farmers and poultry rearers**. This method involves maintaining eggs under **controlled temperature and humidity conditions** to ensure optimal hatching rates and the healthy development of chicks.

As **Backyard Poultry Clusters** have been successfully implemented by **TNSRLM** over the past two years, it is now proposed to establish **148 egg incubators** across **all districts during 2025–26**. This initiative is intended to ensure a **consistent supply of high-quality chicks** to the existing poultry clusters and nearby farmers, thereby enabling **SHG women to earn additional income** through chick rearing and sales.

I.Objectives

- a. To enhance collective chick production rates by promoting the use of egg incubators for controlled and efficient hatching.
- b. To train women in Self-Help Groups on maintaining the optimal temperature and humidity levels required for successful egg incubation in a collective approach.
- c. To address the limitations of natural chicken hatching by introducing incubators that enable consistent egg hatching throughout the year for the poultry clusters promoted through TNSRLM.

II. Selection of Districts

In view of presence of backyard poultry clusters and traditional knowledge on poultry practices in all villages across the State, all districts have been selected for implementation of incubators during 2025-26. This

existing base provides a strong foundation for scaling up chick production through incubator-based hatching.

The climatic conditions across most parts of the state are conducive for setting up low-cost, easily manageable hatcheries. These conditions reduce operational challenges and enhance the efficiency of incubation.

III. Selection of Panchayats:

3.1. Selection Committee

For establishment of 148 Poultry Incubators in the district during 2025-26, it has been proposed to **establish incubators in 74 Panchayats** where backyard poultry clusters were established in **2024-25**.

IV. Selection of Beneficiaries

- a. A **meeting** will be conducted at **cluster level involving representatives** from PLF, Community Resource Persons and beneficiaries of Back yard Poultry clusters, with the following agendas.
 - 1) To explain the project objectives, guidelines and expected outcomes of the Incubators initiative.
 - 2) To highlight the benefits of Incubators as a viable income-generating activity.
 - 3) To encourage participation and address queries or concerns from potential beneficiaries.
- b. During this meeting, applications will be collected from the cluster members interested in taking Incubators as livelihood activity.

4.1 Specific Criteria for selection of Beneficiary

- a. In the Panchayats having poultry cluster, the Panchayat Level Federation (PLF) and CRP Farm will facilitate the identification of one member from the cluster who is enthusiastic about poultry rearing and

interested in adopting the concept of chick hatching through incubation.

- b. Ensure availability of an appropriate **space of at least 100 square feet** for placing the incubator along with **reliable electricity supply** to maintain consistent temperature, humidity and battery backup.
- c. Also sufficient space should be available for rearing hatched chicks for one month.

V.Finalisation of beneficiaries for setting up incubators

- a. **One eligible** willing SHG member should be selected from all the **74 poultry clusters formed in 2024-25** and all **74 clusters to be formed in 2025-26**, totalling 148 beneficiaries for setting up of incubators during 2025-26.
- b. The details of selected beneficiaries to be placed in Grama sabha and got approved.
- c. The selected **beneficiary should have bank account in her name.**

VI. Implementation Strategy

- a. 50% of the total cost of incubator will be subsidy and 50% should be given as loan to the beneficiary.
- b. Determine the number of eggs to be incubated based on the production goals and demand within the cluster or local community.
- c. Ensure basic transportation access for procurement of eggs and distribution of chicks.
- d. The poultry cluster will be the source for good quality eggs suitable for hatching. Also space should be there for growing the hatched chicks up to one month.
- e. At the District level, **APO LH and DRP Farm** should approach the **Animal Husbandry Department** and **CEEW** to obtain details of suitable models of incubator along with the list of dealers.

- f. The list of minimum 10 suitable incubator models & the authorised dealers should be shared with the beneficiaries for procuring the appropriate incubators by themselves.
- g. Since the amount is given to the beneficiaries as loan, **individual should only finalize the model and supplier.**
- h. The Incubator cluster activities should be carried out under the **supervision of the CRP Farm** and in the absence of CRP Farm, BC LH should be responsible. BC LH should conduct a field visit and certify that the incubator is purchased.
- i. The **Asst. Project Officer (LH) should conduct a super check** through a physical field visit and ensure that Incubator is purchased.
- j. After installation of the incubator, maintain cleanliness and ensure that all parameters for operations are well maintained.
- k. Monitor incubation parameters and maintain the environment for a 21-day cycle to ensure successful hatching.
- l. Once chicks are hatched, remove them gently from the incubator, provide appropriate brooding conditions like controlled temperature, clean water, nutritious feed, administer vaccinations and health check-ups with the support of veterinary experts.
- m. After a brooding period of around one month, the chicks can be sold to local farmers or markets to generate income for woman as part of ongoing livelihood activities.
- n. DRP Farm to ensure that the produced chicks are vaccinated properly.

