

JOINT (INDUSTRY/GOVERNMENT) WORKING GROUP ON SHARING RESPONSIBILITIES AND COSTS OF ANIMAL DISEASE

Incentivising On-farm Biosecurity

During the discussion of the paper ‘*Group discussion on the characteristics of sharing (JIGWG 32)*’, the working group requested in the minutes that the issue of on farm biosecurity and incentivisation be subject to a brain storming exercise.

This discussion grew out of other discussions including the Neil Cutler’s presentation at the Workshop on 4 April and Professor Bennets Paper on ‘*Cost Sharing for Exotic Disease – Some Thoughts (JIGWG 26)*’.

In this paper, it was suggested that there were a number of carrots and sticks for encouraging good behaviour. It examined this more fully in the following extract from this paper:

“Appropriate incentives to good practice to improve health and welfare

11. *There are a number of incentives to encourage good practice broadly characterised into ‘carrots and sticks’.*

1). *Carrots – (a) incentive payments for good practice (biosecurity, hygiene etc.). These may be direct payments (e.g. per litre of milk), grants to implement measures (potential through EU rural development policies and agri-environment support), reductions in levy payments (although this may be difficult to administer) etc. (b) demonstrated improved profitability from undertaking good practice (due to lower disease losses etc.)*

2). *Sticks – (a) taxation for not adopting good practice through levy (again this may be difficult unless done on a very simple basis), cross-compliance, reduced compensation payments, lower product price (e.g. milk price). (b) Denied membership of farm assurance or other marketing scheme with subsequent effects on market access and price (c) disease losses and their impact on profitability.*

12. *The implications of these incentives for cost sharing are:*

1. *No cost sharing agreement should entirely nullify farmer costs of disease because this removes the primary economic incentive to livestock keepers to avoid disease. In particular, great care must be taken in compensating farmers or others that perverse incentives are not created.*
2. *Compensation, if paid, should be linked to the individual actions of livestock keepers and reduced accordingly if good practice is not followed or if the livestock keeper has acted negligently (perhaps a case for not paying compensation at all) or not with due diligence.*
3. *If an animal health/disease control levy is used it needs to act as an incentive and this is best undertaken as a prospective payment.*

- 4. Incentives to industry to cost share, make levy payments etc. will be enhanced by the opportunity for those sharing the costs to be involved in the decision making process.”*

Using the above as a basis for discussion, please brainstorm on the following work sheet. We are keen to discover the perceptions of farmers to biosecurity, and solutions, both carrot and stick, to solving these.

Please use the reverse of the sheet if you run out of room, or wish to make any further suggestions.

Please name three major perceptions of on-farm biosecurity by farmers in your industry:

1

2

3

In writing a business plan for a farm, what are the carrots and sticks to incentives good on farm management:

Prior to the disease

Carrot:

Stick:

During an Outbreak

Carrot:

Stick:

Following an outbreak

Carrot:

Stick:

