

COVID-19 House Agriculture and Natural Resources Committee



Interim Report May 7, 2020 Meeting

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INTRODUCTION

The goal of this special review committee is to identify areas of concern to streamline, improve, remove, or enhance existing law so that stakeholders, agencies, commissions or other entities in our state can rapidly, efficiently, and quickly adapt to circumstances and effects caused by pandemics, currently COVID-19. Through meeting with various state agencies and associations, our committee is in the process of identifying resources, legislative protections, and other actions that could be of assistance to agencies, associations, and front-line, essential workers.

COMMITTEE MEMBERSHIP

Review Committee Chairman Bill Hixon (District 83)

House Committee Chairman David Hiott (District 4)

Representative Bill Chumley (District 35)

Representative Roger Kirby (District 61)

Representative Marvin Pendarvis (District 113)

SPECIAL REVIEW COMMITTEE MEETINGS

May 7, 2020

The Committee received testimony from the:

- South Carolina Department of Agriculture (SCDA)
- South Carolina Department of Health and Environmental Control (SCDHEC)
- Forestry Association of South Carolina
- Clemson Public Service Activities (CPSA)
- South Carolina Poultry Federation
- South Carolina Trucking Association
- South Carolina Department of Natural Resources (SCDNR)
- South Carolina Farm Bureau

DISCUSSION

SOUTH CAROLINA DEPARTMENT OF AGRICULTURE

Agricultural supply chains: with restaurant and school closures, farmers are experiencing a 60% reduction in demand for their produce. As a result, they initially struggled with how to sell their inventory.

SCDA created a specific webpage (www.agriculture.sc.gov/coronavirus/local), which encourages consumers to purchase directly from these struggling farmers. This page mainly covers produce. Wholesalers have also been affected. Many farms are delivering their produce or setting up drive-through pick ups, supported by online ordering. They are also stepping up farmers' market sales and distributions to food banks.

Milk dumping and plowing vegetable or other row crops under have not been an issue in South Carolina, unlike the situations in Georgia and Florida.

Continuing open communication that includes farmers in South Carolina remains critical. Farmers must have stable supply chains.

Since farmers have not sold all of their 2019 crop, and market prices are depressed, they will need bank loans to support planting their 2020 crops.

Also a factor is that restaurants need 7-10 days to adequately set up their kitchens with food and other inventory before they can be fully ready to open for business.

Farmers are also watching out for the program details from the US Department of Agriculture and how it will disperse the \$19B Congress and the President appropriated to it.

SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL

DHEC reminded all attendees that we were at Day 60 of the COVID-19 pandemic in our state.

The agency is busy filling in the gaps experienced in the under resourced areas of South Carolina. This agency has focused on regulation relaxation. One successful result of this approach allowed the repackaging of bulk processed chicken so that it could be redistributed to families in need.

They are doing additional testing for all nursing home patients and staff in South Carolina. Extra testing will be done in areas where the agency identifies it is needed.

The agency is appreciative of the emergency funding that the General Assembly provided them at the beginning of the COVID-19 crisis.

DHEC appreciates the cooperation between state agencies coordinating the fight against COVID-19.

FORESTRY ASSOCIATION OF SOUTH CAROLINA

The Forestry Association has five recommendations to help the forestry industry.

First, maintain the 90,000 pound truck weight limits that the forest industry is operating under the Governor's Executive Order issued in this State of Emergency. Log trucks are receiving about \$50.00 more per load after this maximum weight increase allowance. This typically amounts to an additional \$750.00 per week for each log truck and reduces the number of log trucks on the road by about 10%.

Second, encourage new construction because housing is a major driver of wood products and timber demand.

Third, put in place policies to encourage workers to return to the labor force as soon as possible. It is being reported that some employees are delaying their return to work because they are receiving unemployment payments.

Fourth, businesses --especially essential industries--need liability protections in place when they comply with the Governor's Executive Orders, or directives from the General Assembly issued during states of emergency.

Fifth, re-open offices as soon as it becomes safe to do so. Opening state government and public education operations is important to the forestry industry because commercial paper sales are down significantly.

CLEMSON PUBLIC SERVICE ACTIVITIES

CPSA consists of four interrelated units:

Experiment Station

Cooperative Extension Service

Livestock-Poultry Health (LPH)

Regulatory Services.

Their comments reveal that critical agricultural research continues by essential personnel under modified operations.

Their investigators are engaging in relevant research projects relating to COVID-19. Extension agents continue to assist farmers. 4-H @ Home is providing free activities. The Agribusiness Team continues to provide agribusiness support.

Meat-Poultry inspectors continue to provide required onsite inspections to allow state inspected meat facilities to continue to operate during COVID-19. LPH is monitoring the issues in the meat and milk supply chains nationally.

Regulatory Services proposed an emergency regulation allowed for extending the certified pesticide licenses for one year.

The LPH Veterinary Diagnostic Center found Low Pathogenic Avian Influenza (HPAI) at a turkey farm in mid-March. LPAI was also found at another turkey farm in early April as it mutated into the Highly Pathogenic form of Avian Influenza (HPAI). This occurrence was the first incident in our state and the nation since 2017. LPH mounted an immediate response working directly with the growers, integrator, and the entire SC poultry industry in coordination with the North Carolina State Veterinarian's office and the USDA APHIS Veterinary Services. Their quick action appears to have eliminated the HPAI virus at this one farm. No additional LPAI has been found during extensive surveillance testing of other poultry in the area for the past four weeks.

