

April 4, 2017

The Honorable Thad Cochran
Chairman
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Patrick Leahy
Ranking Member
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable John Hoeven
Chairman, Agriculture Subcommittee
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Jeff Merkley
Ranking Member, Agriculture Subcommittee
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Rodney Frelinghuysen
Chairman
Committee on Appropriations
United States House of Representatives
Washington, DC 20515

The Honorable Nita Lowey
Ranking Member
Committee on Appropriations
United States House of Representatives
Washington, DC 20515

The Honorable Robert Aderholt
Chairman, Agriculture Subcommittee
Committee on Appropriations
United States House of Representatives
Washington, DC 20515

The Honorable Sanford Bishop
Ranking Member, Agriculture Subcommittee
Committee on Appropriations
United States House of Representatives
Washington, DC 20515

Dear Chairmen Cochran, Hoeven, Frelinghuysen & Aderholt, and
Ranking Members Leahy, Merkley, Lowey & Bishop,

The Animal Agriculture Coalition (AAC) writes to urge your consideration of its views and recommendations for the fiscal year 2018 Agriculture, Rural Development, Food and Drug Administration budget. The AAC is comprised of most major animal and animal-related commodity organizations as well as allied organizations representing veterinary medicine, animal science and various livestock or animal agricultural interests in the U.S. A successful, healthy, and strong U.S. agriculture industry is reliant on federal funding that supports the U.S. Department of Agriculture (USDA) and Food and Drug Administration's (FDA) programs. These programs play a vital role in our daily lives by ensuring a safe and plentiful food supply, defending America's animal and plant resources from agricultural pests and diseases, and advancing agriculture research. The AAC urges Congress to make the following investments in fiscal 2018:

Animal and Plant Health Inspection Service

AAC requests \$950 million in fiscal 2018 for APHIS. This agency is critical to the overall health and competitiveness of the U.S. animal agriculture industry. APHIS Veterinary Services (VS) conducts routine surveillance for more than 160 foreign, emerging, and endemic animal diseases, including

bovine tuberculosis, foot and mouth disease, avian influenza, and scrapie, as well as for disease vectors such as the cattle fever tick. This surveillance is done through a number of surveillance streams, including testing at slaughter facilities, livestock markets, shows, sales, buying stations, on-farm, and at rendering facilities. As an example, in fiscal 2015, VS tested over 2 million cattle for brucellosis, over 40,000 sheep and goats for scrapie, and over 190,000 swine for pseudorabies. APHIS' National Veterinary Services Laboratories (NVSL) serves as the only national reference and confirmatory laboratory for APHIS animal health programs, and participated in over 1,000 foreign animal disease investigations last year.

APHIS plays a central role in protecting American agriculture, implementing emergency protocols and partnering with affected States to quickly manage and eradicate outbreaks. The Agency's quick footed and aggressive approach lessens the impact of outbreaks which can cost U.S. taxpayers billions in response, clean up, and indemnity costs. That doesn't include lost export markets, temporary shortages, or price increases products derived from food-producing animals.

AAC specifically requests support for the following APHIS-administered programs:

- \$10 million for the **National Animal Health Monitoring System (NAHMS)**. A stronger Federal system of data collection, monitoring and enhanced surveillance will greatly assist in understanding the impacts of the FDA Judicious Use policy which was fully implemented January 1, 2017. While a significant portion of this requested funding was included in the House fiscal 2017 bill, the funding has not been finalized. As part of its Antimicrobial Resistance Action Plan, the USDA has worked with FDA's Center for Veterinary Medicine to plan activities that will add to our understanding of how antibiotics are used in veterinary medicine and animal agriculture and how those uses affect antibiotic resistance levels. This information will not only assist policymakers but will assist veterinarians and producers as they make management decisions about the use of antibiotics on their farms. The veterinary medicine and animal agriculture community have diligently worked to implement FDA's Judicious Use strategy and we need our federal partners to be equipped with the funding to collect data and do the research to measure the impact of these changes in order to produce information to help producers and veterinarians become better users of these products.
- \$15 million, a \$3 million increase in APHIS' total support, for **National Animal Health Laboratory Network (NAHLN)**, although AAC believes funding closer to \$40 million is necessary to properly support the 62-member laboratory network that collaborates with the National Veterinary Services Laboratories. When a large-scale animal-disease outbreak occurs, tracking its progress and performing diagnostic tests on thousands of diagnostic samples is a big challenge. To get the job done, it is important that all parties involved—Federal agencies and NAHLN member laboratories—communicate and collaborate effectively. Federal funding for the NAHLN is necessary to expand surveillance and surge capacity to diagnose diseases and ramp up during emergency situations. Further increases are needed to bolster the number and level of participating state labs; to spur development of infrastructure for electronic transmission of data between sample collectors, labs and state and federal databases; and to increase efficiency and effectiveness of lab personnel training and employment both regionally and nationwide. The 2014 Farm Bill authorizes \$15 million for the NAHLN budget line at the Agency. APHIS has been using four budget lines to support the

NAHLN – veterinary diagnostics; cattle health; equine, cervid, and small ruminant health; and swine health.

- \$24 million, an increase of \$8 million for the **Center for Veterinary Biologics (CVB)** to streamline and improve veterinary biologics and biotechnology systems processes so that important new technologies can reach the market faster. CVB has been under-funded for more than a dozen years resulting in personnel losses and a backlog. Further cuts will be detrimental. CVB is focused on streamlining and improving its capacity to receive submissions from manufacturers and approve them for marketing electronically (in 2016 CVB received about 1,626 submissions). Each year, U.S. animal health companies produce 85.5 billion doses of animal vaccines. These vaccines are critical to protecting the health of America’s flocks, herds, and pets from domestic and foreign animal diseases. In addition to improving animal health, these technologies could lead to similar breakthroughs in products for humans. Animal health companies are also developing new and innovative biologics to greatly reduce the presence of food-borne pathogens in production animals, resulting in less pressure on pathogen reduction programs during processing. These new products represent a step forward in on-farm contributions to food safety. The AAC opposes additional industry user fees since CVB has not negotiated user fees with industry.
- \$10 million for **Swine Enteric Coronavirus** (Porcine Epidemic Diarrhea virus [PEDv] and Swine Delta Coronavirus) a reportable disease for diagnostic testing, biosecurity and research.
- \$30 million for the **National Rabies Management Program (NRMP)**. APHIS Wildlife Services coordination of the oral rabies vaccination program is cost-effective. NRMP reduces exposure and transmission of rabies among wildlife, livestock, pets and people. Funding at this level will allow NRMP to maintain the immune barrier along the Texas border with Mexico, and prevent reentry of coyote (canine) rabies into the U.S. and grey fox rabies into Texas. Funding increases are necessary to continue to contain and initiate elimination of the raccoon rabies strain in the Northeast U.S. and the Atlantic coastal states.

National Institute for Food and Agriculture (NIFA)

Investment in animal science research, education, and extension programs are essential outlays in USDA’s “tactical science assets” that develop science-based solutions to plan for, prevent, mitigate, and recover from the devastating impacts of emerging disease outbreaks like those faced by our country these past three years – avian influenza, PEDv, and Porcine Deltacoronavirus.

AAC requests fiscal 2018 support for the following programs with specific emphasis and impacts on animal agriculture:

- \$6.5 million, an increase of \$1.5 million, for the **Veterinary Medicine Loan Repayment Program**. Since 2010, 388 awards have been made while 1,200 veterinarians have applied. AAC also urges congress to exempt VMLRP awards from withholding taxes.