VII. Registers to be Maintained

- a. Egg, Chicks production and Sales Register
- b. Equipment Log Book
- c. Visitor Register

VIII.Fund Allocation:

Each beneficiary of Incubator will receive **Rs.1 lakh** with the following funding break up.

S. No	Description	Amount (in Rs.)
	Infrastructure Fund	
1	Incubator along with power back up, cage for growing chicks (to be paid back)	50,000
2	Working Capital (to be paid back) (buying of egg, insurance, growing chicks for one month, feed, vaccine including training, register and Name board etc.,)	38,500
3	Three days training	11,500
Total		1,00,000

8.1 Fund Release:

- The amount shall be released from SMMU to DMMU.
- The **CRP-Farm will verify and confirm the eligibility** of selected beneficiaries.
- An implementation team of **APO (LH), BMM and BC LH** concerned should visit the panchayat and ensure that beneficiary is selected as per eligibility, bank account, availability of space for installation of incubator, readiness of the individual member to purchase the incubator, eggs and market the chicks, and submit report to PD, Mathi in the format specified in annexure-2 & 3 with its recommendation for the fund release..
- On receipt of recommendation, DMMU should release 100% of fund allocated for Incubator to BLF within 7 days with the narrative for setting up of incubator.

- e) BLF should release the fund to Incubator beneficiary within the next 7 days, following the **execution of an agreement** between BLF (agreement model given in annexure – 4) and the Beneficiary which consists of clauses stating
- i. Shall utilize the funds for purchase and operation of Incubator in the designated village.
 - ii. To repay the loan **with 6% interest**, starting from **the 3rd month**.
 - iii. If the beneficiary receive back ended subsidy from Agri. Engineering Department for incubator, the subsidy amount may be repaid back to the BLF.
- f) Only the actual cost incurred for purchase of Incubator 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) All the transactions should be only through ECS(RTGS/NEFT)

IX. Training of Incubator beneficiaries:

- a. A **three-days training** shall be provided to the beneficiaries at district level in any one block. Two days training on the operational procedure of the incubator, care of newly hatched chicks and rearing the chicks for one month will be conducted by the DRP Farm, CFS trainer or SPARK identified by VKP in coordination with Animal Husbandry Department or KVK (Supplier may also be invited for a session to give inputs on the other technical concepts of the incubator). Third day they may visit a nearby Government or Private Hatchery unit for hands on training.
- b. The training shall be conducted at any common place in the district.

- c. The training fees for the DRP Farm & the supplier and refreshments for the members shall be met from the working capital.

Sl. No.	Activity	Unit cost (Rs.)	No of units	Amount (Rs.)
1	Resource person fee to DRP Farm & Supplier	1,500	3	4,500
2	Food & Refreshments @ Rs.250/- per head for 7 persons	250	21	5,250
3	Transport charges	1500		1500
4	Stationery, Projector, leaflets	50	5	250
	Total			11,500

X.Marketing strategy

- a. **DSMS manager must** identify local backyard poultry keepers or clusters, Agri. Input shops, Poultry traders for marketing of the chicks.
- b. **CRP Farm / BC (LP)** shall ensure timely mobilization of chicks for supply to the identified marketing channels.

XI.Repayment of Loan

- a. Loan repayment should be made by the the incubator beneficiary at **6%** interest rate.
- b. Entire fund given as loan needs to be repaid to the BLF.
- c. A moratorium period of 2 months is fixed during which only interest is to be repaid.
- d. 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 BLF account.

- e. 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 BLF's Farm Livelihood bank account.
- f. **Repayment period shall be maximum of 18 months** after the moratorium period.
- g. Repaid amount along with the interest collected can be given as loan again for the other existing SHG members with in the Block, based on the verification of eligibility criteria by the BC LH, BMM and APO LH for buying incubator.
- h. BLF, should release the fund to another SHG member willing to purchase of incubator.

XII. Monitoring & Evaluation

- a. **CRP (Farm)** shall visit the beneficiary and ensure **timely loan repayments** by the beneficiary and deposit into the BLF's bank account.
- b. The name of the activity, year, beneficiary details, internal loan given details, procured, etc., to be maintained by the **PLF in the Livelihood register.**
- c. **BMM, BC LH and zonal BC** shall **inspect the** beneficiary, ensure regular meeting, and oversee the expenditure made, and income generated besides maintenance of registers.
- d. BLF should also to maintain a register with the beneficiary name and year.
- e. **District Resource Person (Farm)** shall visit the beneficiary and offer technical guidance, assess the quality of the chicks produced, etc.,
- f. **Assistant Project Officer LH** shall conduct monthly inspections of the beneficiary for verification of registers and documents, review of

- fund utilization and repayment status and to ensure the revolving fund mechanism is functioning properly
- 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 Incubator with APO(LH), DRP Farm, BMM and BC LH.
 - i. **Biannually** the cluster progress is to be reviewed in the **convergence meeting** with line departments chaired by the **District Collector**.

