

Economic Impact Statement

LSA Document #18-443

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

This rule will restrict the distribution and sale of highly noxious weed seeds in the Amaranth family through seed distributors currently regulated by the Office of Indiana State Chemist. These weed seeds contribute to a multimillion dollar weed control expense that Indiana farmers pay out each year. By eliminating the weed seeds from the seed purchased for planting, this rule update will help to alleviate part of this major farm expense.

1. An estimate of the number of small businesses, classified by industry sector, that will be subject to the proposed rule.

Currently, there are 111 Indiana based seed distributors. These distributors would be subject to this rule update. The rule would affect only those seed distributors that sell agricultural, lawn, and vegetable seeds. All of these 111 Indiana distributors sell those types of seeds.

2. An estimate of the average annual reporting, record keeping, and other administrative costs that small businesses will incur to comply with the proposed rule.

Reporting for seed sales and record keeping would not change under this rule update. Seed distributors are currently required to keep sales records on each lot of seed, who it was sold to, and how much was sold for a period of two years.

3. An estimate of the total annual economic impact that compliance with the proposed rule will have on all small businesses subject to the rule.

The potential cost added to each lot of seed that a distributor would sell with Amaranth weed seed would be as follows: Printing costs were directly reported by The American Seed Trade Association and a large Indiana seed distributor. Relabeling of affected lots will be roughly ten cents per package. A large number of bags to be relabeled would be 800 per distributor. This would result in potential cost per distributor that had the weed seeds (and many, if not most, will not) of \$80 per year. Record keeping will not be changed due to this rule update as these records are already kept exactly the same way on seed labels, saving a copy of the label and seed sales for two years.

4. A statement justifying any requirement or cost.

Costs incurred by seed distributors will be very small, \$80 estimate, especially in comparison to seed purchasers' savings of not having to kill these weed seeds. It is estimated by Purdue Weed Science that the cost of controlling these weeds is well into the millions of dollars. Seed is one source of those weed seeds being spread onto the farm; others are birds, animals, and wind. Seed is the one source that can be controlled by updating this rule.

5. A regulatory flexibility analysis that considers any less intrusive or less costly alternative methods of achieving the purpose of the proposed rule.

It was originally intended to update this rule to put the Amaranth family of weed seeds into the Prohibited Noxious Weed Seed List. This rule, by amending the Restricted Noxious Weed Seed List is the less costly method. It is also less intrusive to Indiana seed distributors since the seed will be allowed to be sold if under 0.25% of the seed mix. If we had stayed with the prohibited list, no seed containing this would be able to be sold. Again, this option is the less intrusive and less costly alternative method.

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