



GRAIN  
March 2007

## **Bird flu: a bonanza for “Big Chicken”**

The bird flu crisis rages on. One year ago, when governments were fixated on getting surveillance teams into wetlands and the Food and Agriculture Organisation (FAO) was waving the finger of blame at Asia and Africa's abundant household poultry, GRAIN and other groups pointed out that large-scale industrial poultry farms and the global poultry trade were spreading bird flu – not wild birds nor backyard flocks. Today, this has become common knowledge, even though little is being done to control the industrial source of the problem, and governments still shamelessly roll out the wild bird theory to dodge responsibility. Just a few weeks ago, Moscow authorities blamed migratory birds for an outbreak near the city – in the middle of the Russian winter.

A more sinister dimension of the bird flu crisis, however, is becoming more apparent. Last year, we warned that bird flu was being used to advance the interests of powerful corporations, putting the livelihoods and health of millions of people in jeopardy. Today, more than ever, agribusiness is using the calamity to consolidate its farm-to-factory-to-supermarket food chains as its small-scale competition is criminalised, while pharmaceutical companies mine the goodwill invested in the global database of flu samples to profit from desperate, captive vaccine markets. Two UN agencies – FAO and the World Health Organisation (WHO) – remain at the centre of this story, using their international stature, access to governments and control over the flow of donor funds to advance corporate agendas.

### **Slaughtering the small poultry sector**

Authorities in charge of dealing with bird flu are finally acknowledging the role played by the poultry trade in spreading the virus. This is long overdue. The first bird flu outbreaks in South-east Asia – Vietnam, Thailand, Cambodia, Laos and Indonesia – occurred in closed, intensive factory farms. But thorough investigations were never made into why the disease broke out on those farms and how it subsequently spread from there. The same goes for Turkey and Egypt, where wild birds and backyard flocks were quickly condemned while the poultry companies, which supplied markets and “backyard” producers with birds as the disease raged through the industry, were let off the hook. Even in South Korea, with healthy free-range poultry roaming next to factory farms hit by the

disease, authorities are obsessed with the role of wild birds. It was only in the UK this past February that the myth that large farms are “biosecure” was shattered and the shroud concealing the many ways that bird flu spreads through the transnational poultry industry was torn off. Government officials at first blamed wild birds for the outbreak on a large factory farm owned by poultry giant Bernard Matthews, and the company dismissed media reports about a possible link with its operations in Hungary, saying that these were far from the area in that country where bird flu recently broke out. But both explanations fell apart when a government inspector found a wrapper on the company’s UK premises proving that meat from a slaughterhouse in Hungary’s bird-flu infected area had indeed been processed at the UK factory farm just prior to the outbreak.

Yet back in the Asian epicentre of the crisis, the message to poultry farmers is still, “Get big, really big, or get out.” In 2006, Vietnam, under a joint government–UN programme, laid out a ten-year plan to, in the words of its Minister of Agriculture, turn its poultry sector “into a modern, large-scale industry in terms of farming, slaughter and consumption”. The government began with a ban on live poultry in urban centres, putting an end to thousands of backyard stocks. Then new regulations on trade and on poultry slaughtering in residential areas came into effect. Small-scale markets and butchers were shut down, and slaughterhouses were moved to a few licensed facilities on the outskirts of the cities. In Ho Chi Minh City, more than 200 local markets sold chicken before the bird flu crisis; today, chicken can be legally sold only by supermarkets or factory farm “selling points”. The number of slaughterhouses in the city has plummeted from fifty to three. The changes are devastating small-scale producers because the supermarkets and new slaughterhouses sell only poultry that is certified according to standards that small farmers cannot comply with. The three or four companies that control Vietnam’s industrial poultry production thus not only get captive urban markets, they also get a low-wage labour force of displaced peasants for their expanded production and slaughtering.

