

Bird Flu and Chicken Factory Farms: Profit Bonanza for US Agribusiness

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Look to the giant 'chicken jails' or chicken factory farms around the world as a more likely source for emerging Bird Flu viruses, not to small peasant chicken farmers, and we might be closer to the truth

Clouds can have 'silver linings' the adage goes, and Bird Flu seems to be no exception. While much of the world trembles in panic and fear over an as-yet-non-existent human-to-human mutation of the Avian Flu or H5N1 virus, and while most worry what to do to protect themselves and their families, certain people are doing quite nicely in the situation.

Donald Rumsfeld and other major stock holders of Gilead Sciences or Roche Inc., the marketers of the much-hyped Tamiflu (see previous articles, 'Is Tamiflu another Pentagon Hoax?'; 'Bird Flu: A Corporate Bonanza for the Biotech Industry') are reaping nice gains, as sales of the medication are booming thanks to promotion by the Bush and Blair governments.

Agribusiness companies stand to reap huge gains in the event that scientists at Cambridge University and elsewhere are able to replace the entire world chicken population with genetically-engineered chicks allegedly resistant to H5N1 virus.

Little-noticed beneficiaries of the current Avian Flu scare, however, are the giant agribusiness chicken producers based in the United States, who claim 'their' chickens are safe. Their sales are booming and all indications are that Avian Flu, paradoxically, has come like a Godsend to their corporate balance sheets. Are they also responsible for breeding unsanitary conditions and exporting the product worldwide causing disease, illness and even deaths?

On October 23, 2005, Dr. Margaret Chan, Representative of the WHO Director-General for Pandemic Influenza, the key person responsible for global oversight of the threat from the H5N1 strain of Bird Flu, told *Newsweek* magazine, 'the risk to humans in Europe, the risk to human health is very low in Europe.'

Chan came to her senior post at WHO from Hong Kong, where she was responsible for the public health response to the SARS epidemic in 2003-4. She told *Newsweek*, 'our alert is at Phase III, and that has not changed recently. Phase VI is the highest, when there's a pandemic...We do not want to see complacency, but we also do not want to see people getting alarmed. At this point, avian influenza is a bird disease.' [1](#)

That statement coming from the international public official most directly responsible, gives little ground to justify the mood of panic and the hoarding of dubious medications such as

Tamiflu. Who else gains from the current panic over a potential human Avian Flu pandemic?

At this point a close look at the world poultry business is highly enlightening.

Factory Chicken Farms

Curiously enough, it is not the huge, unsanitary, overcrowded factory chicken farms of the global agri-giants which are being scrutinized as a possible incubator or source of H5N1 or other diseases. Rather, the target is the small chicken farmers in especially Asia, with at most perhaps 10 to 20 chickens, who stand to lose big-time in the current Bird Flu hysteria.

The major chicken factories such as Tyson Foods, Perdue Farms, ConAgra Poultry are making a propaganda campaign that, unlike in Asia where chickens are free to roam in the open, that their chickens are 'safer' because they are raised in closed facilities. A closer look inside those facilities is useful.

Over the past three decades, American agriculture has been transformed so as to be almost unrecognizable. It is no longer dominated by small, carefully-run family farms producing some wheat, maybe corn, dairy and perhaps eggs and poultry fed and raised in a free-running farm area.

Today, thanks to a project launched in the late 1950's by two Harvard Business School professors—Ray Goldberg and John Davis—production of food has become a concentrated, vertically integrated multinational business, which they named agribusiness. The criterion is no longer human food safety or quality. It is corporate profit. Nutrition has become a pure cost-benefit calculation of shareholder value, just as trading in stocks in a car company might be.

The industrialization of chicken-raising and slaughtering in the USA, which is known as 'factory farming' is a process whose inner workings are unknown to most people. Better it remained so some say. Were we to know, we likely would never again eat a Chicken McNugget or a KFC chicken dinner, both of which are supplied, by the way, by Tyson.

Today, five giant multinational agribusiness companies dominate the production and processing of chicken meat in the United States, and, as things seem to be going, especially were the world to be looney enough to adopt genetically modified chickens supposedly resistant to Avian Flu virus, these five companies are about to dominate world chicken supply.

According to a trade source, WATT Poultry USA, as of 2003 five companies held overwhelming domination of the US poultry production, all of them vertically integrated. US regulators and Congressmen seem to have forgotten the tough laws against vertical integration in the meatpacking and poultry industry following widespread scandals and the expose during the 1920's, *The Jungle*, by Upton Sinclair, exposing the health and human abuse inside the Chicago meatpacking industry.

