

ANIMAL AND PLANT HEALTH INSPECTION SERVICE  
Statement of Cindy J. Smith, Administrator  
Before the Subcommittee on Agriculture, Rural Development,  
Food and Drug Administration, and Related Agencies

Mr. Chairman and distinguished members of this Sub-committee, I appreciate the opportunity to appear before you on behalf of the dedicated and hard-working men and women of our Agency to discuss the United States Department of Agriculture's priorities for the Animal and Plant Health Inspection Service (APHIS) and to provide you with an overview of our Fiscal Year (FY) 2012 budget request.

APHIS is committed to working with States, Tribal Nations, farmers, ranchers, and private citizens to address the animal and plant pest and disease challenges that affect U.S. agriculture, including our natural resources, and its ability to feed, clothe, and provide fuel for Americans and the world. Our programs support the Secretary's goals of 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.

With the need to address the national debt, we know we have a responsibility to the American taxpayers to account for what we spend, focus on the highest priorities, eliminate waste, and accomplish our mission more efficiently. With this in mind, we have taken a hard look at our programs and the APHIS budget and identified areas where we can do things differently. The budget achieves savings through a variety of means. We are proposing responsible reductions, including decreases for activities where eradication campaigns have been successful, such as cotton pests, pseudorabies, and screwworm, and for pests and diseases where eradication is not likely, such as tropical bont tick and sirex. Savings are also possible in the avian health program without affecting overall performance. Further, the budget achieves other savings by acknowledging the role of the producer to engage in best management practices to reduce certain diseases, such as Johne's Disease. These savings allow us to propose increases for selected pests, including the light brown apple moth and the European grapevine moth. We are also proposing a plan to restructure the APHIS budget to provide opportunities for flexibility and efficiency over the long term.

I am proud of the hard work done by APHIS employees and would also like to report on just a few of our accomplishments of the past year. A year ago at this time, Secretary Vilsack announced a new approach to animal disease traceability to better position the United States in preventing disease from spreading and eradicating disease where it exists by quickly tracing infected and exposed animals. This new approach directs more responsibility to the State and Tribe levels, and it offers basic, low-cost animal identification options that are well supported by most sectors of the animal agriculture industry. It also focuses on results rather than on prescribed methods. We have taken deliberate and transparent steps towards implementing a

new framework for animal disease traceability based on these principles. We conducted extensive outreach to help develop the content of the program and convened a State, Tribal, and Federal Traceability Regulation Working Group. The new framework will focus on where the impact of disease spread is the greatest—animals moving interstate.

The new framework for animal disease traceability is also designed to capitalize on previous investments. APHIS has a well-functioning information technology system for animal disease traceability. This year we initiated several updates to incorporate the principles of State- and Tribal-owned data and to give States and Tribes more options for data management. For example, the premises information repository, which previously centralized the records of all producers, is being changed to allow States and Tribes to store only the information they prefer. We are also continuing communication with farmers and ranchers through our Community Outreach Partners, which include representatives from the livestock industry, State and Federal disease traceability staff, and Tribal Nations. We anticipate publishing a proposed rule on the animal disease traceability program this spring and look forward to continuing to work with this Committee, our State and Tribal partners, and farmers and ranchers in implementing a system that will enhance our emergency preparedness while preserving flexibility.

We have reached a major milestone in our ongoing effort to prevent the screwworm, a parasite that once caused hundreds of millions of dollars in damage to American livestock and other warm-blooded animals, from entering the United States. Our new sterile-fly rearing facility in Panama is fully operational, thanks to the continuing support of this Sub-committee. We can now more efficiently and effectively maintain a permanent barrier against the pest in southern

Panama. American ranchers have never before had such protection from the losses and higher prices screwworm damage once caused, which also benefits the consumers they feed in the United States and around the world. In FY 2010, we took another step toward eradicating boll weevils from the United States, once the scourge of cotton farmers from Virginia to Georgia and from Louisiana to Texas. We have now eradicated this pest from 98 percent of the 16 million acres of U.S. cotton. This has truly been a result of a great partnership among the Federal Government, States, and cotton farmers. And not only will cotton farmers and consumers benefit; eradicating boll weevils has led to a dramatic reduction in pesticide use, something that will benefit the environment and all Americans.