Clemson has also created a COVID-19 related websites to help the public navigate the extension process during COVID-19: <https://www.clemson.edu/extension/index.html>

Farm Stress Management Workshops:
<https://www.clemson.edu/extension/agribusiness/farmstress/index.html>

SOUTH CAROLINA POULTRY FEDERATION

Poultry prices in South Carolina are down 30%; that means market prices are below processor production costs. These depressed prices have been happening since March, 2020.

There is also a processing worker attendance issue. When workers do not come to work, production disruption ensues.

The US Department of Homeland Security defines poultry plants/food production as critical infrastructure. They must continue to run as smoothly and as uninterrupted as possible to continue to feed people.

The Poultry Federation concurs with people in leadership positions like Governor McMaster and other elected officials who have made it a point to continually mention that workers in our state and national food chains are essential workers.

As a result, they are encouraging processing plant managers to remind frontline essential workers that they are essential workers and that it is important for them to come to work every day to help feed their families and families across the United States.

The Poultry Federation also expressed the need for legal liability protections, as well as and other safe harbors for their businesses that are essential to the state and national food supply chain. These protections are also important when these facilities are complying with national and state emergency directives.

Personal Protection Equipment PPE for all food manufacturers has been, and must continue to be, readily and easily accessible.

SOUTH CAROLINA TRUCKING ASSOCIATION

The Trucking Association also identified a need for driver PPE. It is hard to find, and, when found, it runs out quickly. Truckers and their families need to be protected from exposure to pandemics.

They also expressed the need for liability insurance coverage to protect their, and other, essential businesses complying with directives issued during states of emergency.

The Trucking Association needs the Department of Motor Vehicles operation centers to continue to conduct commercial drivers license (CDL) tests even during states of emergency. Lack of CDL testing has limited putting more truckers on our state roads.

They expressed appreciation for the SC Department of Transportation, the State Transport Police, and the SCDMV for the assistance they have given to truckers in South Carolina during the COVID-19 pandemic.

SOUTH CAROLINA DEPARTMENT OF NATURAL RESOURCES

SCDNR has been working closely with the Governor's Office and partner agencies to assist with the state's response to COVID-19.

Across our state, with many beaches and other venues closed, boating activity has reached unprecedented levels.

Through its role in ESF-13 at the Emergency Management Division, SCDNR has been conducting increased boating patrols to enforce the social distancing requirements under various Executive Orders. The Department has been assisted with manpower from our State Law Enforcement Division, Highway Patrol, and Probation, Parole, and Pardons in facilitating these patrols. There are 575,000 registered boats in our state.

To date, SCDNR has had to disperse 23,783 people for not practicing physical distancing.

Officers have recently received some pushback from the boating public against beaching and rafting prohibitions. There was also pushback related to the earlier closure of public boat ramps across the state.

They have worker with commercial fishing operations and fishing guides so that they could continue operating.

As a result, SCDNR has expanded its social media outreach to make the public aware of how to enjoy outdoor recreation safely, and in compliance with the Governor's Executive Orders.

SCDNR properties, with a few exceptions, remain open to the public to allow safe access to outdoor recreational opportunities. The Department is still monitoring and assessing the ongoing impact of COVID-19 to commercial fisheries.

SOUTH CAROLINA FARM BUREAU

Farm Bureau has identified stress-induced mental health concerns among farmers. From a recent mental health poll sponsored by the American Farm Bureau, Farmers and farmworkers surveyed shared that financial issues (91%), farm or business problems (88%), and fear of losing their farms (87%) are stressing their mental health.

Other factors include other stress issues, weather, the economy, isolation, and social stigmas. The Farm Bureau has reached out to their farmers to provide them with mental health resources.

There also is a need for rural agribusiness and rural economy support by expanding rural broadband access.

Also, COVID-19 has significantly depressed crop prices. Using average yields, these prices are below farmers' break even prices (B/E) when compared to actual market prices (M/P). Farm bureau checked on market prices the morning of May 7th. While we were in a downward trend before the Covid 19 outbreak, the outbreak has driven prices down even further:

Cotton Breakeven price 73 cents/lb. vs. Market Price 55 cents/lb.

Corn Breakeven price \$4.40 per bushel vs. Market Price \$3.17 per bushel

Soybean Breakeven price \$9.80 per bushel vs. Market Price \$8.35 per bushel

(They determined a breakeven price by using average yields for a specific farm in the Pee Dee.)

Swine, Beef, and Dairy producers also have a wide loss margin between their break even price points and current market prices.

SUMMARY

The agencies participating in our initial meeting all agreed that the most important thing they need from the Governor's Office and the General Assembly is the continuance of communication amongst everyone affected by COVID-19.

They have appreciated the communications with each other so far.

There is also a need for adequate resources and sufficient enforcement personnel for the departments, to carry out the directives of an emergency response orders and legal liability protections for essential businesses complying with state of emergency directives.

All attendees agreed that access to mental health counseling for those suffering stress from the challenges brought on from pandemics such as COVID-19 was extremely important.

PPE is essential. Rural broadband access is crucial. Uninterrupted supply chains must be the norm.