The five companies are Tyson Foods, far the largest in the world; GoldKist Inc; Pilgrim's Pride; ConAgra Poultry; and Perdue Farms. Together, the five account for well over 370 million pounds per week of ready-to-cook chicken, some 56% of all ready-to-eat poultry produced in the USA. That is a level of concentration far in excess of anything in the 1920's.

Alone, Tyson Foods processes 155 million pounds of chicken a week, almost three times its

nearest rival, GoldKist. Tyson is big business, with over \$26 billion a year in revenue. During the latest Bird Flu scare, for the Quarter ending September 30, Tyson Foods' earnings rose an eye-popping 49%, and, despite a 10% fall in chicken sales, its profit in chickens grew a robust 40%. The key, the company said, was measures it took to 'boost productivity.' [2](#)

Boosting productivity for Tyson and the other chicken giants clearly means one thing: speedup of the production line, further slashing labor costs, and reducing safety measures in their slaughtering and packing plants.

Tough Men and Tender Chickens?

The UN Food and Agriculture Organization (FAO) released a report in 2004 on the economic impact to date of Avian or Bird Flu.[3](#) It noted that the main impact of the panic which has grown globally since around 2003, has been economic loss, not human deaths. 'The impact of countries banning both Thai and Chinese poultry exports,' the FAO report noted, 'are leading to higher international poultry prices and increasing demand for poultry meat from other major suppliers, such as the United States...'

Increasing Asian demand for imported chicken products from the United States today, however, has a special significance. It means three to four giant factory farm operations are opening a potentially huge new market for chicken products in Asia.

Asia today is home to seven billion chickens, fully 40% of the world total. US chicken giants like Tyson Foods, ConAgra and Perdue Farms have literally been drooling at the prospect of breaking into the vast market in Asia, Japan and China for several years. Bird Flu is giving them that chance and more.

Japan imports some 70% of all chicken its population consumes. The Bird Flu scare resulted in a Japanese ban on chicken imports from Thailand and China. The benefactors have been USA and Brazil chicken exporters according to the FAO. And that means, above all, Tyson Foods, Perdue, ConAgra.

One of the better known radio ads in the United States in recent years had the motto, 'It takes a tough man to make a tender chicken...' It was the popular slogan of the late Frank Perdue of Perdue Farms, one of the world's top five giant chicken producers. The 'tough man' part of Perdue Farms is accurate. The company, which boasts of being fully integrated from 'egg to supermarket meat case,' had \$2.8 billion in sales in 2004 and pushes 48 million pounds of chicken parts on the world consumer weekly, in 40 countries. Perdue, like all its chicken factory colleagues, has been fined by the US Government for safety and health violations in its chicken processing plants and for efforts to bust trade union organizing in its plants.

Tyson Foods, based in Bill Clinton's home state of Arkansas, enjoyed intimate ties to the Clinton Administration during the 1990's. Some would say too intimate. It was Tyson General Counsel, James Blair, who set up a sweetheart deal to get Hillary Clinton an education in sophisticated and highly risky cattle futures, turning her \$1,000 investment into a quick \$100,000 windfall. Soon after helping Hillary, Tyson Foods found a friend in the new Clinton Secretary of Agriculture, Mike Espy. A US Judge found that Tyson had arranged airplane rides, professional football tickets and other gifts to Espy. Tyson agreed to pay a \$6 million fine for 'attempting' to bribe a Federal official.

Tyson is also adept at taking over rivals. In 1997, after repeatedly failing in a takeover bid, Tyson bought rival poultry producer Hudson Foods. And they bought it at a steeply-discounted price.

Hudson Foods was suddenly hit with an e coli bacteria scandal. US Government regulators descended on the company, even sending in a so-called 'SWAT team' to shut down operations. Press carried horror stories about the company. Within hours, the company's stock value plummeted. Within weeks, rival Tyson Foods bought Hudson Foods. Tyson CEO Don Tyson's Arkansas friend Bill Clinton was President of the United States, theoretically responsible for deployment of such operations as Federal Swat Teams to shut down companies. Tyson Foods was able to buy Hudson Foods only after the small company had been brought to its knees, at least in part through a public health scare and some government brute force. No one ever proved that Tyson and the Clinton Administration were in cahoots in the Hudson Foods e coli scare, with its unprecedented Government raid. Yet no one ever proved the opposite either. Tyson had swallowed another rival, anaconda-style.

