

**Economic Impact Statement**  
LSA Document #08-125

**[IC 4-22-2.1-5](#) Statement Concerning Rules Affecting Small Businesses**

**1. Description of the Rule**

The rules update requirements governing the production, transportation, processing, and sale of milk and milk products in [345 IAC 8](#), including updating the Pasteurized Milk Ordinance (PMO) and other standards that are incorporated by reference.

**2. Description of Affected Industry**

The Indiana State Board of Animal Health (BOAH) permits 1,625 dairy farms, 32 dairy plants, and 685 entities related to the transportation of dairy products. Many of these businesses are small businesses.

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

Small dairy farm, dairy plant, and dairy transportation businesses are currently required to comply with the dairy rules. The proposed changes will impose requirements on small businesses but will not substantially increase the reporting, record keeping, or other administrative costs associated with the rules.

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

The BOAH does not anticipate increased costs to small businesses as a result of adopting the updated standards as compared to the current standards.

**5. Justification for Costs**

Indiana law requires the BOAH to adopt rules to establish standards for Grade A milk and milk products that are at least as effective in protecting public health as the standards adopted by the National Conference on Interstate Milk Shipments (NCIMS) in accordance with the national conference's memorandum of understanding with the United States Food and Drug Administration. [IC 15-2.1-23-6](#). The NCIMS standards are published in the PMO. The BOAH adopts the PMO standards. The NCIMS recently published a 2007 revision of the PMO. The proposed rules adopt the 2007 edition of the PMO.

**6. Regulatory Flexibility Analysis**

The BOAH is required by law to maintain equivalency with the NCIMS PMO. Therefore, the BOAH sees no viable alternatives to updating matters that incorporate PMO standards. [IC 15-2.1-23-6](#).

*Posted: 04/23/2008 by Legislative Services Agency*

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