**The impact of the 2023 Avian Influenza on the South African chicken meat market.**

In 2023, the Avian Influenza Virus, or bird flu, broke out in South Africa. This resulted in a shortage of chicken and egg products across the country, as millions of chickens where being culled. (Staff Writer, Oct 2023) The price of chickens therefore increased which in turn negatively impacted the poor as chicken meat is an important source of protein for South Africans. The objective of this essay is to show how the Avian Influenza Virus and the (possible) lifting of import duties, impacted the South African chicken meat market, through the support of different statistical measures.

The chicken meat market is characterised by three different factors, these include production, processing and distribution as well as consumption. In South Africa, the chicken meat production is carried out by large companies, rather than small farmers. These chickens are raised on farms for meat production and are then processed and slaughtered into small cuts in preparation for distribution. The distribution of these products includes restaurants, supermarkets, grocery stores and more. Most of these chicken meat products are consumed by the poor, as chicken is the meat of choice in most low-income households, as according to Lawrence Edwards and Jing Chien, “Chicken is a primary source of protein, particularly for poor households.” (November 2023).

The demand side of the chicken meat market consists of individual buyers, food markets, grocery stores, restaurants and more. Individual buyers in South Africa play the most role in the consumption of chicken meat as they purchase these products for home consumption and meal preparation with chicken being the meat of choice for most poor households in South Africa. Food markets, grocery stores purchase and consume chicken products to allow for the distribution of these products to consumers. Restaurants, on the other hand, purchase chicken products to use them in meal preparations for their customers.

The supply side of the chicken meat market consists of domestic producers and importers. The domestic producers are the large companies (Astral Foods, RCL Foods). Importers of chicken meat to South Africa are countries like Brazil and some European Union countries (Lawrence Edwards and Jing Chien,2023).

Imported chicken meat is dumped in South Africa,” meaning that the price that they charge for their chicken in South Africa is less than the cost at which they can produce the chicken in their home countries “(Essay Context Guideline,2022). This results in a competitive situation between the domestic producers and importers.

The Avian Influenza of 2023 resulted in a decrease in supply of chicken meat as most of these chickens where being culled to control the spread of the virus. This resulted in a decrease of the quantity supplied of chicken meat as according to Natalie Kinsley “Astral processed about 4.9 million chickens weekly during the 2023 financial year, which is 16% lower than 5.8 million birds per week the previous year” (2023). This therefore led to an increase in the prices of the chicken meat. An increase in the prices of chicken meat led to a decrease in the demand of chicken meat which mostly affected poor households as they depend on the chicken meat products. Therefore, the quantity demanded for chicken meat decreased. In addition, concern on the risk of contracting the virus would also result in most consumers shifting their preferences from chicken meat to other meat products resulting in a decrease in demand for chicken meat. The Avian influenza of 2023 impacted both the demand and supply dynamics

The implementation of import duties favours domestic industries, as without import duties, importers can offer their products at lower prices compared to the domestic market creating competition between importers and domestic producers. As a result, domestic producers would have to decrease their prices so as to remain competitive within the market. The (possible) lifting of the import duties would protect domestic producers from competition as less chicken meat will be imported into the country. According to Lawrence Edwards and Jing Chien, "By protecting the domestic industry from import competition, domestic producers are able to raise their prices, profitability and viability” (2023), domestic producers would be able to increase their chicken meat prices as there would be less competition, thereby allowing them to make more profit. However, Chicken meat is the meat of choice in low-income households, the increase in prices will negatively affect poor households more.