Tyson Foods today has re-branded itself and now boasts of being 'the world's largest protein producer,' a pitch designed to let it benefit from the current 'high-protein/low carbohydrate' Dr. Atkins diet fad. Benefit it has, as US chicken consumption is up 24% since 1995. But that evidently isn't enough for the executives at Tyson Foods. They have their eyes on the vast China and Asian market for chickens as we will later see. [4](#)

Tyson Chicken Factories: The myth

The following is the company's own description of its activities from a 1998 filing, indicating the process Tyson Foods uses to produce 155 million pounds a week of processed chicken:

'The Company's integrated poultry processes include genetic research, breeding, hatching, rearing, ingredient procurement, feed milling, veterinary and other technical services, and related transportation and delivery services. The Company contracts with independent growers to maintain the Company's flocks of breeder chicks which, when grown, lay the eggs which the Company transfers to its hatcheries and hatch into broiler chicks. Newly hatched broiler chicks are vaccinated and then delivered to independent contract growers who care for and feed the broiler chicks until they reach processing weight... the Company provides growers with feed, vitamins and medication for the broilers, if needed, as well as supervisory and technical services. The broilers are then transported by the Company to its nearby processing plants. The Company processed approximately 6.4 billion pounds of consumer poultry during fiscal 1998...

'The Company's facilities for processing poultry and for housing live poultry and swine are subject to a variety of federal, state and local laws relating to the protection of the environment, including provisions relating to the discharge of materials into the environment, and to the health and safety of its employees... The cost of compliance with such laws and regulations has not had a material adverse effect upon the Company's capital expenditures, earnings or competitive position and it is not anticipated to...As of October 3, 1998, the Company employed approximately 70,500 persons. The Company believes that its relations with its workforce are good.'

The above company declaration is useful in light of the documented reality of life at Tyson Foods today.

And the Reality...

The conditions of chicken breeding and slaughter documented inside the giant factory chicken farms of Tyson, Perdue, ConAgra, contrary to their company propaganda, are anything but reassuring to human health. A recent study of working conditions in US meat and poultry slaughterhouses concluded:

'Health and safety laws and regulations fail to address critical hazards in the meat and poultry industry. Laws and agencies that are supposed to protect workers' freedom of association are instead manipulated by employers to frustrate worker organizing. Federal laws and policies on immigrant workers are a mass of contradictions and incentives to violate their rights. In sum, the United States is failing to meet its obligations under international human rights standards to protect the human rights of meat and poultry industry workers.'[5](#)

A Government Accountability Office (GAO) report to the US Senate, 'Safety in the Meat and Poultry Industry,' in January 2005, concluded that US meat and poultry processing plants had 'one of the highest rates of injury and illness of any industry.' They cited exposure to 'dangerous chemicals, blood, fecal matter, exacerbated by poor ventilation and often extreme temperatures.' Workers typically face hazardous conditions, loud noise, must work in narrow confines with sharp tools and dangerous machinery.

In the United States, approximately 8.5 *billion* 'broiler' chickens are killed for food in the US each year. That works out to 23 million chickens every day. According to a recent report by VivaUSA, a non-profit organization investigating conditions in US factory farms, 'Thanks to genetic selection, feed, and being prevented from moving or getting any exercise on factory farms, chickens now grow to be much larger and to grow more quickly than ever before.' Broilers today need an average of 6 weeks before slaughter compared with 12 weeks in the 1940's. And that slaughtered chick has been produced at a high cost.

The use of growth boosters has created major health problems in the huge factory farm concentrations. Because of hormone and vaccine injections to speed growth, muscle growth outstrips bone development and the chickens typically have leg and skeletal disorders that significantly affect their ability to walk. Unable to walk, they must sit in poor-quality litter, creating breast blisters or hock burns. According to one report, 'The dermatitis seen in such birds is painful in itself but the effects of inability to walk are much more severe.'

