



# South Carolina DEPARTMENT OF AGRICULTURE

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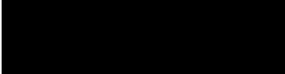
Hugh E. Weathers, Commissioner

## South Carolina Department of Agriculture Key Officials

**Hugh E. Weathers, Commissioner of Agriculture**



**Clint Leach, Assistant Commissioner-External Affairs and Economic Development**

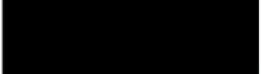


\*key point of contact/liaison for legislative inquiries

**Derek Underwood, Assistant Commissioner-Consumer Protection**

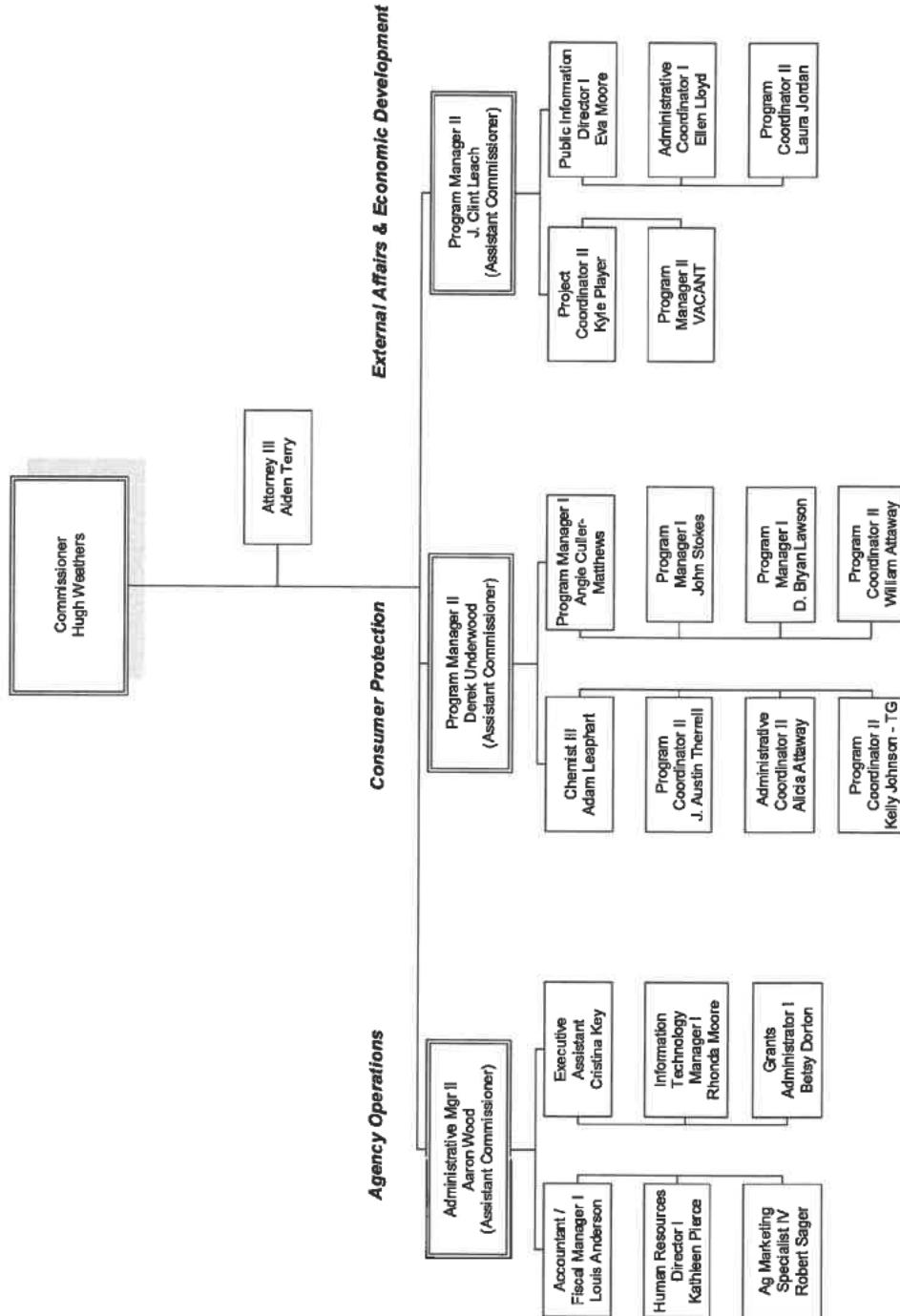


**Aaron Wood, Assistant Commissioner-Agency Operations**



Agency Head: 1  
Agency FTE Authorized: 143  
Agency FTE Filled: 127  
12 TG  
12 TL

December 22, 2021



AGENCY NAME:	South Carolina Department of Agriculture		
AGENCY CODE:	P160	SECTION:	44

## AGENCY'S DISCUSSION AND ANALYSIS

South Carolina Department of Agriculture (SCDA) has a two-part mission to nurture and grow agribusiness and protect producers and consumers in the marketplace. The agency has three divisions: Agency Operations, Consumer Protection, and External Affairs and Economic Development. The Fiscal Year (FY) 2020-2021 Strategic Planning Template reflects this alignment of three goals with the three divisions, while also showing how the entire agency works together to pursue the agency's mission. Outcome success measures have been identified where there is a direct link to a specific strategy.

### Agency Operations

Agency Operations consists of the Commissioner's Office; Administration; Human Resources; Information Technology (IT); State Farmers Markets; and Grants Administration. These program units work to ensure that people, equipment, and infrastructure are adequate, available, and positioned across the state to keep the agency mission ready. Administration consists of finance, budgeting, procurement, fleet, and facilities. Human Resources is responsible for recruitment, classification, benefits, payroll, training, and employee engagement, support, and development. The agency is a Department of Administration Division of Technology Operations (DTO)-managed customer for networking, desktop, and web applications. SCDA's in-house IT department provides end-user support for desktop, mobile-device, and web; facilitates vendor third-party vendor sourcing and service; and acts as a liaison with DTO and agency leadership to communicate user needs and suggest solutions. Grants Administration is responsible for managing over \$10 million in annual grants and cooperative agreements across all three divisions. SCDA offers points of sale / purchase for agricultural products at three State Farmers Markets in Columbia, Florence and Greenville. The Commissioner's Office facilitates constituent services, oversees special projects at the direction of the Commissioner, and manages grant compliance across the agency.

### Consumer Protection

The Consumer Protection Division is comprised of seven departments: Laboratory Services; Food Safety Inspection; Feed Safety Inspection; Consumer Services (including Metrology Laboratory), Produce Safety; Federal State Inspection Services, and Hemp Farming Program. By its legislative charge, the goal of the Consumer Protection Division is to protect the consumers and buying public through routine food/feed/fuel inspections, laboratory testing and analysis, a variety of industry certifications, product sampling, licensing, auditing and oversight of commodity storage warehouses and facilities. Federal State Inspection Services (including Market News Service) ensures that consumers are getting the quality of product they are seeking, and that producers are being paid a price commensurate for their product in the marketplace.

### External Affairs and Economic Development

The External Affairs and Economic Development Division includes External Affairs; Marketing and Promotions; Communications; and the Office of Agribusiness Development. As the lead advocate for the state's agricultural industry, the agency listens to stakeholders about pertinent issues at

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the federal, state, and local levels. SCDA encourages market access, development, and sustainability for agricultural products by building consumer demand in South Carolina and beyond. With Commissioner Weathers' goal to raise the economic impact of agribusiness, including farming and forestry, to 50 billion by 2020, SCDA is helping existing operations expand and recruiting new companies to bring more value-added opportunities in South Carolina. An economic analysis of 2018 data released in October 2020 by the Darla Moore School of Business at the University of South Carolina, shows growth in agribusiness "of approximately 25 percent between 2010 and 2018 – from \$37 billion to \$46.2 billion. This impact corresponds to 246,957 jobs and over \$9.6 billion in labor income that would not exist otherwise."

#### Agency Highlights During Fiscal Year (FY) 2020-2021

1. **Agribusiness Center for Research and Entrepreneurship (ACRE):** In 2017, the South Carolina General Assembly designated funding to promote agribusiness in our state. The South Carolina Department of Agriculture used that funding to create the Agribusiness Center for Research and Entrepreneurship. Thus far, ACRE has awarded over \$640,000 to 42 agricultural entrepreneurs, funded several industry-driven research projects, and led dozens of business workshops throughout the state. And that is just the beginning. Here are some profiles of successful advanced entrepreneurship agribusiness program awardees in South Carolina:

Bravo Steaks is run by husband-and-wife John and Emily Barnes in Fort Lawn, SC. Bravo Steaks ships individually packaged and frozen beef and pork products direct-to-consumer through their e-commerce website. Their beef is barley-finished and dry-aged for 21 days, which adds exceptional flavor and tenderness to the final product. They offer thick-cut, bone-in steaks and chops, as well as hickory smoked bacon, Canadian bacon, and pork sausages from purebred Berkshire hogs raised on their farm entity, Bravo Cattle. They offer a meat subscription box with varying cuts of beef and pork, in addition to weekly special boxes and gift boxes. They pride themselves on their active social media presence and transparency. Emily consistently posts updates from the farm on Instagram and Facebook to build customer rapport and boost their brand awareness. They have been awarded \$30,000 by the judges.

