The Economic Impact of Agribusiness in South Carolina and the Certified South Carolina Grown Campaign

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EXECUTIVE SUMMARY

South Carolina's agribusiness cluster is one of the state's largest industry groups. The total annual economic impact of agribusiness on the Palmetto State is $46.2 billion. This figure reflects the dollar value representing all final goods and services produced statewide that can be attributed (directly or indirectly) to the agribusiness cluster. This impact corresponds to 246,957 jobs and over $9.6 billion in labor income that would not exist otherwise.

These results imply that South Carolina agribusiness supports approximately 1 out of every 9 jobs in the Palmetto State. In addition, this $46.2 billion impact produces approximately $762.1 million in annual state tax revenue.

Agribusiness in South Carolina encompasses both the agricultural and forestry sectors, which represent about 55 percent and 45 percent of agribusiness, respectively. The largest industry sectors within the agricultural component of agribusiness are those related to poultry and poultry-related products. Within the forestry sector, paper and paper product manufacturing represent the largest industry sectors.

South Carolina agribusiness has experienced significant growth throughout the current economic expansion. The agribusiness cluster increased by approximately 25 percent between 2010 and 2018 – from $37.0 billion to $46.2 billion. The agricultural component grew at 22 percent over this time period, while the forestry component grew at 28 percent.

In order to encourage more local consumption of South Carolina-produced food, in 2007 the South Carolina Department of Agriculture (SCDA) implemented the Certified SC Grown branding initiative. By explicitly labeling South Carolina-grown products as Certified SC Grown, consumers are now able to more easily recognize products that are grown in state. The Certified SC Grown initiative also promotes the many potential benefits of locally grown products – such as access to fresher food options and an increase in local economic activity.

As of 2018, South Carolinians were purchasing $176.3 million more from local producers than they were in 2010 across all Certified SC Grown commodity categories. Thus, this $176.3 million represents the maximum potential direct annual economic benefit from the Certified SC Grown branding initiative. When incorporating all economic multiplier effects, the total potential economic impact of Certified SC Grown expands to $273.5 million annually. This $273.5 million is associated with 1,615 jobs and $51.2 million in labor income for South Carolinians.

The South Carolina General Assembly has typically allocated between $1 million and $3 million annually for the Certified SC Grown program initiative over the past eight years. Thus, with a maximum potential economic impact of $273.5 million annually and a maximum annual program cost of $3 million, this analysis shows the positive returns that a successful branding effort like that of the Certified SC Grown program has the potential to achieve.

Section I – Introduction

Agribusiness has been at the forefront of South Carolina's economic development for hundreds of years, dating to well before the colonial period of America's history. Today, with over 25,000 farms, the Palmetto State is fortunate to have a strong, growing agribusiness cluster based on the abundance of arable land and driven by sophisticated, highly productive, and diversified private enterprise. Agribusiness-related companies and suppliers are currently distributed across every county in the state, including family-owned and operated farms, large scale private farms, livestock producers, major food processors and manufacturers, and wood products producers – among others. South Carolina's agribusiness cluster has also seen significant expansion in recent years. As will be shown in this report, the total economic footprint of agribusiness has increased by 11 percent since 2013, or from approximately $41.7 billion to $46.2 billion in total economic activity. This includes over $485 million in capital investment activity from agribusiness firms in 2018 alone.[1]

Part of this increase is likely the result of the South Carolina Department of Agriculture's (SCDA) Certified SC Grown initiative. Specifically, Certified SC Grown represents a branding effort on the part of SCDA that was implemented in May 2007 to encourage more local consumption of South Carolina-produced food. Over the past two decades, the concept of "buying local" as a promotional tool to encourage residents to frequent locally owned establishments has taken hold among many businesses across the United States as a means to more effectively compete in the marketplace and to educate the public about the contributions that local businesses and their associated local suppliers make within the community. In the agribusiness cluster, Certified SC Grown is designed to emphasize the many benefits of locally grown produce (e.g., access to fresher food options, an increase in local economic activity) as well as to help consumers distinguish locally grown produce and the specific farm location from out-of-state produce. South Carolinians purchase approximately $27 billion on food each year.[2]

The purpose of this research effort is twofold: (1) to provide a comprehensive assessment of the economic impact of the agribusiness cluster in South Carolina in order to better understand its size and scope and its importance towards contributing to the state's long-run economic growth; and (2) to conduct a return-on-investment analysis of the Certified SC Grown branding effort by estimating the economic benefits that increased purchasing activity between 2010 and 2018 of locally grown agricultural products has generated for South Carolina and then comparing these benefits to the investment (cost) of this SCDA program initiative.

This study begins in **Section II** by first establishing the formal definition of agribusiness in South Carolina to be used in this report; **Section III** then moves to a discussion of the current economic impact of agribusiness on South Carolina. Next, **Section IV** provides an overview of the Certified SC Grown initiative and estimates the potential impacts it can have on increase local purchasing activity in South Carolina; finally, **Section V** provides a brief conclusion.

