

are projected to incur costs exceeding 1 percent of revenues under Option 2, Option 2 + P, or Option 2.5, while 4

analyzed facilities are projected to incur costs exceeding 1 percent of revenues

under Option 2.5 + P and 17 analyzed facilities under Option 4.

TABLE X.A-6.—FACILITIES WITH ANNUALIZED COSTS EXCEEDING 3 PERCENT OF REVENUES BY SUBCATEGORY AND OPTION

Option	Facilities with annualized costs exceeding 3 percent of revenues		Facilities with annualized costs exceeding 1 percent of revenues	
	Pre-tax	Post-tax	Pre-tax	Post-tax
Subcategories A through D (18 facilities analyzed) <sup>1</sup>				
Option 2 .....	0	0	0	0
Option 2 + P .....	0	0	0	0
Option 2.5 .....	0	0	0	0
Option 2.5 + P .....	0	0	0	0
Option 4 .....	0	0	0	0
Subcategory K (34 facilities analyzed) <sup>2</sup>				
Option 2 .....	0	0	0	0
Option 2 + P .....	0	0	0	0
Option 2.5 .....	0	0	0	0
Option 2.5 + P .....	0	0	4	0
Option 4 .....	0	0	17	7

<sup>1</sup> Of the 39 facilities estimated to be in Subcategories A through D, EPA was able to analyze data from surveys representing 18 facilities; the remaining surveys (representing 21 facilities) did not provide sufficient data to be analyzed, and therefore, the number of closures among these facilities is not reflected in the table and is unknown.

<sup>2</sup> Of the 118 facilities estimated to be in Subcategory K, EPA was able to analyze data from surveys representing 34 facilities; the remaining surveys (representing 84 facilities) did not provide sufficient data to be analyzed, and therefore, the number of closures among these facilities is not reflected in the table and is unknown.

#### f. Market Level Impacts

EPA analyzed the impact of the rule on market price, domestic supply, domestic consumption, and international trade of four meat types (beef, pork, chicken, and turkey). Pre-tax annualized compliance costs per pound of carcass weight for each of the four meat types measures the vertical shift in the supply curve in response to the effluent limitations guidelines. The most appropriate measure of the shift in supply is the cost per pound of total industry production because: (1) The majority of facilities incur no costs, and (2) the competition from facilities that do not incur costs will discourage affected facilities from increasing price by the full cost per pound of the ELG.

The results of the market analysis show that the decrease in supply will be smallest for pork, where the costs per pound of total production range from \$0.000014 under Option 2 to \$0.0005 under Option 4, and largest for turkey with costs per pound of total production ranging from \$0.00036 under Option 2 to \$0.0019 under Option 4. The maximum projected price increase is less than 0.1 percent of baseline price for chicken and turkey (under Option 4); price is projected to increase less than 0.04 percent of baseline for beef and pork under any option.

The domestic production of meat products, and therefore industry employment, is projected to decrease by about 0.04 percent under Option 4, and by lesser amounts under all other options for all meat types. In general,

impacts to domestic consumption of meat products are somewhat smaller than impacts to domestic supply due to partially offsetting increases in meat imports.

Impacts on meat exports are of particular concern to the poultry sector. Exports are the means the poultry industry has used to sustain growth. Exports are also used to balance domestic preferences for white meat poultry products with the necessary production of dark meat as a byproduct of white meat production; dark poultry meat is preferred in other parts of the world. Meat exports are projected to decrease by less than 0.06 percent for poultry meat under all options except Option 4 which decreases by 0.11 percent.

TABLE X.A-7.—PROJECTED IMPACTS ON MEAT PRODUCT MARKETS

Option	Price (\$/lb.)	Domestic supply (lbs. × 1 mil.)	Domestic demand (lbs. × 1 mil.)	Quantity imported (lbs. × 1 mil.)	Quantity exported (lbs. × 1 mil.)	Compliance costs per pound
<b>Beef</b>						
Baseline .....	\$1.11050	26,386.0	26,843.0	2,874.0	2,417.0	.....
Option 2 .....	1.11058	26,384.1	26,841.8	2,874.4	2,416.7	\$0.00016
Option 2 + P .....	1.11085	26,378.7	26,838.7	2,875.8	2,415.8	0.00065
Option 2.5 .....	1.11065	26,382.9	26,841.2	2,874.8	2,416.5	0.00028
Option 2.5 + P .....	1.11092	26,377.3	26,837.8	2,876.2	2,415.6	0.00078
Option 4 .....	1.11098	26,376.2	26,837.3	2,876.5	2,415.4	0.00088