

# Compensation Measures — A Necessary Condition for a Successful Foreign Animal Disease Effort

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The Canadian swine and pork industries have a huge interest in preventing foreign animal diseases from entering Canada. Diseases such as foot and mouth disease or classical swine fever (or hog cholera) would cut us off from the international pork market, and threaten to wipe out the livelihoods of hog producers.

The Canadian Pork Council estimates that the equivalent of between 45% and 50% of the pigs finished in Canada is exported as live slaughter hogs (8%) and pork meat (about 40%). This does not include the weanlings and feeder pig exports, which now account for more than 20% of pigs born in Canada.

Today, Canadian producers sell their products to more than 90 different countries worldwide. Along with producers, processors and other members of the Canadian pork value chain have a huge stake in preserving our global market access.

We predict that the figures for Canada's live swine and pork exports for 2004 will come in at something close to \$3.5 billion (\$750 million of live animals and genetics and \$2.75 billion for pork and pork products).

A recent study performed for the Canadian Animal Health Coalition concluded that an outbreak of foot and mouth disease in this country would cause a negative economic impact of over \$45 billion.

In his presentation, Dr. Kitching listed a number of swine-related diseases that are of the greatest concern to the Canadian industry. To our knowledge, Canada is the only country among the major pork exporting nations, which has not experienced an outbreak of one or more of these diseases within the past

25 years. In fact, for Canada it has been more than 40 years since an outbreak, with hog cholera in the early 1960s being the last such incident.

This is in large part due to Canada's animal health import measures and the implementation of sound barn design and bio-security practices which have been widely adopted by Canadian swine producers.

But it also is probably due to some good luck. We cannot simply assume that we will be so successful for the next 40 years.

At any event where foreign animal disease planning is the focus - such as the Swine Exotic Disease Management Plan and Regionalization Workshops, co-sponsored by the Canadian Pork Council and the Canadian Food Inspection Agency in 2000 - a key concern, and what is identified as a critical element for a successful FAD eradication effort, is compensation:

- for the destruction of infected animals;
- for preventative stamping out in control zones;
- for loss of income during the interval before restocking is permitted.

Adequate compensation provisions are the best guarantee for the early reporting of suspicious cases.

We must avoid the so-called 'night of lights' which occurred in the Netherlands in 1997 when, panicked by rumours of the discovery of hog cholera, there was a massive truck movement of pigs from the suspected infected area to other parts of the country and, in the process, contributing massively to the spread of the disease.

It's not only necessary that there are adequate compensation measures in place, but that the industry knows that these compensation measures are in place.

An adequate compensation program needs to incorporate the following:

- compensating maximums per animal, while likely necessary, need to be sufficiently high as to ensure ready cooperation from all potentially infected premises, but not such as to put at risk the fiscal sustainability of the program through to eradication and follow-up surveillance and to ensure that producers and other stakeholders take all possible actions to prevent further disease spread
- compensation provisions must be equitable across species
- differences in values between commercial and breeding values must be recognized

- compensation amounts must be based on market intelligence and data which all parties recognize as reliable and representative
- allowances must be provided to account for the length of time before the affected farms are able to once again generate revenue.