

Rural Livelihoods, Livestock Promotion and Animal Health: Evidence from the GMS

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- Top Findings

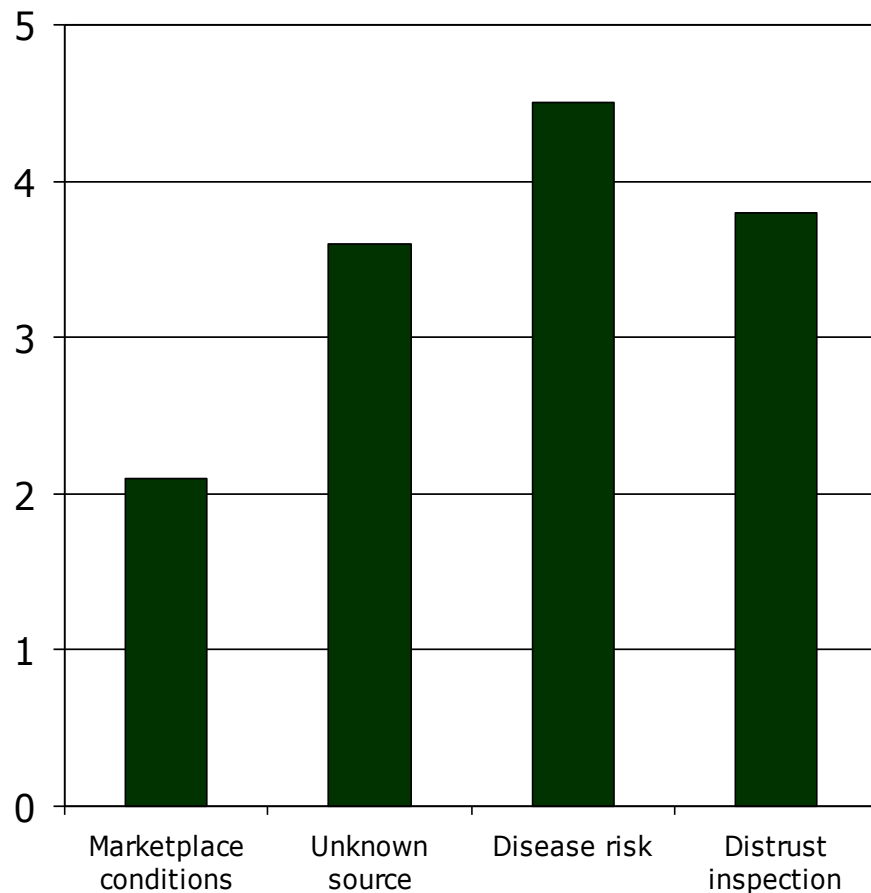
NB: Outline numbers refer to the supporting project document.

1.2 Poultry sector dynamics and consumer preferences

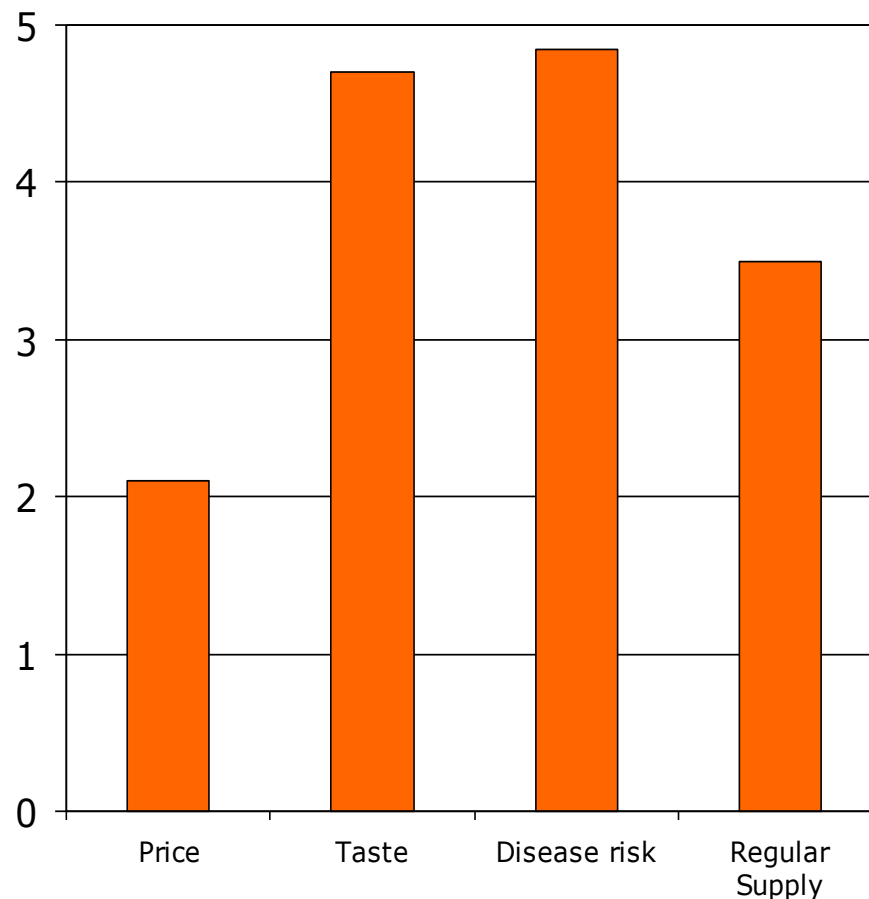
1. Most urban consumers remain regular patrons of wet markets, and are very discerning consumers of fresh poultry products, preferring 'traditional' to 'industrial' chicken.
2. Consumer surveys consistently value food safety ahead of other food product characteristics, with taste a close second.
3. Demand for local varieties of poultry often exceeds supply in local markets .

