THE SOCIAL LIFE OF THE AUSTRALIAN CHICKEN

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Summary

The paper outlines the economic, social and cultural significance of the chicken in Australia in the last 50 years, arguing that chicken meat is far more than a cheap source of protein. It reviews the contributions made on the production and distribution sides of the industry to the extraordinary growth in consumption of this particular food. Within a context of the changing requirements of consumers, the paper notes some major obstacles to this growth being sustained.

I. INTRODUCTION

In the mid 1990s, I set about researching why chicken meat was fast becoming Australia’s most consumed meat. The humblest of poultry is close to achieving this milestone (ABARE, 2004; estimates that in 2003-04, Australians consumed 37.7 kgs of beef and 35.7 kgs of poultry meat), and will in the next couple of years overtake a national icon, beef. The research raised an unexpected question: the extent to which consumption follows from the esteem with which a food is viewed. Popular foods are not necessarily viewed that highly. Certainly the consumers I spoke to expressed numerous reservations about chicken, and these have only become more pronounced in the intervening years with media stories of human deaths from avian flu and antibiotic resistance linked to the food supply. The concerns are reflected by the preparedness of growing numbers to pay two to three times for organic chooks, and possibly by the recent upturn in lamb consumption (ABARE, 2004).

This paper provides a sociological snapshot of what I have called the social life of the chicken. That commodities, like people, have social lives is a strange idea. Put simply it means that behind every commodity lie the actions of producers, distributors and consumers, governments, unions, professional bodies and those responsible for R&D. Attached to every commodity are stories, myths, accepted ways of using the commodity and symbols conferring worth upon the commodity: often a price signifying monetary value, and other qualities that have been “added” by a producer, government, advertisers, or by consumers who may harken back to childhood memories. Subconsciously we all add qualities, such as goodness, healthiness, or moral worth.

To study the ‘social life of things’ entails answering questions asked in biographical research (Kopytov, 1986): Where does this thing come from and who made it? What has been its career so far? How does the thing’s use change, and what happens when it reaches the end of its usefulness?

I intend to address these questions to describe how the Australian chicken is becoming the nation’s most consumed, but not necessarily best-loved, meat. And it is this ambiguous relationship between consumers and chicken that raises the spectre of whether chicken in its current form will live forever or whether its social career is set for change. The role of poultry scientists who have been fundamental to the industry’s success thus far may indeed be pivotal to the next stage of the Australian chook’s trajectory within the social life of Australia and further afield. Australian fondness for this particular protein source is being

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matched in many other countries, and it is common to see Australian chicken in the Pacific islands (Dixon and Jamieson, in press).

In the next sections I touch upon the laboratory to mouth story of the broiler. In so doing, I indicate how chicken meat has been fundamental to the restructuring of the food system more generally. It has pointed the way for so many commodity sectors in relation to vertical integration systems, contract farming, supply chain arrangements, marketing and promotion, and conducting trade disputes. This argument is elaborated in my book The Changing Chicken (Dixon, 2002). The paper concludes by naming the many challenges faced by the table chicken in consolidating its position as central to Australia’s culinary culture.

II. WHERE DOES THIS THING CALLED THE CHICKEN COME FROM, WHO MAKES IT AND WHAT HAS BEEN ITS CAREER SO FAR?

The global poultry industry is generally considered to be multi-domestic, that is most countries produce their own poultry. Compared to other food commodities, like beef, comparatively little is traded between nations although this is starting to change with some aggressive manoeuvring by Thai, Chinese, US and UK companies (Burch, in press). While Australia has begun to import chicken meat, it is fit only for animal consumption, meaning that Australian consumers are fed by Australian producers. Moreover, the lack of international control of the major producing companies since the mid 1980s sets this commodity sector apart from the beef, pork and dairy industries in this country which have seen marked inflows (and outflows) of international capital.