The restructuring is fast becoming a boon for the company that probably first brought bird flu to Vietnam. “Charoen Pokphand (CP) will succeed in turning a crisis into an opportunity of development”, says Sooksunt Jiumjaiswanglerg, president of CP Vietnam Livestock. The giant Thai-based multinational corporation, which supplies fast-food chains in Asia like KFC, controls around 80 per cent of Vietnam’s industrial chicken production and anticipates its growth in the country to climb 30 per cent per year. Within Vietnam, CP is the main supplier to the French-owned BigC supermarket chain and is in the midst of opening more than 100 of its own CP Fresh Mart shops and 200–300 CP roast chicken stalls.

Yet in a nation where an estimated 80 per cent of the country’s poultry production was, at least until recently, in the hands of small-scale producers, and more than 70 per cent of Vietnamese households keep poultry, it is no wonder that many independent poultry raisers are simply taking their chances and going underground. Speaking to IPS News, Phan Anh Tam, a small-scale free-range duck farmer from the south-western Vietnamese province of Tay Ninh, whose entire flock was culled during the 2003 outbreak, explained that he had little choice but to break the new laws and keep on farming. “If they want to kill them, they’ll be killing my children, because these ducks are my means of feeding them”, the father of five said.

Despite their “expert” status, those trying to outlaw backyard poultry are not acting on evidence. The only peer-reviewed study to compare the risks between family farms and industrial operations, based on data from the bird flu outbreaks in Thailand in 2004, found that “backyard flocks are at a significantly lower risk of [bird flu] infection compared to commercial-scale operations of broiler or layer chickens or quail”. Nor are these “experts”, or the government officials following their advice, responding to the needs of the vast majority of the affected people. If people are defying orders to

kill off their flocks, it is not because they do not understand the potential dangers of the disease. It is because their immediate livelihoods are at stake and, compensated or not, they cannot afford to shop at supermarkets.

This is a major reason why the FAO and the industry are having such a hard time imposing standardised approaches. Thailand acted mainly to protect its export industry, so it avoided vaccination and concentrated on mass culling and restructuring. China and Vietnam ignored international advice and decided on mass vaccination. Other countries, such as Nigeria, are treading water, struggling to figure out how to please the donors and the industry without triggering a revolt among the masses whose livelihood and food security depend on the traditional systems of poultry production.

### **Troubles with the recipe in Indonesia**

Things are particularly tricky in Indonesia, where bird flu is wreaking the most damage. On the one hand, the central government is trying to appease the donors and big business by following the Vietnamese and Thai examples. It called for a mass cull and a ban on live birds that came into effect on 1 February 2007 in Jakarta and the nine other provinces where bird flu is most entrenched. The Health Minister, Siti Fadilah Supar, even declared that the bans would soon cover the entire archipelago. New regulations for breeding, slaughter and retail of poultry are also being developed behind closed doors between industry, government and UN agencies. In a clear sign of what is to come, Jakarta has already designated sites for the relocation of slaughterhouses, storage facilities and bird markets. Using words that could just as easily have been uttered by his Vietnamese counterpart, agriculture minister Anton Apriyantono told reporters, “poultry farms must eventually be integrated with poultry slaughterhouses”.

On the other hand, the government leaves big industry alone. For the large-scale commercial farms – where, despite their incessant denials, bird flu remains a problem – everything is voluntary. Worse, the government and the public can do little but “accept” what the industry tells them because there is still a law on the statute book that prevents inspections of factory farms without the company’s permission. If such a law existed in the UK, we would never have known the source of the major outbreak which that country has just suffered.

Of course, the Indonesian government’s top-down measures are totally out of tune with the daily lives of the people. So, many people are just ignoring them. Hence the government’s frequent reliance on the military to sweep in and get the job done. In Jakarta, less than a day after the ban went into effect, live birds could again be purchased almost everywhere.

“Traditional poultry practices are deeply rooted in our culture and they are critical to peoples’ livelihoods”, explains Riza Tjahjadi of Jakarta-based Biotani Indonesia Foundation. “The government has a huge struggle on its hands if expects people to give up their birds and neighbourhood markets for frozen chicken from supermarkets.”

