

LPAI Indemnity, Compensation and Controlled Marketing

Fidelis (Fidel) Hegngi, D.V.M., M.S.
Senior Staff Veterinarian – Avian Health Programs

AND

Patricia Fox D.V.M., MPH
National Epidemiology Officer, Avian Health Programs

Surveillance, Preparedness and Response Services (SPRS)
Avian, Swine, and Aquatic Animal Health Center (ASAAHC)

U.S. Department of Agriculture
Animal and Plant Health Inspection Service
Veterinary Services



The Proposed LPAI Indemnity, Compensation and Controlled Marketing Policy

- Comments regarding the LPAI Indemnity and Compensation options distributed in August 2017 were collected and reviewed.
- We tried to make the flock determinations simpler and more objective in the new proposed policy.
- We collected historical data on the number and expense of previous LPAI infections and compared it to the limited funds currently set aside for LPAI Indemnity and Compensation.

History of LPAI Indemnity Funding

- Since 2006, we generally only incurred 2-4 isolated LPAI outbreaks a year, with little impact on the indemnity fund appropriated in 2004-2005.
- In 2009, a large LPAI outbreak occurred, which used a substantial amount of this funding.
- In 2014-2015 the fund was exhausted, requiring the request for emergency funding (CCC funds).
- From 2007-2016, annual expenditures for LPAI indemnity and compensation ranged from around \$100K to over \$3M per premises infected.

LPAI Indemnity

- As of Friday, March 23 the FY 2018 appropriation includes \$7.5M for LPAI activities.
- Prior to the appropriation, to ensure LPAI indemnity and compensation would be available, Dr. Shere had set aside \$3M for LPAI indemnity. Some or all of that funding may remain set aside, pending a review of the entire appropriation and needs the agency may have elsewhere.

Assumptions Utilized to Develop the Proposed Policy

- The percentage of indemnity and/or compensation to be paid under the proposed policy is based on:
 - The current available funding
 - Assumes historical, average levels of LPAI detections (2-4 infected premises/year)
 - Assumes infections do not occur in extremely large complexes

Risks with Proposed Policy

- Proposed percentages are as generous as historical data allows, but do have some risk that the fund could be depleted, leaving no funds for flocks detected later in the fiscal year.
- In 2 of the last 10 years, LPAI indemnity and compensation paid out well exceeded \$3M due to very large complexes becoming infected.
- Percentages paid for LPAI indemnity and compensation may be adjusted up or down in the future, based on available funds.

Rationale for LPAI Indemnity and Compensation Payment Decisions

- The H5/H7 LPAI prevention and control program has always been a Federal/State/Industry partnership; responses (including funding) should also be a partnership.
- Response and funding for LPAI infections should be based on risk; to the industry or the country as a whole, not just locally or to a brand.
- All flocks with LPAI infection confirmed by NVSL and reported to the OIE will require the initiation of the ISRCP and a greater level of C&D than normal between flock processes.

Rationale for LPAI Indemnity and Compensation Payment Decisions

- When the funding available for indemnity and compensation is limited, funding in support of small business, as well as funding for activities that prevent reoccurrence or spread of the disease should be prioritized. (i.e. VE payments to growers)
- There should be incentives built in for decreasing costs and preserving protein (i.e. controlled marketing/controlled slaughter) when possible.

Indemnity Options Moving Forward

Simplified to 3 Tiers of Payments:

- Control Marketed/Slaughtered Flocks
 - Disposal (materials) and VE assistance

- Higher Risk Flocks
 - Indemnity, Depopulation and Disposal, and VE assistance

- Lower Risk Flocks
 - VE assistance only

Control Marketed/ Control Slaughtered Flocks

- Appendix D form is used to determine risk factors and suitability for controlled marketing/controlled slaughter.
- Approved additional Disposal (feed, manure etc.) and VE paid at 85% of HPAI compensation/flat rates.
- No indemnity for controlled marketed birds, but if agreement made to split a flock (based on age, down time, humane issues etc.), indemnity on depopulated birds paid at 75% of HPAI calculator value.

Control Marketed/ Control Slaughtered Flocks

- VE paid on all occupied houses (all barns that contained birds at the time of diagnosis or within 21 days of clinical signs or diagnosis).
- Producers must provide evidence of enhanced biosecurity while birds are being held.
- Weekly testing to monitor virus is required; evidence of mutation to HPAI will warrant immediate depopulation and indemnity (at 100% per HPAI policy).

Birds that Cannot be Control Marketed or Depopulated via Slaughtered (Higher Risk Flocks)

- Controlled slaughter ruled out as appropriate depopulation/disposal method based on information supplied on Appendix D
- Indemnity paid at 75%* of HPAI calculator/appraisal value
- Depopulation reimbursed at 100%* (with requirement for speed and humane treatment)
- Disposal, materials destroyed, and VE reimbursed at 75%* of HPAI compensation/flat rates (occupied barns only)
- *** Pending available funding and subject to other requirements being met (e.g., biosecurity)**¹²

When will Indemnity NOT be paid?

- Evidence of significant biosecurity lapses documented by State and/or Federal Personnel.
- Control Marketing/Depopulation via Slaughter recommended by VS
- End-stage, lower risk** breeder birds.
- **For These Exceptions:**
 - Pay 0% Indemnity, Depopulation, Disposal and Materials Destroyed;
 - Pay 75% of HPAI compensation/flat rates for VE (only for barns with non-negative test results)

What is a Lower Risk Flock?

- Collect additional samples as directed; a minimum of 30 swabs and 30 sera per house/barn; more samples may be needed in very large houses/barns.
- Conduct risk assessment to include review of factors from Appendix D, performance records, production data, and status of virus shedding (format to be determined).
- Risk for spread is related to factors such as the amount of virus excreted into the environment and the duration of time that viable virus remains.
- **Virus detection:** The greater the proportion of birds positive for virus (e.g. PCR Ct <38) the greater the risk.

What is a Lower Risk Flock?

- **Seroconversion:** The lower the proportion of birds that have seroconverted (i.e. AGID/ELISA negative) the greater the risk.
- **Clinical presentation:** Clinical presentation (including performance and production) can be used to determine when initial infection occurred.
- **Environmental conditions:** Weather, bedding type, ventilation, and management conditions can affect how long virus will survive in the environment. Most conditions have not been well defined, except heat. The virus will be inactivated more rapidly as the temperature increases.
- **NOTE:** the risk of LPAI mutating to HPAI is related to virus replication cycles; specific environmental and host factors that may select for HPAI are not well understood.

Thank You For Your Attention!!

- Go to: www.aphis.usda.gov
- Click on Animal Health → Animal Disease Information → Avian Influenza





Fidelis (Fidel) N. Hegngi, D.V.M, M.S.
Senior Staff Veterinarian – Avian Health
National Coordinator LBMS AI Program
Avian, Swine and Aquatic Animal Health Center
Surveillance, Preparedness and Response Services
USDA, APHIS, Veterinary Services
4700 River Road, Unit 46, 4B-02.27
Riverdale, MD 20737-1231
Phone: 301-851-3564 Cell: 301-529-1253
Email: fidelis.n.hegngi@aphis.usda.gov