**Remarks to the Agriculture and Natural Resources**

**Subcommittee of the Senate Finance Committee**

By Clemson University President James F. Barker

March 17, 2011

Chairman McGill,

Senator Grooms,

Senator Anderson,

And Mr. Leach

Thank you for the opportunity to speak on behalf of Clemson University Public Service Activities. I would like to recognize our Board of Trustees members who are present.

Before I begin my remarks, I would like to introduce our Undergraduate Student Body President, Ryan Duane.

Ryan is a senior from Irmo majoring in Financial Management. He has been an outstanding leader this year, working closely with students and the administration to represent their interests to us, and to help us keep students well informed about issues affecting their university. He has some observations to share with you, so I would like to give him a few minutes of my time.

**[*Scroll down for remarks by Ryan Duane]***

Thank you, Ryan.

We are all keenly aware that again this year you face enormous challenges developing an investment plan for our state. I want to assure you that both Clemson University and Clemson PSA support your efforts to stimulate economic development and provide critical services to South Carolina citizens.

You have been our partner in recognizing the fact that agribusiness is South Carolina’s largest industry. Twice as large as tourism, agribusiness contributes $34 billion and nearly 200,000 jobs to the state. Let me say as I have in the past that Clemson is committed to agriculture, forestry and natural resources as an economic development engine. It is part of our DNA.

I would like to share with you one very relevant example of Clemson PSA’s impact on economic development that we heard about at the Board of Trustees meeting last July. Dr. John Mueller told us how PSA saves South Carolina soybean growers $25 million each year. Soybeans are planted on 590,000 acres and generate about $138 million in cash receipts for South Carolina growers. John is a plant pathologist and director of Clemson’s Edisto Research and Education Center in Blackville. He leads a team of PSA research, extension and regulatory scientists who work with soybean growers to protect crop yields from Asian soybean rust that has devastated crops in other areas.

By following Clemson recommendations for early planting, monitoring and reducing pesticide sprays, growers saved their crops from losses caused by soybean rust. They also saved money and the environment by reducing the use of chemicals. And they can save an additional $10 million a year by following PSA recommendations for reduced seeding rates.

That is the economic impact of just one Clemson PSA program.

PSA is the only state agency that encompasses research, extension and regulatory programs; and it provides services that other state agencies depend on to perform their missions.

In case you have any doubt, let me reiterate: Clemson is committed to agriculture, forestry and natural resources. These industries make up the agribusiness cluster and play a critical role in South Carolina’s economy in both rural and urban areas.

John Kelly, vice president for agriculture, public service and economic development, will tell you more about the role PSA fills for South Carolina’s agribusiness industry cluster. Again, thank you for your time and for your leadership in supporting these vital services.

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By Clemson University Student Body President Ryan Duane

Good afternoon and thank you for having me. My name is Ryan Duane. I am a senior, Financial Management major from Irmo, South Carolina, and I have the honor and privilege of serving as the Clemson Student Body President. Thank you for allowing me the time to share a few of my thoughts and those of my peers in regard to Public Service.

Service is part of every Clemson student. Thomas Green Clemson created our university with the purpose of service to the citizens of South Carolina. Clemson students are no different today. Each year, we donate tens of thousands of hours to improving the lives of others. From building Habitat homes for the local community, to taking a spring break trip to help earthquake victims in Haiti, service opportunities are never without countless volunteers. I attribute the high quality of life at Clemson University to the sense of purpose that students derive from seeing the positive change they helped create.

Last month, I had the opportunity to share my thoughts on higher education with the members of the Ways and Means, Higher Education Subcommittee. During my remarks, I stated that today’s Clemson students value the practical application that our University has been able to provide for us. These experiences are what set us apart from students at other institutions. There is no greater example for these types of opportunities than in our Public Service programs. Clemson has been able to recruit the best and brightest South Carolinians, as well as students from across the country, because of the reputation we have earned as a hands-on program within our Public Service activities.

Recently, I sat down with a student to discuss his experience as a member of the Clemson community who benefits from PSA funded programs. His name was Chris, and he is an animal and veterinary science major from New Jersey. I asked him why he came to Clemson, and his response was simple and direct: “because it was ‘hands on’ learning.” These learning experiences were made possible by the contributions of PSA funding. At the beginning of his sophomore year, Chris was responsible for halter breaking a cow. At his first competition, he earned a scholarship that helped him pay for college expenses. This “hands-on” learning is what made him competitive in the job market. He has held an internship at a South Carolina farm and has secured a job upon college graduation. Chris is a great Clemson student.

However, Chris’ story does not end favorably for the State of South Carolina. Recently, Chris decided to pursue a master’s degree in Animal Sciences. Between his high GPA and his internship, Clemson University accepted him into our program, realizing that his ability to conduct high quality research would greatly improve our University, but would also provide valuable insight to the citizens of South Carolina. Unfortunately, the University of Georgia also had the same thoughts about Chris and his abilities. They offered him a fellowship, which would drastically reduce his costs, and he could receive the education he needed. Clemson did not have the ability to match the package offered by Georgia, so Chris will enroll in the state of Georgia next fall. There are dozens of examples of students like Chris, who would *choose* South Carolina, but can simply not afford it.

Clemson University has been able to recruit students from South Carolina who would not normally consider college. Typically, these students would graduate from high school and go straight into the work force, getting on the job training. Due to the unique programs we offer them, these citizens are now choosing to enroll at Clemson. By enrolling, they are able to learn the newest techniques and theories, then apply that knowledge in the South Carolina agriculture industry. This is a great example of how Clemson University is helping the state move towards a knowledge based economy.

