



**Animal and Plant
Health Inspection Service**

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Remarks

Remarks as Prepared for Acting Administrator Kevin Shea California Farm Bureau Federation (CFBF) Leadership Conference

SACRAMENTO, CA, March 12, 2013—Good morning. It's a pleasure to see all of you, and I especially want to acknowledge Ms. Rayne Pegg. Rayne and I had the opportunity to get to know each other during her tenure as Administrator of USDA's Agricultural Marketing Service (AMS). After 2 years of very able service, she returned to the California Farm Bureau Foundation, and while we were sorry to see her go, our loss is certainly your gain. I'm sure she is happy to be back in the Golden State. So, Rayne, good to see you again, and thank you for inviting me to be here today.

I'd also like to acknowledge our APHIS folks here in California. They are our "boots on the ground"—central to our partnerships and ongoing relationships with industry and State and local officials.

In case you don't know them already, I want to take this opportunity to recognize a few people by name: There's Barb Maehler, Acting State Plant Health Director; Dr. Gary Brickler, Area Veterinarian in Charge for California and Nevada; and Dennis Orthmeyer, Director of Wildlife Services in California. This great team of people works hard every day, in conjunction with our State and industry partners, to keep California agriculture safe and productive.

APHIS accomplishes much of what it does through partnerships, and no APHIS partnership is more successful than the one we share with California.

The numbers speak for themselves. California's 81,500 farms and ranches produce more than 400 commodities. Your \$43.5 billion dollar agriculture industry supports more than \$100 billion in related economic activity. And the value of Golden State agricultural exports have more than doubled in a seven-year timeframe.

There's no "secret" to this success.

Farmers, ranchers and growers work and innovate tirelessly to make California a shining example of agriculture at its most abundant and varied.

And APHIS works hard, in conjunction with our State and industry partners, to support that success.

From 2000 to 2010, APHIS spent \$1.8 billion on emergency pest and disease programs. About \$400 to \$500 million of that went to California, responding to emergencies such as

European grapevine moth (EGVM), exotic Newcastle disease, BSE, and TB.

Of course, budget circumstances have changed -- but we will continue to do our best to respond when there are emergencies affecting the States.

Through Section 10201 of the 2008 Farm Bill, we have provided more than \$49 million—or more than 30% of the total Section 10201 funding – to California projects and cooperators over the last 3 years. Among other things, this money has supported Khapra beetle surveys at ports of entry, EVGM trapping, detector dog training, and research into treatments for the nursery pathogen *Phytophthora ramorum* (P. ramorum).

And the good working relationships we at APHIS share with our State partners and industry here in California have served as a foundation for effective cooperative efforts time and again, and have proven critically important when they're needed most.

BSE-Emergency Response

For example, our partnership with California officials made for a response that was swift, effective, and transparent when a case of bovine spongiform encephalopathy (BSE) was identified last year in California.

Here I want to recognize Dr. Annette Jones, your State Veterinarian and Director of the California Department of Food and Agriculture's (CDFA's) Animal Health and Food Safety Services, and Dr. Richard Breitmeyer, Director of the California Animal Health and Food Safety Laboratory System (CAHFS).

Dr. Jones and Dr. Breitmeyer and several other State officials and personnel played crucial roles in helping us identify the case, and investigate quickly to find any at-risk animals. CDFA also worked with the U.S. Department of Health and Human Services' Food and Drug Administration (FDA) on an extensive feed investigation.

The positive cow had been euthanized after becoming recumbent, and was tagged as meeting the targeted criteria for BSE surveillance.

USDA's National Veterinary Services Laboratory (NVSL) confirmed the positive, atypical result of tests conducted by the CAHFS laboratory in Davis. This is one of the original laboratories to participate in USDA's National Animal Health Laboratory Network, and I look forward to touring the facility later.

Once NVSL confirmed BSE in the animal, APHIS notified the public and our trading partners. We also notified the public and trading partners when the epidemiological investigation was complete. At every opportunity, we made sure consumers knew that the positive animal was never presented for slaughter for human consumption, so at no time presented a risk to the food supply or to human health in the United States.

