

# **S. C. DEPARTMENT OF AGRICULTURE**

## **EXECUTIVE SUMMARY**

The South Carolina Department of Agriculture has diligently strived in years past to accomplish our overall mission and meet our goals. However, considering the recent budget cuts and the very real possibility of near-future cuts, our success is becoming harder to achieve. Over the last 20 years, our FTE level and budget level has changed very little. We are, in essence, working with less budget now than what we had then, especially so considering the rate of inflation during those years. During the fiscal year just ended, each employee was asked to voluntarily furlough up to 8 days. The vast majority complied with this request. Although the furloughs did save our agency necessary funds, for each day taken, there was work left undone. At the beginning of this fiscal year, we implemented a Voluntary Retirement Incentive and a Voluntary Separation Incentive. Once the employees who take these incentives are gone, we will be left with a bare minimum of employees to see that work is done. If the Legislature decrees more cuts during this fiscal year, our mission and objectives will be in grave jeopardy due to the fact that mandatory furloughs and reduction-in-force will, unfortunately, be necessary.

In ranking programs in the Department of Agriculture, the center of focus is the consumer. To assure safe, affordable food and fiber products for all consumers, both domestic and international, we must have programs that act and assure versus reactionary programs. Programs are reviewed and based on historical data coupled with expectations both by consumers and producers, and are adjusted with priority changes occurring dependent on contributing factors.

With production agriculture being one of the major economic contributors to our overall economy, programs are viewed regarding their extent on continuance of and advancement for South Carolina's total economic package. To maintain this position, futuristic thinking is applied in program review.

Our major program goals are to continue to have in South Carolina an agricultural production and processing industry capable of supplying the consumer with a safe, cost efficient food and fiber supply. Protecting our consumer along with fostering an economic base to insure an adequate standard of living for all involved in agricultural production, from producer to processor, is of major concern.

The Department of Agriculture cooperates with various state agencies and other organizations as common problems are addressed searching for workable solutions. Considerable cooperative efforts are exercised with the Department of Health and Environmental Control dealing with food handling, storage and food preparation safety.

Clemson University and this department work cooperatively on various projects ranging from livestock and poultry to processing problems for state regulatory facilities. The economic and marketing studies involving South Carolina agriculture and its position in a global market are cooperative efforts.

Very close cooperative agreements exist with the state's mandated commodity boards and associations dealing with South Carolina agricultural products in domestic and international trade and in product acceptance.

The accompanying accountability reports for each of the Department of Agriculture's divisions further clarify and define the missions, goals and overall programs for the Agricultural Industry in South Carolina.

### MISSION STATEMENT

*The Department of Agriculture was established to promote the industry of agriculture and its related activities by providing for the orderly, informed marketing of its products; to encourage investments in its growth and diversification; to assure the consumer of an abundant, pure and wholesome supply of agriculture commodities during all seasons; and to protect the consuming public from deceitful marketing practices and unsafe, ineffective or fraudulent goods.*

### ACCOUNTABILITY REPORT/APPROPRIATIONS EXPENDITURES CHART

#### Base Budget Expenditures and Appropriations

Major Budget Categories	00-01 Actual Expenditures		01-02 Actual Expenditures		02-03 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$5,628,262	\$4,172,994	\$5,242,201	\$3,710,031	\$5,483,963	\$3,331,913
Other Operating	\$3,718,859	\$1,749,228	\$3,726,311	\$1,286,316	\$5,428,047	\$1,574,741
Special Items	-0-	-0-	-0-	-0-	-0-	-0-
Permanent Improvements	\$6,700	-0-	-0-	-0-	-0-	-0-
Case Services	-0-	-0-	-0-	-0-	-0-	-0-
Distributions to Subdivision	-0-	-0-	-0-	-0-	-0-	-0-
Fringe Benefits	\$1,541,864	\$1,149,717	\$1,542,905	\$1,096,601	\$1,659,604	\$1,160,497
Non-Recurring	-0-	-0-	-0-	-0-	-0-	-0-
Total	\$10,895,685	\$7,071,939	\$10,511,417	\$6,092,948	\$12,571,614	\$6,067,151

#### Other Expenditures

Sources of Funds	00-01 Actual Expenditures	01-02 Actual Expenditures
Supplemental Bills	-0-	-0-
Capital Reserve Funds	-0-	-0-
Bonds	-0-	-0-

### LEADERSHIP SYSTEM

The South Carolina Department of Agriculture's leadership system is based on the leadership provided by the Commissioner of Agriculture. The Commissioner is a Constitutional Officer of the State of South Carolina elected by the voters of South Carolina. The Commissioner has a senior leadership team who reports directly to him. These include Economic Development Manager, Executive Assistant to Agency Head, Director of Laboratory Services, Director of Consumer Services, Director of Marketing, Attorney, Administrative Manager for Administrative Services, and Human Resources Manager.

There are various other supervisory positions that report to the senior leaders. Each senior leader is responsible to the Commissioner of Agriculture to develop effective leadership within his organization and to set directives and standards in order to meet customer needs.

### **CUSTOMER FOCUS AND SATISFACTION**

Every South Carolinian is, in some way, a customer and stakeholder of the South Carolina Department of Agriculture.

The State requires the Department of Agriculture through our Consumer Services Division to give reasonable assurance that proper weights and measures are guaranteed to consumers when they make purchases of products.

This department is also required by law to test such things as fat content in meat, octane content in gasoline, and content of antifreeze. All of these tests and more are conducted through our Laboratory Division.

Marketing space for agricultural products is provided through the South Carolina Farmers Markets in Columbia, Greenville and Florence. We assist farmers in marketing their products through various commodity boards and councils. We also provide farmers and citizens the opportunity to advertise the sale of farmlands, labor, commodities and equipment to South Carolina citizens in our *Market Bulletin*.

With such a broad-based spectrum of customers and stakeholders, it is extremely difficult for the agency to determine the satisfaction of its customers through normal channels. We rely on the number of complaints we receive to determine the satisfaction ratings.

## ***ADMINISTRATIVE SERVICES***

### **Total Program Cost:**

<b>State funds</b>	<b>\$1,707,745</b>	<b>(19 FTE's)</b>
<b>Federal Funds</b>	<b>\$ 4,248</b>	<b>(0 FTE's)</b>
<b>Other Funds</b>	<b><u>\$ 179,186</u></b>	<b>(0 FTE's)</b>
<b>Total</b>	<b><u>\$2,311,776</u></b>	

### **HUMAN RESOURCES:**

This Agency's Human Resource plan is driven by the knowledge that our employees are our most valuable asset and that our continued success is a direct result of the recruitment and retention of the highest quality employees possible.

In the last two years, with the establishment of a complete and functioning Human Resource Program, new initiatives have been developed to aid in recruiting a qualified and diverse work force, enable us to better monitor employee performance, enhance employee satisfaction, and encourage employee growth within his/her assigned area.

In an effort to recruit the best qualified applicants for a position, this Agency has expanded our recruitment efforts to routinely include minority organizations, newspaper ads, and correspondence with various colleges and universities all over the state.

As an integral part of the human resource plan, employee well being and satisfaction has been addressed in a number of ways:

- An employee orientation process has recently been implemented. The goals of this process is to ease the transition into a new work environment by giving new employees an overview of the agency 's organizational structure and mission, familiarizing the employee with state and agency benefits, and ensuring that he/she is made aware of agency policies and procedures.
- The Human Resource program of this agency is in the process of developing an employee newsletter to keep employees informed and involved in agency concerns.
- An employee leave pool has been established to assist employees in extended crisis situations.
- Employees are made aware of and have access to health screenings and workshops through Prevention Partners.
- Counseling and guidance services are made available to all employees through Job Retention Services, a voluntary confidential program designed to help people maintain their jobs while they get help with disabilities such as anxiety, depression, physical problems, or abuse of alcohol or drugs.
- An ongoing effort is being made to communicate statewide benefit options to all employees.
- This agency is in the process of updating agency policies and procedures and disseminating this information to all employees.
- Various social events throughout the year encourage employees to interact with each other.

Agency management utilizes individual interviews and informal conversations to obtain feedback regarding employee satisfaction. The Human Resource Office is in the process of

developing an exit interview for departing employees and is also entertaining thoughts of an employee satisfaction survey.

Employees are encouraged to bring to the attention of management any concerns about health or safety issues. Monthly safety meetings are conducted in some areas and OSHA safety guidelines are followed in all areas to ensure a safe working environment.

Agency management expects a high level of job performance from all employees and strives to inform employees of expectations and provide feedback on job performance. In an effort to accomplish this, we have implemented the state Employee Performance Management System. Managers are encouraged to support employee participation in development of job duties and success criteria.

