

Request for Approval of Grant Proposal by the Arkansas CARES Act Steering Committee - State Agency

Form No.

CARES-St Agency-001G

0400

Arkansas Department of Agriculture

Business Area

Cabinet Name / Division Name

Description/Purpose of Grant:

The Arkansas Department of Agriculture is seeking funds to address costs associated with the disruption in the meat processing industry.

Estimated Total Cost

\$50,000.00

Estimated Appropriation Needs

\$50,000.00

Estimated Funding Needs

\$50,000.00

Justification of Need:

Negative impacts resulting from the disruption of the meat processing industry from COVID-19 may increase the number of poultry and swine depopulations in Arkansas. These events will quickly deplete the depopulation supplies and equipment the Arkansas Department of Agriculture's Livestock and Poultry Division keeps on hand to respond to animal disease emergencies. As the state's first line of defense for animal disease response and prevention, it is imperative that the Department maintain adequate supplies to be able to respond quickly and effectively. The Coronavirus Relief Fund guidance dated May 28, 2020 specifies that Fund payments may be used to facilitate livestock depopulation due to supply chain disruptions. Please see the attached document for additional information.

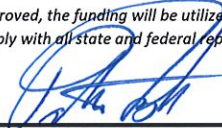
By signing the Approval for Grant Proposal Form, the Cabinet Secretary and Division Director are certifying that if approved, the funding will be utilized in accordance with Section 601(a) of the Social Security Act, as added by Section 5001 of the CARES Act and the agency will track all expenditures and comply with all state and federal reporting requirements.



Signature of Secretary

6-8-2020

Date



Signature of Division Director

6/8/2020

Date

CARES Act Funding Request
June 8, 2020

The Arkansas Department of Agriculture is seeking up to \$50,000 for assistance from the CARES Act funding to address costs associated with disruptions in the meat processing industry impacting.

Background:

Agriculture is Arkansas's largest industry, contributing more \$21 billion to the state's economy annually and providing 269,556 jobs, one in every six, in the state. The combined livestock and poultry industries provide more than \$5.3 billion in cash receipts to the state's economy annually. The poultry industry, comprised of broilers, turkeys, and eggs, contributes more than \$4.6 billion each year. In 2019, Arkansas ranked second nationally in the production of broilers, producing more than 1.1 billion broilers. Arkansas also produced more than 30 million turkeys in 2019, valued at more than \$333 million, and more than 3.5 billion eggs with a value of \$504 million.

Processing disruptions and abrupt demand changes within the food supply chain have caused negative impacts to Arkansas poultry and livestock producers. For poultry producers, many are receiving less flocks to allow the companies to properly align supply with processing capacity and demand. This can reduce a producer's income by approximately \$10,000 per flock, while mortgage payments and other fixed costs continue. In some situations, depopulation of flocks has been necessary, which also may result in less income for the producer and a cost of approximately \$63,000 per house for the integrator.

Arkansas's commercial swine industry has suffered economic damage due to reduced market prices, but very little depopulation has been necessary to date. However, the commercial swine industry is at great risk for foreign animal disease and increased depopulation due to an influx of breeding hogs to Arkansas from the Midwest that were originally intended for slaughter.

Rather than euthanize hogs that cannot be processed, some producers in the Midwest are selling the hogs to individuals. Thousands of these hogs are entering Arkansas without required health documentation, which is a violation of Arkansas law. These untested hogs have been raised in environmentally conditioned housing and are highly susceptible to outside disease challenges. Upon arrival in the state, they are often kept in temporary and inadequate holding areas which increases the likelihood of escapes and exposure to the feral hog population known to carry brucellosis and other infectious diseases. In addition to the potential damage to the commercial industry, these risks also jeopardize Arkansas's hard-earned designation as a brucellosis-free state.

Additional disruptions in the meat processing industry and detection of disease in the illegally imported hogs could result in an increase in poultry and swine depopulations in Arkansas. Either of these COVID-10 related events could quickly deplete the depopulation supplies and equipment the Arkansas Department of Agriculture's Livestock and Poultry Division keeps on hand to respond to animal disease emergencies.

The Coronavirus Relief Fund Guidance updated May 28, 2020, specifies that Fund payments may be used to facilitate livestock depopulation due to supply chain disruptions.

Request

To assist the poultry and swine industries with COVID-19 related impacts, the Arkansas Department of Agriculture is requesting up to \$50,000 for additional depopulation supplies and equipment. These resources will allow the Department to provide needed assistance to producers and prevent the spread of animal disease while allowing the Department to maintain adequate supplies for non-COVID-related animal health emergency response.

