

REGULATION

pertaining to the eradication of scrapie and compensation for culling

SECTION I

Scope and definitions

Article 1

This Regulation concerns sheep scrapie, but its provisions are also applicable to scrapie in goats and other species of animal. The provisions of the Regulation also apply to the diseases broken mouth and caseous lymphadenitis/ulcerative lymphangitis in sheep and goats.

Article 2

For the purposes of this Regulation, the following definitions apply:

Risk zone means a geographic area within a quarantine zone where a risk of scrapie infection exists by reason of contact with and trade in sheep from an infected area.

Herd replacement means the culling and subsequent repopulation of the entire sheep flock of a farm or location.

Line-strays means sheep which cross or are transported across an isolation line without authorisation.

Non-infected area means a geographic area within a quarantine zone where scrapie has not been detected in the previous 20 years.

Infected farm means a farm, a holding with a status different from that of a farm, or any other location, where scrapie has been detected in the previous 20 years.

Quarantine zone (protection zone): means a geographic area demarcated by isolation lines, rivers, lakes, oceans or desert areas which in combination with mandatory monitoring and other precautionary measures hinder or completely block any contact between animals in adjacent zones.

Infected area means a geographic area within a quarantine zone where scrapie has been detected in the previous 20 years.

Keeper of sheep: The owner of sheep or any other party having responsibility for the feeding, living conditions and guarding of sheep in accordance with applicable rules in the relevant municipality, and pursuant to a contract between the relevant parties.

Isolation lines means the borders of quarantine zones, including fence lines, divided into main and auxiliary isolation lines.

SECTION II

General provisions

Article 3

The owners and keepers of sheep must report to the District Veterinary Officer or the Chief Veterinary Officer any cases of scrapie in their herd and any suspicion they may harbour that the sheep are infected with this disease. Reports sent directly to the District Veterinary Officer must be notified to the Chief Veterinary Officer as soon as possible. The instructions of the Chief Veterinary Officer regarding sampling and the handling of samples and live sheep to be sent for testing must be followed. Every notification should be accompanied by a detailed report on the herd's disease status and by information about the loss of animals from the herd. The District Veterinary Officer, having consulted with the Chief Veterinary Officer, shall decide whether (a) sheep suspected of being infected with scrapie should be culled for research purposes, a measure which should be compensated in accordance with Section IV.

Where the presence of scrapie is confirmed, the Chief Veterinary Officer shall submit a proposal to the Minister of Agriculture for the prompt culling of the herd in question.

Article 4

Sheep not intended for slaughter may not be transported between quarantine zones (protection zones). The Chief Veterinary Officer may authorise the transport of sheep across isolation lines for herd replacement purposes, for testing, or for use in artificial insemination facilities for breeding purposes. The Chief Veterinary Officer may also grant exemptions for the transport of juvenile rams from non-infected areas to individual farms or areas for breeding purposes, in cases where ovine

artificial insemination facilities cannot be used or for other urgent reasons, including hereditary diseases and the protection of herds.

Sheep not intended for slaughter may not be moved between herds from inside or within an infected area. The Food and Veterinary Authority may authorise particular herds within infected areas to be combined, provided that scrapie has not been detected at the relevant farms for at least 20 years, and no other reasons count against combining the herds. In that context, particular consideration must be given to the status of other diseases, and to whether scrapie has been detected at nearby farms where sheep are or have been in contact in home pastures and mountain pastures in the previous five years. Planned changes to mountain pasturing in the area must be submitted to the relevant Municipal Council and to the District Veterinary Officer for approval. Within infected areas, sheep not belonging to the farm's herd may neither be housed nor given feed or water together with the farm's sheep, whether during the movement of sheep in the spring or autumn or at other times. Where housing the sheep cannot be avoided, for reasons of animal protection, neither sheep houses, barns nor cow stables should be used. Houses and areas where sheep have been housed or kept must be disinfected after use where the District Veterinary Officer deems this necessary. Roaming sheep arriving in the herd of a farm which is, or is suspected of being, infected by scrapie must be put down unless its integration into the herd is authorised by the Chief Veterinary Officer. Moreover, it is prohibited, except with the permission of the District Veterinary Officer and provided that the following conditions are met:

- a. that all hay is stored in large plastic-wrapped rectangular or cylindrical bales;
- b. that cut turf is only used in areas inaccessible to sheep;

to move between farms in an infected area or risk zone anything capable of passing contaminating agents from one place to another, such as hay, hay pellets or straw, manure, cut turf or top soil. The use of abattoir waste and raw meat in the feed of fur-bearing animals is subject to the authorisation of the Chief Veterinary Officer. The Chief Veterinary Officer may order the halt of transports and the use of means of transport for the sensitive transport of animals and anything else capable of posing an infection risk, and may seek the assistance of the police for this purpose.