Consumer Concerns & Preferences

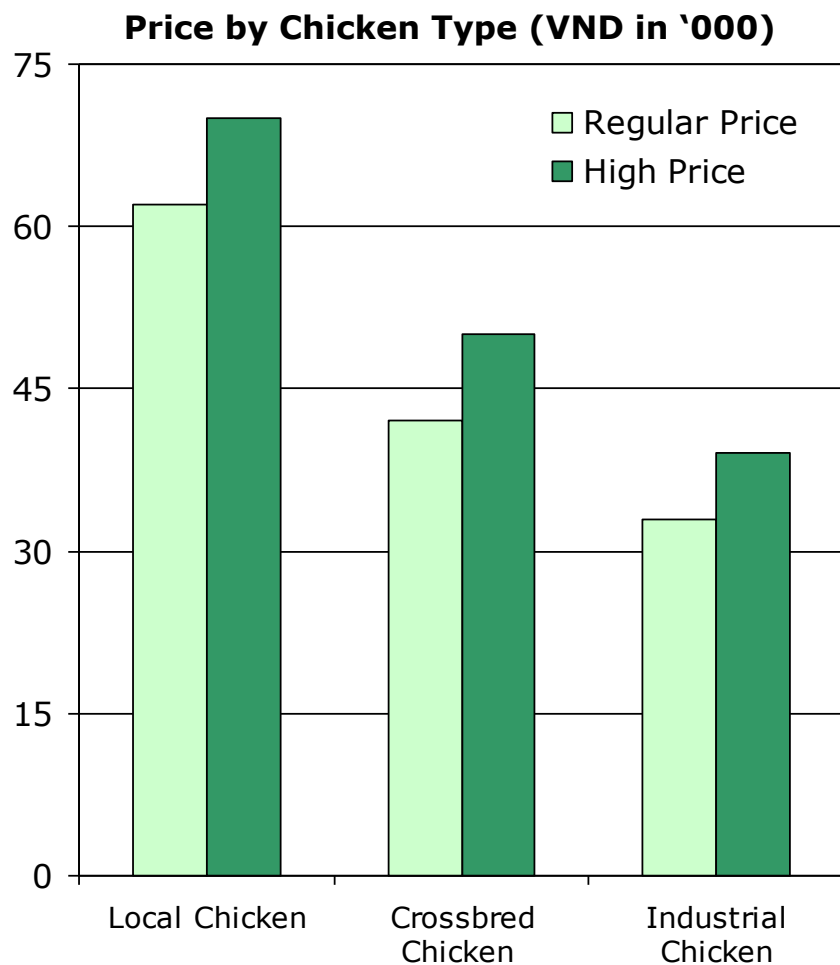
Ranking of Safety Concerns



Ranking of Chicken Attributes



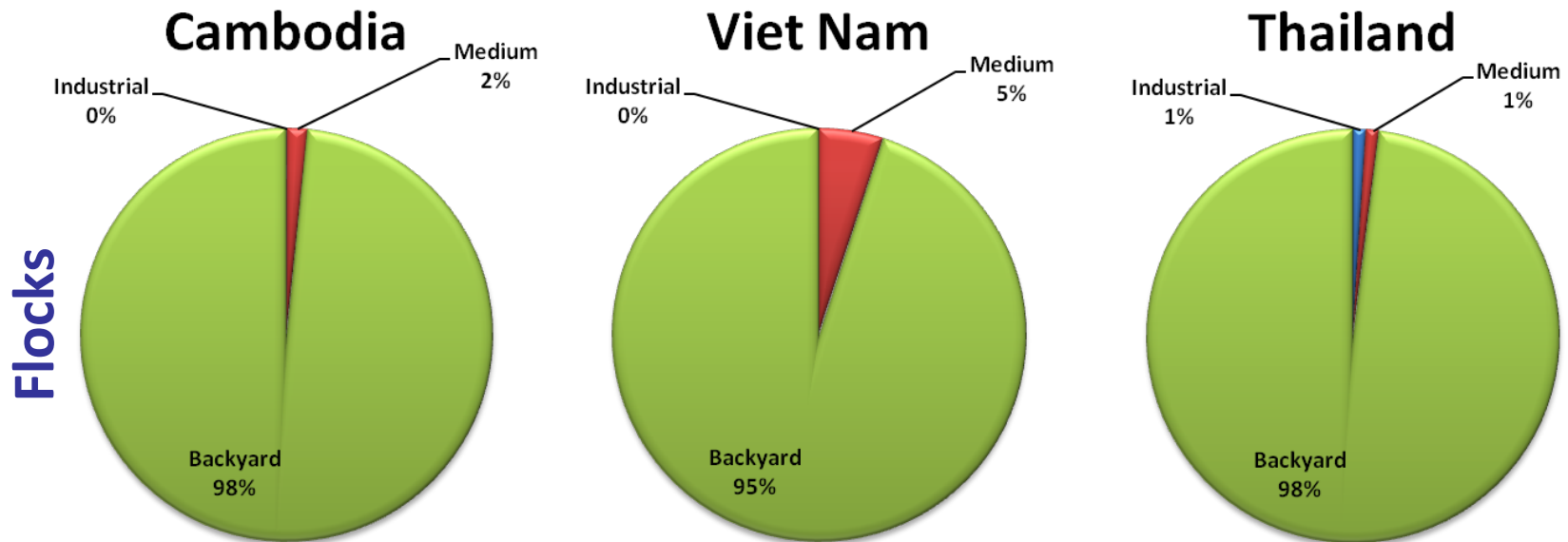
Price Profile of Chickens



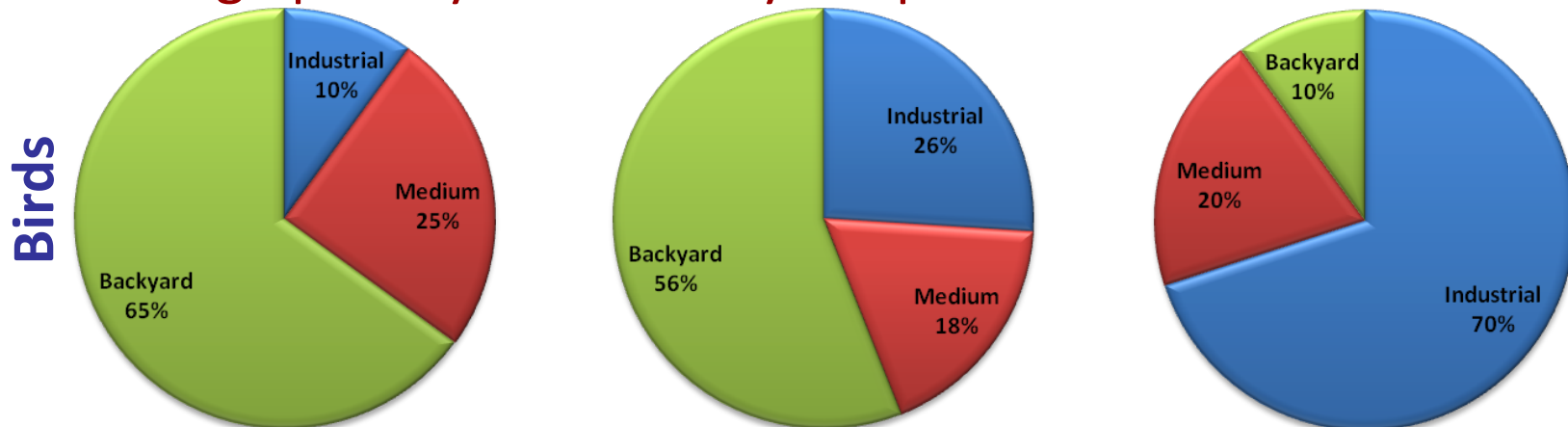
1.3 Household poultry keeping and marketing

1. Nearly all rural households in the GMS keep poultry for both sustenance and income, specializing in traditional bird varieties raised in low-input systems.
2. Though small in absolute terms, the relative returns to selling poultry products are very high.
3. In addition to nutrition and income, poultry offer rural households a complex array of services, including pest