

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Statement of Mr. Kevin Shea, Administrator
Before the Subcommittee on Agriculture, Rural Development,
Food and Drug Administration, and Related Agencies
Committee on Appropriations, U.S. House of Representatives

Mr. Chairman and distinguished members of the Subcommittee, I appreciate the opportunity to appear before you on behalf of the dedicated and hard-working employees of our Agency to discuss the United States Department of Agriculture's (USDA) priorities for the Animal and Plant Health Inspection Service (APHIS) and to provide you with an overview of our fiscal year (FY) 2015 budget request.

APHIS' mission is to protect the health and value of U.S. agricultural and other plant and animal resources. Our programs protect U.S. livestock, poultry, and specialty crops worth more than \$165 billion. As Secretary Vilsack stated in the Agriculture Outlook Forum in February, U.S. agriculture as a whole supports 1 in 12 jobs, and 14 percent of all manufacturing jobs in this country tie to agriculture. APHIS' programs play a key role in ensuring that U.S. farms and ranches remain healthy and productive. Over the years, APHIS has modernized to be more proactive, flexible, and responsive to the needs of those we serve. In conjunction with USDA's Blueprint for Stronger Service, we have found opportunities for cost savings, such as reducing our travel costs by more than 25 percent over the last several years and finding efficiencies through business process improvements. Although our activities have changed over the years,

our core mission of protecting the health and value of U.S. agriculture remains the same. We carry out this mission by working with a variety of partners, including—States, Tribal Nations, farmers, ranchers, and industry associations.

Our programs continue to support all of the Secretary's goals: assisting rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving; ensuring our national forests and private working lands are conserved, restored, and made more resilient to climate change, while enhancing our water resources; helping America promote agricultural production and biotechnology exports as America works to increase food security; and ensuring that all of America's children have access to safe, nutritious, and balanced meals.

We appreciate the Committee's support of our programs, as you demonstrated with the increases provided in FY 2014 to ensure we can continue supporting our farmers and ranchers by protecting agricultural health. The increases, such as the \$20 million one-time funding for the Multi-Agency Coordination group for huanglongbing (HLB) and \$20 million to begin a new feral swine management program, will also allow us to start new initiatives. While our core mission remains the same, APHIS made significant adjustments over the last several years, prompted both by changing times and previous reductions to our budget. Our two largest units, Plant Protection and Quarantine and Veterinary Services, reorganized to modernize their structures. They did so in an effort to ensure that we could improve service delivery to our stakeholders with more consistent guidance while facing changes in agricultural industry, decreased fiscal resources, and workforces with many experienced employees eligible for retirement. Other APHIS units are analyzing the benefits of possible restructures. Increasingly,

APHIS will seek innovative alternatives to rulemaking to achieve our objectives—making sure agriculture stays healthy while ensuring the rapid flow of commerce. These alternative solutions allow our stakeholders to use their best ideas and practices to achieve the goals of preventing pest and disease spread. They can lead to deeper and more meaningful collaboration between APHIS and our partners and allow us to make changes more quickly if the situation warrants. A recent example of these initiatives includes using a national certification process administered by our sister Agency, the Agricultural Marketing Service, to help prevent the spread of forest pests through the movement of firewood rather than establishing Federal regulations. We are developing better, faster business processes to improve our customers' experience and deliver services more economically and efficiently.

To help us identify the most critical items during these changing times and guide us as we update our Agency's strategic plan, we held a series of stakeholder engagements over the course of the last fiscal year. Along with the Deputy Administrators from all six APHIS mission program areas, I held 14 different meetings with representatives from the citrus, seed, potato, cotton, nursery, grain, cattle, swine, poultry, equine, sheep and goat, cervid, aquaculture, and live animal and animal products trade groups. While each of the sector groups had unique issues and opportunities to discuss with APHIS, several broad themes emerged: exports are critical for U.S. farmers and ranchers; the tools we use to protect animal and plant health must be commerce-friendly; and the Agency needs to take a balanced approach when developing new requirements or programs. APHIS immediately addressed some of the most urgent concerns that came out of these sector meetings, such as establishing the Multi-Agency Coordination group for managing efforts around HLB and publishing a comprehensive rule to address bovine spongiform

encephalopathy (BSE). For longer-term issues, APHIS is committed to meeting annually with these sector groups to discuss continuing or new concerns, and to collaborate on solutions. We are pleased to have the opportunity to discuss these important, over-arching concerns in a proactive way and work with our stakeholders to help address the animal and plant health issues that are most critical to them.

I would also like to acknowledge the level of dedication and effort that APHIS employees give to their jobs every day and would like to report on our key accomplishments of the past year.

