

AGENCY RESPONSE TO THE ECONOMIC IMPACT ANALYSIS
SUBMITTED BY THE DEPARTMENT OF PLANNING AND BUDGET
2 VAC 5-501 RULES GOVERNING THE COOLING, STORING, SAMPLING, AND
TRANSPORTING OF MILK

The agency wishes to comment on the statement on page 4 under the title “Businesses and Entities Affected” – the last sentence states, “Due to the additional costs for farmers and haulers related to the proposed regulatory amendments, consumers of milk and milk products may face slightly higher prices.” The price for milk is set by its availability nationally. The amendments to a regulation of the Commonwealth of Virginia does not impact the national price of milk.

In addition, the agency wishes to comment on the statement on page 4 under the title “Effects of the Use and Value of Private Property” – the last sentence states, “The value of the farmers’ and haulers’ businesses will be reduced by these new costs.” The values of the farmers’ and haulers’ businesses will increase, not decrease. If the new requirements are adopted, only farms and milk hauling equipment that meets the new requirements will be allowed to operate. In this case, a farm or milk hauling business would be worth more to a prospective buyer because the buyer will know the farm or milk hauling business complies with the requirements to operate in Virginia and the prospective buyer will not have to make the improvements themselves. Additionally, where a milkroom has been added to a farm, the value of the farm will always increase because the milkroom structure will represent a permanent addition to buildings on the property and may be used for many other purposes other than a milkroom.