[1] Source: South Carolina Department of Commerce

[2] Source: U.S. Department of Agriculture Economic Research Service, 2018

Section II – Defining the Agribusiness Cluster in South Carolina

Table 1 – South Carolina's Agribusiness Sector: Agriculture Component Breakdown
Top 10 Industry Sectors

Industry Description	Direct Economic Output
Poultry processing	$2,387,614,014
Landscape and horticultural services	$1,265,801,270
Poultry and egg production	$1,119,152,954
Animal, except poultry, slaughtering	$881,486,572
Bottled and canned soft drinks & water	$810,547,363
Bread and bakery product, except frozen, manufacturing	$765,045,044
Lawn and garden equipment manufacturing	$662,664,673
Veterinary services	$644,260,132
Frozen specialties manufacturing	$633,956,482
Dog and cat food manufacturing	$598,958,740
All Other Agriculture Sectors	**$6,465,829,310**
Total Agriculture Component	**$16,235,316,554**

The agribusiness cluster represents a diverse group of businesses in South Carolina. These primarily revolve around the traditional agriculture and forestry sectors, all associated food and wood processing, and other related sectors such as industrial equipment, maintenance, and various support services. For the purposes of this report, the agribusiness cluster will be specifically grouped into two components: agriculture and forestry. The agriculture component represents 60 individual industry sectors in South Carolina, while the forestry component represents 35 individual industry sectors. The definitions and total size of each component, that is – the included industry sectors – are based on the IMPLAN modeling tool and are broadly consistent with previous research documenting South Carolina's agribusiness cluster, including the findings from Carpio, et. al (2008), the University of South Carolina (2010), and London & Associates (2015).

Tables 1 and 2 highlight the top 10 individual sectors included as part of each component, while **Appendix I and Appendix II** provide listings of all individual sectors for each component. All estimates reflect data from 2018, which are the most recently available as of this writing.

Table 2 – South Carolina's Agribusiness Sector: Forestry Component Breakdown

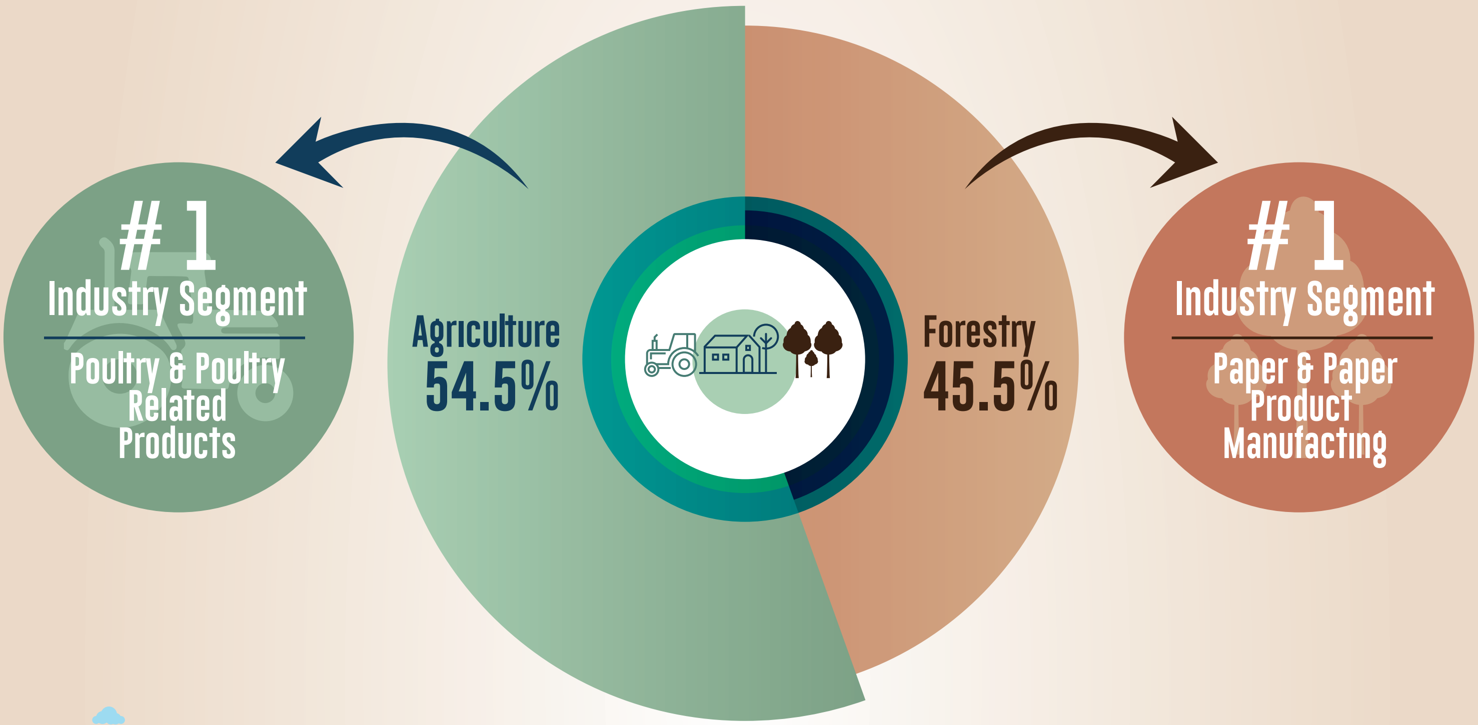
Top 10 Industry Sectors

Industry Description	Direct Economic Output
Paperboard mills	$2,283,213,379
Paperboard container manufacturing	$1,861,280,151
Sanitary paper product manufacturing	$1,622,061,401
Paper mills	$1,374,022,705
Paper bag and coated and treated paper manufacturing	$816,892,273
Commercial and industrial machinery and equip repair and maintenance	$788,516,785
Sawmills	$647,747,803
Reconstituted wood product manufacturing	$592,297,302
Wood preservation	$434,527,771
Veneer and plywood manufacturing	$401,411,713
All Other Forestry Sectors	**$2,530,617,535**
Total Forestry Component	**$13,352,588,818**

