

## StartupLanes Research Report

Startup Name	Taste Heaven Chickens Pvt. Ltd.
Location	India
Co-Founders	Aftab Alam
Funding Required	75,00,000 INR
Equity Dilution	9.6%
Industry	Organic Chicken
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### Summary

Taste Heaven Chickens is an Chhattisgarh based Organic Chicken Company that wants to sell its Kadaknath Chicken products in a B2B Business model at an affordable price and wants to become a global leader in the B2B supply of Kadaknath Chicken under Food Industry – Mainly Poultry Industry. Kadaknath chicken is a special variety of Chicken that originated from Jhabua (Madhya Pradesh, India) and gained popularity when recently approved by the government of India for trade and consumption.

### Problem

In India, Organic Chicken is the least penetrated meat product which is just around 1% of all meat product consumption: -

- 1. AVAILABILITY** - Kadaknath chickens are mainly reared by tribal communities in the state of Madhya Pradesh (MP) and the state of Chhattisgarh and it is not possible to transport live birds from one place to another.
- 2. HIGH CHOLESTEROL** - 27% of the population in India has high cholesterol patients. High blood cholesterol is one of the major controllable risk factors for heart disease, heart attack, and stroke. High cholesterol causes 4.4 million deaths every year, 39% of adults around the world had high total cholesterol.
- 3. PROTEIN DEFICIENCY** - Protein deficiency diseases are something everyone should be aware of in the modern world. The deficiency of adequate protein in the diet is the leading cause of death in children. It impacts a million children throughout the world.



### Solution

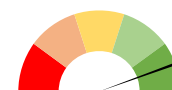
They have successfully designed and presented a variety of products keeping up with the problem statement –

- 1. AVAILABILITY** - Taste Heaven Chickens has tied up with more than 100 farmers to ensure an uninterrupted and rife supply to their customers.
- 2. HIGH CHOLESTEROL** - The Kadaknath chicken has almost zero fat content, therefore it can be even consumed by heart patients and sugar patients which makes it special and increases its demand and cost.
- 3. PROTEIN DEFICIENCY** - Kadaknath meat has more protein, less fat, and low cholesterol when compared to similar kinds of poultry breeds. And it is also termed a living supplement as this breed is highly rich in proteins and vitamins that make it prominent among chicken and body lovers.



### Disruption (Price)

The company offers its products with export quality packaging at an affordable price of just Rs. 750/- for a 900 grams packet to the Indian market which is 25% less than of what their competitors are charging. Also, they have a great margin at current times, therefore, if there is any head-on fight with any of its competitors it can fight back by reducing its price drastically and be still profitable.



### Disruption (Convenience)

They have successfully established their website as well as an offline office from where customers can order online and remotely via the website itself or calling directly with the convenience of

1. PAN India delivery services within 7 days.
2. Worldwide delivery for Export orders.
3. Availability at all Malls, Super-Markets, etc.
4. Contractual supplies at high volumes (One-time, Weekly, Monthly, etc.)



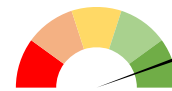
### Product/Service Quality

It has high-quality organic chicken products (Kadaknath chicken is the best fit for the same) with export-quality packaging to ensure the elongated shelf life of the product. At service point, they have a team to ensure timeliness in supplies to its customer and also they track and help the vendors who are not able to sell their products to ensure Vendor satisfaction.



### Influence over Customers

The company have influence over customers like Bodybuilders, Protein deficient people, Diabetic patients, Heart patients, etc. as they are covering the demand for high-quality Organic Chicken and that too at an affordable price. It can become a go-to choice for outlets that wants a huge quantity of high-quality organic chicken products in good packaging to ensure hygiene.



### Influence over Suppliers

The company has a buy-back Agreement with the farmers. The company has over 100 farmers of which more than half are their relatives for live bird supply which fetch them the rife supply for their volumetric Orders and higher influence over suppliers.



### Domain Expertise of the Team

**Aftab Alam (Founder)**, CA by Profession - 7+ years of experience in the field of Auditing and Management - In this Industry where marketing and management contribute more than 50 % to the business growth and having such an experience on board in my opinion is a great driving factor for the organization's growth. Live bird farming was a major source of income for some of his close relatives by which he got the idea of how this business operates.

**C R Tandekar (Employee)** - is in the field of growing, rearing, and trading Kadaknath since 2018, and the other team members also have experience of more than 3 years in this line of business.