I would be remiss if I did not share the thoughts of my peers with you. Recently, there have been concerns among students about the future of these programs that provide insight to the citizens of South Carolina. Budget cuts have forced many of the programs to scale back availability to students, thus weakening the experience that has made Clemson University so great in the past. This past Tuesday, over 100 students attended an event entitled “The Future of Clemson Farms,” where they expressed concerns to the dean about the changes happening within their departments. Undoubtedly, these students are anxious about the future of these programs. I urge you all to carefully consider the long term impact these cuts could have on not only our students, but to the biggest industries in our state.

At Clemson, we have always adapted to changing environments and still managed to provide the necessary research and instruction to those who needed it most. Public Service funding has given us this opportunity, and we look forward to continuing these initiatives with your support. Thank you for your time and for what you do for South Carolina. I would be happy to take any questions you all have.

**Remarks to the Agriculture and Natural Resources**

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By Clemson University Vice President John Kelly

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Chairman McGill,

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Thank you for the opportunity to speak on behalf of Clemson University Public Service Activities. Before I begin my remarks, I’d like to recognize our agriculture and forestry partners who are present.

As you know, the state’s economy has suffered as much or even more than the rest of the country during the last two years. Clemson PSA has tightened our belts just like every other state agency and South Carolina family.

Since June 2008, Clemson PSA’s state funding has been cut by 46%. This leaves PSA with the same dollar amount as in 1985, without adjusting for inflation. All land-grant universities are suffering state funding cuts due to the economic downturn but Clemson’s cut is one of the largest in the nation. In the same time period, cuts to other Southern land-grant universities ranged from a low of zero in Arkansas to the next highest of 27% in Alabama.

In spite of the cuts to date, Clemson remains committed to our core mission of supporting agriculture and forestry in South Carolina. We have focused all of our remaining state appropriations on research, extension and regulatory programs that support the state’s $34 billion agriculture and forestry industries.

I’d like to share some examples of Clemson PSA program results. In addition to saving soybean growers $25 million, we:

* Improved crop yields through functional genomics to increase resistance to drought and saltwater intrusion. The National Agricultural Statistics Service reports annual crop sales in South Carolina are $798 million.
* Saved peach growers $20 million by developing a test to target treatment for brown rot, reducing fungicide use and preventing yield loss. Peaches are a $64 million crop.
* Developed a market for switchgrass as a biofuel, leading to a $20 million annual contract for South Carolina growers to sell switchgrass to European power plants.
* Saved peanut growers $3 million through increased yields and improved disease resistance. The peanut crop is $60 million per year.
* Developed patent-pending, Intelligent River ™ remote sensing technology that is a national model to provide real-time monitoring of water quality for rapid response to pollution events or discharge decisions. As you know, Senator McGill, one place we have been developing this technology is in Georgetown County at Baruch.
* Developed seven Carolina Clear regional consortia around the state to prevent pollution from stormwater runoff that compromises water quality in 64% of South Carolina’s monitored waterways. Senator Grooms, Berkeley County is a partner in the Ashley Cooper Stormwater Education Consortium.
* Developed precision agriculture technology that matches needs to specific zones to increase crop yields, reduce water and fertilizer use, and reduce production costs up to 40%. Senator Anderson, similar research for the ornamental horticulture industry helps Greenville County greenhouses and nurseries improve yields and reduce production costs.
* Developed a low-impact, high nutrition and high value forage-fed beef industry. Animal agriculture is a $1.6 billion industry in SC.
* Increased SC poultry exports 87% since 2005 to $145 million.

To manage cuts to date, we:

* Instituted a 5-day furlough for all employees from January to June, 2009
* Implemented a hiring freeze and early retirement plan, and ended contracts for returning retirees, reducing the number of PSA positions by 279
* Cut travel budgets by 50%
* Postponed construction of a Regulatory Services/Turfgrass Center
* Reduced the number of administrators and consolidated duties among fewer senior staff

* Eliminated support staff in 20 county Extension offices through attrition
* Assigned Extension staff in adjacent counties to answer phone calls and handle walk-in clients for counties without support staff
* Consolidated county Extension financial operations into regional business centers
* Expanded the number of counties that Extension agents cover so that every county has an agent assigned in the critical areas of agriculture, forestry and natural resources
* Moved to increase the amount of revenue generated by Extension programs so they can become self-supporting
* Required PSA institutes not involved with agribusiness services to become self-supporting
* Focused remaining state funds on research, extension and regulatory programs that serve agriculture and forestry, the state’s largest industry

There is little left to cut other than personnel. Earlier steps eliminated positions through attrition and retirement, without resorting to a reduction in force. Further reducing our staff will affect both the scope and number of services that can be offered to the state’s agriculture, forestry and natural resources industries.

Future budget reductions will be very difficult decisions to make. That is why we are asking that you hold our base budget to last year’s level.

Additionally, should there be an opportunity for any non-recurring dollars in this year’s budget, we would request consideration of the following project. In 2007 you helped us garner funding for plant genetic research at the Pee Dee Station. Since the downturn in the economy we have put those plans on hold. However, we believe this would be an important economic development project for that area of the state. To bring in the caliber of researchers necessary to transform agronomic crops to improve farm profitability, we desperately need to renovate the laboratories at the Pee Dee station. We could begin those renovations and add needed laboratory space with funding of $3 million dollars in nonrecurring funds.

We understand the difficulties you face but we did want to let you know that as we continue to focus state funding on agriculture, forestry and natural resources research, extension and regulatory programs there are opportunities for Clemson PSA to be a part of the economic solution.

Thank you for your time. I’ll be happy to answer any questions.