



Country: Rwanda

Sector: Poultry

Investment: Upscaling of a hatchery and production of fertilised eggs

Total estimated capital expenditure: USD 883.000

Investment type: 6-year convertible subordinated loan, 2-year grace period

Amount invested by Kampani: USD 565.000

Co-investor: Not applicable

In portfolio since: January 2022

Deal sourced by: Agriterra

THE BUSINESS



easyHATCH was established as a hatchery business, using imported fertilised eggs, in Musanze, the northern part of Rwanda in 2016 and has grown to be the leading chicken hatchling producer in the country. Since September 2021, it has been producing fertilized eggs locally, no longer needing to import eggs.

The current business model consists of easyHATCH selling the produced day-old chicks to Rwandan broiler farmers, who have to indicate their demand before the fertilized eggs are entered into the incubators. The demand from the approximately 500 broiler farmers varies from 100 chicks, which is the minimum order size, to 7.000 chicks per order. Farmers who procure their day-old chicks from easyHATCH receive complementary services from the company, including veterinary services and training to decrease mortality rates. The main challenges faced by the farmers are related to animal health, as access to drugs and vaccinations is limited.

THE INVESTMENT

In order to increase the supply of broiler chickens, a key investment was needed for the upscaling of the hatchery. easyHATCH currently owns four incubator machines and one hatching machine, with a total capacity of 20.000 day old chicks per week.

The Kampani investment will unlock the upscaling of the hatchery and the broiler farm. easyHATCH's objective is to triple the capacity of its hatchery by 2024, to respond to the expected increased production of broilers by smallholder farmers.

By investing in a new hatchery building Kampani will finance an expansion targeting a higher production capacity and larger number of poultry farmers. Specifically, the following components will be financed:

- Construction of a new hen house, an egg store, a feed warehouse and a building to house incubators and office space
- Acquisition of a plot of land in Musanze for construction
- Purchase and installation of 5 incubators and miscellaneous hatchery and breeder equipment
- Acquisition of vehicles



With Kampani's investment, easyHATCH aims to double the capacity of its current hatchery operations in 2022, reaching 40.000 day old chicks per five days. An additional investment in 2024 should lead to a capacity of 60.000 day old chicks per five days.

SOCIAL IMPACT

The added value of easyHATCH lies primarily in the genetics of the day-old chicks, which allow for quick rearing and high survival rates in the chain. The contrast with local varieties is great. The domestic breeds require up to 9 months before they are ready for the table, and still provide inferior meat.

To support the smallholder poultry farmers easyHATCH provides:

- Critical training and technical assistance regarding nutrition, hygiene, and housing veterinary services. This includes facilitating access to vaccines and sharing techniques to keep the birds disease free
- Access to other inputs such as disinfectants and vitamins
- Outreach and training to female producers. They hope to reach a sourcing ratio of 60% female poultry farmers within the next couple of years. The poultry sector is traditionally dominated by men and easyHATCH has found it challenging to find women to sell to

All of this adds up to providing smallholder farmers with stable income, increasing the availability and accessibility of high-quality animal protein to underserved communities, and addressing malnutrition rampant throughout Rwanda. With the investment in the breeder farm, the price of day-old chicks has already decreased, making the operations of farmers more profitable.

