

Will we still feel like chicken, tomorrow night?

As the UK braces itself for what seems like the inevitable arrival of the deadly H5N1 bird-flu virus, researchers at the ESRC funded Research Centre for Business Relationships Accountability, Sustainability and Society (BRASS) at Cardiff University are calling for a concerted effort by food retailers, farmers and government at all levels to maintain consumer trust in poultry products.

Rising levels of concern about the risk of wild birds infecting poultry stocks are starting to cause mild panic and a state of confusion. Ironically government assurances about the preparations for bird flu have emerged in the last couple of weeks against the backdrop of a report from the Centre for Rural Economy marking the fifth anniversary of the Foot & Mouth outbreak with some strong criticism of the handling of that crisis. Most of the current discussion is focussed on how to keep bird flu at bay, and the pros and cons of strategies such as vaccination or keeping birds indoors and the possibility of a mass cull, as seen during Foot and Mouth. These are important issues, but they perhaps distract us from other important questions about how farmers, the government and consumers will react once the virus does show up within Britain's poultry flock.

Researchers at the Centre were amongst the first to look into the social, economic and political effects of the Foot and Mouth crisis of 2001. A team, led by Professor Bob Lee looked at the lessons 'not learned' and the economical impact of this on the UK farming industry. The Foot and Mouth outbreak cost the government around £9 billion. This figure represents compensation paid for losses incurred to farmers. Supporting industries such as tourism suffered revenue losses of about £5 million, much of which went uncompensated. Hundreds of businesses failed and unspeakable misery was inflicted on animals. BRASS has also recently completed a major two-year study into the structure and sustainability of the UK poultry industry. Putting the results of these two studies together may provide some important insights into what may lay ahead for UK farmers, consumers and food retailers.

Will consumers turn against chicken and eggs if bird flu emerges in poultry?

Despite the lack of a risk to human health from chicken products, we only have to look at consumers' behaviour over the purchase of British beef during the BSE crisis to see the potential effect H5N1 could have on the poultry market. If the public is denied food safety reassurance of information on the safety of chicken, eggs and other poultry foodstuffs at the earliest opportunity, Government statements designed to allay such fears may not be trusted.

If consumers decide to err on the safe side it would result in a dramatic fall in poultry and egg sales. Poultry sales in Italy, France and Greece have all plunged since the H5N1 virus was confirmed, hitting farmers and food retailers hard. India, which (along with Thailand) is one of the world's biggest suppliers of chicken and eggs, has already reported losses of up to \$45 million since the outbreak in the west of the country.

How much does it matter if bird flu gets into the poultry population?

| It matters a great deal to poultry farmers and their chickens. The UK's chickens, and the eggs they provide, are as much a mainstay of the British economy as they are of our menu planning. Chicken has become a staple food stuff in the British diet, as a low cost meat with a healthy reputation. It accounts for almost 40% of the total meat eaten in the UK and 22% of retail sales of meat and meat-related products. Eggs and chicken make up components of huge amounts of foods consumed in the UK. To give some idea of the potential impacts, the poultry industry in the UK is valued at around £821 million. 725 companies were registered in farming poultry in 2002 and 95 companies (mostly with an annual turnover of more than 31 million) engaged in processing and preserving poultry meat. A mass cull of birds in the UK would cause huge economic losses for the farming and processing industry overall, without even calculating the potential impacts on those businesses which rely on eggs, chicken meat and other by-products from the food industry for their products. What happens to traditional British cakes, custards and pies if eggs are in short supply?

Many countries have already banned the import of chicken and chicken related products from Thailand and India. Even if the demand for chicken does not fall in the UK, supplies are likely to become scarcer as the virus spreads. 326.87 tonnes of poultry meat was imported into the UK in 2002. If the import market was to be cut-off due to the virus and a mass cull was to take place of birds within the UK, the supply of chicken simply would not be available. It is not just supply for the UK market that would be affected, as the UK is also an exporter of poultry meat. In 2002, 832 million chickens were slaughtered in the UK, producing 1,202 thousand tonnes of meat of which 213.5 thousand tonnes was exported. The industry may suffer a "triple whammy" – losing out on exports, suffering from lack of imports and seeing the market collapse due to public fears over poultry and egg consumption.

If we know that a mass cull would be disastrous, will vaccination work?

Whether culling or vaccination is adopted to deal with an outbreak of H5N1 either will be made very difficult by the structure and sheer scale of the UK industry. The UK chicken industry rears about 105,000,000 heads. A typical chicken "farm" is actually a factory unit that can rear from 30,000 to 140,000 chickens at any one time. These are largely mechanised units producing a new batch of 100,000 chickens every 38 days. Given that to be properly effective the vaccination of a flock is meant to happen virtually simultaneously, it raises the question of exactly who is meant to vaccinate them and how? If culling is the response once an outbreak occurs it will pose many of the same problems experienced with Foot & Mouth. How can farmers be quick to notify about cases when most birds are reared by mechanised systems with little human contact? If cases occur in large production units, how will the carcasses be disposed of? Will the trade in live chicks be stopped to prevent the disease spreading?