control, fertilization, security, and entertainment, and birds and bird products serve a variety of cultural functions.
4. The majority of small scale producers face credit constraints.

Backyard Chickens are Ubiquitous



although poultry sectors may be quite diverse...



Backyard Chickens are Profitable

(Vietnamese evidence)



Average Return per Hen and Year
(Monetary Values in 1,000 VND)

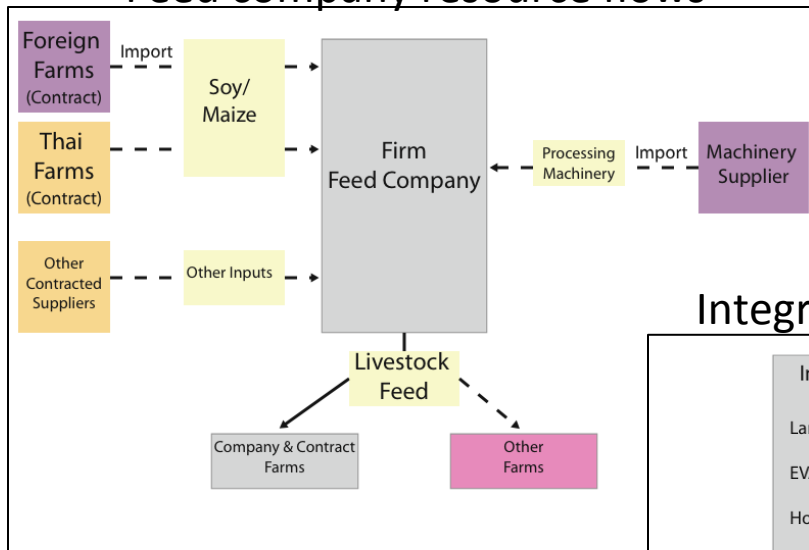
Item	
Eggs consumed/sold (nr)	35.0
Birds consumed/sold (nr)	6.7
Value of eggs consumed/sold	49.0
Value of birds consumed/sold	244.7
Depreciation of hen	6.3
Gross revenue/hen	287.4
Investment/hen	50.0
Return on investment (%)	575.0

