(d) That the animal may be removed to a U.S. Department of Agriculture facility or a quarantined research facility, slaughtered, or euthanized and necropsied and tissues removed for diagnostic or other purposes.

§ 54.6 Amount of indemnity payments.

(a) Indemnity paid for sheep in accordance with § 54.3 will be set based on the following price reports published by the Agricultural Marketing Service (AMS). If pricing information is unavailable from these markets during a given week or month or if the numbers of animals sold are too low to give an accurate market value, the preceding week or month's value will be used. The AMS reports from the most recent week or month prior to the date APHIS offers to pay an owner indemnity shall be used to calculate the indemnity for that owner's sheep:

(1) The weekly weighted average Choice/Prime slaughter lamb price per pound at Greeley, CO;

(2) The weekly weighted average Utility slaughter ewe price per pound at San Angelo, TX;

(3) The monthly weighted average commercial western ewe lamb replacement price per head;

(4) The monthly weighted average commercial western yearling ewe replacement price per head;

(5) The monthly weighted average commercial western running age ewe price per head.

(6) The monthly weighted average commercial western aged ewe price per head.

(b) For animals under 1 year of age, the basic indemnity shall equal the price per pound from paragraph (a)(1) of this section times the greater of 50 lbs or the actual weight of the animal; except that, for ewe lambs under 1 year of age, the indemnity shall equal the per-head price from paragraph (a)(3) of this section if that price is higher. For sexually intact sheep 8 years of age or older and castrated animals 1 year of age or older, the basic indemnity shall equal the price per pound from paragraph (a)(2) of this section times 150, based on an average weight of 150 lbs. For sexually intact sheep at least 1 year of age and under 2 years of age, the indemnity shall equal the greater of the price per head from paragraph (a)(4) of this section, or the price per pound from paragraph (a)(2) of this section times 150, based on an average weight of 150 lbs. For sexually intact sheep at least 2 years of age and under 6 years of age, the basic indemnity shall equal the greater of the price per head from paragraph (a)(5) of this section or the price per pound from paragraph (a)(2) of this section times 150, based on an average weight of 150 lbs. For sexually intact sheep at least 6 years of age and under 8 years of age, the basic indemnity will equal the greater of the price per head from paragraph (a)(6) of this section or the price per pound from paragraph (a)(2) of this section times 150, based on an average weight of 150 lbs. A premium shall be added to the basic indemnity for each registered animal, equal to $100 for each registered animal under 1 year of age, $200 for each registered animal at least 1 year of age and under 4 years of age, and $100 for each registered animal at least 4 years of age and under 8 years of age. An additional premium of $50 will be added to the basic indemnity for each flock sire. The owner must provide adequate records to qualify for these premiums. When the animals to be indemnified are goats, or are sheep that fall outside the classes covered previously in this paragraph, the Administrator may take into consideration the producer's purchase records and sales records for the preceding 12 to 24 months in determining the indemnity amount, but the indemnity shall not exceed the maximum indemnity calculated for registered sheep in accordance with this section.

(1) If records and identification are inadequate to determine the actual age of animals, an APHIS or State representative will count all sexually intact animals that are apparently under 1 year of age, and those that are apparently at least 1 and under 2 years of age, based on examination of their teeth, and the indemnity for these animals will be calculated. The total number of these animals will be subtracted from the total number of sexually intact animals in the group to be indemnified, and indemnity for the remainder will be calculated based on the assumption that the remainder of the

flock is 80 percent aged 2 to 6 years and 20 percent aged 6 to 8 years.

(2) Any animal that is not registered at the time indemnity is first offered, but is eligible to be registered, will receive the registered animal premium reduced by $50.

(c) For animals destroyed by slaughter, the owner will retain the salvage value (the amount paid by a slaughter plant for the animal) of the animals in lieu of receiving the base indemnity. If the salvage value, less transport costs, is less than the base indemnity, APHIS will pay the owner the difference. APHIS will also indemnify the owner in the amount of any registered animal or flock sire premiums for which the animal qualifies.

(d) If the owner disagrees with the average weight estimate, he may have the sheep weighed at a public scale at his own expense, provided that the sheep may not come in contact with other sheep or goats during movement to the public scales, and will be paid based on the actual weight times the AMS weekly average price.

(e) Indemnity will be paid to an owner only for animals actually in a flock at the time indemnity is first offered. Animals removed from the flock as part of a post-exposure management and monitoring plan will be paid indemnity based on the AMS average prices at the time an APHIS representative designates the animals for removal.

§54.7 Procedures for destruction of animals.

(a) Scrapie-positive and suspect animals for which indemnification is sought must be destroyed on the premises where they are held, pastured, or penned at the time indemnity is approved or moved to an approved research facility, unless the APHIS representative involved approves in advance of destruction moving the animals to another location for destruction. Animals that are not scrapie-positive or suspect animals for which indemnification is sought may be:

(1) Slaughtered when moved in accordance with part 79 of this chapter and with the prior written approval of the APHIS representative involved;

(2) Destroyed on the premises where they are held, pastured, or penned at the time indemnity is approved;

(3) Moved to an approved research facility; or

(4) Moved to another location for destruction if an APHIS representative approves the movement in advance.

(b) The carcasses of animals destroyed in accordance with this section are authorized by the Administrator to be buried, incinerated, or disposed of by other methods in accordance with local, State, and Federal laws. The carcasses of scrapie-positive and suspect animals may not be processed for human or animal food.

(c) The destruction of animals and disposition of their carcasses in accordance with this part must be monitored by an APHIS representative who will prepare and transmit to the Administrator a report identifying the animals and showing their disposition.

(d) APHIS may pay the reasonable costs of disposal for scrapie-positive and suspect animals that are indemnified. To obtain reimbursement for disposal costs, animal owners must obtain written approval of the disposal costs from APHIS, prior to disposal. The Administrator may also authorize payment of up to half the reasonable disposal costs for animals that are eligible to be destroyed by slaughter under this section but for which slaughter is not a practical or cost efficient means of disposal; *Provided that,* APHIS may pay more than one-half of the expenses when the Administrator determines that doing so will contribute to scrapie eradication. For reimbursement to be made, the owner of the animals must present the area veterinarian in charge with a copy of either a receipt for expenses paid or a bill for services rendered. Any bill for services rendered by the owner must not be greater than the normal fee for similar services provided by a commercial hauler or disposal facility.

(e) *Cleaning and disinfection of premises and equipment.* When required, cleaning and disinfection shall be conducted under the supervision of a State or APHIS representative as follows. Additional guidance on acceptable means of cleaning and disinfection is