

Chicken meat producers grapple with power crisis, bird flu, threatening shortage

By [Nelson Banya](#)

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South Africa is expected to experience a shortage of chicken meat in the coming months due to a bird flu outbreak and power cuts that are devastating the poultry industry, according to Astral Foods, one of the country's largest poultry producers.



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In a trading update, Astral said it expected to report a headline loss between R18.02 and R18.08 (\$0.9564-\$0.9596) per share in the year to 30 September, compared to a profit of R27.62 rand in 2022, mainly due to persistent power cuts.

Astral said the electricity crisis had disrupted the poultry industry and raised operating costs, which had now been compounded by additional expenses related to "the worst" bird flu outbreak that has spread across South Africa's Gauteng and Mpumalanga provinces "at an alarming rate".



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"The bird flu has already caused short supplies of table eggs into the market, and it is expected that the supply of poultry meat into the value chain could be affected negatively in the coming months," Astral said.

Africa's most advanced economy is enduring frequent electricity cuts blamed on its ageing coal-fired fleet of power generating plants. State-owned utility Eskom is routinely reducing power supply to businesses and households for several hours daily, a process called load shedding locally.

"The total costs of load shedding, including capital costs of 200 million rand, for the group for the financial year will amount to approximately 1.9 billion rand. This has been the main reason for the severe decline of Astral's results for the year ending 30 September 2023," the company said.

Businesses have had to spend millions on alternative sources of power, such as diesel generators and solar plants. For the poultry sector, erratic electricity supplies affect ventilation systems, slaughter schedules and chicken processing.

Astral said it was spending R45m every month to run diesel generators.

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