THE AGRICULTURE COMMISSION OF SOUTH CAROLINA

Buddy Jennings Commodity Training Facility

West Columbia, SC 29172

Wednesday, November 13, 2024

**COMMISSION MEMBERS PRESENT**

Frances Price, Chair

Mike Shirer

Stevie Still

Wayne Belger

Earl Thrailkill

Ben Gramling

Darren Carter

Adair McKoy

Bradley Orr

Michael Gibson

Frank Looper via phone

Mac Sanders

Lewis Hicks via phone

**COMMISSION MEMBERS ABSENT**

Chalmers Carr

Benjie Andrew

**OTHERS PRESENT**

Sam Quinney, SCDA

Clint Leach, SCDA

Alden Dalton, SCDA

Mary C Cromley, SCDA

Ellen Lloyd, SCDA

Dwight Cauthen, SC Farm Bureau

Rachael Sharp, Sec/Treasurer, SC Soybean Board

John Long, Chair, SC Corn Board

1. Call to Order/Invocation/Pledge of Allegiance – Chair Price called the meeting to order at approximately 10:01 a.m. and welcomed everyone. She gave the prayer and the Pledge of Allegiance. Chair Price then noted for the minutes of this meeting that Chalmers Carr has an excused absence for today’s meeting due to an orthopedic appointment this morning that he had been trying to get for a long time. Chair Price also noted that Frank Looper and Lewis Hicks have joined the meeting via conference call.

II. Guest Reports

* South Carolina Department of Agriculture – Sam Quinney reported on the following:
* South Carolina’s impact from disasters; infrastructure hit the hardest
* Potential of SC Watermelon Board going into dormancy. Due to the National watermelon assessment going to a higher rate beginning Jan 1, 2025, and the fact that South Carolina is one of the few states that have both a national assessment to pay and a state assessment to pay, they are wanting to look into putting the board in dormancy until further notice. Mr. Quinney said the SC Watermelon Board meets again in January to make their decision. He plans to share the Watermelon Board’s decision at the February, Ag Commission meeting.
* South Carolina Farm Bureau – Dwight Cauthen reported on the following:
  + Mr. Cauthen introduced himself saying he is the new Commodities Director for South Carolina Farm Bureau.

III. Old Business

* Minutes, August 12, 2024 – A board member discussed the need to add to the end of the motion on page 5 of these minutes “***through the SC Dept. of Agriculture.***” He said this needs to be added to help clarify the intent of keeping all commodity checkoff bank accounts under the SC Dept. of Agriculture. Ellen Lloyd said it was brought to her attention that board member Benjie Andrew’s name was left off as an attendee at this meeting. ***A motion was made and seconded to approve the August 12, 2024, minutes with these two changes being made. All were in favor. Motion carried.***
* Agenda Review and Suggestions - Annual Ag Commission/Commodity Board meeting – Sam Quinney discussed the following:
  + Looking at July 2025
  + Provided proposed agenda
  + Time for each commodity board to hold a quarterly meeting in the pm that same day
* Letters to SC Congressman – Chair Price reminded everyone of the letters sent to congressional leaders regarding the need for a Farm Bill that came about from the August meeting. She said she received replies from Tim Scott and Lindsey Graham.

IV. New Business

* Update on SC Beef Council Audit – Sam Quinney said this is the first year in a long time that the SC Beef Council audit has not had any findings to report.
* Ginner Compliance Procedures – Sam Quinney explained that this agenda item is regarding a specific cotton ginner that has been an issue in the past as far as not receiving assessments in a timely manner and the marketing director would like the Ag Commission to provide a procedure going forward. Sam Quinney explained the situation to the board and offered up solutions. Following discussion, the board made the following motion:

***A motion was made and seconded to ask the SC Cotton board to make a recommendation for the Ag Commission’s review to a hard due date of May 30th. All were in favor. Motion carried.***

* Commodity Board Appointment and Approvals - Ellen Lloyd provided the following nominee names by board to the Ag Commission for their approval:

South Carolina Soybean Board

* + District 1 - Charles Whiten, Westminster, SC (Petition, Proof of Production)
  + District 2 - OPEN SEAT (No petition received)
  + District 3 - Cecil Eaddy, Manning, SC (Petition, Proof of Production)
  + District 4 - Fitzhugh Bethea, Dillon, SC (Petition, Proof of Production)
  + District 5 - Jeffy Westbury, Harleyville, SC (Petition, Proof of Production)

South Carolina Cotton Board

* + District 1 - Richard “Ricky” Atkinson, Jr., Mayesville, SC (Petition, Proof of

Production)

South Carolina Peanut Board

* + District 1 - Charles Kirkland Rogers, Hartsville, SC (Petition, Proof of

Production)

Neal Baxley, Jr., Mullins, SC (Petition, Proof of Production)

* + District 2 - Austin Connelly, Allendale, SC (Petition, Proof of Production)

***A motion was made and seconded to approve all the nominee names presented for the SC Soybean Board, SC Cotton Board and SC Peanut Board. All were in favor. Motion carried.***

* Commodity Board requests to move money – Chair Price noted the emails sent to board members at 9:30 last night and 6:30 this morning regarding information from the soybean board and the corn board. This information was redistributed to board members in packets by Rachael Sharp, Secretary/Treasurer of the SC Soybean Board and Mary C. Cromley, Marketing Director of the SC Soybean Board. Chair Price asked that 5 minutes be given to review the material. Rachael Sharp was given an opportunity by Chair Price to speak to the material. Miss. Sharp said the information is quite a bit but is something that the soybean and corn boards have been working on for some time. She said the material provides background of a departure from what these boards have been doing and outlines how this can happen. She added that these boards feel the marketing orders allow them this departure with proper oversight from the Ag Commission.

***Question from Ag Commission Board:*** We are aware that you have already received incorporation. When did the vote to incorporate the SC Soybean Board happen?

***Answer from Miss Sharp:*** August 12, 2024

***Question from Ag Commission Board:*** Do you know how much is in the SCDA’s SC Soybean Board account as of today?

***Answer from Miss Cromley:*** As of this morning, 1.54 million.

***Question from Ag Commission Board:*** And then you said you have an outside account. How much is in that?

***Answer from Miss Sharp:*** An outside account?

***Question from Ag Commission Board:*** Yes, didn’t you say you all have opened a bank account?

***Answer from Miss Sharp:*** Not the Soybean Board, no mam.

***Question from Ag Commission Board:*** What precipitated the need for this departure?

***Answer from Miss Sharp:*** The boards feel like under the marketing order, it is required of us to use the funds in a way that benefits soybean farmers. These investments would help not only with budget but make up for losses due to pricing.

***Question from Ag Commission Board:*** But what, what brought about the need, the shortfall that required you to look to an outside account? Is it loss of interest?

***Answer from Miss Sharp:*** Soybean farmers feel like if we're the ones putting the assessment money into the account, we should get the interest from it.

***Question from Ag Commission Board:*** Was the 1.54 million that was referenced to be in the account currently, accumulated over years? I would like to determine what is typical income for the soybean board in a year as opposed to what leads to this balance.

***Answer from Miss Sharp:*** It is my understanding that this could have been brought up even before now, but it wasn't acted upon from minutes based on prior meetings.

***Answer from Miss Cromley:*** Just to give you some historical context on the income of the soybean board, in fiscal year 2019, what the soybean board kept in state after giving half of what they received to USB and sending to other states, the income was $180,000 a year. In 2021, it went up to 550,000. Prices went up significantly after the agreement with China came into place and the board chose not to spend up to that level because the way that the soybean checkoff works, it's based on prices. Miss Cromley said there is a significant level of fluctuation. Before I came to the SC Soybean Board, the account was just shy of a million dollars. This increase in assessments made the board gun shy because assessment had been so low in the previous years where they had to cut research projects in half. And prices are expected to be depressed for several years. In the political realm right now with tariffs about to go in place again, they expect the budget to be significantly lower again. Having an extra $65,000 a year to add on whenever you've got $180,000 budget or income, is a huge amount.