In an effort to fairly compensate agency employees, a salary compensation study was done in one area of our agency, and salaries were brought more closely in alignment with those in other southeastern states. Also, to encourage employees to develop to their full potential, employees in that area are offered promotional opportunities as a result of various certification programs.

Pay increases are directly linked to job performance as directed by agency management.

The Human Resource Program is continually evaluating our ongoing strategies toward employee satisfaction, reward and recognition, and overall work climate. This Agency recognizes that these are key elements to our success.

## **FINANCE**

### **Leadership**

The Finance Section of the Administrative Division of the S. C. Department of Agriculture is to promptly process all receipts of revenue and expenditures of the Department and maintain accountable records of these transactions consistent with state laws, regulations, objectives of the Department and generally accepted accounting principles.

We have the sole responsibility for issuance of purchase orders to obtain goods and services for the Department. We focus on paying vendors in a timely and efficient manner.

### **Strategic Planning**

The Finance Section does have a procedure manual that is followed. We try to inform all department employees that planning must be used in obtaining goods and services in a timely manner. The Finance Section requires at least five working days to complete all transactions.

### **Consumer Focus**

We focus on getting payments to our vendors in a timely manner and to deposit incoming checks in a reasonable time frame.

## **Information, analysis and results**

Workload indicators:

- 3,512 Purchase Orders Processed
- 4,275 Vouchers Processed
- 2,000 Seed Licenses Issued
- 364 Deposits Processed (27,700 receipts issued)

Efficiency Measures:

Ensured fair treatment to vendors.

- 100% Proper Authorization
- 99% of all Seed Licenses in compliance
- 99% Deposited in a timely manner

Effectiveness Measures:

- Provide quality & integrity with clearly defined procedures and standards.
- \$10,511,417 Total Expenditures
- \$114,110 Revenue from Seed Licenses
- \$8,354,625 Total revenue received (less Seed License)

## **Human Resources**

The employees of the Finance Section have various job functions. They are able to work with limited supervision. We have a good working relationship and are able to solve conflicts in a professional manner.

## **INFORMATION TECHNOLOGY SERVICES**

### **Program Goal:**

Information Technology Services provides computer resources for employees of the S. C. Department of Agriculture including hardware, software, maintenance of equipment, support and training. It is our goal to provide the optimum resources at a minimum cost.

### **Program Objective:**

The objective of Information Technology is to keep the computer resources of the S. C. Department of Agriculture in line with the technology of other state agencies and private industry in order to provide an efficient work environment. Our current computer network includes a 100 user LAN/WAN and an AS/400. We also offer our services to approximately 20 stand-alone personal computer users. Users are located at seven sites across the state. The services provided include the writing and maintaining of custom software for in-house use, the purchase of pre-packaged software, purchase of hardware, user training, and maintenance in the form of minor in-house repairs and maintenance agreements.

### **Performance Measures:**

Workload Indicators:

Projects addressed during fiscal year 2002 include: installation of Mail Essentials, a server based mail filtering project, Visual Studio software to aid in visual basic program development, and the installation of a new AS/400.

The following is a list of devices, software and support that were maintained during fiscal year 2002:

- 900 COBOL programs involving 370,000 lines of code
- 100 Users supported for LAN and AS/400 environment
- 20 Users supported on stand-alone PCs
- 120 Users supported for email and Internet access
- 120 Users supported for hardware and software maintenance
- 1 NOVELL server monitored – including maintenance and backup
- 2 NT servers monitored – including maintenance and backup
- 1 LINUX/SQL server monitored – including maintenance and backup
- 1 Mail server monitored and maintained
- 1 Mail Essentials email filter server monitored and maintained
- 4 100 MHz 24 port Ethernet hubs maintained
- 4 10 base-T 12 port Ethernet hubs maintained
- 2 10 base-T 5 port Ethernet hubs maintained
- 1 10 base-T 8 port Ethernet hub maintained
- 2 personal computer purchased and installed for users
- 15 personal computers refurbished for users
- 30 network printers maintained
- 13 stand-alone printers maintained
- 8 print server boxes maintained
- 4 dial-up Internet and email accounts maintained
- 13 on-line user accounts to FDS maintained
- 7 on-line user accounts to CG maintained
- 3 on-line user accounts to Dept. of Insurance maintained
- 3 on-line user accounts to HRD maintained

Efficiency Measures:

- 100% Real time access to Internet services for 120 users
- 100% Access for network office services for 120 users
- 100% Access for e-mail services for 120 users
- 100% Access for AS/400 computer applications

Effectiveness Measures:

- 99.9% Real time access to Internet services for 120 users
- 99.9% Access for network office services for 120 users
- 99.9% Access for e-mail services for 120 users
- 99.9% Access for AS/400 computer applications

**SMALL FARMS PROGRAM**

**Program Goal:**

The Small Farms Program works to accentuate the financial, business, marketing, and developmental aspects of family farm operations. The program coordinates with small farmer cooperatives, associations, organizations, and community based farmers markets, to provide a conduit for which benefits and services can be used directly by the farmer in the field.

**Program Objective:**

To provide relief to the state’s small farmers with emphasis on dissemination of information, referrals, and counseling assistance. Within the framework this program, special importance is placed on Farmer Owned Marketing Cooperatives, Land Retention, Alternative Land Use, and Community Development.

**Program Results:**

Performance Measures:

- Outreach
- Counseling Assistance
- Direction of Agriculture Activities of WIC and Seniors FMNP
- Referral Services
- Support National and local Farmers Market Week Activities
- Support National and local Cooperative Week Activities
- Support National, Regional and local NAFMNP activities
- Coordinate agency’s initiatives with the SC Food Security Partners
- Collaboration with local, state, and national agencies and organizations.

**Effectiveness:**

- Increased certified participating farmers in the Farmers Market Nutrition Program (FMNP) to 199.
- Increased certified participating markets to 60 for the FMNP.
- Created potential revenue pool of \$861,000 for small family farmers.

**SPECIAL EVENTS**

**Plant and Flower Festivals:**

**Southern Plant and Flower Festival**

Pee Dee State Farmers Market

Vendors	66
Complimentary Spaces	3
Rental fee/space	\$200
Revenue	\$17,250
Attendance	Approximately 58,723
Expenses	\$3,700

**Midlands Plant and Flower Festival**

Columbia State Farmers Market

Vendors	69
Complimentary Spaces	3
Rental fee/space	\$150
Revenue	\$14,050
Attendance	Approximately 47,260
Expenses	\$6,432

### **Charleston Spring Plant and Flower Festival**

Vendors	63
Complimentary Spaces	3
Rental Fee/space	\$125
Revenue	\$9,150
Attendance	Approximately 24,520
Expenses	\$12,992 (rent of facilities \$8,000.00)

### **Pee Dee Fall Plant and Flower Festival**

#### Pee Dee State Farmers Market

Vendors	29
Complimentary Spaces	3
Rental fee/space	\$125
Revenue	\$4,500
Attendance	Approximately 31,000
Expenses	\$2,110

### **Midlands Fall Plant and Flower Festival**

#### Columbia State Farmers Market

Vendors	24
Rental fee/space	\$125
Revenue	\$3,000
Attendance	Approximately 18,000
Expenses	\$2,876

### **Autumnfest**

Vendors	24
Rental fee/space	\$100
Revenue	\$3,025
Expenses	\$2,314

### **Other Responsibilities:**

Print Shop: Special Projects and Events are responsible for the Print Shop. Each year the print shop prints department forms, letters, brochures, pamphlets and posters as needed by the different divisions and sections amounting to hundreds of thousands of pieces of printed matter. Not only does in-house printing save money, it also aids in the turn-around time of printed pieces. We try to get jobs in and out in the same day.

Department Tent: The Department owns a 70 x 90 tent. It is the responsibility of Special Projects and Events to transport and erect this tent. The tent is used by the department and by other agriculture-related entities such as Clemson, Commodity Boards and Associations, and agriculture-related businesses. A small fee is charged to cover the cost of erection and transportation. With the size of the tent, 6-8 people are required to erect. It is the responsibility of persons using the tent to furnish personnel for this purpose.

Photography and Design: Responsible for still photography and design of Department exhibits, brochures, and pamphlets, catalogs and state national magazines. An extensive array of color slides is on file of all South Carolina Agriculture. Slides are used for exhibit photographs plus

used by other agencies, both State and Federal. Exhibits have appeared in State, National and International shows.

State and County Fairs: Designs, constructs, transports displays for the South Carolina State Fair and eight of the county fairs. Works with the South Carolina State Fair Association and other agriculture-related agencies, boards and associations in the layout of the Agriculture area of the Cantey Building at the State Fair Grounds.

