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2019 AGRIBUSINESS AGENDA FOCUSES ON WATER REGULATIONS AND TAXES

WATER AND ENVIRONMENT –

Surface Water & Groundwater Withdrawal

Surface and groundwater withdrawal legislation and regulations remain a significant issue for agribusiness. Despite the 2018 DHEC Board approval of additional capacity use areas within the state, PABC continues to believe no changes should be made to water legislation and regulations until the completion of the Statewide Assessment of Water Resources, and all decisions regarding water withdrawal should be based on sound science.

Dams and Reservoirs Standards

The House passed H.3218, the Dams & Reservoirs Act, which increases the number of dams that could be regulated by DHEC, pursuant to the Dams and Reservoirs Safety Act. The Senate Ag Committee carried this bill over and formed a study committee to review this issue. The General Assembly passed Senate bill 1190, a joint resolution, which directs DHEC to focus resources on high hazard dams and stop reclassification of rural low hazard dams. While the 2015 flood and Hurricane Florence have heightened interest in dam safety, it is not clear that the existing statutory and regulatory scheme is inadequate. This issue is worth continuing to be watched, because of the significant costs associated with the reclassification of dams.

Waters of the U.S. aka “WOTUS” (Federal)

South Carolina and 23 others states won a preliminary injunction in a Georgia Federal District Court preventing the EPA and the Army Corps of Engineers from implementing the Waters of the U.S. Rule this past June. Unfortunately, the Federal District Court in Charleston issued on August 16 a nationwide injunction preventing the delay of the effective date of the WOTUS Rule, which decision has now been appealed to the Fourth Circuit Court of Appeals in Richmond, Virginia. Subsequently in September, three additional states (Texas, Mississippi, and Louisiana) were allowed an injunction similar to the Georgia Federal District Court in a Southern District of Texas. The WOTUS rule would result in federal regulation of most bodies of water including isolated streams and roadside ditches. As this process continues, it is important that states have a clear rule that defines WOTUS based on objectively identifiable characteristics in order to reasonably administer the program within their borders.

Energy Issues (State/Federal)

Offshore Drilling - PABC has not taken a position on offshore drilling. On the federal level, the current administration has authorized the development of a new oil and natural gas leasing plan that could include the Atlantic Coast. In response to this, the issue was reviewed by the SC House Ag Committee last session with two bills proposed – one in opposition and one in support.

TAXES AND FEES -

SC Tax Reform - Maintain Agribusiness Sales Tax Exemptions/Property Tax Assessments

As a SC House Tax Policy Review Committee is reviewing South Carolina's tax code system, including sales tax exemptions and property tax assessments, this continues to be an
(cont. on page 2, please see Legislative & Regulatory Priorities)

Legislative & Regulatory Priorities (cont. from page 1)

issue to watch to make sure we maintain these important agribusiness sales tax exemptions and property tax assessments.

Agribusiness Trade (State/Federal)

With the announcement of tariffs on products, this will continue to negatively impact agribusiness operations. Also, a concern is the China log ban on softwood logs exported from South Carolina and the negative impact on the state's forestry industry.

Business License Fees

Support a better integrated system of determining business license fees and a cap on the amount local governments can charge.

LEGAL –

Nuisance Lawsuit – “Safe Harbor” Consideration

As nuisance lawsuits relating to agribusiness operations continue to negatively impact the industry, some type of “safe harbor” solution should likely be considered either by strengthening the SC Right to Farm statutory provisions or through other available legislative considerations.

Labor Issues

Immigration (Federal)

For agribusiness to remain profitable and in business, we must have federal immigration reform that allows access to a stable and legal workforce.

Agribusiness Labor (State/Federal)

PABC opposes unionization of agribusiness labor and along with other organizations, will continue to study legislation enacted in North Carolina in 2017.