Indeed, people are starting to mobilise. On 27 February 2007, Sebindo (*Serikat Buruh Informal Indonesia* or Indonesia Informal Labour Union) staged a protest during a meeting of the Indonesia Democratic Party of Struggle, led by former President Megawati Sukarnoputri. The protest was part of Sebindo’s campaign to provide more realistic information to the public about bird flu and press the government to take more coherent action. They blame both the government and the media for creating a deeply erroneous understanding of the problem.

Through the mass cull order, they say, “Indonesia’s small scale poultry industry has been declared the enemy and judged guilty”. As a result, the country is persecuting its own people and traditions. Further, with the order to relocate and integrate the poultry industry, the government is deliberately pushing the country into dependence on a few large industrial farms plus foreign imports, with no guarantee that either option will bring freedom from bird flu. Overall, the country is perniciously being told to blame itself, destroy its poultry sector and traditions and rely instead on the transnational poultry industry, when the better solution, the union says, is to promote healthier living and real biosecurity.

Local governments across the islands, faced with popular resistance, are also ignoring central directives from Jakarta. The governor of Central Java, with poultry farmers and traders threatening mass protests, has so far refused to carry out the central directive to ban and cull backyard birds, citing the impacts on people’s food security. In Yogyakarta, the provincial parliament has to contend with veterinarians, farmers and students from the *Forum Peduli Perunggasan Indonesia* (Forum of Concern for Indonesian Poultry) protesting on its steps for a rejection of the mass cull policy and in support of backyard poultry and poultry diversity.

Agribusiness clearly suffers, at least in the short term, when bird flu breaks out. But, whether in Indonesia or Russia, India or Egypt, governments and the various international agencies have quickly come to the industry’s defence, and have even managed to turn the bird flu crisis into an opportunity for the larger corporations to consolidate their control over the long term. These corporations, from CP in Thailand to Tyson in the US, have worked hard to ensure that this happens. In October 2005, the world’s biggest poultry companies came together to form the International Poultry Council, in order urgently to defend and advance a unified position on bird flu policy. There is also the International Egg Commission – a corporate lobby group with a similar mandate and membership base. Both organisations have official status and formal agreements with influential bodies like the FAO and the World Organisation for Animal Health, which gives them direct influence over bird flu policy development. Small-scale poultry producers and traders have no such access; they have been completely left out of decision-making processes, at both national and international levels, and it shows.

### **Privatising bird flu: the ultimate health threat**

The same tensions are plaguing the human health side of the bird flu crisis. On 9 February 2007, news broke in the global media that Indonesia was cutting off the supply of local H5N1 (bird flu) virus samples to the WHO. As the story went, the Indonesian government had learned that an Australian firm, CSL, was developing a bird flu vaccine based on virus samples from Indonesia, which Jakarta had handed over to WHO, without any notification or request for permission. In revenge, the story went on, Jakarta was shutting the door on the WHO – a mythical symbol of international cooperation in fighting any potential bird flu pandemic – and cutting a private deal instead with a big US pharmaceutical company, Baxter International, since Baxter had agreed to produce and deliver vaccine to Indonesia on the government’s terms.

Worldwide, but most noticeably in the West, people condemned and denounced Indonesia for this move. The government was swiftly accused of being greedy, misguided, short-sighted and nationalistic – as if to say that Indonesia is obliged to give so that others may sell. That really stung, back in Jakarta. It was like colonial times all over again.

As the heat died down, and the WHO and the Indonesian health ministry signed a public relations peace agreement, it became clear that a lot of people had misunderstood what was going on and what was at stake.

Indonesia was not the first government to stop sending bird flu virus samples to the WHO. China had already done this. Besides, Indonesia stopped sending only physical samples of the virus from its territory. It did not stop collecting materials and sending the sequence data to Geneva. Clearly, Jakarta was not trying to hold the rest of the world hostage. It was trying to address a pressing national problem.

