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STATE OF NEVADA **DEPARTMENT OF AGRICULTURE**

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LEGISLATIVE REVIEW OF ADOPTED REGULATIONS AS REQUIRED BY NRS 233B.066

INFORMATIONAL STATEMENT

LCB File No. R003-23P

The following statement is submitted for adopted amendments to Nevada Administrative Code (NAC) Chapter 583.

1. A clear and concise explanation of the need for the adopted regulation.

The adoption of these permanent regulations pertains to the inspection of meat and poultry. Currently, facilities in Nevada who wish to sell meat or poultry products must be inspected by The United States Department of Agriculture Food Safety and Inspection Service (USDA FSIS). Currently, Nevada has only 3 USDA inspected facilities and 13 active custom processing facilities, therefore the need to increase options for meat and poultry inspection is clear.

In-state processing can help address the industry's bottleneck in meat and poultry processing. The addition of state inspection can provide consumers more options for locally produced meat and poultry, allow for producers to have better control of the pricing of their meat and poultry products, reduce transportation costs, and improve accessibility for producers in rural areas.

For a state to be able to administer their own meat and poultry inspection program, they must meet USDA FSIS's "at least equal to" requirements. The NDA has performed an assessment of what it would take to establish a state meat and poultry inspection program that meets USDA FSIS's "at-least equal to" requirements, and the program establishment is underway.

2. A description of how public comment was solicited, a summary of public response, and an explanation how other interested persons may obtain a copy of the summary.

Copies of the proposed regulations, notices of workshop and notices of intent to act upon the regulation were sent by email to persons who were known to have an interest in the subject of meat and poultry processing/inspection as well as any persons who had specifically requested such notice.

These documents were also posted and made available at the following locations:

- Nevada Department of Agriculture, 405 S. 21st St., Sparks, NV 89431
- Nevada Department of Agriculture, 2300 E. Saint Louis Ave., Las Vegas, NV 89104

- Nevada Department of Agriculture, 4780 E. Idaho St., Elko, NV 89801
- State Capitol Building
- Nevada State Library & Archives
- County Public Libraries, email contact available at https://nsla.nv.gov/find-a-library-directory
- Nevada Department of Agriculture website at <u>agri.nv.gov</u>
- Nevada Public Notice website at https://notice.nv.gov/
- Nevada Legislature Administrative Regulation Notices at https://www.leg.state.nv.us/App/Notice/A/

A workshop was held on November 27, 2023, November 28,2023, November 29, 2023, November 30,2023, December 1, 2023 and December 15, 2023 and the minutes have been made available on the department's public meeting website at https://agri.nv.gov/Animals/Animal Industries Hearings, Workshops, Meetings/.

Thereafter, on or about February 2, 2024, a Notice of Intent to Act Upon a Regulation which incorporated in the proposed amendments the suggestions of the parties attending the workshop and through public comment as well as any comments from the Legislative Counsel Bureau was issued. The hearing was held on March 15, 2024, and the minutes of that meeting, attached hereto, contain a summary of the discussion held regarding the proposed amendments.

A copy of this summary of the public response to the proposed regulation may be obtained from the Nevada Department of Agriculture, Attn: Shayda Sanjideh, 405 S. 21st St., Sparks, NV 89431, (775) 710-1723, or ssanjideh@agri.nv.gov.

3. The number persons who (a) Attended each hearing, (b) Testified at each hearing, (c) Submitted to the agency written comments.

- Workshop held on November 27, 2023
 - o Number in attendance: 20
 - o Number testifying: 2
 - Written statements submitted: 0
- Workshop held on November 28, 2023
 - o Number in attendance: 11
 - o Number testifying: 1
 - Written statements submitted: 0
- Workshop held on November 29, 2023
 - o Number in attendance: 10
 - o Number testifying: 0
 - Written statements submitted: 0

- Workshop held on November 30, 2023
 - o Number in attendance: 9
 - o Number testifying: 1
 - o Written statements submitted: 0
- Workshop held on December 1, 2023
 - o Number in attendance: 13
 - o Number testifying:7
 - o Written statements submitted: 0
- Workshop held on December 15, 2023
 - o Number in attendance: 6
 - o Number testifying: 1
 - o Written statements submitted: 1
- Hearing held on March 15, 2024
 - o Number in attendance: 57
 - o Number testifying: 8
 - o Written statements submitted: 1

4. A list of names and contact information, including telephone number, business address, business telephone number, electronic mail address, and name of entity or organization represented, for each person identified above in #3, as provided to the agency.