Milky Way Jersey Farm, located in Starr, South Carolina is a fourth-generation, family-owned dairy farm that sells raw milk and low-temperature vat pasteurized whole and chocolate milk. Beginning in 2003, Loyd Davis Peeler, Jr. began bottling raw milk from his herd of Jersey cows and selling it at local farmers markets. Today, with the help of his son and daughter, Davis Peeler and Iris Barham, they sell their product to 37 retail outlets across the state and deliver approximately 1,500 gallons of milk a week to 6 customer stops along I-85. Recently, they invested in a state-of-the-art creamery and a robotic milking parlor. The transition to robotic milking systems will allow them to expand their pasteurized product line while reducing dependence on farm labor, which is becoming harder to find. The judges awarded Milky Way Jersey Farm a \$25,000.

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Crescent Farm is a woman-owned, United States Department of Agriculture (USDA) Certified Organic vegetable farm in Laurens County, South Carolina. They focus their wholesale offerings on carrots, sweet potatoes, winter squash, and kale, all of which are sold to Swamp Rabbit Café and Grocery and GrowFood Carolina. They grow an additional 17 supplemental crops for their Annual Farm Box program. Their current operations occur on six leased acres and one privately owned acre. They recently acquired 47 acres outside of Laurens for expansion; however, the land does not have a water source or existing shelters. Crescent Farm intends to continue growing on the leased land while they develop new field space on the additional property. The judges awarded Crescent Farm \$30,000.

2. **Agribusiness Economic Development:** Now in the tenth year of a formal cooperative agreement, SCDA and the South Carolina Department of Commerce continue to work to aggressively expand the state's agribusiness industry. In FY 2021, planned agribusiness projects with over 3,000 new jobs and more than \$1.4 billion dollars of investment were announced across the state. For the last two consecutive years, compared to other industry sectors, agribusiness has ranked first in total investment. Project announcements have included projects in food and beverage processing, bakery, distribution, aquaculture, and forestry.

The SCDA Office of Agribusiness Development initiated a strategic planning process this past year for growing the agribusiness footprint across the state. The strategic plan is a five-year plan with implementation set to begin in early FY 2022. The plan will allow SCDA, working with our partners, to strategically grow the industry by targeting the most impactful projects and creating more value-added opportunities.

3. **Agritourism (on farm experiences):** South Carolina Department of Agriculture initiated a focus on developing agritourism in 2014. With each generation becoming more disconnected from their food and fiber, farmers have opportunities to open their farms to visitors and educate the public, with the right resources in place. Currently, there are 476 agritourism operators of record in South Carolina, and 164 active members of the South Carolina Agritourism Association.

Although the pandemic presented agritourism operators with challenges, they used the time to make creative changes in how they reached the public through their on-farm experiences. Many people who were working and schooling at home were looking for things to do with their families and friends, particularly outdoors. Farmers started videoing their on-farm activities to offer virtual activities. Others live-streamed tours of their farms. And some farms created drive-through experiences where families could drive through a farm and even feed animals from the comfort and safety of their own cars. As time passed and on-farm markets were deemed essential businesses, they implemented safety protocols at their markets. Examples included one-way entrance and exits, mask requirements, and using individually sealed samples. Many producers who had previously sold at farmers markets set up their own roadside markets. SCDA agritourism started the "We Are Still Open" campaign

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with billboards and print ads. Many farms report that 2020 was their best year for agritourism. As previously stated, the general public's interest in agritourism has been trending upwards. Because of time and circumstances, people became more interested and aware of food produced and sourced locally.

4. **Federal Supplemental Food Programs:** Governor McMaster designated SCDA as the state agency responsible for administration of two federal supplemental feeding programs in December 2018 (federal fiscal year 2019), that were previously administered by the Department of Social Services (DSS). Those programs are The Emergency Food Assistance Program (TEFAP) and the Commodity Supplemental Food Program (CSFP). SCDA streamlined distribution of funding to the four food banks that process applicants and disseminate food to qualifying families across the state. The most notable change was allowing the food banks to order food products in order to better manage their inventories.

At the time SCDA assumed responsibility for TEFAP, the program had an allocation of about \$5.25 million (\$3.75 million to purchase food and \$1.5 million in administrative funds). With additional funding from federal Covid-19 legislation, the program has grown to almost \$20 million (\$14 million for food purchases and \$5.4 million for administration) in current federal fiscal year 2021. This has greatly increased the ability to feed South Carolinians in need, many of whom have been affected by lockdowns, school closures, and job loss during the pandemic. The increased administrative funds are being used to update and expand infrastructure at the food banks to allow them to handle larger amounts of food and clientele. Examples include the purchase of generators, racks, coolers, freezers and forklifts. A fifth food bank has been recruited to target people in rural communities who are underserved, and they should start distribution in early 2022.

CSFP, which specifically serves senior citizens in need, allocated a monthly caseload (number of people served) of 5,907 boxes of food when SCDA began managing the program. After two years of programmatic enhancements by SCDA that allow for more seniors to be served, the federal government has increased caseload allocation to 6,338 per month. SCDA is on track to receive another increase in resources to serve more seniors next federal fiscal year. Plans are underway to target more counties and the Catawba Indian Nation as well.

5. **Grants:** Under the leadership of the Grants Administrator, SCDA has aggressively worked to secure and invest external grant funding. SCDA administers approximately \$12 million in grants and cooperative agreements. This gives the agency more resources to serve South Carolinians in valuable areas. Here are some highlights:

**Coronavirus Aid, Relief, and Economic Security (CARES) Act Reimbursement:** SCDA followed a formal procedure established by the Department of Administration Executive Budget Office to request and receive reimbursements of \$557,090 for expenditures resulting from Covid-19. These were for public safety measures, medical supply acquisition and distribution,

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telework capability improvement, communication, and enforcement, and providing paid sick and medical leave.

**National Organic Certification Cost Share Program (NOCCSP):** SCDA partnered with AgSouth and Arbor One Farm Credit Associations to supplement funding received from USDA to help South Carolina farmers obtain USDA Organic certification. Federal funding decreased in 2020 from 75% (\$750) to 50% (\$500) of certification cost, and this innovative collaboration helped maintain the same financial support as previous years.

**Farm and Ranch Stress Assistance Network (FRSAN):** In 2019, South Carolina Farm Bureau (SCFB) and Clemson University Extension Service established the SC AgriWellness program to offer financial and mental health counseling to farm families. The National Institute of Food and Agriculture (NIFA) announced a request for proposals in 2021 to fund existing programs that connect and support individuals who work in agriculture during times of stress. SCDA applied for this grant on behalf of SC AgriWellness, and in August 2021 was awarded \$500,000 for work to be performed by SCFB, Clemson Extension, First Sun EAP, and SCDA. This funding will greatly expand the impact of the program by making counseling more widely available and training more professionals to address unique stressors experienced impacting agricultural producers, workers, and their families.

As a result of the federal Food Safety and Modernization Act and the subsequent Produce Safety Rule, produce is now being regulated at the farm level where it is grown to prevent microbial contamination and reduce foodborne illnesses from fresh produce. SCDA entered into a cooperative agreement with the Food and Drug Administration (FDA) to educate and train farmers during a five-year phase-in period before regulation. In 2021, SCDA successfully obtained funding to conduct education and compliance activities under federal and state regulatory authority for the next five years.

**Specialty Crop Block Grant Program (SCBGP) FY 2021:** The federal Farm Bill established the SCBGP to provide states with an annual program that under specific parameters must be used to support industry projects that enhance the competitiveness of specialty crops. This program has always been important to specialty crop producers in South Carolina, and funding continues to grow as the industry in the state grows. The FY 2021 allocation of \$600,018 is being used to pay for 16 projects selected through a competitive review process. In May 2021, SCDA hired a full-time, dedicated SCBGP Coordinator, which will increase outreach activities, enhance project-management, and improve evaluation and reporting.

6. ***Grown in SC Magazine:*** In 2021 we launched a new free annual magazine to educate South Carolina residents and visitors about agriculture in the Palmetto State. Through high-quality photography and engaging content, *Grown In SC* helps South Carolina residents and visitors understand the importance of agriculture and their connection to farming. Topics in the first issue included a “day in the life” look at a young soybean farmer, a spotlight on some mushroom farmers growing their business through a grant from our Agribusiness Center for

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Research and Entrepreneurship, a look at produce safety, and an essay and recipe by South Carolina Chef Ambassador Kevin Mitchell.

Through display ad sales, funding for the magazine was shared among multiple SCDA programs and outside agencies and associations. We handed out the magazine at agency events like our spring Plant and Flower Festivals, and, through a partnership with Discover SC, at the state's Welcome Centers and the State House Gift Shop. We were so successful in distributing our initial 2021 print run of 10,000 that we printed an additional 10,000 copies for 2021. The magazine is also available online at [agriculture.sc.gov/magazine](http://agriculture.sc.gov/magazine).

7. **Hemp Farming Final State Plan Approved:** The South Carolina Hemp Farming State Plan was approved by USDA allowing SCDA to maintain and administer the state's hemp farming program. USDA's new final rule was incorporated in the South Carolina State Plan and provides the framework for farmers to receive seed, plant, grow, harvest, and handle hemp. Permitting, harvesting, planting and destruction procedures are clearly articulated so program participants have a complete, accurate, compliant, and legal framework for operation. In calendar year 2021, SCDA has permitted 216 growers farming 3,817 acres and 1,567,053 million square feet in greenhouses/indoor grow locations. There are 8 processors and 48 permitted handlers. SCDA has a staff of six employees in place to perform regulatory activities that include planting verifications, harvesting validations, official sampling, and destructions as prescribed.

