

**State of South Carolina
Department of Agriculture**



**Accountability Report
2005-2006**

Accountability Report Transmittal Form

Agency Name: South Carolina Department of Agriculture

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Agency Director: Hugh E. Weathers, Commissioner of Agriculture

Agency Contact Person: Jim Trexler

Agency Contact's Telephone Number: 803-734-2194

TABLE OF CONTENTS

Section I -Executive Summary

Mission and Vision	pages	1- 2
Major Achievements	page	2
Key Strategic Goals	page	2
Opportunities and Barriers	page	3
Accountability Report	page	4

Section II- Business Overview

Employees and Operations	page	4
Expenditures/Appropriations Chart	page	5
Description of Programs and Services	pages	6 - 7
Key Customers	page	8
Key Stakeholders	page	8
Key Suppliers	page	8
Organizational Structure	page	8

Section III- Elements of Malcolm Baldrige Award Criteria

Category 1-Leadership	pages	9-10
Category 2-Strategic Planning	pages	11-13
Category 3-Customer Focus	page	14
Category 4-Measurement, Analysis & Knowledge Management	pages	14-15
Category 5-Human Resource Focus	pages	15-16
Category 6-Process Management	page	16
Category 7-Business Results	pages	17-34

South Carolina Department of Agriculture
Accountability Report
Fiscal Year 2005-2006

Section I – Executive Summary

I.1 Mission and Vision

The mission of the South Carolina Department of Agriculture is to promote and nurture the growth and development of South Carolina's agriculture industry and its related businesses while assuring the safety and security of the buying public.

Our shared vision is for the state economy to grow and prosper providing everyone, producers and consumers, opportunities to enjoy the fruits of agriculture.

The Department of Agriculture is mandated by 37 separate South Carolina laws related to:

- fostering the state's commerce of agriculture through marketing and promotion
- protecting the citizens of the state by ensuring proper weights and measures, grading and inspection of the state's agriculture products, and laboratory analysis of food, feed, seeds, cosmetics, and petroleum products

Originally created by an Act of the General Assembly on December 23, 1879, the South Carolina Department of Agriculture (SCDA) continues to provide programs and services affecting all the people of the Palmetto State – *producers and consumers*. The SCDA is charged with supporting the efforts of the state's second largest industry – agriculture. While the Department of Agriculture provides programs and services that focus on agriculture and agribusiness, the agency also touches the lives of every citizen of the state.

The Department's role is crucial in promoting and safeguarding an industry with a \$7 billion impact to the state's economy. However, the activities of the Department also impact and influence many other industries in the state.

Many of the Department's activities are related to commerce – developing, expanding, and protecting the integrity of agricultural commerce in our state and providing the highest quality consumer service with regards to food protection and value.

Our Marketing Division works primarily at the gatekeeper level with buyers from major supermarket chains to gain more shelf space for South Carolina produced and processed products. The three state farmers markets also have a significant impact in the hundreds of millions of dollars as well as almost 70 local farmers markets we have across the state. In addition, the *Market Bulletin*, a valuable resource for farmers and non-farmers, includes millions of dollars in ads in each issue, and over one-third million people view our website in any given year to find out about the programs and services we offer. Those are marketing tools that help keep our agricultural economic engine running.

In addition to marketing, the Department has other functions that are vital not only to the health and well-being of our economy but also to our people. For instance, our inspectors check scales and measuring devices throughout the state for accuracy. They make sure that a pound of hamburger is a pound of hamburger and that a gallon of gas is really a gallon.

Now that the price of a tank of gas has reached epic proportions, consumers want to know that gas pumps measure correctly. Add to that, South Carolina has 2 ½ times more gas pumps today than 10 years ago, but our Consumer Services Division has had a 44% decrease in the number of inspectors. At several dollars a gallon, this function is more important to consumers and marketers than ever.

While out checking scales, Department inspectors also collect samples for the laboratory to analyze. Lab technicians ensure that the ingredients listed on the package are really the ingredients in the package. Beef or dairy cattlemen and women want assurance that the bag marked "no animal protein" actually contains no animal protein. Farmers and gardeners want to make sure that their seeds germinate properly. And, parents of a diabetic child want to be assured that the cookies marked "sugar free" are just that.

Currently, the Department serves producers who earn their livelihood on approximately 4.84 million acres of farmland in the state. Cash receipts for crops and livestock total about \$2 billion but the ripple affect goes far beyond the farm gate. Billions of dollars are generated in revenue, taxes, and jobs, particularly for the rural communities of the state. Add to that the food and forestry agribusiness sector, and the industry of agriculture in South Carolina is significant to the vitality of the state's economy. Nationally, South Carolina ranks near the top in the production of several agricultural products.

The Department of Agriculture, a relatively small agency with a \$4.6 million general fund budget, has very large responsibilities to both producers and consumers regarding the safety, security, and marketing of agricultural products, both fresh and processed. The 127-year-old agency is dedicated to promoting and heightening the public's awareness of South Carolina's agriculture commodities and the farmers who produce them.

I.2 Major Achievements Over the Past Fiscal Year

- a. Staff morale has improved significantly with the redirection provided by new leadership.
- b. The work environment has improved.
- c. Collaborative efforts with public and private partners continue to increase. (SC Advocates for Agriculture, SC Food Policy Council Task Force, SC Interagency Food Safety Council, SC Direct Marketing Association, etc.)
- d. Because of the diligent efforts of the Department's laboratory technicians, pesticide residue tests show that the state has very safe and healthy fruits and vegetables which speaks well of our growers. Samples of produce tested are consistently under the national average for over-tolerances which makes our state at the top of one of the "good" lists.
- e. Improved technology allows a more accurate, timely response to consumers.
- f. Alternative funding possibilities through grants helps to supplement federal funds.

I.3 Key Strategic Goals for Present and Future Years

- a. Promoting agriculture and agribusiness in the state by providing agricultural marketing opportunities
- b. Maximizing protection of goods and services for producers and consumers
- c. Providing public awareness, promotion, and publicity of South Carolina agricultural products
- d. Fiscal integrity and improved accountability and customer service

I.4 Opportunities and Barriers

Opportunities

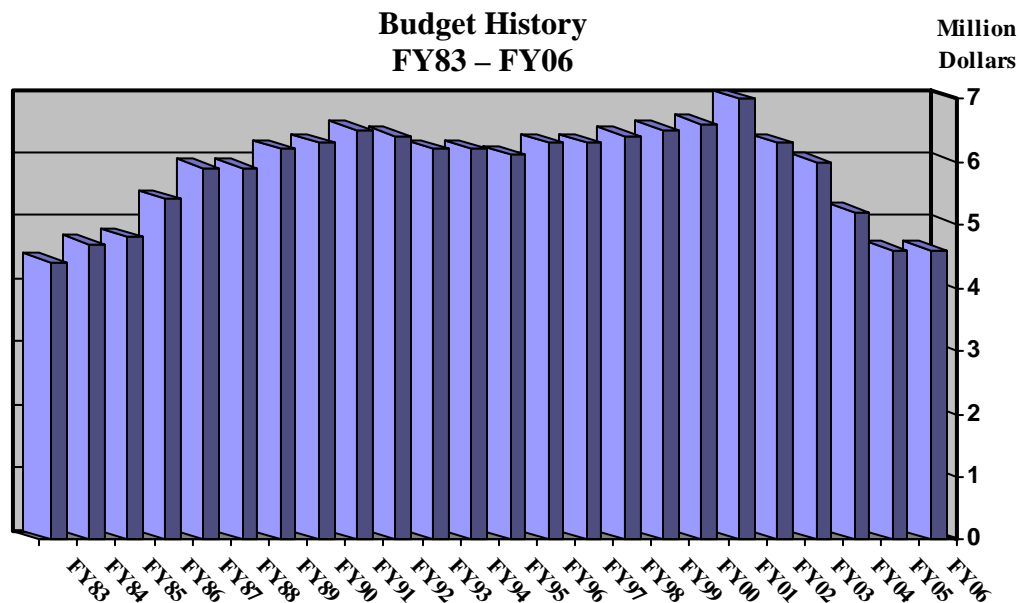
- a. Ongoing efforts to enhance programs and services.
- b. Address agency workforce planning needs. The opportunity to blend the experience of veteran employees with the enthusiasm of new employees hired because of the staff turnover from retirements and natural attrition.
- c. Increase emphasis on employee relations.
- d. Focus on fiscal accountability and the restructuring process to increase agency efficiency and effectiveness
- e. Employ professional development and recognition based on evaluation process
- f. Employing new computer software which will provide more data with which to quickly solve problems and issues and to help determine the efficiency and effectiveness of consumer programs and services
- g. Relocation of the Columbia State Farmers Market and expanding the other two state farmers markets in Greenville and Florence
- h. Developing and implementing a comprehensive marketing campaign for branding SC agriculture, the state's largest industry next to tourism

Barriers

- a. Decrease in recurring appropriated funding and funding not provided from collections of fees for licenses, permits, etc.
- b. Significant staff turnover with heavy participation in the state's retirement program
- c. Lower salaries than the private sector, making it difficult to retain qualified employees
- d. Heavy workloads and staff reductions through natural attrition and retirement programs

The Department of Agriculture is currently operating at funding levels dating back 23 years.

FY83 State Budget \$4,419,055
FY84 State Budget \$4,794,812
FY06 State Budget \$4,677,439



I.5 Accountability Report

The accountability report is an important tool for improving organizational performance. Building on information provided from year-to-year, the report shows the agency's progress as well as its strengths and weaknesses.

Section II – Business Overview

II.1 Number of Employees

At the end of FY 05-06, the SCDA had 131 full-time employees and 18 temporary employees.
Agency Vacancy Rate - 13%

II.2 Operation Locations

The SCDA headquarters is located in the State Capitol Complex, Wade Hampton Building, 5th Floor. However, the SCDA operates three state farmers markets in Columbia, Florence, and Greenville and a Laboratory and Consumer Services facility and a Metrology Laboratory in Columbia. In addition the SCDA employs graders, inspectors, and market news specialists throughout the state in cooperative programs with the federal government.