As a result of an effective partnership, disruption to domestic and international markets was minimized.

Last month, the Scientific Commission of the World Organization for Animal Health, or OIE, recommended that the United States' risk classification for BSE be upgraded to negligible risk. This was a big victory for us and our State and industry colleagues, as the Commission recognized that our surveillance and safeguards are strong.

We expect that the OIE will formally adopt the United States' negligible risk status when the full assembly meets in May. This action will support our continued efforts to normalize beef trade with several nations and expand market access for U.S. beef and beef products.

EGVM

Our response to EGVM is another good example of successful partnership.

In this case, it's been a collaboration between APHIS; State, county, and cooperative extension officials; and the grape, wine, and stone-fruit industries.

Following the 2009 detection of EGVM in California, stakeholders across sectors came together to figure out and put in place the best actions to prevent the spread of the pest, keep it from becoming established, and mitigate its impact on affected growers and industries.

We at APHIS worked closely with our State, county, and industry partners to design protocols that would allow the safe movement of regulated articles and ensure that markets remained open to their products.

For example, with Federal funding State officials treated residential properties, and State and county officials deployed traps. Meanwhile, growers voluntarily treated their vineyards.

As a result of our success in these efforts, International and domestic markets have remained open to U.S. grapes, stone fruits, berries, and other host commodities.

In 2012, 7 of 10 counties were removed from EGVM quarantine after the moth was successfully eradicated. Napa County remains in quarantine because of detections there, and portions of Solano and Sonoma Counties remain in quarantine only because of their proximity to the Napa County finds.

We also continue our efforts to suppress and prevent the spread of glassy winged sharpshooter and minimize the impact of Pierce's disease on California vineyards.

Area-wide suppression treatment programs and regulation of host pathways have so far successfully prevented the spread of this pest to other valuable grape growing regions of

California. No one can say we are not doing our part to support the wine drinkers of America--and the world, for that matter.

Asian Citrus Psyllid (ACP)

We also remain firmly committed to helping protect California's citrus crops and nursery stock from Asian citrus psyllid and the disease it's a vector for – *huanglongbing*, or HLB.

We've heard from many of you that this pest is a primary concern for you, and we know that it demands our continued cooperation and vigilance.

ACP has been identified recently in Tulare County and northern Santa Barbara County.

We're working with CDFA to extend quarantine boundaries and/or establish temporary restrictions around the detection sites until delimiting surveys are completed.

Although ACP has been identified in several areas of the State, HLB has been detected only once. What this tells us is that now is the time when our ACP efforts are extremely crucial in California.

Now is the time to accurately determine the extent of ACP's presence, and effectively prevent its spread so we can sharply reduce the chances of HLB having the kind of harmful economic impact on California that it's had on citrus-producing industries in other States.

To minimize risk associated with incursions of ACP and HLB across the border, APHIS is coordinating ACP suppression activities in Mexico in areas bordering California, Arizona and Texas, and has increased border inspection for imported citrus.

In collaboration with industry and CDFA, we have also initiated biological control strategies in 2013.

Animal Health-Traceability

On the animal health side of our mission, after years of gathering information and listening to input from U.S. farmers and ranchers, animal disease traceability is now being implemented in the United States.

Animal disease traceability doesn't prevent disease, but it does ensure a rapid response when animal disease events take place.

Yesterday, APHIS' final rule for Traceability for Livestock Moving Interstate became effective.

Under this rulemaking, unless specifically exempted, livestock belonging to species covered by the regulations that are moved interstate must be officially identified and

accompanied by an interstate certificate of veterinary inspection (ICVI) or other documentation.

These regulations specify approved forms of official identification for each species but allow the livestock covered under this rulemaking to be moved interstate with another form of identification, as agreed upon by animal health officials in the shipping and receiving States or Tribes.

The final rule that has gone into effect was published in the Federal Register on January 9, 2013. It is different from the proposed rule, published in late 2011, in several ways.

