



## Business Impact Analysis

Agency Name: Ohio Department of Agriculture

Regulation/Package Title: Animal Importation Requirements

Rule Number(s): 901:1-17-02, 03, 04, 07, and 09

Date: August 22, 2014

**Rule Type:**

☐ New

☒ Amended

☐ 5-Year Review

☐ Rescinded

The Common Sense Initiative was established by Executive Order 2011-01K and placed within the Office of the Lieutenant Governor. Under the CSI Initiative, agencies should balance the critical objectives of all regulations with the costs of compliance by the regulated parties. Agencies should promote transparency, consistency, predictability, and flexibility in regulatory activities. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.

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## **Regulatory Intent**

### **1. Please briefly describe the draft regulation in plain language.**

*Please include the key provisions of the regulation as well as any proposed amendments.*

Rule 901:1-17-02 sets forth the definitions for terms used in this chapter. The rule is being amended to add definitions of “owner/shipper statement” and “slaughter channels.”

Additionally, terms are being incorporated as used in applicable code of federal regulation sections. Minor grammatical changes are also being made to the rule at this time.

Rule 901:1-17-03 sets forth requirements for the importation and shipment of breeding cattle and bison into the state of Ohio. The amendment requires that prior to entering the state all bulls must have a negative test for trichomoniasis. Excepted from this amendment are virgin bulls under the age of 24 months so long as they are accompanied by a certificate of veterinary inspection indicating that the bull has had no contact with breeding females. Additionally, the amendment allows for the importation of infected bulls for the purposes of slaughter only.

Rule 901:1-17-04 sets forth requirements for the importation and shipment of cattle and bison for the purposes of feeding and grazing. The amendments generally help to organize this rule to allow for easier reading and comprehension. Substantively, the amendment adds the ability of the owner/shipper to substitute an owner/shipper statement in lieu of a certificate of veterinary inspection when importing cattle under this rule. The amendment also indicates what information must be included on either of the acceptable movement documents.

Rule 901:1-17-07 sets forth requirements for the importation and shipment of horses, mules, asses, ponies, and other equidae into the state of Ohio. The amendment adds the ability of the owner/shipper to substitute an owner/shipper statement in lieu of a certificate of veterinary inspection when equidae of twelve months of age or more are consigned to a livestock market licensed under Chapter 943 with an approved veterinary inspector present.

Rule 901:1-17-09 sets forth requirements for the importation and shipment of swine into the state of Ohio. The amendment requires that the status or presence of Porcine Reproductive and Respiratory Syndrome (PRRS), if known, in any swine which is shipped or imported into the state of Ohio must be annotated on the certificate of veterinary inspection (CVI).

### **2. Please list the Ohio statute authorizing the Agency to adopt this regulation.**

R.C. 941.03

- 3. Does the regulation implement a federal requirement? Is the proposed regulation being adopted or amended to enable the state to obtain or maintain approval to administer and enforce a federal law or to participate in a federal program?**

*If yes, please briefly explain the source and substance of the federal requirement.*

Rules 901:1-17-03, 04, and 07 implement the United States Department of Agriculture animal disease traceability requirements. Generally, animal disease traceability allows the agency to know where diseased and at-risk animals are and where they have been. This allows the agency to effectively pinpoint where the disease originated and reduces the time needed to respond to the emergency. By doing so it reduces the number of animals and animal owners affected by the disease and the economic costs associated with it.

The other amendments do not implement federal requirements.

- 4. If the regulation includes provisions not specifically required by the federal government, please explain the rationale for exceeding the federal requirement.**

The proposed regulations do not exceed the federal requirements.

- 5. What is the public purpose for this regulation (i.e., why does the Agency feel that there needs to be any regulation in this area at all)?**

The Director of Agriculture has the authority to use all proper means in the prevention and eradication of infectious and contagious diseases amongst domestic animals. 901:1-17-03 and 901:1-17-09 provide a means to control and prevent certain diseases, specifically trichomoniasis and porcine reproductive and respiratory syndrome.

The amendments to rule 901:1-17-03 require testing for trichomoniasis and bar the importation of a trichomoniasis positive adult bull. The introduction of trichomoniasis into the state of Ohio has the potential to cause serious economic hardship to the cattle industry within the state. Trichomoniasis is a venereal disease that causes infertility and occasional abortions in cows and heifers. Due to the effects of the disease, heifers that have contracted trichomoniasis produce far fewer healthy calves than those whom have not been infected. A reduced number of healthy calves produced may result in smaller profits for much of the cattle industry and the potential to force many cattle producers out of business. A re-emergence of trichomoniasis in western states has necessitated this amendment to protect the bio-security of the industry and state.