The Laboratory and Consumer Services facility along with the Metrology Laboratory are scheduled to be moved to the new State Farmers Market at Columbia location.

Facility/Location

SCDA Headquarters, *State Capitol Complex, Wade Hampton Building, 5th Floor*

Metrology Laboratory, *237 Catawba Street, Columbia*

Consumer Services Laboratory, *1101 Williams Street, Columbia*

Columbia State Farmers Market, *1001 Bluff Road, Columbia*

Greenville State Farmers Market, *1354 Rutherford Road, Greenville*

Pee Dee State Farmers Market, *2513 Lucas Street, Florence*

II.3 Expenditures and Appropriations

Major Budget Categories	FY 04-05 Actual Expenditures		FY 05-06 Actual Expenditures		FY 06-07 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Services	\$4,877,594	\$2,562,814	\$5,170,358	\$2,832,655	\$5,550,695	\$2,609,374
Other Operating	\$4,052,251	\$1,222,852	\$4,537,329	\$1,625,533	\$4,584,577	\$1,183,427
Special Items						
Permanent Improvements			\$296,270			
Case Services						
Distributions to Subdivisions						
Fringe Benefits	\$1,418,456	\$794,494	\$1,520,378	\$845,039	\$1,726,720	\$884,638
Non-recurring						
Total	\$10,348,301	\$4,580,160	\$11,524,334	\$5,303,227	\$11,861,992	\$4,677,439

Sources of Funds	04-05 Actual Expenditures	05-06 Actual Expenditures
Supplemental Bills		
Capital Reserve Funds		
Bonds		

Major Program Areas

Program Number and Title	Major Program Area Purpose (Brief)	FY 04-05 Budget Expenditures	FY 05-06 Budget Expenditures	Key Cross References for Financial Results*
I Administrative Services	Provides executive leadership, support, policy development and review, financial services, information technology, facilities management, and other administrative services	State: 1,000,074.59 Federal: .00 Other: 5,923.01 Total: 1,005,997.60 % of Total Budget: 10%	State: 1,095,828.27 Federal: .00 Other: 4,511.36 Total: 1,100,339.63 % of Total Budget: 10%	
II Laboratory	Protects consumers from unsafe, ineffective, or fraudulent goods that may be offered for public sale; assures that goods meet acceptable standards of quality; monitors labeling; registers animal and pet foods, frozen desserts, gasoline, and antifreeze; issues licenses for butterfat testers and milk samplers and weighmen; grants permits to salvage food operations; issues two to three thousand licenses, permits and registrations; provides assistance regarding food safety and security in the event of a natural disaster or an accidental or international emergency related to Homeland Security.	State: 1,141,451.32 Federal: 4,975.71 Other: 86,800.43 Total: 1,233,227.46 % of Total Budget: 12%	State: 1,153,800.29 Federal: 6,523.32 Other: 87,964.29 Total: 1,248,287.90 % of Total Budget: 10%	
III Consumer Services	Draws samples for analysis in the SCDA's laboratories; protects the people of the state, farmers and non-farmers, from fraud by ensuring the accuracy of weights and measures; provides grading and inspecting of poultry products; inspects food and cosmetic manufacturing and storage facilities; assures farmers that they receive full and prompt payment for the products they produce and that their stored cotton and grain crops are protected in warehouse facilities; inspects gas pumps, grocery store scales, vehicle tank meters, and liquid petroleum gas measuring devices; collects official samples of petroleum, produce, meat and feeds for laboratory analysis; licenses, bonds and audits warehouses and dealers; inspects storage facilities for sanitation compliance.	State: 551,550.93 Federal: .00 Other: 738,097.52 Total: 1,289,648.45 % of Total Budget: 12%	State: 1,056,815.73 Federal: .00 Other: 621,462.72 Total: 1,678,278.45 % of Total Budget: 15%	

II.4 Major Program Areas (Continued)

IV Marketing & Promotion	Develops and implements broad-based marketing programs; provides programs and services designed to increase consumer awareness and product demand for quality South Carolina agricultural commodities; strives to improve the economic vitality of business and individuals in the industry of agriculture; encourages expansion and development of existing industries that use South Carolina agricultural commodities, both fresh and processed, to increase the marketability of locally-grown products; provides quality grade standards and up-to-date first-hand market news to the allied industry through a cooperative agreement with the USDA; oversees and operates the three state farmers markets; domestic and international marketing assistance; certifies roadside markets; promotes specialty crops and specialty products; assists small farmer and provides support for organically grown certification; promotes the green industry (nursery, greenhouse, landscape, etc.); authorizes individual farmers and farmers' markets to be able to accept coupons from those who are nutritionally at risk to buy fresh, unprepared produce issued in the WIC and Seniors Farmers Market Nutrition Programs; serves as a liaison to commodity boards, associations, and the state's Ag Commission; publishes the Market Bulletin which is designed as a vehicle for farmers and non-farmers to buy and sell agricultural and agricultural-related items, as a resource for economic stability especially in rural areas.	State: 1,092,589.36 Federal: 170,670.41 Other: 4,137,712.57 Total: 5,400,972.34 % of Total Budget: 52%	State: 1,151,743.76 Federal: 18,671.08 Other: 4,510,366.11 Total: 5,680,780.95 % of Total Budget: 49%
V	Employer Contributions	State: 794,493.80 Federal: .00 Other: 623,961.64 Total: 1,418,455.44 % of Total Budget: 14%	State: 845,250.95 Federal: .00 Other: 675,338.68 Total: 1,520,589.63 % of Total Budget: 13%

Below: List any programs not included above and show the remainder of expenditures by source of funds.

N/A

Remainder of Expenditures: Permanent Improvements	State: Federal: Other: Total: % of Total Budget:	State: Federal: Other: 296,269.64 Total: 296,269.64 % of Total Budget: 3%
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* Key Cross-References are a link to the Category 7 - Business results.

These References provide a Page number that is included in the 7th section of this document.

II.5 Key customers

- Consumers – everyone who consumes or uses agricultural products
- Producers – everyone who grows or produces agricultural commodities
- Processors/Manufacturers – anyone who prepares, treats, or converts raw agricultural products
- Wholesalers, Direct Marketers, and Retailers – everyone who sells raw agricultural products or value-added agricultural products
- Local, state, and federal government officials and representatives
- Agriculture Commission of SC members
- Commodity Boards and Associations members
- Representatives of existing, expanding, and developing agribusinesses
- Electronic and print media representatives
- Supermarket representatives
- Petroleum retailers and distributors

II.6 Key stakeholders

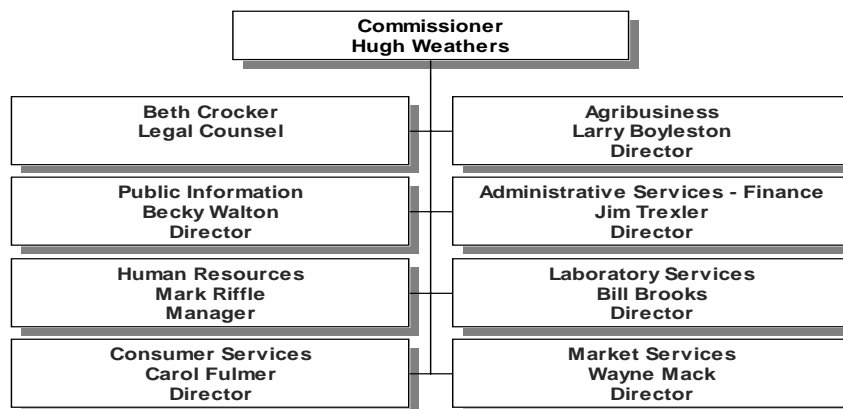
(Everyone who has an interest in the industry of agriculture)

- Consumers (men, women, and children) are the ultimate stakeholders
- Taxpayers
- General Assembly
- Others who have an interest in the industry of agriculture
 - Farm owners and operators of livestock and crops
 - Nursery men and women, greenhouse growers, and floriculture
 - Fertilizer, agrichemical and seed dealers
 - Farm equipment dealers
 - Forest landowners
 - Grain dealers
 - Produce shippers and handlers
 - Specialty producers and processors
 - Dairy producers, processors, shippers, and handlers
 - Agricultural educators, students, and researchers
 - Public and private agricultural partners
 - Land grant university and 1890 program representatives
 - Farm workers and migrant labor

II.7 Key suppliers

- Vendors who are eligible to bid on state contracts
- Small suppliers
- Information Technology vendors
- Federal government grantor
- Printing companies

II.8 Organizational Structure



Section III –Malcolm Baldrige Performance Excellence Standards

III. Category I - Leadership

1.1. How do senior leaders set, deploy and communicate:

a) short and long term direction,

Under the direction of the Commissioner of Agriculture, the agency and its leadership team continue to focus on the mission of the agency. This focus has instilled a sense of pride in staff and those served by the South Carolina Department of Agriculture. Senior staff meetings are held once a month to assess progress and resolve short term issues. Also, regular and frequent communication between senior leaders serves as an important part of leadership in the Department. Division Directors meet regularly with staff to keep employees apprised of agency issues. Long-term, under the leadership of the Commissioner, current and prospective programs, new initiatives, and new and innovative ideas for future direction will continue to be examined and action taken accordingly.

b) performance expectations,

While managers are focusing more on performance, they are also spending more time getting each employee aimed properly so the employee understands what he or she is to accomplish – his or her goals and objectives. Managers are encouraged to set clear performance expectations, goals, and objectives for employees.

c) organizational values,

The Commissioner and his leadership team value partnerships with customers and stakeholders, fostering a free exchange of ideas that are used in evaluating the agency's programs and services. Employees are committed to enhancing the lives of our taxpaying citizens, providing them a good return on their investment.

d) empowerment and innovation,

SCDA employees are empowered to make decisions that affect their own work. Improvement requires creativity, challenging ourselves, and learning from our mistakes.

e) organizational and employee learning, and

Professional development is offered whenever feasible. Managers and supervisors are active in professional organizations that foster their continued growth in knowledge and expertise in their fields of specialty. Employees, especially lab scientists, chemists and technicians, are encouraged and supported in outside professional activities that contribute to their growth and professional competence. Employees are also encouraged to present a professional attitude at all times with a commitment to the agency and the public it serves.

f) ethical behavior?