## **PUBLIC INFORMATION**

### **Program Goals:**

Provide accurate up-to-date information that nurtures the growth of South Carolina agriculture, fosters compliance with the laws for which the Department administers, partners in cooperative communication efforts, and publicizes meetings and events applicable to the farming and non-farming public.

### **Program Objectives:**

- Increase public awareness of the state's agriculture.
- Provide accurate, concise information to the public regarding the state's supply and demand of agricultural goods and about the agency's programs and services as well as critical issues.
- Offer an agency publication designed to promote and market the state's agricultural products.
- Provide information to the mass public through print and electronic means.
- Assist agricultural organizations in disseminating information about critical issues.
- Continue to develop a good working relationship with the media and serve as the agency's clearinghouse for oral, written, and electronic information that is disseminated to the public.

### **Program Results:**

#### **Performance Measures**

- Outreach

The Public Information Office received requests for information and advertisements from well over 20,000 individual public and media contacts this past year via telephone, fax, electronic mail, and direct contact.

Internet users in the state and worldwide viewed the South Carolina Department of Agriculture website almost 1/2 million times this past year.

To learn the preferred method of disseminating information to our media customer, two years ago the Public Information Office surveyed all print and electronic media in the state. From that survey, we discovered that most of the media want information faxed or emailed. So, with that in mind, we established an email database to send information directly to the desks of those media representatives as well as a fast-fax database to send information directly to the newsrooms. Many said that they also prefer only the news that pertains to their area, so the database was segmented into geographical counties for distribution. In a matter of seconds, information can be transmitted to a small segment of the population or statewide as needed.

Our consumer customers told us that they wanted larger print. Therefore, as much as possible, we use large print for the agency publication. And, our agricultural organization customers told

us that they really need the publicity gained from the agency publication for their important deadlines and events, so we reserve the front page of the publication for such promotions.

- Support secured for agriculture and agriculture awareness

#### Partnerships

The Public Information Office has developed several alliances and partnerships with other public and private organizations to utilize all available resources in a cooperative effort. These alliances have proved beneficial to providing information to the citizens of the state and providing that information at a significant cost reduction in taxpayer dollars.

#### Agriculture and Natural Resources Communicators for the Environment (ANRCE)

In an effort to better preserve, conserve and protect the environment in South Carolina, ten public and private organizations banded together two years ago to launch a public awareness campaign for agriculture and natural resources in April 2001. The group consists of representatives from Clemson University, Palmetto Farm Credit Bank, SC Department of Agriculture, SC Department of Health and Environmental Control, SC Department of Natural Resources, SC Forestry Commission, SC Farm Bureau, USDA Farm Service Agency (FSA), US Forest Service, USDA Natural Resources Conservation Service (NRCS), USDA Rural Development, and USDA National Agricultural Statistics Service.

The group wrote and prepared articles for newspaper inserts, produced an hour-long television program, and participated in Educational Radio's "Your Day" program in April of 2001 to celebrate Earth Day. This was an important step for the development of a public and private partnership designed to combine talents and resources in addressing common areas of concern. In 2002, the group has been working to develop a booklet for school children, articles in a variety of publications, and short ads from the original television program to air throughout the year. The group has been collaborating on finding funding sources for the Kid's booklet and other future projects.

- Staff required

The Public Information Office is essentially responsible for agency publications and public and media relations. In addition, the office seeks to develop alliances which can assist in delivering valuable information to the public at a significant cost reduction in taxpayer dollars.

In FY 2002, while the Public Information Office utilized traditional methods of communication, they employed a variety of innovative solutions to communication issues and also developed partnerships to enhance their goals and objectives. The following is a synopsis of the office's processes for FY 2002.

#### Effectiveness

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## Publications

In FY 2002, the Department began to charge a \$10 per year subscription fee for the *Market Bulletin*. The 89-year-old publication was produced twice a month as scheduled without interruption. The number of subscribers dropped from over 50,000 subscribers the previous year to about 23,000 in that year. Staff published 16,926 ads, a decrease of 1,424 ads from the previous year or a decrease of 5,074 from FY 2000. Yet farmers and non-farmers received millions of dollars in sales for their agricultural products through the publication during that same period. In fact, a single issue of the *Market Bulletin* offers over \$10 million in agricultural products and services.

Cost to produce the *Market Bulletin* for the fiscal year was \$99,921.64, an average of 16 cents each. The new subscription fee did not begin until after the first three months of FY 2002 or the total for production would have been considerably lower.

Foreseeing that more and more people in the state are using electronic means of gathering information, the 89-year-old *Market Bulletin* has been on-line at the agency's web site since July of 1999. The implementation of this process has significantly increased the outreach for advertisers and buyers of agricultural and agricultural-related products and reduced the cost of printing and mailing to those who have the capability of reading it on-line.

Procedures continue to be simplified to expedite the renewal process for subscribers and for staff. However, with the loss of staff, others in the agency have had to double and triple their responsibilities for processing renewal coupons, depositing checks, etc. The mailing list is no longer sent to a mail service. The printing company has taken over that responsibility. But, the data entry, layout and design for the *Market Bulletin* continues to be completed totally in-house and sent electronically to the printing company.

The *Market Bulletin* now accepts ads mailed electronically. Emailed ads arrive at the office of the *Market Bulletin* instantly as opposed to ads mailed through the postal service. If the ads are not in compliance with the rules and regulations, staff can quickly reply to the advertiser to correct the problem and the amended ad can be returned via email. No longer are advertising opportunities missed because of delays in correspondence with advertisers. The number of emailed ads was approximately 5,081, the number of faxed ads was about 6,770, and the number mailed was about 5,075 for a total of 16,926 ads published in FY 2002.

Two years ago the Public Information staff implemented a practice of calling individuals about ads not in compliance with the rules and regulations governing the *Market Bulletin*. Prior to this new practice, letters were sent explaining the problem ads, but those letters took several days to reach the advertisers. By the time the advertisers resubmitted the ads through the mail, the publication had been printed and they had lost an opportunity for advertising agricultural and agricultural-related products. Now, each advertiser is called if there is a problem. However, if after several tries there is no answer, a letter is then sent. This practice has reduced the number of complaints and has created a more efficient way of communicating with the advertisers.

## News Releases

A total of 133 news releases were sent during FY 2002 to the print and electronic media describing important agricultural meetings, events, recalls, and other news. The releases were electronically faxed to every media outlet in South Carolina and to some additional agricultural media outlets out of state. In addition, the news releases were emailed directly to the desks of

about 90 reporters covering agriculture and business and were posted on the state and agency web sites for convenient downloading by the media and the general public. Prior to this change several years ago, the cost for mailing and printing news releases was about \$11,500 a year. With these changes the costs have been significantly reduced about 80% to less than \$2,000 a year.

### Other Publications

Other publications produced in FY 2002 include:

- SC Produce Shippers Guide - distributed to buyers and sellers to assist in marketing 850 million pounds of South Carolina produce.
- South Carolina Agriculture and Forestry brochures
- South Carolina Cotton brochures were printed and distributed to the state's Welcome Centers
- Newsletters - annually produced to keep various segments of agriculture aware of current efforts in their industries
- Other items were printed and distributed from the Graphics Office.

### Videography

- Since the videographer position has not been filled due to budget constraints, the video lab is currently not utilized.
- Other agencies have expressed an interest in a cooperative effort to produce in-house videos with the Department's equipment and their staff.

### Web Site

- A Recipe Corner and a Kid's Corner have been added to the web site.
- A Daily Produce Availability Report was also added to the web site.
- Reorganizing and redesigning the Department's web site is in progress.
- Internet users in the state and worldwide viewed the South Carolina Department of Agriculture web site 466,511 times this past year.

### Action Items

- Continue to review and evaluate production processes and either improve or eliminate them as needed.
- Continue cross training for efficiency and effectiveness, especially with the decrease in staff.
- Continue to develop a good working relationship with the media and serve as the agency's clearinghouse for oral, written, and electronic information that is disseminated to the public
- Continue to develop partnerships and cooperative relationships with public and private organizations to make a significant impact on the public's awareness of agricultural and natural resources and to utilize efficiently and effectively the experience, technology, and financial resources that are already available.
- Continue to listen and learn from customers and monitor their perceptions gathered by the front line.
- Build positive relationships with the entire customer base.
- Develop formal measurement methods specifically designed for customer feedback.
- Continue to develop the agency web site and to create computer-generated presentations describing agriculture in the state and the agency's programs and services.
- Continue personal contact with the media to create other cooperative efforts.
- Reach more citizens of South Carolina through newspaper agriculture inserts.
- Update and publish agency publication rules and regulations.

