

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB PBC 07C-06 ENRC DACS Brucellosis
SPONSOR(S): Policy & Budget Council
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.: Policy & Budget Council		Dixon\Davila	Hansen
1) _____	_____	_____	_____
2) _____	_____	_____	_____
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

PCB PBC 07C-06 amends section 585.155, F.S., to remove the requirement for brucellosis vaccination of all female calves in Florida. The proposed bill also amends the requirements for identification of vaccinated female cattle to conform to federal requirements as stated in Title 9, part 78, Code of Federal Regulations.

In addition, the proposed bill removes the requirement that each cattle herd be enrolled in a program to determine whether the herd is infected with brucellosis. Federal classification of a state as Class "Free" does not require herd plans as long as Florida continues successful surveillance for field strain *Brucella abortus* infection.

The proposed bill eliminates the Department of Agriculture and Consumer Services (DACs) responsibility for the purchase and distribution of the brucellosis vaccine. Distribution can be managed through veterinary distributors obtaining vaccine from a sole manufacturer. Distribution is limited to federally accredited practitioners.

For fiscal year 2007-2008, there is an \$80,000 estimated cost savings in the DACs recurring expense budget as a result of this bill becoming law.

The bill takes effect upon becoming law.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

The bill does not appear to implicate any of the House Principles.

B. EFFECT OF PROPOSED CHANGES:

Present Situation

Division of Animal Industry

One of the long term responsibilities of DACS' Division of Animal Industry has been the administration of Florida's Brucellosis Eradication Program. The Cooperative State-Federal Brucellosis Eradication Program is administered under a Memorandum of Understanding between the appropriate agency in each of the states and the United States Department of Agriculture (USDA). This program includes all activities associated with detecting, controlling, and eliminating brucellosis from domestic livestock in the United States.

Bovine Brucellosis is a devastating cattle disease that is near eradication in the United States after more than 50 years of efforts by State Departments of Agriculture, the USDA, and the cattle industry. Florida released the last positive brucellosis herd in 2000. Since then, despite extensive surveillance and testing of slaughter animals and dairy milk, no additional cases of bovine brucellosis have been found.

Current Florida law, s. 585.155, F.S., requires all female calves born in the state that are to be used for dairy breeding purposes to be vaccinated with an approved *Brucella abortus* vaccine. In 2001, the law mandating vaccination of beef heifers was removed, yet vaccination has continued on a voluntary basis. While brucellosis vaccination was critical in eradicating this disease in Florida, the absence of this disease over the last 7 years, and the extremely low level of bovine brucellosis in the United States has reduced the threat of this disease to Florida cattle and thus also reduced the need for vaccination.

Florida's Brucellosis Class "Free" Status allows interstate movement of female cattle (beef and dairy) to most states without requirement for vaccination. Voluntary vaccination of beef heifers has continued in approximately 7% of Florida herds. Vaccination is predominately performed on those heifers that are retained for breeding purposes.

As is the current practice in most states, brucellosis vaccine may be purchased by Florida licensed veterinarians directly from an approved manufacturer. Federal requirements mandate that this vaccine be administered only by licensed veterinarians.

Professional Biologics is the only approved brucellosis vaccine manufacturer. Currently, in other states the vaccine is sold to distributors who then market the vaccine to veterinarians. The manufacturer suggested price for sale to veterinarians is \$18.20 per 25 dose bottle and \$4.30 per 5 dose bottle. Although the distributor has the right to increase the sales price to the veterinarian, the suggested price in total would be less than the state is paying in combined purchase and shipping costs per dose.

Supplies of vaccine currently on hand in Florida are adequate for the state to continue providing vaccine to veterinarians until December 2007; therefore, there will not be a shortage of vaccine available to producers this calendar year.

Effect of Proposed Changes

According to DACS, yearly costs of vaccine purchased and distributed to the state total approximately \$140,000. This figure includes approximately \$56,000 per year for purchase and \$84,000 per year for shipping costs. In 2006, approximately 60,000 calves were vaccinated in Florida. This compares to about 160,000 calves vaccinated in 2000. Heifer vaccination has been declining since Florida obtained Class "Free" Status. In October 2006, USDA published a listing of premises by species from the National Agricultural Statistics Service showing an estimated 7,900 (7,750 beef and 150 dairy) cattle premises in Florida. USDA reported that in 2006, 61,666 calves within 515 herds were vaccinated in the state, the majority being beef herds. According to DACS, although many dairy calves leave the state before reaching vaccination age, approximately 130,000 heifers are kept each year as replacement animals. The current level of vaccination likely reflects the producer's individual preference to vaccinate heifers rather than the provision of the vaccine at no charge to veterinarians. Veterinarians have been charging producers for the service of vaccinating heifers and identification since 1996 when USDA stopped paying fee-basis to veterinarians for this service. The additional cost of the vaccine is minimal and should not significantly impact the number of animals vaccinated.

C. SECTION DIRECTORY:

Section 1. Amends s. 585.155, F.S., to require that all female cattle vaccinated with the *Brucella abortus* vaccine be identified according to federal regulations.

Section 2. Repeals s. 585.105, F.S., relating to the purchase, distribution, and administration of approved *Brucella* vaccine.

Section 3. Provides that the effective date of the bill is upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

For FY 2007-2008, it is estimated that a cost savings in the DACS recurring expense budget will be a reduction of \$80,000.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

If enacted, this legislation would cause the cost burden to be shifted to the producers who elect to vaccinate their heifers. Veterinarians would purchase the vaccine through the normal distribution channels and would, most likely, pass this cost to the cattle producer on a per animal basis. The cost of vaccine for each individual animal would be less than \$1. If vaccination continues at current levels, the combined cost to all producers requesting vaccination of their heifers would be less than \$62,000 annually. The compliance cost would remain unchanged.

The individual producers would be required to cover the cost of the vaccine and, therefore, have a minimal financial loss from this bill. The bill would not prohibit producers from continuing to vaccinate or start vaccinating if they choose. A majority of dairy heifers are transported out of state prior to reaching vaccination age and thus this industry would experience minimal impact from the bill.

This bill would have no impact on the cattle market since vaccination of Florida heifers is no longer required for interstate movement.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

N/A.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

N/A.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

N/A