The Department's shared vision is for the state's economy to grow and prosper providing everyone, producers and consumers, opportunities to enjoy the fruits of agriculture.

1.2. How do senior leaders establish and promote a focus on customers and other stakeholders?

Every South Carolinian is a customer and stakeholder of agriculture, including SCDA employees. In reality, they are their own customers. They are constantly in touch with the public, assisting with agribusiness development and expansion, product testing and analysis, and providing reasonable assurances for the consumer.

1.3. How do senior leaders maintain fiscal, legal, and regulatory accountability?

Department staff is committed to the concept of fiscal responsibility. Many problems cannot be solved by money alone. Leadership is providing fresh approaches and creativity in addressing issues in a cost-effective way. Particularly in the realm of regulatory responsibility, staff is instructed to treat customers fairly and with understanding.

1.4. What key performance measures are regularly reviewed by your senior leaders?

- Tests on feeds, seeds, foods, cosmetic and petroleum products to assure product protection
- Partnerships with stakeholders to promote agriculture in South Carolina
- Buying and selling of the state's agricultural commodities both fresh and processed
- Food sanitation inspections at locations under SCDA regulatory authority
- Growth and development of the State Farmers Markets
- Efficiency and effectiveness provided by new technology

1.5. How do senior leaders use organizational performance review findings and employee feedback to improve their own leadership effectiveness and the effectiveness of management throughout the organization?

At the request of the Commissioner, the SC Office of Human Resources initiated an evaluation of the overall performance of the agency. These findings will help improve leadership effectiveness.

1.6. How does the organization address the current and potential impact on the public of its products, programs, services, facilities and operations, including associated risks?

The agency receives excellent feedback on programs and services from the agriculture community, commodity boards and associations, and consumers. Testing and inspection error rates provide vital information concerning safety and risk to consumers.

1.7. How does senior leadership set and communicate key organizational priorities for improvement?

Key organizational goals and priorities are set and communicated through consistent communication between senior leadership and staff. The Commissioner initiated a confidential survey of staff to review the organizational climate and future human resources needs of the agency. The consensus of problems and issues as well as opinions, ideas and thoughts for improvement within the Department are helping guide him in making important decisions.

1.8. How does senior leadership actively support and strengthen the community? Include how you identify and determine areas of emphasis.

The agency actively supports and strengthens communities through employee involvement in civic clubs and various other community-oriented groups or committees. Staff is encouraged to be involved in programs that will provide awareness of SC agriculture and of the SCDA's programs and services. Staff worked collaboratively on various projects in FY06 to assist the community.

III. Category 2 – Strategic Planning

2.1. *What is your Strategic Planning Process, including KEY participants, and how does it account for:*

- a) *Customer needs and expectations*
- b) *Financial, regulatory, societal and other potential risks*
- c) *Human resource capabilities and needs*
- d) *Operational capabilities and needs*
- e) *Supplier/contractor/partner capabilities and needs*

The agency continues to evaluate its strategic planning process. This process involves the assessment of customer needs and the design of agency programs and services. Built into the plan is an on-going evaluation of performance against established benchmarks and standards. Through clearly communicating the agency's mission, goals and objectives to employees, other state agencies, partnering organizations and customers, the strategic plan will promote continuous improvement within the agency and its programs. Success is measured and goals are established based on the expectations of customers and stakeholders

Modest financial support for food and feed protection initiatives has been achieved by way of federal grants. FDA supports our SC Interagency Food Safety Council activities with a \$7,000 grant and USDA/FSIS supported a retail meat and poultry food safety training grant administered jointly by the SCDA and Clemson University. The SCDA also has a contract with the FDA for inspecting four mills producing medicated feeds and for monitoring for BSE at 40 other sites in the state's distribution chain. The SCDA received \$9,100 in FY06 for that FDA contract. The SCDA continues to receive compensation for providing cooperative and contractual assistance to federal agencies.

The Administration Division's Finance Section follows a procedure manual and encourages all department employees to follow those procedures to obtain goods and services in a timely manner. The Finance Section requires at least five working days to complete all transactions.

2.2. *What are your key strategic objectives?*

- Effectively manage agency operations and workforce
- Protect producers and consumers
- Promote agriculture and agribusiness
- Provide public awareness, promotion, and publicity of South Carolina agricultural products

2.3. What are your key action plans/initiatives?

Strategic Planning Chart

Program Number and Title	Supported Agency Strategic Planning Goal/Objective	Related FY 05-06 Key Agency Action Plan/Initiatives	Key Cross References Performance Measures
I Administrative Services	Effectively manage agency operations and workforce.	Effectively manage financial resources to ensure financial well being. Create a work environment that promotes performance and employee satisfaction. Evaluate programs and services to ensure customer needs are met. Evaluate employee performance and provide materials and technological needs to be successful. Use available technology and aggressively seek new technology to improve office operations. Provide progressive leadership with a clear focus that actively guides the agency. Provide recognition to those employees for their effort. Develop a well trained and diverse workforce. Encourage staff to contribute ideas to means and methods of improving the workplace and the operation of the agency.	Pages 17-19
II Laboratory Services III Consumer Services, Inspections	Protect producers and consumers	Enforce all applicable laws regarding proper warehouse receipting, storage and payment for agricultural commodities. Ensure the accuracy of weights and other measurements. Work with public and private organizations to solve problems and issues related to agri-safety and agri-security. Perform food sanitation inspections at all locations under SCDA regulatory authority. Perform tests on feeds, seeds, foods, cosmetics, and petroleum products to assure acceptable quality. Grant permits to salvage food operations. Inspect and grade appropriate agricultural products for domestic and international markets.	Pages 19-25
IV Marketing & Promotion, Commodity Boards, Market Services, Market News, <i>Market Bulletin</i>	Promote agriculture and agribusiness Provide public awareness, promotion, and publicity of South Carolina agriculture	Encourage new and existing business which use traditional and non-traditional agricultural products or which service and supply agriculture. Search for new products and look for new value-added ways to use the state's products. Provide assistance to small farmers. Support the growth and development of local farmers markets to encourage those nutritionally at-risk to buy locally grown products. Manage three regional State Farmers Markets in Columbia, Greenville, and Florence efficiently and effectively. Market local farm products to consumers and assist farmers through the Certified Roadside Market Program.	Pages 25-34

<p>IV Marketing & Promotion, Commodity Boards, Market Services, Market News, <i>Market Bulletin (Continued)</i></p>		<p>Support expansion and development of local, regional, national, and international markets for South Carolina agricultural products.</p> <p>Encourage buying and selling of the state’s agriculture products both fresh and processed through the South Carolina Quality Program</p> <p>Create promotional campaign that includes publicity items, exhibits, and events designed to increase public awareness of agriculture in South Carolina.</p> <p>Encourage buying and selling of the state’s agricultural commodities both fresh and processed through the South Carolina Quality Program.</p> <p>Develop partnerships with stakeholders to promote agriculture in South Carolina.</p> <p>Provide consumers with information on selection, preparation, and nutrition of South Carolina agricultural products through electronic and print media.</p> <p>Provide an agency publication that allows farmers and non-farmers to buy or sell farm-related items and that features timely information regarding agricultural issues and events.</p> <p>Collect and disseminate market news information to all segments of the produce and livestock industries and to consumers through various print and electronic means.</p>	
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2.4. How do you develop and track action plans that address your key strategic objectives?

Key strategic objectives have been identified that will reflect the overall performance of the agency. However, these key strategies continue to be reviewed and revised by the Commissioner and his staff to ensure that the agency remains on the desired course. In addition, leadership reviews and evaluates staff performance to ensure that all employees are focused on the same goals and objectives. Following that effort, job descriptions and positions are being redefined to clarify duties and responsibilities.

2.5. How do you communicate and deploy your strategic objectives, action plans and performance measures?

Strategic planning has been informal, for the most part, and directed primarily at devising ways to accommodate a varied customer base while carrying out specific mandates. Strategic alliances with other state government agencies have been cultivated in recent years to leverage limited resources. These alliances have proven valuable in furthering the Department’s agenda.

2.6. If the agency’s strategic plan is available to the public through the agency’s Internet homepage, please provide an address for that plan on the website.

The SCDA Strategic Plan is not currently posted.

III. Category 3 – Customer Focus

3.1. *How do you determine who your customers are and what their key requirements are?*

Our customers are producers and consumers, virtually everyone in the state. Producers need immediate access to markets and marketing information, and consumers need access to information about buying and using agricultural products. The more accessible the information, the more satisfied are our customers.

3.2. *How do you keep your listening and learning methods current with changing customer/business needs?*

The agency continually seeks input from farmers and processors on how to improve processes. The agency's website was revamped to provide current information about agriculture, provide information about agricultural events, and issue notices about problems in the industry, when necessary. In addition, the website is being updated for better accessibility to everyone.

3.3. *How do you use information from customers/stakeholders to keep services or programs relevant and provide for continuous improvement?*

The SCDA uses information from customers and stakeholders to keep services or programs relevant and provide for continuous improvement by surveying customers and evaluating their feedback.

3.4. *How do you measure customer/stakeholder satisfaction?*

The SCDA continues to train employees on how to deal effectively with customers. Any customer complaint receives individual attention and follow-up.

3.5. *How do you build positive relationships with customers and stakeholders? Indicate any key distinctions between different customer groups.*

Positive relationships are built with production customers dealing with their programs of interest. Trade show and agency event participation, Certified Roadside Markets, and other general marketing program numbers help evaluate success.

