



Economic Impact Analysis Virginia Department of Planning and Budget

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
July 11, 2010

Summary of the Proposed Amendments to Regulation

The Board of Agriculture and Consumer Services proposes to repeal the current regulations (2 VAC 5-140) concerning the requirements for entry of agricultural, companion, and other animals into Virginia; and replace it with a regulatory framework (2 VAC 5-141) that is consistent with the current status of interstate animal disease control and eradication programs and traceability requirements. Substantive changes include animal identification requirements for certain classes of imported animals, strengthened tuberculosis testing requirements for cattle, alignment of sheep and goat entry requirements with current scrapie control programs, and provision for free movement of agricultural animals from neighboring states to facilitate marketing. The current regulation has not been amended since 1989.

Result of Analysis

The benefits likely exceed the costs for one or more proposed changes. There is insufficient data to accurately compare the magnitude of the benefits versus the costs for other changes.

Estimated Economic Impact

Animal Identification – The proposed regulation creates an animal identification requirement for certain classes of agricultural animals. Required identification for imported animals will enhance the ability for such animals to be traced, which is beneficial for mitigating potential disease risk they may place to Virginia animal populations. There may be some cost associated with the proposed animal identification requirements.

Avian – The proposed regulations will now be applicable to all classes of birds entering Virginia, and the State Veterinarian’s proclamation concerning avian influenza will be linked to them. The current regulations only apply to poultry and psittacine birds (parrots). This will give maximum flexibility in ensuring that imported birds do not pose a threat to Virginia’s economically significant poultry industry. Testing requirements have been brought into line with current needs.

Cattle – The existing regulations do not define cattle. The proposed regulations define cattle as “all domestic and wild members of the genera bos, bison, and bubalus to include domestic cattle, yak, bison, and water buffalo.”

The proposed regulation requires tuberculosis testing of certain classes of cattle, regardless of their origin. This change is in keeping with the requirements of many other states, and reflects the current concern regarding a resurgence of bovine tuberculosis. Virginia is a net exporter of cattle; it is critical that it remains considered free of tuberculosis for cattle.

Companion Animal – The proposed regulation takes into account the exemptions granted to the entry of certain companion animals by the Code of Virginia. The current regulation creates an apparent inadvertent inconsistency with the Code in this regard. Under the proposed regulations cats greater than four months of age entering Virginia shall be currently vaccinated for rabies.

Goat and Sheep – The proposed regulation brings goat and sheep entry requirements consistent with 2 VAC 5-206, concerning the control of scrapie. It also removes testing requirements for certain classes of goats to better reflect the risk posed to Virginia animal populations. TB testing is entirely new for sheep.

Horses – The proposed regulation accounts for the adoption of equine interstate event permits in lieu of CVIs by Virginia and other signatory states.

Other Ruminants – The current regulation imposes mandatory tuberculosis, brucellosis, and bluetongue testing for all South American camelids imported into Virginia, but does not require any testing of other, exotic ruminant species including deer (of equal or higher risk of infection) entering Virginia. The proposed regulation ensures that all other ruminants are subject to appropriate testing requirements, based on the disease status of cattle in the state of origin. In

practice fewer camelids will require testing. This represents a \$100 to \$250 cost saving per animal.

Swine – The proposed regulations modernize Virginia’s swine entry requirements in response to industry and federal changes. For non-commercial swine there is no proposed change in requirements.

Primates – The proposed regulation imposes an identification requirement for the importation of primates under certain conditions.

Businesses and Entities Affected

The proposed regulation will not have a significant impact on individuals or businesses dealing in avian, companion animal, horse, primate, or swine importations. The proposed regulation will clarify the entry requirements for such animals, but does not place more stringent requirements than the current regulation. The identification requirements for swine and horses are already industry standard. The proposed regulation will have a net positive impact on individuals and businesses importing goats and South American camelids. The proposed regulation will affect individuals and businesses importing sheep and certain classes of cattle, as well as livestock markets that deal in agricultural animals entering from states adjacent to Virginia.

There are approximately 26,000 farms with cattle in Virginia. Not all such farms import cattle. There are approximately 2,100 farms with sheep in Virginia. Not all such farms import sheep. Farms keeping goats and South American camelids are not currently quantified on an annual basis. Per the 2007 USDA Census of Agriculture, the agency estimates there are approximately 4,000 farms with goats and approximately 300 farms with a commercial interest in South American camelids in Virginia. Not all such farms import animals. There are approximately 25 livestock markets in Virginia.

Localities Particularly Affected

The proposed amendments do not disproportionately affect particular localities.

Projected Impact on Employment

The proposal amendments are unlikely to significantly affect employment.

Effects on the Use and Value of Private Property

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

Small Businesses: Costs and Other Effects

The proposed amendments are unlikely to significantly affect small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed amendments are unlikely to significantly affect small businesses.

Real Estate Development Costs

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

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 14 (10). Section 2.2-4007.04 requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the 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. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.04 requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.