Following vigorous debate in the industry and public input, APHIS published a final rule in January 2013 establishing regulations for improving the traceability of U.S. livestock moving interstate. Under the final rule, unless specifically exempted, livestock moved interstate must be officially identified and accompanied by an interstate certificate of veterinary inspection or other documentation, such as owner-shipper statements or brand certificates. We are currently working with our State partners to educate producers about the regulations and increase the number of official identification devices available to make them easier to obtain. APHIS will continue to help producers learn how they can support the traceability goals and protect their animals before we begin enforcing the new regulations in July 2014. Having a strong traceability program in place will provide extra assurances to our trading partners that the United States can quickly contain an animal disease outbreak if it occurs and prevent potentially infected products from being exported. In addition, the new Traceability system is designed to provide flexibility for States, Tribes, and producers. It will meet the diverse needs of the countryside where States and Tribes can develop systems for tracking animals that work best for them and their producers, while addressing gaps in our overall disease response efforts.

We also started a pilot project in New Mexico in FY 2013 to jumpstart our national feral swine control program. We are grateful for the Committee's support of this important effort to stem the tide of damages that feral swine cause—an estimated \$1.5 billion annually, with more than half of that as direct damage to agriculture. APHIS, in collaboration with Federal, State, and Tribal Nations, livestock producers, and local high school vocational agriculture students, removed more than 640 feral swine on properties totaling approximately 4.8 million acres in New Mexico. Conservative estimates indicate that this collaborative effort reduced the number of offspring from these animals by 1,800 piglets. At an average of \$200 per pig in property damage per year, the pilot program has already saved \$360,000 in property damage for New Mexico residents. During the past year, APHIS also developed a National Feral Swine Damage Management Plan to serve as a comprehensive strategy for collaborating with States and local authorities across the United States. In FY 2014, APHIS is implementing control efforts in all 39 States where there is a recognized feral swine population. With such a large, expansive population (expected to reach 10 million animals by 2017, if left uncontrolled) this will need to be a sustained effort. APHIS hopes to eliminate feral swine from 10 of the 39 States within 7 years and stabilize or reduce damages caused by the animals in the other States.

We also have made significant progress in addressing a variety of plant pests. In May 2013, we announced with our State partners the eradication of the Asian longhorned beetle from Manhattan and Staten Island, New York, and Union and Middlesex Counties, New Jersey. We are still battling this threat to our native, hardwood trees in other areas, but these successes demonstrate that our strategy is working. Additionally, along with our State and industry

partners, we are beginning a series of surveys to confirm that we have eradicated the pink bollworm from the United States after more than a decade of intensive efforts involving mating disruption, use of pest-resistant genetically engineered cotton, and release of sterile pink bollworms. This pest caused significant damage to cotton fields in the southwestern United States since it entered the country in the early 20th century. We are also continuing our successful effort to eliminate the European grapevine moth from California. Thanks to the intensive, cooperative effort with California, we have been able to release 9 of the 10 quarantined counties within the last two years. With our program partners, we will continue conducting intensive trapping this summer in Napa, the last remaining affected area, and we are hopeful that this coming growing season will be the first without any new detections. Also in FY 2014, we are working with our partners in USDA, citrus growing States, and the citrus industry through the HLB MAC (and using the funding provided by the Committee) to take promising, practical tools from the research arena into the field in order to deal with this devastating disease and its insect vector and to help growers.

We have also used the funding provided by the Food, Conservation, and Energy Act of 2008, in 2013, to enhance plant health through two important programs, Plant Pest and Disease Management and Disaster Prevention and the National Clean Plant Network (Network). We are pleased that the Agricultural Act of 2014 reauthorized and included funding the National Clean Plant Network and increased funding available for Plant Pest and Disease Management and Disaster Prevention. Under the latter program, APHIS has funded more than 1,300 projects in 50 States and two U.S. territories since 2009. These projects have strengthened our ability to protect U.S. agriculture and natural resources from foreign plant pest threats in areas such as pest

survey, identification, inspection, mitigation, risk analysis, and public education and outreach. For example, the detector dog program, which we will continue under the new Farm Bill, enhances surveillance and inspection of plant products to prevent the entry of plant pests. This program is most active in California and Florida. The National Clean Plant Network promotes the use of disease-free stock and provides a safe, coordinated way for desirable nursery stock to be imported from overseas. In existence since 2008, the Network supports 20 clean plant programs in 15 States for specialty crops, including fruit trees, grapes, citrus, berries, and hops.

