



Virginia Department of Planning and Budget **Economic Impact Analysis**

2 VAC 5-141 – Health Requirements Governing the Admission of Agricultural Animals, Companion Animals, and Other Animals or Birds into Virginia
Department of Agriculture and Consumer Services
June 6, 2014

Summary of the Proposed Amendments to Regulation

The Board of Agriculture and Consumer Services (Board) proposes to 1) eliminate tuberculosis testing for imported cattle, sheep, and goats, 2) eliminate pseudorabies and brucellosis testing for non-commercial swine from regions considered free of these diseases, 3) allow importation of primates pending tuberculosis test results, and 4) make a number of clarifying changes to the regulatory language.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

One of the proposed changes will eliminate tuberculosis testing for imported cattle, sheep, and goats. Due to United States Department of Agriculture's (USDA) requirement for official identification for cattle in interstate transit, the Board will place its focus on adequate traceability of susceptible animals rather than individual testing of imported animals. The Board staff estimates that approximately 4,837 cattle over 18 months of age, 517 sheep, and 716 goats have been imported to Virginia in the last year. The tuberculosis test is performed by the out-of-state exporters and is estimated to cost about \$10 per animal on average. Thus, the animal exporters are expected to save approximately \$60,700 per year. Some of these cost savings may be passed on to Virginia importers via better prices.

Another change will eliminate pseudorabies and brucellosis testing for non-commercial swine from regions considered free of these diseases. The cost of testing for these diseases is also estimated to be roughly about \$10 per animal. The Board staff estimates that about 374 non-

commercial swine may be imported into Virginia per year. Thus, exporters are likely to save approximately \$3,740 per year due to elimination of pseudorabies and brucellosis testing for non-commercial swine. Some of these cost savings may also be passed on to Virginia importers via better prices.

The Board also proposes to allow importation of primates pending tuberculosis test results. Primates generally have to be sedated for transportation as well as for testing. Under the current regulations, they are sedated once to be tested for tuberculosis and one more time when they are being transported into Virginia. The proposed change will allow importation of primates pending the test results. With this change, an exporter would be able to perform the test while the animal sedated for transportation. Approximately 48 primates were imported into Virginia last year. The Board staff does not anticipate significant cost savings due to this change as most primates are cared for by in-house veterinarians at zoos, but expect an improvement in primates' welfare since there will be one less incidence of sedation.

The remaining changes update definitions to be consistent with other regulations and definitions used by USDA; and incorporate requirements that are already enforced under the Proclamation of the State Veterinarian. None of these changes are expected to create a significant economic impact other than improving the clarity of the regulations.

Businesses and Entities Affected

The proposed changes will reduce disease testing or sedation costs for individuals or businesses exporting cattle, sheep, goats, non-commercial swine, and primates. Last year approximately 4,837 cattle over 18 months of age, 517 sheep, 716 goats, 374 non-commercial swine, and 48 primates were imported into the Commonwealth. However, the numbers of exporters and importers are not available.

Localities Particularly Affected

The regulation applies throughout the Commonwealth. However, importation of affected animals is probably more prevalent in areas close to the state borders.

Projected Impact on Employment

The proposal amendments are unlikely to significantly affect employment in Virginia.

Effects on the Use and Value of Private Property

The proposed amendments are unlikely to significantly affect the use and value of private property in Virginia.

Small Businesses: Costs and Other Effects

The proposed amendments are not expected to have a direct impact on small businesses in Virginia.

Small Businesses: Alternative Method that Minimizes Adverse Impact

No adverse economic impact is expected on small businesses.

Real Estate Development Costs

The proposed amendments are unlikely to affect real estate development costs.

Legal Mandate

General: The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia and Executive Order Number 14 (2010). Section 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report should include but not be limited to:

- the projected number of businesses or other entities to whom the proposed regulation would apply,
- the identity of any localities and types of businesses or other entities particularly affected,
- the projected number of persons and employment positions to be affected,
- the projected costs to affected businesses or entities to implement or comply with the regulation, and
- the impact on the use and value of private property.

Small Businesses: If the proposed regulation will have an adverse effect on small businesses, § 2.2-4007.04 requires that such economic impact analyses include:

- an identification and estimate of the number of small businesses subject to the proposed regulation,
- the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents,
- a statement of the probable effect of the proposed regulation on affected small businesses, and
- a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation.

Additionally, pursuant to § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules (JCAR) is notified at the time the proposed regulation is submitted to the *Virginia Register of Regulations* for publication. This analysis shall represent DPB's best estimate for the purposes of public review and comment on the proposed regulation.

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