**Background Information:** SCDA was tasked in 2017 with establishing a pilot program for industrial hemp growers (H.3559). SCDA permitted 20 growers with approximately 350 acres for the 2018 growing season, and 40 growers (initially) with about 1,400 acres for the 2019 growing season. A subsequent bill called the Hemp Farming Act (H.3449) was signed into law on March 28, 2019, that allowed SCDA to immediately issue a grower permit to any previous applicant for the 2019 season that could have been permitted were it not for the cap of 40. 74 additional grower permits were subsequently issued, bringing the 2019 total to 114 permitted growers and 221 responsible parties operating with the permitted growers. In 2020, the "responsible party" category was eliminated, and those individuals had to become permitted. As a result, the number of permitted growers increased to 254, with 13 processors and 42 handlers (brokers, facilities, labs, transporters, and seed providers).

The 2019 USDA interim rule provided each state the ability to submit a "State Plan" for Hemp Farming, Hemp Handling, and Hemp Processing to allow state officials, not the federal government, to regulate. SCDA's State Plan was approved by USDA on March 30, 2020. As a result, SCDA has been tasked with creating a department in Consumer Protection to manage and regulate the South Carolina State Plan and all hemp operations in South Carolina. The federal rule was finalized, which state plans had to incorporate for approval.

8. **Improvements at Pee Dee and Greenville State Farmers Markets:** SCDA has spent over \$200,000 on many upgrades at the Pee Dee State Farmers Market since April 2019. Those

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include installation of new sign at the market entrance on US Hwy. 52; new interior market directional signage; five new large fans under the produce shed for climate and bird control; new skylights in the produce shed; conversion of fluorescent to LED lighting and relocation of some fixtures under the produce shed; construction of a new deck outside the produce shed; new windows, wall repair, and repainting of the office building interior; new windows in the Pee Dee Tourism building; roof repair and roll-up door seals at the Leatherman Building; improvement of landscaped spaces; new perimeter and interior cameras in conjunction with the security system; installation of vendor and guest WiFi networks; and new siding on the Market Barn and Grill Restaurant. At times in 2021, market space has been fully leased. This is fruit of the physical upgrades, bolstered business practices, greater communication, and a strong employee team.

The Greenville State Farmers Market (GSFM) site renovation project of nearly \$250,000 is nearing completion. An old warehouse was demolished; a portion of sanitary sewer system was rerouted; new curb and gutter was poured; new parking areas were paved and spaces striped; the market was re-landscaped; and a new equipment shed was constructed. A contract has been awarded for removal of the old fence and installation of all new perimeter fencing and electronic gates to secure the market when it is closed. Some sidewalk reconstruction to make the market more accessible will complete this project.

Phase I approval has been granted for GSFM Facilities Renovation, to include restoration of the retail sheds and office building.

**9. Information Security Awareness:** SCDA's IT department deployed a new formal security awareness training program called KnowBe4, with the goal of training users about the potential threats to the agency's network. There has been an obvious emphasis on data security and threat analysis over the last few years. Helping users – in this case, employees – identify threats, know the appropriate preventative actions, and take those actions, remains a challenge. Since introducing KnowBe4, IT staff have been able to assess the agency's security awareness proficiencies and deficiencies in various knowledge areas. A baseline test was used to identify risk at the user, group, and organizational level that helps to make data-driven decisions when it comes to crafting a more effective security awareness plan. User trainings include interactive modules, videos, games, posters, and newsletters. With the new security awareness training interface, users get a fresh new learner experience that makes learning fun and engaging. The platform features the ability to simulate phishing attacks to test users' skills gained from the trainings. Protecting the agency's data and information and lowering the risk for security breaches requires education about potential threats, and subsequent action to mitigate those threats. KnowBe4 is a valuable tool in the toolbox to accomplish both of those.

**10. Market Development:** Covid-19 presented farmers with challenges due to supply chain disruptions, changes in consumer behavior, and government lockdowns. As a reaction to the spread of coronavirus and the subsequent lockdowns and restrictions instituted by state

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and local governments, the food supply chain was severely disrupted. Restaurants, schools, and other institutional food service providers had product but no customers to eat it. Most people were now eating at home and buying more food at retail grocery stores. Shortages occurred, panic-buying ensued, and stores had a hard time re-stocking. Much of the product on-hand at restaurants and food service was not packaged for retail sale. This disruption was felt throughout the food marketing chain all the way back to the farmers, who must plan months, sometimes years in advance, to supply their customers.

Compounding this problem was worker absenteeism, due to sickness, quarantine, or fear of getting sick, at food manufacturing facilities across the United States. After decades of regional specialization, mergers and acquisitions, and just-in-time delivery, a relatively small number of manufacturers produce the lion's share of food products. So, if one plant was closed due to Covid-19 outbreak, it affected a large product supply. Transportation was disrupted, as truckers dealt with a multitude of domestic and international restrictions on movement. Consumers had questions about food-borne virus transmission.

SCDA Marketing and Food Safety personnel worked together to create a statement of facts and subsequent television public service announcements (PSAs) that would help by addressing both supply and demand issues. These PSAs communicated that there was no scientific evidence to suggest Covid-19 was transmitted by and through food, and that existing food safety protocols prevented many different food-borne illnesses, including Covid-19. Messages also helped local producers impacted by the rapid shift in food purchasing habits by making consumers aware of the food produced and available right here in our state. This included promotion of several opportunities for consumers to purchase food in bulk (institutional packaging) from producers.

SCDA helped establish new direct to consumer sales channels by bolstering marketing efforts for local farmers markets, maintaining a "Where to Find Local" page on the SCDA website, supporting the development of three (3) new food hubs sites, and promoting e-commerce platforms. SCDA marketing staff utilized the work-from-home period to aggressively visit South Carolina farms to connect them with applicable resources and help them access new marketing opportunities. As a result, many producers have started working with new buyers in either wholesale, retail, and food service markets, or directly with consumers.

- 11. Poultry and Egg Grading Employee Retention:** SCDA has a cooperative agreement with USDA to grade poultry and egg products at USDA-inspected facilities in the state. USDA offers its own employees more competitive wages and compensation packages than many public and private employers. Recruiting and retaining competent, skilled, and experienced employees across the board at SCDA is an area of emphasis, and this is a program that had not yet been properly addressed. SCDA renegotiated the USDA contract agreement and used the additional revenue to provide salary adjustments, retention incentives and loyalty bonuses to eleven (11) SCDA employees. An updated baseline salary for future new-hire employees was established, and a corresponding 17.23% salary increase was provided to all current

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SCDA poultry and egg graders. Employees with 15 years of state service were rewarded with a “loyalty” bonus annual salary increase of up to \$2,500. For example, an employee who was making \$27,772 with 20 years of service would now be earning \$35,056 after the restructured scale was implemented. Food safety oversight of manufacturers, distributors, and wholesalers is a critical service that SCDA provides consumers so that they can trust the quality and quantity of the food products they eat. This is a step in the right direction to properly compensate employees for the job they do for the public benefit.

12. **Residue Laboratory Establishment** - SCDA continues to retool and restructure the Laboratory Department to meet the needs of current cooperative agreements, regulatory responsibilities, and public safety, as well as anticipated future testing needs. The Laboratory Department now includes four distinct laboratories: Petroleum; Seed; Animal Feed; and Residue. The Residue Lab was established upon the decommissioning of the Food and Pesticide Labs. The scope of testing capabilities will be tuned to support the various compliance missions of the Consumer Protection Division. When fully implemented, the Residue Lab will have capacity to perform all official analyses that support field compliance activities in-house at SCDA. As testing capacity is developed and put into use, staffing and resource efficiencies will be realized. SCDA will no longer need to outsource testing to other labs for analysis of microbiological, Tetrahydrocannabinol, heavy metals, water safety, allergens in foods, toxins in food and feeds, and other critical consumer safety matters.
13. **SCDA meets Minority Business Enterprise (MBE) Utilization Plan spending goal:** Each fiscal year, state agencies that fall under the South Carolina Consolidated Procurement code set a goal to spend at least 10 % of their controllable budget with certified MBE businesses. This is reflected in the agency’s annual plan, outlined in S.C. Code § 11-35-5240, submitted to the Small and Minority Business Assistance office (SMBAO). In FY 20-21, SCDA’s goal was to spend \$40,734 with certified MBE businesses. Total expenditures to MBEs ended up at \$41,303, or 101 % of the spending goal. The agency last met its goal in FY 17-18 and has been making consistent progress since then by recording 24% in FY 18-19 and 40% in 19-20. SCDA is committed to improving vendor competition for products and services, and sourcing from MBEs is a key to making that happen.

