

PABC Journal



NEW STUDY SHOWS AGRIBUSINESS STILL LARGEST INDUSTRY



Agribusiness continues to be South Carolina's largest business sector according to a recent study by Dr. James London of London & Associates.

Agribusiness, (which includes agriculture and forestry) has a total economic impact of **\$41.7 billion**. This is an increase of 23 percent since 2006. The industry is responsible for nearly 10 percent of the economic activity in South Carolina, and accounts for a total employment of **212,530** jobs, representing 10.5% of the state's workforce. To view the full study visit: www.scagribusiness.org.

HOUSE PASSED INFRASTRUCTURE BILL FAILS FOR SENATE SPECIAL ORDER SLOT

The Senate failed to set to Special Order the House passed bill H.3579 (SC Infrastructure Finance Reform and Tax Relief) in a 26-19 vote, which would raise approximately \$427 million for road repair.

The House bill would increase the state's gas tax to the equivalent of 10 cents per gallon, increase the vehicle sales tax from \$300 to \$500 and provide income tax relief of \$48 per year for taxpayers.

The Senate introduced its own road funding bill S.523 earlier in the session, but it failed to be approved for a Special Order Slot as well. The Senate bill would raise approximately \$800 million for roads and bridges by increasing the gas tax by 12 cents, phased-in over a three year period. The proposal also indexes the gas tax increase for inflation beginning in 2018. The proposal increases the sales tax cap on vehicles from \$300 to \$600, increases driver's license fees and vehicle registration fees.

PABC President Jack Shuler commended the House members who voted for H.3579 and Senators who voted for Special Or-

der. "It is critical to our sustainability to have access to a reliable infrastructure system," he said.

PABC continues to work collaboratively with its Infrastructure Group on this issue. Members of the

group, along with PABC include: SC Farm Bureau, SC Forestry Association, Carolinas AGC, SC Alliance to Fix Our Roads, SC Trucking Association, SC Chamber of Commerce and the SC Manufacturers Alliance.

PABC BOARD ELECTS NEW OFFICERS FOR 2015

The PABC Board recently elected new officers for 2015.

Ronnie Summers, South Carolina Divisional President for AgSouth Farm Credit Bank, was elected chairman. He has a Bachelor of Science degree in Agriculture from Clemson University, and also graduated from the Georgia Southern Agribusiness School and the University of SC Banking School.



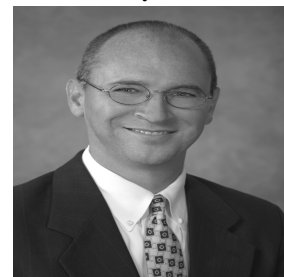
Ronnie Summers

Randy Brown is the new Vice Chairman. He is the Plant Manager of Perdue Farms Incorporated in Dillon, SC. He is a graduate of the University of North Carolina at Pembroke with a degree in Business Management.



Randy Brown

Fred West was re-elected Secretary/Treasurer. He is Vice President of Amick Farms. He is a graduate of the University of SC with a Bachelor of Science degree in Business Administration.



Fred West

Member Spotlight

WP RAWL MARKS 90 YEARS OF GROWING

In January, 1925 the late Walter P. Rawl married Ernestine Price. Right after the wedding, the newlyweds left the church to return to the farm to set cabbages. That year was the beginning of the Walter P. Rawl Farm, now known as WP Rawl, according to their grandson Charles Wingard who is Vice President of Field Operations for the business.

As the farm celebrates 90 years in business, today it has grown to become a grower/shipper/processor shipping to 30 states in the country. It continues to operate as a family farm, with nine family members still working in the business, along with an additional 400 employees.

WP Rawl is headquartered in Pelion, but has facilities in Lexington and Saluda counties, as well as a winter production facility in Florida and a packing/distribution facility in Mississippi. The farm has seen its biggest growth in the last 20 to 25 years. Known for its leafy greens, Rawl grows collards, kale, beets, radishes, chard, squash and sweet corn. Charles said as they looked ahead to respond to market demand, they focused on value-added production with packaging fresh cut greens. One of their most popular products is kale, due to its nutritional content and versatility. "With people wanting to eat healthy, there is more demand for nutritional foods that are convenient to fix," Charles said.

The business continues to expand. With the focus on food safety and quality, WP Rawl is upgrading the production lines responsible for leafy greens processing at its Pelion headquarters. The updates will increase the company's capacity- almost doubling its current capabilities. These production lines are designed for optimum production while ensuring



Charles Wingard

the maximum in food safety and quality fresh products.

Charles believes some of the challenges farmers face today includes overreaching government regulations. "We're not opposed to reasonable regulations," he said. He points out that immigration is especially challenging, since farms must have an accessible workforce to remain in business. "The guest worker programs are broken," Charles said. "We have had to change our business model to fit the guest worker program." Charles is active in helping agribusiness move forward. He serves on the SC Farm Bureau Board of Directors and chairs the Government Relations Council for United Fresh Produce. Farming operations have seen numerous changes over the years. Charles says the biggest change is the use of technology with GPS on tractors and irrigation systems that conserve water and energy. Computers now monitor equipment allowing them to run more efficiently.

Agribusiness operations are an important piece of economic development for rural communities. For WP Rawl, making an impact on rural South Carolina is part of how they do business.



Company founder Walter P. Rawl in front of an early packing shed.

From an economic standpoint, they are a job provider and infuse the economy with new projects, providing opportunities for other businesses.

