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Gregg, Shuler: Turn to farms to grow rural economy

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We've all seen the bumper sticker, "Think globally, act locally." Pretty useful advice, but what happens if we contemplate the reverse? In looking for ways to create jobs in South Carolina, what would it take to "think locally, act globally"?

South Carolina's rural communities have been struggling for decades, despite longstanding efforts to recruit outside businesses to them. What would happen if we focused instead on developing rural economies from the inside out — starting locally with what they do best and then exporting the goods they produce to the rest of the world?

South Carolina's rural communities are within an eight-hour drive of 60 percent of the population along America's eastern seaboard — more than 100 million people. And every day, rain or shine, bull market or bear, those people eat.

Much of the food they traditionally have consumed comes all the way from the Midwest and California, helped along partly by subsidies paid for by S.C. taxpayers. This dynamic is changing as rising energy costs make it harder for Western growers to ship their goods across the country to East Coast markets.

The question becomes, then, whether our state is ready to invest in rural areas in order to exploit new opportunities in local, regional and national food markets.

South Carolina boasts some of the most fertile soils and productive farms in the country. We have a year-round growing season and the highway and rail systems needed to move our fresh produce quickly. Thanks to the state Department of Agriculture, we also have a wildly successful marketing campaign, "Certified SC Grown."

What do we lack? First, the processing, packaging and distribution facilities necessary to increase the economic return on our goods before we send them to market. Too often, our produce, like any raw material, is shipped out of state to those who make the real profits by processing it. For example, we know of produce grown in Aiken County that is shipped to Atlanta for processing before finding its way to grocery stores in Charleston.

Second, we lack policies to empower local food markets, making it harder for us to compete with food distributors from other states. According to the National Agricultural Statistics Service, South Carolinians spent \$7 billion on food in 2010, but only 10 percent of those dollars went to S.C. producers. Simply doubling the amount of produce and livestock we consume locally would generate millions in revenues and create hundreds of jobs right here at home.

How do we get there? We need policies to empower our small farmers and local markets. These are not subsidies but targeted investments that will create jobs. In the three short years since the S.C. Department of Agriculture launched Certified SC Grown, it has generated nearly \$3 million in additional producer surplus — a \$6 return for every \$1 spent. A recent study by the Moore School of Business determined that an additional \$2 million investment in Certified SC Grown would boost state government revenues by \$23 million and create close to 10,000 jobs. These jobs would raise incomes in our rural areas and help create the labor pool we need to begin marketing our products regionally and nationally.

Times are hard right now, and the budget squeeze is being felt at the General Assembly. Still, there are several bills that would encourage our local food markets, including legislation to create an agribusiness development authority, place signs at our agritourism businesses and promote our fledgling "Farm to School" program. These bills will help strengthen our local food markets and create jobs.

A study by the University of Minnesota Extension Service revealed that small farms with an average gross income of less than \$100,000 made almost 95 percent of total expenditures within their local communities. By developing processing, distribution and marketing facilities for what they grow and raise locally, rural residents can reverse decades of decline and begin creating wealth from within.

With the right policies and consumer education in place, we can turn green acres into greenbacks. The key will be to think locally, act globally.

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