

## PROPOSED RULE COST/BENEFIT ANALYSIS

Section 67-5223(3), Idaho Code, requires the preparation of an economic impact statement for all proposed rules imposing or increasing fees or charges. This cost/benefit analysis, which must be filed with the proposed rule, must include the reasonably estimated costs to the agency to implement the rule and the reasonably estimated costs to be borne by citizens, or the private sector, or both.

**Department or Agency:** Idaho State Department of Agriculture

**Agency Contact:** Brandon Lamb      **Phone:** 208-332-8675

**Date:** August 26, 2012

**IDAPA, Chapter and Title Number and Chapter Name:** 02.06.33 – Organic Food Product Rules

**Fee Rule Status:**     **Proposed**       **Temporary**

**Rulemaking Docket Number:** 02.0633-1201

### STATEMENT OF ECONOMIC IMPACT:

The rule creates a material review program and fees to implement the program. Idaho's organic industry has expressed the need for an Idaho program which can review products to the United States Department of Agriculture's - National Organic Program Standards. Those products stamped with a seal of approval could then be marketed and sold to organic operations resulting in more options and confidence in the marketplace. It is expected the revenue generated by the fee will cover the additional costs of providing the services outlined in the rule, resulting in a net neutral revenue stream. The fee in the rule was set based on estimated staff time to perform the work required. Because this is a new program there is no historical data to base costs or revenue on. The information below is provided as an estimate of program participants.

<u>Revenue Source</u>	<u>Number</u>	<u>Estimated Revenue</u>	
		<u>Low</u>	<u>High</u>
Applications @ \$200	3 to 4	\$600	\$800
Applications @ \$500	4 to 5	\$2,000	\$2,500
Annual Fees @ \$500	1 to 2	\$500	\$1,000
Annual Fees @ \$2,500	1 to 2	\$2,500	\$ 5,000
Annual Fees @ \$5000	<u>1 to 2</u>	<u>\$5,000</u>	<u>\$10,000</u>
Totals	10 to 15	\$10,600	\$19,300