- \$3 million, a \$500,000 increase, for the **Veterinary Services Grant Program** with future increases to the full authorized level of \$10 million. The first 12 competitive grants to address gaps in rural areas were awarded in September 2016.
- \$2.5 million, an increase of \$1.25 million, for the **Food Animal Residue Avoidance Database**. In 2016, 9.6 million animals were impacted in 3,400 direct FARAD inquiries involving drug and chemical residues. AAC supports an increase for FARAD to its full authorized funding level.
- \$10 million, an increase of \$3 million, for the **Food and Agriculture Defense Initiative (FADI)** to support three nationally coordinated networks identifying and responding to high-risk biological pathogens in the food and agricultural system and protecting the nation from disease threats through surveillance, early detection, mitigation, and recovery. The networks are the Extension Disaster Education Network, the National Plant Diagnostic Network, and the National Animal Health Laboratory Network.

USDA Research Enterprise

Investment must be made to reposition the U.S. as the world leader in agriculture research and development. Such investment will help ensure the U.S. is able to meet the demand for food in the future. AAC is encouraged by USDA's increasing focus on livestock production and protection research programs in critical areas such as avian influenza, foreign animal diseases and antimicrobial resistance. With continued investments, USDA's research enterprise has the potential to make significant progress towards solving problems facing America's livestock and poultry producers. The AAC recommends the following programs be increased:

- \$10 million, a \$6 million increase, for **Section 1433, Continuing Animal Health and Disease, Food Security, and Stewardship Research, Education and Extension Programs**. Funding at this level will permit the competitive side of the program to commence and allow both land-grant and non-land-grant colleges of agriculture to compete for grants in high priority areas. The first \$5 million goes toward capacity distribution for animal health and disease research. Funding above \$5 million would be distributed with 15 percent to capacity and 85 percent to competitive grants focusing on critical priorities in food security, one health and stewardship.
- \$420 million, a \$70 million increase over fiscal 2016, for the **Agriculture and Food Research Initiative (AFRI)**. Further, we urge full funding at the authorized level of \$700 million as soon as is practical. Animal sciences continue to face a funding imbalance within the AFRI program; however, AAC is encouraged that AFRI funding has resulted in additional investments in animal research. Bringing AFRI to its fully authorized level would further enable the agency to increase investments in critical animal science areas. Within AFRI's budget the AAC recommends **\$2 million** be devoted to work on **drug approvals for minor species and for minor uses in major species**. Despite Congress, in the 2014 Farm Bill, including a funding priority to expand and advance drug approvals in these areas AFRI has not issued a competitive grant. Investments in sound science will lead to healthy animals and healthier and safe food. AAC wants to see both AFRI and the Agricultural Research Service (ARS) devote resources to the development of vaccines, probiotics and prebiotics, alternatives to antimicrobials as well as new classes of antibiotics for livestock. In fact, we

recommend that no less than **\$35 million of AFRI's budget be dedicated to deepening and improving our understanding of antimicrobial resistance** -- slowing the emergence of resistant bacteria and preventing the spread of resistant infections; advancing development and use of rapid and innovative diagnostic tests for identification and characterization of resistant bacteria; and accelerating basic and applied research and development for new antibiotics, other therapeutics, and vaccines.

- \$1.3 billion for the **Agricultural Research Service** intramural research for projects that require a long term investment leading to high-impact payoffs, while maintaining the capacity and readiness to respond to emerging and pressing problems. ARS also plays a critical role in partnering with the university community and industry to advance science and address emerging issues. AAC thanks the committee for investing in ARS infrastructure and requests \$94.5 million to address the next highest priority facilities identified in the Capital Investment Strategy to support ARS facilities modernization. Further, we urge ARS to concentrate on strengthening food security through feed efficiency, energetic efficiency, reproduction; One Health including new approaches to development of a vaccine bank/stockpile for Foot and Mouth Disease (FMD), African Swine Fever (ASF), and Avian Influenza (AI); research on novel technologies to detect, manage and eliminate foreign livestock pests and other devastating animal diseases; understanding and controlling zoonoses with an emphasis on food safety and improving animal health through feed; stewardship with a focus on flow of nutrients and other potential pollutants from animal production systems; estimation and reduction of greenhouse gas production; and impacts of housing systems on animal well-being.