\*\*\* END

#### Attachments

1. Executive Summary of “The Economic Impact of Agribusiness in South Carolina and the Certified South Carolina Grown Campaign,” Joseph C. Von Nessen, Research Economist, Darla Moore School of Business at the University of South Carolina; February 2022

**FY 22-23 Prioritized Budget Request Summary**

**\*Agency Name\***

<b>BUDGET REQUESTS</b>																		
Priority	Request Type (recurring, non- recurring, capital)	Request Title	Brief Description	General - Recurring	General - Nonrecurring	Other	Federal	Total	State	Total	State	Other	Federal	Total				
1	Recurring	Market News Reporting	Fund Market News reporters who prepare and release valuable daily, weekly, and monthly reports that provide free and unbiased price and volume information to assist in the marketing and distribution of farm commodities. SCDA can no longer fund with Federal State Inspection revenue.	400,000						400,000	4.49	-4.49						
2	Recurring	ACRE - Industry Expansion Funding	Expand capacity for SCDA's Agribusiness Center for Research and Entrepreneurship (ACRE) to provide more grants for emerging agribusinesses and business development funding for specialty crop growers.	500,000						500,000								
3	Non-Recurring	State Farmers Markets Enhancements	Make physical improvements that will strengthen the markets' brand, capitalize on growing demand for Certified SC Grown, improve security, and increase revenue.		3,550,000					3,550,000								
4																		
5																		
6																		
7																		
8																		
9																		
10																		
		<b>TOTAL BUDGET REQUESTS</b>		\$ 900,000	\$ 3,550,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				



## Fiscal Year FY 2022-2023

### Agency Budget Plan

#### **FORM A - BUDGET PLAN SUMMARY**

**OPERATING  
REQUESTS  
(FORM B1)**

<b>For FY 2022-2023, my agency is (mark "X"):</b>		
<input checked="" type="checkbox"/>	Requesting General Fund Appropriations.	
<input type="checkbox"/>	Requesting Federal/Other Authorization.	
<input type="checkbox"/>	Not requesting any changes.	

**NON-RECURRING  
REQUESTS  
(FORM B2)**

<b>For FY 2022-2023, my agency is (mark "X"):</b>		
<input type="checkbox"/>	Requesting Non-Recurring Appropriations.	
<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.	
<input checked="" type="checkbox"/>	Not requesting any changes.	

**CAPITAL  
REQUESTS  
(FORM C)**

<b>For FY 2022-2023, my agency is (mark "X"):</b>		
<input checked="" type="checkbox"/>	Requesting funding for Capital Projects.	
<input type="checkbox"/>	Not requesting any changes.	

**PROVISOS  
(FORM D)**

<b>For FY 2022-2023, my agency is (mark "X"):</b>		
<input checked="" type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.	
<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).	
<input type="checkbox"/>	Not requesting any proviso changes.	

Please identify your agency's preferred contacts for this year's budget process.

**PRIMARY  
CONTACT:  
SECONDARY  
CONTACT:**

<u>Name</u>	<u>Phone</u>	<u>Email</u>
Aaron Wood	[REDACTED]	[REDACTED]
Louis Anderson	[REDACTED]	[REDACTED]

I have reviewed and approved the enclosed FY 2022-2023 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

**SIGN/DATE:**  
**TYPE/PRINT  
NAME:**

<u>Agency Director</u>	<u>Board or Commission Chair</u>
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

*This form must be signed by the agency head – not a delegate.*

Agency Name:	Department Of Agriculture
Agency Code:	P160
Section:	44

<u>BUDGET REQUESTS</u>			<u>FUNDING</u>						<u>FTES</u>				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total	
1	B1 - Recurring	Market News Reporting	400,000	0	0	0	400,000	0.00	0.00	0.00	0.00	0.00	
2	B1 - Recurring	ACRE - Industry Expansion Funding	500,000	0	0	0	500,000	0.00	0.00	0.00	0.00	0.00	
3	C - Capital	Columbia State Farmers Market Enhancements	3,550,000	0	0	0	3,550,000	0.00	0.00	0.00	0.00	0.00	
<b>TOTALS</b>			<b>4,450,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,450,000</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	

## **FORM B1 – RECURRING OPERATING REQUEST**

**AGENCY  
PRIORITY**

1

*Provide the Agency Priority Ranking from the Executive Summary.*

**TITLE**

Market News Reporting

*Provide a brief, descriptive title for this request.*

**AMOUNT**

General: \$400,000

Federal: \$0

Other: \$0

Total: \$400,000

*What is the net change in requested appropriations for FY 2022-2023? This amount should correspond to the total for all funding sources on the Executive Summary.*

**NEW POSITIONS**

0.00

*Please provide the total number of new positions needed for this request.*

**FACTORS  
ASSOCIATED  
WITH THE  
REQUEST**

**Mark “X” for all that apply:**

	Change in cost of providing current services to existing program audience
	Change in case load/enrollment under existing program guidelines
	Non-mandated change in eligibility/enrollment for existing program
	Non-mandated program change in service levels or areas
	Proposed establishment of a new program or initiative
<input checked="" type="checkbox"/>	Loss of federal or other external financial support for existing program
<input checked="" type="checkbox"/>	Exhaustion of fund balances previously used to support program
	IT Technology/Security related
	Consulted DTO during development
	Related to a Non-Recurring request – If so, Priority #

**STATEWIDE  
ENTERPRISE  
STRATEGIC  
OBJECTIVES**

**Mark “X” for primary applicable Statewide Enterprise Strategic Objective:**

	Education, Training, and Human Development
	Healthy and Safe Families
	Maintaining Safety, Integrity, and Security
<input checked="" type="checkbox"/>	Public Infrastructure and Economic Development
	Government and Citizens

**ACCOUNTABILITY  
OF FUNDS**

2.1.1

*What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency’s accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

## FUNDS

*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

For many years, SCDA has been using revenue from other sources, particularly revenue generated through federal cooperative agreements, to fund the market news program. This past year, USDA Agricultural Marketing Service (AMS) informed SCDA that those funds must be used by the programs generating the funds; and therefore could not be used by the market news program.

### Background on the Market News Program:

**For Fruit and Vegetables:** For over 100 years, AMS has provided free, unbiased price and sales information to assist in the marketing and distribution of farm commodities. Each year, Market News issues thousands of reports, providing the industry with key wholesale, retail, and shipping data. The reports give farmers, producers, and other agricultural businesses the information they need to evaluate market conditions, identify trends, make purchasing decisions, monitor price patterns, evaluate transportation equipment needs and accurately assess movement.\*

**For Livestock, Poultry and Grain:** The primary function of the Livestock, Poultry, and Grain Market News Division (LPGMN) of the Livestock & Poultry Program (L&P) is to compile and disseminate information that will aid producers, consumers, and distributors in the sale and purchase of livestock, meat, poultry, eggs, grains, and their related products regionally, nationally, and internationally.\*

### Market News Reports – (includes F&V, Livestock, and Grain)

- *Terminal market reports: reported produce (including organics), container size & pricing from data collected from Wholesalers on the SC State Farmers Market - 7 reports issued daily Monday thru Friday to include the following categories, including organics:*
  - *Fruit*
  - *Vegetables (including Misc. Seasonal)*
  - *Onions & Potatoes*
  - *Nuts*
  - *Herbs*
  - *Tropical Fruit*
  - *Asian Vegetables*
- *Daily Shed report (produce and pricing information collected from SC sheds and out of state sheds daily on the SC State farmers Market Farm report – issued daily Monday thru Friday)*
- *Daily Grain report (information collected by Grain Elevators, Processors and Mills daily Monday thru Friday)*
- *Peach Newsletter (issued May thru September seasonally – includes shipment numbers, prices and varieties of peaches, Shipping Point trends)*
- *Weekly Fruit & Vegetable Newsletter (issued weekly on Fridays)*
- *Weekly Livestock Newsletter (issued weekly on Fridays)*
- *Honey report (issued monthly- information collected from beekeepers across SC for the USDA National Honey Report)*
- *Crop production report (Fertilizer and Cotton seed prices from SC vendors - monthly)*
- *Pasture Raised Pork report (niche market report -data collected from Pork producers throughout the state of SC issued monthly)*
- *Grass fed Beef report (niche market report- data collected issued monthly)*
- *FOB Reports for Lex Co. (Includes Collards, Mustards, Turnips and Kale, Green Onions, Squash and Zucchini- issued on Tuesdays and Thursdays each week)*
- *SC Farm Report (recap of data for livestock, cotton, grain, fruit, and vegetables issued daily)*
- *Weekly Livestock Summary (includes weekly trend, number of cattle sold at the livestock auctions for the week, etc. issued weekly on Fridays)*
- *Daily livestock auction reports (reporters go to livestock auctions across the state and grade cattle and record data based on USDA standards - 2 on Mondays, 2 on Tuesdays and 2 on Wednesdays) including the following locations:*
  - *Saluda, SC*
  - *Williamston, SC*
  - *Charleston, SC*

## JUSTIFICATION OF REQUEST

\*\*\* Special livestock auction sales that occur such as feeder calf, bred heifers, Spring and Fall round up sales, etc. are covered as well.\*\*\*

**Daily Recordings** – (Information recorded daily – 3 recordings daily: Fruit and Vegetable, Livestock, Grain & Cotton). This information is recording on phone line that callers can call into and listen to the information and posted on the SCDA website.