3.3 Livelihoods and economic impacts of HPAI & HPAI control

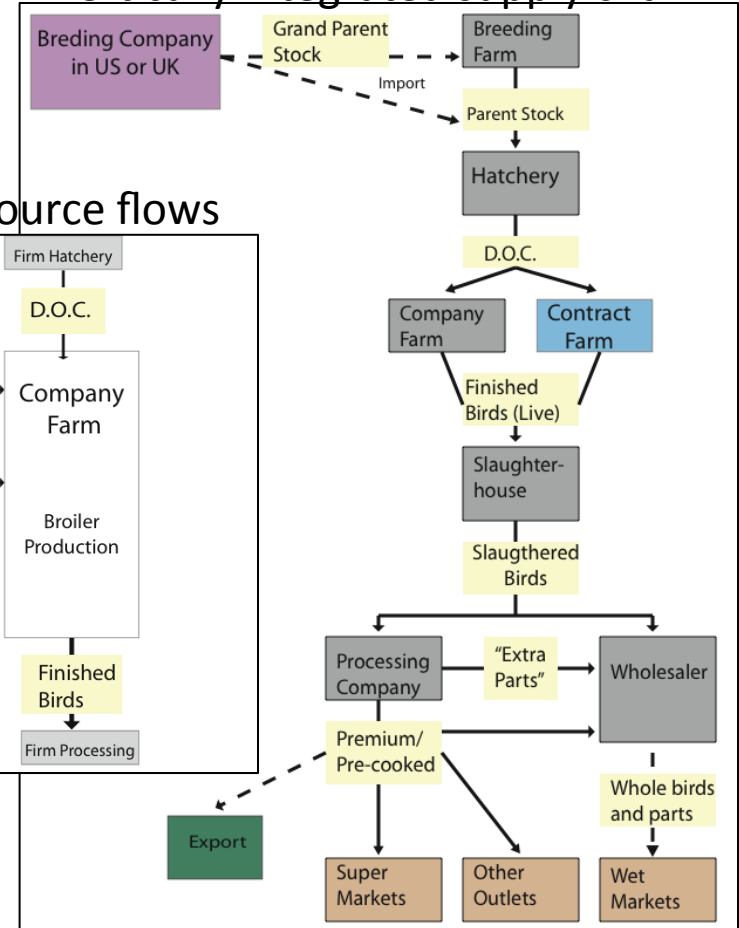
- 1. HPAI causes economic losses through a complex mixture of impacts acting through direct and indirect pathways.**
- 2. Drastic disease control measures and consumer reactions to HPAI have severe impacts on all actors in poultry supply chains irrespective of the specific infection status of their flocks.**
- 3. Smallholder poultry producer households have well-developed strategies to cope with one-time losses of their poultry.**
- 4. Poultry production and processing standards promoted by the industrial / corporate sector are reducing the prospects for smallholder poultry development.**
- 5. Changing market environments in response to HPAI pose more serious threats to smallholder poultry producer livelihoods than HPAI itself.**
- 6. Low-income urban consumers are neglected stakeholders in HPAI control.**
- 7. Consumers have re-evaluated the risk posed by poultry and adjusted their consumption habits.**
- 8. Poultry producers who bore the largest cumulative economic burden of HPAI differ from those whose livelihoods are most severely affected by the disease.**

