

Economic Impact Statement
LSA Document #12-107

[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, federal regulations, and other standards that are incorporated by reference.

2. Description of Affected Industry

The Indiana State Board of Animal Health (BOAH) permits 1,511 dairy farms, 61 dairy plants, and 904 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 not impose reporting, record keeping, or other administrative costs associated with the rules compared to the current requirements.

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 15-18-1-14](#). The NCIMS standards are published in the Pasteurized Milk Ordinance (PMO). BOAH adopts the PMO standards. The NCIMS recently published a 2011 revision of the PMO. The proposed rules adopt the 2011 edition of the PMO. The proposed rule does not impose requirements above the federal standards.

6. Regulatory Flexibility Analysis

BOAH is required by law to maintain equivalency with the NCIMS PMO. [IC 15-18-1-14](#). The requirements in the proposed rule are no more stringent than the PMO federal standard. Therefore, BOAH did not select alternative methods.

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