

At the end of February, I delivered my annual State of Agriculture speech, which was hosted by the N.C. Farm Bureau. I typically deliver this at the Southern Farm Show, but I was not able to do that this year because it was canceled due to the pandemic.

If you missed my talk, you can go to the N.C. Department of Agriculture and Consumer Service Facebook page and watch the speech and also see an economic presentation by Dr. Blake Brown from N.C. State University.

I want to share a few highlights of where we are and what I see for the future.

On the positive, we are seeing higher commodity prices for a number of crops, including grains, cotton and peanuts, while sweet potato prices have remained steady. This is one of the most encouraging signs since farmers have been dealing with low commodity prices for a number of years. It's good to see this going in the right direction.

Another encouraging sign is the return of international trade with China.

Pork exports to China were up 20 percent last year. If we had more freezer space in North Carolina, we could have exported even more. Poultry exports were also up 20 percent as we resumed trade with China.

Poultry exports to China alone went from nothing in 2018 to more than \$100 million in 2020.

Tobacco growers have also been encouraged that China is back and buying tobacco again. Our department has played a critical role in working with the new China Customs bureau to implement the new phytosanitary standards.

China was unable to travel to the United States because of COVID-19, so our International team did a full-length video on the entire phytosanitary process of exporting tobacco, enabling us to resume exports.

The Chinese market is important, but international trade in all parts of the world will be important to the future success of agriculture. After all, 95 percent of the world population lives outside the United States.

In the last 10 years, exports of prepared foods have risen from just over \$45 million to almost \$400 million last year, proving that we cannot only grow food in North Carolina, but we can process it and sell it on the comparative international market.

Beer, wine and spirits were up more than 50 percent last year.

We have begun exporting sweet potatoes to the Middle East. Exports began in earnest last year, and this year NCDA&CS and the N.C. SweetPotato Commission have begun a joint marketing venture to research and expand sales in the region to make it our next growth market.

Looking ahead, I see increased opportunities and expect that to further fuel growth for North Carolina farmers.

Among other bright spots, are the following investments being made in North Carolina agriculture:

- Big Idea Ventures, a global leader in early-stage alternative protein investing, recently announced the launch of the Generation Food Rural Partners fund. N.C. State University will be its inaugural collaborator. This is a \$125 million target fund that will fuel economic development in rural communities across the United States through the commercialization of food and agricultural technologies, protein innovation and other university intellectual property.
- Both the Plant Sciences Initiative at NCSU and the N.C. Food Innovation Lab in Kannapolis are expected to have positive impacts on agriculture and agribusiness across North Carolina. Both of these initiatives position our state to lead the way in facing the challenges of feeding a growing global population.
- The soon-to-open Agriculture Sciences Center, a state-of-the-art lab and office space that will replace four NCDA&CS divisions' labs and offices – Food and Drug Protection, Standards, Veterinary and Structural Pest and Pest Control.
- The Forest Development Program, which assists landowners with long-term forest management plans, technical assistance for site preparation and replanting costs. This has received state and industry funding in the past, but now relies solely on industry support. With ongoing focus on increasing such environmental benefits as carbon sequestration, water quality and climate resiliency, we will be working to increase state investment in tree planting.

I encourage you to take a look at the full speech online for more about the state of North Carolina agriculture.