Supply Chain Audits

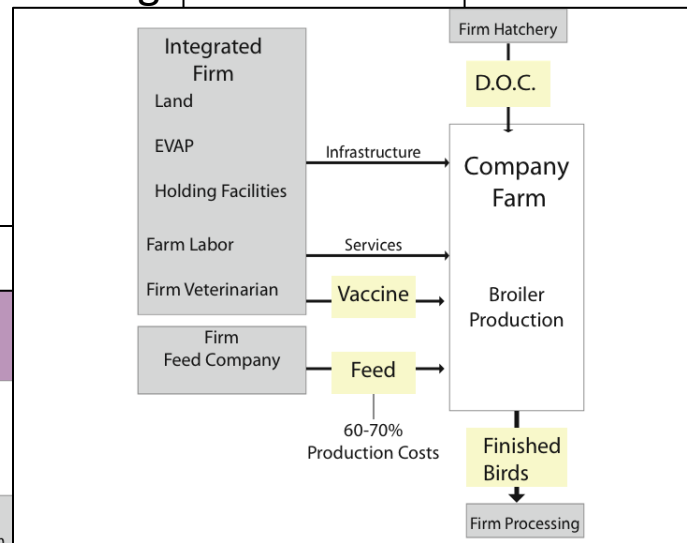
Feed company resource flows



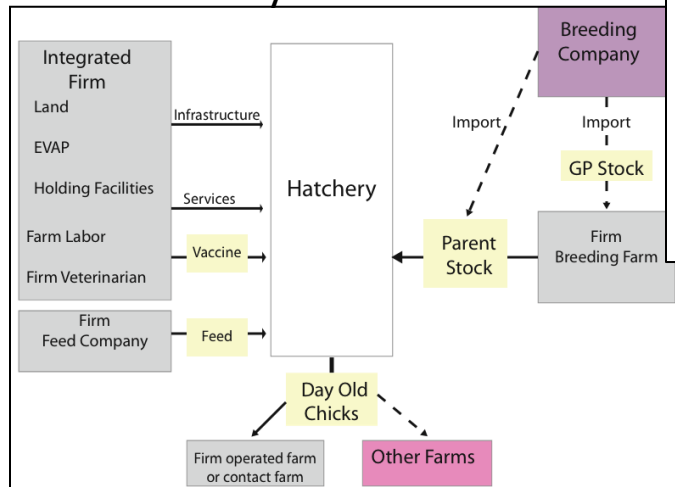
Vertically integrated supply chain



Integrated farm resource flows



Hatchery resource flows



4.1 Alternative approaches to HPAI control

1. Any attempt to formalize markets without maintaining low transactions costs will displace low income participants.
2. Diffusion of coping mechanisms along food supply chains, supported by incentive-compatible policies, can enhance social effectiveness of public and private HPAI risk management programmes.
3. Consumers continue to exhibit a preference for local poultry breeds and are willing to pay significant premia for this preference, which can be used to finance self-sustaining and credible supply chains for healthier, higher quality poultry.
4. The need for improved disease surveillance is global, willingness to pay at each location may be small, but gains may be substantial.