Note that the largest industry sectors within the agricultural component of South Carolina's agribusiness cluster are those related to poultry and poultry related products, which total approximately $3.5 billion in direct economic activity annually. By contrast, within the forestry component of South Carolina's agribusiness cluster, the largest industrial sectors are those tied directly to paper and paper product manufacturing. These sectors comprise over $7.9 billion in direct economic activity each year.

In sum, the total direct economic impact of the agribusiness cluster in South Carolina – including all elements of both agriculture and forestry – is $29.6 billion annually. This includes $16.2 billion and $13.4 billion from the agriculture and forestry components, respectively.

South Carolina Agribusiness
Cluster Summary



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Section III – The Economic Impact of Agribusiness on South Carolina

METHODOLOGY

As outlined above, the agribusiness cluster is one of the primary components of South Carolina's economy, generating billions of dollars in economic activity and directly employing thousands of workers across the state every year. Yet these activities do not provide a complete picture of the impact of agribusiness on the Palmetto State. The expenditures that occur as part of all ongoing operations of businesses within the cluster represent direct economic activity within the local regions in which they are made. However, these expenditures also lead to additional job creation and economic activity by way of the economic multiplier effect (or economic ripple effect).

Economic multiplier effects can be divided into direct, indirect, and induced impacts. The direct impact reflects all in-state purchases made by agribusiness firms themselves, including – for example – those made by all South Carolina farms, mills, and food processors & manufacturers. These expenditures include employee wages and benefits, equipment, building maintenance, and other overhead or administrative costs. This spending activity increases demand and leads to the creation of new jobs and more income for employees and suppliers of these agribusiness firms.

The indirect impact reflects all additional economic activity that results from inter-industry linkages between local firms in South Carolina. For example, when a South Carolina paperboard mill purchases raw materials from in-state vendors such as power/energy or packaging materials, these in-state vendors experience an increase in demand. To satisfy this demand, they must purchase additional inputs from their own suppliers. These suppliers must then purchase additional supplies as well, and so on. These indirect effects ripple through the economy and affect many sectors throughout South Carolina.

The induced impact reflects additional economic activity that results from increases in the spending of household income. For example, when the aforementioned paperboard mill purchases materials from one of its suppliers and the overall demand for this supplier firm rises, some of the staff working for this supplier will see a rise in their income levels. Part of this income will then be spent locally on, for example, food, entertainment, or housing. These industries will then also see an increase in demand for their goods and services, which will lead to higher incomes for some of their employees, part of which will also be spent locally.

These successive rounds of indirect and induced spending do not go on forever, which is why we can calculate a value for each of them. In each round, money is "leaked out" for a variety of reasons. For example, firms may purchase some of their supplies from vendors located outside of South Carolina. In addition, employees will save part of their income or spend part of it with firms located outside of the state. In order to determine the total economic impact that will result from an initial direct impact, economic multipliers are used. An economic multiplier can be used to determine the total impact (direct, indirect, and induced) that results from an initial change in economic activity (the direct impact). Multipliers are different in each sector of the economy and are largely determined by the size of the local supplier network as well as the particular region being examined. In addition, economic multipliers are available to calculate not just the total impact, but also the total employment and income levels associated with the total impact.

To estimate the impact of the agribusiness cluster on the state of South Carolina, the Division of Research used a detailed structural model of the South Carolina economy containing specific information on economic linkages across the state's 536 industrial sectors. This study also utilized the input-output modeling software IMPLAN in calculating estimates.

PRIMARY RESULTS

As previously noted, the total direct economic impact of the agribusiness cluster in South Carolina is $29.6 billion annually. This includes $16.2 billion in agriculture and $13.4 billion in forestry. These estimates represent the total dollar value representing all final goods and services produced in South Carolina that can be directly attributed to both labor and non-labor expenditures on the part of agribusiness firms at their many industrial locations, farms, and plant facilities. Because it includes all spending by consumers and businesses on both goods and services, it is an all-inclusive measure of direct economic activity. Approximately 128,834 jobs and $4.8 billion are associated with this $29.6 billion direct economic activity. **Table 3** highlights these estimates as well as the jobs and income figures in both the agriculture and forestry components of South Carolina agribusiness.[3]

Table 3 – Direct Economic Impact of Agribusiness on South Carolina

Impact Category	Agriculture	Forestry	Totals
Employment	87,080	41,754	128,834
Labor Income	$2,289,347,521	$2,538,520,276	$4,827,867,797
Economic Output	$16,235,316,554	$13,352,588,818	$29,587,905,372

[3]Note that all labor income estimates reflect total employee compensation, including wages, salaries, and benefits.