The Government may also face a new problem if there is a serious outbreak of bird flu. There are many instances of businesses in our rural communities who rallied round to contribute to the effort to halt Foot & Mouth, only to face a battle of months or even years in order to get paid by the government. Whether companies will be as willing to respond quickly this time, or will want to wait until the ink is dry on a watertight contract before pitching in, remains to be seen.

For months the speculation about bird flu has focused on the threat to human health of a new flu pandemic. Despite the spread of the disease, there is still no evidence for the spread of bird flu from human to human. The real health threat from bird flu may be more to the nation's

economy than to its population. That population is very likely to react just like those of other EU countries which have confirmed cases of bird flu. The UK may face an even more dramatic over-reaction in the face of widespread distrust about Government advice on food safety and health following scares over BSE, Foot and Mouth and salmonella in eggs. The NHS recently came under huge pressure following the announcement of bird flu in Asia as panic-stricken Brits flocked to their doctors demanding flu jabs during the already busy winter flu vaccination programme. It seems unlikely people will listen more rationally to government advice over the safety of consuming chicken and even eggs.

To avert a disaster in the UK economy that will have implications far beyond the poultry industry, it is going to need a strong, open and honest working relationship between food retailers, farmers and government. This will not be easy in the face of a media response that has constantly focused on the hypothetical risk of a new human flu pandemic rather than the real risk to the nation's economy and farmers of a needless over-reaction. A flight from chicken by consumers will take the food production and retailing industry into unknown territory. If tomorrow night the consumer no longer feels like chicken, it could herald a painful refresher course in the lessons that should have been learnt from the 2001 Foot and Mouth outbreak.

Notes to Editors

| Further information is available from:

Dr Natalia Yakovleva, Research Associate, BRASS Centre, Cardiff University
Innovation and the Food Supply Chain: a Case Study of Chicken

- A copy of the report, published by BRASS can be obtained by contacting Alice Percival on 02920 876384. The report can also be accessed online at:
http://www.brass.cf.ac.uk/brassresources/02BRASS_Working_Papers.html
(Please scroll down to Working Paper no. 20)

Professor David Campbell and Professor Bob Lee, BRASS Centre, Cardiff University

| **The Foot and Mouth Outbreak 2001: Lessons Not Yet Learnt :**

- A copy of the report, published in 2002 can be obtained by contacting Alice Percival on 02920 876384 Please visit the dedicated Foot and Mouth website for further information: <http://www.fmd.brass.cf.ac.uk/>

Liz Heming
Communications Manager
BRASS Research Centre
55, Park Place
Cardiff University

T: 02920 876562
M: 07967 137849

| E-mail: heminge@cardiff.ac.uk

ESRC Research Centre for Business Relationships, Accountability, Sustainability and Society (BRASS)

The ESRC Centre for Business Relationships, Accountability, Sustainability and Society exists to understand and promote the key issues of sustainability, accountability and social responsiveness, through research into key business relationships. The Centre will pursue a research agenda based on academic excellence, relevance to key user groups and accessibility in dissemination.

The Centre will approach its research mission by making a significant contribution locally through involvement in the Welsh economy and policy community, nationally as a centre of excellence, and globally through research on transnational companies and other firms with international supply chains.

Through its research work, partnerships with businesses and their stakeholders, and communications activities BRASS aims to contribute significantly to:

- The development and dissemination of new knowledge and understanding about the significant changes occurring in the relationships among firms, their customers and suppliers, investors, communities, government and a range of non-governmental organisations (NGOs);
- The creation of a better understanding of corporate accountability and governance based on an integrative, systems perspective;
- The development and promotion of new tools, models and business methods which will help practitioners, policy makers and researchers to better understand and manage the implications of business activity in relation to the pursuit of sustainability;
- The fostering of a more holistic and inter-disciplinary approach to the understanding of the interaction between businesses and their social and physical environment.

Cardiff University

Cardiff University is recognised in independent government assessments as one of Britain's leading teaching and research universities. Founded by Royal Charter in 1883, the University today combines impressive modern facilities and a dynamic approach to teaching and research with its proud heritage of service and achievement. The University's breadth of expertise in research and research-led teaching encompasses: the humanities; the natural, physical, health, life and social sciences; engineering and technology; preparation for a wide range of professions; and a longstanding commitment to lifelong learning. From its outstanding central location amidst the parks, Portland-stone buildings and tree-lined avenues that form the city's elegant civic centre, the University's students and staff are drawn from throughout the world, attracted by its international reputation and commitment to innovation and excellence in all areas of activity. Cardiff is a member of the Russell Group of Britain's leading research universities. Having gained national and international standing, Cardiff

University's vision is to be a world-class university and to achieve the associated benefits for its students, staff and all other stakeholders.

Visit the University website at: www.cardiff.ac.uk