III. Category 4 – Measurement, Analysis, and Knowledge Management

4.1. *How do you decide which operations, processes and systems to measure for tracking financial and operational performance?*

Factors affecting marketing of SC agricultural products make it difficult to measure. Effectiveness of that program area is measured by an analysis of communications with the public and media and the quality as well as the quantity of information provided. Public perception of the Department's role is important to the overall effectiveness of the agency.

4.2. *What are your key measures?*

The agency benchmarks with other state and federal agencies whenever possible. Many programs are subject to audit to ensure financial effectiveness and procedure compliance.

4.3. *How do you ensure data integrity, timeliness, accuracy, security and availability for decision making?*

Data analysis is used in a number of ways to support effective decision making and assess performance.

4.4. *How do you use data/information analysis to provide effective support for decision making?*

The decision making process is based, in part, on data and information collected. However, decision-making is also based on input from stakeholders and customers.

4.5. How do you select and use comparative data and information?

Comparative data is selected based on benchmarks relevant to the agency's mission. Participation in national organizations such as the National Association of State Department's of Agriculture, Southern Association of State Departments of Agriculture, Southern United States Trade Association also provides information for comparison purposes.

4.6. How do you manage organizational knowledge to accomplish the collection and transfer and maintenance of accumulated employee knowledge, and identification and sharing of best practices?

Staff continues to listen and learn from our customers, monitors their perceptions gathered at the front line, and builds positive relationships with the entire customer base. The agency focuses on a broad base of customers through a variety of print and electronic means. Through the agency web site and through the media and personal contacts, the public is provided accurate up-to-date verbal and written information.

III. Category 5 – Human Resources

5.1. How do you and your managers/supervisors encourage and motivate employees (formally and/or informally) to develop and utilize their full potential?

Despite budget limitations, the Commissioner has placed great emphasis on motivating employees and increasing morale. Programs have been reviewed and some reorganization has been initiated to maximize employees' full potential. This is an ongoing evaluation to reach the agency's goals and objectives.

5.2. How do you identify and address key developmental and training needs, including job skills training, performance excellence training, diversity training, management/leadership development, new employee orientation and safety training?

Staff at the SCDA is multifunctional. Many employees are cross-trained to perform each other's job duties. In addition, when budget allows, employees are encouraged to attend meetings and training seminars for professional development.

Leadership in any organization requires an understanding of its strengths and weaknesses. As a service provider to agriculture and the general public of South Carolina, one strength of the SCDA is a dedicated and experienced staff. But this strength brings a weakness in that the agency is experiencing a significant turnover because of heavy participation in the state's retirement program. This has provided an opportunity to blend experience with the enthusiasm brought to the SCDA by new, younger staff members. An on-going strategic planning process will capitalize on this significant point in time for the agency.

5.3. How does your employee performance management system, including feedback to and from employees, support high performance?

The Commissioner continues to listen to staff. This past year staff voluntarily completed a survey. Management continues to work to improve morale and team spirit by improving the work environment.

5.4. What formal and/or informal assessment methods and measures do you use to determine employee well being, satisfaction, and motivation?

Performance evaluations and staff meetings provide opportunities to discuss employee needs and help determine employee well-being and satisfaction.

5.5. *How do you maintain a safe, secure, and healthy work environment? (Include your workplace preparedness for emergencies and disasters.)*

The SCDA has technical specific job requirements. For instance, the Laboratory Division is staffed predominately with trained scientists and technicians. It is important to a safe and healthy work environment that technical staff has appropriate credentials and that provisions are made for them to maintain their skills, knowledge and proficiency through continuing education, external workshops, seminars, specialized short courses and the like. This is essential in order for the work performed to stand up to scrutiny in any legal proceedings stemming from enforcement actions.

5.6. *What activities are employees involved with that make a positive contribution to the community?*

Employees participate in a number of fund-raising activities such as United Way, the Red Cross, Harvest Hope, etc. Some employees are Sunday School teachers and church leaders. Others are youth league sports coaches, counselors, board members of associations, and volunteers for many other organizations. In FY06, the SCDA staff collected almost \$6,000 from football fans attending the USC-Alabama game at Williams-Brice Stadium in their "Fans Feeding Families" effort. Through the American Red Cross of Central Carolina, the funds provided food for the Gulf Coast hurricane evacuees at shelters in SC and the affected states. Employees (Chicks with an Agri-tude) also participated in the First Ladies Walk for Life. Proceeds generated from the Walk support breast cancer research and prevention effort. Employees participated in the Cinderella Project, donating evening gowns and dress shoes. These items allowed twenty young ladies in the community to attend their prom when they might not have had the resources to purchase dresses and accessories. A Red Cross blood drive sponsored by the agency in April generated 20 pints of blood, which was enough to potentially save 60 lives.

III. Category 6 – Process Management

6.1. *What are your key processes that produce, create or add value for your customers and your organization, and how do they contribute to success?*

As policies and procedures are developed, standardization and communication have become of utmost importance. Technology has also become an integral part in meeting the agency's mission.

6.2. *How do you incorporate organizational knowledge, new technology, changing customer and mission-related requirements, cost controls, and other efficiency and effectiveness factors into process design and delivery?*

The agency works collectively and collaboratively with producers and processors to help ensure consumers receive the best possible products. While regulatory requirements are designed to help protect the consumer, the agency works closely with agribusinesses and other government agencies not only to enhance partnerships but also to maximize South Carolina quality products.

6.3. *How does your day-to-day operation of these processes ensure meeting key performance requirements?*

Communication is essential to stay abreast of new developments and to ensure information needs are met.

6.4. *What are your key support processes, and how do you improve and update these processes to achieve better performance?*

Key support processes include Administration, Information Technology, Human Resources, Procurement, Finance, Budget, Legal and Governmental Affairs, and Public Information. With a shrinking workforce, technology is a critical component in improving agency performance.

III. Category 7 – Business Results

The SCDA is comprised of **Administrative/Support Services** and three key program areas – **Laboratory Services, Consumers Services, and Marketing and Promotion**. The performance level of customer satisfaction in each area is measured differently.

Administrative and Other Support Services Business Results

The office of **Administration** provides executive leadership, policy development and review, financial services, information technology, facilities management, and other support services.

Information Technology is an area of Support Services designed to keep the computer resources of the SCDA in line with the technology of other state agencies and private industry in order to provide an efficient work environment. The current computer network includes an 80 user LAN and an AS/400. IT services are also provided to approximately 20 stand-alone personal computer users. Users are located at six 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 in-house repairs and maintenance agreements.

Performance Measures:

Workload Indicators: New projects addressed during fiscal year 2006 include: purchase of a new Laboratory Information Management System, implementation of WinWam software and laptops in the field for the Consumer Services Division, replacement of 20 desktop computers, on-line research and analysis for the *Market Bulletin*, purchase of internet connection for Consumer Services inspectors, replacement of Ethernet hubs at the Wade Hampton building.

Software and hardware support were maintained for the following during FY06:

- 900 COBOL programs involving 370,000 lines of code
- 80 Users supported for LAN and AS/400 environment
- 30 Users supported on stand-alone PCs
- 120 Users supported for email and Internet access
- 120 Users supported for hardware and software maintenance
- 1 LINUX/SQL server monitored – including maintenance and backup
- 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
- 20 personal computers purchased and installed for users
- 2 laptops 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
- 13 on-line user accounts to FDS maintained
- 7 on-line users accounts to CG maintained
- 3 on-line user accounts to Dept. of Insurance maintained
- 3 on-line users accounts to HR maintained

Efficiency Measures:

- 100% Real time access to Internet services for 83 users
- 100% Access for network office services for 83 users
- 100% Access for email services for 83 users
- Access for AS/400 computer applications

Effectiveness Measures:

- 99.9% Real time access to Internet services for 83 users
- 99.9% Access for network office services for 83 users
- 99.9% Access for email services for 83 users
- 99.9% Access for AS/400 computer applications

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

Finance Services has the sole responsibility for issuance of purchase orders to obtain goods and services for the Department. In addition, the support group focuses on paying vendors in a timely and efficient manner. A procedure manual is strictly followed, and all Department employees are urged to plan ahead to obtain goods and services in a timely manner. Finance Services requires at least five working days to complete all transactions. The staff focuses on getting payments to vendors in a timely manner and on depositing incoming checks in a reasonable time frame. The employees of Finance Services have various job functions and are able to work with limited supervision.

Information and analysis and results

Workload Indicators:

- 2,740 Purchase Orders Processed
- 3,806 Vouchers Processed
- 2,291 Seed Licenses Issued
- 357 Deposits Processed

Efficiency Measures:

- Ensure 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.

- \$11,524,546.20 Total expenditures
- \$ 134,100.00 Revenue from Seed Licenses
- \$ 170,092.00 Revenue from *Market Bulletin*
- \$ 6,203,701.73 Total revenue received (less Seed license and *Market Bulletin*)

The office of **Legal Affairs** consists of an attorney who specializes in agricultural legal issues and provides general legal advice and statutory interpretations. The agency's attorney continues to review and update over 30 laws under the authority of the SCDA. This includes analysis and comparison to other state and federal laws. The attorney also meets with groups to address possible legislative solutions to problems affecting their industries. Satisfaction with the laws currently in effect and the administration of those laws are likely measured by the number of complaints or lawsuits filed in attempts to change the regulatory regime. The attorney works with undergraduate and law school students to complete a wide variety of tasks such as monitoring legislative changes, responding to requests for information from citizens and assisting staff members in their programming efforts through the Department. In cooperation with the office of **Governmental Affairs**, focus continues on the implementation of new legislation falling under the authority of the SCDA. New legislation and statutory amendments are also considered for the purpose of making the operation of the agency more efficient as well as providing important laboratory analysis and consumer safety services for the general public, private entities, and other groups. In addition, the agency's attorney has been involved with the legal issues associated with the coordination and planning of the State Farmers Market at Columbia.

Laboratory Services Business Results

The **Laboratory Services** program area supports certain 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 consists of a Laboratory Director, Chief Seed Analyst and 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 has scientific educational credentials in their respective fields of work as well as years of professional experience that they draw from in carrying out their technical and managerial duties.