Private Property Rights – Eminent Domain

The General Assembly passed Senate bill 868 which prohibits petroleum pipeline companies from having eminent domain authority until June 30, 2019. The Petroleum Pipeline Study Committee issued a report to the General Assembly December, 2017 on this issue. House bill 5109 and Senate bill 1101 were introduced to extend the prohibition against pipeline companies having eminent domain authority until November 30, 2020, giving the General Assembly additional time to review this issue.

TRANSPORTATION –

CDL Liability Insurance and Driver Shortage

PABC and members of the Associated Industries of SC are working with the Governor and two cabinet agencies on CDL issues. The Department of Insurance issued a report identifying what is increasing costs for liability insurance for truck drivers, especially log truck drivers. Insurance premiums have tripled for many logging truck owners. The Associated Industries of SC is examining funding opportunities with the Department of Employment and Workforce to promote careers as CDL drivers, heavy equipment operators and in the construction trade. It will also be PABC's intention to monitor the Vehicle Owner Tort Equity Act (VOTE) legislation being proposed by the SC Civil Justice Coalition.

Highway Infrastructure (State/Federal)

PABC is in support of efforts to secure federal funding for South Carolina's infrastructure and also will be monitoring the progress of the infrastructure funding bill approved in 2017.

AGRIBUSINESS AND RURAL DEVELOPMENT –

Farm Bill

Since our priorities were set in late 2018, the Farm bill has now been passed into law.

Skilled Workforce Development Initiative

PABC is in support of this initiative by the SC Trucking Association to promote careers in skilled trades for state funding of \$950,000 to be allocated to the State's Technical College System to be used to build and deploy a mobile skilled professional jobs promotion workshop.

(cont. on page 4, please see Legislative Priorities)

MEMBERS IN THE NEWS



Jane Sosebee

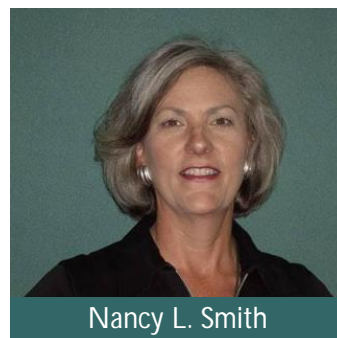
Jane Sosebee has been named president of AT&T South Carolina, succeeding Pamela Lackey, who retired last July.

A native of Laurens, SC, Mrs. Sosebee received a Bachelor's degree in English from Clemson University. She began her AT&T career in the business marketing department. She subsequently joined the External Affairs department initially serving as the area manager for Anderson, Oconee, Pickens and Greenville counties before being promoted the state Director. In addition to her responsibilities with AT&T, Mrs. Sosebee has been very involved in community and charitable activities. She is a past chair of the Clemson University Foundation, the Greenville Chamber of Commerce and the Upstate

Alliance. In 2009, she was awarded the University's Distinguished Service Award.

South Carolina State Fair General Manager **Nancy L. Smith** was awarded an honorary American FFA Degree by the National FFA Organization. The award is given to those who advance agricultural education and FFA through outstanding personal commitment. The National FFA Organization works to enhance the lives of youth through agricultural education.

Ms. Smith has worked with the South Carolina State Fair for more than 30 years. She began in the fair's home and craft department in 1983 and eventually was named superintendent of that department. She assumed a full-time position in 2000 as director of entertainment and exhibits and continued in that position until being named assistant general manager in 2007 and general manager in 2018.



Nancy L. Smith

The South Carolina State Fair will celebrate its 150th anniversary in 2019, with the fair running from October 9-20.



Jim Roquemore

Jim Roquemore, Chairman of the Board and Chief Executive Officer of Patten Seed Company, Inc., was inducted into the Orangeburg County Business Hall of Fame this past December. Mr. Roquemore is also general manager of Orangeburg's SuperSod, a grass and turf company.

Criteria for selection into the Orangeburg County Business Hall of Fame includes: the significance of the impact made as a business leader, the concern demonstrated for improving the Orangeburg community and the display of ethics in all business dealings.

Henry Barton, PABC representative for SCANA Corporation/SCE&G, has announced his retirement as Vice President of Government Affairs for the company, which will now be the Southeast Energy Group of Dominion Energy. As well as serving on the Board, Mr. Barton also served on the Executive Committee for PABC.

