



Compensation Update

This information is intended as a supplement to the compensation overview posted at: <http://www.inspection.gc.ca/eng/1313712524829/1313712773700>

Evaluation methodology for compensation

All compensation awarded under the *Health of Animals Act* is based on the fair market value of the each animal ordered destroyed at the time of destruction (up to the maximum limit prescribed by the regulations).

For breeding stock, the evaluation is not based on the harvest value when destruction is completed by slaughter. The evaluation is based on both individual producer records and available market data obtained from sources such as CanFax, AgriClear and local auction markets.

For cows, the evaluation will take into account the age of the animal but the *Compensation for Destroyed Animals Regulations* do not include the value of calves that the cow may have had in the future.

Compensation for pregnant cows

As of December 9, the CFIA has adjusted the compensation for cows that are identified as pregnant at the time of destruction. The compensation paid for pregnant cows will adjusted by \$700.00 per animal.

For producers who have already had cows destroyed and compensation paid, your compensation will be adjusted and a supplementary payment issued. The adjusted payment will be based on herd history and producer records.

Possible single payment when animals are destroyed by slaughter

The possibility of sending producers a single payment (combining payment from the processor and payment from CFIA to bring compensation to the assessed value) was examined. The CFIA has received a legal opinion that this option is not possible.

The combination of a harvest value payment and a second payment from the CFIA does not affect the total compensation paid. In other words, if an animal is evaluated at \$4000, the producer will receive payments totalling \$4000. The amount that is paid as harvest value versus compensation will vary depending on the weight of the animal.

For example:

- \$1000 harvest value + \$3000 compensation = \$4000
- \$750 harvest value + \$3250 compensation = \$4000
- \$0 for a condemned animal + \$4000 compensation = \$4000

Receiving payment for harvest value and compensation does not affect the evaluated price or the right to appeal compensation awarded.