

Economic Consequences of HPAI in the United States



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U.S. Poultry Industry

- U.S. produces about 50 billion pounds of live broilers annually
- Value of production exceeds \$30 billion
- U.S. produces over 95 million eggs annually
- Value of production approaches \$8.5 billion
- U.S. exports just under 20% of its poultry and egg production
- U.S. also supplies about 75% of worlds breeder poultry supply

Effect on the Commercial Poultry Industry

- Over 45 countries have placed partial or full restrictions on the importation of U.S or state poultry and poultry products.
- Some will not even accept poultry or poultry products shipped through those states.
- California, Minnesota, Missouri and Arkansas have had commercial facilities found positive. Trade restrictions increasing.
- The biggest uncertainty is the exact duration and extent of poultry trade bans
- Decisions based on politics vs. science
- Cost of heightened biosecurity measures
- Will things change now that we have HPAI on both sides of the Pacific??

Impact on Stock Prices

- Tyson stock prices fell as much as 6.1 percent in New York trading on March 11, after reports surfaced of a case of the H5N2 avian influenza in Arkansas
- Pilgrim's Pride Corp., the second-biggest U.S. chicken producer, tumbled as much as 9 percent



The Impact of Small Flocks on Industry

- There are a large and growing number of small backyard flocks
- Small flocks are typically housed with ready access to, or totally in, outdoor enclosures or pastures
- Biosecurity measures are often minimal or non-existent in these flocks
- In the current outbreak of HPAI in the U.S., these flocks are at elevated risk of exposure to wild waterfowl
- HPAI infection in such flocks puts neighboring commercial facilities at risk of infection
- Infection in such flocks leads to trade restrictions which cost commercial industry regardless of location



Are these two flocks all part of the poultry industry? YES!!



The Poultry Pipeline

- Like many industries, the “poultry pipeline” is full at all points and sensitive to disruptions at any point
- Individual components are specialized and product must move continually
 - ✓ Producer of day-old chicks in WA hatches 100,000 eggs a week and ships those chicks to B.C.
 - ✓ Canada restricts shipment of poultry and poultry products from WA when infected flocks reported
 - ✓ Chick producer has no other market for his product, and the facility is not set up to house older chicks

RESULT? The producer has had to euthanize over 35,000 chicks due to Canadian restrictions. The producer received no indemnity for these losses.