

Voluntary Report – Voluntary - Public Distribution

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Report Name: Intensifying Battle with Highly Pathogenic Avian Influenza Leads to Egg Shortage and Possible Vaccination Program

Country: South Africa - Republic of

Post: Pretoria

Report Category: Poultry and Products

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Report Highlights:

South Africa is currently facing the worst outbreak of Highly Pathogenic Avian Influenza (HPAI) since 2017 with seven of the nine provinces in the country reporting outbreaks. Although the latest government report indicates that 2.68 million chicks have been culled, the South African Poultry Association (SAPA) is reporting that number exceeds seven million birds since April 2023 and includes approximately five million layers and 2.5 million broilers. The government announced that containment measures to limit the spread of the disease may include vaccination against the relevant strains at select farms, although no specific implementation plan has been released. Namibia has imposed restrictions on South African poultry exports and South African government officials are considering options for increasing imports to avoid potential shortages.

Background

South Africa has reported outbreaks of Highly Pathogenic Avian Influenza (HPAI) in seven of the nine provinces in the country. The Western Cape and Gauteng province are the hardest hit. The current strains appear highly virulent, and industry sources indicated that there are currently daily reports of new infections. According to the last official report of the Department of Agriculture, Land Reform and Rural Development, 2.68 million chickens were lost as a result of the recent H5 and H5 HPAI outbreak. However, the South African Poultry Association (SAPA), has offered a much higher estimate, stating that 7.5 million birds have been culled since the outbreak of the HPAI which began in April 2023. This includes 2.5 million birds bred for their meat and 5 million birds for the egg laying hens and 280,000 in breeding flocks.

Eggs

The layers industry is the most affected with 64 facilities of breeding stock for egg layers affected by the outbreak. The industry has indicated that the culled bird population represents about 20-30% of South Africa's total layer stock. Supermarkets in some parts of the country are already reporting shortages and many consumers have been unable to procure this staple.

The outbreak is expected to impact the supply of table eggs for a prolonged period as approximately one quarter of the country's laying hens had been culled or died from disease. While the industry is furiously seeking day old chicks and fertilized eggs to rebuild the laying stock, production levels will likely remain suppressed for a minimum of half a year as hens take approximately 21 weeks to achieve point of lay.

Poultry Meat

Approximately 2.5 million broilers (chickens bred for their meat) have been culled to date. At present, the culled boilers represent less than 15 percent of a standard week's slaughter count. Annually, more than 1 billion chickens are produced in South Africa.

While the supply of chicken meat still appears stable through the lens of retail availability, slaughter is already slowing slightly, and current supply levels will be difficult to maintain once current supplies and cold stores are consumed. Most analysts indicate that the retail impact will begin in November. However, the severity and length of impact will be determined by the pace of outbreaks going forward.

Trade

Exports from South Africa

Although HPAI has been identified in South Africa since April, the recent escalation in outbreaks has led to market restrictions for South African exporters. On September 27, 2023, The Ministry of Agriculture in Namibia announced that they will restrict the imports of live poultry, fresh frozen poultry,

table eggs, day-old chicks and hatching chicks. Namibia imports approximately 2,500 tons of poultry products from South Africa on an annual basis.

Imports to South Africa

On October 3, 2023, The International Trade Administration Commission published a gazette to invite public comments for an investigation into a possible temporary customs rebate on imported “meat and edible offal, fresh, chilled or frozen” chicken. According to the announcement, the investigation will consider whether the temporary rebate should only be applicable to ordinary customs duties or whether anti-dumping duties should also be included. This investigation comes after a directive by the Minister of Trade, Industry and Competition. A rebate, if implemented, may increase imports, and mitigate against the expected price increases of chicken. Regardless of the rebate program, SAPA anticipates chicken meat imports will increase from now until December.

Outlook

Industry has noted that they intend to import 21.5 million fertilized eggs to rebuild the domestic flock. While this number far exceeds current culling, it indicates fears of continued escalation.

The South African government has taken containment measures to limit the spread of the disease and is considering the possibility of vaccination against the latest strain of bird flu at some farms with the highest levels of bio security. On October 2, 2023, DALRRD released a media statement indicating that the “Minister for the Department of Agriculture, Land Reform and Rural Development briefed the retailers about the containment measures that have been taken to limit the spread of the disease as well as possible solutions to manage such outbreaks in the short and the medium-term including vaccination.” SAPA leadership has predicted that vaccination will begin between November and March. Although no formal announcements have been made regarding the proposed policy or implementation plan for vaccination, industry has discussed plans to vaccinate all birds under 20 weeks in the first phase.

In addition to the poultry and egg sector, the grain and feed industry in South Africa is bracing for impact. SAPA has predicted a 600,000 ton reduction in maize usage in the next six months due to reduced bird populations, a number expected to increase if the disease remains on its current trajectory. Post contacts have suggested that the depressed feed demand is likely to temporarily lower feed prices. Demand for pork is expected to increase as South Africans seek alternative protein sources amid the poultry short

Attachments:

No Attachments.