

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) 2016 budget request.

APHIS' mission is to safeguard the health and value of U.S. agricultural and other plant and animal resources. APHIS employees come to work, every day, across the country and around the world, to serve our customers and stakeholders. Those customers may be ranchers, citrus producers, or licensed animal dealers, among many others. Our programs protect U.S. livestock, poultry, and specialty crops worth more than \$191 billion (based on data from the 2012 Census of Agriculture). We also protect the well-being of 2.5 million animals under the Animal Welfare Act. Our FY 2016 budget proposal strikes a balance between our country's ongoing need to reduce the Federal deficit and the need for targeted investments in high-priority areas to ensure APHIS can continue to safeguard our agricultural and natural resources in the coming years as well as deal with new threats as they arise.

APHIS has just released a new strategic plan to guide us through the next 5 years. As APHIS Administrator, I have several core beliefs that form the foundation of this plan. First, healthy and profitable agriculture is good for America; it provides food and clothing for countless people worldwide and is a key pillar to a thriving economy. Second, as a Federal agency, APHIS' role is to take actions that no one State or individual entity can take on their own. And third, APHIS has a special role to carry out in caring for vulnerable animals. Our new strategic plan lays out seven goals, from preventing the entry and spread of agricultural pests and diseases to creating an APHIS for the 21<sup>st</sup> century that is high-performing, efficient, and adaptable.

As we worked to develop this strategic plan over the last 2 years, we began meeting with our stakeholders to help us identify critical priorities and areas of need. This year, along with the Deputy Administrators from all six APHIS program areas, I am meeting with representatives from 20 different sectors, representing a wide variety of APHIS stakeholders. We are pleased to have the opportunity to discuss important, over-arching concerns in a proactive way and work with our stakeholders to help address the issues that are most critical to them. An outcome of the first round of these stakeholder engagements was the Multi-Agency Coordination Group (MAC) for Huanglongbing (HLB), or citrus greening, that is helping to deliver tools to combat this devastating disease to the hands of growers. More recently, after meeting with representatives of the aquaculture industry, and hearing that they needed more help from APHIS in taking advantage of international markets, we worked with the industry to develop a draft set of voluntary Commercial Aquaculture Health Program Standards. These standards will establish a non-regulatory framework to improve and verify the health of farmed aquatic animals in the United States and facilitate trade in these products.

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 resources provided in FY 2015, which will ensure we can continue supporting our farmers and ranchers. We are using the increases provided in Swine Health and Specialty Crop Pests to address two significant disease threats faced by our farmers, porcine epidemic diarrhea virus (PEDV) and HLB. We are using the increase in the Overseas Technical and Trade Operations line item to increase export opportunities for our farmers and ranchers.

I would 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. One of these areas is our biotechnology petition review process. In recent years, it was taking us more than 3 years to review and prepare the evaluations necessary to make our regulatory decision. We also had a growing backlog of petitions. To address this situation, we undertook our business process improvement review and developed a process that will take 13 to 16 months for petitions that do not require an environmental impact statement (EIS). I am proud to report that we are nearly through the list of our backlogged petitions and are now completing petition reviews that do not require an EIS in an average of 18 months. And we are doing so without

compromising the quality of our analyses. We expect to fully meet the new timeframes for new petitions we receive in FY 2015 that do not require an environmental impact statement. For petitions that do require an environmental impact statement, we are devoting additional resources to these intensive analyses, so they can be completed in a timely manner as well. Since 1992, we've deregulated 114 petitions, 7 of these in FY 2014, allowing companies to bring new products to the marketplace.

Right now, the United States is dealing with the detection of highly pathogenic avian influenza (HPAI) in several western States. Until late last year, HPAI had not appeared in our country's poultry flocks for about a decade. But in December 2014, APHIS and State partners detected the disease in West Coast backyard poultry. In January and February, we confirmed HPAI in commercial flocks. Due to APHIS and State partners' efforts, we were able to respond immediately to these detections to minimize further spread. While additional detections are likely to occur, we can assure you that the United States has the strongest avian influenza surveillance program in the world and our work will minimize the spread of HPAI.