All Division managers and supervisors are active in professional scientific organizations that foster their continued growth in knowledge and expertise in their fields of specialty. Lab scientists and supervisors and technicians are likewise encouraged and supported in outside professional activities that contribute to their growth and professional competence.

To ensure consumer protection, the Laboratory receives samples and analyzes products from the public food supply to detect adulteration, confirms conformance to standards of identity and quality and assures consumers are protected from fraudulent or unsafe food products. The efficiency of the Laboratory Division's testing and analytical effort is reflected in number of analyses tested annually.

The objectives of the Laboratory Services Division programs are:

1. To receive samples and analyze products from the public food supply to detect adulteration, confirm conformance to standards of identity and quality and assure consumers are protected from fraudulent or unsafe food products.
2. To regularly request samples of 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. A Feed Control Officer position was created during the year to provide a more complete regulatory function for enforcing the state's Commercial Feed Law. Feed mill inspections are now a part of our feed regulatory functions. The new capacity was supported partially by a contract with the US Food and Drug Administration for conducting inspections of medicated feed mills and BSE inspections. BSE refers to "bovine spongiform encephalopathy," a disease more commonly known as "mad cow" disease. This disease can be transmitted through feeding tissue from a diseased animal to other animals of the same species making feed regulation a barrier to spreading of the disease and the consequential threat to the entire beef industry.
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 receive samples of gasolines, diesel fuels, kerosenes, and heating fuels from channels of commerce and test for conformance to quality standards, label representations and safety. State law requires that petroleum products offered for sale meet standards set by the American Society for Testing and Materials (ASTM).
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. Licenses or permits are issued for frozen desserts, butterfat testers, samplers and weighers and salvagers.

Division Workload by Fiscal Year					
	01/02	02/03	03/04	04/05	05/06
Food Samples	3,536	4,143	3,129	2,915	2,535
Animal Feed Samples	1,953	1,993	1,674	1,840	1,781
Seed Samples	14,413	16,423	17,251	15,684	14,423
Petroleum Samples	2,918	2,854	2,407	2,907	2,595
Registration Transactions	3,654	2,681	2,641	2,417	7,446

The nearly threefold jump in registration transactions during FY06 is attributable to an effort to clear and update commercial feed registrations. Many feed registrations were for products no longer being manufactured or sold. Feed firms were requested to re-register their current product offerings.

Number of Analyses Performed by Fiscal Year						
	00/01	01/02	02/03	03/04	04/05	05/06
Food Analyses	12,623	11,029	10,383	11,866	11,010	9,635
Feed Analyses	4,405	5,804	5,445	7,142	4,254	5,467
Seed Analyses	23,695	23,199	22,824	24,882	22,144	20,796
Petroleum Analyses	9,976	19,869	16,647	15,093	19,476	16,840

The outcome of the Laboratory Division's work can be assessed by reviewing compliance records for each of the program areas.

Violation Rates by Program Over 5-Fiscal Year Period (percent)					
PROGRAM	FY 02	FY 03	FY04	FY 05	FY 06
Food	5.2	7.7	7.36	9.2	8.9
Pesticide Residue	3.2	1.2	2.47	1.05	1.3
Feed	10.8	15.3	19.50	12.1	13.8
Petroleum	2.5	1.9	3.15	6.3	4.4

The food program continues to show a compliance rate in the 6-8% range with excess fat in ground meats as the most frequent type of violation.

Pesticide residue violations are mostly technical in nature and do not represent a significant food safety threat. It is rare that these technical violations necessitate any enforcement action. The pattern of pesticide residue violations observed in our laboratory mirrors the pattern of violations found nationwide in USDA's "Pesticide Data Program".

The Department's Laboratory tests showed a decrease in pesticides found on our state's produce and almost none (less than 2%) were over the tolerance levels. These pesticide residue tests on fruits and vegetables are performed in compliance with the state and federal food safety laws. Over 650 official and submitted samples were screened for chemical residues in FY06. The official samples were randomly drawn from supermarkets and farmers markets throughout the state as part of a "Market Basket Survey" to comply with the state's Food Safety Laws. The Department Laboratory tests showed that our growers are doing a good job.

Testing is performed at no charge to South Carolina residents. The lab also tests soil and plant tissue submitted by Clemson Extension agents who request herbicide and pesticide screens.

A total of 1,971 analyses were performed on the 657 samples of produce, feed, soil, and miscellaneous animal and plant material.

The SCDA Laboratory, currently located at 1101 Williams Street in Columbia, is scheduled to be moved to the new State Farmers Market at Columbia facility when it is completed. Strategically located, the Pesticide Residue Laboratory will have better access to a large portion of the state's fresh produce at the market.

Two hundred and fourteen compounds were found in the fruits and vegetables sampled. The percentages increased slightly from 29.22% positives during the 04-05 fiscal year to 33.33% positives during the 05-06 fiscal year.

Animal feed violations continue to occur in the range of 15 to 25% as they have over many years. This rate is typical for feed products both in the SCDA's experience and that of other states.

Seed Lab violations observed remain under 6% again reflecting improved quality assurance by seed merchants compared to past years.

At 4.4%, petroleum violations continue to reflect the rates observed nationally where petroleum laws are in force. Based on these violation rates, South Carolina consumers can be confident that petroleum products they buy in the state meet ASTM standards and are fairly labeled.

The General Accounting Office (GAO) has performed a study that reflects violation rates as much as 30% in other states. Petroleum violations include octane, flashpoint, and sediment or other impurities.

To provide the necessary infrastructure for an early warning system that identifies potentially hazardous foods and enables health officials to assess risks and analyze trends, the Electronic Laboratory Exchange Network (eLEXNET) is being applied in Laboratory Services. eLEXNET is a seamless, integrated, web-based information network that allows health officials at multiple government agencies engaged in food safety activities to compare, share and coordinate laboratory analysis findings. eLEXNET is the data capture and communication system for the Food Emergency Response Network (FERN). This system will help the Laboratory to be more responsive to intentional or unintentional emergency food situations.

The strategic thrust of the Laboratory Services Division is to meet regulatory responsibilities faithfully while minimizing disruption of regulated businesses. There is a conscious effort to assist businesses in meeting their regulatory requirements where such assistance contributes to an orderly marketplace. The Seed and Noxious Weed Law is particularly noteworthy in this regard. The Laboratory is required by law to provide a free seed testing service to farmers, gardeners and commercial seed producers and merchants. About 94% of seed testing capacity is devoted to such services while the balance is taken up by testing for official regulatory purposes.

Consumer Services Business Results

The performance level of the **Consumer Services** program is determined by the satisfaction by consumers that they are well-protected. The Consumer Services Division directly enforces nine laws and assists the Laboratory Division in the enforcement of several other laws by drawing official samples of petroleum fuels, animal feeds, seeds, produce, and ground meats:

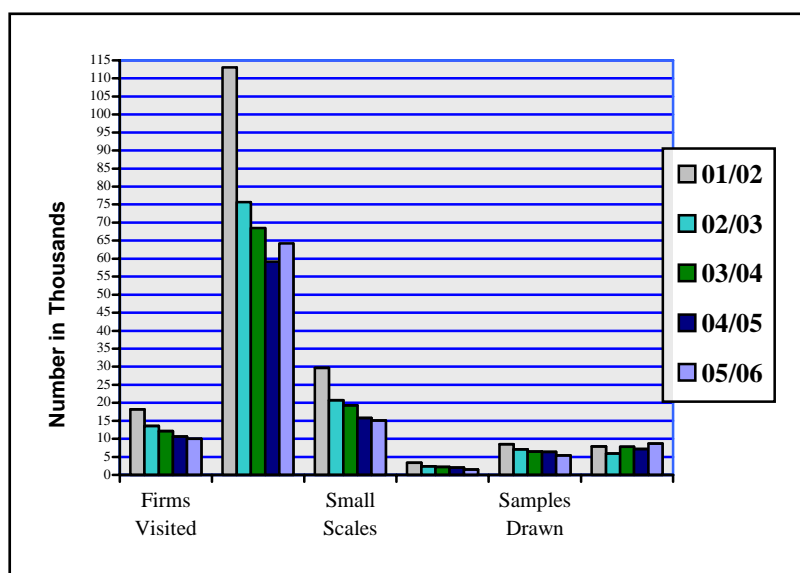
The laws enforced include:

- Weights and Measures Law – Section 39-9-10
- Gasoline, Lubricating Oils and Other Petroleum Products Law – Section 39-41-5
- Food and Cosmetic Act – Section 39-25-10
- Egg Law – Section 39-39-110
- Public Weighmaster Law – Section 39-11-10
- Dealers and Handlers of Agricultural Products – Section 46-41-10
- Grain Producers Guaranty Fund – Section 46-41-200
- Grain Dealer Guaranty Fund – Section 46-40-10
- State Warehouse System Law – Section 39-22-10

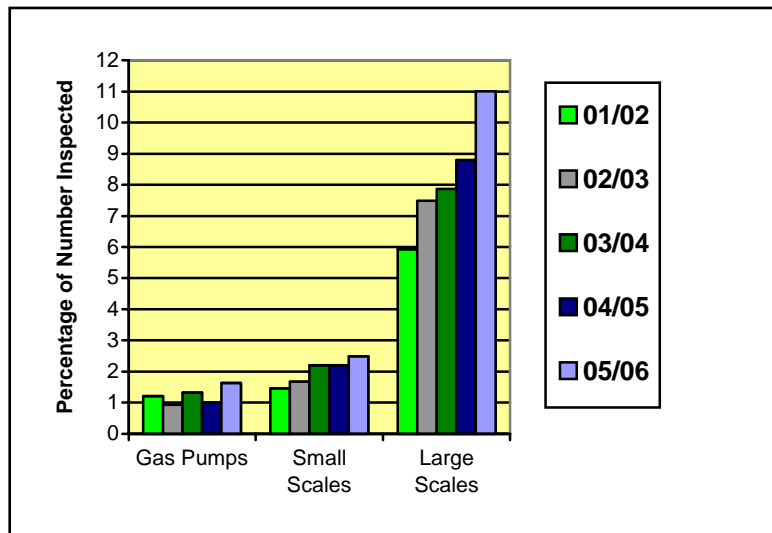
Weights and Measures

Consumer Services inspectors check commercial weighing and measuring devices for accuracy and inspects packaged goods to ensure correct net content statements. The Division's **Metrology Lab** maintains the state standards for mass, length and volume and provides calibration services to the public and private sector with traceability to the National Institute of Standards and Technology (NIST). The following table shows the number of inspections and calibrations performed by Consumer Services in the past five fiscal years.

