

HPAI Response

Overview of Finance & Administration Procedures

December 9, 2024

Please note: These procedures may be revised as the situation develops.

PURPOSE

This document provides an overview for producers and responders about the financial processes for paying poultry owners and contract growers. To provide consistency for USDA APHIS avian influenza indemnity and compensation claims, USDA APHIS is using the same administrative forms and request process for both Low Pathogenic Avian Influenza (LPAI) and HPAI. Please refer to our latest LPAI guidance document for updated guidance regarding the required forms and process for indemnity mentioned in this document:

[VSG 8603.2 - Procedures for Indemnity and Compensation Claims in Cases of H5 H7 LPAI in Poultry](#)

Appraisal & Indemnity for Birds and Eggs

- ◆ The *Indemnity and Compensation Decision Determination* is the first document that the producer (this includes poultry owners and/or contract growers, as applicable) fills out and signs for HPAI-affected birds. It captures basic information and confirms that the producer will accept fair market value for depopulated birds. The owner and the grower each fill out a request form. This form accompanies the Appraisal and Indemnity Forms and is needed prior to the start of depopulation activities. For HPAI, controlled marketing is not an option (refer to questions 6 – 8 accordingly). Note: *If the flock has more than 500 birds or a total indemnity and compensation cost more than \$10,000, use the [1H – Indemnity and Compensation Request](#). If the flock has 500 birds or less or a total indemnity and compensation cost equal to or less than \$10,000, use the [2H – HPAI-Affected Backyard Flock Management Agreement](#).*
- ◆ There are two types of *Appraisal and Indemnity Forms*, these must be signed by the Owner and Grower (if applicable): [Owner Request Form](#) and [Grower Request Form](#). These forms accompany the Indemnity and Compensation Decision Determination and is needed prior to the start of depopulation activities.
- ◆ *Contract Grower Worksheet for Meat Birds* or *Contract Grower Worksheet for Layers*¹ is needed for contract grower premises; it is signed by the owner and grower.
- ◆ *Payment Processing Information for USDA APHIS VS LPAI Indemnity Claims (SAM registration)*² provides step-by-step instruction on submitting indemnity claims for commercial premises and for individual claimants seeking reimbursement for their HPAI premises.
- ◆ **Copies of official** documents that describe barn/flock inventory, egg inventory, and related records (e.g., mortality sheets, logs) are provided by the producer for appraisal. Ideally, inventory documents are collected before depopulation begins. Copies of these original inventory records are electronically stored in EMRS.
- ◆ The *VS 1-23 Form* can be completed and signed after depopulation. It itemizes the appraised poultry, including the number, types, age, gender, organic status, and lay status of the birds. The value of the birds and eggs is based on the current [APHIS flat rates compensation for Virus Elimination](#).
- ◆ A *VS 1-24 Form* may be needed in addition to the VS 1-23 if eggs are sold for salvage.

Flock Plan

- ◆ The *Flock Plan* documents a producer's (poultry owner and/or contract grower, as applicable) intention to eliminate HPAI from their premises and maintain stringent biosecurity measures to prevent transmission or future introduction of the virus.

¹Refer to [VS Guidance 8603.2](#): Procedures for Indemnity and Compensation Claims in Cases of H5/H7 Low Pathogenicity Avian Influenza Infection in Poultry.

²Ibid.

- ◆ The Flock Plan is an agreement between APHIS, the State Animal Health Official, the poultry owner, and the contract grower, as applicable, acknowledging regulatory intervention and requirements to release State and/or Federal quarantine and be eligible for additional APHIS payments.
- ◆ The Flock Plan describes the methods used for depopulation, disposal, and virus elimination. A Flock Plan is not required for indemnity payments for birds or eggs, but it is required for indemnity payments for materials destroyed or to support depopulation, disposal, or virus elimination activities.
- ◆ If actions in the Flock Plan are not completed, compensation payments will not be processed.

Compensation

Compliance Agreement/Detailed Financial Plan

- ◆ The Compliance Agreement/Detailed Financial Plan documents an agreement for disposal and cleaning and disinfection/virus elimination. This agreement is prepared by the District Office Field Reimbursement specialist (FRS) with the help of Avian Health Staff. This agreement is completed after establishing the Flock Plan, and includes materials being destroyed. The premises owner must work with VS to develop a compliance agreement if personnel other than Federal or State officials performs the depopulation and disposal, and the owner seeks compensation for those activities.
- ◆ A signed Compliance Agreement/Detailed Financial Plan is required before beginning any work for which indemnity funds will be requested. Work initiated prior to written approval may not be reimbursed. VS has the FRS available to help producers develop compliance agreements.
- ◆ The Compliance Agreement/Detailed Financial Plan should be developed as soon as an HPAI exposure or infection is considered highly likely.

Depopulation and Disposal (D&D) Flat Rate Pilot Program

- ◆ The D&D flat rate is a pilot project available to a Grower/Operator/Owner receiving indemnity for commercial table egg layer chickens, commercial table egg layer breeder chickens, commercial broiler chickens, commercial broiler breeder chickens, commercial meat turkeys, commercial breeder turkeys, commercial meat ducks, or commercial breeder ducks. Participation in the D&D flat rate is not required.
- ◆ The Flock Plan Addendum is an agreement between APHIS, the State Animal Health Official, the poultry owner, and the contract grower (as applicable). The purpose of this addendum is to document the expectations clearly and transparently for using the HPAI depopulation and disposal (D&D) flat rate pilot for compensation of D&D activities.

Materials Destroyed

- ◆ The VS 1-23 and VS 1-24 Forms are part of the Detailed Financial Plan.
- ◆ The VS 1-23 Form documents materials directly related to poultry production that could not be cleaned and disinfected (e.g., feed). Payment processing for materials destroyed requires receipts or documents to substantiate fair market value. This form is to be completed by the FRS and the Avian Health Staff.
- ◆ A VS 1-24 Form may be needed in addition to the VS 1-23 if materials (e.g., corn) are sold for salvage. This form is to be completed by the FRS and the Avian Health Staff.

Depopulation & Disposal

- ◆ If the contract grower and/or poultry owner is going to participate in depopulation and disposal activities, the activities are included in the Detailed Financial Plan, developed with assistance from APHIS. The Detailed Financial Plan details the costs associated with the depopulation and disposal activities that are described in the Flock Plan.
- ◆ If the Grower/Owner/Operator of the poultry is going to participate in depopulation and/or disposal activities, they must state their intention to use the flat rate by signing the Flock Plan Addendum within 72 hours after completing depopulation of all barns at the infected premises. The Flock Plan Addendum also serves as a declination of the use of the D&D flat rate, if applicable.
- ◆ The VS 1-23 Form is used to process payments to the producer to support depopulation and disposal activities. It itemizes costs associated with depopulation and disposal and costs of materials destroyed. Receipts for depopulation and disposal expenses and materials destroyed are required for payment processing. A VS 1-24 Form is also needed if materials destroyed are sold for salvage.

Flat-rate Virus Elimination

- ◆ USDA will support producers for virus elimination activities (cost effective cleaning and disinfection). Rates are based on the current [APHIS flat rates compensation](#) and based on production type.
- ◆ The VS 1-23 Form is used to process cost-share payments to the producer for virus elimination activities.