Workshop 11/27/2023			
Name	Phone	Email	
Shayda Sanjideh – NDA	(775) 710-1723	ssanjideh@agri.nv.gov	
Alisa Townsell - NDA	(775) 531-6256	atownsell@agri.nv.gov	
Shelley Pope – NDA	(775) 353-3769	spope@agri.nv.gov	
Lisa Burnett – NDA	(775) 353-3631	lburnett@agri.nv.gov	
Holly Rincon – NDA	(775) 353-3619	h.rincon@agri.nv.gov	
Chad Sestanovich – NDA	(775) 753-1356	csestanovich@agri.nv.gov	
Julia Miller Ketcham – NDA	(775) 353-3755	jmiller-ketcham@agri.nv.gov	
JJ Goicoechea – NDA	(775) 353-3619	jgoicoechea@agri.nv.gov	
Doug Busselman	(775) 870-3349	doug@nvfb.org	
Richard McCartney	(503) 949-0976		

Lance Johnson	(775) 690-4560	LJinc4560@gmail.com		
Shelbe Sean	(775) 423-2241	mommasmeat@gmail.com		
Troy Sean	(775) 423-2241	mommasmeat@gmail.com		
Emma Fullerton	(775) 217-9538	emma@berneyrealty.com		
Justin Johnson	(775) 530-5579	triplejrodeo6@yahoo.com		
Jamie Lee	(775) 426-8299	Jamielee1@unr.edu		
Leana Carey	(208) 358-2487	-		
Darrell Pursel	(775) 749-4900	darrellpursel@gmail.com		
Dave	-	-		
Samsung	-	-		
Workshop 11/28/2023				
Name	Phone	Email		
Shayda Sanjideh – NDA	(775) 710-1723	ssanjideh@agri.nv.gov		
Alisa Townsell - NDA	(775) 531-6256	atownsell@agri.nv.gov		
Melanie Sanchez Hernandez - NDA	(775) 842-3530	mshernandez@agri.nv.gov		
Shelley Pope – NDA	(775) 353-3769	spope@agri.nv.gov		
Lisa Burnett – NDA	(775) 353-3631	lburnett@agri.nv.gov		
Chad Sestanovich – NDA	(775) 753-1356	csestanovich@agri.nv.gov		
Julia Miller Ketcham – NDA	(775) 353-3755	jmiller-ketcham@agri.nv.gov		
Shanon Pascual - NDA	(775) 353-3607	spascual@agri.nv.gov		
Doug Busselman	(775) 870-3349	doug@nvfb.org		
Joe Frey	-	-		
Henry Nehiro	-	-		
Workshop 11/29/2023				
Name	Phone	Email		
Shayda Sanjideh – NDA	(775) 710-1723	ssanjideh@agri.nv.gov		

Alisa Townsell - NDA	(775) 531-6256	atownsell@agri.nv.gov		
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Lisa Burnett – NDA	(775) 353-3631	lburnett@agri.nv.gov		
Doug Farris – NDA	(775) 353-3602	d.farris@agri.nv.gov		
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Chad Sestanovich – NDA	(775) 753-1356	csestanovich@agri.nv.gov		
Julia Miller Ketcham – NDA	(775) 353-3755	jmiller-ketcham@agri.nv.gov		
Dan W Bell	(775) 304-2157	danwarrenbell@gmail.com		
Doug Busselman	(775) 870-3349	doug@nvfb.org		
	Workshop 11/30/2023			
Name	Phone	Email		
Shayda Sanjideh – NDA	(775) 710-1723	ssanjideh@agri.nv.gov		
Alisa Townsell – NDA	(775) 531-6256	atownsell@agri.nv.gov		
Shelley Pope – NDA	(775) 353-3769	spope@agri.nv.gov		
Lander Smith – NDA	-	-		
Lisa Burnett – NDA	(775) 353-3631	lburnett@agri.nv.gov		
Chad Sestanovich – NDA	(775) 753-1356	csestanovich@agri.nv.gov		
Julia Miller Ketcham – NDA	(775) 353-3755	jmiller-ketcham@agri.nv.gov		
Hanes Holman	(775) 934-6626	hp.holman@icloud.com		
Doug Busselman	(775) 870-3349	doug@nvfb.org		
Workshop 12/01/2023				
Name	Phone	Email		
Shayda Sanjideh – NDA	(775) 710-1723	ssanjideh@agri.nv.gov		
Alisa Townsell - NDA	(775) 531-6256	atownsell@agri.nv.gov		
Shelley Pope – NDA	(775) 353-3769	spope@agri.nv.gov		
Lander Smith – NDA	-	-		
Julia Miller Ketcham – NDA	(775) 353-3755	jmiller-ketcham@agri.nv.gov		
Amara Vigil - NDA	(775) 353-3617	avigil@agri.nv.gov		
Leana Carey	(208) 358-2487	-		
Curtis Jordan	(775)761-5762	Cljordan48@gmail.com		
Darrell Pursel	(775) 749-4900	darrellpursel@gmail.com		

