



**Animal and Plant  
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# Remarks

**Remarks as Prepared for Administrator Kevin Shea  
U.S. Agricultural Export Development Council (USAEDC)  
FY2014 Attaché Seminar  
“APHIS: Helping Exporters Prosper”**

ARLINGTON, VA, July 16, 2014—Good morning, everyone.

I want to thank the Council for inviting me to be here today. It is my somewhat unenviable task to bridge the time between two highlights of the day—hearing from our great Deputy Secretary Krysta Harden and then lunch—but I do hope that I can report on what we in APHIS are doing to help advance the goal we all share: increase and make more profitable agricultural exports. That is a worthy national goal because it’s not just good for farmers and ranchers; it’s good for America.

The importance of that goal is very clear to me. When I became APHIS’ Administrator last June, I asked a broad range of agriculture sector groups to join with APHIS management in a series of small meetings. I wanted to drill down into specific concerns that individual sectors are facing and to provide them an opportunity to tell us what we ought to do more of, or less of, to support American agriculture.

From last August to February, we held 14 sector meetings. Those sectors included cattle, live animals/animal products, swine, poultry, horses, sheep and goats, cervids, and aquaculture, as well as citrus, grains, seeds, potatoes, cotton, and nurseries. Every sector had its own special concerns. For example, the grain sector asked us to come up with a rapid response mechanism and enforcement provisions in trade agreements to address unnecessary delays in shipments of perishable agricultural products. In response, we’re looking at adopting third-party accreditation and certification for inspections, treatments, and testing.

The seed industry wanted to jointly identify top markets we should focus our technical efforts on, including Argentina, Brazil, China, India, and Mexico. We’ll be working on that too.

But one message was universal: exports are vital to the profitability of American agriculture. Even those farmers and ranchers who do not export themselves generally understand that strong exports bolster domestic prices and profitability.

***APHIS’ Role on the Federal Trade Team***

*The APHIS Operational Role*

I know that the APHIS role in exports may not be as familiar to some of you as that of FAS or USTR. In some respects our role is more subtle because we have missions beyond promoting trade. However, our work complements that of our FAS and USTR friends and plays an important part.

I like to think of our role in supporting exports as a system that is not linear, but rather an unending circle. It really starts abroad and ends abroad. By that I mean that APHIS' first mission always is to keep pests and diseases out of the United States. After all, one of the main competitive advantages American farmers and ranchers enjoy is the health of our animals and plants. So the first thing we do to support exports is help to keep an abundance of economically viable farm animals and plants and products available. We begin that job by determining what can enter the U.S. and how. And even before that, we work with international organizations to set standards that we would like the entire world to follow.

After determining what can enter and how, we work with our colleagues in Customs and Border Protection to inspect passengers and cargo and look for pests and diseases. While our CBP colleagues carry out the frontline inspection, we in APHIS handle the more scientific aspects of border work, such as identifying pests and applying technical treatments. When pests or diseases do enter, we catch them and we lead programs to quickly stop the spread and eradicate them. That work is vital not only in protecting domestic production, but in preventing other countries from imposing restrictions on our exports. After all, every other country has a version of APHIS with the same purpose of keeping pests and diseases off of their farms and ranches. And they can prohibit our exports whenever we experience new problems.

Of course we have some pests and diseases in the United States that we are dealing with and we want to be able to document the fact that we are free of others. APHIS conducts surveillance to quickly address any new detections and to document to the world that we are free of others. That documentation is absolutely crucial to exports: without that documentation, other countries would reject our exports.

At this point, the APHIS role starts heading back overseas. Other countries place requirements and conditions on what and how we can export agricultural products, everything from live animals to processed foods. And they usually demand that we provide a government-issued or endorsed document attesting to completion of the requirements and conditions. APHIS issues the necessary documentation, either directly or through people we accredit to stand in for us.

The integrity of our export certification system is essential. We have to be tough and fair. Cutting corners and failing to meet other countries' requirements threatens not only any one exporter's shipment, but every exporter's shipment. We will always try to be as flexible as we can. But please understand that sometimes we have to enforce requirements for the greater good of all exporters.