XIII.Expected Outcomes:

- a. Regular production of around 1000 chicks per cycle (21 days), depending on unit size.
- b. Enhanced income for SHG women through chick sales or rearing.
- c. Year-round availability of chicks for the poultry cluster members.
- d. Improved food security and nutrition at household level.

XIV.Way Forward

- a. To encourage more SHG members to take up incubator as a viable income-generating activity, thereby promoting local employment and economic resilience in rural areas

Annexure -1 - District-Wise Targets

S. No.	District	Total No. of Clusters
1	Ariyalur	4
2	Chengalpattu	4
3	Coimbatore	4
4	Cuddalore	4
5	Dharmapuri	4
6	Dindigul	4
7	Erode	4
8	Kallakuruchi	4
9	Kanchipuram	4
10	Kanyakumari	4
11	Karur	4
12	Krishnagiri	4
13	Madurai	4
14	Mayiladuthurai	4
15	Nagapattinam	4
16	Namakkal	4
17	Nilgiris	4
18	Perambalur	4
19	Pudukkottai	4
20	Ramanathapuram	4
21	Ranipet	4
22	Salem	4
23	Sivagangai	4
24	Tanjore	4
25	Tenkasi	4
26	Theni	4
27	Thoothukudi	4
28	Tirunelveli	4
29	Tirupathur	4
30	Tiruppur	4
31	Tiruvallur	4
32	Tiruvannamalai	4
33	Tiruvavarur	4
34	Trichy	4
35	Vellore	4
36	Villupuram	4
37	Virudhunagar	4
Total		148

**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 Panchayat	
3	Name of the Beneficiary	
4	Grama Sabha approval date of selected Beneficiary	
5	Name of the Bank	
6	Branch and IFSC Code	
7	Bank account Number of the Beneficiary	
8	Beneficiary eligibility (Sub format enclosed) whether verified	
9	Member contribution in (Rs.)	
10	Nearby market for dried farm products (mentioned name and distance)	

For establishment of the Incubator unit, beneficiary is verified as per guidelines and recommended for release of funds to the _____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 by the member	
16	Whether the member presently owns Incubator in his farm / house?	
17	Experience in Incubator and processing Work	
18	Any loan availed under livelihood activities a. Name of the scheme: b. Loan amount availed in Rs.	
19	Any overdue / NPA in Rs.	

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

Date:
Signature
Place:

Beneficiary

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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 an 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 sabha approval copy

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

Annexure-4 **AGREEMENT**

This 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. 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 "Second Party" or the "Beneficiary".

WHEREAS:

- The First Party is responsible for facilitating and overseeing Incubator initiatives at the Block level.
- The Second Party is the beneficiary of the scheme, participating through her Self Help Group (SHG) and manages implementation and support.

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/Fisheries/ Agriculture Engineering/Animal Husbandary)
- Mobilize and release funds/grants/subsidies received under any government or non-governmental scheme to the Second Party, as per approved norms.

- Release funds of Rs. 100,000/- 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 meetings of Incubator activities and its progress.
- Monitor the proper maintenance of registers by the second party.
- Provide conflict resolution support and maintain oversight over operations.
- Monitor and evaluate the implementation of the project and ensure adherence to prescribed guidelines.
- Collect 6% interest from the Beneficiary.

1.2 Second Party 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 3rd month from the date of receiving funds from the first Party and pay only interest during the first two months.
- Properly maintain all assets acquired under the incubator unit scheme and shall not sell or transfer it to outsiders without prior approval from the First Party.
- Participate in training, share production data, and allow inspections as required.
- Ensure cleanliness in incubator 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 A attached.

Refer to Annexure A for detailed 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 Tamil Nadu State Rural Livelihoods Mission.

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 Party;

- By the Second 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 Representative)

Name: _____

Designation: _____

Seal:

Name: _____

Designation: _____

Seal:

Signature of Second Party (Incubator Beneficiary)

Name: _____

Designation: _____

Witnesses:

1. _____ (Name & Address)

2. _____ (Name & Address)

Annexure A:
Repayment Schedule

Name of the 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				
	Total			

Signature of the BLF

Secretary and Treasurer

Signature of the Beneficiary