Virginia Department of Planning and Budget
Economic Impact Analysis

2 VAC 5-360 Regulations for the Enforcement of the Virginia Commercial Feed Act
Department of Agriculture and Consumer Services
Town Hall Action/Stage: 6661 / 10999 Proposed
July 7, 2026

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order 17. The analysis presented below represents DPB's best estimate of the potential economic impacts as of the date of this analysis.[1]

Summary of the Proposed Amendments to Regulation

The Virginia Department of Agriculture and Consumer Services (VDACS) proposes to replace the labeling requirement for maximum percentage of crude fiber content in pet and specialty pet food products with a maximum percentage of dietary fiber content.

Background

This regulation establishes labeling requirements for commercial animal feed. One of the requirements is to disclose the maximum percentage of crude fiber content in the product label. Crude fiber is a basic measure of fiber content, while dietary fiber provides a more comprehensive understanding of the various types of fiber and their potential health effects. Crude fiber guarantees in feed are used to compare digestibility. Dietary fiber encompasses both crude fiber and other non-digestible carbohydrates like pectins, gums, and oligosaccharides. In essence, dietary fiber content is the relevant measurement for nutrition.

According to VDACS, the animal feed industry (manufacturers and distributors) has been in transition to make pet food labels more comparable to labeling requirements for products marketed for human consumption and to make them more easily understood by customers. As

[1] See Code § 2.2-4007.04 (A).

part of the transition, the Association of American Feed Control Officials (AAFCO) modified its official publication and its model regulations for pet food in August of 2023 to allow for a variety of feed statement changes including labels to state the product's dietary fiber content rather than its crude fiber content. Additionally, VDACS states that the National Association of State Departments of Agriculture agreed to work with the industry to ensure a smooth transition in support of the labeling overhaul efforts. Moreover, Section 100 of the *Regulations for the Enforcement of the Virginia Commercial Feed Act* provides that VDACS shall follow the definitions, standards, and recommendations of AAFCO in the administration of the Commercial Feed Act. Consequently, VDACS proposes to require that pet food product labels state the maximum dietary fiber content rather than crude fiber content no later than January 1, 2030.

Estimated Benefits and Costs

According to VDACS, the transition away from disclosure of crude fiber content towards dietary fiber content in pet food labels has been spearheaded by the industry so that pet food labels are more closely aligned with nutritional product information for human consumption. VDACS states that pet food manufacturers already voluntarily analyze their products to determine the dietary fiber content. Thus, VDACS does not believe that the proposal would increase compliance costs for the industry. In fact, some manufacturers may wish to no longer analyze their pet food for crude fiber content and realize some savings.

Additionally, VDACS estimates that 13-18 states have already adopted the disclosure of dietary fiber content in their pet food labeling standards and others are in the process of adopting the same. Thus, the proposal is expected to provide consistency with standards across states and facilitate the flow of pet food products in and out of the Commonwealth without having to comply with different labeling requirements, thereby avoiding costs associated with having to analyze crude fiber content.

Businesses and Other Entities Affected

VDACS estimates that there are approximately 700 pet and specialty pet food manufacturers or guarantors that distribute pet food products in Virginia; and of that total approximately 200 are small businesses. No regulant appears to be disproportionally affected.

The Code requires DPB to assess whether an adverse impact may result from the proposed regulation.[2] An adverse impact is indicated if there is any increase in net cost or reduction in net benefit for any entity, even if the benefits exceed the costs for all entities combined.[3] As noted above, the proposal is not anticipated to increase the compliance costs in the pet food industry. Thus, no adverse impact is indicated.

Small Businesses[4] Affected:[5]

The proposed amendments do not appear to adversely affect small businesses.

Localities[6] Affected[7]

The proposed change does not create costs for local governments, nor does it disproportionately affect any locality.

Projected Impact on Employment

To the extent some manufacturers may wish to no longer analyze their pet food for crude fiber content, their demand for labor may be reduced.

Effects on the Use and Value of Private Property

Similarly, to the extent some manufacturers may wish to no longer analyze their pet food for crude fiber content, the proposal may reduce their compliance costs which should have a positive impact on their asset values. No impact on real estate development costs is expected.

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[2] See Code § 2.2-4007.04 (D).

[3] Statute does not define "adverse impact," state whether only Virginia entities should be considered, nor indicate whether an adverse impact results from regulatory requirements mandated by legislation. As a result, DPB has adopted a definition of adverse impact that assesses changes in net costs and benefits for each affected Virginia entity that directly results from discretionary changes to the regulation.

[4] Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as "a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than $6 million."

[5] See Code § 2.2-4007.04 (A.2). and Code § 2.2-4007.1 (C).

[6] "Locality" can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulatory change are most likely to occur.

[7] Code § 2.2-4007.04 defines "particularly affected" as bearing disproportionate material impact.