When the exports arrive at their destination, APHIS often plays yet another important role. Sometimes, the importing country finds something wrong with the arriving shipment. Sometimes there is a substantive, legitimate problem when a pest or disease somehow made it on board despite everyone's best work. More often, there may be a technicality, such as improper paperwork, or simply some other failure to comply with a rule that doesn't really cause any threat. APHIS has Foreign Service officers and foreign nationals who work for us in nearly 40 countries, and they and their FAS colleagues can intervene to explain or correct any technical issues and free the shipment to go to the buyer. Just last year alone, APHIS successfully negotiated the release of about \$34 million worth of agricultural commodities in 280 shipments detained at foreign ports in situations like these.

So I hope you can see that indeed the APHIS role in exports does not have a clean starting and ending point. It starts overseas by keeping out pests and diseases, moves to a domestic standpoint by eradicating them before they can harm production or export markets, continues domestically by documenting our health status, begins back overseas when we provide export certificates, and picks back up where we started in other countries by smoothing the way for arriving shipments.

#### *The APHIS Strategic Role*

Most of what I just talked about is operational. I'd like to move to APHIS' strategic role in trade.

Our specialists also use their expertise to help advance U.S. agricultural trade policies and priorities. We work closely with FAS, industry, and Food Safety and Inspection Service, along with the USTR.

When it comes to pursuing trade priorities, USTR and FAS work at the diplomatic level, and at the World Trade Organization (WTO) and other global negotiating tables.

We in APHIS work at the scientific and technical level with international organizations and other countries to address sanitary or phytosanitary (SPS) barriers. APHIS experts and their FAS colleagues in 40 countries are front-and-center in identifying sound, viable solutions to get our products moving again.

We develop and maintain long-term relationships with our regulatory and technical counterparts abroad—and use those relationships to make the technical case for striking down scientifically unjustifiable SPS barriers to U.S. exports.

We're at the table in standard-setting forums such as the World Organization for Animal Health (OIE), the International Plant Protection Convention (IPPC), and their regional bodies in the Americas. We're in constant contact with our technical equivalents at foreign ministries of agriculture and elsewhere.

These connections serve a long-range, strategic function. At the OIE, IPPC, and in other venues, they give us the best chance to ensure that global SPS standards are rigorous and clear, and to streamline requirements for animal and plant export certificates.

And, crucially, they ensure that APHIS' technical experts are heard internationally when they argue against SPS trade barriers that can't be justified by science.

Here's one example of how that works. Last year, the OIE upgraded our country's bovine spongiform encephalopathy (BSE) status to negligible risk. That upgrade—and its ramifications for opening more foreign markets to U.S. beef and cattle—had been a top U.S. Government export priority since the first BSE detection in the United States in 2003. That detection led our trading partners to react by cutting off beef and other products.

Getting our status upgraded required APHIS to provide exhaustive evidence to OIE reviewers that the U.S. system of surveillance and safeguards against BSE is robust and secure. And it has required skillful negotiating from FAS and USTR to use this evidence and the upgrade to pursue greater market access with their foreign partners.

Thanks to our joint efforts, some valuable markets have already reopened. For instance, Indonesia's markets for beef and beef products, valued at \$25 million, and for meat and bone meal, valued at \$150 million, now accept our exports. More recently, we've gained acceptance of our new status from Hong Kong, South Africa, and Uruguay. We are actively engaging these and other countries, such as China, to open markets and help industry capitalize on this animal health status.

APHIS is also working with USTR and other USDA agencies on strategies to reopen markets in 20 other countries that still maintain BSE-related restrictions. That's a top goal for me and for APHIS.

This BSE issue was among 194 trade-related concerns that APHIS played a key role in resolving in FY 2013. The result is \$2.7 billion in new markets opened and existing markets retained or expanded.

But I would be remiss if I did not say this: we work as hard as we know how to convince counterparts in international bodies or in direct bilateral negotiations with other countries that it is safe to import U.S. agricultural products. But ultimately those bodies and those countries have the discretion to make their own decisions. We can't force them to accept good science, no matter how obvious the science might be to us.

We understand that there are larger geopolitical and macroeconomic considerations involved much of the time. And we must defer to our FAS, USTR, and other partners on how to handle issues when the science just isn't enough.

But I pledge to you that we will always keep trying. Let me report on some things we were able to accomplish through negotiations over the past year.

## *Trade Negotiation Successes*

On the animal side, we continued to see large numbers of U.S. cattle being shipped to destinations such as Turkey, Russia, and Kazakhstan. These markets are challenging from a regulatory standpoint and were opened and have been maintained in close cooperation with industry. We'll continue to collaborate as we develop field export policies for inspection and certification before the animals leave the United States.

