

Dear Stakeholder,

As we step into 2013, I am very glad that Secretary Vilsack recently highlighted how USDA resolved dozens of export issues in 2012, and that our Agency played a key role in these efforts.

I am glad, too, that projections tell us we may be seeing the most successful year yet for U.S. agricultural exports. This good news follows a banner year in which agricultural exports reached \$135.8 billion—the second highest total on record, and an historic achievement for our farmers, ranchers, and agribusiness. In fact, the past few years have been the best for farm exports in our Nation's history, making America's agricultural sector a key contributor to achieving President Obama's goal under the National Export Initiative of doubling exports by the end of 2014.

These exports support more than 1 million jobs in communities across the country for ranchers, growers, truckers, brokers, dockworkers, fuel and fertilizer manufacturers, and more. To help safeguard these jobs and our economy, APHIS continues doing our part to help broaden international trade pathways for America's agricultural animals and plants while ensuring they are protected from pests and diseases at home.

On the export side, we worked hard last year to keep international markets abroad open for American agricultural products by eliminating unjustified sanitary or phytosanitary (SPS) barriers. In FY 2012, in cooperation with the Office of the U.S. Trade Representative and USDA's Foreign Agricultural Service, we successfully negotiated and resolved 150 SPS issues involving U.S. agricultural exports with a total estimated market value of \$2 billion. With regard to China, our country's largest agricultural export market, we established a pilot program to address pest concerns that led to the resumption of log exports from Virginia and South Carolina—helping to preserve total U.S. log exports to China worth nearly \$730 million during the first 11 months of 2012.

We concluded negotiations that allow exports to Mexico of U.S. eggs intended for processing (\$45 million/year) and put poultry exports to Kuwait and Turkey (\$15 million/year) back on track after concerns about avian influenza restricted those markets. Blueberries from Oregon, apples from the Pacific Northwest, and many other U.S. agricultural exports found new or expanded markets thanks to our efforts as well. And in a welcome new development in 2013, Japan agreed, starting February 1, to permit the import of beef from cattle less than 30 months of age. The result: an estimated hundreds of millions of dollars in exports of U.S. beef to Japan in coming years.

Live-animal exports have continued to increase. Exports of live swine, poultry, and horses to China, as one of many examples, grew to \$54.1 million from January to November of 2012—nearly a 40 percent jump over the same period in 2011. A singular success in live-animal export markets has been live cattle. In the past several years, overseas buyers have been eagerly seeking healthy American animals with good genetics to build up their own herds. Buyers from Turkey, Russia, Canada, Mexico, Kazakhstan, and countries in South America and the Middle East continued to increase their imports of live cattle last year—almost 120,000 cattle in FY 2012—while new markets such as Angola have emerged. Responding to this surge in demand—

worth an estimated \$300 million in Turkish and Russian purchases alone in FY 2012—we approved seven temporary export inspection facilities to supplement the work done at our permanent facilities, reduce the distance cattle travel before export, and help exporters meet their shipping deadlines.

In the midst of brisk trading times, the last thing U.S. exporters need is to find their shipments detained at foreign ports. In FY 2012, our personnel stationed overseas successfully secured the release of 324 detained shipments of U.S. agricultural products, from cherries to cotton, worth more than \$41 million. We helped prevent such issues from arising, too, with our export certification program, which ensures agricultural products meet the SPS requirements of specific overseas markets before they arrive. In FY 2012, we issued more than 41,500 export certificates for live animals and just over 167,000 for animal-related products. Our automated Phytosanitary Certificate Issuance and Tracking system not only produced a record 580,000 certificates for plant-based exports; it also featured a new Phytosanitary Export Database—a vast repository of foreign country import requirements for exporters and certifying officials alike.

To prevent the spread of new pests and diseases, APHIS has been cooperating closely with key international animal and plant standard-setting organizations, including the World Organization for Animal Health (OIE), the Secretariat of the International Plant Protection Convention (IPPC), and the North American Plant Protection Organization (NAPPO). We have contributed to OIE's goal of ensuring that science-based standards govern international trade in animals and animal products by, among other things, publishing a proposed comprehensive rule on bovine spongiform encephalopathy (BSE) that brings U.S. BSE import regulations for bovines and bovine products closer in line with OIE standards. We have also helped refine the criteria for pathogens that must be reported to OIE—an effort that may lead to delisting certain diseases that some countries have previously cited as reasons to restrict trade. At the IPPC, we have cooperated on drafting and adopting international standards for a systems approach for managing risks associated with fruit flies and for integrated measures related to plants for planting to ensure safer trade. Our personnel have also helped lead an effort to improve current methods of setting phytosanitary standards. Within NAPPO, our negotiators have promoted not only the use of electronic certification, which expedites the certification process for exports and imports, but also harmonized approaches to managing trade-related phytosanitary issues.

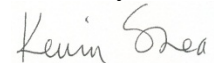
We understand that exporters and importers alike need us to move at the speed of U.S. business. In keeping with our new business improvement initiatives, we shortened the average amount of time needed to develop import-related regulations by 77 days last year. We also dramatically decreased the time needed to complete risk assessments and regulatory changes for imports of plants and plant products, from an average of more than 5 years per case to an average of 597 days. That's a reduction of nearly 71 percent. In a related development for imports of animals and animal products, a final rule we published last year brings lists of regions recognized as free of or affected by specific diseases straight to our Web site, where they can be amended through a faster notice-based process instead of extended rulemaking.

Augmenting all these efforts have been our many on-the-ground actions to keep America's exports safe before they leave our shores. To highlight just a few: at our borders, we have continued to partner closely with U.S. Customs and Border Protection in preventing foreign

agricultural pests and diseases from entering the country. We have also operated import preclearance programs in 20 countries from Chile to South Korea, with a special focus in 2012 on training and public outreach in the Caribbean. Last year, we brought nearly 125 foreign regulatory officials to the United States to learn disease control strategies, risk analysis and assessment, and other tools to help their countries build stronger agricultural infrastructures that could benefit trade partners on the import and export side alike.

Safe, profitable agricultural trade is your future and ours. As we move forward, I want to reiterate our strong commitment to keeping healthy U.S. agricultural trade flowing smoothly and expanding opportunities for all of you. We look forward to keeping in close contact and hearing your ideas and perspectives on how we can serve you better. To that end, I invite you to keep track of what we're up to at our new Web page, at <http://www.aphis.usda.gov/trade/>, where you can find trade-related news articles, Twitter feeds, links to animal and plant export and import data, and an e-address for comments and suggestions. We will welcome your insights and input.

Sincerely,

A handwritten signature in cursive script that reads "Kevin Shea".

Kevin Shea  
Acting Administrator