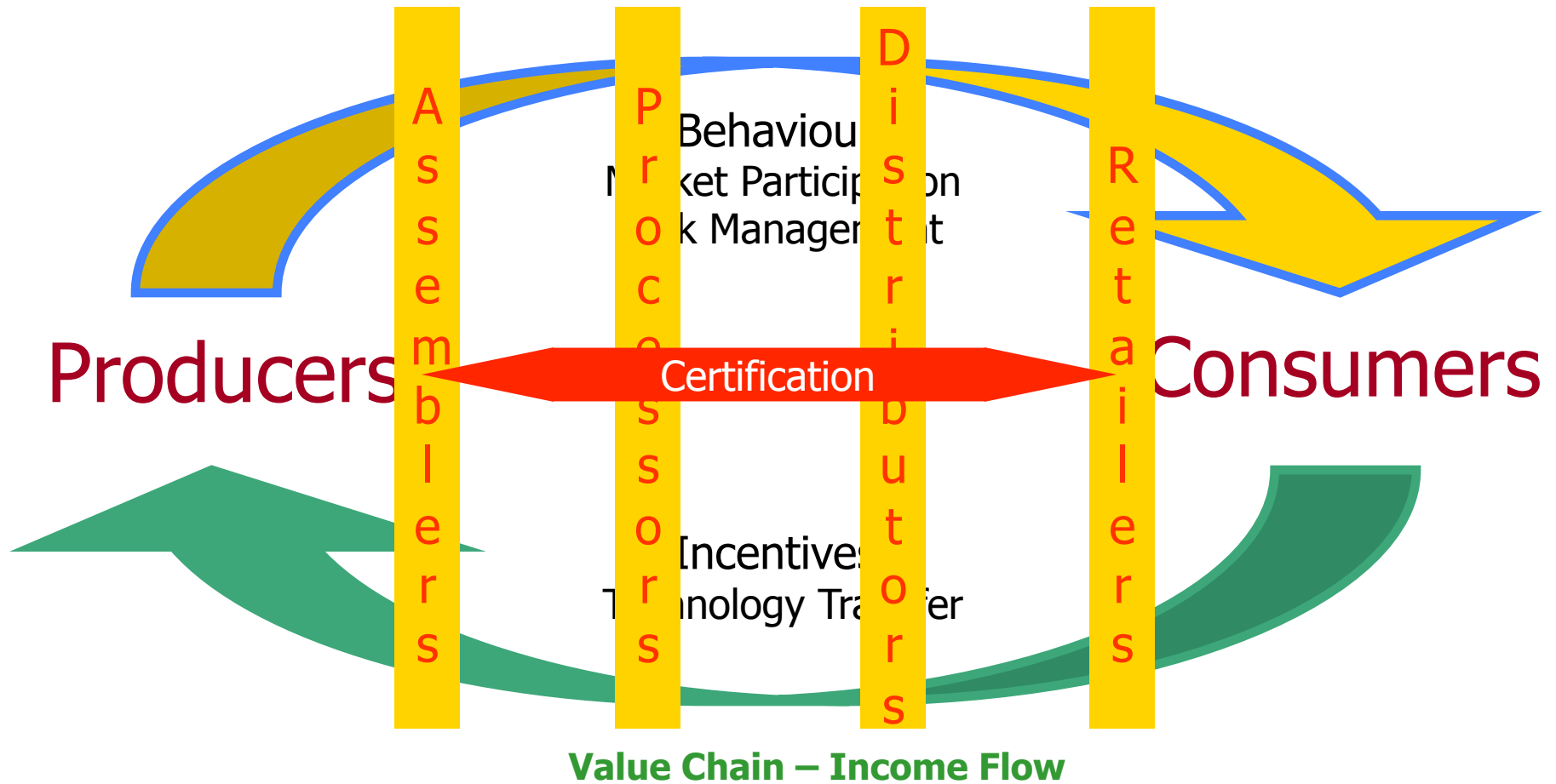
Supply Chain Interventions

- Certification
- Contracting
- Cooperatives
- eTrading



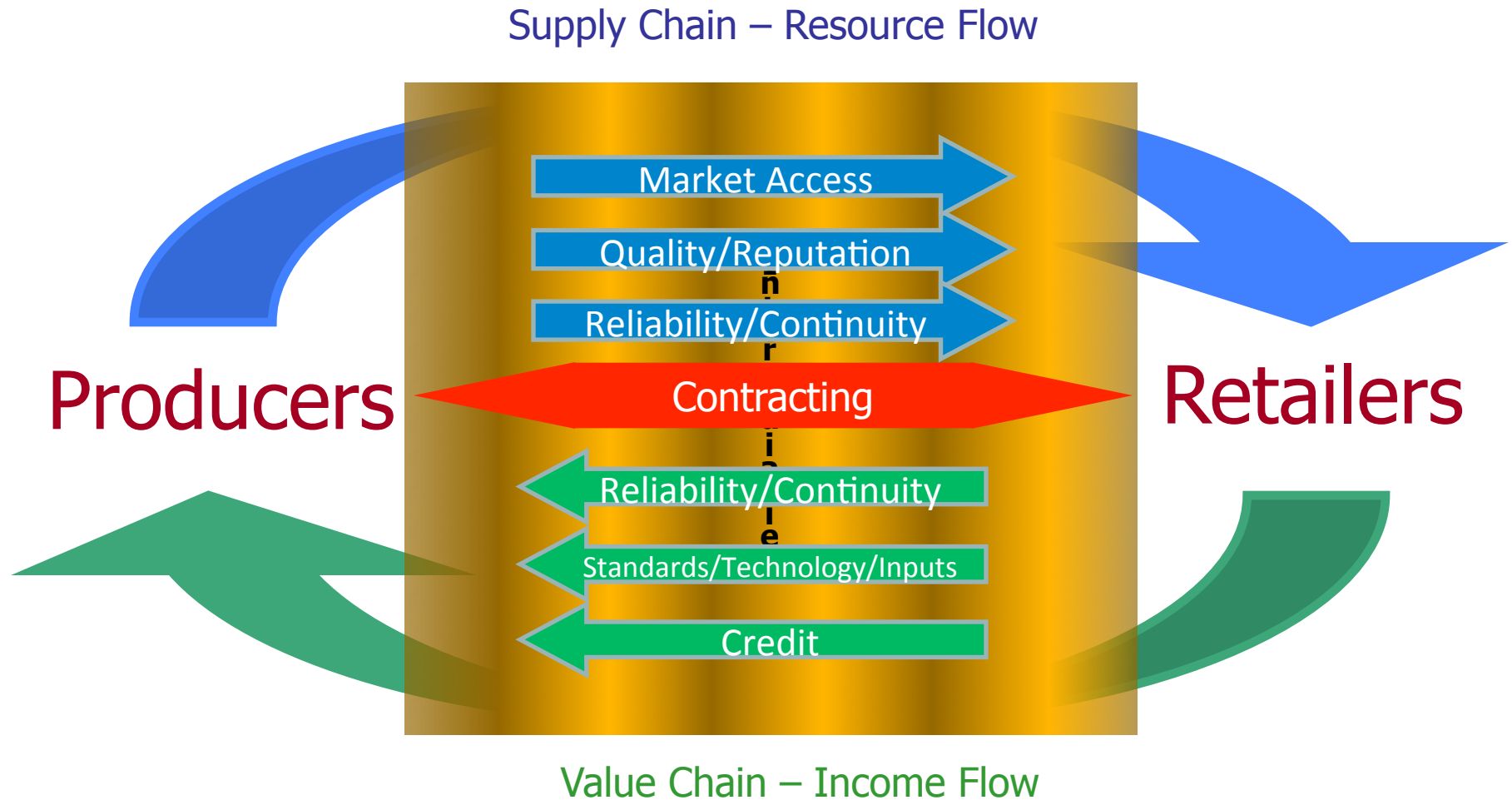
Certification to Reduce Market Uncertainty