In this particular instance, I want to report that we employed an initiative that is very important to me: achieving things through nonregulatory solutions. To me that means both finding ways to protect American agriculture that do not require Federal rulemaking, and interpreting the rules we do have more flexibly. For example, we found a way to allow exports of live cattle from more ports of embarkation than we used to allow. We recognized that we could issue health export certificates that maintained the integrity of our system without requiring exporters to use locations that would have made their deals less profitable.

The poultry industry asked us to promote the National Poultry Improvement Plan's compartmentalization concept, which would help ensure uninterrupted trade in the event of an avian influenza outbreak. I'm pleased to say we just published the final rule in the Federal Register. We'll also continue fighting any unjustified trade bans related to avian influenza and keep negotiating for poultry product access to markets in Africa and Asia.

The swine industry asked us to continue our work in removing unjustified SPS trade barriers to its products and byproducts. Last year, for instance, through the work of our person in country, Dr. Peter Fernandez, we got Colombia to accept our conditions for the export of fresh pork with no treatment for *Trichinella* mitigation or testing.

Recently the porcine epidemic diarrhea virus also has become more of a trade-related issue. We're collaborating with our partners to manage it in a manner that supports business continuity for commercial pork producers.

We had one important success that lasted for far too little time. The U.S. potato industry exported more than 15 million pounds of potatoes in the 4 short weeks when the market was opened beyond the restricted border zone. So we understand the great value of the Mexican market to the U.S. potato industry. And we are working with industry and Mexican Government counterparts to defeat the litigation brought by Mexican potato producer and that led to an injunction.

In April, we reached an agreement with China on mitigation requirements that we believe will reopen that market to red and golden delicious apples from Washington. When implemented, this agreement will lift restrictions on Washington apples exported to China imposed before the 2014 shipping season.

At the same time, we reached an agreement on mitigation requirements that should reopen China to California citrus.

More on the operational front, we received a number of requests to issue trade-related documents faster. For instance, the cotton industry asked us to issue certificates for shipments of raw cotton fiber going to Turkey and Bangladesh before the boat leaves the dock.

The volume of trade-related documents is incredible—during the last year alone, we issued nearly 113,000 certificates for animal exports and almost 174,000 certificates for animal product exports.

And on the plant side, we and our State and county cooperators issued more than 605,000 Federal phytosanitary certificates.

To better address industry needs, we're consolidating our certificate, accreditation, registration, permit, and other license activities into one common system

This new system, called APHIS eFile, should be up and running in a few years. Once it's complete, it will make things easier, faster, and more flexible for exporters—and save us money, too. We're also committed to providing training and support to make it easy for exporters to transition to these new systems.

### ***Import Regulation Supports Exports***

As we seek to knock down SPS barriers to our exports, we can't forget that trade is a two-way street. To get other countries to accept more of our exports, we have to be willing to consider theirs. When we consistently meet our WTO obligations to apply the least restrictive, scientifically sound measures to trade requests, we encourage other countries to apply those to us.

Frankly, I don't know that we have always fully appreciated that. But I think that something has changed in the past few years.

To illustrate this point, I ask you to consider China's request to export shipments of fresh apples to the United States.

Some years ago, our domestic industry took a pretty dim view of allowing apple imports from China. Resistance was strong, but in the end—and based on a lot of factors, including our development of effective mitigation measures to address pest risks—industry supported the concept of a proposed rule to allow Chinese apple imports. They realized that obtaining access to the Chinese market was much more valuable to them in the long term. If we can just compete fairly, American agriculture will always succeed.

### ***Conclusion***

I hope that I have made APHIS' role in supporting U.S. exports a little clearer. As you can see, we've been busy working with industry to get agricultural exports into an ever-expanding number of foreign markets.

We all know how vital these exports are to our economy, and how high the stakes are. Your success is our success when we see the volume and value of your exports grow.

We are going to keep soliciting your input, and responding to your needs, so that this success continues.

Our next round of sector meetings starts next month. We'll be looking to get feedback on the status of key issues industries raised in the previous meetings and whether they feel our response has been appropriate. We also want to hear about any new or emerging issues we can assist with.

Thank you. I'd be happy to answer any questions.

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