Ronnie Summers, PABC CEO, said, "We appreciate Henry's service and leadership to the agribusiness industry and wish him the best in his retirement."



Henry Barton



1901 Main St.
Suite 1450
Columbia, SC 29201

Phone: 803-256-9099
Fax: 803-926-3463

OFFICERS

Randy Brown, Chairman
Cam Crawford, Vice Chairman
Sarah Windham, Sec./Treas.

STAFF

Ronnie Summers, CEO
Sandy Boozer, Exec. Assistant

We're on the web
Scagribusiness.com

CEO MESSAGE FROM RONNIE SUMMERS

This quarterly CEO message will be a little different and even reflect some personal thinking. My personal take on the future has always been "the glass is half full". In other words, my typical mindset is to stay positive and retain a bright overall outlook as to what is ahead of us. No change here (still retaining that attitude) regardless of what AgriBusiness is up against at present and will face in the future!

Please let's not forget that AgriBusiness is South Carolina's number one industry. Our organization and its valuable members have got to work continuously to not only retain the position as the state's number one industry, but to grow SC AgriBusiness. Unfortunately, despite our past success stories (especially in 2018), agribusiness is facing some very evident challenges – water, taxes, trade, dams/reservoirs, labor, transportation of product, permitting, nuisance claims, infrastructure, fee assessments, and ... more. These challenges are not looming out on the horizon to surface years from now. They exist today!

As an avid sports fan, who especially appreciates team sports, I truly believe our organization has to take a "TEAM" approach as we face the many issues confronting agriculture, forestry and rural SC. For SC AgriBusiness to remain strong and get even stronger, our members and associates need to work as a "TEAM". Admittedly, ... easy to state, but at times difficult to accomplish. If you are a member of PABC, my belief is that your entity genuinely values COLLABORATION, which is essential in teamwork, and the benefits of a collaborative effort is one of the primary reasons your entity invests both time and money in PABC. Let's face the challenges mentioned in this message, and challenges yet to surface, as a TEAM by COLLABORATING to the maximum extent possible.

Thanks in advance as we work together to keep SC AgriBusiness strong and number1!
#KeepSCAgriBusinessStrong

USDA Approves Emergency Forest Restoration Assistance for Counties in South Carolina

South Carolina USDA Farm Service Agency (FSA) State Executive Director Boone S. Peeler announced that counties in South Carolina are approved to accept applications for the Emergency Forest Restoration Program (EFRP) to address hurricane damages. Those counties include: **Chesterfield, Marion, Florence, Marlboro and Horry.**

EFRP provides payments to eligible owners of nonindustrial private forest (NIPF) land to enable owners to carry out emergency measures to restore land damaged by a natural disaster. ERP sign-up will end on **January 24, 2019.**

After applications are received, the South Carolina Forestry Commission will provide technical assistance by evaluating the damage and developing a plan to restore the NIPF land. The local FSA county committee will determine land eligibility and approve applications.

In order to meet eligibility requirements, NIPF land must have existing tree cover or had tree cover immediately before the natural disaster occurred and be sustainable for growing trees. The land must also be owned by any nonindustrial private individual, group, association, corporation or other legal entity that has definitive decision-making authority over the land. The natural disaster must have resulted in damage that if untreated would impair or endanger the natural resources on the land and/or materially affect future use of the land. Individuals may receive up to 75 percent of the eligible cost of restoring the damage. The minimum qualifying cost of restoration will be approved at \$1,000 per participant, approximately five acres, unless a waiver is requested. Please contact the local county FSA office for more information or visit <http://disaster.fsa.usda.gov>.

LEGISLATIVE PRIORITIES (cont. from page 2)

Rural Utilities and Telecommunications Infrastructure

Access to broadband continues to be an issue in rural areas of South Carolina.

FUNDING -

Agency Funding

Support funding for the budget requests of the SC Department of Agriculture, SC Forestry Commission and Clemson PSA.