



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 12/10/2008

GAIN Report Number: HK8034

Hong Kong

Market Development Reports

H5 Virus Causing Death of 200 Chickens in a Farm 2008

Approved by:

Philip Shull & Anita Katial
American Consulate General, Hong Kong

Prepared by:

Caroline Yuen

Report Highlights:

The Hong Kong Government (HKG) announced the death of 200 chickens due to an H5 virus at a prominent Hong Kong poultry farm on Dec 9, 2008. 90,000 chickens were immediately culled in a 3 km radius of the infected farm, in accordance with the HKG's established AI plan. While the results of the confirmatory test will not be available for several days, unconfirmed reports are that the initial "quick" tests are positive for the H5N1 strain. Secretary for Food and Health, Dr. York Chow, declared a "serious alert", which means a 21-day shutdown of the live chicken trade in Hong Kong. This includes suspension of imports of live chickens from Mainland China. The HKG is investigating the outbreak and the cause has yet to be determined. Of particular concern is the fact that the 200 dead chickens included vaccinated as well as unvaccinated birds. The outbreak has led to doubts about the effectiveness of the vaccine in use.

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

The H5 virus killed 200 chickens at a local farm in Yuen Long (located in the New Territories of Hong Kong, SAR). The Hong Kong Government (HKG) immediately ordered the culling of chickens, including 68,000 head in the farm in question and the 12,000 chickens in a nearby farm (within the 3 Km radius of the infected farm). Because the infected farm had supplied chickens to Hong Kong's Cheung Sha Wan wholesale market, HKG ordered all chickens in that market to be culled as well. Each slaughtered chicken was compensated for HK\$30 (US\$3.90).

While the results of the confirmatory test will not be available for several days, unconfirmed reports are that the initial "quick" tests are positive for the H5N1 strain. Secretary for Food and Health, Dr. York Chow, declared a "serious alert", which means a 21-day shutdown of the live chicken trade in Hong Kong. This includes suspension of imports of live chickens from Mainland China.

Of particular concern is the fact that the 200 dead chickens included vaccinated as well as unvaccinated birds. The outbreak has led to doubts about the effectiveness of the vaccine in use. Local scientists have warned in the past that the diminishing effectiveness of the vaccines was inevitable, as these vaccines have been on the market for more than 10 years. Compulsory vaccination was launched in 2003. The vaccines currently used are made in the Netherlands and are used to inoculate chickens against the H5 virus in general. Live chickens from China are also required to be vaccinated before being exported to Hong Kong.

Another concern is that the infected farm has been regarded as one of the well-managed farms with strong biosecurity measures complying with the government requirements.

The last avian flu outbreak on a Hong Kong farm was in 2002.

Measures to be Taken

The "serious alert" declared by the HKG for an avian influenza outbreak requires a set of precautionary measures. First, the area within a 3 Km radius of the farm is declared infected and all the chickens there are slaughtered. Second, trade of live chickens is suspended for 21 days, including live chickens imported from China and other local farms. Third, the Agriculture, Fisheries and Conservation Department (AFCD) will strengthen its monitoring of all chicken farms in Hong Kong by continuing to test and take samples. According to the HKG's contingency plan, in the event of another outbreak of the avian flu on another farm within days of the first outbreak, Hong Kong's estimated 600,000 chickens will be culled.

Impact

Live chicken supplies in Hong Kong have been vastly reduced from 100,000 a day in 2003 to 14,000 in 2008. Consumers have turned to chilled whole chicken supplies from China, and to frozen chicken parts from the United States and Brazil, in substitution. Therefore, consumers are not expected to overreact to the 21 day-suspension of live chicken trade. With the approach of the Chinese New Year, industry estimates that the demand for chilled whole chicken from China will rise significantly to a daily consumption of 200,000 head (versus pre-outbreak demand of 130,000 head).

In an effort to minimize the chance of human contraction of avian flu, the HKG has continued to report on its plan to completely remove live chickens from retailers and customers. Ironically, with the dramatic reduction of live chicken supplies, potential investors' interest in the business prospects of a central poultry processing facility has declined correspondingly. It seems that central slaughtering is still on the agenda of the Hong Kong government but there is no specific time line when it will materialize.