

State of South Carolina
Department of Agriculture



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The Honorable Phyllis J. Henderson
Subcommittee Chair
Economic Development, Transportation, Natural Resources, and Regulatory Subcommittee
PO Box 11867
Columbia, SC 29211

Dear Chairwoman Henderson,

Thank you for the opportunity to provide an overview of the South Carolina Department of Agriculture (SDCA) at the July 6, 2016 meeting of the Economic Development, Transportation, Natural Resources and Regulatory Subcommittee. This letter is in response to the request for information as a follow-up to that meeting, and includes the attached documents:

- An overview of ongoing work in collaboration with SC State University 1890 Extension Program
- A brief summary of irrigation systems
- *The Economic Impact of Agribusiness and the Return on the Certified South Carolina Grown Campaign*: Released in April 2010, this study conducted by the Darla Moore School of Business presents results from an analysis of the Certified South Carolina Grown program showing the campaign's economic potential.
- *The Economic Impact of the Agribusiness Industry in South Carolina*: Based on 2006 data, this report provides a summary of the combined impact of the agriculture and forestry industries.
- *The Impact of the Agribusiness Sector on the South Carolina Economy*: This assessment released in 2015 updates the previously mentioned economic impact study and shows a 23% increase in the economic impact of the SC agribusiness industry.
- Recommendations for revisions to laws: Also provided in the Program Evaluation Report, these recommendations focus on revisions to state law in order to reflect changes in federal law. This will streamline the regulatory process for producers and distributors, allow our Consumer Protection Division to simultaneously conduct state and federal inspections (rather than FDA), and provide greater food safety protection to consumers.

I look forward to the continued work of this committee. Please do not hesitate to contact me or my staff with any additional questions.

Sincerely,

Signature Redacted

Hugh E. Weathers

South Carolina State University

South Carolina Farm Aid Fund

Delbert T. Foster, 1890 Extension Administrator, is a member of the Farm Aid Advisory Board. SCDA has worked with 1890 Extension Agents to educate farmers and provide assistance with completing the Farm Aid application.

AgDiscovery Program

SCSU participates in AgDiscovery, a USDA summer outreach program designed to help teenagers explore careers in plant and animal science, wildlife management, and agribusiness. SCDA hosts the group of students each year at the State Farmers Market and provides staff time and resources to give a tour of the laboratory and market facilities, as well as provide an overview of SCDA and the SC agriculture industry.

South Carolina Advocates for Agriculture

Both SCDA and SCSU representatives work with a non-profit organization, SC Advocates for Agriculture, to promote the South Carolina agriculture industry. Numerous projects and programs have benefited from this collaboration.

Irrigation Systems

The attached document provides details about surface and groundwater usage across the spectrum in South Carolina. In 2013, there were 1,046 farms with a total of 33,927 acres using irrigation systems in the state. New technology and management techniques, including timers, rotating nozzles, and measuring systems, have allowed irrigation systems to become more efficient in water usage. Irrigation Water and System Management, a major research and extension program at Clemson University's Edisto Research and Education Center (REC), is developing and promoting sustainable and efficient irrigation water management in South Carolina.

Nationally, according to a 2012 USDA Economic Research Study, farmers continue to make significant investments in new and improved irrigation systems. Approximately, \$2.15 billion was invested in irrigations systems in 2008, a 92 percent increase over investments for 2003. Most on-farm irrigation investment is financed privately-less than 10 percent of farms reported financing irrigation improvements in 2008 through public financial assistance programs.

Recommendations for Revisions to Laws

Feed 36-25-210 and 40-7-1

1. Model Feed Law, American Association of Feed Control Officials: Adopt this feed law into our current feed law.
2. Current feed law was written in 1967 and places consumers and feed mills at a disadvantage.
3. Current law does not provide specifics for feed inspections that federal FDA currently performs (Medicated feed, BSE, and GMP at mill operations).