In FY 2014, APHIS initiated the National Feral Swine Damage Management Program with the support of this Committee. These animals cause damage estimated at \$1.5 billion annually and pose risks to agriculture, natural resources, property, animal health, and human health and safety. APHIS is working to remove animals in the 41 States, and together, with our partners, APHIS established State-level management control plans that outline management our goals and objectives with regard to feral swine in each State. Depending on local conditions, these range from total elimination of feral swine populations to management of individual populations.

In FY 2014, APHIS and its cooperators conducted operational activities on approximately 110 million acres.

We also appreciate this Committee's support of the HLB MAC. The MAC is working diligently on behalf of the citrus industry to fund near-term practical tools and solutions for the industry to use in combatting HLB. It has brought unprecedented coordination and cooperation across Federal and State agencies and industry in an effort to fill gaps and speed progress on methods to fight this disease. Some of the tools being developed include delivering thermal therapy to citrus trees (to kill the bacteria that causes HLB) on a grove-size scale, increasing production of biological control agents to manage Asian citrus psyllid populations (which spreads HLB), and training detector dogs to find trees newly infected with HLB, among other exciting projects.

In FY 2014, the U.S. swine industry faced a new threat from novel swine enteric corona viruses (SECD), including PEDV and porcine delta coronavirus, which sickened and killed millions of piglets in nearly 40 States. In June 2014, the Secretary of Agriculture provided \$26.2 million in emergency funds to APHIS to address SECDs by supporting diagnostic testing as well as biosecurity plans for producers and veterinarians. We also issued a Federal Order making it mandatory to report cases of SECDs to Federal and State officials. Thanks to this and to improved technology networks, we're getting more accurate and timely information which is helping us better understand how SECDs spread and how best to contain them.

We also have made significant progress in addressing a variety of plant pests, including our very successful work with the State of California and industry to keep the European grapevine moth

(EGVM) from establishing a foothold here. We detected more than 100,000 of these moths in FY 2009, the first year of the program. Last year, on track with our expectations, we found a single, solitary moth. It meant we could free all of Solano County, and portions of Sonoma and Napa counties, from Federal quarantine in time for the fall grape harvest. Although we can't claim just yet that we've completely eradicated this pest, this progress is a tremendous win for all of us. And in another California success, in January we were able to declare that the red palm weevil—a major palm tree pest—had been eradicated from the Laguna Beach area of Orange County. I am also very proud of the work we have done toward completely eradicating boll weevil from the United States. More than 30 years ago, you could find boll weevils in every cotton-producing state from Virginia to Texas. Through our cooperative work with our State partners, the cotton industry, and our counterparts in Mexico, we have eradicated boll weevils from 99.5 percent of the 16 million acres of the U.S. cotton crop. In fiscal year 2014, the number of boll weevils captured decreased in the Valley by more than 32 percent. This effort helped growers in the Valley have the option to plant 55,000 more acres of cotton than they did the previous year.

We have also used the funding provided by the Agricultural Act of 2014 (i.e., 2014 Farm Bill) to continue to enhance plant health through two important programs, Plant Pest and Disease Management and Disaster Prevention and the National Clean Plant Network (NCPN). Since 2009, APHIS has funded more than 1,800 projects in 50 States and 2 U.S. territories, strengthening our abilities to protect U.S. agriculture and natural resources from foreign pest threats. In support of the NCPN, which provides reliable sources of pathogen-free planting stock of high-value specialty crops, APHIS and cooperators have also provided funding and other

support to 20 clean plant centers and associated programs in 16 States representing 5 specialty crops including fruit trees, grapes, citrus, berries, and hops.

The ability to export their products is key to the growth and continued success of U.S. farmers and ranchers and related businesses. For some crops, 50 percent or more of our production is exported, including 80 percent of U.S. cotton, 70 percent of tree nuts, and 50 percent of wheat and rice. Agricultural exports surpassed \$152 billion in FY 2014, and have climbed more than 58 percent in value since 2009, totaling \$771.7 billion over the past five years. They have increased in volume as well as monetary value, demonstrating world-wide demand for high-quality U.S. grown products. I am proud of APHIS' role in continuing to help U.S. farmers and ranchers access new markets. Just this January, we reached an historic agreement with China to allow all U.S. grown apples into the Chinese market, valued at \$100 million. Our efforts result in high quality, fresh U.S. apples being available for consumers in China and a significant boost in sales for American apple producers. Last year, APHIS, in cooperation with other agencies, successfully negotiated and resolved a total of 170 sanitary and phytosanitary (SPS) trade-related issues involving U.S. agricultural exports, with an estimated market value of \$2.5 billion. This includes continuing our efforts to eliminate all remaining bovine spongiform encephalopathy (BSE)-related restrictions on U.S. cattle and beef. In FY 2014, we achieved success with several countries agreeing to remove all BSE restrictions and grant access to U.S. beef and beef products. These include major markets such as Mexico and Hong Kong, among others. We maintained export markets for live swine to China, the European Union (EU), Ecuador, Japan, Korea and Mexico by negotiating additional requirements to address the outbreak of PEDV in the United States. APHIS also successfully intervened in 273 situations where U.S. cargo was

