

**Economic Impact Statement**  
LSA Document #07-295

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses**

**1. Description of the Rule**

The rules authorize a voluntary program for animal owners to participate in Stage 2 and Stage 3 of the National Animal Identification System (NAIS).

**2. Description of the Affected Industry**

The rule will authorize voluntary programs that will be open to all livestock producers in the state.

**3. Reporting, Record Keeping, and Other Administrative Costs**

The NAIS is a three step national program coordinated by the United States Department of Agriculture (USDA) and implemented by the states. The Indiana State Board of Animal Health (BOAH) has implemented Stage 1 of the NAIS in Indiana. The proposed rule authorizes implementation of Stage 2 and Stage 3 of the NAIS as voluntary programs.

Providing programs for Stage 2 and Stage 3 participation in the NAIS will allow Indiana animal owners that want or need to participate in the NAIS for market access or opportunity reasons, or any other reason, the framework necessary to participate. Adding Stage 2 and Stage 3 NAIS programs in Indiana will add to the overall mosaic of animal identification options available to producers, which will enhance the state's ability to find animals in the event of a disease outbreak.

**4. Estimated Total Annual Economic Impact on Small Businesses**

The proposed rule authorizes only voluntary participation in Stage 2 and Stage 3 of the NAIS. Therefore, the proposed rule does not impose any costs on small businesses.

**5. Justification for Costs**

The proposed rule does not impose any costs on small businesses.

**6. Regulatory Flexibility Analysis**

The BOAH considered a mandatory Stage 2 and Stage 3 NAIS program for Indiana and determined that a voluntary system provided the needed benefits with the least amount of cost and inconvenience for animal owners.

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