At the heart of the industry are approximately 85 family owned processors dotted around all states, and they contract with about 740 independent farmers (augmented by their own farm labour on company owned farms) to produce 419 million chickens a year (figures for 2002-2003, ABS, 2004). The processing firms with national coverage are Inghams Enterprises, Barter Enterprises, which includes Steggles Foods, and Baiada. Each state then has its major brands: Marven in Victoria; Cordina in NSW; Golden Cockerel in Queensland. Each of these enterprises has been operating for decades. The relatively few processors together with the size of the three national companies means that the broiler industry is highly concentrated: possibly more so than in any other OECD country. This level of concentration provides ‘the big three’ and the medium sized firms with incentives to continue to invest in the industry.

Indeed, the industry is remarkable for its stability: based not only on the durability of the processors but on the commitment of the farmers, who have been growing poultry in many instances for several generations. While the contract farming of chickens is often derided, with epithets used such as “he’s only a chicken grower”, Australian contract farmers are financially comfortable compared to other agricultural producers. This is due to a combination of factors: government regulation of the fees they are paid to rear the birds, the fact that droughts do not affect the farmers (although droughts affect processors who are responsible for paying the bird feed), and the need to be relatively wealthy in the first place. Poultry farming properties, which are sited close to valuable residential lands often on the peri-urban fringe, have high land values and the shedding and equipment are not cheap.

Processor and farmer stability are not sufficient, however, to explain how such a relatively recent and small industry has been termed Australia’s most successful agri-food industry of the second half of the twentieth century. History of the Australian Chicken Meat

1 Industry sources say that together the three companies now control about 80% of the national market
Industry 1950-1990 sets the genesis of the industry with some marvellous portraits of the founders of the oldest firms (Cain 1990). From this and other sources, it is possible to argue that three significant factors contributed to industry growth in the 1950s and 1960s: 1. the entry of stockfeed companies, which meant that farmers could focus on growing birds rather than using mashes as stockfeed; 2. the release of Australia’s first scientifically bred chicken meat strain, allowing farmers to diversify from egg production and to profitably engage in chicken meat production; 3. the introduction of chain processing systems transforming a cottage industry to a mass production system. The large capital investments needed by the processors made them attractive to the vertical integration system of coordination of basic inputs. The major firms of the day, endeavoured to control bird breeding, feed mills, processing and the growing of birds via the contract system. The order imposed by vertical integration obviated the need for a marketing board, unlike the egg industry (Dixon and Burgess, 1998).

Following from vertical integration, two critical events consolidated ‘the order’ that characterises the industry. The first concerns the introduction in the 1960s and 1970s of state-based regulations to set the fees that processors must pay to their contract growers. These regulations arose due to government intervention in the periodic refusal by farmers to raise birds because of the inadequacy of their fees. In my book I outline how Victorian growers became politically organised in the 1960s, a development that rippled across the country, with the result that governments enacted legislation with the explicit purpose of ensuring that the exploitation of growers could not continue. Government appointed committees continue today to make recommendations on the terms and conditions of the contracts offered to growers, to determine disputes between growers and processors, and to determine standard fees for growing birds, and the conditions under which the standard may vary. One feature of the legislation is the right of growers to collectively bargain their fees with the processor, as distinct from a single grower being forced to negotiate fees with a corporation. This feature has been at the heart of attempts by some processors to have the state legislation declared anti-competitive within the context of National Competition Policy introduced in 1995. Since then, governments around the country have reviewed the operations of their legislation and to my knowledge, all states maintain their regulatory oversight of processor-grower relations.

One only has to hear or read of the plight of broiler growers in the US to appreciate the ruling delivered by the ACCC when asked to investigate the arguments being advanced by processors and the SA government for repealing the so-called Shield of Crown in that state in 1996.

A market in which participants have unequal bargaining power is likely to operate less efficiently than one in which bargaining power is equal. The Commission accepts that the present arrangements increase the countervailing power of the growers … Therefore, the Commission considers [this] constitutes a public benefit (quoted in Dixon and Burgess 1998, p.119).

