

Economic Impact Statement

LSA Document #22-127

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

Egg drop syndrome virus (EDSV) is an infectious disease caused by an adenovirus which mainly affects breeder and layer hens. The disease results in egg quality defects in the eggs laid by infected hens. Many species of poultry and birds can be affected by EDSV. The first sign of infection with EDSV can be a change in the color of the egg, quickly followed by production of thin-shelled, soft-shelled, or shell-less eggs, and a rapid and extended loss in egg production. Clinical signs are mainly associated with egg production. There is no treatment for EDSV. Vaccine use is limited to emergency use by affected flocks under the Indiana State Board of Animal Health (BOAH) case management and a permit issued by the USDA APHIS Center for Veterinary Biologics (CVB). Early virus detection and biosecurity practices are critical to the prevention and containment of this virus.

The proposed rule will require a veterinarian, owner, caretaker, or custodian of an animal who knows or has reason to suspect that EDSV exists in an animal to report the existence of the disease or condition to the state veterinarian or local health officer not later than twenty-four (24) hours after discovering the occurrence or suspected occurrence of the disease or condition. It also requires a diagnostic laboratory or animal health professional to report a diagnosis of EDSV in birds from Indiana, or whose owner is from Indiana, within twenty-four (24) hours of receiving the positive diagnosis. The proposed rule will add a definition of "animal health professional" and amend the reporting timeframe for all listed diseases from two (2) business days to twenty-four (24) hours to align with statutory changes that were made in the 2021 legislative session (P.L.5-2021).

1. Description of Affected Industry

Indiana has 1,346 commercial poultry premises and 11,025 backyard flocks voluntarily registered in the BOAH premises identification program. Indiana ranks 1st nationally in ducks, 2nd in all layer chickens, 2nd in table eggs, and 3rd in turkeys.² According to the US Poultry and Egg Association, the direct economic impact of Indiana's poultry producers and processors includes:

- The creation of 12,879 production and processing jobs.
- A direct contribution of over \$4.8 billion annually to Indiana's economy.
- The total contribution to Indiana's economy is nearly \$14.5 billion, including over 49,176 jobs and nearly \$2.5 billion in wages.
- Payment of \$296.7 million dollars of state taxes and \$774.3 million dollars in total taxes.³

The BOAH will involve regulated entities in the development of the rule. Prior to a first reading of a rule at a quarterly board meeting, the agency sends out an email correspondence to subscribed stakeholders making them aware of proposed rule changes so they have the opportunity to provide input. All proposed rules are also placed in multiple areas of the website to provide interested parties as much time as possible to review and comment upon a proposed rule change. The affected industry includes small businesses under the definition at [IC 4-22-2.1-4](#).

2. Estimated Annual Reporting, Record Keeping, and Other Administrative Costs

The proposed rule does not include additional record keeping or other administrative costs requirements for the above-described entities. The rule is not implementing a new testing requirement. It is requiring that, if an animal owner is conducting a test for EDSV for surveillance or other purposes, a positive diagnosis of this disease must be reported to the state veterinarian. Because there is already an infrastructure in place for animal owners, laboratories, and veterinarians to notify the state of listed diseases, these entities will not need to incur administrative costs to comply with the reporting requirements in the proposed rule.

3. Estimated Total Annual Economic Impact on Small Businesses

This rule does not increase compliance costs for regulated entities. With regard to reporting signs consistent with EDSV, there is no cost for a veterinarian, owner, caretaker, or custodian to report that information to the state veterinarian. There is a cost to having to make a phone call, send an email, or otherwise notify BOAH of the animal's condition, but this would be de minimus.

With regard to reporting a positive diagnosis of EDSV, a notification system is already in place for all reportable diseases. Adding EDSV to the disease list will not change this system. Commercial poultry owners and hobbyists already have processes in place for animal health professionals to collect and submit samples to approved laboratories to comply with state and federal requirements to move animals and animal products in commerce, such as the National Poultry Improvement Plan (NPIP).

There is a cost for an animal owner to pay a veterinarian to take samples and pay a fee for a National Animal Health Laboratory Network (NAHLN) laboratory to run the test, but there is no testing requirement in the proposed

rule. Once an animal owner has elected to perform a test for EDSV, a NAHLN laboratory does not assess an additional fee because it is a reportable disease. Alternatively, if an animal health professional obtains a positive EDSV diagnosis that was not submitted to a NAHLN lab, they similarly have incurred costs for the diagnosis but there is no cost to report the positive result to the state veterinarian. There is a small cost to place a phone call, send an email, or otherwise notify BOAH of the diagnosis, but this would be de minimus. The addition of EDSV to the reportable disease list will not increase compliance costs for these individuals and businesses, and the BOAH estimates that the total estimated impact (cost) of the rule will be less than \$500,000.

