



# The Impact of Certified South Carolina



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# Strategic Direction: Sustainability

- Moore School's strategic direction: Sustainable Enterprise and Development
  - spans various disciplines
- Address important business, social, and political challenges facing business and society.
- These challenges address fundamental questions regarding the economics of scarce resources
  - ... including agribusiness.

# Status of the Agribusiness Cluster

- Studies confirm that the economic impact of agriculture, forestry and its allied industries is just under \$34 billion per year.
  - supports 200,000 jobs.
- “50 by 20” sets a goal of increasing the economic impact value by \$16 billion to \$50 billion by 2020.
- How do we get there?





# Palmetto-vore Movement

- One important channel for expansion of agribusiness is through increased local demand.
- To help determine the potential for Certified South Carolina to grow the economy over the next decade, we compared SC with neighbors in terms of local agribusiness purchases.

# Method: Import Substitution

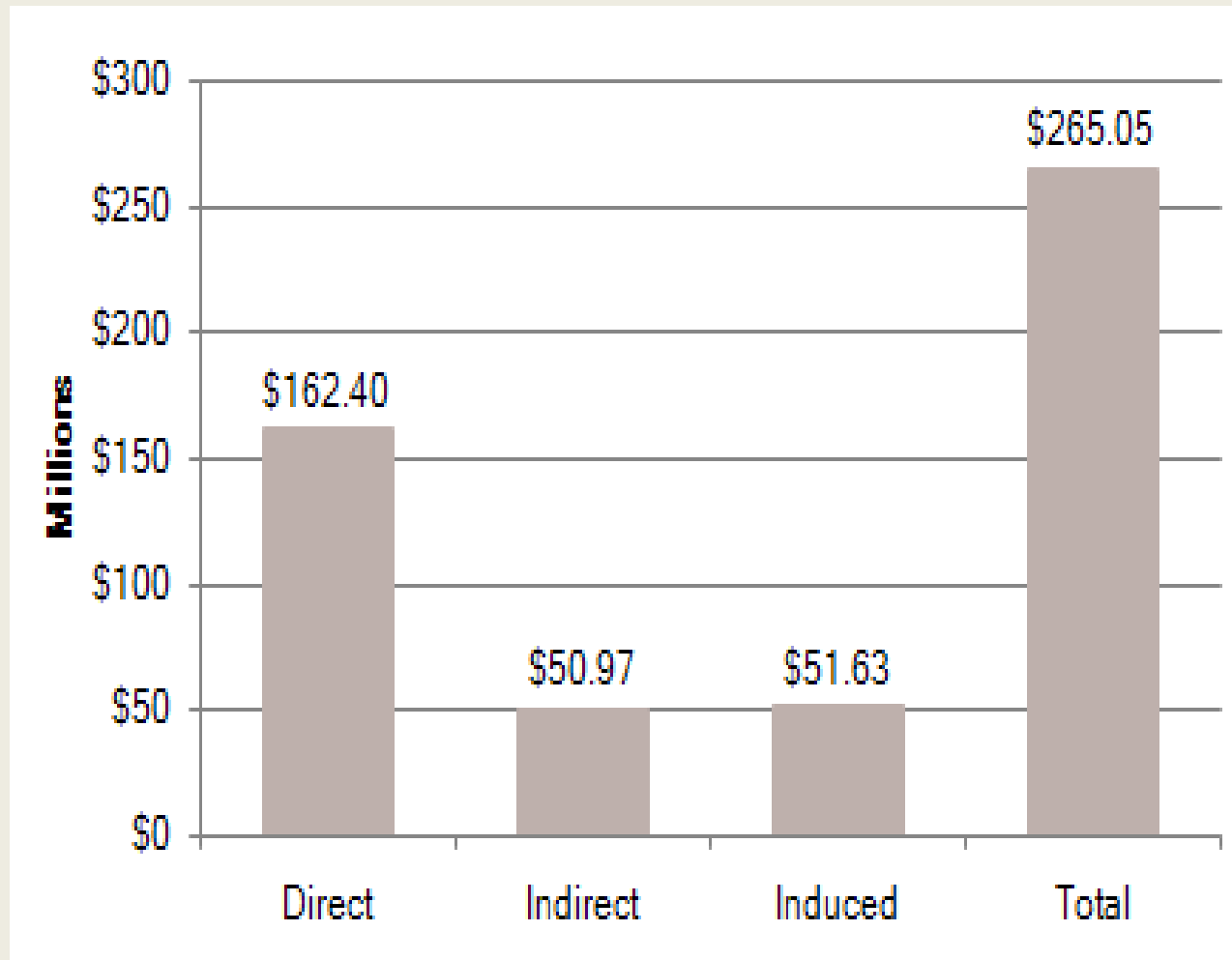
- The regional purchase coefficient (RPC) for local products was set equal to the highest of Georgia, North Carolina or South Carolina.
- The rationale for this target is due to the states' similar geographies and therefore agricultural capabilities, Georgia and North Carolina serve as good representatives for attainable levels of local purchase.
- The evaluation excludes some farm products such as sugarcane and sugar beet, oilseed, grain, tobacco and cotton.



# Bottom Line Results

- If South Carolina reaches the share of locally sourced demand for major farm products similar to neighbouring states:
  - An increase in demand of about **\$335 million** for the state's economy that would otherwise not be there.
  - The additional total economic impact of **\$558.1 million**.
  - This would increase SC's total value added by **\$265.1 million**.
  - The additional employment generated by greater local purchasing of South Carolina-grown agricultural products would be **10,053**.

# Value Added Impact



# Fiscal Impact

- Compared with a **\$2 million** average annual investment by the state in SCDA's program, this is an exceptionally positive return.
- We calculate that the annual boost to state government revenue would be **\$23 million**.
- In other words, \$23 million in additional revenue for the state (not counting local) government would potentially be generated.