

**Written Testimony of
National Pork Producers Council**

**Modernizing Customs Policies to
Protect American Workers and
Secure Supply Chains**

**House Committee on Ways & Means
Subcommittee on Trade**

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Introduction

The National Pork Producers Council (NPPC), representing 42 affiliated state associations, works to ensure the U.S. pork industry remains a consistent and responsible supplier of high-quality pork to domestic and international markets. Through public-policy outreach, NPPC fights for reasonable legislation and regulations, develops revenue and market opportunities and protects the livelihoods of America's more than 66,000 pork producers.

The U.S. pork industry is a significant contributor to the economic activity of U.S. agriculture and the broader U.S. economy, marketing more than 140 million hogs annually. Those animals provided farm-level gross cash receipts of more than \$30 billion in 2022.

To produce those hogs, pork producers used roughly 1.6 billion bushels of corn and soybean meal from 433 million bushels of soybeans in 2022. The industry also purchased more than \$1.6 billion in other feed ingredients.

Economists at NPPC and Iowa State University estimated that in 2021 the U.S. pork industry was directly responsible for creating more than 366,000 full-time-equivalent jobs in pork production and generated roughly 122,000 jobs throughout all of agriculture. In addition, the pork sector was responsible for 138,000 jobs in meatpacking and processing and 399,000 jobs in professional services such as financial services, insurance and real estate. In total, the U.S. pork industry supports 610,000 mostly rural jobs in the United States and adds more than \$57 billion to the country's GDP.

Most importantly, U.S pork producers in 2022 provided more than 27 billion pounds of safe, wholesome and nutritious meat protein to consumers worldwide.

Today is a challenging time in the U.S. pork industry. This year, hog producers are losing an average of \$40 per head on each hog marketed. While hog prices have moderated significantly since 2022, current losses are largely because of record-high production costs that have increased by as much as 50 percent in the past year. These losses are putting a pinch on the pork industry,

and this economic reality may force producers to exit the industry and drive consolidation at the farm-level. One bright spot for producers is the pork industry's continuing robust exports.

Pork Exports

Annual exports of U.S. pork have been increasing for the past several years generally because of improving economies and a rising middle class in countries worldwide. Other factors driving those increases include the emergence of hotel and restaurant industries in some nations – particularly as world travel has become relatively easier and more affordable. Additionally, several important U.S. export markets in Southeast Asia, for example, have been battling ASF for the past several years, creating demand for increased pork imports and benefiting U.S. pork producers.

America's pork producers annually export about a quarter of their total production to more than 100 countries. The pork industry exported \$7.68 billion of pork in 2022. Those exports equated to about \$61, or 25 percent, in value for each hog that was marketed last year, supported 155,000 American jobs and contributed more than \$14.5 billion to the U.S. economy, according to Iowa State University economists.

Despite numerous challenges, a strong U.S. dollar, ongoing supply chain issues and trade retaliation from some of its top foreign markets, the U.S. pork industry continues to export a significant amount of pork. In fact, through March of this year, America's pork producers have shipped \$2.0 billion worth of product to foreign destinations compared to about \$1.7 billion for the same period last year, a 14 percent increase.

While strong exports have tempered the pork industry's economic challenges, that would change in an instant if the country were hit with a foreign animal disease (FAD). If an FAD outbreak were to occur in the United States, countries around the globe would shut off American exports immediately, resulting in disruptions to domestic production and significant job losses.

Agriculture is a U.S. critical infrastructure, and it must be protected. In fact, smuggled foods, threats of agro-terrorism and FADs have prompted several presidential directives related to farms

and food. In December 2003, then-President George W. Bush's Homeland Security Presidential Directive 7 described critical infrastructure as "so vital to the United States that the incapacity or destruction of such systems and assets would have a debilitating impact on security, national economic security, national public health or safety."

Foreign Animal Diseases (FADs)

Pork producers are facing increasing threats from FADs, such as foot-and-mouth disease (FMD) and African swine fever (ASF).

To address FADs, U.S. farmers are collaborating with the U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS), state animal health officials and other stakeholders. They work to maintain early detection, prevention and rapid response tools to address any outbreak, including a strong laboratory capacity for surveillance and a stockpile of vaccines to quickly respond to high-consequence diseases.

Currently, the U.S. pork industry is focused on preventing and preparing for ASF. The swine-only viral disease, which is rampant in Southeast Asia, Eastern and Central Europe and Africa, was detected in the Western Hemisphere (the Dominican Republic and Haiti) for the first time in 40 years in mid-2021.

That's why the U.S. pork industry is working with USDA and other federal agencies to help stop the spread of ASF and to prevent the disease from reaching the U.S. mainland. Following its detection in the Dominican Republic and Haiti, the Agriculture Department dedicated \$500 million in Commodity Credit Corporation (CCC) funds to prevent and prepare for ASF.

Additionally, APHIS is reducing the risk of uncontrolled spreading of ASF should an outbreak occur in the United States and get into the feral swine population. The agency has a program to eradicate the wild pigs, which are present in nearly every state and whose number is growing. While APHIS has had significant success in eliminating feral swine, which could spread ASF far and wide, the eradication program is severely underfunded.

