

Agriculture Commissioner Steve Troxler
Growing Jobs in Agriculture and Agribusiness in North Carolina

- Good morning.
- My remarks today obviously will have an agriculture slant. But that's understandable, considering that agriculture and agribusiness make up our state's largest industry.
- N.C. State University economist Mike Walden recently released his annual survey, and it shows the economic impact of this industry is \$77 billion.
- That's an increase of 7.5 percent from the previous year's totals.
- Furthermore, the industry employs 642,000 people. That's nearly a fifth of North Carolina's workforce.
- I believe agriculture can become a \$100 billion industry in the not-too-distant future.
- We can get there through research, marketing, and by improving our infrastructure.
- **Research**
- Our department operates 18 stations across the state. We work with scientists at N.C. State and N.C. A&T to develop new agronomic products, improve livestock and poultry breeds, and develop better management practices.
- For example, about 90 percent of blueberries grown for the state's \$66 million blueberry industry are from adapted varieties developed at our research stations.
- The diversity and success of our agricultural community is a direct result of the research conducted in the diverse climates and soil types across our state at these research stations and farms.
- Estimates say that worldwide food demand could double by the year 2050.
- We must improve productivity if we're going to meet this demand. If we don't continue to improve yields, we risk becoming a world that is less food-secure. Research is the key to increasing yields.
- But we need to modernize our equipment and infrastructure at research stations. We need to invest in research, and make sure scientists have the right equipment and tools to put the research into practice.
- **Marketing and Agribusiness Development**
- Another area of focus is developing new markets for agricultural products and creating new agribusiness opportunities.

- Our Goodness Grows in North Carolina and Got to Be NC Agriculture programs have opened many new doors – both domestically and internationally – for North Carolina ag products.
- In 2011, the total value of N.C. agricultural exports was \$3.75 billion. That’s a record amount, and it represents a \$500 million increase over the 2010 total.
- These numbers don’t even take into account an additional \$1.5 billion worth of exports of forestry products such as wood, pulp and paper.
- International markets hold enormous potential for North Carolina farmers and agribusiness. Our department will keep working to open new markets for ag commodities and products.
- We also provide technical assistance to both new and established agribusinesses. Some of these businesses have been founded in spare rooms. Others are larger, have been around longer, and are interested in expanding in North Carolina.
- We work with the Commerce Department, local governments and other organizations to help these businesses.
- Just last week, I attended the Governor’s announcement of a new processing plant that will make frozen sweet potato fries. This project will bring needed jobs to Robeson County.
- Last week’s announcement reinforces what I have long believed – North Carolina is an agribusiness state.
- We should continue to support this industry through marketing and technical assistance, sound public policy, and continued investment in infrastructure.
- Infrastructure, in particular, is an area where the General Assembly’s help is badly needed.
- **Investments in Infrastructure**
- Transportation is extremely important to agriculture. The ability to move agricultural commodities and products to market efficiently is becoming more critical to the bottom line.
- As I mentioned earlier, North Carolina exported more than \$5 billion worth of agricultural and forestry products in 2011.

- Exports include pork, poultry, cotton, tobacco, sweet potatoes, soybeans and many other products. A company in Kernersville is even exporting pickles to China.
- If you look at export tonnage, wood and all its related products are the state's largest-volume export.
- Exports are important. They boost farm prices and income. They also help every corner of our state.
- In addition, companies that export grow 22 percent faster than companies that don't.
- According to the U.S. Department of Agriculture, ag exports support over 68,000 jobs in North Carolina.
- As world demand for agricultural products increases, we have tremendous potential to grow our exports even more. But we need the infrastructure to capitalize on that potential.
- It's also important to agriculture that we be able to get supplies to farms efficiently. The most notable example here is grain.
- North Carolina is a grain-deficit state. We use much, much more than we produce.
- We need to upgrade our rail infrastructure to improve our ability to get grain to farmers and move commodities to market.
- There are a couple of proposed projects in Eastern North Carolina that would help us do this.
- Eastern North Carolina is a critical region for agricultural production in our state.
- Ninety-four percent of hogs, 85 percent of turkeys, 74 percent of soybeans and 73 percent of corn are produced in the region from Interstate 95 to the east. We also have a substantial amount of tobacco and chicken production in this region.
- **Rail Projects**
- Building a rail connector between Wallace and Castle Hayne would make it easier for pork and poultry integrators to move grain from the Port of Wilmington to farms in southeastern North Carolina.
- It can also improve delivery of North Carolina agricultural products to the port.
- This connector also would benefit the military by speeding up the movement of equipment to Camp Lejeune and Fort Bragg.

