February 25, 2016

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

The Honorable Barbara Mikulski
Ranking Member
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Jerry Moran
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

Dear Chairman Cochran, Chairman Moran, Ranking Member Mikulski, and Ranking Member Merkley,

The Animal Agriculture Coalition (AAC) writes to urge your consideration of its views and recommendations for the fiscal year 2017 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 Americas animal and plant resources from agricultural pests and diseases, and advancing agriculture research.

The AAC urges Congress to invest in the following agencies and programs:

**The National Action Plan for Combating Antibiotic Resistant Bacteria (CARB)**
The President’s budget has included a large request for funding on the issue of antibiotic resistance across the government. The AAC strongly supports the Administration’s request for an additional $35 million for the USDA and $1 million for the FDA–Center for Veterinary Medicine (CVM) for research, monitoring, and surveillance under the CARB strategy.

Efforts in both human and animal health are leading to more judicious use of antibiotics. The animal health industry is working on implementing FDA’s Judicious Use policy, which will eliminate production uses of medically important antibiotics and put all remaining therapeutic uses of antibiotics administered in feed or water under the supervision of a veterinarian. However, a stronger Federal system of data collection, monitoring, and enhanced surveillance is critical in understanding the impacts of these changes.

AAC fully supports the Administration’s request of $10 million for the USDA/Animal and Plant Health Inspection Services (APHIS) for the USDA Antimicrobial Resistance Action Plan. The Action Plan builds upon existing activities and can be integrated across the agency, and allows the agency to obtain and disseminate science-based information about antibiotic use and resistance and relate this information to livestock management practices. 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.
Agricultural Research Service (ARS)

AAC supports the President’s request for $1.286 billion for the Agricultural Research Service. AAC is encouraged by the proposed increases to the agency’s livestock production and protection research programs in critical areas such as avian influenza, foreign animal diseases and antimicrobial resistance. ARS has the potential to make significant progress towards solving problems facing America’s livestock and poultry producers but is consistently receiving funding disproportionate to its contributions to the farm economy. ARS intramural research is uniquely suited 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.

The AAC thanks the committee for investing in ARS infrastructure, specifically the funding in fiscal 2016 for the Southeast Poultry Disease Research Laboratory (SEPRL) in Athens, Georgia. We support the President’s request of $94.5 million to address the next highest priority facilities identified in the Capital Investment Strategy to support ARS facilities.

We urge the Committee to invest in sound science which will lead to healthy animals and healthier and safe food. AAC want to see ARS as well as the Agriculture and Food Research Institute (AFRI) devote resources to the development of vaccines, probiotics and prebiotics, alternatives to antimicrobials as well as new classes of antibiotics for livestock.

Animal and Plant Health Inspection Service

AAC supports the President’s request of $901.196 million in FY17 for APHIS. APHIS’ core functions are critical to animal agriculture. The agency guards our borders from foreign animal diseases and protects the health and value of U.S. agriculture and our country’s natural resources. APHIS is working to prevent 160 animal diseases from entering our country and to eradicate harmful and economically devastating diseases. For example, if foot-and-mouth disease or highly pathogenic avian influenza were to become established in the U.S., foreign trading partners could invoke trade restrictions and producers would suffer devastating losses. When a disease is detected, APHIS implements emergency protocols and partners with affected States to quickly manage or eradicate the outbreak. This aggressive approach has enabled APHIS to successfully prevent and respond to potential disease threats.

AAC thanks Congress for providing a $5 million increase in the current fiscal year for National Animal Health Laboratory Network (NAHLN) bringing total support to $15 million; however, further investment is warranted to expand surveillance and surge capacity. 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 increase efficiency and effectiveness of lab personnel training and employment both regionally and nationwide.

USDA issued a Federal Order on June 5, 2014 making Swine Enteric Coronavirus (Porcine Epidemic Diarrhea virus [PEDv] and Swine Delta Coronavirus) a reportable disease. Funds from the Commodity Credit Corporation were provided for diagnostic testing, biosecurity and research. Those funds will be expended in the current fiscal year, but the requirement for diagnostic testing needs to continue into FY17. The AAC requests an additional $10 million be appropriated to continue diagnostic testing as required by the Federal Order.

The House Agriculture Committee’s Subcommittee on Livestock and Foreign Agriculture held a hearing on February 11, 2016, on the shortage of Foot and Mouth Disease (FMD) Vaccine. Witnesses highlighted the Change in APHIS’ policy from killing all infected and exposed animals to one of vaccination as a means of managing the disease, a change supported by the livestock industry. Witnesses also highlighted the serious shortcomings of the current vaccine bank and resulting shortage of vaccine...
available in the event of an FMD outbreak. Studies estimate the losses to just the beef and pork industry due to an FMD outbreak at $12.9 billion per year over a 10-year period and losses to the corn and soybean industries at $69 billion over a 10-year period. The President’s budget requests an increase of only $1.7 million for the bank. The requested increase is a step in the right direction but a pittance in comparison to the losses to the livestock industry and the cost of improving the bank, which is likely in excess of $75 million. Improving the availability of FMD vaccine will require a significant increase in funds that is not likely to occur in any one year. The appropriation for the FMD vaccine bank should be at a minimum **$5 million** to begin moving the bank to an offshore contractor maintained bank that includes more of the 23 types of FMD currently circulating in the world.