Through the years, the number of firms and devices inspected, samples drawn, and standards calibrations decreased because the number of inspectors decreased. Only 10 years ago, the SCDA had 30 inspectors who checked 45,000 fuel dispensers at service stations. Today, the SCDA has 18 inspectors and over 63,000 fuel dispensers to inspect. The number of fuel dispensers is increasing daily as new stations are established.



The increase in dispensers requires more specialists to perform inspections even with the application of new technology. Experience has shown that when weights and measures areas are left unregulated, compliance tends to deteriorate, creating unfair competitive situations and loss of equity in the marketplace. Under these conditions, everyone loses except the unethical business operator. The following table shows the percentage of weighing or measuring devices found incorrect.



In addition to the fuel dispensers, those 18 inspectors also check 17,000 small scales in supermarkets and other facilities using weighing and measuring devices. Field Specialists also check large scales used to weigh trucks on the highways.

The division has implemented new computer technology that allows Field Specialists to collect more data that will help maximize available human resources. Our old inspection database was over

twenty years old, and this new software allows inspectors to collect much more data and gives the agency the ability to better utilize that data. Each Field Specialist is now equipped with a laptop computer and “WinWam” software that will allow the agency to capture the actual results on each device (whether the device is out of tolerance in the owner’s favor or the customer’s favor).

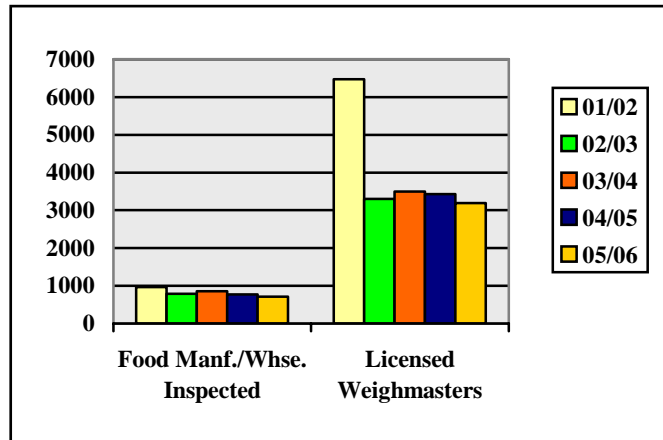
Field Specialists may now instantly see their previous inspection records. Signatures and other data are now captured electronically. Paper reports are no longer required. However, inspection results can be printed and left with the firm. Storage of paper copies is no longer an issue. Any inspection report with signatures can be printed at anytime in the headquarters office.

The software also allows weight indications from the inspector’s package inspection scales to be automatically transferred to the computer. It also automatically performs all the calculations required in performing official inspections on the net content of packages. The software calculates nearly all the tolerances for tests performed on weighing or measuring devices, and it contains templates for the inspectors to follow during their inspection.

The WinWam software is used by many other state, county, and city weights and measures inspection programs. The new system will provide quicker solutions to issues as they arise in the industry. Also, the NIST has taken on an initiative to promote uniform standards and practices from state-to-state. This new technology will help us help them in that effort.

Food Manufacturers and Warehouse Inspections

Food manufacturers and food warehouses are inspected to ensure that food products are manufactured and stored under safe and sanitary conditions. Persons that weigh bulk commodities and issue weight certificates must be licensed as Public Weighmasters. Unfortunately, the number of inspections performed and licenses issued has also decreased because the number of inspectors has decreased. The following table shows a comparison of the number of food manufacturers and warehouses inspected and the number of licenses issued to public weighmasters during the last five fiscal years.



Licensing, Bonding, and Auditing

Consumer Services also licenses, bonds, and audits dealers and handlers of agricultural products to ensure that the producer receives payment for his crop. Also, warehouses that store cotton or grain and issue warehouse receipts for those commodities are licensed, bonded, and audited. Three guaranty funds are administered by the Division to provide payment to the grain producer, licensed dealer and handler of grain, or the holder of a warehouse receipt should a licensed grain dealer or a licensed warehouse go bankrupt or commit fraud. The number of audits and licensed dealers, handlers and warehouses are affected yearly by mergers, consolidations, and acquisitions in industry. Two hundred and twenty-eight audits were performed on 147 firms licensed as dealers and handlers last fiscal year.

Marketing & Promotion Business Results

The performance level of the **Marketing and Promotion** area is controlled by factors far beyond human control. Weather conditions, harvest volume, supply and demand are some of the factors that influence the performance of this Division's programs and services. All programs and services offered are available in "bad" crop years as well as "good" crop years. Natural disasters and events as well as the economic climate affect the performance of the Division's programs and services.

The South Carolina Department of Agriculture is charged with the responsibility of maintaining and developing broad based marketing programs to increase consumer awareness and product demand for quality South Carolina agricultural commodities at local, national and international levels. The South Carolina Department of Agriculture also encourages expansion and development of existing industries that utilize South Carolina agricultural commodities, both fresh and processed, thereby increasing the marketability of locally grown products. In support of the agency's marketing program, our inspection and market news service programs provide quality grade standards and up-to-date firsthand market news through a cooperative status with USDA to the allied industry.

The Marketing and Promotion programs and services include:

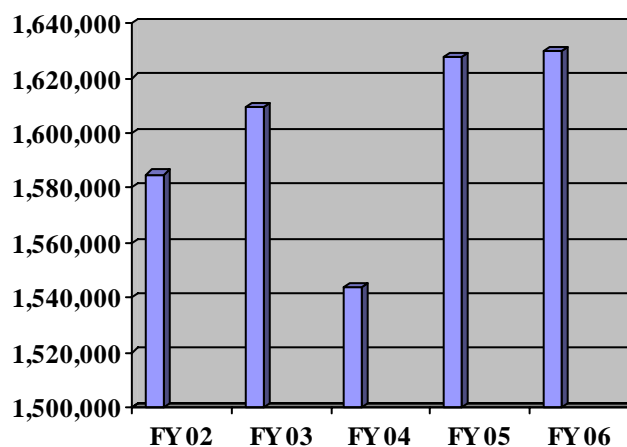
- State Farmers Markets
- Domestic, National, and International Marketing & Promotion
- Fruit & Vegetable Grading & Inspection
- Grain Grading & Inspection
- Poultry & Egg Grading & Inspections
- SC Quality Program
- Commodity Boards Liaison
- Certified Roadside Market Program
- Livestock Market News
- Fruit & Vegetable Market News
- Ornamental Horticulture and Floriculture
- Aquaculture
- Equine

State Farmers Markets

The SCDA operates three State Farmers Markets in Columbia, Greenville and Florence. The markets provide facilities for farmers to conduct direct sales of fresh produce to both consumers and major food distributors. The Markets serve as food distribution hubs. In addition, produce is shipped directly to grocery chains, restaurants, and industrial food handlers. The service area of the markets extends beyond the boundaries of the state, supplying produce throughout the eastern United States and Canada.

The Columbia State Farmers Market is the second largest farmers market in the Southeast in volume of produce, next only to Atlanta. The Columbia Market had approximately \$250 million in total sales last year which created an economic impact on rural areas of \$100 million. Twenty percent of all the shipments arriving on the Columbia Market were from the state's fruit and vegetable farmers. A source of fresh, locally produced fruits and vegetables, the market is also a major venue for the sale and distribution of horticultural products that draw consumers from a broad geographic area. Of the sixteen people employed at this market, four are part-time. It operates 24-hours a day for wholesale operations. The only days it is closed are Christmas Day and Thanksgiving Day. 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.

State Farmers Markets Revenue



Numerous private sector jobs are supplied at the facility, though many are seasonal in nature. Market revenue is generated by long and short-term leases, gate fees, and daily stall rentals. Additional revenue is received from parking for football games. Revenue has been increased by raising rates. All facilities that are suitable for year-round operations are leased. Seasonal income is dependent on the size of the state's agricultural production of produce. Plans are now under way for the relocation of the Columbia Market from Bluff Road to the intersection of Shop and Pineview Roads. This relocation will probably be realized by early 2008.

Wholesale operations dominate the Greenville State Farmers Market. The facility provides the same services as the Columbia market, but only on a smaller scale. This market operates year round, 24 hours a day, seven days a week, closing only on Thanksgiving and Christmas Days. A staff of five operates the market – two are part-time and needed to control access during nights and weekends. However, many of the structures are old and in need of substantial investment to bring them up to present day standards.