Chicken organs are unable to keep up with their hyper growth rates, causing hearts or lungs to fail or malfunction, and creation of excess fluids in their bodies or death. Under special exemptions in US law, chickens are excluded from the protections of the federal Animal Welfare Act. The federal government sets no rules or standards for how these animals should be housed, fed, or treated on farms. [6](#)

The GAO study also confirmed a dramatic change in the US meat and poultry industry since the Reagan Administration first opened the doors to union-busting and vertical integration and concentration in the industry by de facto ignoring enforcement of anti-trust and industrial safety laws such as the Occupational Safety and Health Act of 1970 (OSHA). In 1980 meat and poultry packing was highly unionized, and well-paid work, with the accompanying union defence of working and safety conditions. The industry was 46% unionized.

A decade later, by 1990, that rate had plunged to 21%, and today is far lower. The wages plunged in parallel, as did the composition of workers in the plants.

Today, according to the GAO, more than 38% of production line workers in the meat and poultry processing industry are foreign born. The GAO gives no data on what percent are illegal immigrants. The largest percent of workers are male, and 42% are Hispanic, and another 20% are black. But far from being a model of fairness in racial minority hiring, the high rate of black and Hispanic workers are precisely because companies find it easiest with the high unemployment rates among those population groups to impose working conditions most workers would refuse.

Encouraged by the Bush Administration's benign neglect of anti-trust laws and health and safety controls, the meat processing industry has shut down countless unionized plants across the country, reopening new plants often in the same area, typically manned with immigrant, non-union labor at drastically lower wage levels.

Human Rights Watch, an NGO concerned with violations of worker rights, reported on conditions in Tyson Foods' Arkansas chicken processing plants:

'The northwest corner of Arkansas is the center of the poultry industry in Arkansas, the state's largest private sector employer. The beautiful green hills and valleys belie the environmental degradation of area watersheds polluted by a tsunami of waste from one billion defecating chickens raised and slaughtered each year in Arkansas.'

'Dozens of poultry processing plants are spread among the shopping centers, modest homes and residential apartments of Bentonville, Rogers, Springdale, Fayetteville, Forth Smith and other towns off Interstate I-540 in Northwest Arkansas. The smell of dead chickens permeates the atmosphere. Poultry plants are mostly nondescript, windowless facilities set back from the grid of roads and highways in the area.'

'In the past decade, immigrant workers from Mexico and Central America have supplanted many rural white and African-American workers in Northwest Arkansas poultry plants, a demographic phenomenon characterizing the poultry industry nationwide. Between 1990 and 2000, the foreign-born population of the two largest counties in the area increased more than 600 percent. Nearly all the increase was related to poultry industry employment. In Rogers and Springdale, centers of the poultry processing industry in the area, immigrants are more than 20 percent of the population.'

'Tyson runs sixty poultry processing plants engaged in slaughtering, dressing, cutting, packaging, de-boning and further processing fifty million chickens per week.' [Z](#)

According to Earthsave International, some 30% of US chicken is tainted with Salmonella and fully 62% with the equally virulent Campylobacter. Time magazine termed raw chicken, 'one of the most dangerous items in the American home.' In 1997 contaminated chicken killed at least 1,000 in the United States and poisoned and made sick 80 million others, orders of magnitude more deadly than Avian Flu, but unreported in the media. Tyson, Perdue and the other agribusiness chicken giants have created scientific breeding grounds for disease and pathogens.

Tyson's 'corporate citizenship' leaves something to be desired. The company, like Perdue Farms and the other industry giants, has systematically worked to bust existing unions and

drive out any workers who protested dangerous working conditions. In 1993, the National Labor Relations Board found Tyson Foods guilty of unlawfully directing and controlling a union expulsion at its Dardanelle, Arkansas plant. The company interrogated workers about their union sympathies and illegally promised wage increases, bonuses, and other benefits if workers voted to get rid of the union.

In 1995, Tyson was found guilty of illegally eliminating a union in one acquired company, Holly Farms. Tyson management coercively interrogated workers about their union sympathies, threatened to arrest workers exercising their lawful rights, threatened union supporters with firing if they remained loyal to the union, and fired fifty-one workers for supporting the union. Tyson Foods CEO, John Tyson, who calls himself a 'devout Christian,' talks about creating a 'faith-friendly company.' Instead of union members working, he prefers to have what the company calls its, 'relationship with Team Members (sic) as we operate without a union.'

One Tyson worker described the internal situation:

'Tyson always gets rid of workers who protest or who speak up for others. When they jumped from thirty-two chickens a minute to forty-two, a lot of people protested. The company came right out and asked who the leaders were. Then they fired them. They told us, 'If you don't like it, there's the door. There's another eight hundred applicants waiting to take your job.' They are the biggest company so what they do goes for the rest.'

