

**Economic Impact Statement**

LSA Document #07-824

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

**1. Description of the Rule**

- a. The proposed rule:
  1. Amends requirements for brucellosis and tuberculosis testing of cervids prior to moving into the state and deletes requirements for moving cervid semen and embryos into the state.
  2. Adds a voluntary brucellosis in cervids monitoring program.
  3. Modifies the required chronic wasting disease monitoring program and creates a voluntary chronic wasting disease certification program.
  4. Updates the tuberculosis in cervids monitoring program.
- b. The rule is needed to:
  1. Maintain state animal programs for cervidae that meet United States Department of Agriculture regulations and uniform standards for state animal health programs.
  2. Modify the collection of samples for chronic wasting disease testing to reduce the cost of the program to state government.

**2. Description of Affected Industry**

The Indiana State Board of Animal Health (BOAH) has 337 cervid farms registered with the agency as of December 2007. The number of cervids on these farms range from a herd size of one animal to a herd of 120 animals.

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

Small cervid farm businesses are currently subjected to the BOAH tuberculosis, brucellosis, and chronic wasting disease rules. The proposed changes do not substantially increase the reporting, record keeping, or other administrative costs associated with the rules.

**4. Estimated Total Annual Economic Impact on Small Businesses and Evaluation of Benefits and Costs**

- a. Benefits of the proposed rule:
  1. The rule eliminates the current permit and certificate of veterinary inspection requirements for shipments of cervid semen and embryos so that the rule better matches current scientific understanding of chronic wasting disease. This change will eliminate a time delay of up to seven days between the time an import permit is requested and approved. This change will eliminate the cost to the producer of a veterinarian preparing a certificate of veterinary inspection for each shipment of cervid semen and embryos. This change will relieve the BOAH from the responsibility for researching and evaluating permit requests for cervid semen and embryos. The BOAH evaluated 19 permits for moving cervid semen or embryos into the state in 2007.
  2. The rule removes required participation in the herd certification program for species of cervidae that are not known to be susceptible to chronic wasting disease. Any cost to these herds to participate in the program will, at the herd owner's option, be eliminated. BOAH estimates that 47 herds will no longer be required to be in the program should the rule pass.
  3. The rule will relieve the BOAH of the responsibility and cost associated with collecting samples from dead cervids for chronic wasting disease testing. BOAH personnel collected 782 samples in 2006. Samples for the year 2007 are still being tested, but BOAH anticipates a similar number of collections for 2007.
  4. The rule changes will maintain state animal programs for cervidae that meet United States Department of Agriculture regulations and uniform standards for state animal health programs.
- b. Costs of the proposed rule:

The rule will require that herds in the monitoring program for the first five years of participating and herds in the certification program collect samples from dead cervidae for chronic wasting disease testing. Because this service is currently provided by the state, this change will impose a cost on cervid owners. BOAH personnel collected 782 samples in 2006. Samples for the year 2007 are still being tested, but BOAH anticipates a similar number of collections for 2007.

BOAH has developed three options for producers to have an official sample collected: 1. Hire a veterinarian to collect the sample. 2. Submit the animal or the animal's head to the Animal Disease Diagnostic Laboratory (ADDL) at Purdue University for collection and testing. 3. Take the animal or the animal's head to a participating meat plant for collection.

BOAH estimates that the cost for each of the above three options will vary considerably. BOAH estimates

the cost range for each option as follows:

- i. Veterinary collection: \$75 to \$125 for each sample.
- ii. Direct submission to ADDL: ADDL will charge \$7 per head to collect the sample. The owner is responsible for getting the head to the laboratory, which will require a shipping fee that BOAH estimates to be about \$20 per shipment, depending on the shipping method used.
- iii. Meat plant collection: Unknown at this time.

The producers will decide the total economic impact by making decisions on which sampling method they will use. BOAH estimates the total economic impact on businesses from this change will fall in the following range:

\$21,114 if all producers ship samples to the ADDL and the number of samples is 782; to  
\$97,750 if all producers use veterinarians to collect samples at \$125 each and the number samples is 782.

The proposed rule allows producers to maintain a certification status for their herds by applying two identifications to each animal in their herd. A herd owner is not required to stay in the certification program and may instead opt into the monitored herd program. Herd owners that choose the certification program must identify every animal in their herd with two forms of identification. Adding an additional identification to animals with only one and adding two identifications to animals that are not presently identified will be an additional cost for the businesses that choose the certification program. Each ear tag will cost between \$2 and \$4 to purchase.

- c. The direct and indirect benefits of the proposed rule outweigh the costs.

## **5. Regulatory Flexibility Analysis**

When researching the proposed rule, BOAH considered not changing the rule but because of the need described in section 2 and the benefits outlined in section 3 decided against this option.

*Posted: 06/18/2008 by Legislative Services Agency*

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