## ***LABORATORY SERVICES***

### **Total Program Cost:**

<b>State funds</b>	<b>\$1,464,807</b>	<b>(29 FTE's)</b>
<b>Federal Funds</b>	<b>\$ 4,921</b>	<b>(0 FTE's)</b>
<b>Other Funds</b>	<b>\$ -0-</b>	<b>(0 FTE's)</b>
<b>Total</b>	<b><u>\$1,469,728</u></b>	

### **Leadership:**

The SCDA Laboratory Division of the SC Department of Agriculture is organized to support regulatory functions assigned to the Commissioner of Agriculture by state law. The Laboratory is structured to provide chemical, physical and biological analytical and testing capabilities necessary to administer and enforce laws and regulations governing the production, storage, handling and sale of food for human consumption, animal feeds, seed sold for agriculture and gardening and petroleum products sold for heating or automotive uses. Division leadership is comprised of a Laboratory Director, Chief Seed Analyst Assistant Lab Director, Chief Chemist and Registration Officer plus five Section Supervisors who perform bench work in addition to supervising other scientists and technicians. This cadre of leaders have scientific educational credentials in their areas of work plus years of professional experience upon which they can draw in pursuing their technical and managerial responsibilities.

All division managers and supervisors are active in professional scientific organizations that foster their continued growth in knowledge and expertise in their fields of specialization. Lab scientists and technicians are likewise encouraged and supported in outside professional activities that enhance personal growth and contribute to their proficiency in analytical work.

### **Strategic Planning:**

The strategic framework of the Laboratory Division is designed to carry out regulatory responsibilities faithfully while minimizing disruption of regulated business. There is a conscious effort to assist businesses in meeting their regulatory requirements where such assistance contributes to an orderly marketplace. Under the Seed and Noxious Weed Law, the Laboratory is mandated to provide a free seed testing service for farmers, gardeners and commercial seed producers. Some 75-80 percent of seed testing capacity is devoted to this service.

Strategic planning is an informal process for the most part directed to devising ways of accommodating a varied clientele while carrying out mandated regulatory work. Strategic alliances with other state government agencies have been cultivated in recent years to leverage limited resources in the area of food safety. These alliances have operated now for over six years and have proven valuable in furthering the food safety agendas of food protection agencies both state and federal.

### **Customer and Market Focus:**

Customers for Laboratory Division services include consumers of food, animal feeds, seed, and petroleum products as well as the various businesses that produce and market such commodities. The objective is to assure that products in the categories that are offered for sale to the public are honestly represented, safe and of a quality meeting established standards. This affords assurance of a fair market place where consumers are protected against fraud or unsafe products.

### **Human Resource Focus:**

The Laboratory Division is staffed predominately with scientifically trained and educated personnel. It is important that technical staff have appropriate credentials and that their skills and knowledge be updated continually through in-house training, external workshops, seminars, specialized short courses and the like. This is essential to establish and maintain a level of technical skills and knowledge that will stand up to scrutiny during any litigation which might arise in connection with laboratory data.

### **Process Management:**

The flow of work through the Laboratory is guided by sets of written standard operating procedures that are part of a quality assurance plan specific to each functional area, i.e., Food, Feed, Pesticide Residue, Seed and Petroleum Products. The quality assurance program involves periodic check sample determinations, periodic instrument calibrations and in some cases, like pesticide residue, feed and petroleum, participation in an external check sample program that validates various measurement capabilities a competent laboratory must demonstrate to an objective third party.

The quality assurance plan records document that testing and analytical results are valid and admissible for whatever official purpose they are intended.

### **Business Results:**

The objectives of Laboratory Division programs are:

1. To regularly sample and analyze products from the public food supply to detect adulteration, check for conformance to standards of identity and quality and assure consumers are protected from fraudulent or unsafe food products.
2. To regularly sample commercial animal feed and pet foods from the state's markets for analysis of nutritional and medicinal ingredients for conformance to label guarantees and standards of quality.
3. To provide seed analysis services to consumers, certifying agencies, seed companies, seed producers, and in support of regulatory surveillance and enforcement under the state's Seed and Noxious Weed Law.
4. To regularly sample gasolines, diesel fuel, kerosenes, and heating fuels from channels of commerce and test them for conformance to quality standards, label representations and safety.
5. To administer product registrations required by law including animal and pet foods, frozen desserts, gasolines, antifreezes, and to issue licenses and permits to certain special services and businesses.

Meeting the above-enumerated objectives represents a considerable volume of laboratory work as is reflected in Tables I and II.

**TABLE I. DIVISION SAMPLE WORKLOAD BY YEAR**

	<u>97/98</u>	<u>98/99</u>	<u>99/00</u>	<u>00/01</u>	<u>01/02</u>
Food Samples	4,166	3,627	3,644	3,526	3,654
Animal Feed Samples	1,502	1,710	1,406	1,694	1,953
Seed Samples	15,077	15,600	18,691	14,252	14,413
Petroleum Samples	3,032	2,720	2,137	1,518	2,918
Registration Transactions	3,709	3,627	3,096	2,765	3,654

**TABLE II. NUMBER OF ANALYSES PERFORMED BY YEAR**

	<u>97/98</u>	<u>98/99</u>	<u>99/00</u>	<u>00/01</u>	<u>01/02</u>
Food Analyses	12,810	12,429	13,382	12,623	11,029
Feed Analyses	4,996	5,714	4,767	4,405	5,804
Seed Analyses	26,521	24,009	26,709	23,695	23,199
Petroleum Analyses	10,281	9,780	12,710	9,976	19,869

The three-year decline in animal feed registration turned around in FY 02 and is back to levels seen three to four years ago. This is attributed to the emergence of a market in pet treat products. A large number of new small businesses selling various kinds of treats for companion animals are registering their products as required by our state's Commercial Feed Law.

The decline in seed samples attributable to the introduction of genetically modified (GMO) seed in recent years appears to have leveled off. The cotton, soybean and corn acreage of GMO varieties has started to level off on a year to year comparison basis and this is reflected in the flow of seed for testing by our laboratory. With GMO seed it is illegal to collect and hold over seed from one year's crop for planting the following year. This reduces the amount of seed testing requests by farmers since they must buy GMO seed from the commercial seed producers each year.

The efficiency of the Laboratory Division's testing and analytical effort is reflected in the per sample and per analysis cost to do the work. These costs have been computed for each section of the laboratory and are discussed below.

1. Registration Office

Registration Office transaction costs averaged \$18.77 per transaction, down 28% from the previous year. This reflects a 32% increase in the number of transactions over one year ago spreading operating cost for the office over an increased volume of transactions.

2. Food and Pesticide Residue Lab

Food sample costs in FY 02 were \$111.98 per sample and \$31.85 per analysis. These figures are down by 5.7% per sample and 3.8% per analysis respectively from FY 01.

3. Feed Laboratory

Feed sample work was performed at a cost of \$191.02 per sample and \$64.28 per analysis. These figures are up by 3% and down by 11% respectively over the previous year.

4. Seed Lab

Seed analyses were performed in FY 02 for a cost of \$39.17 per sample and \$24.34 per analysis, up by 1.5% and 4.9% respectively over FY 01. The increased cost is at least partly attributable to a slightly higher volume of seed tested and inflation.

5. Petroleum Lab

Petroleum Lab work was accomplished at a per sample cost of \$76.90 and per analysis cost of \$8.50. These figures represent 27% lower costs per sample and 75% lower cost per analysis. The lower costs reflect the substantially greater number of samples tested in FY 02 compared to FY 01. This was made possible by the fact that the Petroleum Lab was fully staffed for the year with two qualified chemists.

The outcome of the Laboratory Division's work is best reflected in the record of compliance in each of the program areas. Table III presents such data in the form of violation rates compiled by program area and year.

**TABLE III.**  
**RECORD OF VIOLATION RATES DISCOVERED**  
**BY PROGRAM OVER 5 YEARS**

<b><u>PROGRAM</u></b>	<b><u>FY 98</u></b>	<b><u>FY 99</u></b>	<b><u>FY 00</u></b>	<b><u>FY 01</u></b>	<b><u>FY 02</u></b>
Food	7.8%	11.6%	12.0%	10.7%	5.2%
Pesticide Residue	0.5	1.8	1.6	2.4	3.2
Feed	19.0	27.0	21.0	20.8	10.8
Seed	13.5	14.3	13.6	7.9	4.5
Petroleum	5.4	2.4	6.2	5.2	2.5

The food program violation rate dropped somewhat in FY 02 after holding steady for the past three years at 10-12%. Since the rate has historically been strongly influenced by findings of excess fat in ground beef, this may be a reflection of improved quality control in meat businesses. It will be interesting to see how this measure stands up in future years.