The funding would be utilized as follows:

	Quantity	price range	
Avian Depop			
Additional Foamer			
Trailer	1	7,500.00	9,000.00
Engine and Pump	1	11,000.00	16,000.00
Parts, Metal, Labor		5,000.00	6,500.00
Pressure Washer	1	1,000.00	1,200.00
12 volt sprayer	1	200.00	250.00
Foam	8 barrels	9,000.00	10,000.00
Kill Carts			
CO2 Regulators	2	260.00	300.00
Trailer prep		300.00	500.00
Virkon	4- 10 lbs	300.00	400.00
Swine Depop			
Bolt guns	3	5,000.00	5,000.00
Blanks	2-1000 round boxes	260.00	300.00
Propane Torches	2	150.00	150.00
Backpack Blower	1	350.00	400.00
		40,320.00	50,000.00



This document is intended to provide additional clarity for state and local officials regarding the range of activities generally understood to be within the scope of livestock and poultry depopulation related to COVID-19 impacts and possible CARES Act funding availability. Livestock depopulation could include, but is not limited to, the activities enumerated.

The contents of this document do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.

Depopulation and Animal Mortality Management

Compiled by the United States Department of Agriculture (USDA) Animal and Plant Health Inspection Service (APHIS) and Natural Resources Conservation Service (NRCS)

Depopulation – The term depopulation refers to the rapid destruction of a population of animals in response to urgent circumstances, including those resulting from market disruption due to COVID-19, with as much consideration given to the welfare of the animals as possible. Urgent circumstances may include emergency situations, such as the need for immediate disease control or a response to natural or human-made disasters. Refer to the American Veterinary Medical Association (AVMA) [Guidelines for the Depopulation of Animals](#).

Depopulation may occur on the farm; at centralized temporary or permanent locations set up specifically to remove large numbers of animals; or at commercial processing plants when capacity is available. Depopulation does not include inspection before or after death and depopulated animals are not eligible to enter FSIS-inspected slaughter channels. AVMA lists the following preferred methods for depopulation. The depopulation methods listed below may not apply to all animal species:

- Captive bolt
- Gunshot
- Barbiturate or anesthetic overdose*
- Electrocutation
- Manual blunt force trauma
- Carbon dioxide
- Foam*
- Cervical dislocation

AVMA also recognizes the following methods of depopulation as permitted “in constrained circumstances”:

- Ventilation shutdown
- Sodium nitrite*

*Use of these methods would prevent depopulated animals from entering the food supply as rendered product.

Note: The actual method selected will depend on the species and setting. Other methods may be otherwise be acceptable. Unless otherwise determined by the U.S. Food and Drug Administration (FDA), the use of certain methods (e.g., those identified with an asterisk) would preclude depopulated animals from entering the food supply as rendered product.

Associated Costs

The costs associated with depopulation include:

- Transportation to move animals from the farm or other facility to any central depopulation or processing sites.
- Equipment and supplies needed for all aspects of depopulation, including but not limited to chutes, captive bolt guns and bolts, shotguns and ammunition, CO₂ chambers and CO₂, and personal protective equipment for those carrying out depopulation activities.
- Personnel to carry out all aspects of depopulation, including but not limited to gathering the animals, loading them on trucks if necessary, setting up sites, and application of the method (i.e., operating the captive bolt guns). This could include federal or state employees, contract employees, or farmers.

Animal Mortality Management – Properly handling and disposal of deceased animals to protect air, water, and soil natural resources and to prevent the spread of potential pathogens or diseases.

Disposal Options:

Onsite

Composting – Composting consists of a two-stage aerobic decomposition process where time, temperature, oxygen, moisture content and carbon to nitrogen ratio are managed. The process requires layering carbonaceous material and carcasses in piles/bins or windrows. The material is allowed to heat up (130 °F minimum) for a minimum period of time, turned, and allowed to reheat at temperature for a second time period.

Deep Burial – Burial consists of excavating a trench or pit into the earth, placing carcasses in the trench and covering with excavated material.

Shallow Burial (Above Ground Burial) – This process involves excavating a shallow trench (less than two feet). A bed of carbon rich material is placed in the trench as a base. Animal carcasses are placed on the carbon and then covered by the excavated material. Animal carcasses break down as a result of biological activity.

Open-air Burning – This option involves combustion of material at high temperatures, converting the material into heat, gaseous emissions, and ash. Open-air burning includes burning carcasses in open fields, on combustible open heaps, or air-curtain destructors.

Incinerators/Gasifiers – Incineration is a thermochemical process that operates at high temperatures and an oxygen-rich environment for breaking down animal mortalities. Gasification is a high temperature thermochemical process of vaporizing biomass without direct flame but with oxidation of the fumes in an after-burning chamber.

Offsite

Landfill – Transporting animal carcasses to a landfill. Disposal fees may be incurred. Not all landfills will accept animal carcasses.

Rendering – Transporting animal carcasses to a rendering facility to be processed for other purposes. Acceptance fees may be incurred. Facilities may have limited capacity. *Note: Rendered product can only be used for food purposes if animals were depopulated using methods determined by FDA to be acceptable.*

Commercial/Centralized Composting – Similar to on-farm composting, but animal carcasses are transported to a centralized location. Disposal fees may be incurred.