Staci Emm	(775) 945-3444	emms@unr.edu		
Unknown Person	-	-		
Doug Busselman	(775) 870-3349	doug@nvfb.org		
Mike Ray	-	-		
Workshop 12/15/2023				
Name	Phone	Email		
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Alisa Townsell - NDA	(775) 531-6256	atownsell@agri.nv.gov		
Shanon Pascual - NDA	(775) 353-3607	spascual@agri.nv.gov		
Shawn McFalls – NDA	(775) 353-3739	smcfalls@agri.nv.gov		
Doug Busselman	(775) 870-3349	doug@nvfb.org		
Unknown Person	-	-		
	Hearing 03/15/2024	1		
Name	Phone	Email		
JJ Goicoechea – NDA	(775) 353-3619	jgoicoechea@agri.nv.gov		
Doug Farris - NDA	(775) 353-3602	d.farris@agri.nv.gov		
Amara Vigil – NDA	(775) 353-3617	avigil@agri.nv.gov		
Bill Striejewske, Ph.D. – NDA	(775) 353-3726	wstriejewske@agri.nv.gov		
Chad Sestanovich - NDA	(775) 753-1356	csestanovich@agri.nv.gov		
William Dawson – NDA	(775) 353-3708	wdawson@agri.nv.gov		
Brittany Mally – NDA	(775) 353-3751	bmally@agri.nv.gov		
Meghan Brown – NDA	(775) 353-3751	m.brown@agri.nv.gov		
Ciara Ressel – NDA	(775) 353-3603	cressel@agri.nv.gov		
Patricia Hoppe – NDA	(702) 668-4562	pxhoppe@agri.nv.gov		
Holly Rincon - NDA	(775) 353-3619	h.rincon@agri.nv.gov		
Dillon Davidson - NDA	(775) 353-3627	ddavidson@agri.nv.gov		
Ian Knight – NDA	(775) 353-3637	ian.knight@agri.nv.gov		
Peter Mundschenk, DVM - NDA	(775) 386-8440	pmundschenk@agri.nv.gov		
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Jake Dawley – NDA	(775)353-3645	j.dawley@agri.nv.gov		
Melanie Sanchez Hernandez - NDA	(775) 842-3530	mshernandez@agri.nv.gov		
Shayda Sanjideh – NDA	(775) 710-1723	ssanjideh@agri.nv.gov		
Jim Snyder	-	-		
Bernard Petersen	-	-		
Heather Lackey	-	-		
Paul Noe	-	-		
Valerie Drake	-	-		
Dave Coon	-	-		

Charles Frey	-	-
Pete Paris	-	-
Duane Coombs	-	-
Sherri	-	-
Austin Yohey	-	-
JMK	-	-
Doug Busselman	-	-
Darrell Pursel	-	-
Leana Carey	-	-
Jake Tibbitts	-	-
Sabrina Schnur	-	-
Jeanette Durbin	-	-
JR Whitfield	-	-
Justin Johnson	-	-
Jacquelyn Steen	-	-
775-230-1402	-	-
Tracy Wilson	-	-
Karin	-	-
Nicole Hayes	-	-
Allison Hinkle	-	-
Kari Brock	-	-
Kathie Taylor	-	-
Nora Hall	-	-
Heather Freeman	-	-
Heather Hall	-	-
Jamie Lee	-	-
Wilde Brough	-	-
Jeff	-	-
Annie	-	-
Kelli Kelly	-	-
Marty Plaskett	-	-
Deanna Kirk	-	-

5. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.

A survey was conducted of small businesses that would potentially be affected by the regulation. The electronic survey was emailed to the NDA's customer list, those requesting notice, and posted on the NDA website at agri.nv.gov. The survey was open for responses from September 13, 2023 to October 1, 2023. A total of 69 survey responses were received.