Curiously, when doing the fieldwork I noted considerable ambivalence on behalf of some processors for the removal of collective bargaining. The major reason was that the fee setting arrangements offered a super-efficient mechanism for ‘employing’ dozens of farmers. I also suspected that over the years the legislation had fostered a culture of a shared destiny. Words like ‘transparency’, ‘accountability’, ‘looking after the little guy’ (as well as the usual expletives) were used when describing the annual negotiation process. No-one wanted the acrimony of the deregulated situation that pertained in the US. And indeed this sense of a shared destiny has worked to the industry’s great advantage in fending off the 1994 AQIS recommendation to allow chicken meat imports into Australia. The highly concentrated
processors and the highly organised farmers have proven that together they have countervailing power when it comes to GATT, the WTO, and the USDA.

The second significant event, was a review of the market operations of processors a decade earlier by another Commonwealth statutory body. This review possibly would not have taken place had the growers not had 10 to 15 years experience of collective organisation. When Inghams and Steggles adopted vertical integration systems, they began to use their position in the supply of day-old chicks to exert downward pressure on the prices they would pay farmers. This capacity also had an impact on the ability of the medium sized firms to expand their market share because the ban on the importation of avian stock at the time meant no alternative supplies were available. In 1985 the then Prices Surveillance Authority (PSA) was asked to investigate the market power resulting from the control over this particular input. It found that between 1968-1980, Inghams, Steggles and Amatil (British Tobacco) had been successively increasing their share of the industry through a lack of competition in the supply of day old chickens, and when in 1980 Steggles was sold to Amatil, a near duopoly existed. Further, the PSA added that it was not satisfied that “the major processors related by ownership were operating at arm’s length in marketing dressed chicken” (PSA, 1986 p. 2). The PSA’s decision to monitor levels of competition among processors saw Amatil and other foreign corporates sell their holdings, setting the scene for a wholly-owned Australian industry.

Behind the processors and farmers is a group that consumers rarely consider: those engaged in R&D, whether in avian, crop, pharmaceutical or veterinary science. Given my audience, I am going to say little about the role of science. Suffice to acknowledge that in all histories of the industry, science and scientists are accorded a special place. And indeed I have read that researchers know more about the genetics of chickens than any other domestic animal, humans included (Boyd and Watts, 1997 p.193).

The long-time executive director of the Australian Chicken Meat Federation has noted that the industry is “technology’s child” (Fairbrother, 1988). This statement recognises the fundamental contribution made by the early hatcherymen and bird breeders, and the more classically scientific endeavours of people in this assembled group.

But it is the observation made by Don Blackett, an industry pioneer, that is noteworthy. Blackett (1970) argued that the early and marked success in bird breeding has contributed to the industry being largely in the hands of Australian families, unlike countries where feed suppliers (often being transnational companies) became the dominant party.

Towards the end of my research, some expressed concern that the industry was relying too greatly on the imports of scientific inputs, especially the avian stock and requisite foods and medicines. When I last spoke to someone from the Barter company (in 2003) I was told that they wanted to move away from the ASA bird because of higher mortality rates in these flocks and to concentrate on Australian-derived stock. Whether this has happened I do not know, but obviously the public’s concern with animal suffering (including deformities due to rapid rates of growth and large size) makes the interaction between avian genetics, physiology and feed an ongoing issue.

In concluding with the production side of the industry, it would be remiss to overlook another science, food technology. Food technologists’ knowledge about how to make things taste palatable, to have long shelf lives, not to spoil, and to be creative with offcuts makes them indispensable to chicken’s success. The Changing Chicken contains several vignettes of the technologist’s role in the development of chicken products: the chicken roll, a lunch-time staple for 30 years now; the “Pocket Rocket”, a more recent chicken-like pie; and KFC’s rather mixed success to produce a barbecue chicken that customers would buy instead of their fried food offerings.
Developments in the distribution of both the chicken meat product and of the cultural values surrounding the chicken are as important as those in production. Space permits discussion of only two issues here. The first is the way in which the balance of power has shifted away from producers to distributors, particularly supermarkets. The second is the ‘nutritionalisation’ of the food supply.