These direct economic impacts also lead to indirect and induced impacts through increases in demand for goods and services in other related industries and through increases in household spending activity – all of which are estimated using economic multipliers. Each impact is reported in **Table 4**, along with the accompanying totals. These totals represent the overall impact of the agribusiness cluster on South Carolina.

Table 4 – Total Economic Impact of Agribusiness on South Carolina

Impact Category	Employment	Labor Income	Economic Output
Direct Effect	128,834	$4,827,867,797	$29,587,905,372
Indirect Effect	65,763	$3,065,118,408	$10,539,479,839
Induced Effect	52,000	$1,754,161,648	$6,070,951,433
Total Impact	**246,597**	**$9,647,147,853**	**$46,198,336,644**

The $29.6 billion in direct economic activity (or economic output) from the agribusiness cluster (including all labor and non-labor expenditures) leads to indirect effects totaling approximately $10.5 billion in economic output and 65,763 jobs. These estimates reflect the increased demand for goods and services of local suppliers resulting from in-state expenditures on the part of agribusiness firms. The direct economic activity also leads to included effects total another $6.1 billion in economic output and 52,000 jobs. This is a reflection of economic activity in South Carolina generated across all industries that is the result of increased household spending. The combination of the direct, indirect, and induced effects leads to a total economic impact of approximately $46.2 billion, which is associated with 246,597 jobs across South Carolina. This makes agribusiness one of the largest industry groups in South Carolina. This $46.2 billion impact is also relatively evenly split between agriculture and forestry, which comprise 54.5 percent and 45.5 percent of this total, respectively. **Tables 5 and 6** summarize all impact estimates associated with each component.

The combination of the direct, indirect, and induced effects leads to a total economic impact of approximately $46.2 billion, which is associated with 246,597 jobs across South Carolina. Agribusiness consistently ranks as one of the largest industry groups in South Carolina and is a primary driver for the state's long-run economic growth.

Table 5 – Economic Impact of Agribusiness on South Carolina: Agriculture Component

	Employment	Labor Income	Economic Output
Direct Effect	87,080	$2,289,347,521	$16,235,316,554
Indirect Effect	36,429	$1,539,669,632	$5,724,333,120
Induced Effect	25,154	$884,733,840	$3,227,800,952
Total Impact	**148,663**	**$4,713,750,993**	**$25,187,450,626**

Table 6 – Economic Impact of Agribusiness on South Carolina: Forestry Component

	Employment	Labor Income	Economic Output
Direct Effect	41,754	$2,538,520,276	$13,352,588,818
Indirect Effect	29,334	$1,525,448,776	$4,653,376,900
Induced Effect	26,846	$869,427,808	$2,843,150,481
Total Impact	**97,934**	**$4,933,396,860**	**$21,010,886,018**

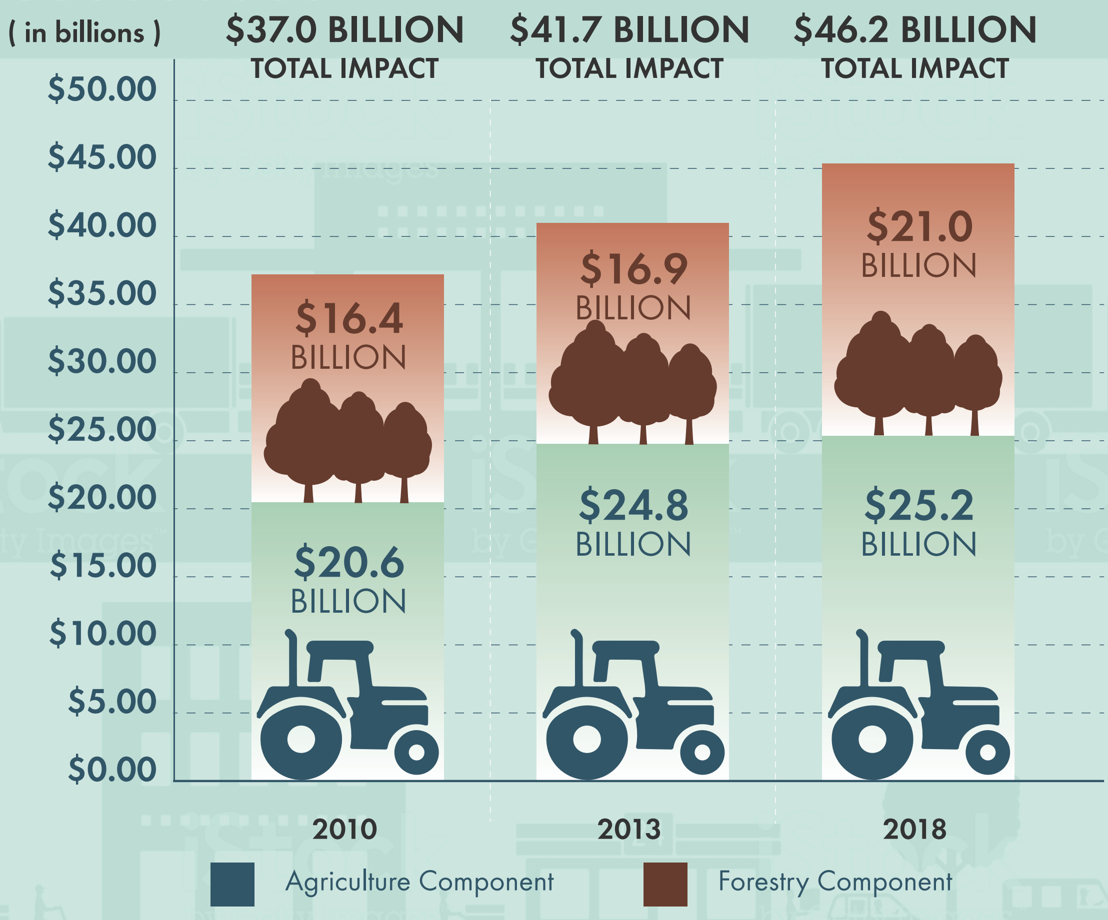
Each year, as **Table 5** denotes, the agriculture component of South Carolina's agribusiness cluster generates a total statewide economic impact of approximately $25.2 billion. This is associated with roughly 148,663 jobs and over $4.7 billion in labor income. The approximately $16.2 billion in direct economic output leads to an additional $9.0 billion through the economic multiplier effect. **Table 5** also highlights the multiplier effects associated with all labor income and employment impacts. The $9.0 billion in additional economic output associated with all indirect and induced effects is estimated to generate 61,583 additional jobs in South Carolina to fulfill the increased demand for industry related local suppliers and for increased household spending, which also supports an additional $2.4 billion in labor income.

