

AHI SEMINAR ON COMPENSATION ISSUES:
NIGERIA'S EXPERIENCE WITH COMPENSATION

By

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I Overview

Compensation payments to farmers whose animals are culled as part of a disease control strategy, enhances their co-operation through better motivation to comply with disease reporting and culling requirements.

Nigeria has a long history of compensation payments to livestock owners where animals are culled by government in an effort to control and ultimately eradicate transboundary animal diseases. One good example was the compensation mechanism put in place by the former Northern Nigerian Government, to cattle owners whose animals were slaughtered in an attempt to control Contagious Bovine Pleuropneumonia (CBPP). Government then paid affected farmers the difference between market price and the butcher's price to cushion the effect of the disease. This served as a serious incentive for pastoralists to report suspected cases of CBPP to veterinary officials.

The animal Disease (Control) decree Act No.10 of 1988, empowered Government Veterinary Officials to enter into any premises where they suspect diseased animals are kept and also caused destruction, proper disposal of the affected animals and decontamination of the affected premises.

On February 8, 2006, when the first case of the H5N1 virus isolation was confirmed at Sambawa farms in Igabi Local Government of Kaduna State, Federal Government of Nigeria made an announcement to the whole World and immediately instituted a compensation mechanism to serve as an immediate relief to affected farmers. The is based on a flat rate to be paid to each specie of poultry as follows:

S/No.	Poultry Species	Rate (₦)
i.	Chicken	250
ii.	Guinea Fowl	250
iii.	Ducks/Geese	1,000
iv.	Turkeys	2,500
v.	Emus	10,000
vi.	Ostriches	20,000
vii.	Eggs	15

II. Successes

The flat rate compensation mechanism put in place by the Federal Government serves as a relief to farmers whose birds were culled and generally serve as an incentive for farmers to report

diseases. It also, to some degree, ensure compliance with culling requirements. However, there were some attempts by some farmers to conceal the disease as they consider the flat rate compensation mechanism not attractive enough.

III Challenges:

Although the imperative of disease control and containment drives compensation mechanism, mass culling of poultry especially the rural poultry has severe impact on the livelihood of the rural people. For any compensation scheme to be effective, it must be transparent, timely and sufficient to encourage disease reporting. However, one of the major challenges we face in Nigeria were delays experienced in settlement of compensation claims.

The flat rate compensation mechanism which some farmers considered not too attractive enough lead to concealment of infection and the sale of infected birds to unsuspecting members of the public. This contribute immensely to the towards the spread of the infection and the attendant human exposures.

We also experience some degree of resistance especially with free range rural poultry owners who insisted on being paid cash outright before their birds are culled.

IV. Lessons Learnt

- Timely transparent payment of compensation claims are essential ingredients for the success of any compensation scheme
- Establishment of a sustainable compensation fund is essential if mass culling of poultry should be adopted as a control strategy
- Prevailing market prices, cost of production, species, type and age of poultry should be some of the indices to be considered in arriving at compensation rates to be paid.
- Rates must be uniform throughout the country to prevent movement of poultry to areas where higher rates are paid
- Compensation should be reviewed regularly to be in tandem with economic realities. The mere indication that the World bank Assisted Avian Influenza Control Project intends to review compensation rates upward as indicated in the project's compensation manual increased early disease reporting hence early detection and early response.