***Question from Ag Commission Board:*** What is the assessment on soybeans?

***Answer from Miss Cromley:*** It's one half of 1% and then 50% of that assessment goes to the United Soybean Board. What is kept in state is a quarter of that 1% effectively.

***Question from Ag Commission Board:*** Would these monies that you're talking about still be maintained within the South Carolina Department of Agriculture structure?

***Question from Miss Sharp:*** Would it be under the Department of Agriculture structure? Or controlled by the Department of Agriculture?

The following statue from the Agriculture Commodities Marketing Act and Order was read aloud:

*Section 46-17-3 70. Deposits and Disbursements.*

*The Commission shall deposit all monies which are collected by them in a separate account allocated to each marketing order or agreement, under which, such monies are collected and such deposits shall be made in the name of the commodity board. All expenses and disbursements incurred and made pursuant to the provisions of any marketing agreement or order authorized by section 46-17-340 shall be paid from monies collected and received pursuant to such order or agreement by check, draft or voucher in such form and in such manner and upon the signature of such person as may be prescribed by the marketing order or agreement.*

There was discussion as to whether this means these assessment accounts are to be maintained under the Department of Agriculture.

***A motion was made and seconded to go into executive session to discuss the soybean and corn board’s requests and the interpretation of where accounts for assessment monies are held. All were in favor. Motion carried.*** Alden Dalton was asked to remain in the Executive Session.

**EXECUTIVE SESSION**

***A motion was made and seconded to exit Executive Session of which was entered into to discuss some employment matters and receive legal advice. . All were in favor. Motion carried.***

Chair Price said before moving forward, she would ask that John Long, Chairman of the SC Corn Board, have an opportunity to talk and that she intended to make this happen before the Executive Session. She asked that he please forgive the oversight. Chair Long thanked everyone for the opportunity to be here today representing the Corn Board. He stated his purpose today is to represent on behalf of the corn board and to find out if the corn board is in compliance after opening a corn board checking account with a private bank and depositing money into it without the permission of the Ag Commission. Chair Long said he received a courtesy call from someone with the Dept. of Ag saying the corn board was in violation of state statue. He said he studied the Commodities Marketing Act and Order looking for the section that address outside bank accounts and could not find anything. He did see in the Act and Order where boards are required to advise the Ag Commission of all of activities relating to managing the money for the checkoff. There was much discussion about the corn board’s outside checking account and section 47-17-370 from the Act and Order was read aloud. Following this, Alden Dalton, General Counsel for the Dept. of Ag said we can agree, there is no requirement in the act that the bank account be maintained by the Department of Agriculture. The requirement is that the funds be received by the Ag Commission and deposited by the Ag Commission. She added that what is implicit in that is that the funds are received by the Ag Commission, deposited by the Ag Commission where the Ag Commission decides to deposit them. The following motions were made by the Ag Commission board members:

1. A motion was made and seconded that all funds be maintained within the S.C. Dept. of Agriculture for all SC commodity boards and that all remittances from all SC first purchasers shall be made to the Agriculture Commission of SC and that all accounts opened outside of the Department of Agriculture shall be immediately closed and all monies deposited into their appropriate account within the Department of Agriculture. All were in favor. Motion carried.
2. A motion was made and seconded that the Agriculture Commission of SC implement SC Code 46-17-280 with concern for bylaws being created by the commodity boards that are in conflict with the governing marketing order. All were in favor. Motion carried.
3. A motion was made and seconded that all commodity boards shall annually expend their collections for research, promotion and education, saving only enough for operating level expenses. This is to be on a yearly basis, and if there needs to be an exemption, the exemption needs to come before the Agriculture Commission of SC. All were in favor. Motion carried.
4. A motion was made and seconded that all directors/commodity staff of commodity boards be employed by the SC Dept. of Agriculture. All were in favor. Motion carried.

V. Other Business – 2025 Proposed Meeting Dates:

* February 10, 2025
* May 12, 2025
* August 11, 2025
* November 10, 2025

If the Annual Ag Commission/Commodity Board meeting takes place in July of 2025, then the Ag Commission’s August meeting date will be moved to July.

VI. Adjourn - The meeting adjourned at approximately 1:01 p.m.