Porcine Reproductive and Respiratory Syndrome (PRRS) is the one of the most economically significant disease to affect Ohio swine production since the eradication of classical swine fever. PRRS is a viral disease which is characterized by reproductive impairment and respiratory disease in pigs of any age. To protect and promote livestock health, the amendments to rule 901:1-17-09 provide that the PRRS status of the imported swine shall be

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annotated on the CVI. The rule provides a viable method to decrease the spread of a serious infectious and contagious disease among swine.

The amendments made to both 901:1-17-04 and 901:1-17-07 implement the USDA animal disease minimum traceability requirements, which permit the substitution of an owner/shipper statement in lieu of a CVI for the importation and movement of animals between state lines. In order to remain in compliance with the USDA the amendment must be implemented.

**6. How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?**

Success of the amendments to 901:1-17-03 and 09 is measured by the report of little or no outbreaks of trichomoniasis in the state of Ohio among cattle and bison producers, and little or no outbreaks of PRRS in the state of Ohio among swine producers. Success of the amendments to 901:1-17-04 and 901:1-17-07 is full compliance with USDA animal disease minimum traceability requirements.

**Development of the Regulation**

**7. Please list the stakeholders included by the Agency in the development or initial review of the draft regulation.**

*If applicable, please include the date and medium by which the stakeholders were initially contacted.*

**Import requirements for breeding cattle and bison**

Elizabeth Harsh, Executive Director, Ohio Beef Council and Ohio Cattleman's Association

Michelle Holdgreve, Ohio Veterinary Medical Association (OVMA)

Jack Advent, OVMA

Dr. Tony Forshey, State Veterinarian

Dr. Melissa Simmerman, Asst. State Veterinarian

Dr. David Glauer, DVM

**Importation and shipment of swine**

Michelle Holdgreve, Ohio Veterinary Medical Association (OVMA)

Jack Advent, OVMA

Dick Isler, Executive Vice President, Ohio Pork Producers Council

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Dr. Tony Forshey, State Veterinarian

Dr. Melissa Simmerman, Asst. State Veterinarian

Dr. David Glauer, DVM

**Importation of horses, mules, asses, ponies, and other equidae**

Carolyn Piergallini, Ohio Belgian Breeders Association

Lucy Workman, Ohio Haflinger Association

Jerry Knappenberger, Ohio Harness Horsemen's Association

Darlana Chettle, Ohio Percheron Breeders Association

Scott Myers, Ohio Quarter Horse Association

Paul Hurd, Ohio Welsh Pony Association

Michelle Holdgreve, Ohio Veterinarian Medical Association (OVMA)

Jack Advent, OVMA

Dr. Tony Forshey, State Veterinarian

Dr. Melissa Simmerman, Asst. State Veterinarian

Dr. David Glauer, DVM

**8. What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?**

Due to the serious nature of these infectious and contagious diseases and the potentially devastating impact on the industry, when contacted by the Department for this review, the stakeholders were very supportive of the amendments.

Specifically, the swine industry requested that PRRS be added to the certificate of veterinary inspection to let producers know of those swine which may be infected with the disease. The swine industry believes that the relatively small time required to provide this information is outweighed by the ability to control the disease.

**9. What scientific data was used to develop the rule or the measurable outcomes of the rule? How does this data support the regulation being proposed?**

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The reemergence of trichomoniasis in Western states as well as the increase of PRRS were used to initiate the development of the rules in this package.

**10. What alternative regulations (or specific provisions within the regulation) did the Agency consider, and why did it determine that these alternatives were not appropriate? If none, why didn't the Agency consider regulatory alternatives?**

The Department is statutorily tasked with the control and eradication of contagious and infectious diseases to protect the livestock interests of the state. The standards that are contained in these rules are based on scientific research and in most cases are nationally accepted. Stakeholder participation in this rule package has indicated to the Department that this is the best regulatory scheme at this time. For those reasons, no other regulatory alternatives were considered.

**11. Did the Agency specifically consider a performance-based regulation? Please explain. *Performance-based regulations define the required outcome, but don't dictate the process the regulated stakeholders must use to achieve compliance.***

The rules in this chapter are for the most part procedural in nature, providing the framework for import requirements of cattle, bison, equidae, and swine. These requirements include testing for and annotating the presence or non-presence of certain diseases on the certificate of veterinary inspection and potential quarantine upon arrival.

**12. What measures did the Agency take to ensure that this regulation does not duplicate an existing Ohio regulation?**

The Department is given sole regulatory authority over the importation of cattle, bison, equidae, and swine into the state through R.C. 941.03.