Notable changes include:

- Accepting the use of brands, tattoos and brand registration as official identification when they're accepted by the shipping and receiving States or Tribes;
- Permanently maintaining the use of backtags as an alternative to eartags for cattle and bison moved directly to slaughter;
- Accepting movement documentation other than an ICVI for all ages and classes of cattle when accepted by the shipping and receiving States or Tribes;
- Clarifying that exemption to the regulation applies to all livestock moved interstate to a custom slaughter facility; and,
- Exempting from the official identification requirements chicks moved interstate from a hatchery.

Beef cattle under 18 months of age, unless they are moved interstate for shows, exhibitions, rodeos, or recreational events, are exempt from the official identification requirement in this rule. Additional traceability requirements for this group will be addressed in separate rulemaking in the future, allowing more time for APHIS to work closely with industry to ensure the requirements are effective and can be implemented.

Wildlife Services

Our efforts to protect the health of the Nation's livestock and crops are not limited to our pest and disease prevention and mitigation activities. APHIS' Wildlife Services (WS) program carries out a range of activities to protect California's livestock, crops, and natural resources.

You may have read some negative things about WS recently, but I know that many of you are aware of what these dedicated APHIS biologists and other professionals have been doing in California—at the request of and with the assistance of cooperators.

WS' top activity in California, in terms of time spent, is protecting livestock from predators.

In FY 2012, our WS personnel protected \$760 million worth of livestock, and \$1.3 billion worth of agricultural crops, including grapes, walnuts, apples, apricots, and almonds, in California.

APHIS-WS helped some California dairies with starling and blackbird control; and, worked with State, local, and other Federal cooperators on conducting surveillance in wildlife for diseases that can impact not only wildlife but domestic animals and, in some cases, people.

WS partners closely with the California Department of Fish and Wildlife to address the human health and safety problems associated with mountain lions, black bears, beavers, and coyotes.

WS has also been working with CDFA on important research initiatives to: determine the economic impact of rodents and birds on wine and other valuable commodities; reduce the pesticide load for rodenticides; and, incorporate bird repellents into pesticides to reduce the risk to non-targeted animals.

In the last 10 years, WS and counties have shared the cost of program delivery.

Despite decreased budgets across all levels of government, WS is committed to continuing its efforts, and doing so more efficiently where possible and, as always, in concert with its county and State cooperators.

Budget

And this brings me to the topic of the budget. Partnerships and collaboration are especially important to APHIS now—when we, like all Federal Agencies, are facing a number of challenges that obviously include decreasing budgets.

We've been strategic in prioritizing, and there are some program restructuring actions pending. APHIS is moving forward in these efforts with a heightened awareness that partnerships amplify our resources and expertise.

As you are no doubt aware, the Federal Government remains under a Continuing Resolution through March 27, 2013, and Congress has begun to take action on a final appropriations bill for the year.

We don't know yet what our appropriation for this year or the next will be, but it's sure to be lower than last year's.

From 2010 to 2012, we had an approximate 10 percent reduction, and we've already taken significant actions to reduce our Agency budget.

The cuts have had some benefits: We are better stewards of tax payer dollars and we're taking advantage of the buying power of a large agency.

Where do we go from here? I'll be honest with you—the easiest budget fixes are done, and it's difficult to address some of the other ways in which we'll have to adapt given the budget uncertainty right now. It does make it hard to plan and carry out activities.

But I do want to emphasize something of which I am certain, and something I want you to “takeaway” from hearing me today: Our safeguarding priorities at APHIS are unchanged.

To that end, I want to assure you that as we deal with fewer resources, our focus will remain on making sure we can carry out vital work in the field and on supporting producers.

Our core mission is protecting plant and animal health; we will continue to do that.

Will we see as many large-scale eradication efforts? No. They are proving increasingly unsustainable.

Without doubt we will have to come up with new strategies, new approaches, and new tools used to carry out our mission. We can forge new partnerships and expand on existing ones, and innovative new methods to manage and control pests and disease and mitigate their impact.