In a similar fashion, **Table 6** breaks down the direct, indirect, and induced effects of the forestry component of South Carolina's agribusiness cluster. The total statewide impact of this forestry component is $21.0 billion annually. Approximately $13.4 billion in direct economic output generates an additional $7.7 billion in economic output via the economic multiplier effect. This $7.7 billion, in turn, supports approximately 56,180 additional jobs and $2.4 billion in labor income. In sum, the $21.0 billion impact generated by the forestry component supports 97,934 South Carolina jobs and over $4.9 billion in annual labor income.

AGRIBUSINESS CLUSTER GROWTH IN SOUTH CAROLINA

In addition to its sizable total impact, the agribusiness cluster has experienced significant growth in recent years as well. As **Figure 1** denotes, the total size of the South Carolina agribusiness cluster increased by approximately 25 percent between 2010 and 2018 – from $37.0 billion to $46.2 billion. The agriculture component grew at approximately 22 percent over this time period, while the forestry component grew at 28 percent.

Figure 1 – Economic Impact of Agribusiness in South Carolina: 2010-2018



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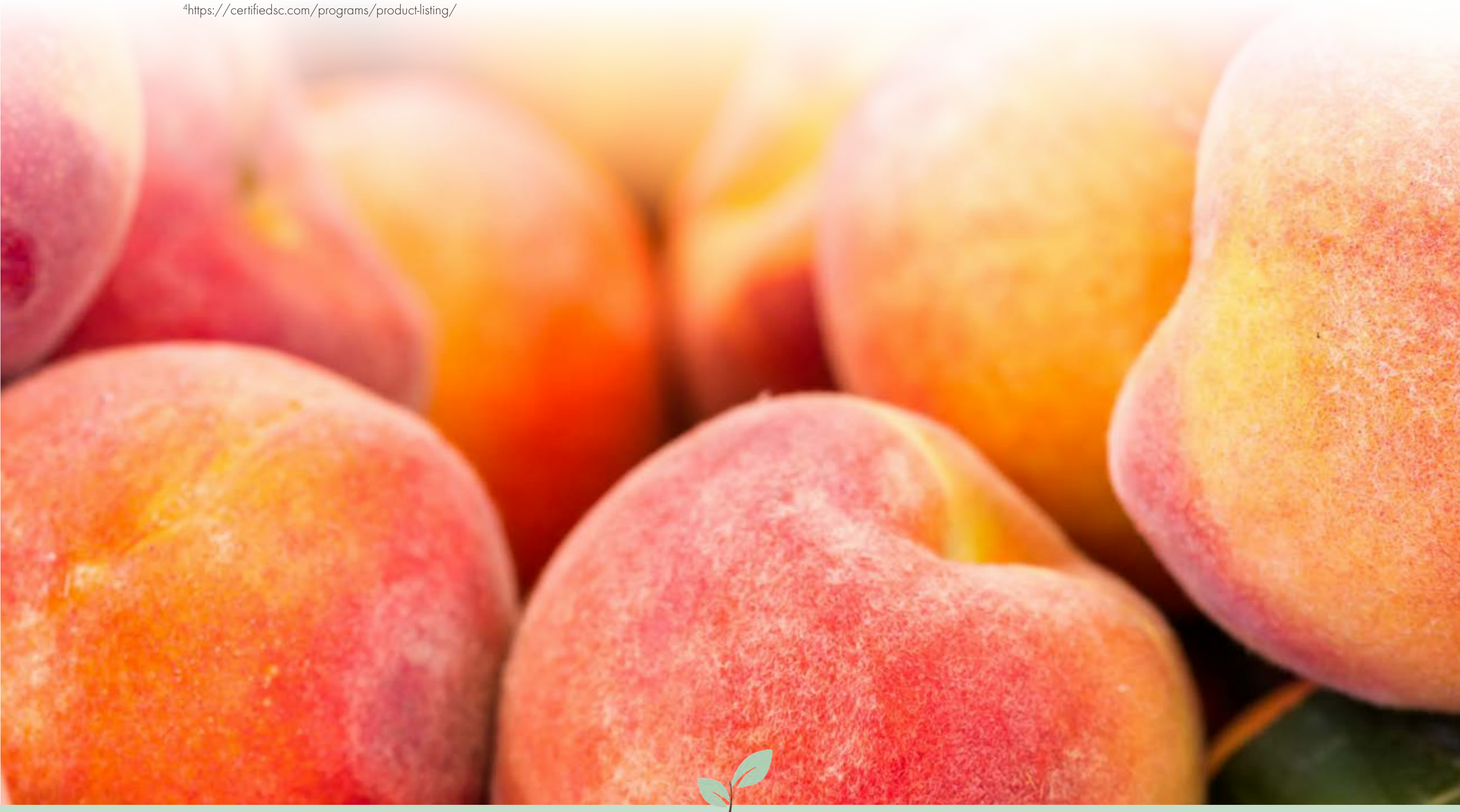
Section IV – Certified SC Grown: A Return-on-Investment Analysis