Amplifying USDA's research on these animal diseases will improve animal health and welfare, help protect the U.S. food animal-producing industries from economic harm, and protect U.S. consumers from contamination of the domestic food supply. Specifically, AAC wants to see USDA's research enterprise make progress in the following areas:

- **Highly Pathogenic Avian Influenza (HPAI):** There are currently 4 commercially available vaccines for AI licensed in the US but there are several problems associated with their use. They are primarily in injectable form which makes their utilization in the face of a major disease outbreak labor and cost intensive. Additionally, their use must be approved by the USDA and state veterinarian because vaccination can have negative trade implications. Vaccinated animals cannot be differentiated from naturally infected animals. Importing countries view the presence of antibody as evidence of prior or active infection. Additional funding to further develop both the differentiation of infected and vaccinated animals (DIVA) vaccination strategy for AI as well as continued research into the development of an effective vaccine against avian influenza that can be administered via aerosol or water would greatly benefit the United States and its poultry industry.
- **Foot and Mouth Disease (FMD):** USDA is urged to redouble investment in the development of a universal vaccine for FMD as well as biotherapeutic countermeasures that will provide immunity. There are seven different types of FMD viruses and more than 60 subtypes, so vaccines must be highly specific, matched to the type and subtype present in an outbreak, to protect animals

against developing clinical signs of disease. Resources need to be devoted to investigating ways to differentiate between vaccinated and infected animals. Current diagnostic testing methods are only validated for single sample/single animal testing. To have any hope of responding to an outbreak, pooled sample/multi-animal diagnostic tests must be developed and validated.

- **African Swine Fever (ASF):** There is no treatment for ASF, and all attempts to develop a vaccine have so far been unsuccessful. Prevention depends on ensuring that neither infected live pigs nor pig meat products are introduced into areas free of ASF. All successful eradication programs have involved the rapid diagnosis, slaughter, and disposal of all animals on infected premises. Introduction of this disease into the United States would have a devastating effect on the American swine industry. USDA has developed surveillance programs for the early detection of FMD and ASF. These programs are awaiting validation in order to be approved for deployment to the veterinary diagnostic laboratories. In addition, the current sample types (oral swabs for FMD and whole blood for ASF) are not routinely included in most swine diagnostic samples submitted to the veterinary diagnostic laboratories. Additional sample types (such as oral fluids or tonsil) need to be developed and validated. The funding necessary to support surveillance enhancement, validation and implementation needs to be prioritized.
- **Cattle Fever Tick (CFT) and Bovine Babesiosis:** *Babesia* are emerging health threats to both animals and humans in the U.S. Accelerated research at USDA is needed to prevent catastrophic economic losses due to cattle fever tick (CFT) and bovine babesiosis. Additionally there are impacts from human babesiosis due to cattle-associated *Babesia divergens* and *Babesia divergens*-like organisms which has led to an increase in the number of cases of human babesiosis over the past 25 years. Research on novel technologies to manage and eliminate foreign livestock pests and tick-borne diseases from south Texas is needed to protect the U.S. cattle industry from suffering losses similar to those faced by Brazil (\$3 billion) and Mexico (\$573 million). Movement of CFT infested wildlife (i.e., white-tailed deer and nilgai across the Mexican border) exacerbates our need to protect the U.S. cattle industry and human health. At present, Texas is issuing temporary preventive quarantines on multiple premises in the CFT-free zone of the U.S.; however, that is not a permanent solution. We need methods for integrated eradication to control and eliminate CFT outbreaks involving wildlife, for expedited area-wide tests of innovative technologies to control CFT infestation, and to adapt protocols for research in wildlife. Technology innovation involves anti-tick vaccines; longer-acting acaricide formulations; safer acaricides; alternative acaricide delivery systems; tick growth regulators; acaropathogenic fungi and nematodes; remote surveillance and delivery systems; and algorithms to assess return on investment for the implementation of adaptive area-wide integrated CFT eradication protocols. Resistance to acaricides commonly used to prevent/treat CFT infestation renders those treatments ineffective, and drugs to prevent bovine babesiosis are not approved for use in the U.S. Funding is needed to research new methods to prevent further spread of CFT and to mitigate the risk for the re-emergence of bovine babesiosis.