Up until the 1960s, chickens were familiar to Australians because they lived in the backyard. Yet they were rarely eaten. Backyard chooks were reserved for eggs and special occasions. They became readily available and cheap due to early enthusiasm by the two major supermarket chains, Woolworths and Coles, to sell chicken meat. These two national chains entered into preferred supplier arrangements with Inghams and Steggles respectively in the 1980s. This streamlined marketing arrangement was far more significant to the volumes being traded than the entry into Australia of Kentucky Fried Chicken in 1968. Corporate decisions by all four parties to accept low profit margins per bird led to consistently low wholesale and retail prices vis a vis other meats. In addition, the introduction of the cool chain system to accommodate large volumes of chilled, not frozen, foods allowed chicken meat processors to diversify their product in ways unimaginable in the 1950s. And owing to consumer desire for novelty, a diverse product range is indispensable.

The reasons why supermarkets presently “call the shots” within the industry are many. First, it is a cashed-up sector, with little regulatory oversight and Australian supermarkets are acknowledged as the most concentrated in the OECD (Joint Select Committee on the Retailing Sector, 1999). This situation is conducive to constant investment in new technology in the search for economies of scale and low labour costs. One of their recent innovations has been to reverse the way in which chicken meat orders are placed. A few years ago processors would ring the chains with a schedule of what products had been processed and what volumes they could expect. The cross-docking system means that supermarkets contact processors daily with a list of what they will buy, leaving processors with the problem of unwanted chicken stock. This ability to control the supply chain due to there being many sellers and two buyers, coupled with increasing in-house capacity to further process and value add to their products, means that supermarkets are less reliant on processors for all their items.

The second reason for their power is equally important. Supermarkets have superior market intelligence and they have long been engaged in cultural activities, shaping “the mouth of the consumer”. Over many decades, they have been responsible for popularising the 3 C’s: cost, convenience and cleanliness. They championed the value of “fresh” produce, and are now doing this with the concept of “home meal replacement”. This involves not simply new product development, but helping consumers to rethink “home meals”: what they consist of and where they should come from. In this area, supermarket chains and fast food chicken outlets have a common interest.

Chicken has been readily associated with all of the aforementioned values at one time or another: cheap, convenient, clean/safe, fresh, and perfect when cooked by someone else. These values have been enduring. But there has been another quality central to the success of chicken, over which neither the producers nor retailers have had any control: the advent of lipophobia in the 1970s. With links being made between fatty foods (associated with chops, many cuts of beef and pork), cholesterol and coronary heart disease, chicken was waiting in the wings to replace all of them. What is noteworthy is how little industry advertising has taken place extolling the health virtues of chicken. This was done for the industry by others, among them dieticians and the National Heart Foundation via Pick The Tick. And as the red

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1 The cool chain was “invented” by UK retailer Marks and Spencer
meat peak body has belatedly come to realise products need be promoted by others, because surveys show that consumers do not trust industry endorsements (CSIRO, 1994; Dixon et al., 2004). It is not surprising then to see scientists being asked to research the nutritional benefits of red meat and to publically comment on the results.

Chicken and margarine were the earliest beneficiaries of the nutrionalisation of the food supply. They continue to benefit from a trend, where consumers value the healthful properties of their food above other properties. But their credentials as “natural” foods are being questioned. All mass produced foods are being viewed as too far from nature, and hence less desirable. The rise of organic foods, farmers markets and the return to backyard food growing are all indicators of the back-to-nature movement by middle-class consumers.

III. HOW DOES A THING’S USE CHANGE?

Chickens have always been associated with progress, with successive heads of state promising their citizens “a chicken in every pot”. But it was the chicken’s rapid transition from special to everyday, thanks to the efforts outlined above, that is so noteworthy. All of this industry development took place within the context of rapidly growing rates of female labour force participation from the 1970s onwards. Serendipitously, chicken meat offered mothers a food that children liked and that provided healthy convenience. The table chicken was crossing the road in the right place at the right time. It was a pretty big crossing too. I have gone so far as to argue that this single commodity has contributed more than any other food to the post War restructuring of the economy, because it became the working family’s staple food (Dixon 2002).

However, the social context is changing. Consumers are both more knowledgeable about the food supply and also more fearful of it. And other commodities have come along offering cheap, healthy convenience. These are not the only challenges. Here are some major life events lying ahead for the chicken that may well change its social trajectory.

