

Department of Planning and Budget

2017 Fiscal Impact Statement

1. Bill Number: SB1582

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Vogel

3. Committee: Agriculture, Conservation and Natural Resources

4. Title: Virginia Farm Pride Beef label.

5. Summary: This bill authorizes the Director of the Division of Marketing of the Department of Agriculture and Consumer Services (VDACS) to use a Virginia Farm Pride Beef label to indicate that a beef product has been certified as Virginia Farm Pride Beef by an accredited certifying agent. The bill requires a producer of such beef to meet all of the applicable federal standards for organic livestock except the livestock health care practice standard related to antibiotics. The bill also directs VDACS to adopt regulations for the administration of the program.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: At this time, VDACS cannot estimate the interest and demand for labels, tags, and seals related to the Virginia Farm Pride Beef program proposed by this bill. However, if producers choose to participate in the certification program, it is anticipated that this bill will have an expenditure impact on VDACS. The bill provides that the department may furnish the labels, tags, and seals to producers at a reasonable price. The bill does not specify the use of revenue from the sale of such labels. The bill also provides that the department may adopt regulations that permit qualified producers to prepare their own labels. In order to administer the program and provide oversight to assure that the label is being properly used, it is anticipated that VDACS will need to employ a part-time person for approximately 416 hours (8 hours per week) at an estimated rate of \$25 per hour for a total annual cost of \$11,196. Additional costs to the department for graphic design, trademark, printing, and State Corporation Commission registration are anticipated. These additional costs are estimated at \$3,330. The costs may be absorbed in the department's existing appropriation.

9. Specific Agency or Political Subdivisions Affected: Department of Agriculture and Consumer Services.

10. Technical Amendment Necessary: No.

11. Other Comments: None.