Supply Chain – Resource Flow



See HPAI Research Brief No. 4

Contracting to Facilitate Value Creation

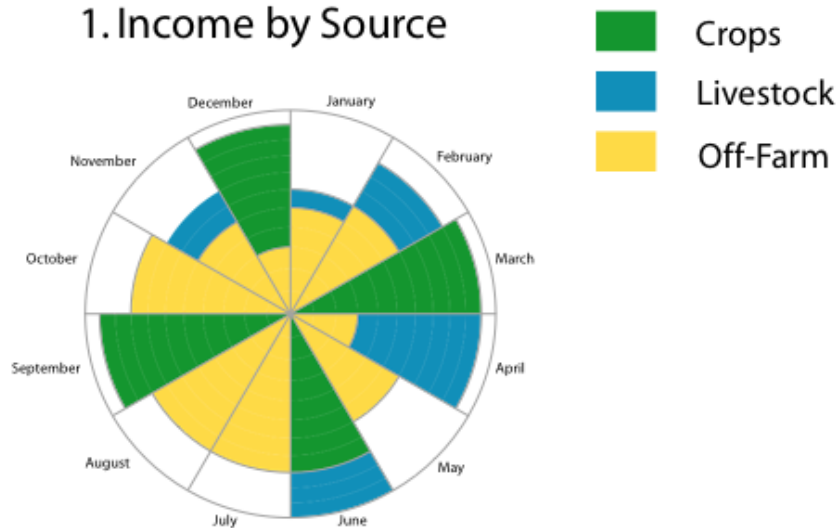


eBird – An SMS based poultry trading system

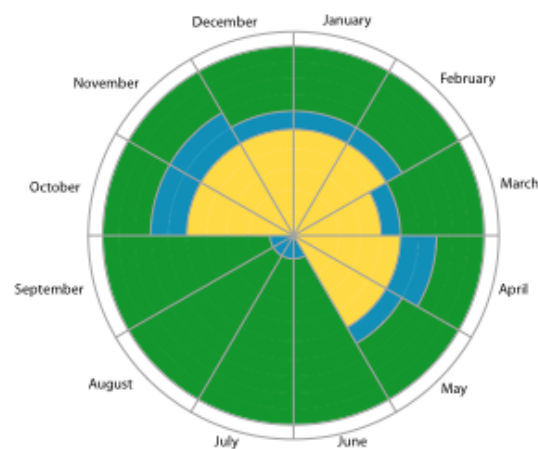
- Objective: Create a clearinghouse for poultry meat transactions that uses Short Message Service (SMS) text messaging as the means for connecting individual buyers and sellers across low income agrofood supply networks.
- The purpose of the system is to facilitate producer-consumer information exchange and improve producer incentives to invest in quality improvements by providing the opportunity to build reputation.
- Such improvements, including nutritional values and animal health status, will increase value added and improve livelihoods across low income supply chains extending from smallholder farmers to independent urban food vendors.