4. Justification of Requirements

a. Compliance with Federal Law

The proposed rule is not specifically necessary to comply with a federal mandate. EDSV is not currently reportable under federal law, but since the first Indiana diagnosis of EDSV in December 2021, BOAH has been working collaboratively with the federal government in efforts to contain the virus. There are four poultry companies that own the approximately 20 EDSV affected flocks in Indiana. Activities at these sites include voluntary depopulation and development of a unique EDSV flock plan specific for an individual farm premises. The flock plan is a federal requirement for emergency use of vaccine by affected flocks under a permit issued by the USDA APHIS Center for Veterinary Biologics (CVB). The goal of the flock plan is to contain the virus and prevent exposure to other poultry premises, eliminate the virus, and prevent reintroduction at the premises. Components of the flock plan include improved and continued use of biosecurity measures and restricted use of vaccine.

b. Compliance with State Law

The addition of the definition "animal health professional" to the rule will expand the applicability of the reporting rule to other individuals in the animal health industry beyond just veterinarians, such as registered veterinary technicians, public health officials, and trained zoo and wildlife personnel. The reduction of the reporting timeframe from two (2) business days to twenty-four (24) hours also shortens the reporting deadline for these individuals. However, the definition aligns with federal standards and is specifically established in state law.⁴ The reduction in the reporting timeframe is also necessary to comply with state law, which specifically includes the twenty-four (24) hour requirement.

The BOAH currently administers the reportable disease law in Indiana. Under this law, a veterinarian, owner, caretaker, or custodian of an animal that knows or has reason to suspect that a disease or condition declared reportable by the board exists in an animal must report to the state veterinarian within twenty-four (24) hours after discovering or having reason to suspect the disease or condition exists. It also requires a diagnostic laboratory or animal health professional to report a positive diagnosis of a disease declared reportable by the board within twenty-four (24) hours of the diagnosis. [IC 15-17-10](#). Pursuant to this law, the BOAH periodically updates the list of diseases declared reportable by the board in the reportable disease rule.

In addition to the above-described duties in [IC 15-17-10](#), the board has a general duty to prevent, detect, control, and eradicate diseases which affect animal health and threaten the public health and welfare of the citizens of Indiana. [IC 15-17-3-11](#); [IC 15-17-3-13](#). In order to carry out this duty, the BOAH must periodically update the reportable disease rule to ensure that the high consequence diseases the nation is currently working to control are included, such as EDSV.

c. Justification of Requirements not Mandated by State or Federal Law

The proposed rule does not impose any requirement or cost beyond what is expressly required by state or federal law.

5. Regulatory Flexibility Analysis

Indiana's reportable disease rule plays an integral role in protecting the state's share of the global market for animals and animal products. The proposed rule ensures prompt notification of EDSV outbreaks and necessary assurances to domestic and international buyers of Indiana products that monitoring for this virus is occurring in Indiana. The failure to add EDSV to the rule could jeopardize the ability of Indiana's livestock and poultry companies to ship their product in domestic and international commerce. The inclusion of a disease of concern on the list ensures that appropriate safeguards are in place to detect and prevent the spread of high consequence diseases of livestock and poultry.

BOAH considered alternative methods to achieve the objectives of the proposed rule, such as voluntary reporting. BOAH personnel have been working collaboratively with the poultry industry since the first diagnosis of EDSV in December of 2021. After consultation with the industry and federal partners, it was determined the voluntary reporting would not provide sufficient assurance to domestic and international markets that safeguards are in place to detect and prevent the spread of EDSV. Therefore, it was determined that a mandatory reporting requirement was the preferred approach to ensure that the state veterinarian is receiving positive diagnosis information that is critical to shaping state response activities.

¹ *United States Department of Agriculture*, <https://usda.library.cornell.edu/concern/publications/m039k491c>

² United Soybean Board, *2005-2015 Economic Analysis of Animal Agriculture*, September 2016.

³ US Poultry and Egg Association, *Economic Data*, <https://www.poultryfeedsamerica.org/>.

⁴ United States Department of Agriculture-Animal and Plant Health Inspection Service (USDA-APHIS) *National List of Reportable Animal Diseases*,

https://www.aphis.usda.gov/aphis/ourfocus/animalhealth/monitoring-and-surveillance/nlrad/ct_national_list_reportable_animal

Posted: 05/25/2022 by Legislative Services Agency

An [html](#) version of this document.