We have continued working towards eradication of the Asian longhorned beetle (ALB) from New York, New Jersey, and Massachusetts. The ALB program helps conserve our trees in national forests, timber and syrup producing lands, and homeowners' yards. In New York, the program expects to eradicate the Islip infestation this year. Activities in Manhattan have ended except for a final confirmation survey, which will conclude in FY 2013. In FY 2010, surveys revealed just one infested tree in New York. This tree was in Brooklyn and was removed promptly.

In July 2010, APHIS and Massachusetts State officials confirmed an infestation in Boston involving six trees. The program removed the infested trees and surveyed more than 33,000 host trees within a half-mile radius of the detection. While surveys are still ongoing outside this half-mile, it appears that this outbreak was limited to those six trees. The early detection of this outbreak was the result of an extensive outreach campaign following the detection of a much

larger infestation in the Worcester area of Massachusetts in FY 2008. This early detection and immediate response limited the spread of the infestation and prevented significant damage to Boston's urban canopy. APHIS and cooperators are continuing to address the Worcester outbreak and made progress in completing delimiting surveys.

APHIS and its State and industry partners have done significant work both internationally and domestically to address the risk of avian influenza and reduce its effects on the economy and public health. APHIS' efforts internationally to assist regions affected by H5N1 highly pathogenic avian influenza have lessened our risk of disease spreading from overseas to the United States. Domestically, APHIS has worked cooperatively with State animal health officials and the poultry industry to protect against the introduction of highly pathogenic avian influenza in the United States by conducting surveillance in wild and commercial bird populations and testing emergency response capabilities.

APHIS also addressed severe grasshopper outbreaks in 10 Western states during FY 2010, protecting more than 2 million acres from damage. While grasshoppers are native to the western United States, their populations can reach outbreak levels under the right conditions and damage rangeland and forage for livestock. The 2010 outbreaks were not as widespread as initially predicted, but certain areas experienced severe problems, particularly in Montana and Wyoming. One rancher in Montana remarked that the APHIS program "not only assisted us by eliminating grasshoppers in our grazing pasture, but allowed us to be profitable in our grass crop." Another, who had to provide a \$20,000 cost share for the treatments, told the APHIS grasshopper program manager that it would have cost him \$200,000 if he had to buy hay for his cattle. Our ability to

conduct treatments prevented economic hardships for numerous ranchers last year and, by reducing reproducing grasshopper populations, will likely prevent outbreaks from occurring in FY 2011 in areas where we conducted treatments.

We continue to support our farmers and producers' ability to export their products, an important source of income for our farmers. Last fiscal year, APHIS helped resolve 108 sanitary (animal) and phytosanitary (plant) issues involving U.S. agricultural exports, including opening new markets and retaining and expanding existing market access for U.S. agricultural products valued at \$2.4 billion. These export accomplishments include opening new markets for a variety of U.S. products, such as soybean oil to China (worth \$340 million) and swine to Canada (worth \$5 million). We also retained key markets around the world for products like grain to Mexico (worth \$425 million) and pet food products to Russia (worth \$11 million). APHIS attachés successfully obtained the release of more than 300 individual shipments of U.S. agricultural products worth more than \$48 million. Examples of these shipments include apples to Mexico worth \$200,000, pet food to Taiwan worth \$434,000, almonds to Turkey worth \$978,000, among others.

Our FY 2012 budget request reflects USDA's priorities and our review of programs where, even in the current budget climate, we have a need to focus our support on targeted investments that are critical to long-term economic growth and job creation. The total request is \$837.4 million, which is a net decrease of \$72 million from the FY 2011 Budget.