The factory chicken farms of Tyson and Perdue and company are also huge consumers of corn and soybeans. In 1999 Tyson alone consumed 6.5 million tons of corn and 2.8 million tons of soybeans. Today, almost all of the corn and soybeans are genetically modified Monsanto crops, a factor whose long-term consequences on human consumption have not been independently tested. Tyson apparently is unconcerned about that as well.

Asia and US Chicken Factories

The concentration of so many animals in centralized, mechanized growing areas or chicken jails across America has led to huge waste and pollution problems. One smaller company, Foster Farms of California recently pled guilty of Clean Water Act violations for illegally discharging 11 million gallons of water polluted with decomposed chicken manure into the San Luis National Wildlife Refuge.

Perdue Farms, the US' fifth largest poultry producer, recently added a major chicken 'factory farm' operation in China.

China is also the dream destination of Tyson Foods, far and away the largest producer of factory chicken meat in the world today. Well back in April 1997, Tyson Foods entered an agreement with Kerry Holding Limited, a Hong Kong-based subsidiary of the Kuok Group, to investigate the practicality of locating agribusiness 10 poultry complexes throughout China, each designed to process half a million birds per week, or a total of 5 million chickens each week.

Today, Tyson CEO, Greg Lee, sees China as one of the most promising growth areas for its chicken agribusiness, curious given the negative publicity about Bird Flu cases in China. Lee recently told US media that 'US poultry housing and growing conditions are different from Asia and are more likely to protect animals from disease...' In March 2005 John Tyson told a

Food Summit in Chicago that Tyson saw its investments in China as laying the 'foundation for profits in coming years.'

Given the practices of Tyson, Perdue, ConAgra and the other US chicken factory agribusiness giants, the governments of China, and the rest of the world ought to look long and hard before allowing them license to build their chicken factory farms in China.

The WHO recently described the conditions which are the origin of Bird Flu. In an interview with a China media in early 2004, before the present Washington alarm over Bird Flu pandemic dangers, the Geneva health organization described the conditions under which the Bird Flu virus would spread. The WHO said H5N1 was 'largely transmitted through bird droppings and uncooked meat.'

When a contaminated chicken makes an excrement the H5N1 strain of avian influenza circulates in the air and is carried by the wind, according to the WHO findings. 'Piled one on top of the other in cramped cages, the birds easily pass the disease on with their dirty droppings,' the WHO said, noting that chicken breeders also risked inhaling the bug and got infected easier.

On the other hand, it was virtually impossible to catch bird flu by eating cooked meat that is infected, said WHO spokeswoman Fadela Chaib. 'The cooking kills the virus,' Chaib said, citing WHO experts. [8](#)

Chickens piled on top of one another in cramped cages filled with dirty bird feces and poor ventilation is an accurate description of the documented conditions of the factory chicken farms of Tyson Foods, Perdue Farms and other US chicken agribusiness giants.

Dr Walter Sontag, an Austrian zoologist who has studied the development of the H5N1 virus, and who concluded that the alarm about Bird Flu pandemic is vastly exaggerated, says, 'A high density (of birds) in a small space with defined food and water availability, and in addition, poor hygiene conditions promote an explosive spread of pathogenic germ cells.' Sontag goes on to point out that 'free-walking' chickens, in contrast to the 'jailed' factory farm birds, 'almost without exception keep a great distance from humans.' [9](#)

It would be important to know whether any of the cases of Avian Flu documented in China in recent years could be traced either to imports of US chickens from giant producers such as Tyson Foods or to domestic chicken factory farms of those companies in China or elsewhere in Asia. It is at least clear that a lot more explanation from responsible governments and health officials is due on the true origins and threats of Avian Flu.

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Footnotes:

1 Nordland, Rod, *Newsweek*, Interview with Dr Margaret Chan WHO, Oct. 23, 2005

2 WATT Poultry USA, WATT Poultry USA's Rankings, January 2003.

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4 Cummings, David, *Overseas Investments by U.S. Meat Corporations*, Centers for Epidemiology and Animal Health, July 2000, www.aphis.usda.gov/vs/ceah/cei/.

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6 VivaUSA, *Chicken/Broiler Industry Media Briefing*, www.vivausa.org.

7 Human Rights Watch, op. cit.

8 World Health Organization, *Bird droppings prime origin of bird flu* , January 17, 2004.

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