We don't know yet exactly what these changes will look like, but, regardless, we will continue our core mission of protecting plant and animal health.

Facilitating Trade

Regardless of budget climate, one of the key functions APHIS must continue to fulfill is support of agricultural trade.

At APHIS, we continually strive to open new markets and keep existing ones open for U.S. agricultural products by working to eliminate unjustified sanitary and phytosanitary barriers.

Recently, we've reached agreement with Japan's Ministry of Agriculture, Forestry and Fisheries to lift suspension for the cherry systems approach program in California. The program offers an alternative to methyl bromide fumigation and facilitates approximately \$25 million dollar in exports each year.

APHIS has also reached agreement with Australia's Department of Agriculture, Fisheries and Forestry and New Zealand's Ministry of Primary Industries on an export treatment for spotted winged drosophila for California table grapes. The export market value of that California commodity in Australia was over \$53 million and the table grape market to New Zealand was valued at over 16 million dollars in 2012.

Our personnel stationed overseas work to resolve issues when they arise with shipments at foreign ports. In FY 2012, APHIS personnel successfully secured the release of 324 detained shipments worth more than \$41 million. California exporters of citrus, table grapes, stone fruit, are among those who benefited from those efforts.

We've also made significant progress in recent years automating the export certification process, making it more convenient for exporters, and more efficient for APHIS, State, and local entities that issue the certificates.

Using the Phytosanitary Certification Inspection & Tracking system (PCIT), system, exporters can track their application, view and print copies of applications and issued certificates, and securely pay for certificates online.

PCIT was modified this past year to facilitate the new California administrative fee, so instead of exporters having to pay fees to three separate entities, all of their money is collected through PCIT and reimbursed to the individual State or county.

Around 25 California counties are using the feature and report savings of up to 2 full-time employees. The savings couldn't come at a better time, of course, and allows them to keep providing services despite shrinking budgets.

Relationship with Customs and Border Protection (CBP)

Our efforts with PCIT speak to our larger goal of modernizing trade for U.S. exporters and importers. We want to reduce costs, simplify processes, and eliminate redundancies for our stakeholders whenever possible--while continuing to ensure that we protect animal and plant health.

To make this a reality for importers we've been working closely with our CBP partners who enforce APHIS import requirements at U.S. ports of entry.

In recent years, great strides have been made in improving communication and coordination between APHIS and CBP on the AQI program. In addition, we have worked diligently to strengthen the AQI program and address issues and gaps when we have identified them.

While CBP is facing their own budget challenges, they have assured us that they will maintain their focus on high-risk pathways that pose the greatest threat to agriculture.

Stakeholder Meeting

I've talked a lot about partnership today. We want to continue to improve our business strategies and program delivery methods to enhance our overall effectiveness, and we want to engage our stakeholders early in the process to make sure we're in alignment with our customers' needs.

These are among the reasons that I want to invite all of you here today to an open meeting that APHIS is hosting in Washington D.C. for interested stakeholders. The meeting is scheduled for April 11th at USDA's Whitten Building, from 10a.m. to noon. We plan to make the meeting available via webinar.

Our goal is to engage stakeholders sooner rather than later, to make sure that as we begin to consider new opportunities and rethink current business practices, we're in alignment with our customers' needs.

Conclusion

I've attempted here to update you on many areas where our work overlaps with yours. Our current focus is on moving forward and doing so in the most constructive way possible, despite the uncertainty that lies ahead.

We remain committed to our mission of protecting U.S. agricultural health--to ensure that U.S. agriculture thrives at home, and has maximum access to increasingly competitive global markets.

Here in California agriculture, whether you're in the wine business, or growing fresh berries or nuts, or running a dairy or a nursery, you're helping to make available safe, top-quality products to massive numbers of consumers, in the United States and around the world.

And we're here to help you continue to do just that.

As long as the partnerships we have with industry, State, county, and other entities here endure, we will continue to successfully work together to the benefit of American agriculture.

Thank you again for the invitation to speak to you today. It's been a pleasure.

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