AN OVERVIEW OF CERTIFIED SC GROWN

Improving the overall rate of growth of South Carolina's agribusiness cluster is one of the primary goals of the South Carolina Department of Agriculture (SCDA). To this end, the SCDA implemented the Certified SC Grown branding initiative in May 2007 to specifically encourage more local consumption of South Carolina-produced food. With cooperation from participating farmers, processors, wholesalers, and retailers, many of the products grown in South Carolina and being sold across the state are now also being labeled as Certified SC Grown. This helps consumers to distinguish products grown in South Carolina from produce grown elsewhere. As of January 2020, several hundred agricultural products grown in South Carolina are considered to be Certified SC Grown by the SCDA.[4]

[4]https://certifiedsc.com/programs/product-listing/



This report now turns towards documenting the economic impact that the Certified SC Grown initiative has the potential to achieve by completing a return-on-investment (ROI) analysis. Such an analysis will first estimate the maximum economic benefits that increased purchasing activity of locally grown agricultural products due to the Certified SC Grown initiative could have generated for South Carolina over the past decade. These benefits will next be compared to the investment (cost) of this SCDA program initiative. Finally, the ROI of Certified SC Grown will be examined to document the potential net gains of the program initiative to the state of South Carolina.

METHODOLOGY

The first step towards completing this ROI analysis is to evaluate the maximum economic benefits that the Certified SC Grown initiative had the potential to generate over the past decade. Such an evaluation starts by recognizing that the potential economic benefits of Certified SC Grown will be represented by increases in the purchase of locally grown products over time. These increases, in turn, can be explicitly captured by examining changes in the Regional Purchase Coefficients (RPCs) of Certified SC Grown products over time.

For example, consider a hypothetical scenario in which the RPC of peaches in South Carolina is 0.31 and peaches are included in Certified SC Grown products. This would mean that 31 percent of all peaches purchased by South Carolinians were grown in South Carolina. Conversely, it would also mean that 69 percent of all peaches purchased by South Carolinians were grown elsewhere. Thus, any increase in this RPC over time would imply that South Carolinians are buying a greater percentage of their peaches from in-state suppliers. Moreover, since the Certified SC Grown branding initiative began in May 2007, any increase in the RPC of peaches since 2007 could potentially be the direct result of the initiative. Put another way, any increase in the RPC would represent the maximum potential economic benefit of the Certified SC Program initiative.

As previously noted, there are currently several hundred agricultural products grown in South Carolina that are considered to be Certified SC Grown by the SCDA. These products all fall within 29 commodity categories that encompass the South Carolina agribusiness cluster. The top fifteen categories (ranked by total demand) are shown in **Table 7**.

Table 7 – South Carolina Commodity Categories Included as Certified SC Grown

Commodity Category	Total Demand	Total Production	Total Local Use
Poultry and egg products	$1,184,086,000	$1,040,847,800	$478,006,800
Bread and bakery products, except frozen	$844,060,500	$759,729,850	$127,306,850
Beef cattle	$534,456,700	$135,635,050	$112,280,450
Cheese	$521,028,850	$28,187,610	$2,046,704
Canned fruits and vegetables	$428,916,150	$248,746,750	$23,018,195
Soaps and other detergents	$418,566,300	$342,022,450	$57,732,445
Grains	$386,502,900	$182,029,950	$105,075,865
Animal products, except cattle and poultry and eggs	$263,217,550	$66,515,940	$56,881,490
Cotton	$218,297,750	$47,201,210	$40,453,435
Vegetables and melons	$216,257,650	$95,419,650	$88,336,925
Forest, timber, and forest nursery products	$214,836,800	$87,978,025	$71,104,820
Coffee and tea	$211,056,250	$219,958,950	$11,867,550
Dry pasta, mixes, and dough	$205,169,500	$239,213,450	$16,106,650
Seafood products	$200,093,100	$27,624,670	$8,489,734
Fruit	$199,895,700	$72,059,250	$62,476,275
All Other Certified SC Sectors	**$1,234,741,369**	**$867,417,424**	**$218,189,273**
Totals	**$7,281,183,069**	**$4,460,588,029**	**$1,479,373,460**

