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### **Alternative strategies for risk financing of high consequence animal disease outbreaks in the United States**

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High consequence animal diseases (HCADs) are diseases such as foot-and-mouth disease (FMD) and classical swine fever (CSF) that could have devastating economic and social impacts within the United States (US). For example, FMD losses for a US outbreak could be on the order of tens of billions US\$. Because HCADs would be so costly, it is essential to explore alternative risk financing strategies. An additional impetus for exploring alternative risk financing strategies is the apparent intensifying risk of these diseases worldwide (e.g. FMD in Asia, Africa, and the Middle East; CSF in South America and the Caribbean) together with increased intercontinental trade and travel. Currently, the US government offers financial compensation to animal owners for loss incurred as a result of the taking and destruction of their animals, animal products, equipment, and other property on the order of the government (e.g. due to the occurrence of certain animal diseases, including HCADs). This form of compensation by the government is referred to as indemnity in the US. We explore risk strategies that go beyond indemnity and a purely public sector approach. Alternative strategies (some theoretical, some in use internationally) are evaluated for their potential as an alternative risk financing instrument in the US. Major approaches examined include public-private partnerships (e.g. loans, levies, and tax relief), industry arrangements (e.g. farming contracts, cooperatives, and partnerships), and insurance models (e.g. government subsidized and private). Complexities of alternative strategies are discussed.