### Market Size and Relevance

The Global organic chicken & egg market was valued at USD 7.09 Billion in 2020.

The organic chicken & egg demand is projected to exhibit strong growth with a CAGR of 16.85% reaching USD 8.73 billion by 2026.

Organic chicken & egg is a common and recommended product for every health-conscious person, persons with high cholesterol, gym-goers, etc. therefore there is a Continuous demand for this product.



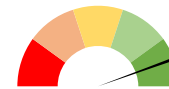
### Entry Barrier for New Entrants

The entry barrier for the organic chicken & egg industry is not much but they have attained certain economies of scale at which it is very difficult for new entrants to operate. The key in this business is the availability and rife supply of the Kadaknath chickens and the company is having the maximum number of suppliers/farmers are relatives of the founder itself, which provides them an edge over any competitors or new entrants.



### Business Model

The company wants to work in a B2B Business model by selling its products to the various outlets at an affordable price that can again have a great margin on it and wants to become a global leader in the B2B supply of Kadaknath Chicken under the Food Industry – Mainly Poultry Industry.



### Domestic Scalability

By utilizing the space of the multi-brand chain stores across the country, it can also fetch some orders from their website. Also, they can go with Offline local meat selling stores and people can accept it for its high quality and health benefits.



### International Scalability

The demand for organic chicken has grown globally, and Taste Heaven Chickens are utilizing the global market to scale their business with a great margin. The company has already bagged a contract for supply for 3 MT, therefore it is visible that there is great scope for them. Also, by utilizing the Amazon warehousing fulfillment center it can have a supply and distribution over most of the countries wherever the Amazon FBA services are available.



### Profit Margins

Taste Heaven Chickens has a gross profit margin of 33.33% on sales for the Indian market and 70% on export orders.



### Profitability Outlook

The company can increase its profitability by achieving economies of scale in production, and by increasing the no. of customers, reaching multiple Countries with higher per capita meat consumption and per capita income, etc.



### Paying Customers

They doesn't have any paying customers yet but what they have is the orders from international clients which ensures their future collaborations with multiple local and overseas clients.



### Burn Rate

It is currently burning in totality but the majority of its burn will be covered by their projected revenues. The Avg. Monthly Run Rate (2022-23) would be approx. INR 6,33,609.



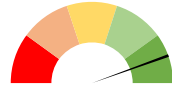
### Monthly Run Rate

The Avg. Monthly Run Rate (2022-23) of Taste Heaven Chickens will be INR 28,38,278.



### Industry Growth Prospects

The organic chicken & egg demand is projected to exhibit strong growth with a CAGR of 16.85% reaching USD 8.73 billion by 2026. Since this is a ConsumerTech Industry whose consumption will grow over time as meat consumption per capita is increasing day by day, therefore there is a continuous demand for their product.



### Exit Options for Investors

The team is planning to raise funds in multiple subsequent rounds, each round will be with increased valuation and a better growth trajectory. Investors can exit in the next round through discounting or may hold the equity till IPO or Acquisition.



### Acquisition/Next Funding Outlook

In this space, they are seeing a lot of Unorganized markets and will try to capture them over the next 2 years through Branding, Marketing, and Promotion. To fuel its next growth engine, Taste Heaven Chickens would raise the next round of funds in 12-18 months to scale their business in the Indian Market and the Global market.



### Overall Risk

Overall Risk is Moderate because they provide an excellent product that tastes better while being healthy which is the essence of the demand for the current era. Chicken is a food every non-vegetarian likes to eat at least twice a week, therefore the positive scope of growth and sustainability. One of the risks would be its cost as it costs nearly 3 times the broiler chicken so the customer shift in demand will be merely from the upper-middle class and rich people.



### Overall Rating

In my opinion, Taste Heaven Chickens is a good investment after careful analysis of all the aspects. This start-up will grow at a fast pace in the coming future. The scope of Industry would increase with the years.



### About StartupLanes

StartupLanes is an ecosystem for startups. It is structured into groups of companies each into different segments solving big problems for the benefit of startups. StartupLanes was established on 16th January 2016, now it is one of the fastest-growing companies in the world, ranked no. 1 by Growjo's. StartupLanes in 2021 is an ever-growing network of startups that has a presence in 56 cities across 15 countries now. It spreading its wings all across the world at a fast pace.