1. Ongoing pressures from groups, wedded to a particular view of national competition policy, to abandon the Shield of Crown. Will this mean a more strife-riven, and hence unpredictable, industry? In September 2003, Victorian chicken growers upset by deregulatory measures threatened not to accept the delivery of about 400000 chicks (Skufley, 2003:6). Given the Just-In-Time and perishable nature of the commodity, grower strikes do not bode well for daily deliveries of such a staple
2. Ongoing pressures from world trade bodies, governments, and other commodity groups more dependent on exports, like beef, to permit chicken meat imports that are fit for human consumption. Will the Free Trade Agreement with Thailand, for example, falter if that country’s behemoth, the CP group, cannot export chickens to Australia? The ease with which consumers could become alarmed at perceived/alleged lower production standards from overseas sources can easily taint the domestic industry because there is no regulation requiring country of origin identification of chicken pieces.
3. The siting of farms and processing plants on land that may have greater value to residential developers. Already, there is pressure on some firms and farms to relocate due to neighbour complaints about traffic and odours. Australians do not have much experience of co-location with food growing and manufacturing. Because of animal welfare concerns at the stage of transporting live birds to processing plants and the

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1 I observed this sort of reasoning in the Cook Islands where there was a clear hierarchy of preferred source: New Zealand chicken being at the top, followed by Australia with US chicken deemed too fatty.
practice of daily supplies of fresh product to retail outlets, it makes sense to site farms close to processing plants, which themselves are within close proximity to the majority of customers. But is this sustainable?

4. While chicken has benefited from its perceived nutritional worthiness, the fact that fried foods have become even more suspect in their links with a host of diseases, and the fact that fried and basted, fatty chicken is common could damage the industry’s health credentials. Moreover, most beef and lamb producers can claim a health advantage: their products are antibiotic-free. As Shoebridge noted when evaluating the recent MLA campaign: “Getting red meat on Australian tables is about building an emotional connection – and covering yourself on the health issues” (Shoebridge, 2003, p.58). The Sydney Morning Herald series “Fare or Fowl” in March, 2004, may be too little too late as a response to fears that consumers are expressing about poultry.

5. Consumer fears about the production methods associated with chicken, including their feed and feed additives and cruelty in their raising, coupled with the biggest input being crops that are drought-prone, pose ongoing challenges for the scientists assembled here. What is being required is a bird that: is an efficient grower without suffering deformities; does not need pharmaceuticals; relies on reliable supplies of Australian-made inputs; and exhibits all the behavioural characteristics people assume inhere in chickens in the wild. They want a close-to-nature meat that they do not have to kill. And they want it cheap!

The latest figures available at writing show a decline in chicken meat production and a rise in beef production (ABS 2004). I am not able to comment on the reasons. However, it is conceivable that consumer demand for chicken is peaking due to a) media coverage of two food scares - avian flu and the dangers of antibiotics in the food supply - and one animal welfare issue, namely the intensive rearing of animals1; b) the successful campaign run by the Meat & Livestock Corporation to get people to eat more red meat, and the increasing numbers who are eschewing all meat; c) consumer perceptions that chicken is too mundane, and other foods are now as cheap and healthily convenient and possibly more natural. Movements such as the Slow Food Movement contribute to a desire for natural foods, as well as unsettling the assumption that food should be cheap and fast.

IV. CONCLUSION

Economically, the abundance of cheap chicken continues to be associated with a particular view of progress: that of efficiency, novelty and value for money. Socially, chicken has met the demands of working women and others caught up in a 24/7 routine of work and family life. Culturally, the chicken has played its part in influencing our ideas that a culinary culture should be principally about ‘healthy convenience’, and it too has benefited from perceptions that this attribute is what makes chicken special. But views of progress and what is valued in the food supply are changing. The evolving nature of what consumers value in the food supply and the alternative sources of those values coupled with some rather large issues related to government regulation, international trade, the environment and ‘nature’ are set to provide the table chicken with R & D challenges for many years to come.

1 The Free Range Party contested the 2004 ACT Government election using the symbol of a chicken.
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