- The state currently owns the right of way and the train bed, which gives us a good starting point.
- The estimated investment in this project is \$170 million.
- It's an investment we must consider, given the potential boost to North Carolina's two largest industries: agriculture and the military.
- Another rail project that merits attention is the proposed Harvey Parkway Extension at the Global Trans Park in Kinston.
- This short connector would provide benefits to the region. It would connect two Class 1 railroads (CSX and Norfolk-Southern) to the Global Trans Park.
- Like the Wallace-Castle Hayne connector, the Harvey Parkway Extension would benefit both agriculture and the military.
- My understanding is the state already owns the necessary land.
- The projected investment to complete the project is \$35 million for the connector and \$100 million to upgrade the CSX line.
- Both of these projects have great potential for future use by the forest products sector.
- In Morehead City, we should consider building a loop track at the port. This will enhance the coming wood pellet industry by allowing trains to pull directly to the storage domes, then continue to move forward and return to the rail line.
- The estimated investment for the loop is \$5 million.
- The domes at the port have uses beyond wood pellets. They could be used for grain storage, too.
- We also should work on the Bridges Street property, land that's owned by the N.C. Railroad in downtown Morehead City. The land could be turned over to DOT to alleviate wood pellet-related rail and truck traffic in downtown.
- Land not used would be returned to the railroad to be sold.
- Morehead City is one of the deepest ports on the East Coast, and it's only four miles from the ocean.
- We need to maximize its potential.
- There's something else we need to discuss on the rail side, and that's establishing open trackage rights for the N.C. Railroad.

- This would allow multiple railroads – such as CSX and short lines – to operate between Raleigh and Morehead City. It would create competitiveness on rail track that currently is lightly used.
- It could generate more revenue for North Carolina from usage fees charged to the railroads.
- It also could make the Smithfield area more attractive for economic development.
- I believe this issue merits additional discussion.
- **Inland Ports**
- Another area I want to touch on is development of inland ports.
- An inland port is a site where standardized shipping containers filled with goods can be brought together for transfer from truck to rail, or vice versa. They also can be useful in the movement of goods to seaports for export.
- We already have a potentially great asset for this type of project. It's the Global Trans Park. Later this year, the park will have direct access to Highway 70.
- It's also adjacent to the new rail spur, and coupled with the Harvey Parkway Extension, would tie into both Class 1 railroads.
- It's near other major highways and has 3,000 acres. Eight hundred are already permitted and able to be developed.
- And there's an airport, too.
- Virginia built an inland port near Interstates 66 and 81. This investment led to major companies locating distribution centers around the inland port.
- As a result, Family Dollar, a North Carolina company, has its largest distribution center in Virginia.
- Virginia's ports authority even has a sales staff in our state, in Greensboro. And I'm told that Norfolk-Southern is providing double-stack rail service from Greensboro to Norfolk.
- We should be taking advantage of Greensboro. It has major highways, such as I-40, I-84 and U.S. 220, railroad and an airport.
- **Bridges and Road Planning**
- There are a few other items I want to mention.

- One is bridges. There are a lot of bridges around the state that are in need of improvements.
- Bridges are crucial for the movement of agricultural equipment and products. We must not neglect them.
- And finally, we have to be forward-thinking in our road planning.
- There are a number of projects on the books to improve U.S. Highway 70 between Johnston County and the coast.
- The U.S. 70 Corridor Commission has been working on a vision of bringing the highway up to freeway standards.
- This highway is important in the region. It's important to tourism, it's important to the military and it's important to agriculture.
- The planned safety improvements and bypasses along Highway 70 will help each of these key industries in our state.
- I've talked a lot about rail lines and ports, but we can't forget the fundamental importance of good roads.
- **Conclusion**
- Agriculture and agribusiness provide hundreds of thousands of jobs in North Carolina. It provides jobs in areas of the state where jobs are few.
- We must support this industry, and it will continue to produce economic returns for our state.