As our stakeholders emphasized during our sector meetings, the ability to export their products is key to the growth and continued success of U.S. farmers and ranchers and related businesses. I am heartened that agricultural trade continues to be a bright spot for the U.S. economy, with agricultural exports surpassing \$140 billion in FY 2013. And I am proud of APHIS' role in continuing to help broaden international trade pathways for our producers. Last year, APHIS, in cooperation with other agencies, successfully negotiated and resolved 200 sanitary and phytosanitary (SPS) trade-related issues involving U.S. agricultural exports, with an estimated market value of \$2.9 billion. This included eliminating BSE-related restrictions on U.S. exports of beef and other bovine commodities to Japan, Bahrain, Mexico, Indonesia, Panama, Peru, Trinidad and Tobago, and Turkey. Other accomplishments involve gaining new access for U.S. pears to China and U.S. peaches to Australia. APHIS also successfully intervened in 280 releases of U.S. cargo held up at foreign ports-of-entry, which prevented the rejection of shipments worth more than \$34 million. APHIS also supports exports through certifying that U.S. products meet foreign countries' entry requirements. In FY 2013, we issued approximately 200,000 export certificates for live animals and animal products. On the plant side, we issued a

record 605,000 certificates, most of them through our automated Phytosanitary Certificate Issuance and Tracking system that allows exporters to make appointments and payments on-line.

APHIS is committed to developing better, faster business processes to improve our customers' experience and deliver services more efficiently. We continue to see benefits of the business process improvement reviews we undertook over the last several years. For example, APHIS conducted business process improvement reviews of both its biotechnology regulatory determination reviews and its veterinary biologics licensing reviews with the goal of streamlining the processes and reducing the time required to allow companies to bring new products to market sooner. As a result of the changes we made to the process for licensing new veterinary biologics, the average number of days required has decreased from 541 days in FY 2010 (before the review took place) to 263 days in FY 2013. Our goal for the biotechnology regulatory determinations is to reduce the time required for review from an average of 3 years to about 13 to 16 months. The first petition to reach a determination of nonregulated status from start to finish under the improved process did so 376 days sooner than the average time under the previous process. We will continue to evaluate the results of these process improvement efforts and look for additional opportunities for improvement.

Our Animal Welfare program carries out activities designed to ensure the humane care and treatment of animals covered under the Animal Welfare Act (AWA) through inspections, enforcement, education, and collaboration with others. In FY 2013, APHIS published a final rule to revise the definition of "retail pet store" in the AWA regulations to close a loophole that, in some cases, has threatened the health of pets sold sight unseen over the Internet and via

phone- and mail-based businesses. The rule will help to ensure that breeders who sell dogs, cats, and other pet animals at retail (where there currently is no public oversight) provide their animals with humane care and treatment in accordance with AWA standards. Before publication of the final rule, APHIS hosted a series of conference calls with industry groups and webinars for the public. APHIS will continue to develop and distribute information on the new rule to hobby breeders, professional and industry organizations and associations, industry leaders, and the public.

FY 2015 Budget

Our FY 2015 budget requests a total of \$837.5 million, including \$3.2 million for our Buildings and Facilities account. This is a net increase of \$12.6 million, or approximately 1.5 percent, more than the FY 2014 appropriation of \$824.9 million, excluding the one-time funding for HLB. The budget contains several requests to support mission critical activities while proposing decreases in other areas. To encourage the most effective use of Departmental space resources, APHIS, as well as other USDA agencies, will begin to fund payments to the General Services Administration (GSA) and Department of Homeland Security (DHS) within individual budgets rather than through a central account. Therefore, the FY 2015 budget for APHIS includes \$42.6 million in connection with the decentralization of the USDA GSA Rent Account and DHS security payments. This funding is vital to ensuring that we do not have to reduce operations to pay our leasing and security costs. We also are requesting an increase of approximately \$2.6 million to continue implementing the improved Animal Disease Traceability system. This increase would allow us to enhance implementation by improving data access through increased

integration across information systems and testing the feasibility of tag retirement strategies. APHIS will also use it to provide additional support to States and Tribes as they expand their traceability efforts.

APHIS is proposing decreases in areas where we feel we can reduce efforts without compromising progress towards program goals, such as Avian Health and Cotton Pests. We are also requesting a decrease in the Plant Protection Methods Development line item related to the National Clean Plant Network because the Agricultural Act of 2014 provided mandatory funding for this important work through annual transfers from USDA's Commodity Credit Corporation. Finally, we are continuing our effort to better balance the Federal portion of the costs for cooperative plant pest and disease programs with reductions proposed in the Specialty Crop Pests and the Tree and Wood Pests line items. While we recognize the importance of the programs to our nation's agricultural health, we urge our State and industry partners to put more resources into these programs that are vital to their interests as well. Our request does not continue one-time funding for HLB as provided in a general provision during FY 2014.

APHIS' mission of safeguarding U.S. agriculture is ever more critical. Agricultural production practices, global trading patterns, and pest and disease threats are changing. But our core objective remains the same. It is simple, but vital: to protect American agricultural and other animal and plant resources, and APHIS' mission touches the lives of every American. On behalf of APHIS, I appreciate your support and look forward to a continued, productive working relationship. I would be glad to answer any questions you may have.