**Market News** completes yearly summaries of Fruits and Vegetables for NASS and a monthly livestock report for Clemson.

The value of Market News comes from providing (compiling and disseminating) real time unbiased third-party agriculture market information which adds transparency, allowing markets to operate efficiently. A lack of market information would negatively impact agriculture trade and commerce because a lack of price transparency (not knowing local prices for commodities) creates unknowns which would inhibit the SC agriculture industry and its potential growth. Additionally, commodity prices reported through Market News are used for crop insurance adjustments, forward contract negotiations, a basis for obtaining business loans, and a foundation for resolving business related disputes. SC Market News reports also feed into regional and national databases used by thousands of people nationwide. Users of this data range from agriculture producers, processors, and distributors to forecasters, consultants, and financial institutions. There is no replacement available for Market News. Other sources of agriculture data are generally derived from Market News data or if not, the information is delayed by weeks, months, or years before it is published (ex. NASS). Because of these reasons, the Office of Chief Economist has been using Market News data as foundational part of the Coronavirus Food Assistance Program (CFAP) to assist farmers and ranchers negatively impacted by Covid-19.

\*Language and information sourced from USDA AMS.

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*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*

## **FORM B1 – RECURRING OPERATING REQUEST**

**AGENCY  
PRIORITY**

2

*Provide the Agency Priority Ranking from the Executive Summary.*

**TITLE**

ACRE - Industry Expansion Funding

*Provide a brief, descriptive title for this request.*

**AMOUNT**

General: \$500,000

Federal: \$0

Other: \$0

Total: \$500,000

*What is the net change in requested appropriations for FY 2022-2023? This amount should correspond to the total for all funding sources on the Executive Summary.*

**NEW POSITIONS**

0.00

*Please provide the total number of new positions needed for this request.*

**FACTORS  
ASSOCIATED  
WITH THE  
REQUEST**

- Change in cost of providing current services to existing program audience
- Change in case load/enrollment under existing program guidelines
- Non-mandated change in eligibility/enrollment for existing program
- Non-mandated program change in service levels or areas
- Proposed establishment of a new program or initiative
- Loss of federal or other external financial support for existing program
- Exhaustion of fund balances previously used to support program
- IT Technology/Security related
- Consulted DTO during development
- Related to a Non-Recurring request – If so, Priority #

**STATEWIDE  
ENTERPRISE  
STRATEGIC  
OBJECTIVES**

- Education, Training, and Human Development
- Healthy and Safe Families
- Maintaining Safety, Integrity, and Security
- Public Infrastructure and Economic Development
- Government and Citizens

**ACCOUNTABILITY  
OF FUNDS**

hold

*What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

## FUNDS

*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

Funds will assist with entrepreneur grants for emerging agribusinesses throughout the state. ACRE provides dedicated business consultants to help build and update business plans, prepare to ask for loans, go after grant funding, etc. As we continue to add more agriculture entrepreneurs, we need more funding to expand our capacity to continue help these entrepreneurs. ACRE prioritizes, low-income, high unemployment counties and areas throughout the state. The reason behind this is to help businesses who do not have the resources to hire business/grant consultants, create jobs and help eliminate food deserts. Lastly, we have formed partnerships with minority owned farms and agribusinesses, to help us reach more minorities in agriculture. With more funding, we can continue to add minority owned businesses to help us bridge the gap.

## JUSTIFICATION OF REQUEST

During ACRE's four years, we have funded research projects in the poultry, rendering, and petfood industries. We are now expanding into the produce industry, with plans to add more industry segments in the future. The purpose of this research is to solve industry issues, helping South Carolina be a desirable destination for processing facilities, agribusinesses, etc. to do business, which will ultimately create jobs for local communities and boost the state's economy.

SC specialty crop growers face many barriers to expansion due to costly infrastructure, food safety programs, packaging, and transportation needs and logistics. Business Development funding is a huge need for growers. Funding dedicated to specialty crop growers to address recurring challenges would create new growth and development in the specialty crop sector of South Carolina agriculture.

*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*

## **FORM C – CAPITAL REQUEST**

**AGENCY  
PRIORITY**

3

*Provide the Agency Priority Ranking from the Executive Summary.*

**TITLE**

Columbia State Farmers Market Enhancements

*Provide a brief, descriptive title for this request.*

**AMOUNT**

\$3,550,000

*How much is requested for this project in FY 2022-2023? This amount should correspond to the total for all funding sources on the Executive Summary.*

**CPIP PRIORITY**

A portion of this project is priority number three in the 2021 CPIP, and was first included in the 2017 CPIP.

*Identify the project's CPIP plan year and priority number, along with the first year in which the project was included in the agency's CPIP. If not included in the agency's CPIP, please provide an explanation. If the project involves a request for appropriated state funding, briefly describe the agency's contingency plan in the event that state funding is not made available in the amount requested.*

**OTHER  
APPROVALS**

The agency has yet to submit this project for the EBO and JBRC approval, which will be required.

*What approvals have already been obtained? Are there additional approvals that must be secured in order for the project to succeed? (Institutional board, JBRC, SFAA, etc.)*

Besides agency staff time spent on research, no funding has been on this project. Annual operating costs are not expected, however there will be periodic maintenance required. There will be minor maintenance costs associated with roll-up doors, signs, fencing, and plant and turf materials. The billboard will generate more than enough revenue to pay these costs while adding to the profitability of the State Farmers Market. The landscape enhancements and beautification will add more "curb appeal" to the market's interstate frontage. Enclosing one of the sheds will provide a secure, more climate-controlled environment for the year-round exchange of South Carolina food and products. This should invite more traffic and usage, further increasing the market's revenue.

*What other funds have already been invested in this project (source/type, amount, timeframe)? Will other capital and/or operating funds for this project be requested in the future? If so, how much, and in which fiscal years? Has a source for those funds been identified/secured? What is the agency's expectation with regard to additional annual costs or savings associated with this capital improvement? What source of funds will be impacted by those costs or savings? What is the expected useful life of the capital improvement?*

SCDA wants to enhance the state-owned property at the Columbia State Farmers Market that fronts the west side of interstate 26. This will include:

- construction of a monument sign to identify the Columbia State Farmers Market
- a decorative fence
- landscape plant materials
- removal of hazardous trees
- construction of a billboard sign
- other beautification efforts

## SUMMARY

- increase interstate highway safety
- create an additional revenue stream
- attract more vendors and customers

Growing year-round consumer demand for local proteins, fruits and vegetables and horticulture, has created more direct market opportunities for South Carolina farmers. SCDA seeks to upfit existing facilities to provide additional space for exactly that purpose, at the State Farmers Markets in Florence and Lexington. By allowing for the seasonal enclosure of the Farmer Sheds with roll-up doors, heat, large cooling fans and exhaust ventilation, the shed becomes more versatile. Also, due to increased consumer traffic, we are experiencing a greater need for upgraded security technologies and infrastructure.

During most natural disasters (hurricanes) the State Farmers Market is used as a centralized disaster response staging site; these facility upgrades would allow for more space in these specific disaster response activities.

*Provide a summary of the project and explain why it is necessary. Please refer to the budget guidelines for appropriate questions and thoroughly answer all related items.*

**FORM D – PROVISO REVISION REQUEST****NUMBER**

44.1

*Cite the proviso according to the renumbered list (or mark "NEW").***TITLE**

Market Bulletin

*Provide the title from the renumbered list or suggest a short title for any new request.***BUDGET  
PROGRAM**

III. Marketing Services; C. Market Bulletin

*Identify the associated budget program(s) by name and budget section.***RELATED  
BUDGET  
REQUEST***Is this request associated with a budget request you have submitted for FY 2022-2023? If so, cite it here.***REQUESTED  
ACTION**

Codify

*Choose from: Add, Delete, Amend, or Codify.***OTHER AGENCIES  
AFFECTED**

N/A

*Which other agencies would be affected by the recommended action? How?*

Allows SCDA to charge a subscription fee for The Market Bulletin

**SUMMARY &  
EXPLANATION**

*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

N/A

#### **FISCAL IMPACT**

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

The Market Bulletin shall be mailed only to those persons who request it in writing and a record of each request shall be maintained by the department. Provided further, that the Department of Agriculture is authorized to charge a yearly subscription fee to each person requesting the bulletin and may charge for classified advertisements printed in the bulletin. The funds collected pursuant to this provision shall be retained by the department to defray the costs of publication and related incidental expenses.

#### **PROPOSED PROVISO TEXT**

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests,*

**FORM D – PROVISO REVISION REQUEST****NUMBER**

44.3

*Cite the proviso according to the renumbered list (or mark "NEW").***TITLE**

Warehouse Receipts Guaranty Fund

*Provide the title from the renumbered list or suggest a short title for any new request.***BUDGET  
PROGRAM**

II. Consumer Protection; A. Consumer Protection

*Identify the associated budget program(s) by name and budget section.***RELATED  
BUDGET  
REQUEST***Is this request associated with a budget request you have submitted for FY 2022-2023? If so, cite it here.***REQUESTED  
ACTION**

Codify

*Choose from: Add, Delete, Amend, or Codify.***OTHER AGENCIES  
AFFECTED**

N/A

*Which other agencies would be affected by the recommended action? How?*

Clarifies that SCDA may keep \$50,000 from Warehouse Receipts Fund to manage that fund.

**SUMMARY &  
EXPLANATION**

*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

N/A

**FISCAL IMPACT**

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

The Department of Agriculture may retain and expend fifty thousand dollars from the Warehouse Receipts Guaranty Fund established by Section 39-22-150 of the 1976 Code as is necessary for the department to administer the funding of the program.