Wool may only be transported directly to the place of collection or processing. Transporting wool between farms is prohibited except with the permission of the Chief Veterinary Officer. Containers and packaging used to transport wool be not be reused.

Costs incurred in complying with the provisions of this Article shall be borne by each relevant party.

Article 5

Where a scrapie infection is suspected, the Minister of Agriculture may, on the proposal of the Chief Veterinary Officer, order sheep to be maintained in isolation for short or long periods of time. The Chief Veterinary Officer may issue a ban on the transport of sheep within a quarantine zone, between municipalities and/or between individual farms where this is considered to be an effective way to counter the spread of scrapie. The Chief Veterinary Officer may moreover order sheep to be identified with special colour markings in regions where an infection has been detected or is suspected. The cost of such markings shall be borne equally by the Treasury and the relevant municipality. Furthermore, the Chief Veterinary Officer may order specific control measures to be carried out, including disinfection, treatment with drugs, immunisation, etc., as needed and as considered appropriate in each case, at the cost of the relevant party.

Article 6

Measures must be taken to coordinate the mandatory rounding-up of sheep within and between regions. Public enclosures used for the mandatory and supplementary rounding-up and sorting of sheep must have facilities to isolate animals that are, or are suspected to be, infected. Line-strays, and any other sheep exhibiting suspicious behaviour when being rounded up in mountain pastures, driven in a flock or kept in a herd, must be isolated immediately and sent directly for slaughter, or put down on the spot where necessary. The District Veterinary Officer may decide, with the approval of the Chief Veterinary Officer and on the proposal of the relevant Municipal Council, to slaughter sheep discovered away from their normal summer pastures in autumn, and any other sheep capable of posing an infection risk. The heads of such sheep must be submitted for testing, as must any other samples as directed by the District Veterinary Officer. The relevant owner and the District Veterinary Officer must be notified of any such killing of sheep as the first opportunity. Carcasses must be buried deep or covered with a thick layer of stones, and the location must be identified or marked so that it

can easily be found later. When deciding on a place to bury the carcass, the opinion of the relevant local health inspection authority must be sought, in accordance with Article 13 of Act No 25/1993 on animal diseases and measures to control them, as amended.

Sheep from infected farms and specially marked sheep must be separated from other sheep in a special fold.

Responsibility for the implementation of the first and second paragraphs rests with the relevant Municipal Council, the leader of the sheep gathering, the manager of the sheepfold, and the local sheriff, and with farmers in general as far as the gathering of sheep within the borders of each individual farm.

Article 7

The Chief Veterinary Officer may order the inspection and sampling of sheep for the purpose of examining the spread of scrapie, and have sheep that have fallen sick or are suspected of being infected put down at any time of the year. Sheep owners must assist in such inspections and testing without being entitled to a fee. The putting down of sheep should take place after consulting with the District Veterinary Officer and be compensated in accordance with Section IV. Any instructions given by the District Veterinary Officer or the Chief Veterinary Officer in this respect must be complied with.

For the purposes of scrapie controls, sheep owners must every year send a normal number of adult sheep for slaughter; alternatively, they must send the heads of any adult sheep put down or destroyed to the District Veterinary Officer.

Article 8

Where there is reasonable suspicion of scrapie, or an outbreak of scrapie has been confirmed, on at least one farm the Chief Veterinary Officer may negotiate the culling of all sheep held at the relevant farm(s) or, where appropriate, in a wider region, where this is deemed necessary in order to ensure the success of such measures. When sheep are culled by reason of a scrapie infection, a written contract should be drawn up regarding every aspect of the culling, a sheep-free period at the farm in question, and the compensation to be paid. The owner of the sheep shall have the responsibility for transporting the animals to the place of slaughter, and for transport and slaughtering costs. This may become a factor in any negotiations, cf. Article 15, third paragraph.

Where no agreement pursuant to the first paragraph can be reached, the Minister of Agriculture may, on the proposal of the Chief Veterinary Officer, order all sheep held on an infected farm, or in a specified area, to be culled and stipulate a sheep-free period, for the purpose of countering the spread of the disease.

Article 9

On farms where scrapie has been detected in the previous 10 years, all persons who enter houses where sheep are kept must be made aware of the infection risk. The measures necessary to prevent humans from spreading the disease must be implemented. The Chief Veterinary Officer shall make warning signs available for this purpose. The installation of the signs shall be supervised by the District Veterinary Officer. Sheep shears, earmarkers, syringes and other technical equipment contaminated through contact with sheep, or potentially having been exposed to contaminating agents in other ways, in an infected area, may not be brought into a non-infected area for use in agriculture except accompanied by a certificate of adequate disinfection, issued by the District Veterinary Officer. Anyone moving equipment for agricultural use between quarantine zones, infected areas, risk zones or non-infected areas must obtain the District Veterinary Officer's permission and a certificate of adequate disinfection. Such equipment, and other equipment contaminated through contact with sheep in infected areas, must be disinfected as directed by the District Veterinary Officer after use in each individual location/farm.