Comments were solicited from affected businesses in the same manner as they were

solicited from the public and are included in the workshop and hearing meeting minutes. The summary may be obtained as instructed in the response to question #2.

6. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

The permanent regulation was adopted on 03/15/2024 and included changes suggested/requested at the workshop 12/15/2023 to clarify mobile processing requirements.

- 7. The estimated economic effect of the adopted regulation on the businesses which it is to regulate and on the public. These must be stated separately, and each case must include: (a) Both adverse and beneficial effects; and (b) Both immediate and long-term effects.
 - Adverse economic effect on regulated business
 Although these regulations cause some level of adverse economic impact, it is anticipated to be low.
 Survey responses from industry stakeholders reported as: 58% of respondents stating no impact, 9% stating insignificant and 7% stating minor impact when asked what level of negative impact the proposed changes may have on their business.
 - Beneficial economic effect on regulated business
 It is anticipated that these regulation changes can be beneficial as they will provide producers and processors with another option for business revenue if they desire to produce a commercial/saleable product. It is also expected that animal transport costs can be reduced since less animals will need to be sent out of state for processing due to an increase of in-state processing services.
 - Immediate economic effect on regulated business

 Small businesses operating as an official establishment are estimated to experience immediate economic effects up to \$1250 for the first year when submitting for a permit. Additionally, businesses who choose to operate as an official establishment may incur immediate direct costs based on if they need to restructure their business to meet the requirements of these regulations. Custom establishments will incur a cost of \$850 for the first year of licensing fees.
 - Long-term economic effect on regulated business
 Small businesses operating as an official establishment are subject to a yearly renewal fee of \$500.
 Small businesses operating as a custom establishment are subject to a yearly renewal fee of \$250. If a small business chooses to operate as an official establishment, it is predicted that they will be able to

expand their meat and poultry processing capacity. It may allow small meat and poultry processing businesses to be more competitive in their pricing, while also allowing more producers to have their livestock and poultry processed within the state in a manner that permits for their sale. It is also predicted that there will be cost savings for producers on transportation costs in the long term.

- Adverse economic effect on the public
 Little to no adverse economic effect will pertain to the public, as they will not be charged directly or indirectly for the upcoming regulation changes.
- Beneficial economic effect on the public
 The public will have more opportunities to buy meat and poultry locally, as there may be more meat and poultry available in the supply chain within Nevada. With business expansions in the state, it is anticipated that jobs will be created within the industry as well.
- Immediate economic effect on the public
 There may be little to no immediate economic effect on the public as the proposed regulations pertain to meat and poultry producers/processors.
- Long-term economic effect on the public
 In the first year and beyond the public will have more opportunities to purchase meat and poultry products from small businesses.
- 8. The estimated cost to the agency for enforcement of the adopted regulation.

The agency does have costs associated with the establishment of this new program coinciding with the proposed changes to NAC 583. Primarily, provided by internal resources, the program will be funded to conduct inspections throughout the state. The agency anticipates an estimated one-time cost of approximately \$400 to print and mail a notice of the revised regulations to all known custom processors and industry partners following the adoption of the regulation.

9. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

While the proposed regulations do not duplicate federal, state, or local standards, they do adopt by reference, the applicable parts of the regulations governing meat inspection from the United States Department of Agriculture, the Federal Meat Inspection Act (FMIA), the Poultry Products Inspection Act (PPIA), and the Humane Methods of Slaughter Act (HMSA). For Nevada to be able to enter into a cooperative agreement with USDA FSIS, Nevada must enforce program requirements that are "at least equal to" federal guidelines.

10. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.

The agency did not intend to create regulations that are more stringent than federal regulations to regulate the same inspection activity.

11. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

The proposed regulations provide new fees including: an application for a license to operate custom processing establishment (\$250), plan review fee for licensure (\$600), and a license renewal fee (\$250). An application for a permit to operate a state inspected facility (\$500), a plan review fee (\$750), and a permit renewal fee (\$500). The agency estimates that during the first year it will collect \$11,500 in fees. The fees collected will be used towards program costs.

Julian J (J.J.) Goicoechea, DVM Digitally signed by Julian J (J.J.) Goicoechea, DVM DN: cn=Julian J (J.J.) Goicoechea, DVM, o=Nevada Department of Agriculture, ou=Director, email=jgoicoechea@agri.nv.gov, c=US Date: 2024.04.09 15:42:50 -07'00'

J.J. Goicoechea, DVM Director Nevada Department of Agriculture