As of 2018, South Carolinians are purchasing $1.5 billion (Local Use) of Certified SC Grown products annually out of a total of $4.5 billion being produced. A total of $7.3 billion of products in Certified SC Grown categories are being demanded. This implies that the RPC across all Certified SC Grown products is 20.3 percent ($1.5B/$7.3B). By specifically comparing the RPC values for each of the 29 Certified SC Grown commodity categories in 2010 to these same RPC values in 2018, the maximum potential economic benefits that Certified SC Grown could have generated during this time period can be estimated.[5] These benefits can then be compared to the total cost of the program to determine a potential ROI. Note that the period from 2007 to 2010 was excluded from this analysis in order to avoid erroneously inflating any estimates. The Great Recession, which began in 2007, significantly reduced total economic activity and thus would generate an inappropriately low base from which to compare RPC estimates in 2018.

[5]Because there are significant changes in total production among Certified SC Grown industry categories from year to year, two specific methodological adjustments were made. First, the RPCs used for the purposes of comparison over time for each industry category were (1) the average RPC value for 2010 and 2011 vs. the average RPC value for 2017 and 2018. Second, the potential economic benefits resulting from each industry category were capped based on the natural restriction that local use cannot, by definition, exceed local production.

PRIMARY RESULTS

Between 2010 and 2018, the total increase across all RPCs in the Certified SC Grown commodity categories yielded an increase in local purchasing of $176.3 million. In other words, as of 2018 South Carolinians were purchasing $176.3 million more from local producers than they were in 2010 across all Certified SC Grown commodity categories. Thus, this $176.3 million represents the maximum potential direct annual economic benefit from the Certified SC Grown branding initiative. In addition, this direct increase in local purchasing also carries with it both indirect and induced effects as previously defined in **Section III**. These effects are shown in **Table 8**.

Table 8 – Maximum Potential Annual Economic Benefits of Certified SC Grown

	Employment	Labor Income	Economic Output
Direct Effect	946	$24,861,358	$176,308,761
Indirect Effect	946	$16,720,170	$62,163,868
Induced Effect	273	$9,607,840	$35,052,571
Total Impact	**1,615**	**$51,189,368**	**$273,525,200**

South Carolina has achieved a net gain in total annual economic activity of $273.5 million due to the increased local purchasing of products in the Certified SC Grown commodity categories over the past eight years. This impact is associated with 1,615 jobs and $51.2 million in labor income for South Carolinians that would not exist otherwise. The approximately $176.3 million in direct economic output leads to an additional $97.1 million through the economic multiplier effect. Moreover, this $97.1 million is estimated to generate 669 additional jobs in South Carolina to fulfill the increased demand for local suppliers and for increased household spending, which also supports an additional $2.6 million in labor income. These results imply that for every $1 in new demand generated from additional local spending activity among products within the Certified SC Grown commodity categories, a total of $1.70 is generated in new economic activity for the state's economy.

The state of South Carolina General Assembly has typically allocated between $1 million and $3 million annually for the Certified SC Grown program initiative over the past eight years. Thus, with a maximum potential economic impact of $273.5 million annually and a maximum program cost of $3 million, this analysis shows the positive returns that a successful branding effort like that of the Certified SC Grown program has the potential to achieve.

Section V – Conclusion

With over 25,000 farms statewide, South Carolina's agribusiness cluster represents one of the largest industry groups in the Palmetto State and is a primary driver of statewide economic growth. Agribusiness-related companies and suppliers are distributed across every county, including family-owned and operated farms, large scale private farms, livestock producers, major food processors and manufacturers, and wood products producers – among others. This study specifically estimates that the agribusiness cluster in South Carolina currently generates a total of $46.2 billion in annual economic activity, which supports approximately 246,597 jobs and over $9.6 million in labor income that would not exist otherwise. This impact represents an increase of 25 percent since 2010.

One of the primary sources of this increase in recent years has been the increase in local demand for South Carolina-grown products. This increase in local demand, in turn, has partly been the result of the SCDA's Certified SC Grown branding initiative designed to promote the many benefits of locally grown products – such as access to fresher food options and an increase in local economic activity – as well as to help consumers more easily recognize products that are grown in state. As of 2018, South Carolinians were purchasing $176.3 million more from local producers than they were in 2010 across all Certified SC Grown commodity categories. When incorporating all economic multiplier effects associated with this increased local consumption, this implies that the total potential economic impact of Certified SC Grown is $273.5 million annually. This $273.5 million is associated with 1,615 jobs and $51.2 million in labor income for South Carolinians. Such a high potential impact can also be explicitly compared to the resources allocated to Certified SC Grown by the South Carolina General Assembly each year, which has provided between $1 million and $3 million to the program initiative annually over the last decade. Such a strong contrast clearly highlights the potential net benefits to the state of South Carolina that Certified SC Grown can provide in the years to come.