Pesticide residue violations are predominately technical in nature, rarely necessitating recall or seizure of foods in commerce. Pesticide residues on fruits and vegetables are consistently very low and of little or no consequence with respect to food safety. The same is true on a nationwide basis as reflected in annual reports from USDA's "Pesticide Data Program".

Animal feed violations have run around 20% fairly consistently over many years. Last year's rate of 10.8% is unusually low and not likely to be repeated often if history is any guide of what can be expected in future years. So far as we can tell now the relatively low violation rate on feed in FY 2002 is random variation and nothing more.

Seed Law violations decreased on a year-to-year basis for the second straight year. It is believed this may reflect that small marginal seed businesses have discontinued operation. Remaining seed companies are for the most part large firms with strong quality control systems in place. If this is indeed the case, one would expect to see the lower violation rates being experienced in the past two years.

Petroleum violations were relatively low again this past year at 2.5%. This is within the compliance range experienced nationally. Past experience suggests there will be little change in future years. A 1990 survey of petroleum law compliance patterns found that compliance rates were much better in states having a petroleum law and corresponding enforcement program. Based on the petroleum product testing results for FY 02 and prior years the compliance rate in South Carolina indicates consumers are getting a fair shake when purchasing their petroleum products in our state.

### ***CONSUMER SERVICES DIVISION***

**Total Program Cost:**

<b>State Funds:</b>	<b>\$1,583,786</b>
<b>Other Funds:</b>	<b><u>\$ 17,206</u></b>
<b>Total</b>	<b><u>\$1,600,992</u></b>

**Program Goals:**

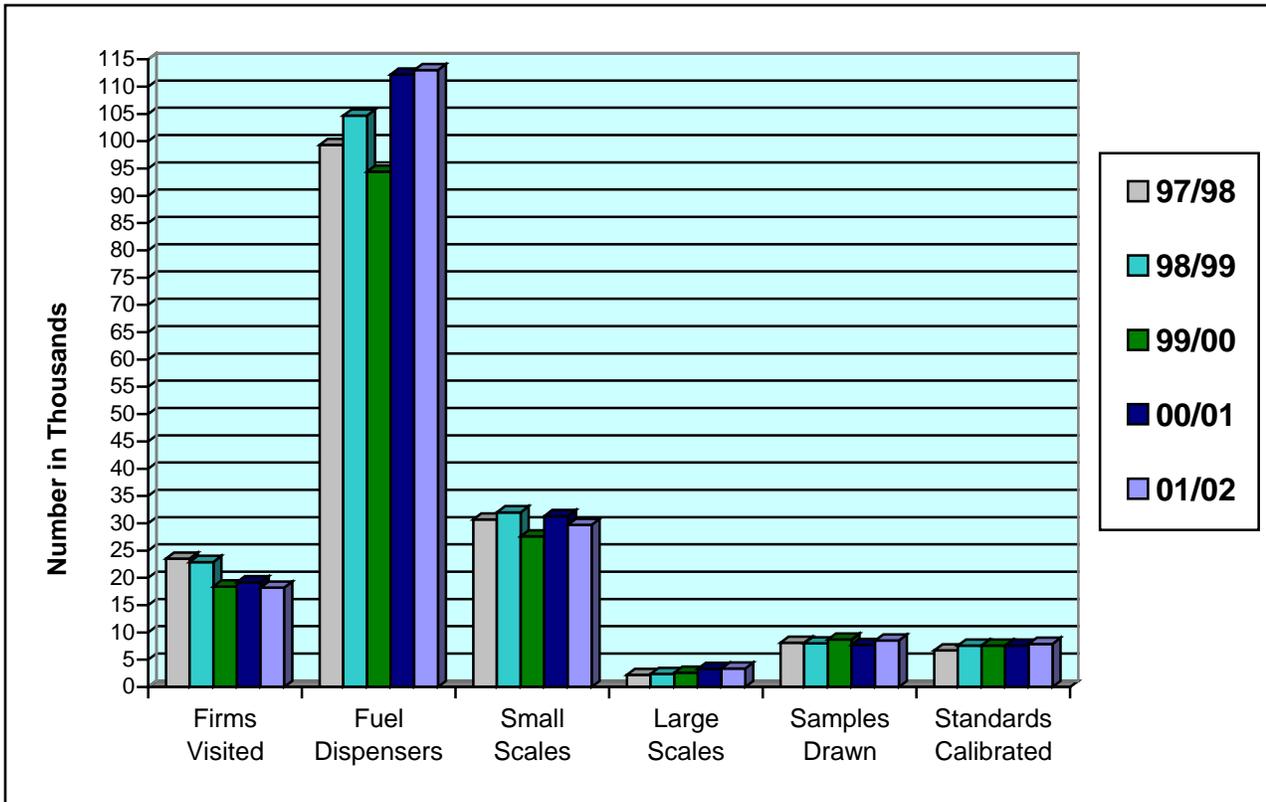
- Enforce the Weights and Measures Law
- Enforce the Dealers and Handlers of Agricultural Products Law
- Enforce the Grain Producers Guaranty Fund Law
- Enforce the Dealers and Handlers Guaranty Fund Law
- Enforce the State Warehouse System Law
- Enforce the Public Weighmasters Law
- Enforce the Food and Cosmetic Act
- Draw official samples for the Laboratory Division for the enforcement of several other laws

**Program Objectives:**

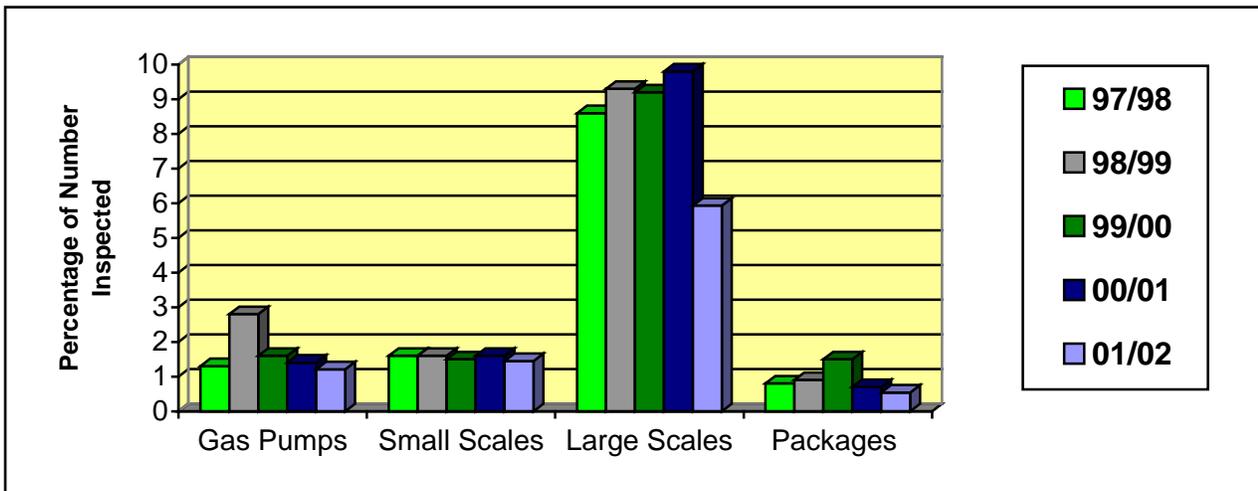
- Protect the citizens of this State from fraud by routinely inspecting commercial weighing and measuring devices for compliance with the Weights and Measures Law and inspecting package goods to ensure that the net content statement is correct.
- Maintain the State's primary standards for mass, length, and volume and provide South Carolina industry calibration services with traceability to the National Institute of Standards and Technology.
- Ensure that South Carolina producers of agricultural products receive prompt and full payment for their products by licensing and auditing dealers and handlers of agricultural products.
- License and audit warehouses for the storage of cotton and grain in order to protect the holder of warehouse receipts from loss due to the warehouseman's bankruptcy, embezzlement or fraud.
- Protect the health of citizens of this State by routinely inspecting manufacturers and warehouses to ensuring that food and cosmetic products offered for sale are not adulterated and are manufactured and held under safe and sanitary conditions.
- License those persons engaged in public weighing or measuring to ensure accuracy of those weights or measurements.
- Protect the citizens of this State by drawing official samples of petroleum fuels, food products, animal feeds, and seed as requested by the Laboratory Division for the enforcement of several state laws.

