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Singapore

Agricultural Situation

Singapore Imposes Ban on Malaysian Poultry 2004

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Report Highlights:

Singapore imposes ban on Malaysian poultry.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Singapore [SN1]
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On August 19, the Singaporean government imposed an import ban on Malaysian poultry due to the discovery of an outbreak of H5N1 virus in a chicken farm in the West Malaysian state of Kelantan.

Malaysia is the predominant supplier to Singapore of fresh hen eggs; live chickens for slaughter; and live ducks. Annually, Malaysia supplies 838 million hen eggs, what amounts to 69 % of Singapore's total consumption while the rest is locally produced. Additionally, Malaysia supplies 43 million head of live chicken, which, when converted to a ready-to-cook equivalent, accounts for 34 % of total annual chicken consumption while the rest of Singapore's chicken consumption is supplied from imported frozen whole chicken and frozen chicken parts. Put another way, Singapore is Malaysia's largest export market for live birds and accounts for 10% of Malaysia's estimated production of 1.1 million chickens per day. Lastly, Malaysia meets all of Singapore's demand for live ducks of 6.5 million.

Reportedly, prices of fresh hen eggs have jumped by 30 %, to 5 Singapore cents each or about 3 U.S. cents while frozen whole chicken prices have shot up by 20 percent or more at selected retail outlets.

Since live chickens for the procurement of Singaporean slaughterhouses are no longer available, alternative sources of chicken meat include current supplier Brazil (which supplied about 82% of the frozen whole chicken market and 90% of the frozen wing market segment in Singapore in 2003), the United States, China, the Netherlands and France.

Neighboring suppliers of poultry meat are becoming scarce with the recent highly pathogenic AI in Thailand and now, Malaysia. In CY 2003 Singapore imported about 100,500 metric tons of frozen whole chicken, chicken wings, thighs, and other chicken parts in addition to the 43 million head of live chicken imported for local slaughter. Singapore consumers will now have to switch from habitually eating fresh and chilled chicken to frozen whole chicken and frozen chicken parts. There would be some impact on the outdoor food stalls and restaurants that rely on supplies of fresh and chilled chicken for their daily requirements.

There is no real economic alternative to the replacement of the fresh hen egg market in terms of comparative price. Australia is an alternative but a much higher cost supplier of fresh hen eggs due to the greater geographical distance. Consumers who are put off by the higher prices will have to turn to liquid and powdered eggs. The principal beneficiary of this import ban would be Brazil as it supplies about 82% of the frozen whole chicken imported into the Singapore market.

As the pool of suppliers shrink, Singapore, as well as other countries, may have to consider regionalizing on a provincial or district basis. However, supplier countries will have to demonstrate that their monitoring, surveillance and reporting systems are up to international standards even at provincial or town levels.

However, the opportunity for U.S. exporters of frozen chicken appear limited as the Brazilian suppliers are very competitive in pricing, quality and in packaging. There is a limited market scope for the imports of egg powder and liquid eggs for the institutional trade.

END OF REPORT