



Business models and dynamics of change among Chennai's broiler wholesalers: an ethnographic exploration of live bird distribution networks

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RESEARCH QUESTIONS

- What are the roles, relations, and interactions of wholesale broiler traders with other actors along broiler PDNs (including upstream and downstream linkages)?
- How are wholesale broiler traders making a living in broiler PDNs?
- Through what kinds of transactions, business models and financial arrangements are broilers moved through PDNs?
- And thus, ultimately, how do practices and other factors that shape trade practices in broiler PDNs influence or generate biological risk?

RESEARCH PROCESS

- 18 months of ethnographic engagement with broiler trade in Chennai, consisting of recurrent visits to business premises and conducting observations and interviews with interlocutors across their operations.
- Initial 3 months research with 2 broiler retailers, followed by 15 months research with 13 broiler wholesalers of various kinds.
- Data processing and analysis: Collation of notes, transcription and translation of interviews, coding of data in MaxQDA.

HISTORY OF CHENNAI BROILER WHOLESALE TRADERS

- 50 years back, poultry wholesale trade in Chennai was concentrated in a specific area (Pudupettai) and mostly focused on ducks with desi chickens increasing in popularity.
- Exotic breeds became present in Chennai from the 1970s. Initially the cockerels of layer breeds were popular, and broilers started dominating towards the 1990s.
- Into the 1990s, Chennai wholesale traders were the price-setters, determining their purchase and sale prices.
- Things changed around the mid-1990s, with the mass supply of broilers through poultry companies who produce through contract farming schemes. Poultry companies became the dominant actors and price-setters.
- The mass supply of broilers facilitated the expansion of wholesale trading enterprises and new entrants into wholesale trade in Chennai. Wholesale trading became decentralised, with a tacit territorial distribution of trading areas among major wholesalers.

THE CONFIGURATION OF CHENNAI'S BROILER MARKET TODAY

- Broiler wholesalers are specialised enterprises that mostly focus exclusively on broiler trade.
- A few dozen well-established broiler wholesalers dominate the market and are organised in the Chennai Poultry Wholesalers Association.
- Their main role is the procurement of broilers from farms contracted by poultry companies ('integrators') and their wholesale sale in Chennai.
- Wholesalers have their own vehicles for procurement from farms and further distribution for onward sale.
- While some focus predominantly on the core business of wholesale trade, many are engaged in downstream or upstream segments of broiler commodity chains as well to maximize value extraction from the commodity chain. For example, almost all wholesalers run their own network of retail outlets where live broilers are sold to consumers.
- Some wholesalers have expanded upstream into production, running their own contract farming schemes.
- While almost all wholesalers supply live birds to retailers, some as well supply dressed chicken to restaurants and canteens.

DYNAMICS OF CHANGE IN CHENNAI'S WHOLESALE TRADING

- Wholesalers experience increased competition through new entrants into wholesale trade.
- The COVID-19 pandemic acted as a catalyst for such increase in competition as more people shifted into essential business that was not or less curtailed through lockdowns and restrictions such as the trade in food commodities including chicken.
- The projection of market growth for broilers led to overproduction and thus more frequent price fluctuations that affect wholesaler earnings.
- At the same time, some corporate actors are entering the live bird retail space with their own supply chains.
- Towards the future, wholesalers expect that the live bird trade may become subject to government restrictions or be abolished entirely. For now, however, customers prefer live birds and that is not expected to change soon.

EPIDEMIOLOGICAL CONSIDERATIONS (PRELIMINARY)

- Broilers are transported and distributed in cages. There is usually a two-step procurement and distribution process: procurement from farms in large trucks, and then further distribution in Chennai through smaller trucks.
- Trucks and cages for the transport and distribution of chickens are not usually disinfected or wet-cleaned, and neither are the holding areas for broilers in wholesale hubs or retail spaces. There is a perception that in the hot and dry climate of Chennai (for most of the year), wet-cleaning increases muck and disease risk rather than reducing it.
- Usually, a truck procures broilers from one or two farms.
- Procurement and distribution networks are specific to individual wholesalers with little if any overlap between trade networks at the wholesale level. Mixing of birds from different locations and procurement trucks is limited to those birds stored at a wholesale hub of traders for further distribution. Mostly birds are distributed directly without intermediate storage.
- Close contact of different poultry (exotic broiler, desi chickens, quails) frequently occurs in retail spaces, for example through stacking of cages of different poultry.