**PROPOSED  
PROVISO TEXT**

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests,*

**FORM D – PROVISO REVISION REQUEST****NUMBER**

44.4

*Cite the proviso according to the renumbered list (or mark "NEW").***TITLE**

Weights &amp; Measures Registration

*Provide the title from the renumbered list or suggest a short title for any new request.***BUDGET  
PROGRAM**

II. Consumer Protection; A. Consumer Protection

*Identify the associated budget program(s) by name and budget section.***RELATED  
BUDGET  
REQUEST***Is this request associated with a budget request you have submitted for FY 2022-2023? If so, cite it here.***REQUESTED  
ACTION**

Codify

*Choose from: Add, Delete, Amend, or Codify.***OTHER AGENCIES  
AFFECTED**

N/A

*Which other agencies would be affected by the recommended action? How?*

Established the fee for weights and measures servicepersons and directs the revenues to be used by SCDA to administer the program.

**SUMMARY &  
EXPLANATION**

*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

N/A

#### **FISCAL IMPACT**

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

All servicepersons required to be registered with the Department of Agriculture pursuant to the provisions of Section 39-9-65 of the 1976 Code shall pay to the department a registration fee of \$25.00. Revenues generated by this provision shall be for use by the Department of Agriculture to offset expenses incurred in administering this registration program.

#### **PROPOSED PROVISO TEXT**

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests,*

## **FORM D – PROVISO REVISION REQUEST**

**NUMBER**

44.5

*Cite the proviso according to the renumbered list (or mark "NEW").*

**TITLE**

Sale of Property Revenue

*Provide the title from the renumbered list or suggest a short title for any new request.*

**BUDGET  
PROGRAM**

I. Agency Operations

*Identify the associated budget program(s) by name and budget section.*

**RELATED  
BUDGET  
REQUEST**

*Is this request associated with a budget request you have submitted for FY 2022-2023? If so, cite it here.*

**REQUESTED  
ACTION**

Codify

*Choose from: Add, Delete, Amend, or Codify.*

**OTHER AGENCIES  
AFFECTED**

Department of Administration, as it will not receive proceeds from SCDA property.

*Which other agencies would be affected by the recommended action? How?*

Allows SCDA to retain property sale proceeds, except for the State Farmers Market property.

**SUMMARY &  
EXPLANATION**

*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

N/A

#### **FISCAL IMPACT**

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

The department may retain revenues associated with the sale of the property titled to or utilized by the department, except for the State Farmers Market property, and must expend these funds on capital improvements approved by the Joint Bond Review Committee and the State Fiscal Accountability Authority. The department must continue to occupy any property until replacement capital improvements are completed.

#### **PROPOSED PROVISO TEXT**

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests,*

**FORM D – PROVISO REVISION REQUEST****NUMBER**

44.6

*Cite the proviso according to the renumbered list (or mark "NEW").***TITLE**

Export Certification

*Provide the title from the renumbered list or suggest a short title for any new request.***BUDGET  
PROGRAM**

II. Consumer Protection; and III. Marketing Services

*Identify the associated budget program(s) by name and budget section.***RELATED  
BUDGET  
REQUEST***Is this request associated with a budget request you have submitted for FY 2022-2023? If so, cite it here.***REQUESTED  
ACTION**

Codify

*Choose from: Add, Delete, Amend, or Codify.***OTHER AGENCIES  
AFFECTED**

N/A

*Which other agencies would be affected by the recommended action? How?*

Allows SCDA to charge up to \$250 for export certifications

**SUMMARY &  
EXPLANATION**

*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

N/A

#### **FISCAL IMPACT**

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

The Department of Agriculture is allowed to charge up to \$250 for each export certification of agricultural products and to retain revenues to offset expenses incurred in performing certifications.

#### **PROPOSED PROVISO TEXT**

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests,*

**FORM D – PROVISO REVISION REQUEST****NUMBER**

44.7

*Cite the proviso according to the renumbered list (or mark "NEW").***TITLE**

Feed Label Registration

*Provide the title from the renumbered list or suggest a short title for any new request.***BUDGET  
PROGRAM**

II. Consumer Protection; A. Consumer Protection

*Identify the associated budget program(s) by name and budget section.***RELATED  
BUDGET  
REQUEST***Is this request associated with a budget request you have submitted for FY 2022-2023? If so, cite it here.***REQUESTED  
ACTION**

Codify

*Choose from: Add, Delete, Amend, or Codify.***OTHER AGENCIES  
AFFECTED**

N/A

*Which other agencies would be affected by the recommended action? How?*

Authorizes SCDA to charge and retain a \$15 feed registration fee to offset program costs.

**SUMMARY &  
EXPLANATION**

*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

N/A

#### **FISCAL IMPACT**

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

The Department of Agriculture is authorized to require the annual registration of feed labels by manufacturers and to charge a fee of \$15.00 for such registrations. Revenues generated by these fees shall be retained and used by the department to offset expenses incurred in operating the Feed Inspection Program.

#### **PROPOSED PROVISO TEXT**

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests,*

**FORM D – PROVISO REVISION REQUEST****NUMBER**

44.8

*Cite the proviso according to the renumbered list (or mark "NEW").***TITLE**

Commodity Boards

*Provide the title from the renumbered list or suggest a short title for any new request.***BUDGET  
PROGRAM**

III. Marketing Services; B. Commodity Boards

*Identify the associated budget program(s) by name and budget section.***RELATED  
BUDGET  
REQUEST***Is this request associated with a budget request you have submitted for FY 2022-2023? If so, cite it here.***REQUESTED  
ACTION**

Codify

*Choose from: Add, Delete, Amend, or Codify.***OTHER AGENCIES  
AFFECTED**

N/A

*Which other agencies would be affected by the recommended action? How?*

Suspends the provisions of the state procurement code for expenditures of producer assessments by commodity boards.

**SUMMARY &  
EXPLANATION**

*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

N/A

#### **FISCAL IMPACT**

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

**In the current fiscal year, the provisions of the Consolidated Procurement Code related to a commodity board's expenditure of assessments collected from producers, as those terms are defined in Section 46-17-40 of the 1976 Code, are suspended.**

#### **PROPOSED PROVISO TEXT**

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests,*

**FORM D – PROVISO REVISION REQUEST****NUMBER**

44.9

*Cite the proviso according to the renumbered list (or mark "NEW").***TITLE**

Agribusiness Infrastructure Carry Forward

*Provide the title from the renumbered list or suggest a short title for any new request.***BUDGET  
PROGRAM**

III. Marketing Services; F. Infrastructure Grants

*Identify the associated budget program(s) by name and budget section.***RELATED  
BUDGET  
REQUEST***Is this request associated with a budget request you have submitted for FY 2022-2023? If so, cite it here.***REQUESTED  
ACTION**

Codify

*Choose from: Add, Delete, Amend, or Codify.***OTHER AGENCIES  
AFFECTED**

N/A

*Which other agencies would be affected by the recommended action? How?*

Provides carry-forward authority for agribusiness infrastructure grants from one fiscal year to another.

**SUMMARY &  
EXPLANATION**

*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

N/A

#### **FISCAL IMPACT**

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

The Department of Agriculture is authorized to carry forward any revenues, accrued interest, and unexpended Agribusiness Infrastructure funds from the prior fiscal year into the current fiscal year to be expended for the same purpose.

#### **PROPOSED PROVISO TEXT**

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests,*

## **FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN**

**TITLE**

Agency General Fund Reduction Contingency Plan

**AMOUNT**

\$470,439

*What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.*

**ASSOCIATED FTE  
REDUCTIONS**

None

*How many FTEs would be reduced in association with this General Fund reduction?*

**III. Marketing Services; A. Marketing & Promotions****III. Marketing Services: E. Agricultural Center for Research & Entrepreneurship (ACRE)****III. Marketing Services: F. Infrastructure Grants****PROGRAM /  
ACTIVITY IMPACT**

*What programs or activities are supported by the General Funds identified?*

A 3% reduction in appropriated funds would be absorbed by Marketing and Promotions, ACRE, and Infrastructure Grant awards.

The agency would reduce the promotion of the Certified SC branding program, which helps consumers identify, locate, and encourage purchases of agricultural products grown and/or produced in South Carolina. This would negatively affect SCDA's ability to drive market demand and brand recognition, and subsequently hurt the state's producers and consumers.

SCDA would reduce grant funding available for agribusiness research and development projects, and reduce matching grants to counties for recruitment of agribusiness-specific projects. Reduced funding in these areas will eliminate some value-added marketing opportunities, putting South Carolina at a competitive disadvantage compared to neighboring states. This ultimately means farmers lose premiums paid for local use, consumers are paying for more food miles, and the state's food supply chain is longer and less secure.

**SUMMARY**

## **AGENCY COST SAVINGS PLANS**

*Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.*

SCDA is moving more communications activities in-house from external contractors. Existing staff is using technology, training, and personnel efficiencies to accomplish a savings of at least \$50,000. This funding will be reinvested and used for actual communications programming and not personnel or overhead costs.

*What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?*

## **FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS**

**TITLE**

Reduction of Hemp Permit Fees

*Provide a brief, descriptive title for this request.*

**EXPECTED SAVINGS TO BUSINESSES AND CITIZENS**

The reduction of fees charged by SCDA to farmers, processors, and handlers is estimated to be \$170,000.

*What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.*

**FACTORS ASSOCIATED WITH THE REQUEST**

Mark "X" for all that apply:



Repeal or revision of regulations.



Reduction of agency fees or fines to businesses or citizens.



Greater efficiency in agency services or reduction in compliance burden.



Other

**METHOD OF CALCULATION**

SCDA used FY2020-21 permits issued, fees charged, and service levels to estimate the savings from cutting fees by approximately 50%.

*Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.*

**REDUCTION OF FEES OR FINES**

SCDA intends to reduce application and permit fees to grow, process, and handle (transport, store, broker, package) hemp. The hemp program (fund 35860000) generated \$341,805 in revenue and incurred expenses of \$386,436 during FY2020-21. The enabling authority is SC Code Section 46-55-20(A)(2).

*Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?*

**REDUCTION OF REGULATION**

N/A

*Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?*

The SC General Assembly providing funding in the FY2021-22 Appropriations Bill specifically for the hemp farming program. As a result, SCDA is cutting permit fees roughly in half for farmers, processors, and handlers.

*Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?*

Economic Development Subcommittee Proviso Request Summary						
FY 22-23 Proviso #	FY 22-23 Proviso #	Proviso Title	Short Summary	Introduction/ # of years in budget	Recommended Action	Proviso Language
			Outlines how citizens subscribe to the Market Bulletin; allows SCDA to charge a yearly subscription fee; and to use that fee to pay for publishing the Market Bulletin.	Unknown	CODIFY	The Market Bulletin shall be mailed only to those persons who request it in writing and a record of each request shall be maintained by the department. Provided further, that the Department of Agriculture is authorized to charge a yearly subscription fee to each person requesting the bulletin and may charge for classified advertisements printed in the bulletin. The funds collected pursuant to this provision shall be retained by the department to defray the costs of publication and related incidental expenses.
44.1		Fruit / Vegetable Inspectors Subsistence	Sets daily per diem for fruit and vegetable Inspectors	Unknown	NO CHANGE	A daily subsistence allowance of up to \$30.00 may be allowed for temporarily employed fruits and vegetables inspectors from funds generated by fruits and vegetables inspection fees and budgeted under other funds in Program III. Marketing Services, D Inspection Services, in lieu of reimbursements for meals and lodging expense.
44.2		Warehouse Receipts Guaranty Fund	Calls for SCDA to retain and expend \$50,000 from the Warehouse Receipts Guaranty Fund to administer the program (Section 39-22-150)	Unknown	CODIFY	The Department of Agriculture may retain and expend fifty thousand dollars from the Warehouse Receipts Guaranty Fund established by Section 39-22-150 of the 1976 Code as is necessary for the department to administer the funding of the program.
44.3		Weights & Measures Registration	Sets a fee for weighmaster license	Unknown	CODIFY	All servicepersons required to be registered with the Department of Agriculture pursuant to the provisions of Section 39-9-65 of the 1976 Code shall pay to the department a registration fee of \$25.00. Revenues generated by this provision shall be for use by the Department of Agriculture to offset expenses incurred in administering this registration program.
44.4						The department may retain revenues associated with the sale of the property titled to or utilized by the department, except for the State Farmers Market property, and must expend these funds on capital improvements approved by the Joint Bond Review Committee and the State Fiscal Accountability Authority. The department must continue to occupy any property until replacement capital improvements are completed.
44.5		Sale of Property Revenue	Clarifies retainage of revenues for properties titled to or utilized by SCDA	Unknown	CODIFY	The Department of Agriculture is allowed to charge up to \$250 for export certificates and retain the revenue to pay for expenses incurred in issuing these certificates.
44.6		Export Certification	Allows SCDA to charge up to \$250 for export certificates and retain the revenue to pay for expenses incurred in issuing these certificates.	Unknown	CODIFY	The \$250 for each export certification of agricultural products and to retain revenues to offset expenses incurred in performing certifications.

44.7	Feed Label Registration	Authorizes annual feed label registration and establishes fees	Unknown	CODIFY	The Department of Agriculture is authorized to require the annual registration of feed labels by manufacturers and to charge a fee of \$15.00 for such registrations. Revenues generated by these fees shall be retained and used by the department to offset expenses incurred in operating the Feed Inspection Program.	
44.8	Commodity Boards	Exempts commodity boards from the state procurement code	FY 17-18 Appropriations Act	CODIFY	In the current fiscal year, the provisions of the Consolidated Procurement Code related to a commodity board's expenditure of assessments collected from producers, as those terms are defined in Section 46-17-40 of the 1976 Code, are suspended.	
44.9	Agribusiness Infrastructure Carry Forward	Provides carry-forward authority for agribusiness infrastructure funding	FY 18-19 Appropriations Act	CODIFY	The Department of Agriculture is authorized to carry forward any revenues, accrued interest, and unexpended Agribusiness Infrastructure funds from the prior fiscal year into the current fiscal year to be expended for the same purpose.	

**South Carolina Department of Agriculture**  
**Budget vs Actual For Fiscal Years 2021 and 2022 and Carryforward Balances**  
**December 17, 2021**

	Fiscal Year 2021			Fiscal Year 2022		
	Authorization	Expenditures	Forward From FY2021	Authorization	Expenditures	Through 12/17/21
General Funds	19,457,666	13,498,121		1,030,159		6,223,951
Earmarked Funds	9,351,578	7,115,129		9,416,631		3,365,116
Restricted Funds	-	6,422,232		6,796,395		44,462
Federal Funds	6,799,694	5,464,833		439,396		2,598,840
				7,738,080		

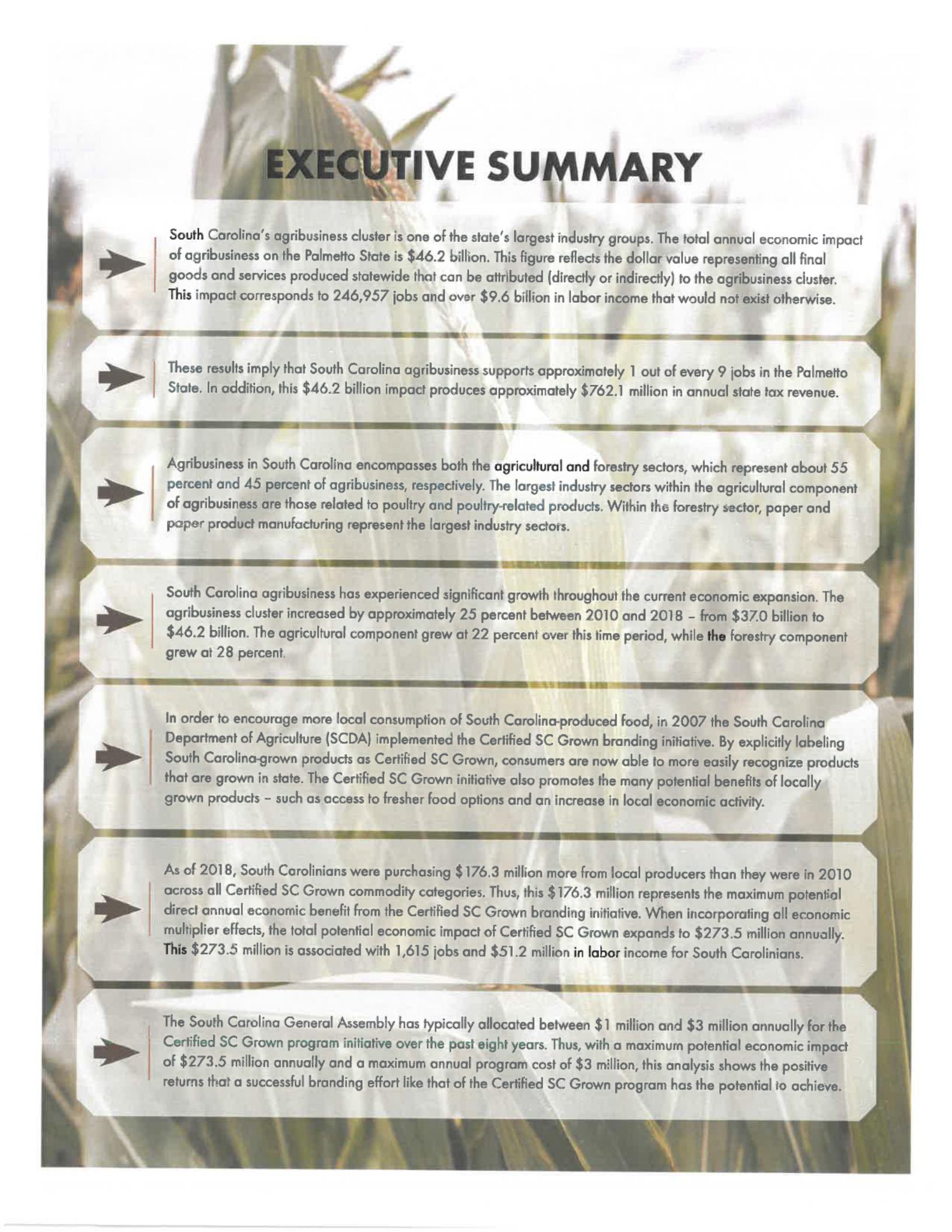
\* Includes budgeted accounts, capital project funds and unbudgeted trust & agency accounts.

