

Bird flu could cost nearly \$1 billion in Minnesota and Iowa

May 18 2015, by David Pitt

Bird flu could cost nearly \$1 billion in the economies of the two states hardest hit, Minnesota and Iowa, agricultural economists said Monday, and the virus is still spreading.

Iowa, the nation's leading egg producer, has lost about 20 million chickens that lay eggs for food use, more than a third of the total. Minnesota, the top turkey state has lost more than 8 million birds.

So far the U. S. Department of Agriculture has confirmed the [bird flu](#) has claimed nearly 37 million birds in 15 states but the number is significantly larger because additional farms in Iowa and Minnesota recently discovered are not yet on the list. The figures include birds killed by the virus as well as those killed to prevent its spread.

On Saturday, Rembrandt Foods announced that chickens at its second farm, an egg facility in Renville, Minnesota, had tested positive for the virus. About 2 million chickens will be euthanized. The company, one of the largest egg producers in the U.S., had to destroy 5.5 million chickens on its Rembrandt, Iowa, farm after the flu turned up there last month.

"Avian Influenza is a challenge to not only the Rembrandt Foods' business, but also its co-workers, customers, the communities in which it operates, and to the widespread industry as a whole," Jonathan Spurway, a company spokesman, said in a statement.

Minnesota's estimated loss of nearly \$310 million in poultry production

includes sales losses to feed suppliers, trucking companies, and processing plants, said Brigid Tuck, a senior economic impact analyst with the University of Minnesota in Mankato.

The loss in sales of poultry alone is estimated at \$114 million. The estimates were based on the bird losses as of last Monday.

"If the virus affects more farms, as we have seen since May 11, the impact levels will rise," Tuck said.

In Iowa, the estimated economic loss from [egg production](#) is estimated at just over \$600 million based on figures from Iowa State University economists using current estimates of dead chickens. Egg producers generate more than \$2 billion a year in economic activity and the estimate is based on a loss of a third of the flock. Additional losses were reported Monday.

Other agriculture economists believe the economic losses for those two states could be even higher.

The economists said that the estimates are based on annual figures and the exact economic impact won't be known until it's determined how long it takes to declare barns virus-free and safe for restocking after birds are cleared out and facilities are disinfected.

"They are not going to come back all at once. It's going to take one to two years for these layer facilities to be back into full production, it's a gradual process," said Maro Ibarburu, a business analyst at the Egg Industry Center at Iowa State University.

While agriculture economists compute financial losses for states hardest hit, the U.S. Department of Agriculture released a monthly report Monday that said national exports of turkey meat will fall 10 percent,

eggs about 1.5 percent and even chicken meat exports will fall 6.8 percent this year.

The broiler chicken industry, which provides [chickens](#) for meat, has not been directly hit by the of the [bird flu virus](#) that has mainly infected turkeys and egg-laying hens, but the export impact is due to national bans of all U.S. poultry products imposed by China, Russia and South Korea.

The USDA said turkey farmers were having a very good year before the bird flu struck the Midwest in March. First quarter production was 1.4 billion pounds, 7 percent higher than last year's comparable quarter. Second and third quarter production is expected to fall by 50 million pounds due to bird flu, however the strength of the first quarter is expected to help boost turkey production for the year by 3.9 percent above last year to 5.98 billion pounds.

Egg production for March was nearly 1 percent higher than a year ago. The bird flu virus first surfaced in Iowa egg barns in early April. The government's new forecast is for table egg production to fall to 7.2 billion dozen, a decline of 0.7 percent from last year.

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