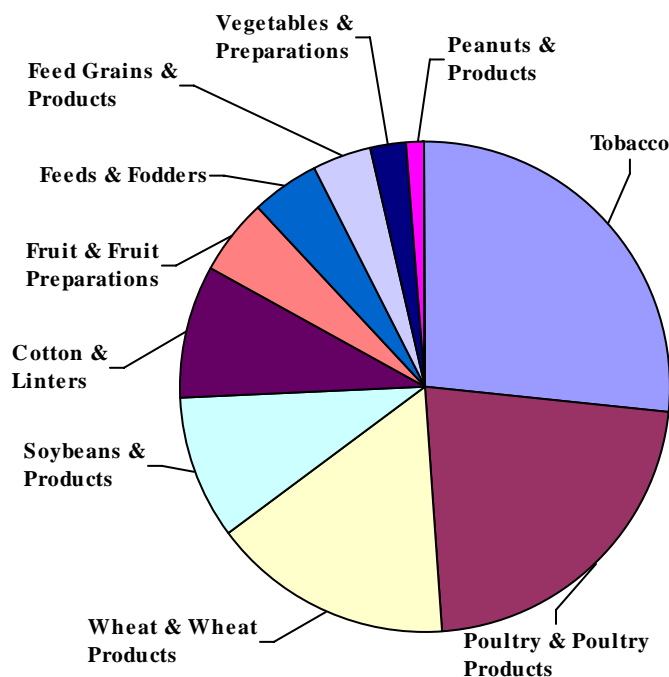
This Pee Dee State Farmers Market, located in Florence, provides space for daily sales by farmers and long-term leases to wholesale and retail operations. It has become a major venue of the sale of horticultural products and draws consumers from a broad geographic area. Spring and fall plant and flower festivals are a main draw for the market and help promote year-round business. Operated by a staff of five, only one is part-time. The market is closed on Sundays and at night. The only warehouse building at the market is leased to the Harvest Hope Food Bank which operates a regional distribution center from the facility. Harvest Hope serves people in need with surplus food products. The renovated “Red Barn” is used for horticultural training classes to assist in the expansion of the green industry in the Pee Dee area.

The expansion of this industry benefits not only the local agricultural community but the ability to offer a wider variety of product for sale through the facility also benefits the market itself. Retail space in the Red Barn is leased at the present time. During the spring and summer months the stall space at the market is fully utilized. The budget passed in FY 06 provides \$750,000.00 for an additional retail farmers building. This additional space will provide needed retail area for local products along with increasing our market revenue.

- **Produce Marketing and Promotion** - supported the utilization and orderly marketing of South Carolina’s major fresh and processed fruit and vegetable crop/ helped to stabilize decreasing numbers in fresh fruit and vegetable production industry with cooperative cost effective marketing plans, programs, and promotions so that consumers can have access to fresh, locally grown produce.
- **Retail and Food Service** - maintained the level of awareness at consumer level in South Carolina retail and food service establishments.
- **Food Nutrition and Food Safety** - maintained consumer confidence in food channels, supporting healthy nutritional diets while removing fear of contaminated products, thereby increasing fresh and processed product consumption.
- **Market News Service** - the Market News Service analyzes and distributes price, volume and other market information from shippers, wholesalers, brokers, and market vendors to all segments of the produce and livestock industries and to consumers through printed reports, telephone recording devices, daily radio programs, and weekly newspapers. Market News includes Fruit & Vegetable Market and Livestock Market News Service.
- **Specialty Products** - provided continued exposure and high visibility of South Carolina specialty products, both fresh and processed, at all levels of retail and wholesale trade/ assisted over 55 specialty product manufacturers and distributors through South Carolina trade shows and supplied trade leads.

- **Market Development and Expansion** - provided marketing and promotion assistance which helped establish and maintain South Carolina growers as number two in peach production, number two in flue-cured tobacco production, number six in tomato production, number six in peanut production, number seven in watermelon production, number eight in turkey production, number eight in sweet potatoes, number twelve in cotton production, and number twelve in pecan production.
- **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.
- **Equine Program** – served 35,000 owners with 84,000 plus animals that have an estimated economical impact on our economy of 478 million dollars/worked with other public and private agencies to develop a statewide equine survey.
- **Aquaculture** – coordinated activities of the Aquaculture and Striped Bass Association with over 70 members in addition to cooperative effort with national associations monitoring legislative issues concerning the industry.
- **Ornamental Horticulture Program** – Worked with over 700 members of the Nurserymen’s Association, green house growers, landscape, and turf and sod producers having sales in excess of 1.5 billion dollars.
- **Agribusiness Support Services** – assisted over 100 established agribusiness firms with marketing and production assistance as well as assistance with packaging, transportation, and other aspects of business for profit and expansion within South Carolina.
- **Pecan Producers and Processors** – worked with three commercial processors and with South Carolina production estimated at 2.5 mil.

SC Ag Exports by Commodity



- **International Market Development** – worked to develop and expand markets abroad which supported millions of dollars in agricultural exports from South Carolina
- **Certified Roadside/Direct Marketing** – served over 120 markets and direct sales outlets
- **Domestic Market Development** – participated in 7 National Exhibitions, and regional promotional exhibitions, contacted over 500 chain and food service buyer/establishments. Coordinated in-state visits for chain and food service buyers with outlets numbering over 5,000.

- **SC Commodity Boards** – assisted the present seven SC Commodity Boards with their collections, marketing, administrative, and other related duties to promote sales, usage and research for each.

Cotton Board: 398,000 bales on 263,000 harvested acres
 Soybean Board: 8.8 million bushels harvested on 420,000 acres
 Peanut Board: 188 million pounds harvested on 59,000 acres
 Watermelon Board: 90+ million pounds harvested on 6,500 acres
 Pork Board: 225,000 hogs and pigs
 Cattle and Beef Board: 435,000 cattle and calves
 Tobacco Board: 48.3 million pounds on 23,000 acres

- **Major Agricultural Associations** – coordinated and worked closely with Chairmen and Association Boards with their administrative, marketing, financial guidance, and other related items.

SC Peach Council: Weather limited production to 75 million tons on 14,000+ harvested acres
 SC Tomato Association: 9 million plus pounds on 3000 harvested acres
 SC Watermelon Association: 90+ million pounds on 6500 harvested acres
 SC Corn Growers Association: 30.2 million bushels on 280,000 harvest acres
 SC Soybean Association: 8.8 million bushels harvested on 420,000 harvested acres

- **Grading and Inspections**

Commodity inspection and grading is provided through cooperative agreement between the US Department of Agriculture and the South Carolina Department of Agriculture.

Fruit, vegetable, and peanut grading and inspection services are provided at shipping point, receiving locations, and terminal markets to specify grade, count, weight, and other factors important in quality determination. Official certificates of grade are issued by inspectors to verify grade factors.

Poultry and egg grading services are provided for shell eggs, egg products, poultry, rabbits, school lunch programs, and meals ready to eat (M.R.E.) at packing and processing facilities throughout the state to insure that products meet grade and quality standards. Products are also inspected and certified at export warehouses for international shipments.

The South Carolina Grain Grading and Inspection Service is headquartered in Shed 14 of the Columbia State Farmers Market, 1001 Bluff Road, Columbia, SC. The Inspection Service works with producers, brokers, receivers, food processors, export marketers, and other related avenues of grain movement to inspect and certify the quality and cleanliness of grain produced or shipped into South Carolina as this grain moves through normal marketing channels.

- **Agribusiness Development**

The agribusiness development program was involved in a number of potential projects for South Carolina. Alternative fuel projects are of particular interest as fuel prices remain high. Carolina Biofuels has established a biodiesel production facility in the upstate and is shipping B20 to distributors. Other projects are being considered related to ethanol production, as well as, biodiesel production and in all likelihood will result in several projects being sited in South Carolina.

The Department assisted in recruiting and helping to site a company in Williamsburg County to produce erosion protection materials from wheat straw. The Department sponsored farmer meetings to introduce them to the project and help them understand how they could participate. The company is located in a former tobacco warehouse.

- **Small Farms Program**

The Small Farms Program continued to provide training to farmers interested in participating in the senior farmers market nutrition program and the WIC program. The Department trained and certified 354 farmers for the program this year. Personnel also assisted 65 local community farmers markets around the state. The department assisted in finding farmers to sell locally grown produce at these markets and assisted local officials in providing information to local participants about how they could access the program. The small farms program was successful in acquiring a \$78,000 grant from the Kellogg and Ford Foundations to establish 10 pilot programs. The pilot programs will provide a means for food stamp recipients to use EBT cards to purchase locally grown produce at community based farmers markets. The grant also allowed for the hiring of interns to assist in implementing the program.

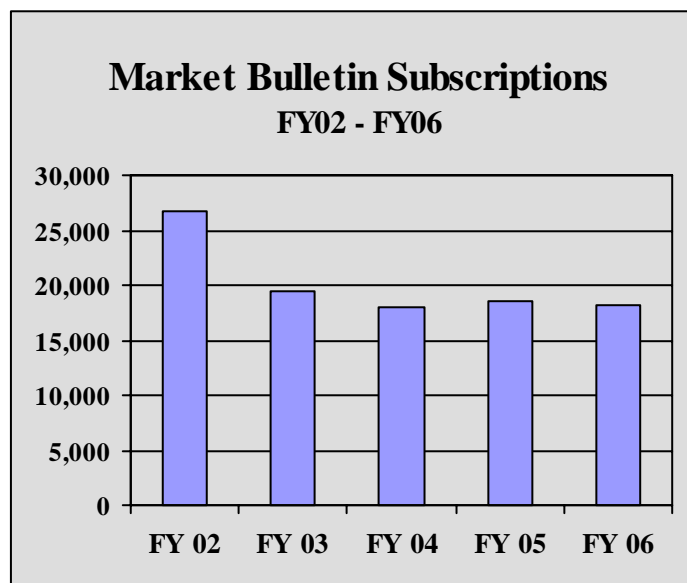
- **Market News and Information**

Market News Service specialists analyzed and distributed price, volume and other market information from shippers, wholesalers, brokers, and market vendors to all segments of the produce and livestock industries. The information was distributed through printed reports, telephone recording devices, daily radio programs, as well as daily and weekly newspapers.

