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How Do Swine Producers and Veterinarians Expect the VFD to Affect Their Business?

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How Do Swine Producers and Veterinarians Expect the VFD to Affect Their Business?

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ANTIBIOTIC USE in livestock production is a controversial subject in the public eye. Concerns over perceived over-use of antibiotics and antimicrobial resistance has prompted public policy debates. In response, the United States Food and Drug Administration has created new antibiotic-use guidelines in livestock. The new guidelines are: (a) Guidance 209: Judicious Use of Medically Important Antimicrobial Drugs in Food Producing Animals; (b) Guidance 213: Implementation Principles for Guidance 209; and, (c) Veterinary Feed Directive (VFD): Final Rule. The VFD final rule went into effect on October 1, 2015, and label changes requested in Guidance Documents 209 and 213 took effect on January 1, 2017 (US Department of Health and Human Services 2012, 2013; Federal Registrar 2015). These guidelines direct the use of medically important antibiotics (deemed to be important for human medicine) in livestock for therapeutic purposes (prevention, control, and treatment) only, thereby eliminating medically important antibiotics for growth promotion purposes. Medically important antibiotics can continue to be used for therapeutic purposes, but only under the guidance of a veterinarian with a valid veterinary-client-patient relationship (VCPR). These rules also eliminate over-the-counter purchases of medically important antibiotics for administration in feed and water.

To better understand the opinions of, and the plans for managing the new antibiotic use guidelines, interviews of independent, contracted, and integrated swine producers and swine veterinarians and nutritionists from across the state of Iowa were conducted in the fall of 2016. The interviews focused on the ways swine industry participants were preparing for the implementation of these guidelines and the changes they anticipated needing to make in their business operations to comply. Twenty-six independent producers, 16 contracted producers, 3 integrated producers, 8 swine nutritionists, and 8 swine veterinarians participated in the interviews.

In many ways, the interviews were viewed as the first in a multi-step process towards evaluating the economic impacts of the new policy. To that end, an initial set of hypothesized causal relationships, or propositions, were developed to assess how well the interviews (cases) supported or refuted possible implications of the new antibiotic use guidelines. These propositions included:

- Complying with the VFD requirements will be overly burdensome for veterinarians.
- Independent producers, compared to contract producers, will have more difficulties establishing and maintaining a VCPR.
- Independent producers, compared to contract producers, will incur more added costs due to the VFD requirements.

Although it is impossible to capture comments from every interviewee in this article, the following summaries reflect sentiments from a broad array of industry participants.

Veterinarians must have, or establish and maintain, a VCPR to write a VFD for a producer. A copy of each VFD must be kept by veterinarians, feed distributors, and producers for two years. The “timely visit” requirement of the VCPR and the added time it takes
for issuing a VFD and recording keeping is an added cost for veterinarians. Certainly, these costs will be passed on to producers in the form of charges for writing VFDs and site visits. Veterinary offices may need to hire more employees to assist in farm visits, recordkeeping, and daily appointments because of the added demand for a veterinarian’s time.

Many interviewed veterinarians indicated that their current recordkeeping practices will suffice for the new requirements and, therefore, they will not need to make any major adjustments. It is likely that veterinarians would have improved their capacity for electronic recordkeeping of VFDs and related documents since the final rule was published in June 2015. Veterinarians did express concern with the time commitment required for recordkeeping, saying that it will take time away from working with the producers and livestock. Among the eight veterinarians interviewed, two were “most concerned” with not gaining an obvious personal or business benefit from the policy change. One veterinarian expressed their concern by saying, “...it [the paperwork] takes time away from working with pigs and people in the barns... that is where I earn my keep for my clients.”

The other six interviewed veterinarians were most concerned with the urgency between identification to treatment and possible consequences of an error in documentation. Three veterinarians expressed concern that producers will face challenges in treating livestock in an urgent manner. One veterinarian shared, “Timely diagnostics might hinder pig health.” The other three feared possible consequences of an error in documentation.

As suggested by the interviewee’s responses, the VFD requirements are expected to cause a moderate burden for veterinarians. The use of an online VFD generation tool may ease some of this burden, as the smart engine technology can streamline the process and help ensure a VFD is in legal compliance. These services can also automatically e-mail copies to the producer and feed distributor once the VFD is generated, saving time in the process and ensuring all parties are in compliance.

The nature of contract production would be expected to help satisfy the VCPR requirement (i.e., contract producers already have a relationship with a veterinarian because integrators have veterinarians on staff). Independent producers who do not have a VCPR must seek out a veterinarian to establish one. With ever-declining large-animal veterinary practitioners, especially in rural areas, the issue of whether there is sufficient veterinarian access in an area to provide oversight is an important consideration.

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This concern was negligible among the producers who were interviewed. All 26 independent producers indicated they have access to a large-animal veterinarian near their operations. Of these, 24 noted that they already have a VCPR. All 16 interviewed contract producers have access to a large-animal veterinarian, and 15 have a VCPR.

A VCPR exists when the veterinarian has recently seen and is personally acquainted with the keeping and care of the animals by virtue of examination of the animas, and/or by medically appropriate and timely visits to the premises where the animals are kept. All 16 contract producers do not expect these requirements to cause problems for their operation. Most (21 of 26) independent producers do not expect the requirements to be burdensome to their operation.

The new antibiotic use guidelines will challenge various industry participants involved in livestock production to adjust practices to comply with the new requirements yet still remain efficient. Producers may struggle with justifying the costs of site visits, especially if their animals are apparently healthy, in order to fulfill the “timely visit” clause in the VCPR definition. Cost structures and services provided can vary considerably across business arrangement, namely independent versus contract production.

A majority of interviewed independent producers are expecting an increase in costs as a result of the VFD requirements. Nineteen of the 25 independent producers replied that they will likely incur increased operating costs; however, only two independent producers suspect the added costs to be significantly large. Of those who expect increased costs, a majority believe that it will come from the VFD paperwork and orders. “There will be an additional charge for each VFD written...”

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