**Key Results Indicators:**

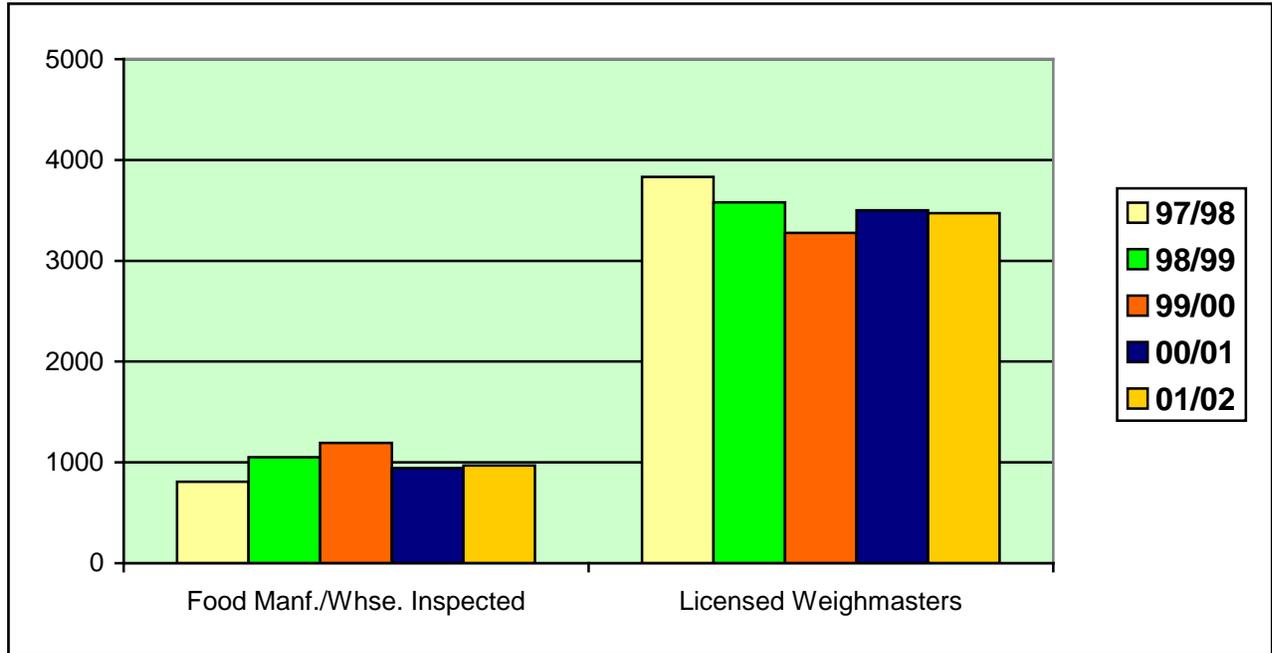
**Number of Firms and Devices Inspected under Weights and Measures Law  
 Number of Official Samples Drawn for Laboratory Division  
 Number of Standards Calibrated by Metrology Lab  
 Per Fiscal Year**



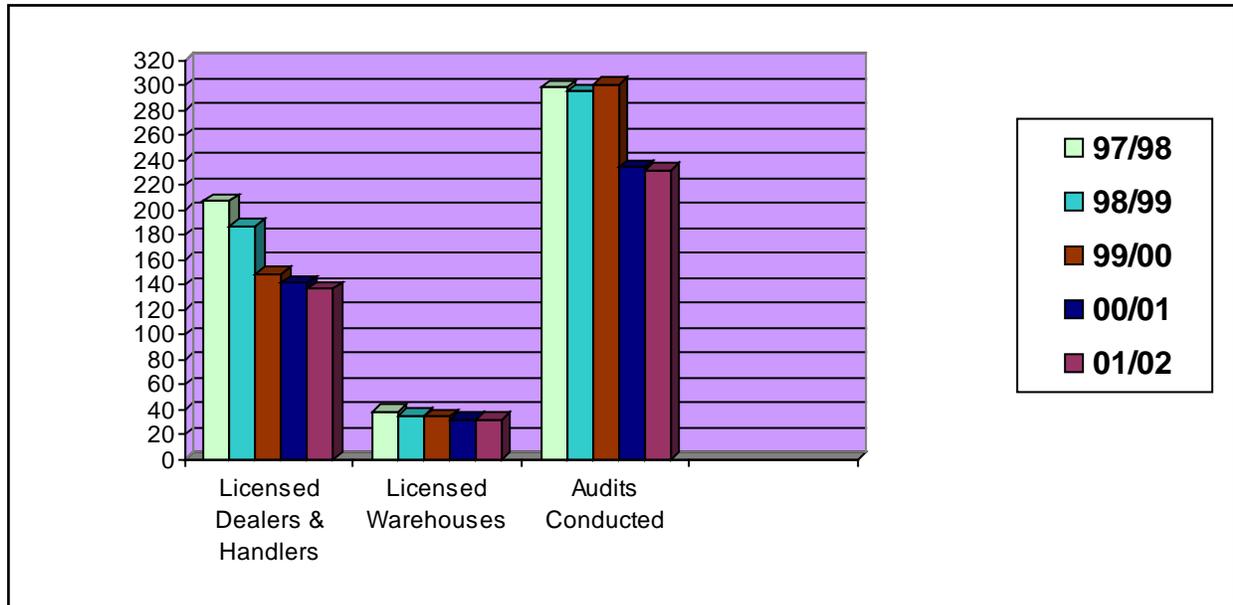
**Percentage of Weighing and Measuring Devices Found Incorrect  
 Percentage of Packages Incorrectly Labeled as to Net Content  
 Per Fiscal Year**



**Number of Food Manufacturers and Food Warehouses Inspected  
Number of Licensed Public Weighmasters  
Per Fiscal Year**



**Number of Licensed Dealers and Handlers of Agricultural Products  
Number of Licensed Warehouses for the Storage of Cotton or Grain  
Number of Audits of Licensed Dealers and Handlers and Warehouses  
Per Fiscal Year**



## ***MARKETING AND PROMOTIONS***

### **Total Program Cost:**

<b>State funds</b>	<b>\$ 805,271</b>	<b>(19 FTE's)</b>
<b>Federal Funds</b>	<b>\$</b>	<b>(0 FTE's)</b>
<b>Other Funds</b>	<b><u>\$1,009,826</u></b>	<b>(2 FTE's)</b>
<b>Total</b>	<b><u>\$1,815,097</u></b>	

### **Leadership:**

The Marketing and Promotion Division of the South Carolina Department of Agriculture is unique to the Department in that we do not administer any regulatory programs. Our mission is to assist in the orderly marketing of South Carolina agriculture products.

Our short-term direction (within a year) is guided by both domestic and international marketing conditions for comparable products, both in volume and price structure. Weather conditions may alter our short-term directions due to disasters locally and throughout the world.

Long term directions (1 – 5 years) are guided by projections as to demands by consumers, volume and commodity futures, and production forecast.

We focus on our customers through feedback that we receive from both food and agricultural producers and the consumers of our agricultural products. Through our daily interaction with our customers we assess our promotional activities based on their level of participation in programs offered by our Division. We also base our input/success by volume product movement of commodities during peak production and promotion time.

Our Division is strengthened by employee relationships with our production customers. Priorities for improvement come from the agricultural industry coupled with our activities in professional organizations that support similar activities in other states/nations.

Through these relationships, visits to local producer's facilities, in store promotions with consumers/customers and participation in various promotional activities at all levels we demonstrate our support of our customer community.

In reviewing local and national agricultural policies and trends, we adjust our attentions to critical areas of Marketing and Promotion to hopefully insure stability of producers. Production interactions, consumer trends, future weather forecasting and other pertinent contributing factors control improvement priorities.

### **Strategic Planning:**

In the Department of Agriculture and the Marketing and Promotion Division, we do not have a written strategic plan. In our Division we utilize portions of our program goals as an unwritten working plan.

In our plan customers needs and expectations are met by supplying selection, nutritional and preparatory information to consumer customers. We also provide pricing information, display assistance, packing procedures and other general Marketing assistance to the production customers.

Financial resources along with human resources are addressed according to budget allowance. Priority is to insure a smooth marketing and consumer acceptance of South Carolina agricultural products by continuing to supply pertinent information.

We approve our planning development by utilization of USDA projections, FMI forecast and future market trading. Also long range consumer preferences gathered by PMA and other industry information supply organizations are utilized.

We continually monitor supply and demand aspects in order to allocate both human resource needs and financial support. In order to insure understanding and performance, meetings and information dissemination between senior Division staff is on a continual basis.

**Consumer Focus:**

The Marketing and Promotion Division customers are divided into two areas, production and consumers. Everyone is a consumer but the production area is for anyone involved in the production of fresh or processed agricultural products.