Sheep culled by reason of a scrapie infection or a suspicion thereof must be destroyed by burning or burying the carcasses. The carcasses must be disposed of in a manner to avoid any risk of spreading transmissible agents or other harmful substances. When burying carcasses, the opinion of the relevant local health inspection authority must be sought. Similarly, the Chief Veterinary Officer may order the destruction after slaughtering of heads, viscera and other dangerous tissues from sheep and other species of animal on farms suspected of being infected.

SECTION III**Controls****Article 10**

The District Veterinary Officer shall ensure that monitoring for suspicious animals takes place when sheep are being rounded up in mountain pastures, driven in a flock or handled in enclosures; that sheep are inspected indoors at least once a year in regions presenting a risk of scrapie; and that sheep owners are instructed in how to comply with rules on scrapie prevention.

The District Veterinary Officer shall enforce the marking of all sheep held on farms where the Chief Veterinary Officer has ordered special colour markings to be used.

The District Veterinary Officer may ensure that all farms within infected areas send either normal numbers of adult sheep for slaughter or all heads from adult sheep for testing.

Article 11

The Municipal Council shall supervise scrapie prevention measures implemented within the municipality, and may further appoint a special scrapie committee on the proposal of the District Veterinary Officer or delegate this area of responsibility to its existing Agricultural Committee. The Committee's operating costs shall be paid out of the municipal funds.

SECTION IV**Costs and compensation****Article 12**

Compensation for the culling of sheep shall be paid from the Treasury. Compensation for any adult sheep culled shall be based on the number of sheep declared in the most recent tax return, up to the number submitted for culling. Full payment for a culled herd of sheep shall take place no later than 45 days after the culling was completed; however, no payment shall be made until 21 days after the agreement on the compensation is signed.

Compensation shall be calculated based on a payment per sheep corresponding to the value of a lamb in quality class DR2, second price group, weighing 16 kg and including the skin, edible viscera and blood, according to the tariff applied between the middle and the end of September by the holder of a slaughter licence which the producer is likely to have chosen, and augmented by a 60 per cent premium to offset the lower productivity of sheep in the first year after repopulation. Where the entire herd is aged three years or younger at the time of culling the premium shall be 70 per cent for three-year old sheep, 85 per cent for two-year old sheep, and 100 per cent for one-year old sheep. The age of the sheep must be confirmed through sheep breeding reports or in other ways deemed adequate by the Minister of Agriculture.

Where culling takes place in the autumn and lambs are destroyed in accordance with the decision of the Chief Veterinary Officer, such lambs shall be considered as lambs for slaughtering and compensated accordingly. Their value shall be estimated with reference to their average dead weight at slaughter and the farm's lamb carcass classification during the reference period for product loss compensation, see Article 13, and augmented by a 3 per cent premium. However, the sheep owner may choose to weigh the lambs under the supervision of a representative of the Chief Veterinary Officer, in which case their dead weight at slaughter shall be calculated as 40 per cent of their live weight, and the weight of the skin as a proportion of their dead weight in accordance with the rules applied by the holder of the slaughter licence.

Article 13

Product loss compensation shall be calculated based on the average annual sheep production of the farm in the last three years prior to culling, as documented by tax returns and slaughterhouse records. Taking as its basis the production of meat from lambs and adult sheep, skins and edible viscera from lambs and adult sheep, as well as any wool sold, the average production from a wintered sheep shall be calculated over this period taking into account any changes in the size of the herd. Thus, in the case of an increase in the herd, a dead weight at slaughter of 16 kg and quality class DR2 shall be assumed, while in the case of a reduction in the herd a dead weight at slaughter of 24 kg and quality class FR III shall be assumed.

Production loss compensation shall be calculated as follows:

1. Farms shall receive direct payments in accordance with the currently applicable agreement on sheep production between the Farmers' Association of Iceland and the Government of Iceland.

Direct payments shall be based on the production quota of the relevant registered holding. Quality-based payments shall be calculated using the same production assumptions as apply for the calculation of product loss compensation pursuant to item 2 of this Article. However, where a culling is carried out, quality-based premiums shall only be paid subject to all conditions for such payments being met, as stipulated in applicable rules. Payment arrangements and dates shall be governed by the provisions of the Regulation on registered holdings' sheep production quotas.