Giving back to the community is also a large part of WP Rawl. The business partnered with the FFA at Pelion High School, which used their talents to research different varieties of kale. They donate grants to local schools, so they can grow gardens for students to experience. They also donate food to Harvest Hope and LICKS.

With the third generation now playing a major role in the business operations, Charles says there are opportunities for the fourth generation to carry on the tradition. "We're not trying to push them, but if they want to enter the business, we have a program in place for them," he said.

Charles said it is an exciting time to be in the business of providing healthy food to consumers. "We are appreciative of the wonderful opportunities we have," he said.

WP Rawl has been a member of PABC since its formation in 1999. Wayne Rawl, who serves as President of WP Rawl, is on the Board of Directors.

LEGISLATIVE UPDATE

Highway Weight Limits

PABC is working collaboratively with other organizations to examine the non-competitive impact of highway weight limits in South Carolina on the agribusiness industry. The highway weight limit in South Carolina is 80,000 lbs, compared to North Carolina at 90,000 lbs and Georgia at 84,000 lbs. In SC, it takes 12 trucks to move the same amount of product as 10 trucks in other states. PABC supports bridge replacements and secondary road improvements to be built to a higher weight limit, so with any new construction, we are “building to the future” to make sure South

Carolina agribusiness is competitive with other states.

Recently, PABC and the task force members studying this issue, met with SCDOT staff to present a list of load restricted bridges in SC compiled from the SC Poultry Federation, the SC Forestry Association, Farm Bureau and other businesses. Having to take longer alternative routes to move products is adding cost and delays for companies in the state.

Tort Reform
Trespasser Responsibility Act– The Senate Judiciary Committee approved H.3266, which limits liability of property owners in cases where

trespassers are injured in the act of trespassing. Courts in SC have long held that a landowner owes no duty to a trespasser except in a very narrow set of instances to include not causing a willful or wanton injury. This concept was the original intent of the legislation, which limits the liability of landowners.

CDL Protection Act– This Act is part of another tort reform bill S. 282, which is currently in the Senate Judiciary Committee. This legislation concerns commercial driver’s licenses (CDL) and addresses limiting the liability of companies employing CDL holders, contracted or not contracted.

Agency Budgets

PABC continues to support the budget requests of Clemson PSA, the SC Department of Agriculture and the SC Forestry Commission.

Other Legislation:

Agricultural Packaging Operations Jobs Tax Credit

S.592– introduced by Sen. Brad Hutto passed the Senate and now moves to the House.

The bill extends the jobs tax credit to agricultural packaging companies whose business encompasses the enclosing or protecting or preserving of agricultural products for distribution, storage, sale, and use.

Pollution Control Act Fix–

The Senate gave second reading to S.229, an important environmental regulatory bill, that closes a loophole created by a Supreme Court ruling that opened the door for environmental lawsuits related to the Pollution Control Act (PCA). The legislation simply reaffirms a 2012 decision by the General Assembly stating that there is no private cause of action under the Pollution Control Act and that a business cannot be sued arbitrarily for a permit that does not even exist.

PABC signed onto a letter with other businesses asking Senators to support S. 229.

WATER RESOURCE ASSESSMENT ESSENTIAL FOR USER FRAMEWORK

Water resources in South Carolina are an important piece of the state’s economic development future, and according to stakeholders, a comprehensive assessment of those resources approved by the General Assembly is a crucial step in developing a framework for users throughout the state.

In 2013, the General Assembly approved funding for a study to be conducted by the Department of Health and Environmental Control (DHEC) and the Department of Natural Resources (DNR), in coordination with Clemson University. It is the first time a complete assessment of South Carolina’s natural water resources will be conducted.

For agriculture, measuring water resources is critical in an

industry dependent upon availability and access, according to Cathy Novinger, PABC Executive Director.

“By using sound science to address the issue, we can establish a meaningful management plan for distribution and protection of our resources,” Novinger said.

With today’s technology using advanced irrigation systems, farmers are able to use only the water that is needed for production. **Agriculture is one of the smallest users of surface water in the state. In fact, agriculture only uses 3 percent of the total surface water drawn in South Carolina.** Most of the surface water that agriculture uses comes from private farm ponds. As opposed to other water users,

farmers do not use irrigation during periods of wet weather and very seldom use the amount of water they are registered to utilize. The vast majority of water used for irrigation comes from groundwater wells, in which a required DHEC permitting process is in place.

David Winkles, President of the South Carolina Farm Bureau Federation, commented, “Agribusiness is the state’s largest economic engine; we want to grow our crop production to generate more jobs and contribute more tax dollars to support our state. More importantly, we want South Carolina farms feeding South Carolinians. In order to feed our state’s citizens, we must have regulatory stability. Decisions must be based on sound science and historical data.”

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PABC OFFICERS

Ronnie Summers, Chairman
Gene Hundley, Past Chairman
Randy Brown, Vice-Chairman
Fred West, Secretary-Treasurer

STAFF

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

WELCOME NEW PABC MEMBERS

**Henry Barton, VP for Government Affairs
SCANA**

**Frazier Baldwin, Operations Manager
Resolute Forest Products**

**Joey Ferguson, Region Manager
Resource Management Service, LLC**

**Gene Kodama, State Forester
SC Forestry Commission**

**William (Mac) Rhodes, Managing Partner
Essex Farm, LLC**

**Alex Singleton, Manager- Logging Division
Weyerhaeuser**

**Commissioner of Agriculture Hugh Weathers
SC Department of Agriculture**

**T. Reginal (Reg) Williams, Co-Owner
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