In accordance with the Secretary's priority to expand opportunities to develop and trade safe biotechnology-derived products, we are requesting an increase of \$12.072 million for our Biotechnology Regulatory Services program (for a total funding level of \$25.135 million), which uses a science-based regulatory framework to allow for the safe development and use of genetically engineered (GE) organisms. APHIS has evaluated and granted non-regulated status to 81 GE organisms, allowing seed companies to commercialize them and give American farmers a variety of choices in what types of crops to plant. However, the rapid adoption and broad use of agricultural biotechnology has brought on a tremendous growth in APHIS' workload, slowing down the Agency's ability to keep pace with petitions for deregulation and new developments in the industry. This increase will support the development of robust risk and environmental analyses, expand the program's compliance oversight, and improve policy development related to coexistence between GE, conventional, and organic sectors.

The United States is the leader in the international agriculture community and must act accordingly as situations arise. In this regard, APHIS is poised to focus on capacity building efforts abroad to ensure our current and potential trading partners have secure agricultural regulatory systems that mirror the strength of the U.S. system. We are requesting an increase of \$600,000 in our Overseas Technical and Trade Operations Program (for a total of \$20.776 million). By strengthening their regulatory capacity, these countries will be better able to detect and address pests and diseases in their own regions and prevent them from spreading elsewhere. These efforts will help countries produce safe and affordable food, curbing hunger worldwide, as well as reducing the likelihood that unsafe products may be exported to the United States.

In another effort to show leadership in the world community and help prevent illegal logging on an international scale, Congress amended the Lacey Act through the 2008 Farm Bill to make it illegal to import plants taken or traded in violation of domestic or international laws. We are requesting an increase of \$1.5 million to enhance our ability to implement these new provisions of the Lacey Act (for a total of \$1.5 million), through the hiring of dedicated staff and the development of a web-based system to collect required import declarations.

To protect our trees in national forests, timber and syrup-producing lands, and homeowners' yards, we are requesting an increase of \$11.97 million for the Asian Longhorned Beetle (ALB) program (for a total of \$44.491 million). While we made progress in FY 2010 in delimiting the Worcester outbreak in Massachusetts, we need additional resources to handle this outbreak, which is the closest the ALB has come to New England's valuable hardwood forests, while ensuring that we can finish the job in New York and New Jersey. The forests in Massachusetts alone provide \$3 billion worth of ecosystem services (such as storm water mitigation, climate change mitigation, soil retention, protection of fresh water supply, and aesthetics) annually. The annual contribution of forest-based manufacturing and forest-related tourism and recreation to the economies of New York and New England is \$19.5 billion.

Our nation's specialty crops farmers play a key role in providing healthy and nutritious food for Americans, especially our children. To support USDA's goal of ensuring that all of America's children have access to safe, nutritious, and balanced meals, APHIS conducts a variety of programs aimed at controlling damaging pests and diseases that attack fruit and vegetable crops. We are requesting increases to ensure that we can deal with two of these pests effectively: \$2.5

million for the European Grapevine Moth (EGVM) program (for a total of \$2.5 million) and \$10 million for the Light Brown Apple Moth (LBAM) program (for a total of \$11.008 million).

Working with our partners in California and using emergency funding, we have contained the damage caused by these two pests, and we are requesting increases to sustain these programs and protect the progress we've made thus far. We acknowledged the concerns California residents had over the initial plan to eradicate LBAM and took the lessons to heart as we developed our EGVM program, which relies on affected growers to control the pest in their fields. As the EGVM program enters its second year, we are committed to reaching out to all who will be affected and gaining their support. With this increase, as well as the FY 2011 emergency CCC transfer, we will continue regulatory activities for the pest within our annual appropriations.

With the financial support of this Committee, we are very proud to be in the new National Centers for Animal Health (NCAH) facilities. Our National Veterinary Services Laboratories provide rapid diagnostic services in these state-of-the-art laboratory facilities. Rapid diagnosis is crucial to determine whether a suspect sample does indeed represent a new disease occurrence, so we can take immediate action when necessary, or if disease is not present, so we can reassure nervous markets. To ensure that the important diagnostic work remains fully funded, we are requesting an increase of \$3.843 million for increased recurring utility and other basic facility operating costs in the new NCAH (for a total funding level of \$33.211 million).

