

PABC Journal

A Publication of Palmetto AgriBusiness Council



PABC ELECTS NEW OFFICERS FOR 2012-13



PAMELA P. LACKEY
Pamela P. Lackey, President of AT&T South Carolina, was elected the new Chair for PABC.

(cont. on pg. 4)



BRUCE HOFFMAN
Bruce Hoffman, Vice President of Kapstone Kraft SC, is the new Vice Chair for PABC.

(cont. on pg. 4)



RONNIE L. SUMMERS
Ronnie L. Summers, SC Regional President for AgSouth, is the new Secretary/Treasurer for PABC.

(cont. on pg. 4)

MARK YOUR CALENDAR



SC Farm Bureau's annual summer celebration, Palmetto Palate, is scheduled for July 12, 6 to 9 pm at 701 Whaley St. in Columbia.

This event, which pairs South Carolina's best chefs with the state's locally grown commodities, will feature cooking stations highlighting restaurants from around the state, as well as a silent auction.

Tickets are \$50, and proceeds go to Friends of Farm Bureau. For information on purchasing tickets, contact Kristen Laveland at 803-936-4219.

SC AgriBiz and Farm Expo

Jan. 16, 17 & 18, 2013
Florence Civic Center
Florence, SC

Contact info: Jody Martin
Palmetto Consulting Solutions
jody@PCSAgriBiz.com
843-250-7900

PABC Joins Sen. Graham at Energy Press Conference

Cathy Novinger served as a moderator at Sen. Lindsey Graham's press conference to announce his introduction of energy legislation that would expedite access to natural gas off the coast of South Carolina.



L-R: Sen. Graham, Cathy Novinger and Gov. Haley

The conference was held in conjunction with the release of an economic study by Harry Miley & Associates on job and revenue potential of exploring offshore drilling in the SC/ Atlantic coast. PABC joined the SC Energy Forum and the Citizens for Sound Conservation to introduce the study to the public.

The legislation includes a plan that would give South Carolina
(cont. on pg. 3)

2012 LEGISLATIVE SESSION PRODUCTIVE FOR AGRIBUSINESS

The General Assembly adjourned June 7, but returned June 19 to finish work on the \$6.7 billion state budget. Before adjourning, legislators passed the Pollution Control Act legislation (H.4654), which was signed into law by Governor Haley.

This bill, which was one of PABC's priority issues, was in response to the Supreme Court decision in the Smith Land case. Under the ruling any emission or discharge into the environment would have required a permit, even if one did not exist. The ruling also created a private right of action for any citizen to bring a lawsuit against anyone

(cont. on pg. 2)

2012 LEGISLATIVE SESSION

(cont. from pg. 1)

considered in violation of the Pollution Control Act.

Another priority issue for PABC was maintaining agribusiness property tax assessments and sales tax exemptions. Bill H.4995 removed sales tax exemptions on certain ag products. David Winkles, President of Farm Bureau, and Jack Shuler, President of PABC, presented testimony before the House Subcommittee and subsequently the exemptions were reinstated. The sales tax exemptions included containers, building materials for poultry and cattle enclosures. If passed, this bill would have cost SC farmers millions of dollars per year.

On the budgetary side, the SC Department of Agriculture's 2012-2013 budget requests, as well as the Clemson PSA budget requests were still pending. Legislators passed a continuing resolution that would operate state government at current spending levels, since the fiscal year begins July 1.

(See sidebar for complete priority issue updates.)

2012 Agribusiness Legislative Update

Comprehensive Tax Reform

Overhaul the state's tax code and replace it with a tax strategy that is competitive to create long-term economic prosperity that includes maintaining agribusiness property tax assessments and sales tax exemptions: **(Exemptions maintained)**

- Unemployment Insurance loan repayments to the federal government should be offset with tax relief provided to employers. **(H. 4814 that contains \$77 million in tax relief in conference committee)**
- Reform the business license fee structure so rates are competitive and allow companies to grow, while standardization, complexity and appeals across localities should also be considered. **(H.3472) in House Ways and Means**

SC Department of Agriculture Funding **(Pending)**

- Agribusiness Economic Development funding (recurring) - work with the SC Department of Commerce to ensure that the agribusiness industry sector is properly recruited and developed.
- Support recurring marketing and promotion funding.

SC Forestry Commission Funding **(Approved)**

- Support funding for fire equipment and FTEs.

Prescribed Burn **(H.3631 passed)**

Support legislation that strengthens liability protection for private landowners by adding "gross negligence" language in cases revolving smoke-related lawsuits.

Environmental Issues **(H.4654 passed)**

Restore balance to the Pollution Control Act by correcting the Smith Land Company Ruling from the SC Supreme Court, which gives regulatory authority to DHEC over isolated wetlands and opens up the right to private action lawsuits.

Animal Welfare **(No Action)**

Pass proactive legislation that allows farms to seek damages for property destruction (i.e. protest groups destroying property on poultry farms, etc.)

Clemson PSA **(Pending)**

Support funding for Clemson PSA budget.