APHIS has made business process improvements for veterinary biologics and biotechnology systems so that important new technologies can reach the market faster. AAC supports the President’s request of $16 million for the APHIS’ **Center for Veterinary Biologics (CVB)**. CVB is focused on streamlining and improving its capacity to receive submissions from manufacturers and approve them for marketing electronically. In fiscal 2015, CVB received about 1,500 electronic 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. Also, the President’s budget requests an additional $7 million in industry paid user fees that we **oppose** since CVB has not negotiated user fees with industry, nor has it indicated how fees would be allocated.

AAC recommends $30 million for the **National Rabies Management Program (NRMP)**. USDA/APHIS Wildlife Services coordination of the oral rabies vaccination program has been demonstrated to be cost-effective, while continuing to reduce exposure and transmission of this fatal disease among wildlife, livestock, pets and people. The requested funding will allow NRMP and state vaccination programs to contain the raccoon strain of rabies virus, Phase 1, and initiate Phase 2, elimination of terrestrial rabies in the Northeastern United States with eventual progression southward along the Atlantic coastal states.

**National Institute for Food and Agriculture (NIFA)**

Federal funding for animal science research has been lagging over the last two decades. This disturbing trend was highlighted by the National Academy of Sciences in its report “Critical Role of Animal Science Research in Food Security and Sustainability” that was released in 2015. The report recognizes the historic underfunding of animal sciences and calls for increased investments. Unfortunately, this funding shortfall is true even of programs such as the Agriculture and Food Research Initiative (AFRI), which has received overall funding increases in recent years.

The 2014 Farm Bill includes enhancements to **Section 1433, Continuing Animal Health and Disease, Food Security, and Stewardship Research, Education and Extension Programs** that can be helpful in reversing this trend. The expanded Section 1433 maintains the capacity program for animal health and disease and adds a competitive grant program focusing on critical priorities in the areas of food security, one health and stewardship. AAC recommends funding of $10 million for fiscal year 2017. The first $5 million appropriated will go toward capacity distribution, while funds above $5 million will be distributed with 15 percent to capacity and 85 percent to competitive grants. Funding at this level will permit the competitive side of the program to commence and allow both land-grants and non-land-grant colleges of agriculture to compete for grants in high priority areas. Recent outbreaks of avian influenza, PEDv and Porcine Deltacoronavirus underscore the need for more science-based solutions to mitigate and prevent the devastating impacts of these and other emerging diseases.
Within other NIFA accounts, AAC requests 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 Medical Loan Repayment Program (VMLRP)**. Since 2010, 340 awards have been made while 1,000 veterinarians have applied. AAC also urges congress to exempt VMLRP awards from withholding taxes.

- **$2.5 million**, which is level funding, for the **Veterinary Services Grant Program (VSGP)** in fiscal 2015 with future increases to the full authorized level of **$10 million**. AAC thanks Congress for funding this new competitive grant program to address gaps in rural areas.

- **$2.5 million** for the **Food Animal Residue Avoidance Database (FARAD)**. In 2016, millions of animals were impacted in 2,752 residue avoidance cases handled by FARAD. 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)**. FADI supports the National Animal Health Laboratory Network and the National Plant Diagnostic Network to identify and respond to high-risk biological pathogens in the food and agricultural system and protect the nation from plant and animal disease threats through surveillance, early detection, mitigation, and recovery.

AAC supports the President’s proposal of **$700 million** for the **Agriculture and Food Research Initiative (AFRI)**, which would bring the program to its fully authorized level. While the animal sciences continue to face a funding imbalance within the AFRI program, AAC is encouraged that recent increases in AFRI funding have 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. In addition, AAC is supportive of the Farm Bill language including a funding priority within AFRI for research to expand and advance drug approvals to treat minor species. AFRI should be encouraged to establish a competitive grant program to carry out research on drugs for minor species and for minor uses in major species.

**Food and Drug Administration: Center for Veterinary Medicine**

AAC supports **$187.825 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 appropriations bill. 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 thanks Congress for increasing the **National Antimicrobial Resistance Monitoring System (NARMS)** funding for meat testing by **$3 million** last year and we support the continuation of the funding for FY17. NARMS is a unique program that is a collaborative effort between CVM, CDC, and ARS. The program detects trends in antibiotic resistance and protects human and animal health through integrated monitoring of antimicrobial resistance among foodborne bacteria. 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.

However, AAC strongly opposes the Administration’s proposal to assess **$60 million** in facility registration fees on feed and feed ingredient manufacturers and as a means of financing implementation
of the **Food Safety Modernization Act (FSMA)**. Instead, we support Congress continuing to provide sufficient levels of appropriations to finance inspection and other related activities associated with FSMA, as the benefits of food and feed safety accrue to the public at large.

**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 2017. 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 Damon Wells, AAC Chairman, at dwells@turkeyfed.org or Brigid Zeller, AAC Vice Chair, at bzeller@ahi.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 Chicken Council  
National Livestock Producers Association  
National Milk Producers Federation  
National Pork Board  
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