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## Hong Kong

### Poultry and Products

### Live Chicken Retail Sales Resume

## 2008

**Approved by:**

Anita Katial

U.S. Consulate, Hong Kong

**Prepared by:**

Caroline Yuen

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**Report Highlights:**

The Hong Kong government resumed the sale of live chickens at the retail level on July 2, 2008 after amending its legislation to prohibit overnight stocking of live chickens at retail outlets. The suspension was in response to the detection of H5N1 virus in chicken samples taken from wet markets on June 7 and 11 when the HKG suspended live chicken imports from China for 21 days. With the new regulation, all unsold live chickens have to be slaughtered before 8:00 p.m. daily and may be sold as chilled chickens the following day. Of Hong Kong's 469 retail outlets in Hong Kong, only one-fifth or 100 stalls chose to resume business right away as they take a wait and see approach to how the new regulation works. On the first day of retail sales resumption, local supplies and imports from China amounted to 23,000 and 8,200 head respectively, representing 75 percent of the chicken supply before the ban.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Trade Report  
Hong Kong [HK1]  
[HK]

The Hong Kong government (HKG) allowed live chicken retail sales to resume on July 2, 2008 following legislation amendment which stipulates that all unsold chickens at retail outlets have to be slaughtered before 8:00 p.m. and to be sold as chilled chickens the following day. After the detection of H5N1 virus in chicken samples taken from wet markets on June 7 and 11, the HKG suspended live chicken imports from China for 21 days (HK#8013 and HK#8014). The HKG has not yet confirmed the source of the virus while sources revealed that smuggled chickens, which do not come from registered farms and are not vaccinated, are very likely the source of virus. The HKG felt the need to escalate the preventive and control measures at the retail level before allowing the sale of live chickens to resume. Despite the opposition of the trade, in late June 2008 the HKG introduced legislative amendment by which no live chickens are allowed to stay overnight at retail markets after the resumption of live chicken sales on July 2, 2008.

The new regulation stipulated that retail markets and fresh provision shops could not retain live chickens from 8 pm to 5 am everyday. Poultry stalls have to cull all the unsold live poultry before 8 pm and then cleanse the stalls. This measure is based on scientific research that the introduction of rest day is an effective means to break the virus cycle and reduce the virus load in the environment. With the banning of overnight stocking of live poultry at retail outlets, i.e., similar to the effect of introducing a daily rest night, any unsold chicken will be slaughtered and the ages can be thoroughly cleansed and disinfected to avoid accumulation of virus in the environment of the retail outlets.

Furthermore, the HKG believed that the prohibition of overnight stocking of live poultry at retail outlets will make it easier for the government to monitor whether there are smuggled chickens at the retail level.

Those retailers who violate the regulation are liable to a maximum fine of HK\$50,000 (US\$6,426), six-month imprisonment, and their licenses or tenancies being revoked.

Retailers are opposed to this regulation because they would easily lose money if they do not precisely estimate the daily sales volume. Keeping unsold chickens in refrigerators after killing them would increase the operating cost greatly because of the extra consumption of electricity. Also chilled chickens are sold at lower prices compared to fresh chickens. However, the HKG has been very determined to introduce the daily clearance of unsold live chicken at retail outlets before allowing the resumption of the retail sales of live chickens.

About one-fifth or 100 of Hong Kong's 469 live-chicken stalls reopened for business on July 2 when the 21-day ban on live poultry imports expired. Many take a wait and see attitude to observe the tighter hygiene measures and then decide whether they could cope with the tightened business practice. About 8,200 chickens were imported from China on July 1 getting ready for the market on July 2. With another 23,000 chickens from local farms, the total supply on the first day could be over 30,000, representing about 75 percent of the total supply before the ban.

Meanwhile, the HKG is negotiating in a buyout package with all the different sectors of the live poultry trade. Provided around 90 percent of the retailers would leave the trade, the HKG would offer a buyout package for farmers, wholesalers, retailers, transporters and workers. The HKG would give time to live poultry traders (before July 24) and chicken farmers (before September 24, 2008) to consider the proposed buy-out package which totaled about HK\$1 billion (US\$129 million) for winding up their business. For those who choose to stay in the live poultry trade, the HKG will make it clear to them that they will bear the risks of any further avian influenza outbreaks in Hong Kong. No financial assistance, other than the statutory compensation (i.e. a maximum of HK\$30 or US\$3.90 per bird slaughtered), will be provided to them in the event of an again influenza outbreak in future.