FEDERAL ISSUES

Port Expansion

Continue Port expansion, including harbor deepening projects. **(H. 4813 \$180 million for port deepening is in conference committee)**

Highway Funding **(No Action)**

Weight limits on trucks cannot be increased due to poor conditions of roads and bridges.

- Get Congress to reauthorize Transportation bill to fund infrastructure.
- Explore SC's donor state status, so SC receives more of its fair share of federal gas tax revenues.

Immigration **(No Action)**

Regulatory agencies are passing new requirements on labor that have not been legislated. Encourage Congress to take responsibility for immigration, instead of allowing regulatory agencies to pass governing rules (ex.: H2B & H2A wages increased by US-DOL substantially over federal minimum wage; NLRB—union activity (lawsuit against Boeing).

A Great Year For Forestry at the State House

By: Cam Crawford, Pres. SC Forestry Assoc. & Gene Kodama, State Forester

In 2012, the forestry community had a stellar legislative year thanks to a lot of hard work by many members and the assistance of many partners including the Governor's office and our state legislators. This year, the SC General Assembly adopted two major priorities of the SC forestry community, the Prescribed Fire Act and the Property and Firefighter Protection Bill, plus the Timber Theft Bill and increased funding for the SC Forestry Commission.

The Prescribed Fire Act (H.3631) that was introduced by House Judiciary Committee Chairman Jim Harrison reduces liability for a property owner, lessee, agent, or employee conducting a prescribed fire according to state law for damages, injury, or loss caused by smoke from a prescribed fire.

An agreement was reached in the Senate that amended the Prescribed Fire Act to state that a property owner, lessee, agent, or employee is not liable for damage, injury, or loss caused by the resulting smoke of a prescribed fire unless gross negligence or recklessness is proven. Gov. Haley signed the bill into law on April 2, 2012.

The Property and Firefighter Protection Bill

The House and Senate voted to override the Governor's veto of H.4082. This legislation was amended after introduction to state that two and one-quarter percent of the revenue of in-

urance premium taxes collected must be transferred to the SC Forestry Commission and used by that agency for firefighting and firefighting equipment replacement. The legislation takes effect on July 1, 2012 to avoid affecting the 2012/2013 state budget, and funding will expire on June 30, 2017. The forestry community began work on the creation of a mechanism to generate recurring funding for firefighting equipment in 2009. Multiple funding options were considered prior to the development of the H.4082 concept which was introduced as a House bill in 2011 by Representatives Ted Vick, Tracy Edge and Davey Hiott. The bill is estimated to generate about \$15 million over the next five years for the Forestry Commission.

The House and Senate also approved \$2.4 million in recurring funds and \$3.5 million in non-recurring funds for the Forestry Commission. The \$2.4 million is for operational support including personnel and will allow the agency to retain its current level of personnel and avoid additional staffing reductions. The \$3.5 million is for firefighting equipment replacement.

Timber theft is a significant problem in our state, and the General Assembly increased penalties for this crime. Forestry Commission agents estimate losses to SC landowners could be as high as \$10 million each year. Many cases are never reported. The new law provides for a sliding scale whereby penalties increase with repeat offenses

and the value of the timber theft. Now, a first offender must be fined not more than \$1500 or imprisoned for not more than thirty days or both. The fine previously was \$500. The maximum penalty for forest products theft valued at \$5000 or more, for a second or subsequent offense is a felony conviction and a fine of not less than \$10,000 and not more than \$20,000 or imprisoned for not more than ten years.

Our entire forestry community appreciates its members' diligent work that helped to make 2012 an outstanding legislative year. We also express our appreciation to the many partners that assisted in this success, including PABC. SC's forests and its economic, environmental, and societal benefits will be greatly enhanced because of these successes.

GRAHAM ENERGY LEGISLATION

(cont. from pg. 1)

the option to allow exploration offshore, and no exploration could occur within 10 miles of the coast. In addition, the governor and the SC legislature would have to give permission for any exploration of oil and gas within the 10 to 50 mile range. South Carolina would be allowed to keep 37.5 percent of revenues from oil and gas found off its coast, of which 20 percent would be dedicated to the counties on the coast. Fifty percent of the revenues would go to federal deficit reduction and 12.5 percent to the Land and Water Conservation Fund.

Sen. Graham was joined by Gov. Nikki Haley and Rep. Jeff Duncan, who plans to introduce a similar bill in the U.S. House of Representatives.

Mrs. Novinger commented that expanding our access to domestic energy is not only critical to agribusiness and farming, it is a top priority shared by small business, manufacturing and job creators across the state.

According to the Miley study, nearly 7,500 jobs generating more than \$339 million in labor income will be created in South Carolina from offshore drilling operations by the year 2030. The total impact on the state will be more than \$2.2 billion in economic activity per year.

AG IN THE CLASSROOM INSTITUTE

SC Farm Bureau held its annual Ag in the Classroom Institute for teachers in June in Anderson. This program helps SC teachers give their students an appreciation of their food and fiber sources through grade-specific lesson plans aligned with state standards. Tuition is free, and teachers can get credit toward recertification. For more information on the program, contact Vonne Knight at 803-936-4237.

