Highly pathogenic avian influenza (HPAI) has devastated not only the Minnesota poultry industry, but also farms throughout the Midwest and across the country. The following are current answers to frequently asked questions regarding this disease and the impacts of it. Fortunately, there have been no new infections of HPAI in Minnesota since June 5, 2015. Therefore, the information included here is an update from the original May 2015 publication.

- **How many Minnesota farms have been impacted by Avian Influenza?**

  Currently 108 total farms have been affected by this disease. All but 6 have been commercial turkey farms. There have also been 5 chicken egg laying facilities and 1 backyard flock to date.

- **How many birds have been lost as a result of the disease?**

  At this time, over 9 million birds have been lost to avian influenza in Minnesota according to the [Minnesota Board of Animal Health](https://www.mnstatehmpa.org/). This number includes almost 5 million turkeys and over 4 million laying hens. Across the nation there have been 223 detections of avian influenza, impacting over 48 million birds.

  Putting these numbers into perspective, 11% of the turkeys produced in Minnesota each year have been lost due to the disease. And, over 35% of the laying hens for the state have also been lost.

  According to [USDA statistics](https://www.aphis.usda.gov), nationwide, over 11% of the nation's laying hens and over 3% of the nation’s annual turkey production being impacted to date.

- **What impact will be seen on the consumer?**

  Direct impacts on the availability of poultry meat products are expected to be minimal for the average consumer in terms of food supply. Turkey supplies are ample at this time. And, export markets have been disrupted due to the disease. Therefore, turkey products should be readily available and remain at reasonable prices. Much of the Thanksgiving turkey supply has
already been produced and flash frozen. Therefore, little disruption is expected for the holidays.

Disruptions are being seen in the availability of table eggs for the consumer and egg products (including items like liquid eggs, powdered eggs, and egg yolks) for the food industry. Egg products are used by the restaurant and food production industry in preparing their food products. This includes food items like restaurant prepared egg dishes, baked goods, and other products that have eggs as an ingredient like cake mixes, mayonnaise, and ice cream. This egg supply disruption is expected to last for the next one to two years, while these egg laying facilities are brought back into full production.

Locally, consumers have seen egg prices on the rise in the grocery store. Food industry reports indicate egg prices up 120% or more recently. Going forward, the supply chain will readjust as much as possible and eggs are beginning to be imported from places like the Netherlands. Both of these items should help prices recede a bit. Overall, egg production for the year is expected to be down 5.3% according to the USDA, so egg prices may remain elevated for some time.

Avian influenza will have additional ripple effects on the Minnesota economy. Jobs related to poultry and egg production will be affected, as will the businesses and communities that are supported by these farmers throughout the state. In early May University of Minnesota Extension prepared a report on the economic impacts of avian influenza. This report is titled, “Emergency Economic Impact Analysis” and provides a baseline model upon which total impacts across the State of Minnesota can be calculated. In this report, it was estimated that MN farmers had already lost almost $114 million in direct poultry production. This extrapolated to the other industries directly and indirectly related to poultry production (including poultry processing, feed production, trucking operations, etc.) equated to an estimated $310 million dollars of total losses to the economy of greater MN. This report also estimated 1,200 or more jobs across several industries throughout the state of MN would be impacted.

Since early May, an additional 3.3 million birds have been impacted in the state of MN. While another formal study of the economic impact has not been completed at this time, an estimate of the impact can be completed using the initial study. With that being said, it can be extrapolated that MN farmers have lost approximately $180 million in direct poultry production at this time. The estimated total effect on the economy of greater MN is almost $490 million. And, it can be estimated that almost 1,900 jobs have also been impacted using the current 9 million birds that have been impacted in the state.

- Will other commodity markets be impacted as a result of avian influenza?

The latest USDA Supply and Demand Estimates Report projects feed and residual use of corn to be down 100 million bushels for the year. Industry experts have speculated this decrease is related to avian influenza. It is generally estimated that birds eat one bushel of corn during their production. Therefore, the current number of birds lost to the disease, coupled with lost production time due to depopulation, disinfection, and delayed repopulation may equate to
the 100 million bushels of lost feed use. Areas hardest hit by avian influenza in MN have been experiencing an impact in local grain logistics, increased basis, and lower cash grain prices. Depending on the length of time influenza impacts the poultry industry will determine the overall impact on both the local and national grain markets.

•  **Is there financial support available to producers during this difficult time?**

There are limited government programs available to assist producers directly at this time, beyond the depopulation process at impacted locations. The USDA has an Indemnity Program in place to reimburse producers for the cost of birds (in this case) destroyed due to efforts to eliminate the spread of the disease. Birds that are lost directly to the disease have no government support dollars available.

A limited number of producers may have additional riders on their insurance policy related to disease outbreaks. Few companies offer this special coverage and if it is offered, the special rider coverage is expensive and typically cost prohibitive. Also, contract producers can purchase a policy rider in relation to disruption of business operations. Again, this coverage is not offered by all insurance companies and is an expensive addition to an insurance policy.

The State of MN has appropriated $10 million dollars to the MN Rural Finance Authority during the Special Legislative Session that just concluded. This loan program can be used by lenders across the state that partner with the RFA. The maximum loan amount through RFA is $200,000. With this loan program, RFA participates with the bank on their loan and purchases 45% of the total loan (up to the $200,000 maximum). Currently the RFA portion of the loan is at a 0% interest rate. This loan program can be used by producers impacted by HPAI for the replacement of birds, the cost of necessary building improvements, or even working capital shortfalls. For more information on RFA and the available loan programs go to [http://www.mda.state.mn.us/agfinance](http://www.mda.state.mn.us/agfinance).

Also, the MN Farmer Assistance Network (MFAN) is available at no cost to MN farm families through the MN Department of Agriculture. This program aims to provide business and finance guidance to those facing economic hardship and can also assist those struggling with the emotional impact of avian influenza.

The State of MN, the USDA, and other government agencies are looking at other support instruments for poultry producers as well. To date, no specific details have been released. But, officials are said to be considering low interest loan options, direct support programs, and other related support mechanisms for the poultry producers of MN and across the US.

•  **How long are the impacts of Avian Influenza expected to be experienced in MN?**

The avian influenza virus thrives in cool, wet climates. The warmer early summer weather has helped control the spread of HPAI. In addition, poultry producers are taking additional biosecurity steps to help insure their flocks are not impacted going forward. This is a very deadly virus for poultry though and minute amounts of the virus can have devastating effects on poultry operations. Therefore, it is unfortunately unknown at this time if fall migratory
patterns of wild birds and cooler temperatures will cause another round of the disease this fall.

Overall, Avian Influenza is having devastating effects on rural Minnesota. At this time, poultry producers are feeling the brunt of the effect. If you are a poultry producer needing support or assistance during this difficult time there are resources available to help. A team of experienced farm financial planners are available to help navigate the path of recovery and other support resources are also available. Details of this assistance, including contact information, can be found here.

More information related to Agricultural Business Management Programming by University of Minnesota Extension can be found at http://www.extension.umn.edu/agriculture/business. The Poultry U website also has a wealth of useful topics for producers. This University of Minnesota site can be found at http://www.poultry.umn.edu/index.htm.