



## **Economic Impact Analysis Virginia Department of Planning and Budget**

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**2 VAC 5-531 – Regulations Governing Milk for Manufacturing Purposes**  
**Virginia Department of Agriculture and Consumer Services**  
January 17, 2008

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### **Summary of the Proposed Amendments to Regulation**

The Board of Agriculture and Consumer Services (Board) proposes to amend the regulation to correct confusing language and correct citations to the Code of Virginia in order to make the regulation more easily understood.

### **Result of Analysis**

There are neither benefits nor costs to the proposed changes.

### **Estimated Economic Impact**

The Board of Agriculture and Consumer Services (Board) is amending the language of the regulation for clarity and accuracy. For example, the current regulation reads:

If the Virginia Department of Agriculture and Consumer Services issues two written notices of intent to suspend a person's permit for failure to correct the same deficiency within any 12-month period, the Virginia Department of Agriculture and Consumer Services may issue and enforce a written notice of intent to summarily suspend the person's permit at anytime within six months after the date the written notice of intent to summarily suspend is issued, to summarily suspend the person's permit if the same violation exist on any inspection during the six month period specified in the written notice of intent to summarily suspend.

The amended regulation reads:

If the Virginia Department of Agriculture and Consumer Services issues two written notices of intent to suspend a person's permit for failure to correct the same deficiency within any 12-month period, the Virginia Department of Agriculture and Consumer Services may issue and enforce a third written notice of intent to summarily suspend the person's permit at anytime within six months from the date of the third

written notice if the same deficiency is found to exist on any inspection during the six months specified in the third written notice.

As another example, amendments to another section of the regulation clarify the use of “conferences” and “hearings” in order to maintain consistency and make the regulation easier to read and understand. As a third example, the amended regulation includes citations of the Code of Virginia so that the regulated community can see the legislation that prompted the regulation as well as understand certain specific requirements that are outlined in the Code of Virginia, but not repeated in the text of the regulation.

These regulatory amendments do not change anything of substance and will not affect the regulated community of Virginia. Therefore, there are neither costs nor benefits to these amendments.

### **Businesses and Entities Affected**

The regulation affects any person or business who operates a dairy farm producing raw milk for manufacturing purposes or who manufactures, processes, packages, and sells any manufactured dairy product (butter, cheese, powdered milk, and condensed milk). The Virginia Department of Agriculture and Consumer Services estimates that there are sixteen small businesses affected by the regulation.

### **Localities Particularly Affected**

The proposed amendments do not disproportionately affect specific localities in the Commonwealth.

### **Projected Impact on Employment**

The proposed amendments are not anticipated to have any impact on employment.

### **Effects on the Use and Value of Private Property**

The proposed amendments are not anticipated to have any effect on the use and value of private property.

### **Small Businesses: Costs and Other Effects**

The proposed amendments do not add cost or otherwise affect small businesses.

## **Small Businesses: Alternative Method that Minimizes Adverse Impact**

The proposed amendments do not add cost or otherwise affect small businesses.

## **Real Estate Development Costs**

The proposed amendments do not create additional costs related to the development of real estate for commercial or residential purposes.

## **Legal Mandate**

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.04 requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.04 requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.