

2019 Midwest Poultry Federation Convention

Indemnity and Compensation in an Avian Influenza Incident

Dr. Fidelis (Fidel) N. Hegngi

U.S. Department of Agriculture

Animal and Plant Health Inspection Service (APHIS)

Veterinary Services, Strategy and Policy

4700 River Road, Riverdale, MD 20737

Funding: All funding requests to APHIS MUST be in writing and approved before producers can take any action. This requirement is applicable to any AI detection.

HPAI Indemnity and Compensation: No significant changes since 2015, except for development of flat rates for virus elimination (VE) payments. APHIS pays indemnity at 100 percent of the current poultry appraisal calculator value for birds and eggs with confirmed infection or those meeting the case definition for HPAI. Federal, State, and company leadership must concur with the decision. [NOTE: Case definition would include preliminary test results combined with significant clinical signs, such as high mortality].

APHIS pays compensation at 100 percent for depopulation, disposal, and VE (cleaning and disinfection). We reimburse depopulation and disposal based on receipts and other documentation submitted with a detailed financial plan. APHIS created a new position known as a Field Reimbursement Specialist. This person can answer questions about indemnity and compensation and assist the producer in assembling the required documentation.

On August 14, 2018, the U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Service issued a final rule outlining the conditions under which USDA will pay indemnity for farms affected by highly pathogenic avian influenza (HPAI). It included updates to USDA's February 2016 interim rule. This final rule does three things:

- (1) Allows indemnity payments to be split between poultry and egg owners and their contracted growers and provides a formula for the split;
- (2) Adopts biosecurity principles established by the National Poultry Improvement Plan (NPIP); and
- (3) Requires auditable biosecurity plans to be in place for larger-sized operations to receive indemnity payments.

In the final rule, a facility that meets the minimum size requirements must have an auditable biosecurity plan.

- a. The states' NPIP officials will be responsible for regularly conducting these audits, at least once every two years or more frequently if needed.
- b. Exempt facilities include:
 - i. Commercial table egg layers with less than 75,000 birds;
 - ii. Upland game bird and waterfowl raised for release with less than 25,000 birds; and
 - iii. Broilers with less than 100,000 chickens or 30,000 turkeys raised for meat.

To be eligible for HPAI indemnity, a facility's plan must address all 14 biosecurity principles in compliance with NPIP requirements.

This rule became effective as of September 14, 2018. Successfully audited Biosecurity Plans will become a requirement for indemnity/compensation eligibility on September 14, 2020.

LPAI Indemnity and Compensation: APHIS, with input from the owner and the State Animal Health Official, will first determine if controlled marketing or depopulation via slaughter is a recommended option for the affected flock.

Applicants are required to complete Appendix D – the LPAI Depopulation Decision Determination Worksheet as soon as possible. The worksheet documents the flock's risk factors and takes into account viral load, flock location, the possibility for control marketing, and trade impacts. The worksheet allows the State and company to outline recommendations for the disposition of the flock and the reasons for their recommendation. Based on this information, as well as available funding, APHIS determines the amount of indemnity and compensation for the flock.

If the flock can be control marketed or depopulated via slaughter, APHIS will pay the following for indemnity and compensation:

- Zero percent indemnity or compensation for depopulation.
- 100 percent of HPAI compensation/flat rates for disposal (materials), materials destroyed, and VE (cleaning and disinfection) in all occupied houses.

If the flock cannot be control marketed or depopulated via slaughter, APHIS will pay the following for indemnity and compensation:

- 100 percent indemnity and depopulation costs; and
- 100 percent of HPAI compensation/flat rates for disposal (materials), materials destroyed, and VE (cleaning and disinfection) in all occupied houses.

In both of these scenarios, the owner must present APHIS will evidence that the premises was following sufficient biosecurity measures to prevent the introduction of LPAI at the time the disease is suspected to have entered the flock.

If there is evidence of significant biosecurity lapses documented by State and/or Federal personnel, or if the owner declines control marketing or depopulation via slaughter as recommended by APHIS, then the following guidance will be applied:

- 25 percent indemnity
- 100 percent depopulation costs; and
- 25 percent HPAI compensation/flat rates for disposal (materials), materials destroyed, and VE (cleaning and disinfection) in all occupied houses.

Note: Percentages paid for LPAI indemnity and compensation may be adjusted up or down in the future, based on available funds.