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Are We Subsidizing the Next Pandemic?

How Government Payments to Big Poultry Threaten Public Health

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ISSUE BRIEF

The rapid spread of highly pathogenic avian flu (HPAI) H5N1 through our agricultural system presents a deep threat to our food supply and a growing risk that the virus will mutate to become the next dangerous human pandemic. Unfortunately, the U.S. federal government response has not only been insufficient, but has actually worked to *encourage* the dangerous corporate practices driving this risk. Longtime close ties between federal agricultural regulators and the industry they are mandated to regulate has resulted in taxpayers actually footing the bill for programs that profit the industrial animal sector while making a human H5N1 pandemic more likely.

As of February 27, 2025, there have been 70 confirmed cases of the virus in humans in the U.S., including one human death.¹ While the virus has not yet been documented to spread *between* humans, researchers found that the H5N1 variant in dairy herds required only one mutation to spread more easily in humans.² Given that H5N1 mutates rapidly, like other forms of influenza, scientists and public health officials are particularly concerned that we are just one mutation away from a potentially deadly human pandemic. The World Health Organization reports that, since 2003, 48.6 percent of global H5N1 cases in humans have been fatal.³

Farm Forward's review of current policies and data reveal six essential flaws with USDA's (United States Department of Agriculture's) response to the pandemic at poultry farms (additional problems with the management of dairy cattle will be addressed separately):

1. USDA compensation payments to poultry farms with infected birds increase pandemic risk.
2. USDA compensates repeat offenders.
3. Current audits of safety measures are meaningless.
4. Huge loopholes in safety requirements allow many farms to take no measures at all.
5. Information blackout from the new administration leaves public health officials in the dark.
6. Vaccine requirements lag far behind many other countries.

1. USDA COMPENSATION PAYMENTS TO POULTRY FARMS INCREASE PANDEMIC RISK

¹ CDC, "[H5 Bird Flu: Current Situation](#)," updated February 12, 2025.

² Ting-Hui Lin et al., "[A Single Mutation in Bovine Influenza H5N1 Hemagglutinin Switches Specificity to Human Receptors](#)," *Science* 386 (2024): 1128-1134.

³ Pan American Health Organization / World Health Organization, "[Epidemiological Update: Avian Influenza A\(H5N1\) in the Americas Region](#)," January 24, 2025.

Instead of curtailing profitable but dangerous practices, taxpayers have been subsidizing \$1.25 billion in H5N1 indemnities (payments made to producers for losses of poultry and eggs affected by the virus).⁴ The lax requirements for receiving these funds have continued to let the virus run rampant and have wasted taxpayer dollars on an industry that profits from directly endangering public health, even as the United Nations identifies the industrial animal sector as the cause of at least 50 percent of zoonotic diseases, increasing the likelihood of new global pandemics.⁵ A handful of the largest companies in particular have received exorbitant payments to offset losses at many of their farms: Jennie-O Turkey Store, Inc., Herbruck's Poultry Ranch, Center Fresh Group, and Cal-Maine Foods, Inc.

2. USDA COMPENSATES REPEAT OFFENDERS

The federal government has allowed producers to apply for multiple rounds of indemnity payments for reinfections at the same farms, paying out \$365 million in indemnities to these repeat offenders. As of December 2024, USDA reports that 67 farms had H5N1 outbreaks twice or more, with 19 reporting three or more separate occurrences of reinfection.⁶ With the option to apply multiple times for indemnities after reinfection, producers are disincentivized from upgrading their dangerous management practices—which allow the virus to spread unchecked—to systems more compatible with public health.⁷

3. CURRENT AUDITS FOR SAFETY MEASURES ARE MEANINGLESS

Tasked with overseeing biosecurity for the animal agriculture industry, USDA Animal and Plant Health Inspection Service (APHIS) has admitted its own failings in the H5N1 outbreak. Meaningless paper-based audit procedures allow industry to self-report on their biosecurity practices, leading to an *audit failure rate of zero* over the last three years, even as the agency reports that biosecurity plans and implementation are the best way to limit the spread of the disease. Initially, industry had persuaded USDA to

⁴USDA APHIS makes indemnity payments to producers for losses they incur, which cover: "[the cost of destruction and disposal activities of poultry and/or eggs infected with or exposed to a disease agent, and for cleaning and disinfection activities of premises, materials, and conveyances that came in contact with infected or exposed poultry.](#)"

⁵ United Nations, "[Environment Programme and International Livestock Research Institute. Preventing the Next Pandemic: Zoonotic Diseases and How to Break the Chain of Transmission.](#)" July 6, 2020.