**13. Please describe the Agency's plan for implementation of the regulation, including any measures to ensure that the regulation is applied consistently and predictably for the regulated community.**

These rules are already implemented within the industry and the Department works with all livestock dealers to educate and inform them on the safety regulations. Additional education and outreach will be performed with the affected communities of the changes by the Animal Health Division. The staff members of the Animal Health Division ensure that all livestock dealers in Ohio are treated in a similar manner.

**Adverse Impact to Business**

**14. Provide a summary of the estimated cost of compliance with the rule. Specifically, please do the following:**

- a. Identify the scope of the impacted business community;

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Ohio cattle, bison, equidae, and pork producers.

**b. Identify the nature of the adverse impact (e.g., license fees, fines, employer time for compliance); and**

Rule 901:1-17-03 requires cattle and bison producers to test for the presence of trichomoniasis in bulls prior to entering the state. This requires employer time for compliance as well as the cost for the test itself. Any bulls that test positive from trichomoniasis shall not be imported into the state except for the purposes of slaughter.

Rule 901:1-17-04 allows cattle and bison producers to substitute an owner/shipper statement in lieu of a CVI when importing animals into the state under this rule. Additionally, the rule requires information to be listed on the movement documents in order to be imported into the state.

Rule 901:1-17-07 allows equidae producers to substitute an owner/shipper statement in lieu of a CVI for equidae 12 months of age or more which have been consigned to a livestock market. There is no adverse impact from this rule as it does not increase fees, fines, or add employer time for compliance.

Rule 901:1-17-09 requires pork producers and veterinarians to annotate the presence or non-presence of PRRS on the CVI, if known. This adversely affects the community by requiring additional time for compliance.

**c. Quantify the expected adverse impact from the regulation.**

*The adverse impact can be quantified in terms of dollars, hours to comply, or other factors; and may be estimated for the entire regulated population or for a “representative business.” Please include the source for your information/estimated impact.*

The cost of compliance with rule 901:1-17-03 is minimal compared to the potential impact of the spread of trichomoniasis to the industry. The regulation requires testing of all bulls entering the state for trichomoniasis. The average cost of the test is \$35. Most of this cost will be absorbed by out-of-state exporters. Additionally, there is the potential loss for any producer who purchases a positive bull out of state prior to testing. However, this loss can be made up financially through slaughter.



There is no substantial cost for complying with rule 901:1-17-04. Importers of cattle and bison for the purposes of feeding and grazing must include additional information on documents that were originally required prior to amendment. This information is readily available to the producer as it simply calls for the number shipped, average weight, and designation of the animals. This is information that the producer should already be aware of or could easily, with minimal time, discover.

There is no substantial cost for complying with rule 901:1-17-09. The additional time required for annotating the presence of PRRS is minimal and should have no real substantial effect on producers or veterinarians. The amendment does not require additional testing.

**15. Why did the Agency determine that the regulatory intent justifies the adverse impact to the regulated business community?**

Due to the re-emergence of trichomoniasis in the cattle industry, rule 901:1-17-03 is necessary to protect the health of the state's livestock. A reintroduction of trichomoniasis in the state would have a dramatic financial and economic impact to the cattle industry. The regulations and restrictions outweigh the cost of a trichomoniasis outbreak in the state.

Rules 901:1-17-04 and 901:1-17-07 comply with USDA's animal disease traceability minimum requirements. In order to remain in compliance with the federal statute, the amendments must be implemented.

The potential economic impact to the swine industry outweighs the minimal compliance time required for rule 901:1-17-09. Further, the regulated business community has requested the regulation. The swine industry believes that the provision of such information in order to control the disease outweighs the relatively small time to additionally provide this information.

**Regulatory Flexibility**

**16. Does the regulation provide any exemptions or alternative means of compliance for small businesses? Please explain.**

As these are health and safety regulations involving all livestock in the state of Ohio, exemptions or alternative means of compliance for small businesses are not applicable.

**17. How will the agency apply Ohio Revised Code section 119.14 (waiver of fines and penalties for paperwork violations and first-time offenders) into implementation of the regulation?**



Due to the serious impact an infected animal may have on Ohio's animal industry, individuals who bring animals into the state in violation of these rules must either remove the animal from the state or have it destroyed. The Department works with these individuals to provide them further education on the rules and requirements for the importation of animals.

**18. What resources are available to assist small businesses with compliance of the regulation?**

The Department has online resources and has field staff available through a 24 hour helpline to provide assistance. Training and seminars are also available.