Our consumer customers demand a safe, reasonably priced, environmentally sound product. In order for our goals to be met, we insure that South Carolina products meet these requirements.

For our production customers, they require assistance to determine the right commodity at the right time. This coupled with a constant and stable marketing environment supported by sound payment procedures insures success.

In order to stay abreast our employees attend seminars; trade shows and participate in conferences attended by their peers. Visits to local production meetings along with assistance to other agencies in these endeavors allow for valuable communication.

Customer participation in our Division activities allows for an excellent opportunity of idea exchange. Strong people personalities in our employees contribute to our success in adjusting to changing demands.

New ideas are implemented by adjusting time and efforts in programs and program planning. In addition financial resources have to be redirected as program priorities change.

Our customer satisfaction is based on participation by production customers in programs dealing with their interest. Trade shows participation, number of certified Road Side Markets, shippers guide participation and other general marketing program numbers gauge our success.

Our consumer customers recognize our quality label and the utilization of local product signage. Having our employees attend various functions at all levels of participation assist greatly with building positive relationships. Continuity of employees in key positions also builds a feeling of confidence as we promote South Carolina products.

Our production customers travel with our employees and make marketing visits to increase our marketing presence. Assisting with Boards and Associations in developing programs designed especially for production activities builds positive relationships. We also supply factual information for decision processes that affect the survival of individual operations.

### **Information and Analysis:**

As a service Division with only limited hard number statistics; our performance measurements are limited to input by our customers and their success of our efforts.

We assess our overall effectiveness because our efforts are continual and do not have specified goals or measurable successes in all cases.

Agricultural marketing is largely based on trust and supply and demand. Collective data for successive years are evaluated to determine demand levels, cost returns and operational effectiveness. The volatile market can utilize this information while staying abreast of immediate situations.

Selecting data from reliable sources with volume pricing, demand trends, historical weather information and relating these to local seasonal applications is vital for decision making.

### **Human Resources:**

The employees of the Marketing and Promotion Division each have various job responsibilities and program duties. Each employee manages his or her program with limited interference from management. Fortunately most of this Division's employees are veterans. Knowing that they are in charge of and responsible for their programs has a positive affect on their desire to develop and utilize skills.

Our employees also are told and thanked for their initiative and dedication to our Division. We have an open door policy and any questions/problems are addressed in a friendly professional manner.

Management has much respect for the employees' ideas, suggestions and input.

With the style of management in this Division all employees are encouraged to participate in training seminars and schools that will enhance their work performance.

Our employee management system encourages open communication not only with supervision but also with peers in other similar organizations. The open door policy enables management to have a greater understanding of problems that could deter increasing performance levels.

On many occasions there is open dialog between management and employees. Knowing personal situations concerning the employees and their families work as an excellent tool to monitor the satisfaction and motivation levels.

Our work environment is maintained according to state and federal guidelines. We all have available work schedules of our fellow employees and this allows an extra sense of security as employee's work in the office area and with customer visits.

The Division and its employees contribute time and energy along with financial support to a variety of worthwhile charitable organizations. Participating in walks, sporting events and projects to assist local charitable organizations is encouraged.

### **Process Management:**

The services provided by the Marketing and Promotion Division are delivered in various ways. The major means are through publication and distribution of information to the appropriate persons. We also utilize joint cooperative projects and programs encouraging participation based on commodity and volume. Personal visits and one on one advice sessions with special related input is a major avenue for delivery of the services of our Division to the customer.

Our day to day operations insure high quality service to our customers through accessing the most up to date market conditions and volume available. Also our daily communications within and outside our professional staff provides unbiased opinions on critical situations.

In the field of agricultural marketing, contacts are the major successful factor that must be incorporated into support processes. Affiliation with industry related organizations knowledgeable of problems related to marketing and on consumer preference and product demand offer an avenue for key support.

### **Results:**

The performance level of the Marketing and Promotion Division is controlled by factors far beyond the realm of our state. Weather conditions, volume harvest, supply and demand are just a sample of factors that influence the performance of this Division.

It is true that all services offered are available in “bad” crop years as well as “good” crop years. Participation by the industry affects our ability to perform at a maximum level.

Our Division suffered budget reductions last year thereby restricting our activities in continuing consumer awareness campaigns regarding local products. We utilize various joint operations and brokers to maintain as much awareness of local products as possible.

Listed below are the results and major programs.

- Utilization and orderly marketing of 500 million plus pounds of South Carolina’s major fresh fruit and vegetable crops.
- Maintained the level of awareness at consumer level in South Carolina retail and food service establishments.
- Maintained consumer confidence in food channels, supporting healthy nutritional diets while removing fear of contaminated products, thereby increasing fresh and processed product consumption.
- Continued exposure visibility of South Carolina specialty products, both fresh and processed, at all levels of retail and wholesale trade.
- Established and maintained South Carolina growers as number two in peach production, number two in flue-cured tobacco production, number seven in tomato production, number eight in watermelon production, number eight in turkey production, number nine in peanut production, number twelve in cotton production, and number ten in pecan production.
- Worked to stabilize decreasing numbers in fresh fruit and vegetable production industry with cooperative cost effective marketing plans, programs and promotions.
- International Market Development – Agricultural exports from South Carolina for 2002 estimated at 240 million dollars.
- Certified Roadside/Direct Marketing – Serving 95 plus markets and direct sales outlets.

- Domestic Market Development – Participated in seven National Exhibitions, various regional promotional exhibitions, contacted over 500 chain and food service buyer/establishments. Coordinated instate visits for chain and food service buyers with outlets numbering over 5,000.
- Specialty Products – Assisted the 60 plus specialty product manufacturers/distributors through South Carolina trade shows and supplying trade leads.
- Sheep, Goat, and Ratite Development and Expansion – Worked with individuals and groups to further develop and expand this industry to its maximum potential for South Carolina producers. Assisted with meetings that included producers, processors and food brokers to establish markets and market demand with profit potential.
- S. C. Quality Program – A program to increase overall awareness of South Carolina products, working with 75 plus members and most chain food stores operating in South Carolina.
- Equine Program – Served 50,000 owners with 100,000 plus animals that have an economical impact on our economy of 330 million dollars. Also worked with the Horse Council's membership of 1,250 plus.
- Aquaculture – Coordinated activities of aquaculture and striped bass association with membership of 60 plus. Worked closely with legislative issues and national associations.
- Home Economist/Nutritional Program – Worked with national 5 A Day Program, S. C. School Lunch Challenge, Farm City Week, DHEC and Harvest Hope Food Bank. Also through 125 plus television and radio spots promoted nutritional and healthy diet and lifestyles to all of South Carolina with over-laps into neighboring states.
- Ornamental Horticulture Program – Worked with 800 plus members of the Nurseryman's Association, green house growers, landscape, and turf and sod producers. This industry has sales at over 400 million dollars wholesale on an annual basis.
- Agribusiness Support Services – Assisted over 100 established agri-business firms with marketing and production assistance. Also with packaging, transportation, and other aspects of business for profit and expansion within South Carolina.
- S. C. Commodity Board Program – Assisted the present S. C. Commodity Boards with their collections, marketing, administrative, and other related duties to promote sales, usage and research for each.
  - a) Cotton Board: 400,000 bales on 296,000 harvested acres
  - b) Soybean Board: 10.5 million bushels harvested on 440,000 acres
  - c) Peanut Board: 30 million pounds harvested on 10,500 acres
  - d) Watermelon Board: 150 million pounds harvested on 9600 acres
  - e) Pork Board: 300,000 hogs and pigs
  - f) Cattle and Beef Board: 500,000 cattle and calves
  - g) Tobacco Board: 76 million pounds
- Major Agricultural Associations – Coordinated and worked closely with Chairman and Association Boards with their administrative, marketing, financial guidance, and other related items.
  - a) S. C. Peach Council: Weather condition limited production to 100 million pounds on 16,500 harvested acres
  - b) S. C. Tomato Association: 88 million pounds on 3400 harvested acres
  - c) S. C. Watermelon Association: 150 million pounds on 9600 harvested acres
  - d) S. C. Corn Growers Association: 2.5 million bushels on 260,000 harvested acres
  - e) S. C. Soybean Association: 10.5 million bushels harvested on 440,000 harvested acres
  - f) S. C. Horseman's Council: Worked with 1,250 memberships and over 50,000 animals

## ***MARKET SERVICES DIVISION***

### **Total Program Cost:**

<b>State funds</b>	<b>\$ 531,337</b>	<b>(13 FTE's)</b>
<b>Federal Funds</b>	<b>\$ 8,720</b>	<b>(0 FTE's)</b>
<b>Other Funds</b>	<b><u>\$2,746,693</u></b>	<b>(46.5 FTE's)</b>
<b>Total</b>	<b><u>\$3,286,750</u></b>	

The Market Services Division is responsible for the supervision of a variety of services and facilities that enhance the marketability of South Carolina grown farm products. In addition, the division supplies marketplace information that assists both farmers and buyers in making marketing decisions. Each of the programs administered by the division is discussed in the following paragraphs.