Food and Drug Administration's Center for Veterinary Medicine

AAC requests \$188 million for the **FDA's CVM**. CVM oversees the safety of animal drugs, feeds and biotechnology-derived products. We request that the new user fees established by the Animal Drug

User Fee Act (ADUFA) of \$22.977 million be included in the fiscal 2017 and 2018 appropriations bills. ADUFA established a system of performance standards and user fees to improve the new animal drug review process at CVM. Predictability of the review process has improved as CVM has met the agreed-upon performance standards. To maintain this success, we request that the fees be integrated into this year's appropriation bill. The appropriation is entirely budget neutral as the money will be provided by the animal health companies.

AAC requests \$11 million for the **National Antimicrobial Resistance Monitoring System (NARMS)** for meat testing. NARMS serves as a source of data for the approval of new animal antibiotics and for the post-approval safety monitoring of these compounds. NARMS assesses the risks associated with new drugs and monitors the continued safe use of older agents. Established in 1996, NARMS tracks antibiotic resistance in foodborne bacteria from humans, retail meats, and food animals. AAC also supports efforts to advance the protection of human and animal health through integrated monitoring of antimicrobial resistance within the FDA food safety program. We lend our support to developing scientifically valid methods to better understand antimicrobial drug use practices in animals and the public health impacts of resistant bacteria.

Food and Safety Inspection Service

To address persistent vacancy rates within FSIS for public health veterinarians and to ensure all slaughter plants remain under the direct supervision of veterinarians, the AAC urges Congress to direct the Agency to dedicate no less than \$10 million from its appropriation to ameliorate recruitment and retention issues by addressing inequity with its remuneration, specialty pay and continuing education offerings.

Conclusion

AAC asks that you give our requests careful consideration as you set out to fund the nation's agricultural policy priorities in fiscal year 2018. We realize the difficulty of your task but know that increased investment in the outlined programs will prove to be a wise decision now and for the future. AAC stands ready to work with you and your staff to expeditiously pass the agriculture appropriations bill. Thank you for your consideration. If you would like to discuss the AAC's recommendations further, please contact Bill Davis, AAC Chairman, at davisb@nppc.org or Ashley Morgan, AAC Vice Chair, at amorgan@avma.org.

On behalf of:

AAC Commodity Members

American Dairy Goat
Association

American Goat Federation

American Horse Council

American Rabbit Breeders
Association

American Sheep Industry
Association

American Veal Association

National Livestock Producers
Association

National Milk Producers
Federation

National Pork Producers
Council

National Turkey Federation

North American Meat
Institute

R-CALF United Stockgrowers
of America

United Egg Producers
Association

U.S. Poultry & Egg
Association

Western United Dairymen

**AAC Allied Animal
Agriculture Members**

American Association of
Avian Pathologists
American Association of
Bovine Practitioners
American Association of
Mycobacterial Diseases
American Association of Small
Ruminant Practitioners
American Association of
Swine Veterinarians
American Association of
Veterinary Laboratory
Diagnosticians
American Dairy Science
Association
American Farm Bureau
American Feed Industry
Association
American Society of Animal
Science
American Veterinary Medical
Association
Animal Agriculture Alliance
Animal Health Institute
Association of American
Veterinary Medical Colleges
Association of Veterinary
Biologics Companies
Biotechnology Innovation
Organization
Council for Agricultural
Science and Technology
Fats and Proteins Research
Foundation
Federation of Animal Science
Societies
Livestock Exporters
Association of the USA
Livestock Marketing
Association
Mycobacterial Diseases of
Animals Multistate Initiative

National Aquaculture
Association
National Association for the
Advancement of Animal
Science
National Association of
Animal Breeders
National Association of
Federal Veterinarians
National Association of
Public Health Veterinarians
National Association of State
Departments of Agriculture
National Dairy Herd
Improvement Association
National Farmers Union
National Grain and Feed
Association
National Institute for Animal
Agriculture
National Renderers
Association
Poultry Science Association
U.S. Animal Health
Association