4. Feed (animal or pet food) is being categorized much like human food. SCDA wishes to protect animals, pets, and growers thru adopting AAFCO model feed bill to anticipate and educate industry prior to FSMA.
5. FSMA will affect feed mills, animal/pet food operators and feed stores in SC. SCDA wishes to adopt this model feed bill in order to be the primary regulatory body to educate and regulate these facilities prior to, and in conjunction with, federal agencies.
6. Will require registration of facilities with SCDA to facilitate recalls, food borne outbreaks, animal welfare and potential issues prior to an event.

Food Quality (Consumer Protection Lab)

1. Habitual violations for food testing (butter fat, meat fat, etc. under minimum), such as fat content, affects prices at grocery store. A 90-10(lean to fat) hamburger meat vs 70-30 (lean to fat) hamburger meat has a substantial price difference.
2. Adding administration fees to samples that are in violation because the lab must retest, validate and print reports, send out inspectors and utilize extra resources due to a violation or a mislabeled food. Recommend a \$100 admin fee for violators.
3. Feed Registration fees. Currently at \$15, recommend \$25 to mirror sister states. Tonnage Fees will not be used (this is very industry friendly).

Consumer Services

1. Petroleum Law; add registration fee for products/facility. ***39-41-250***
2. 66,000 dispensers in SC. \$5 per dispenser will generate \$330, 000 for more inspectors, more equipment to test, better response time for complaints and accountability. ***39-9-68***
3. SCDA needs the authority to administer penalty (Not ALJ) for repeat violators and habitual offenders. Firms that cheat customers, inaccurately advertise cash credit prices, have repeat dispenser issues (meter creeping), or repeat dispensers out of tolerance (shorting the consumer) should have a monetary penalty to protect the buying consumers in SC. Recommend 1st Offense \$50 (current), 2nd \$200, 3rd \$500. ***39-9-200 thru 39-9-210, 39-41-190***
4. Warehouse receipts...add verbiage to allow electronic receipts. ***39-22-80, 39-22-200, and regulations Article 13, 5-493***

Food/Feed Safety 39-25-10

1. Introduce Fee for Registration Verification Certificate (RVC) (SCDA Permit) application. Allows for department to collect fee at time of application. Applications are reviewed including business plan, product analysis, certifications and training requirements, and labels. This would happen much like a DHEC permit plan Review. Recommend \$25. ***39-25-210***
2. RVC annual renewal based on tier system based on risk/length of inspection, size of firm (distribution) to prevent small prospective manufacturers from being burdened. RVC renewals will allow for more inspectors, better equipment, and faster response time for recalls, complaints, illnesses and enforcement. Public Health and Food Safety must be top priority. Recommend a renewal fee based on DHEC model. ***39-25-210***
3. Add enabling legislation to enact FSMA (including Produce Safety Rule) at state level with no exemptions or changes. SCDA will be the face for outreach, education (along

with Clemson University), and regulatory oversight, in lieu of Federal Food and Drug Enforcement. New section to be created.

Lessen Restrictions for businesses, stop duplication of inspection

Cottage Bill (Remove SCDA involvement): This is a DHEC law and the new food code allows DHEC to regulate 100%. **44-1-143** DHEC's new Food Code allows for non-hazardous foods to be sold at retail and this law is MORE restrictive. SCDA does not regulate retail food sales directly to the end consumer in South Carolina, therefore, the approval of any operation as exempt from Regulation 61-25 is solely the responsibility of Department of Health and Environmental Control's Food Protection Division (DHEC).

Changes to Egg Law: Will exempt USDA Graded facilities from applying. Will focus on small egg producers in SC and will continue to require registration and licensing to continue but will add more exemptions for small producers. **39-39-10 to 39-39-40**

Changes to Salvage Food Regulation: Since RVC is required for food manufactures under SCDA purview; this actually will eliminate duplication and will shore up database. Also, regulation verbiage needs updating to modern language and terminology used by FDA and DHEC. This will prevent duplication of inspection and licensing/permitting. **5-360 through 5-373**