### **Grading & Inspection Services:**

Grading and inspection services are provided through the Department of Agriculture's Market Services Division. These programs are voluntary and fee-based. They provide for the uniform application of federal quality standards and grades. Quality grades provide a standardized means of describing the marketability of a particular food product. Through the application of uniform grade standards, products can be classified according to a wide range of quality characteristics. Buyers, sellers, and consumers alike can communicate about these characteristics through an understandable common language.

The Department of Agriculture's inspectors are licensed by the United States Department of Agriculture. Depending on the product being inspected, they perform inspection at shipping points, in processing plants, at production facilities, and at receiving points. In each case, product meeting specified requirements is eligible for an official USDA identification mark, or is provided an official grading certificate to accompany a shipment to the receiving agency.

The application of quality standards facilitates the orderly and efficient marketing of products among buyers and sellers. Standards allow buyers and sellers to specify the level of quality required or expected for a product without having to see or examine products in advance. At the option of the buyer or seller, products can be officially graded to USDA standards. All inspections are conducted on a fee basis.

The South Carolina Department of Agriculture provides grading and inspection services in three areas: Poultry, Fruit and Vegetables, and Grain. Each program is fee based, and inspectors provide services on site. Each program operates under the provisions of a cooperative agreement with the US Department of Agriculture. USDA provides technical supervision of the programs to ensure compliance with the cooperative agreements. Specific aspects of each program are as follows:

*Poultry Grading and Inspection:* Services are provided at 10 locations in the State. There are 23 inspectors, full-time and part-time, and a two person administrative staff. The administrative staff ensures that each inspector is properly trained and current with applicable USDA standards. In addition to grading and inspection services, the staff also provides shell egg surveillance under the provisions of a cooperative agreement with the US Department of Agriculture. This program operates entirely on generated revenue from fees collected for services.

*Fruit and Vegetable Grading and Inspection:* Services are provided at a number of shipping points throughout the State, as well as a number of receiving points. There are 2 full-time employees, including the supervisory staff. A number of seasonal employees provide on site inspection and grading services. The number of seasonal employees varies from year to year, and season to season depending on product availability. The supervisory staff ensures the proper training of each inspector and the proper application of USDA standards. The supervisory staff also conducts inspections on an as needed basis. This program operates entirely on generated revenue from fees collected for services.

*Grain Grading and Inspection:* Services are primarily provided at the grain export facilities located in Charleston. A full-time staff of three conducts all of the services of the division. A temporary part-time employee may be added on an as needed basis. The staff provides grading and inspection services for grain being exported from the Charleston grain elevator. Inspection may be conducted at other locations when requested. Grading and inspection of grain is required for export.

The primary criterion for assessing the benefits of each grading and inspection program is the level of utilization of the services by industry. In each case the need and value of the program is determined by the utilizing firm/buyer/seller.

**Market News Service:**

The Market News Service provides for the timely exchange of information among growers, shippers, wholesalers, and others in the produce and livestock industries. We have 7 trained reporters, who are located at, or visit, prominent market facilities in the state, and collect market information. The reporters provide an accurate and unbiased view of the daily condition of supply, demand and prices. Buyers and sellers of fruits and vegetables and livestock are assisted in making informed marketing decisions. The program is conducted in cooperation with the US Department of Agriculture. The USDA provides a technical supervisor who is located at the Columbia State Farmers Market. All market news reporters are trained and licensed by the USDA.

The primary criteria for determining the success of the program is the accuracy and timeliness of the data collected. The daily submission of reports underscores the importance of the information.

**State Farmers Markets:**

The Department of Agriculture operates three farmers markets. They are located in Columbia, Greenville and Florence. Each market provides the basic services of farmers markets, which is to provide a facility for farmers to conduct direct sales of their products. Additionally, the markets provide consumers a source of fresh, wholesome, locally grown fruits and vegetables. Each market differs significantly in its operations and in those served by the market.

In each case, employees of the Department of Agriculture are responsible for the management and maintenance of the facilities. Major activities include the collection of rents and fees, removal of waste, upkeep of facilities, security, repairs, general maintenance, and cleaning of public areas. In addition, the staff ensures compliance with agency rules and regulations.

Each facility is discussed individually in the following paragraphs:

Columbia State Farmers Market: This is the largest and most complex of the three facilities. The market provides facilities for daily sales by farmers, monthly or seasonal leases to farmers, wholesalers and retailers; and long-term leases to farmers, wholesalers, retailers, restaurants, and food processors. There are seventeen employees located at the market. This includes the management team. The market is open twenty-four hours each day. This necessitates having the gate manned at all times.

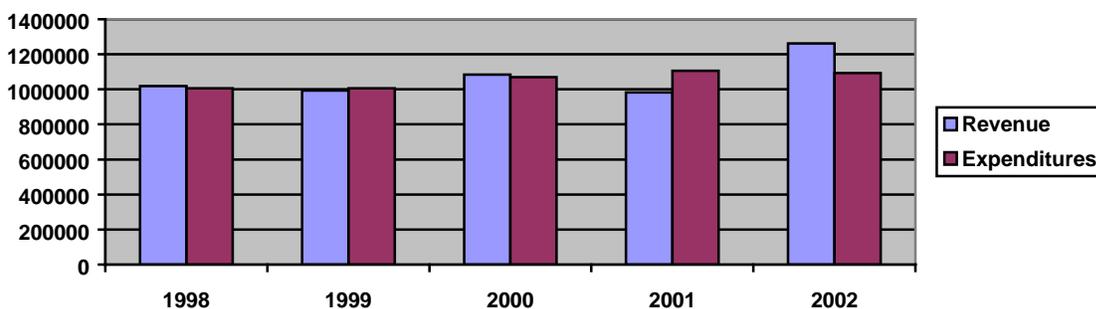
The market operates entirely on revenue. Revenue is generated by long and short-term leases, gate fees, and daily stall rental. At present the facilities are in need of significant renovation and improvement. Uncertainty over the future of the market at its current site is interfering with some possible improvements and maintenance needs.

Greenville State Farmers Market: This facility provides spaces for daily sales by farmers, wholesale and retail operations, and food processing. A staff of seven operates the market. This includes the management staff, maintenance crew, gate attendants and security. Wholesale operations dominate the activities at the market.

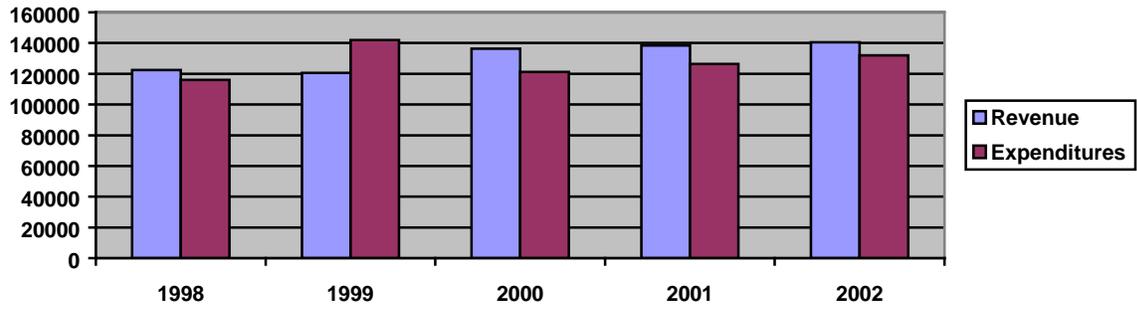
Pee Dee State Farmers Market (located at Florence): This facility provides spaces for daily sales by farmers and long-term leases to wholesale and retail operations. It provides a major venue for the sale of horticultural products and draws consumers from a broad geographic area. The Harvest Hope Food Bank operates a distribution facility at the market. A waiting list is currently maintained for the rental of space under the farmer shed. Two major plant and flower festivals attract consumers to the market in both the spring and fall.

The primary criteria for measuring the performance of the three farmers markets are total revenues and the cost of operating and maintaining the facilities. Revenues and operating costs for the past five years from each market is as follows:

### Columbia State Farmers Market



### Greenville State Farmers Market



### Pee Dee State Farmers Market

