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FARM BUREAU® 2018 Farm Bill

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Highly Pathogenic Avian Influenza

BACKGROUND

Avian influenza (AI) is a virus that infects domestic poultry, such as chickens, turkeys, quail, and geese as well as migratory waterfowl. It is divided into two groups based on the ability of the virus to produce disease and the severity of the illness it can cause, highly pathogenic (HPAI) and low pathogenic avian influenza. HPAI spreads rapidly and has a high death rate in birds, but low pathogenic AI only causes minor illness and occurs naturally in migratory waterfowl. There are concerns that the low pathogenic virus can mutate into HPAI. At this time, HPAI is NOT a human health issue.

HPAI does not occur naturally in this country and is believed to spread with the migration patterns of wild migratory waterfowl. The virus can spread bird to bird or by human movement such as trucks, trailers, clothing, equipment, and manure. During the migration in 2014, the HPAI virus circulated among wild birds, backyard birds, and domestic poultry (both chickens and turkeys). There were 223 detections in 21 states with over 48 million commercial birds affected, all of which had to be destroyed. All commercially produced poultry flocks are tested for AI prior to being allowed to be processed for human consumption.

Total U.S. poultry production is valued at nearly $32 billion annually. To protect the U.S. poultry population, USDA quarantines and tests live birds imported into the U.S. USDA also works with a nationwide network of federal and state partners to monitor bird populations including live bird markets, commercial flocks, backyard birds, and migratory birds.

Bio-security is the key to keeping commercial and back yard birds healthy. Measures taken to protect flocks include: restricted access, disinfection of equipment, clean zones (separate boots and clothes for each individual housing unit), and bringing in clean birds. Birds should not be exposed to outside water sources which could be exposed to waterfowl. Water sources should be free from outside exposure.

States with major poultry production have a plan to minimize the risk of the introduction of HPAI into both commercial and backyard poultry flocks. They should also have a response plan. The response process will begin as soon as a case is suspected. Trained personnel should have on hand all necessary equipment and supplies to carry out the testing. Every state needs their response plan to include procedural and contact information in order to handle any outbreak and contain infected birds quickly. Contacts should include USDA APHIS (Animal and Plant Health Inspection Service), state officials, and local authorities to help secure the area.

ISSUE

USDA is authorized to provide indemnity payments to producers for poultry and eggs that must be destroyed during an outbreak. APHIS also provides compensation for depopulation, disposal, and virus elimination activities. Indemnity payments can be made for 100 percent of the fair market value of birds destroyed.

APHIS has recently implemented a rule that clarifies existing policy to allow for the payment of indemnity for eggs destroyed; provides a formula to allow indemnity payments to be split between

poultry and egg owners and their contracted growers; and requires owners and contractors to provide a statement that they had a bio-security plan in place at the time HPAI was detected in their facilities in order to receive an indemnity.

USDA is not authorized to pay for income or production losses suffered due to downtime or other business disruptions.

The 2014-2015 outbreaks brought several issues to light. Having the equipment needed to de-populate large operations is critical. Some of the foam machines broke down halfway through the process and the water volume required for the foam can cause concern. Incinerators are slow and not widely available. The correct testing equipment must be available. For example, the swabs used to sample the flock cannot be wood since wood swabs might interfere with the results.

De-population of large layer operations is difficult due to the personnel required to remove the birds by hand. Some operations took two weeks to de-populate and with the high mortality rate, many birds died and the rest suffered needlessly. Ventilation shutdown methods have some controversy. Iowa State University is currently doing research on this method to determine how much heat needs to be added during cold conditions for it to be more efficient.

OPTION #1

Support development of business interruption insurance: Contract growers and independent producers who might contract HPAI still have to make payments on their facilities even though they may not have birds for several months. It is estimated that it could take three months if birds are composted in house. Poultry companies might not put birds back into infected areas for weeks after the areas are considered clean. Indemnities for the birds and payments for disposing and disinfecting premises are certainly needed but may not keep the business going for several months. The key question: Is business interruption insurance an option or are these policies cost prohibitive?

OPTION #2

Support USDA-administered program built on business interruption model: Should USDA provide any compensation to a grower for down time and loss of business? Would subsidized business interruption insurance be warranted to help producers stay in business until they receive birds again?