**South Carolina Department of Agriculture**  
**FTE Breakdown December 2021**

Personnel Area		Authorized Total FTE
P160	DEPARTMENT OF AGRICULTURE	143.000

Job Class Code	Number of Employees
AA75	5
AC30	1
AE30	1
AG12	1
AG20	1
AH10	6
AH15	1
AH25	1
AH30	1
AH35	4
AH40	7
AH45	3
AH50	2
AI10	1
AK03	1
AM55	1
AM65	2
AN05	3
AN09	1
BC10	1
BC40	1
BE10	1
BE30	1
BG30	1
ED10	1
ED12	4
ED15	1
ED35	1
ED40	2
JA85	4
JB40	3
JB50	7
KA10	1
KC32	2
KC32	2
KC34	1
LA20	2
LA40	3
LA50	1
LA55	8
LA60	2
LA65	2
LA70	12
LA75	13
LA80	6
UA01	1
<b>Total:</b>	<b>127</b>

Pay Grade	Number of Employees
AHNSC	1
BAND 02	4
BAND 03	15
BAND 04	36
BAND 05	31
BAND 06	28
BAND 07	9
BAND 08	3
<b>Total:</b>	<b>127</b>



# EXECUTIVE SUMMARY

→ South Carolina's agribusiness cluster is one of the state's largest industry groups. The total annual economic impact of agribusiness on the Palmetto State is \$46.2 billion. This figure reflects the dollar value representing all final goods and services produced statewide that can be attributed (directly or indirectly) to the agribusiness cluster. This impact corresponds to 246,957 jobs and over \$9.6 billion in labor income that would not exist otherwise.

→ These results imply that South Carolina agribusiness supports approximately 1 out of every 9 jobs in the Palmetto State. In addition, this \$46.2 billion impact produces approximately \$762.1 million in annual state tax revenue.

→ Agribusiness in South Carolina encompasses both the agricultural and forestry sectors, which represent about 55 percent and 45 percent of agribusiness, respectively. The largest industry sectors within the agricultural component of agribusiness are those related to poultry and poultry-related products. Within the forestry sector, paper and paper product manufacturing represent the largest industry sectors.

→ South Carolina agribusiness has experienced significant growth throughout the current economic expansion. The agribusiness cluster increased by approximately 25 percent between 2010 and 2018 – from \$37.0 billion to \$46.2 billion. The agricultural component grew at 22 percent over this time period, while the forestry component grew at 28 percent.

→ In order to encourage more local consumption of South Carolina-produced food, in 2007 the South Carolina Department of Agriculture (SCDA) implemented the Certified SC Grown branding initiative. By explicitly labeling South Carolina-grown products as Certified SC Grown, consumers are now able to more easily recognize products that are grown in state. The Certified SC Grown initiative also promotes the many potential benefits of locally grown products – such as access to fresher food options and an increase in local economic activity.

→ As of 2018, South Carolinians were purchasing \$176.3 million more from local producers than they were in 2010 across all Certified SC Grown commodity categories. Thus, this \$176.3 million represents the maximum potential direct annual economic benefit from the Certified SC Grown branding initiative. When incorporating all economic multiplier effects, the total potential economic impact of Certified SC Grown expands to \$273.5 million annually. This \$273.5 million is associated with 1,615 jobs and \$51.2 million in labor income for South Carolinians.

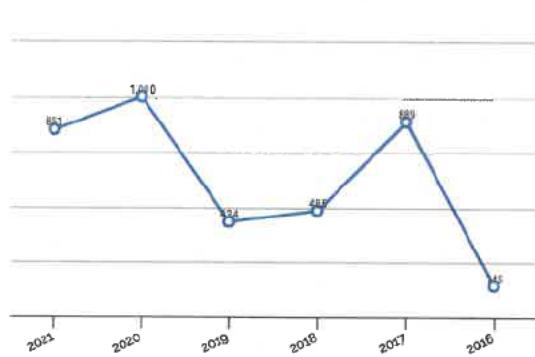
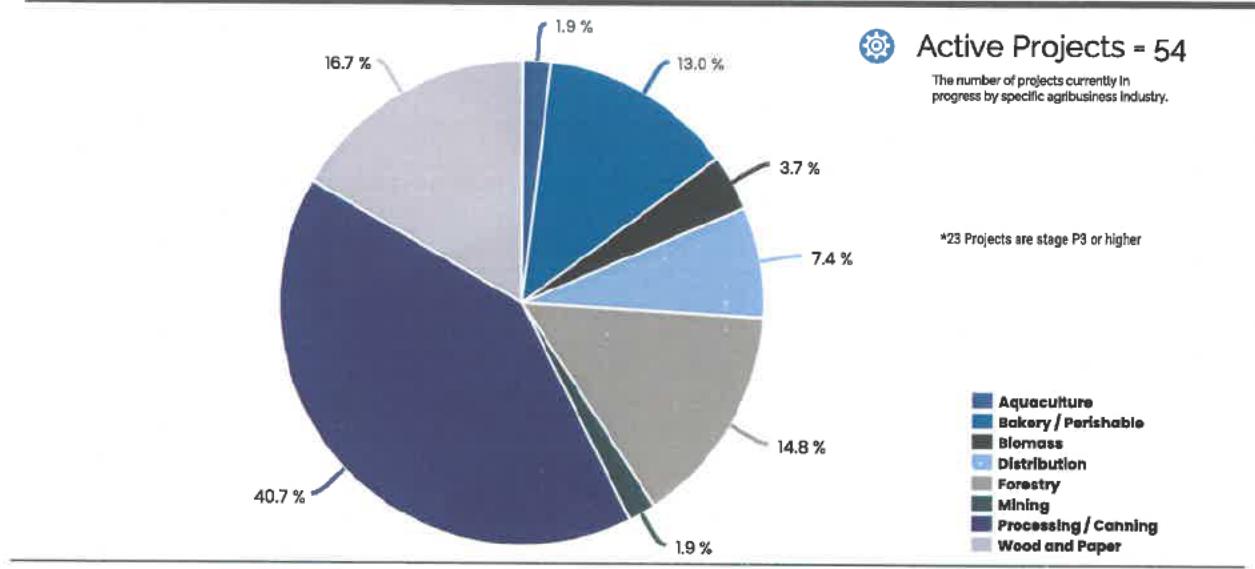
→ The South Carolina General Assembly has typically allocated between \$1 million and \$3 million annually for the Certified SC Grown program initiative over the past eight years. Thus, with a maximum potential economic impact of \$273.5 million annually and a maximum annual program cost of \$3 million, this analysis shows the positive returns that a successful branding effort like that of the Certified SC Grown program has the potential to achieve.

# Agribusiness Center for Research & Entrepreneurship (ACRE) Since 2018

- Research
  - 24 projects totaling \$2,130,000
    - Poultry, rendering, eggs, feed, swine, produce
- Entrepreneurship Advanced
  - 26 companies totaling \$615,000
- Entrepreneurship Curriculum
  - \$80,000 on 17 agribusinesses
- 1,150 total farmers, agribusiness owners, organizations served in all 46 counties

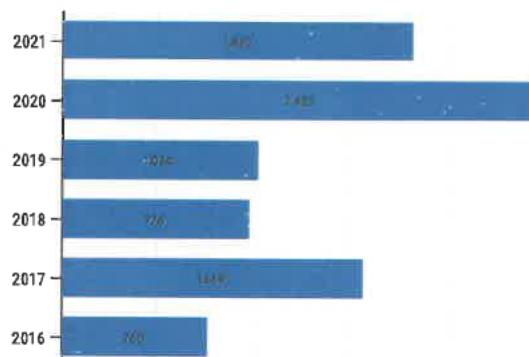
## Economic Development Agribusiness Report

November 2021



### Total Announced Investment

Total amount of agribusiness investment and jobs since 2016.



### Total Announced Jobs

### Recent Agribusiness Announcements



### Food & Beverage

Announce Date	Company Name	County	Investment	Jobs
9/8/21	Premium Peanut, LLC	Orangeburg	\$64,300,000	130
9/2/21	Mira International	Beaufort	\$2,000,000	28
8/3/21	Shenandoah Growers, Inc.	Anderson	\$29,621,000	50



### Forestry/Wood & Paper

Announce Date	Company Name	County	Investment	Jobs
9/22/2021	SC Oak to Barrel, LLC	Bamberg	\$6,800,000	122
8/11/21	Interfor US, Inc.	Dorchester	\$30,000,000	

# FARMERS TO FOOD BANKS

BY THE NUMBERS

Seeking a way to help farmers and needy families during the COVID-19 pandemic, the South Carolina Department of Agriculture and SC Advocates for Agriculture teamed up to create the Farmers to Food Banks program in June 2020. This food box program used donated funds to purchase and distribute South Carolina produce to Feeding America food banks across the state. A review committee selected nine distributors to buy produce from South Carolina farms and prepare and deliver food boxes.

#### The Farmers to Food Banks program:

Gave out <b>335,201</b> pounds of fresh fruits and vegetables	Supported <b>33</b> South Carolina farms	Boosted <b>9</b> food hubs and distributors
Donated <b>20,959</b> free food boxes to SC families	Strengthened relationships with <b>5</b> Feeding America food banks	

#### Our Distributors

Ace Basin Food Hub • Axiom Farms Food Hub • Francis Produce  
FreshList • Growfood Carolina • Limehouse Produce  
Senn Brothers • Titan Farms • Watsonia

## THANK YOU

*We can't say thank you enough to  
the donors who made this possible*

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- Zeus
- SC Advocates for  
Agriculture
- AgFirst Farm  
Credit Bank
- AT&T
- Duke Energy
- First Citizens
- Dominion
- Walmart
- NextEra Energy
- Sonoco
- South State Bank
- AgSouth Farm  
Credit
- And others
- Horry Electric  
Cooperative
- Tri-County Electric  
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