Like rapid diagnostics, the rapid identification of an outbreak and the ability to trace its spread through diseased and exposed animals is crucial to our emergency preparedness efforts. As I mentioned earlier, we have made great progress toward developing a new framework for animal

disease traceability that addresses the concerns of a wide variety of stakeholders and those of Congress. We are requesting an increase of \$8.85 million (for a total of \$14.15 million) to maintain the current level of infrastructure and to continue the progress the program has made thus far. Implementing the traceability system will enable U.S. animal product exports to remain competitive in the global market place as trade requirements increasingly demand such a system. It will also help ranchers and farmers who do not export by limiting the cost, scope, and duration of quarantine restrictions when outbreaks occur.

In addition to agricultural animal and plant health efforts, APHIS is mindful of and continues to focus on our animal welfare responsibilities. We are requesting increases of \$6.608 million for the Animal Welfare program (for a total of \$28.587 million) and \$3.292 million for the Animal and Plant Health Regulatory Enforcement program (for a total of \$17.275 million) to enhance inspection and enforcement activities related to dog dealers who have committed repeat and serious violations. These increases will allow APHIS to address the audit on dog dealers conducted by USDA's Office of Inspector General and implement the Animal Welfare Enforcement Plan developed in response to the audit findings. We are also requesting an increase of \$391,000 for the Horse Protection program (for a total of \$891,000). This increase supports our ability to increase the number of horse shows our inspectors can attend, which we must do to move closer to the goal of eliminating the cruel practice of soring in the show horse industry.

While working to fulfill our mission of protecting the health and value of U.S. agriculture, we cannot forget our responsibility to protect our own employees during the course of their

workday. Our Wildlife Services employees engage in activities while carrying out their duties using equipment and materials that pose some inherent safety hazards. Accidents involving aviation, firearms, pyrotechnics, and water in 2006 and 2007 highlighted the need for the Agency to reassess safety policy and procedures, and we conducted a nationwide safety review with the help of outside experts. Our budget includes an increase for the Wildlife Services Safety Program, an initiative to implement a formal, nation-wide safety program and ensure a safer environment for our employees. We are requesting an increase of \$1.362 million and a redirection of \$638,000 from other program activities (for a total funding level of \$2 million) to implement recommendations from the safety review.

Although APHIS is proposing several substantial increases in FY 2012, we are offsetting these with reductions. It is clear in the current budget climate that we have to make some tough choices and propose responsible reductions. Our FY 2012 budget proposes to eliminate or reduce funding for a variety programs where we've determined that we cannot be successful; eliminates funding for earmarks; increases, where appropriate, the levels of State cost-sharing; and reduces funding for programs where success makes such reductions appropriate. For example, the success we have achieved in our screwworm, cotton pests, and avian influenza programs allows for a combined reduction of nearly \$34 million.

Additionally, our FY 2012 budget request is submitted for the Committee's review in a new, more flexible structure. APHIS currently receives its funding through 45 individual items. Many of these items are associated with a specific animal or plant pest or disease, which restricts the Agency's ability to adjust rapidly or efficiently to new or emerging situations. The rapid

speed of commerce and globally connected markets require increased flexibility in Federally-coordinated responses to new agricultural threats. Changing to a commodity-based structure (such as cattle, and trees and wood) for many programs would: (1) improve APHIS' ability to address new and emerging issues quickly, and (2) allow the Agency to maximize its use of existing resources by focusing resources within similar programs to address the most significant problems and achieve the most significant results. It also would provide a more transparent, comprehensible arrangement of programs now in 29 line items whose consolidation would result in improved business practices and overall long-term savings - a priority for our Nation.

APHIS' mission of safeguarding United States agriculture is becoming ever more critical. Healthy plants and livestock provide abundant and affordable food for all Americans, increase our market potential internationally, and thus contribute to a healthy U. S. economy. On behalf of APHIS, I appreciate all of your support and look forward to a continued, productive working relationship in the future. I would be glad to answer any questions you may have.