The issue for the Indonesian government is that it needs an adequate supply of vaccine to deal with the public health timebomb it is sitting on. Indonesia has been the hardest hit, of all countries, by H5N1. The virus is endemic in its poultry population now; people continue to die from it (38 per cent of all reported human deaths from bird flu worldwide have been Indonesians), and this is the fourth most populous country in the world. The stakes are simply very high. The government has calculated that the global supply of any treatment will necessarily be limited; that it cannot and will not be able to afford most vaccines, especially in a time of penury which any pandemic will create; and that it needs a vaccine developed from local strains of the flu for greatest effectiveness. The WHO's system, in this respect, is leading nowhere for a country like Indonesia. The organisation expects its member states to send samples of all avian flu isolates, human and animal. The samples are kept in four WHO collaborating centres, conveniently located in the rich world (UK, Japan, US and Australia), while the data is fed into a password-protected database, located (where else but) in the United States. So a country like Indonesia is expected freely to hand over virus samples and let the big pharmaceutical manufacturers access the information to produce their own proprietary drugs. This is exactly what was happening with CSL. The whole power imbalance cemented into this system is grotesque.

When Indonesia said "no more", it was saying "this isn't fair". It is not right that poor countries supply "raw materials", for free, to a global pharmaceutical industry that concentrates market power and reaps huge profits through monopoly privileges called patents, especially when it is the poor countries that are facing the biggest public health problems. What Indonesia has therefore been calling for, as have other countries struggling with the bird flu crisis, such as Thailand, is for the WHO and others to help them to develop the capacity to produce their own vaccines themselves. Patenting, which developing countries are being forced to accept and follow, will always block this. That is what it is supposed to do: stifle ("regulate") competition. That's why pharmaceutical giants like Syngenta, Novartis and Pfizer are fighting so ferociously right now in India, Thailand and the Philippines to prevent, as much as possible, compulsory licensing and generic manufacturing. The problem is a stark one of narrow commercial interests versus broad public interests. When developing countries, led by Thailand, tried to change the WHO's avian flu sample distribution system last June so that it would be restricted to non-commercial purposes, they were told flatly, "no".

People are now starting to say, "Well, yes, Indonesia has a point. Any vaccine against a bird flu pandemic should be shared. And the technology to produce it should be shared. Avian influenza is a 'public health' problem requiring a 'public good' response." Correct. And in Indonesia, groups such as the Sebindo union are flatly insisting that any human vaccine against bird flu should be free, not sold. But this won't happen – or we'll get into this dilemma again and again and again – unless people seriously challenge the patent system, which serves little purpose in the health field but to make rich drug company CEOs and their shareholders even richer. Tomorrow, when some lab

patents the H5N1 virus itself, people will surely scream bloody murder. But tomorrow will be too late.

## **Punishing the poor**

The response to the bird flu crisis is unfolding like a structural adjustment plan. Here too, big business and international agencies are using a calamity, fostered by the very models they ushered in, to maximise corporate profits and push forward even deeper reforms that will further squeeze the poor. But, much like the managers of the notorious structural adjustment plans that have so ravaged the South, the authorities managing the bird flu crisis are also rapidly losing legitimacy. More and more people are convinced that the official responses to bird flu have less to do with public health than with power politics. Local resistance is thus gradually growing, giving rise to tensions between the various levels of government that have to contend with the anger of their people and the international agencies where corporate lobbies are entrenched. It is also why greater effort, including military force and economic sanctions, are now being used to impose central orders.

The corporate vision of globalised, fully integrated factory farms and slaughterhouses churning out standardised birds for supermarket shelves – people already call it “Big Chicken” for the level of control being pushed – is being drilled into decision makers more than ever. The threat of a bird flu pandemic is putting the vision into practice faster and deeper than could ever have been achieved without it. But the pain this is causing to those crushed under the reforms, not to mention the health risks posed to the entire planet, is overwhelming. The flip side of the corporate bonanza is that it is destroying the traditional poultry systems and poultry biodiversity that hundreds of millions of people depend on for their food security and livelihoods. In so doing, it is also wiping out the foundations for a long-term solution to bird flu. As we are starting to see in Indonesia and elsewhere, people simply have no choice but to resist.

*Acknowledgements: Riza Tjahjahdi and volunteers of Biotani Foundation Indonesia generously helped with background research for this report. The term “Big Chicken” comes from Wendy Orent, a US anthropologist and science writer.*

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