2. The average production in the last three-year period from every sheep culled, cf. the second paragraph, shall be evaluated according to the tariff applied between the middle and the end of September, in each sheep-free year, by the holder of a slaughter licence which the producer is likely to have chosen, taking into account export prices and the proportion of exported products in the relevant sheep-free year. The compensation amount thus calculated shall be reduced by deducting a fixed proportion of variable sheep production costs in the cost basis at each time, calculated per wintered sheep as follows:
 - (a) 75 per cent in the first/former sheep-free year, where culling takes place in the autumn and any production of hay can either be sold or no hay has yet been produced. This percentage shall also apply in later sheep-free years.
 - (b) 35 per cent in the first/former sheep-free year, where culling takes place before the end of the year and the hay produced cannot be sold.
 - (c) 25 per cent in the first/former sheep-free year, where culling takes place between 1 January and 31 March.
 - (d) 5 per cent in the first/former sheep-free year, where culling takes place between 1 April and the moment the sheep is released into summer pastures.
3. For the purposes of item 2 and Article 12, second paragraph, the tariff applied shall be that of the holder of a slaughter licence located closest to the producer by road and the latter is likely to have chosen. This criterion may be disregarded if the beneficiary demonstrates, for example by reference to previous experience or applicable contracts, that a different holder of a slaughter licence would have been chosen for the products.

Article 14

Where use can be made of the products of the sheep culled, in part or in full, the sales value of those products shall be deducted from the compensation amount.

The right to receive compensation becomes void, in part or in full, where the sheep owner does not comply with provisions relating to precautionary measures, the sheep-free period, reparation of fencing, the disinfection of buildings, and the acquisition of lambs to repopulate the herd. The same applies where the owner of the sheep knew, or should have known in light of the circumstances, that sheep acquired were suffering from a disease, or intentionally or negligently caused the sheep to be infected.

Article 15

Any party having depopulated a herd of sheep because of scrapie must clean all outbuildings and their immediate surroundings as instructed by and under the supervision of the relevant District Veterinary Officer, and bear the attendant costs. A contract must be drawn up stipulating the arrangement to be followed for the cleaning of buildings and their surroundings, and a time limit for the completion of the cleaning work. Up to 30 per cent of the compensation to be paid may be withheld until disinfection has taken place.

The Chief Veterinary Officer shall provide special disinfectants and the labour needed for such disinfection. In addition, the Chief Veterinary Officer shall bear the cost of chemicals used in the cleaning process, such as wood impregnation solutions and paint. The cost that otherwise would have been incurred in carrying out disinfection work, may be used to buy renovation materials where this is deemed a more cost-effective alternative. A contribution toward soil replacement costs may also be provided where new soil must be transported over a long distance.

The Chief Veterinary Officer may provide partial compensation for other demonstrable costs incurred in complying with the provisions of this Regulation.

Article 16

The Chief Veterinary Officer shall decide from where lambs to repopulate a herd may be bought. The Chief Veterinary Officer may order specific precautionary measures to be implemented in the

region of the farm prior to introducing a new herd. Where live lambs to repopulate a herd must be transported from distant regions by decision of the Chief Veterinary Officer, the Treasury shall pay 90 per cent of the transport costs, provided that cost-effective solutions for transport over such long distances are chosen. The acquisition of live lambs to repopulate a herd and the guarding of such sheep during transport remains the responsibility of the buyers.

Article 17

Compensation for line-strays shall be paid from the Treasury.

Compensation for ewes shall be decided in accordance with the Notice of the Directorate of Internal Revenue on the evaluation of livestock in tax returns, augmented by a 60 per cent premium paid to offset the lower productivity of sheep in the first year after repopulation. The above compensation amount shall be reduced by the sales value of any products used, based on 20 kg of meat in the FR3 meat and fat percentage category, cf. Annex I of Regulation No 882/2010 on the quality grading, classification and labelling of slaughter products, according to the average tariff applied between the middle and the end of September by the holder of a slaughter licence which the owner of the animals is likely to have chosen.

Compensation for rams shall be decided in accordance with the Notice of the Directorate of Internal Revenue on the evaluation of livestock in tax returns. The above compensation amount shall be reduced by the sales value of any products used, cf. the first paragraph, second sentence.

No compensation shall be paid for lambs, since the sales value of their products is paid to the registered owner.

SECTION V

Penalty clause and entry into force

Article 18

Infringements of this Regulation are subject to the penalties laid down in Article 30 of Act No 25/1993 on animal diseases and measures to control them. Infringements will be dealt with in accordance with the rules on criminal procedure.

Article 19

The present Regulation, which is issued pursuant to Act No 25 of 7 April 1993, on animal diseases and measures to control them, as amended, Act No 66/1998 on veterinarians and veterinary services, as amended, and Act No 99/1993 on the production, pricing and sale of agricultural products, as amended, shall enter into force forthwith. At the same time, Regulation No 583/1996 on measures to prevent the spread of scrapie and compensation for culling and Regulation No 4/1942 on measures to prevent the spread of certain infectious diseases in sheep and support for farmers suffering losses as a consequence thereof shall be repealed.