held up at foreign ports-of-entry, which prevented the rejection of shipments worth more than \$49 million.

APHIS is committed to continuing to develop better, faster business processes to improve our customers' experience and deliver services more efficiently. In FY 2014, we undertook six business process reviews in a variety of areas that ranged from reducing energy use at our sterile insect production facility in Panama for the Screwworm program to a senior level review processes for APHIS' fleet management policies. With the improvements identified for our sterile insect production facility, we plan to reduce energy consumption at that facility by 5 percent annually for the next 3 years, which will contribute to the long-term sustainability of our barrier against the northward spread of this devastating insect. Since 2011, APHIS has conducted 23 of these reviews to identify and implement ways to streamline Agency processes. The solutions have led to increased capacity and time savings for our programs and our customers.

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 2014, APHIS made two important regulatory changes to protect the health of pets in the United States. First, the final rule that revises the definition of "retail pet store" in the AWA regulations became effective. The rule closes a loophole that, in some cases, threatened the health of pets sold sight unseen over the Internet and via phone- and mail-based businesses. Since the rule became effective in November 2014, APHIS has issued 136 new retail pet store licenses (as of February 18, 2015). Also last

year, APHIS amended the AWA regulations to require that dogs imported into the United States for resale are healthy, vaccinated, and are over six months of age, with limited exceptions.

### FY 2016 Budget

Our FY 2016 budget requests a total of \$858.9 million, including \$3.2 million for our Buildings and Facilities account. This is a net decrease of \$15.5 million, or approximately 1.8 percent, from the FY 2015 appropriation of \$874.5 million. The budget contains several requests to support mission critical activities while proposing decreases in other areas. Among the proposed increases is \$10 million to implement APHIS' portion of the USDA Anti-Microbial Resistance (AMR) Action Plan. AMR poses a serious threat to human and animal health, and APHIS will use the funding requested to enhance on-farm surveillance, providing critical information about the prevalence of AMR and inform government-wide efforts to address it. We are also requesting a \$7.5 million increase, including \$3.0 million of new funding and \$4.5 million in redirected funds, to continue the efforts of the HLB MAC Group to find and deliver effective tools into the hands of citrus growers to help them combat this devastating disease. In another important area, APHIS is requesting a \$5.5 million increase for the Lacey Act program, which is part of a collaborative effort by USDA, the U.S. Department of Justice, the U.S. Department of the Interior, and others to combat illegal logging on a global scale. According to a study by the U.N. Environmental Program, illegal logging accounts for \$30-\$100 billion annually, and it is linked to a variety of other criminal activities and affects the profitability of legitimate logging enterprises. Finally, I would like to highlight our request for a \$2 million increase for the Agricultural Quarantine Inspection pre-departure inspection program. This core-mission

program allows us to prevent the spread of pests and diseases from Hawaii and Puerto Rico to the U.S. mainland while allowing for the smooth flow of tourists and commerce. Without this increase to replace aging equipment and address the need for more inspectors at peak travel times, APHIS may have difficulty in continuing to prevent pests like exotic fruit flies in Hawaii from reaching the mainland.

APHIS is proposing decreases in areas where we feel we can reduce efforts without compromising progress towards program goals, such as Cotton Pests and Cattle Health. We are continuing our effort to 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. Other areas where we believe the cooperators who benefit most should cover a larger share of the costs include portions of our Wildlife Damage Management program.

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. On behalf of APHIS, I appreciate your support and look forward to a continued, productive relationship. I would be glad to answer any questions you may have.