Appendix I – South Carolina's Agribusiness Sector: Agriculture Component Breakdown

Industry Description	Direct Economic Output	Industry Description	Direct Economic Output
Poultry processing	$2,387,614,014	Oilseed farming	$138,244,232
Landscape and horticultural services	$1,265,801,270	Vegetable and melon farming	$120,320,190
Poultry and egg production	$1,119,152,954	Rendering and meat byproduct processing	$107,490,829
Animal, except poultry, slaughtering	$881,486,572	Fruit farming	$63,787,888
Bottled and canned soft drinks & water	$810,547,363	Animal production, except cattle and poultry and eggs	$58,977,547
Bread and bakery product, except frozen, manufacturing	$765,045,044	Cookie and cracker manufacturing	$52,839,600
Lawn and garden equipment manufacturing	$662,664,673	Tobacco farming	$49,644,001
Veterinary services	$644,260,132	Breakfast cereal manufacturing	$48,954,502
Frozen specialties manufacturing	$633,956,482	Dairy cattle and milk production	$47,176,998
Dog and cat food manufacturing	$598,958,740	Frozen cakes and other pastries manufacturing	$45,791,420
Meat processed from carcasses	$435,635,712	Other snack food manufacturing	$42,547,642
Household refrigerator and home freezer manufacturing	$362,730,560	Commercial hunting and trapping	$40,820,503
All other crop farming	$347,235,840	Seafood product preparation and packaging	$30,446,615
All other food manufacturing	$333,301,117	Farm machinery and equipment manufacturing	$30,163,475
Canned fruits and vegetables manufacturing	$308,146,912	Nonchocolate confectionery manufacturing	$27,888,668
Fluid milk manufacturing	$307,031,219	Wineries	$25,179,869
Soybean and other oilseed processing	$304,905,243	Fats and oils refining and blending	$23,293,701
Household cooking appliance manufacturing	$279,552,460	Commercial fishing	$22,829,992
Other animal food manufacturing	$271,478,516	Roasted nuts and peanut butter manufacturing	$20,411,358
Flour milling	$255,545,944	Wet corn milling	$18,675,024
Breweries	$246,158,035	Confectionery manufacturing from purchased chocolate	$18,371,862
Coffee and tea manufacturing	$245,180,740	Cheese manufacturing	$18,090,117
Support activities for agriculture and forestry	$236,778,214	Chocolate and confectionery manufacturing from cacao beans	$17,271,446
Dry pasta, mixes, and dough manufacturing	$233,660,553	Manufactured ice	$15,257,361
Grain farming	$210,443,878	Frozen fruits, juices and vegetables manufacturing	$14,377,273
Cotton farming	$169,106,995	Ice cream and frozen dessert manufacturing	$14,256,997
Mayonnaise, dressing, and sauce manufacturing	$165,838,684	Leather and hide tanning and finishing	$9,590,171
Spice and extract manufacturing	$160,413,483	Tree nut farming	$6,818,351
Distilleries	$157,760,086	Tortilla manufacturing	$3,924,974
Tobacco product manufacturing	$154,750,061		
Greenhouse, nursery, and floriculture production	$146,732,452	Total Agriculture Component	$16,235,316,554

Appendix II – South Carolina's Agribusiness Sector: Forestry Component Breakdown

Industry Description	Direct Economic Output
Paperboard mills	$2,283,213,379
Paperboard container manufacturing	$1,861,280,151
Sanitary paper product manufacturing	$1,622,061,401
Paper mills	$1,374,022,705
Paper bag and coated and treated paper manufacturing	$816,892,273
Commercial and industrial machinery and equipment repair and maintenance	$788,516,785
Sawmills	$647,747,803
Reconstituted wood product manufacturing	$592,297,302
Wood preservation	$434,527,771
Veneer and plywood manufacturing	$401,411,713
All other converted paper product manufacturing	$296,786,957
Commercial logging	$280,425,934
Wood kitchen cabinet and countertop manufacturing	$238,517,502
Support activities for agriculture and forestry	$236,778,214
Mattress manufacturing	$233,146,255
Wood container and pallet manufacturing	$171,547,150
Showcase, partition, shelving, and locker manufacturing	$133,946,487
Wood windows and door manufacturing	$129,441,238
Other millwork, including flooring	$123,643,250
Engineered wood member and truss manufacturing	$112,124,741
All other miscellaneous wood product manufacturing	$108,879,280
Upholstered household furniture manufacturing	$87,307,480
Forestry, forest products, and timber tract production	$57,241,013
Broom, brush, and mop manufacturing	$54,625,286
Prefabricated wood building manufacturing	$54,295,502
Stationery product manufacturing	$47,341,087
Cut stock, resawing lumber, and planning	$32,975,449
Custom architectural woodwork and millwork	$25,915,714
Sawmill, woodworking, and paper machinery	$25,238,508
Non-upholstered wood household furniture manufacturing	$25,205,734
Wood office furniture manufacturing	$18,224,977
Blind and shade manufacturing	$12,830,782
Institutional furniture manufacturing	$12,688,582
Pulp mills	$10,133,816
Burial casket manufacturing	$1,356,597
Total Agriculture Component	**$13,352,588,818**

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