Seasonality in Smallholder Activity/Income

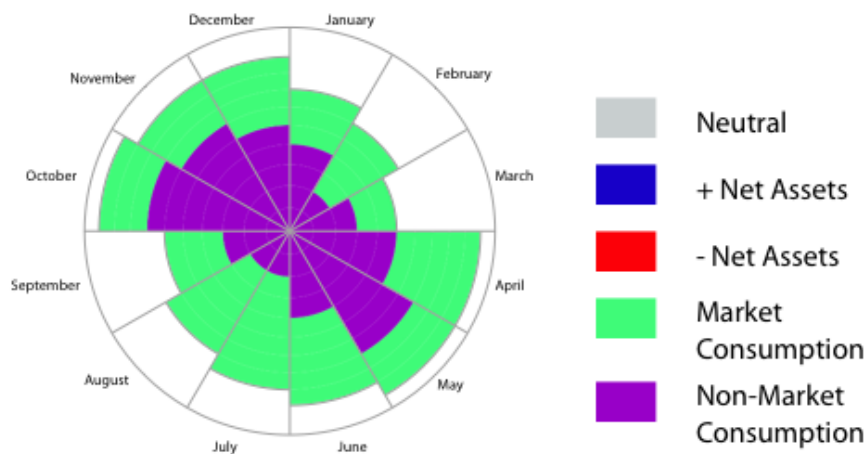
1. Income by Source



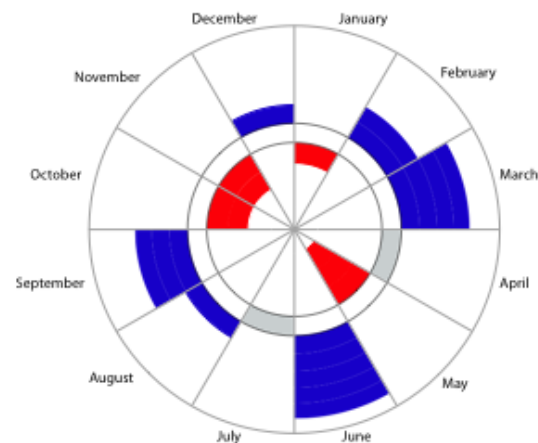
2. Labor Allocation



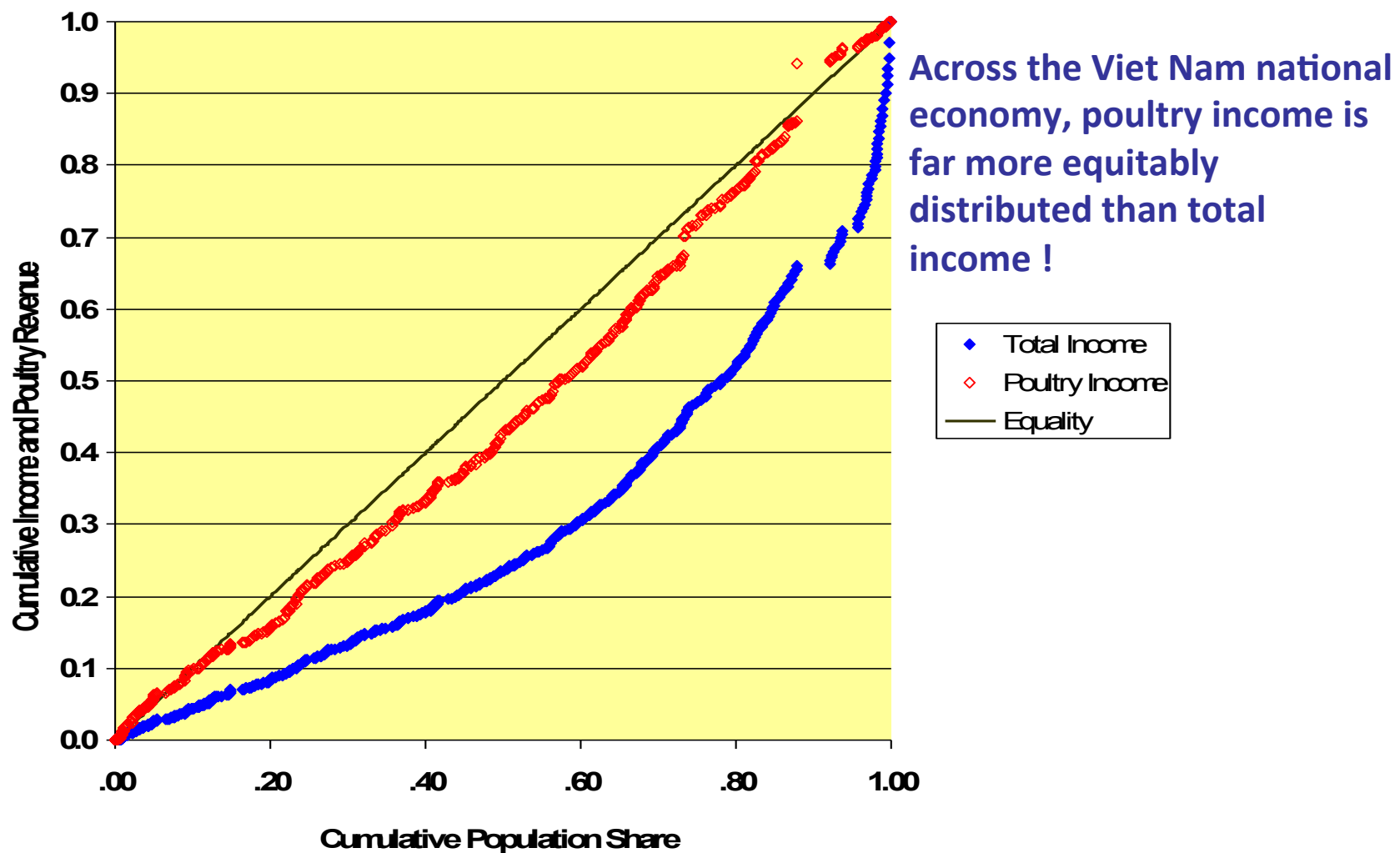
3. Consumption



4. Net Cash Assets



Poultry Income is Pro-poor



Top Livelihoods Findings

- Publicly funded blanket vaccination campaigns are costly and appear to be ineffective against HPAI in areas with a high prevalence of small-scale poultry keepers raising birds in 'traditional' ways mainly for home consumption. Targeted vaccination of specific high-risk groups can achieve comparable risk reduction at a fraction of the cost.
- Radial approaches to culling birds and destruction of smallholder poultry infrastructure, which are very costly to communities, appear to contribute little to risk reduction and deter broad-based cooperation in HPAI control programmes. Culling should be limited to infected flocks and high risk contacts. Infrastructure can be disinfected, but should not be destroyed.
- Although they comprise the vast majority of poultry keepers in the GMS, smallholders do not presently have a voice in the design of short- and long-term HPAI policies. Omitting this stakeholder group is a mistake that compromises policy effectiveness and legitimacy.
- It is essential to recognize the smallholder poultry producers as part of a solution (effective disease defense) rather than a problem (infection risk), enlisting them with socially effective policies that recognize and reward their contribution to the national and global commons of disease resistance.
- Market-oriented policies offer vital opportunities for private cost sharing and self-directed poverty reduction (e.g. certification, contracting, cooperatives).

Thank you