

Controlling Avian Flu and Protecting People's
Livelihoods in the Mekong Region

Sustainable Smallholder Participation in Thailand's Livestock Markets

Sam Heft-Neal and David Roland-Holst, UC Berkeley

Inception Workshop on
Pro-Poor Policy Options for Control of Highly Pathogenic Avian Influenza
(HPAI) in Africa and Southeast Asia

Chiang Mai, Thailand, December 12-14, 2007

A Collaborative Research
Project Funded by:



Implemented by:



Contents

- The Challenge of Sustained Smallholder
- Market Participation
- Patterns of Structural Change in Poultry Production
- Demand Side Opportunities
- Market Surveys and Research Objectives

Sustaining Smallholder Participation

- In many Mekong countries, poultry sector development is moving toward industrial production
- As long as these countries retain populations of poor smallholder farmers, however, backyard poultry will remain a fixture in rural households and an important potential income source
- An important challenge for rural poverty alleviation will be to sustain poultry market participation for these households

Thailand as a Case Study

- As the world's sixth largest poultry producer, Thailand is by far the most advanced Mekong country in this sector transition
- Despite this and emergent HPAI risks, backyard poultry remain widely available and appear to command a premium for quality characteristics
- This research is intended to elucidate and extend the Thai example for sustained smallholder participation in urban poultry markets

Thai Poultry Sector Structure

Poultry Producers and Output, 2003 (thousands)

Scale (birds)	Producers	Layers	Broilers
Up to 19	362	67	172
20-99	581	346	845
100-499	66	510	573
500-999	2	418	295
1,000-9,999	14	11,183	45,027
10,000 and over	4	29,338	128,701

Today's poultry output is dominated by large producers, yet

Smallholders still outnumber them more than fifty to one.

Decadal Percent Changes, 1993-2003

Scale (birds)	Producers	Layers	Broilers
Up to 19	-79	-54	-25
20-99	-33	-6	71
100-499	24	-41	-39
500-999	-52	-46	-68
1,000-9,999	9	52	20
10,000 and over	72	107	183

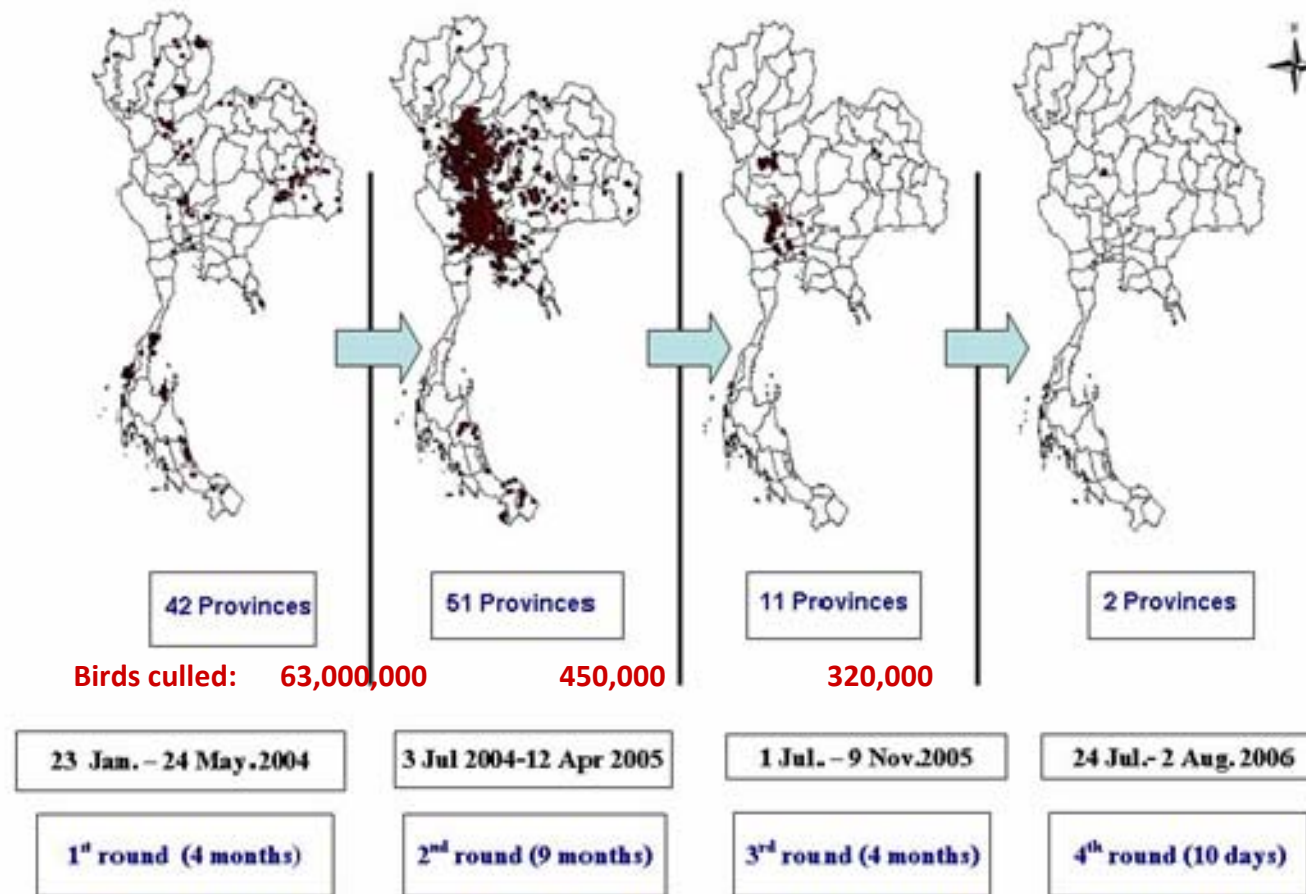
Smallholders have become significantly fewer in number, yet

They remain viable in domestic markets

Source: Viroj NaRanong, TRDI/FAO

HPAI Has Aggravated Smallholder Problems: Outbreaks, 2004-6

Smallholders were particularly hard hit in the first two outbreaks, with many being forced out of the industry.



Source: Dept. Of Livestock Development

Demand-side Opportunities

- Because of their numbers and poverty, backyard poultry producers are an important constituency for livestock promotion
- Thai consumers appear to retain significant quality preferences for backyard poultry, and livestock policies can leverage this for rural poverty alleviation
- To inform such policies, we are currently conducting consumer and supply chain surveys in regional poultry markets

Research Objectives

- More effective smallholder livelihood and biosafety promotion can be achieved with better understanding of:
 - Consumer attitudes toward safety and willingness to pay
 - Supply chain resource and information flows
 - Market access barriers and transactions costs

Market Surveys

- Resource Flow Survey
 - Farmers, Traders, Vendors
 - Flows in the supply chain
- Consumer Price Survey
 - Households
 - Taste preference
 - Attitudes toward safety
 - Willingness to pay