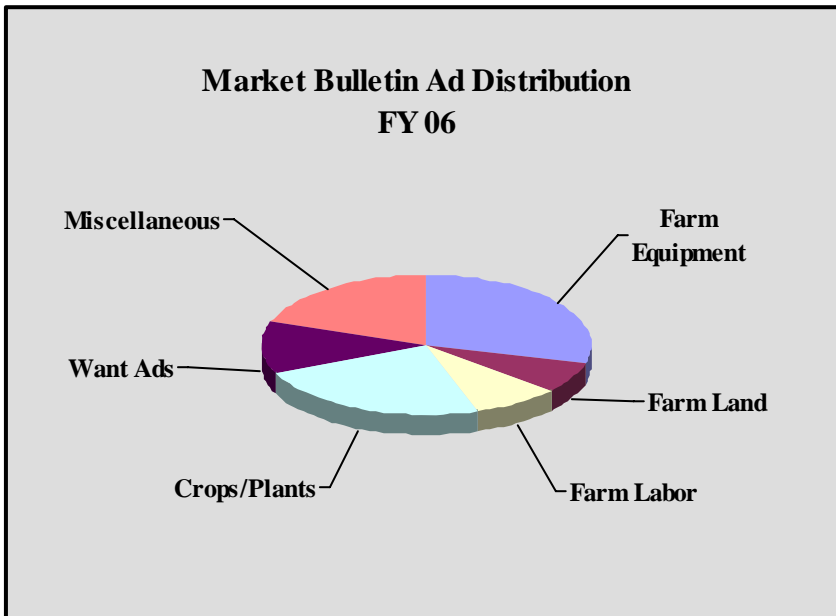
The Office of **Communications and Public Information** provided public awareness of South Carolina products and supported the marketing and promotion effort. CPI worked efficiently and effectively to communicate with the public through print and electronic means to provide valuable information to our customer base, and, at the same time, reduce costs. CPI also publishes the *Market Bulletin*, maintains the agency web site, oversees the agency media and public relations, produces an agency newsletter, produces publications and print materials for the agency, provides publicity for special promotions and projects, provides support for partners and allies in the industry of agriculture, and serves in the communications arm of emergency preparedness and recovery.

- **Market Bulletin**

The 93-year-old *Market Bulletin* is published twice a month for producers and consumers as a resource for buying and selling agricultural and agricultural-related items as well as a resource for valuable information. Because of thorough validation of information, there has been a significant increase in compliments about the publication. The *Market Bulletin* includes information designed to encourage buying and selling of the state's locally grown produced through the "South Carolina Quality" Program and hundreds of agricultural events.



Approximately 434,000 copies were printed during the year and sent to an average of about 20,000 subscribers. Staff continues to aggressively market the *Bulletin* through other publications and partnerships with other organizations. Many thousands of dollars are saved in the printing process because the circulation, copyediting, layout and design are performed in-house.



About 14,000 ads were published during the last fiscal year. Communications and Public Information now receives more ads electronically for the agency publication than through the postal service. Based on a survey several years ago that reported an average of \$12 million sold in goods through each issue, the total sold in 24 issues could be as high as \$288 million during a fiscal year.

Through the *Market Bulletin*, farmers are able to sell their farm equipment which enables them to buy new equipment. Farmers are also provided a vehicle in which they can sell their livestock and crops.

In addition, non-farmers find plants, flowers, seeds, and other items of interest to them. The largest segment of ads was for farm animals including cattle, goats, sheep, llamas, hogs, horses, poultry, and rabbits. The second largest number of ads was for farm equipment. Crops and plants which includes fresh produce, garden plants, flowers, and hay and grain provided the third largest number of ads. Ranked 7th in the list of categories, farm land for sale ads totaled an average of \$7.3 million in each of the 24 issues during the fiscal year. The total ads in that one category alone equaled \$175 million in FY 06. That's an increase of \$43.2 million in farm land for sale ads during the past year. Those figures do not include farm land for rent or lease. The *Market Bulletin* has long been a resource for economic stability, especially in rural communities.

- **Web site**

The web site has become a valuable resource for farmers and non-farmers in the state. In the last survey, the agency website was viewed worldwide about a third of a million times a year. A counter has been installed on the website to track the number of visitors.

Work continues for overhauling the entire Department web site to comply with 508 standards and to make it more accessible to people with disabilities.

The agency responded to a request to create an on-line statewide master calendar of agricultural events and meetings. Individuals and organizations can now post their own events and meetings. The concept was designed to prevent overlaps in scheduling of agricultural meetings, workshops, and events. A separate web site designed for the Pee Dee State Farmers Market was viewed worldwide about 3,000 times. Other sites will be developed in the future to enhance the promotion and marketing opportunities of the other state farmers markets. In addition, a database of the farmers markets, roadside markets, u-pick and other operations as well as agritourism events is available through the agency web site. A weekly Market News Report, SC Farm Report and Daily Peach Reports as well as a list of packers, stockyards, auction markets, vet services, USDA information, and U.S. grades for steers, cattle and meat goats are now included in the web site.

- **Publications**

Communications and Public Information produced a variety of brochures and publications throughout the year. For instance, the South Carolina Produce Shippers Guide was published and distributed to buyers and sellers to assist in marketing millions of pounds of South Carolina produce. The guide lists over 165 South Carolina produce shippers.

Over 250,000 recipe brochures are printed each year in house. These brochures which assist in marketing South Carolina products are distributed at fairs, roadside markets, and welcome centers as well as other venues where citizens and tourists frequently visit. Over half of the cost of production was saved by producing the brochures in house.

- **Public, Media, and Internal Relations**

Communications and Public Information published an electronic internal quarterly newsletter within the South Carolina Department of Agriculture which helps to provide information and build staff morale. The office also proactively distributed over 168 news releases communicating key messages to media outlets statewide. Those releases produced favorable, free media coverage for the Department and for agriculture in the state. Also, information regarding recalls on food products was issued throughout the fiscal year to alert consumers.

- **Special Promotions and Projects**

After 25 years of research and planning, ground was finally broken for the new **State Farmers Market at Columbia** on June 7, 2006 on a 196-acre site near the intersection of Pineview and Shop Roads in Columbia. The event marked the beginning of an estimated \$60 million, two-year construction project to provide the state with a new public-private farmers market, the first of its kind in the United States. Communications and Public Information was instrumental in planning and publicizing the event.

The SCDA also supported a wide variety of special promotions and projects. One of the most noteworthy was the “HeART of Agriculture” effort. To support a nationwide program called “America Supports You” launched by the U. S. Department of Defense and, at the same time, to spotlight the importance of agriculture, the Communications and Public Information office spearheaded a cooperative effort between the Department and the South Carolina Advocates for Agriculture, a non profit organization with the mission of promoting agriculture in the state. A check for \$5,000 from the sale of HeART of Agriculture note cards was presented to Fisher House Foundation at a Memorial Day event for families of soldiers in military hospitals who have been wounded in action or who are seriously ill. Each Fisher House is a military version of the Ronald McDonald House. The note cards were created from four images from the SC Art and Agriculture Watercolor Collection which is housed at the Department of Agriculture.

The Commissioner's School for Agriculture was held in June 2006. The school was established as a leadership development summer program designed to inform, inspire, and challenge students to consider a career in agricultural, natural resource, and life science industries. Students from across South Carolina (and one from out-of-state) gathered at Clemson University to participate in the week-long program. The school began in 2004 and was modeled after similar programs at other land-grant institutions. The school is sponsored by the Commissioner of Agriculture and the SCDA and hosted by the College of Agriculture, Forestry and Life Sciences at Clemson University. Students learn hands-on about academic areas such as Food Science, Packaging Science, Horticulture, Turf grass, Animal Sciences, Aquaculture, Forestry and Natural Resources. The group also participates in a wide variety of professional development workshops and extracurricular activities like whitewater rafting down the Chattooga River. The school operates on private donations and a small registration fee from each student. Out-of-state students pay the entire cost of the school. The students reunite in Columbia every year. During that time they tour South Carolina Department of Agriculture facilities and visit with State Legislators. Department staff assisted with the week-long activities.

Other promotions and projects during the last fiscal year include:

- Farmers Market Week Promotion
- A SC Taste with the Palmetto Food and Agribusiness Council on the State House plaza
- Promotion of SC Produce at Eastern Produce Council in Teaneck, New Jersey
- Plant and Flower Festivals at the State Farmers Markets
- U.S. Food Export Showcase in Chicago
- BI-LO Freshly Familiar Produce Grown by SC Farmers Campaign
- National Animal ID Program Promotion in cooperation with State Vet and Clemson Livestock and Poultry Health
- South Carolina State Fair Exhibit
- Carolina Q Cup World Barbecue Competition
- South Carolina Equine Census and Aquaculture Census Promotions in cooperation with with USDA Ag Statistics
- Promotion for Ag Tax Seminars in Cooperation with the Department of Revenue
- Promotion for a Variety of Agricultural Conferences, Seminars, Workshops, Clinics, Festivals, Horse Shows, Ag Study Tours etc.
- Operation Hayride - hay relief to the hurricane devastated Gulf Coast States
- Promotion of SC Quality products through the Taste of the Tidelands Serving SC Quality Award
- Promotion of Local Farmers Markets Events
- All Hands on Deck Promotion – SC Interagency Food Safety Council clean hands/healthy body promotion
- Expedition Nutrition Promotion to call attention to the risks of obesity, the importance of proper nutrition and an active lifestyle
- Fans Feeding Families
- South Carolina “Bank on Peanuts Month” Promotion with Banks
- Avalanche Presentation to State of SC Department of Agriculture to promote Ethanol and Flex Fuel Vehicles

- **Partnerships**

Alliances and partnerships with other public and private organizations continue to be developed and nourished to utilize all available resources in a cooperative effort. These alliances have proven beneficial to providing information to the citizens of the state at a significant cost reduction in taxpayer dollars. The Department continues to work with the SC Food Policy Council Steering Committee and the SC Advocates for Agriculture established in the previous fiscal year. In addition, the Department is assisting in the establishment of the SC Direct Marketing Association and the Community and Faith-based Farmers Market Program. The office has also provided promotion and publicity for the Ag Commission of South Carolina and various commodity boards.

- **Emergency Preparedness**

An emergency preparedness section has been included on the agency web site to provide information for livestock owners on evacuation sites, information on how to evacuate livestock, and links to the South Carolina Emergency Management Division. A link to the National Animal Identification Program was also established to provide information to livestock owners about the nationwide effort to locate and identify livestock in case of a nationwide animal disease emergency.

Staff also participated in exercises to prepare for real emergency events. In addition, staff members are required to work 8-hour shifts in real emergency hurricane events and are also deeply involved in emergency recovery and agriterrorism planning.