⁶ USDA APHIS, "[Payment of Indemnity and Compensation for Highly Pathogenic Avian Influenza.](#)" Dec. 31, 2024.

⁷ USDA APHIS, "[Payment of Indemnity.](#)"

adopt a model that relied on for-profit companies voluntarily reporting failures and determining their own biosecurity procedures (or lack thereof). A USDA APHIS rule was released in December (effective immediately) to address these failings and require biosecurity inspections prior to receiving indemnities but the revised guidelines leave loopholes in requirements and procedures for inspections and offer exemptions for many farms.

4. HUGE LOOPHOLES IN SAFETY REQUIREMENTS ALLOW MANY FARMS TO TAKE NO MEASURES AT ALL

Industrial-scale farms that the industry deceptively classifies as “small” producers are exempt from developing or implementing biosecurity plans to receive indemnities. For farms—including massive farms—under a certain size (e.g., premises with fewer than 100,000 broiler chickens and 75,000 laying hens), there are no requirements for the development and adoption of biosecurity measures to prevent outbreaks.⁸ *Most egg farms (well over 99 percent), in fact, fall below the 75,000 threshold.*⁹ The difference between 100,001 and 99,999 broiler chickens does not reduce the risk of disease spread, highlighting the arbitrary nature of distinctions in farm size that continue to reward large-scale producers for reckless practices. Furthermore, large companies benefit from these exemptions so long as the individual farms under their ownership fall below these thresholds.

5. INFORMATION BLACKOUT FROM THE NEW ADMINISTRATION LEAVES PUBLIC HEALTH OFFICIALS IN THE DARK

Upon Trump’s entry into the White House, the Administration shut down communications from the CDC and other health agencies about the scale of the outbreak. In particular, the release of *Morbidity and Mortality Weekly Report (MMWR)* was blocked—a critical source of up-to-date public health information published by the CDC since 1930. The latest *MMWR*, published on February 5th, included and then immediately deleted an update on the outbreak, leaving the report focused only on wildfire risk and response.¹⁰ Despite the blackout, startling information is starting to trickle out. As *The New York Times* reported, a new CDC study—intended to be released weeks ago—revealed that three dairy veterinarians had undetected bird flu infections, including one who worked exclusively in states with no known outbreaks.¹¹ The moratorium on scientific communications about H5N1 continues to put public health at risk. Without this critical information, the severity of the viral threat remains unknown.

⁸ USDA APHIS, “[Payment of Indemnity.](#)”

⁹ USDA, National Agricultural Statistics Service, “[Poultry - Inventory and Number Sold: 2022 and 2017.](#)”

¹⁰ Apoorva Mandavilli and Emily Anthes, “[C.D.C. Posts, Then Deletes, Data on Bird Flu Spread Between Cats and People.](#)” *New York Times*, February 6, 2025.

¹¹ Emily Anthes, “[C.D.C. Study Finds Silent Bird Flu Infections in Dairy Veterinarians.](#)” *New York Times*, February 13, 2025.

6. VACCINE REQUIREMENTS LAG FAR BEHIND MANY OTHER COUNTRIES

Despite the proven success of preventative vaccine campaigns for poultry in many other countries, the United States has refused this approach, favoring instead mass culling that has allowed the virus to spread unchecked. At the heart of the resistance to vaccination campaigns in the U.S. is worry over export restrictions to countries that will not accept meat or eggs from vaccinated birds. While countries like France have implemented vaccine campaigns that have shown great promise in preventing the spread of the outbreak, the U.S. poultry industry and federal government continue to prioritize profit over public safety.

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