602 Meeting St. Suite B
West Columbia SC 29169

Phone: (803) 926-3462
Fax: (803) 926-3463
cathy@novingerqtr.com

For information about how to join PABC,
contact: Cathy Novinger, Executive Director,
803-926-3462.

PABC OFFICERS

Pamela P. Lackey, Chairman
Bob Battle, Past Chairman
Bruce Hoffman, Vice-Chairman
Ronnie L. Summers, Secretary Treasurer

STAFF

Jack W. Shuler, President
Cathy B. Novinger, Executive Director

AG RELEASES OPINION ON FORESTRY ACT

Recently, there have been several complaints from those working in the forest products industry regarding local governments not complying with the Right to Practice Forestry Act.

South Carolina Forestry Association President Cam Crawford and the South Carolina Timber Producers' Association President Crad Jaynes worked closely with State Forester Gene Kodama in requesting an opinion from the Attorney General's Office in this matter. Attorney General opinions must be requested by public officials so Mr. Kodama requested the opinion for the forestry community.

On June 12, 2012, the Attorney General's Office released the opinion regarding the Right to Practice Forestry Act.

With the release of this opinion, it is clear that the Attorney General's Office believes that the intent of the General Assembly adopting the Right to Practice Forestry Act was To create a uniform statewide standard regarding the practice of forestry.

In summary, the opinion states:

1. Local governments may not impose buffer requirements for forestry activities.
2. Local governments may not require compliance with Best Management Practices.
3. Local tree protection standards (tree ordinances) may not be applied to forestry activities.
4. Local governments may not require notification or reporting prior to engaging in forestry activities.
5. Local governments may not regulate the use of public roads or require permits for access to public roads related to forestry activities on forest lands.

PABC ELECTS NEW OFFICERS

Pamela Lackey
(cont. from pg. 1)

Ms. Lackey is responsible for the public policy, economic development, and community affairs activities of AT&T, a leading provider of wireless and wireline communications services. In her role, she works closely with state and community leaders to help bring new technology and jobs to the state and improve the quality of life for all South Carolinians.

Ms. Lackey attended the University of Alabama, where she was awarded a Bachelor's in Education, a Master of Library Science and an Ed.S in school media supervision.

Actively engaged in her community and civic affairs, Ms. Lackey serves on numerous boards including: the S.C. Ports Authority Board, the Business Partnership Foundation at USC's Moore School of Business, PABC board, the Palmetto Business Forum and the Hollings Cancer Center Advisory Board. She served four years on the Research Centers of Excellence Review Board and was recently named the Business Leader of the Year by the South Carolina Chamber of Commerce.

Bruce Hoffman
(cont. from pg. 1)

Mr. Hoffman joined Westvaco in 1977 as a Technical Service Engineer in the Westvaco-Kraft Division at North Charleston. He later served in different capacities including Process Engineer, and Supervisor. When the North Charleston Mill became part of MeadWestvaco's Packaging Resources Group (PRG), he became Manager of Product Development and Technical Sales Services. He served as acting General Manager of PRG-Charleston Operations from 2006 to 2008 becoming Vice President and General Manager of KapStone Charleston Kraft LLC when Kapstone Paper and Packaging purchased the paper assets of MeadWestvaco.

Mr. Hoffman holds a bachelor's degree in Mechanical Engineering from Duke University. He is past Chairman of TAPPI Southeastern section, and currently serves on the PABC board, and the Board of Directors for both Trident United Way and Roper Hospital in Charleston.

Ronnie Summers
(cont. from pg. 1)

Mr. Summers has served in his current role since January 1, 2004. His 31 years with Farm Credit include roles as a loan officer, credit manager, branch manager and manager of the commercial lending unit of Edisto Farm Credit and its successor, Palmetto Farm Credit. Mr. Summers is responsible for credit in the South Carolina service area of AgSouth Farm Credit.

Mr. Summer's educational background after graduation from Clemson includes graduating from the Georgia Southern Agribusiness School, the University of South Carolina Banking School and three years participation in the National Farm Credit Leadership Development program where he served for two years on the task force preparing the curriculum. He also serves on the board of PABC, the SC Poultry Federation, the SC Forestry Association, the SC Advocates for Agriculture and the SC State University Business School.

RANDY BROWN APPOINTED TO EXECUTIVE COMMITTEE

Randy Brown, Plant Manager of Perdue Farms, Incorporated in Dillon, has been appointed to the PABC Executive Committee.

Mr. Brown has served on the PABC Board since 2008. He is a graduate of the University of North Carolina at Pembroke with a degree in Business Management.

He also serves on the SC Chamber of Commerce AgriBusiness Task Force, the SC Poultry Federation Board, the Pee Dee Coalition Against Domestic Violence and the McLeod Community Advisory Board. He is also a member of the Dillon County Chamber of Commerce, the Pee Dee Lean Alliance, the City of Florence—Recreation Program and Victory Baptist Church.