An ASF outbreak in the United States, according to Iowa State University economists, would result in a nearly \$80 billion loss to the pork and beef industries, which also would see the loss of 60,000 jobs. Pork prices would drop between 50 and 60 percent and remain low for three years before recovering. (<https://www.card.iastate.edu/products/publications/synopsis/?p=1372>)

NPPC is asking Congress to provide in the 2023 Farm Bill funding of \$75 million over five years for the feral swine eradication program. For addressing FADs, NPPC is requesting funds for:

- **National Animal Vaccine and Veterinary Countermeasures Bank (NAVVCB):** Established in the 2018 Farm Bill, this U.S.-only vaccine bank allows USDA to stockpile animal vaccines and related products to use in the event of an outbreak of FMD or other high-impact FADs. The bank ensures vaccines are available for rapid response in the case of an outbreak. It is also imperative that the NAVVCB is well funded in the event that vaccines for other high-consequence FADs, such as ASF, become viable.
- **National Animal Health Laboratory Network (NAHLN):** The NAHLN is a network of over 60 laboratories that collaborates with the National Veterinary Services Laboratories (NVSL) on disease monitoring. Should an FAD occur, diagnosing and detecting the extent of the outbreak as rapidly as possible would play a key role in responding to a disease and limiting the impact on producers. The laboratory capacity of the NAHLN is critical to ensuring the United States can rapidly and effectively respond to any outbreak. Enhancing animal health diagnostic testing for both endemic and high-consequence pathogens in the nation's livestock and poultry is vital to protecting animal health, public health and the nation's food supply.
- **National Animal Disease Preparedness and Response Program (NADPRP):** This program allows APHIS to collaborate with animal health partners nationwide to implement high-value projects that enhance prevention, preparedness, detection and response to the most damaging and emerging FADs that threaten U.S. agriculture. Cooperative or interagency agreements between APHIS and states, universities, livestock producer organizations, tribal organizations, land-grant universities and other eligible

entities are vital to addressing the risk of animal pests and diseases.

- **National Veterinary Stockpile (NVS):** APHIS's NVS provides veterinary countermeasures (animal vaccines, antivirals or therapeutic products, supplies, equipment and response support services) that states, tribes and territories need to respond to animal disease outbreaks. Depopulation is a key component of any FAD control effort, and adequate euthanasia equipment is critical to its success. Also essential is sampling and vaccination equipment. The NVS should be well-supplied to step in if a large-scale outbreak requires resources beyond what states, tribes or territories may have.

Those programs and the funding for them are critical for responding to any FAD, protecting domestic food production, reopening vital export markets and securing the jobs of American workers.

But the first line of defense against FADs are the 60,000 agents of the Bureau of U.S. Customs and Border Protection (CBP) who man the country's 328 ports of entry.

Stopping FADs at U.S. Ports of Entry

That's because the most likely pathway for an FAD to enter the United States is through agricultural contraband smuggled into the country. In fact, CBP agents in a typical day discover more than 4,600 plants, meat and animal byproducts that need to be quarantined and, in most cases, destroyed.

Exotic pests and foreign animal diseases annually cost the United States about \$140 billion in economic and environmental losses, according to USDA.

CBP agents do a tremendous job of interdicting agricultural contraband, but there aren't enough of them. The agency remains understaffed at many entry points. Because of that, some illegal product slips through, and it only takes one diseased piece of beef or pork to put the country's \$1 trillion-plus agriculture industry at risk.

The principal program for monitoring agricultural imports is the Agricultural Quarantine and Inspection (AQI) program, which is jointly administered by USDA APHIS and CBP. The program is funded through user fees collected by APHIS from international travelers and commercial traffic.

Unfortunately, in September 2022, APHIS lost its 30-year authority to collect a surcharge on the user fees because of a ruling by the U.S. Court of Appeals for the District of Columbia Circuit. The loss of this longstanding authority to collect reserve funds to be used in the event of severe travel disruptions, such as occurred during COVID-19, and the resulting decrease in user fees would destabilize AQI funding and threaten the effectiveness of the program.

NPPC is urging Congress to restore the surcharge authority to APHIS through the 2023 Farm Bill. The organization also is asking that CBP continue to receive annual appropriations, over and above what is funded through the user fees, for hiring additional staff and carrying out its mission.

An important adjunct to CBP's efforts to stop FADs from entering the country is detector dogs. Under the AQI program, CBP agriculture specialists and officers at U.S. ports of entry and international mail facilities work to target, detect and prevent the entry of potential threats before they can do harm. They check containers and trucks for smuggled products, utilize specialized X-ray machines that detect organic materials and employ USDA's "Beagle Brigade," canines trained to sniff out meat and plant materials in international airport passenger areas.

The Secretary of Agriculture has used discretionary authority to operate the National Detector Dog Training Center in Newnan, Ga., where dogs and their CBP handlers are trained. The center, however, still needs appropriations from Congress to fulfill its job of protecting the U.S. pork industry and the rest of American agriculture from foreign animal and plant diseases and pests.

NPPC is urging Congress to include in the 2023 Farm Bill the "Beagle Brigade Act" (H.R. 1480/S. 759), which provides specific congressional authorization – not just administrative permission – and funds for the dog training center.

Conclusion

U.S. Customs and Border Protection plays an indispensable role in protecting America's farmers and ranchers from foreign animal and plant diseases and pests. That protection not only is from the ravages of diseases and pests to domestic agricultural commodities but from the responses – the closing of export markets – of U.S. trading partners.

Given that exports contribute significantly to the bottom line of U.S. pork producers, producers of other farm commodities and U.S. agriculture's balance of trade, the United States cannot afford to have its foreign markets shuttered for any length of time.

Congress and the Biden administration must continue taking action – authorizing and funding programs, including ones that support the Bureau of Customs and Border Protection – to secure the U.S. borders from foreign animal and plant diseases and pests that could jeopardize the livelihoods of the country's more than 3 million farmers and ranchers, the jobs of hundreds of thousands of Americans and the food security of the United States.