



Animal and Plant  
Health Inspection  
Service

Office of the  
Administrator

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Dear Stakeholders:

As I've met with our plant and animal industry stakeholders over the past year, I've heard time and again just how essential exports are to their success, and to U.S. agriculture as a whole. Exports ensure the best price and return on investment for all agricultural producers, even those who don't export. With that in mind, I'm particularly pleased to report that fiscal year (FY) 2013 proved to be another record-breaking year for U.S. agricultural exports, contributing to what President Obama called in his State of the Union address "the strongest five-year stretch of farm exports in our history." In FY 2013, U.S. agricultural exports increased by \$5 billion, bringing the total value to approximately \$141 billion and supporting nearly one million U.S. jobs, all the while helping to feed the world. Here at APHIS, we are committed to continuing this momentum into 2014 and beyond, meeting every challenge with the technical credibility and expertise it takes to break down barriers to the trade of U.S. agricultural products.

A particularly significant development last year was the World Organization for Animal Health's (OIE's) upgrade of the United States' bovine spongiform encephalopathy (BSE) status to negligible risk. The upgrade has been years in the making and demonstrates OIE's recognition that our BSE surveillance activities and safeguards are strong. The reclassification has already contributed to the reopening of some valuable markets we've long been working on—for example, Indonesia's market not just for beef and beef products, valued at \$25 million, but also for meat and bone meal, valued at \$150 million. And it surely lays the groundwork for trade accomplishments to come. One of my top goals as APHIS Administrator is eliminating the last trade barriers remaining since the first BSE detection in the United States, in December 2003. The reclassification means we can realize this goal more quickly. Although the \$6.2 billion in exports of U.S.-origin beef and beef products during 2013 far surpasses the \$3.9 figure for 2003, 20 trading partners maintain BSE-related restrictions preventing the importation of all U.S. beef, beef products, and live cattle. We are resolved to get these markets reopened as soon as possible. We and our counterparts from the Office of the U.S. Trade Representative and other USDA agencies are developing interagency strategies to identify the best ways to make that happen.

Overall, APHIS played a key role in resolving 194 trade-related issues, including the BSE-related ones, in FY 2013. The result is \$2.7 billion in new markets opened and existing markets retained or expanded. These accomplishments, and the record-setting U.S. agricultural exports overall, represent not only the longstanding work that retaining, opening or reopening markets entails, but also the routine, and not-so-routine, things that APHIS does on a daily basis to facilitate trade. Certifying exports is extremely important. Last year, APHIS

issued nearly 113,000 certificates for animal exports and almost 174,000 certificates for animal product exports. On the plant side, we and our State and county cooperators issued more than 605,000 Federal phytosanitary certificates, with our automated system producing the vast majority—95 percent. In addition, APHIS attachés stationed overseas swiftly worked to obtain the release of about \$34 million worth of agricultural commodities in 280 shipments detained at foreign ports.

Demand for U.S. cattle continued to increase, as U.S. producers shipped over 164,600 head worldwide last year—a 30 percent increase over 2012. Another story on the positive side of the balance sheet—we successfully opened the market in Belarus, Kazakhstan, and Russia, for U.S. hatching eggs and day-old chicks (\$20 million/year). This is one of dozens of new export health certificates the U.S. Government had to renegotiate after the three countries formed a Customs Union in 2010. APHIS also continued expanding market access for U.S. poultry and poultry products after years addressing concerns related to low-pathogenicity avian influenza (AI). Among the accomplishments: Regaining access for poultry and poultry products to several countries including the United States’ largest agricultural export market, China, as well as Japan and Taiwan. The values of U.S. poultry exports to these countries alone in FY 2013 were \$529.4 million, \$175.4 million, and \$128.4 million, respectively. This represents significant progress in reducing AI-related restrictions in recent years—and the result of our persistent, cooperative efforts to encourage countries to apply restrictions based on actual risk.

In addition, we successfully sought the extension of a pilot program to address pest concerns and continue the export of logs from Virginia and South Carolina to China, and we addressed China’s pest-related concerns about log shipments from several other States, accounting for \$578 million in exports. And for the first time ever, we obtained market access for U.S. pears to China, a market valued at \$2.7 million. The first shipment arrived in January 2013. Within two seasons, USDA expects China to become one of the top five export destinations for U.S. pears.

We also worked with trading partners and U.S. growers to identify practical, technical solutions that would allow us to retain access to other valuable markets for U.S. crops. For example, APHIS reached agreements with South Korea allowing the export of U.S. cherries (\$74 million/year) and the continued export of California citrus (\$150 million/year) with mitigations for pests of concern. We also gained approval for the export of all cherry varieties to Japan, including ones produced under a systems approach that has been widely adopted in the Pacific Northwest and California (\$15 million/year). And the European grapevine moth (EGVM) program in California, representing an industry-driven approach to control, continues to be a highlight, enabling the continued export of U.S. grapes (\$844 million/year) and protecting California’s grape and tree fruit industry valued at \$5.7 billion.

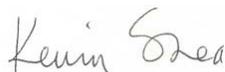
APHIS continues business process improvements to better ensure that U.S. importers and exporters can move at the speed of commerce. In FY 2013, we shortened the amount of time it takes to develop import-related regulatory actions by well over a year, building on

the significant strides made last year. This year, APHIS also completed 22 commodity import pest risk analyses representing potential new market access for a total of 39 country-commodity combinations. As I mentioned previously, we've made improvements to our electronic permitting system, streamlining business for exporters by enabling additional declarations to be added to certificates more quickly and with far fewer mistakes. And we have pilot programs in place enabling an electronic exchange of certificates with the Netherlands and Australia.

Ensuring that harmful products do not make it to the United States continues to be one of the best ways we can secure future exports of U.S. agricultural commodities. We continue to closely partner with Customs and Border Protection (CBP) to this end. In addition, we operate a total of 35 preclearance programs in 29 countries (up from 20 countries in 2012), with multiple commodity preclearance programs in Mexico, Brazil, and South Korea, and we are continuing our outreach in the Caribbean. Through the Greater Caribbean Safeguarding Initiative, we and our collaborators trained 29 participants from 22 countries in 2013 at the University of West Indies in Trinidad. Many of the participants have since worked to strengthen pest exclusion activities in their respective countries. In FY 2013, APHIS also brought nearly 100 foreign regulatory officials to the United States to learn about disease control strategies, risk analysis and assessment, and other tools to help their countries build stronger agricultural infrastructures.

As APHIS Administrator, and on behalf of the thousands of APHIS employees who share my dedication to seeing that U.S. agriculture remains healthy and profitable, I want to emphasize our Agency's strong commitment to keeping healthy U.S. agricultural trade flowing smoothly and contributing to an improving U.S. economy. I encourage you to keep track of what we're doing—and keep in touch with us by providing your feedback—on our newly redesigned Web page at [aphis.usda.gov](http://aphis.usda.gov). On the home page, select Imports & Exports, then select Trade on the left side of the screen to see the latest trade-related tweets, blog posts, and other information. And you can follow us on Twitter at [@USDA\\_APHIS](https://twitter.com/USDA_APHIS) for the latest information on the results of our efforts to break down barriers to the trade of U.S. agricultural products.

Sincerely,



Kevin Shea  
APHIS Administrator