



R.N. JOHNSON, INC.

COTTON MERCHANDISING • GINNING • WAREHOUSING

P.O. BOX 229 • MAYESVILLE, SC 29104

Kirby Johnson, President
James Johnson, Vice President

Mayesville Gin 803-453-5000
Fax 803-453-6000

December 15, 2015

Governor Haley

My brother and I run a cotton gin and cotton warehouse in Mayesville, SC. Our customer base is in the heart of the severely flooded counties. We service farmers in the following counties: Sumter, Clarendon, Williamsburg, Horry, Georgetown, York, Lee and Florence Counties. Our income is generated from ginning (processing), storing, and marketing the cotton crop in these counties. Last year we had gross sales of 3.5 million in gin revenues and 800 thousand in storage revenues plus commissions on marketing. We have 10 fulltime employees and normally we hire additional 40 employees for seasonal help during the harvest season October-December. Last year our payroll expenses were over \$1 million. This year will be a total loss.

We want you to know that we have voted for you in both elections and have always admired your stance on wasteful government spending. We remember the promises that that you gave flood victims with tears in your eyes as you sounded the needs of your constituents to the national media immediately following the flood. You have done a diligent job of restoring the state's infrastructure since the flood. We just received an email from SCBIZ Daily stating that SBA has authorized over \$100,000,000 in loans and FEMA has authorized over \$100,000,000 in grants. Of this \$200,000,000 plus dollars, we do not know of any money that has reached the agricultural sector of our state economy. As for our business, we applied for a SBA loan three weeks after the flood only to be denied 3 days after the application was completed. We are thankful for the listening ear of Senator Scott and the actions of his staff to have our application re-opened this past week. We are cautiously optimistic that a loan is forth coming.

The question remains. If we are fortunate enough to receive a loan, we are certain our customer base will be decimated without assistance from the crop disaster. Our customers have incurred huge losses even after getting full insurance for their crops. In years past disaster aid was included in the Federal Farm Bill that would give farmers some assistance when the President declared an area a disaster. We do not have one customer that will be eligible for grants or low interest loans without the state requesting something additional than what is in present farm legislation. They did their



due diligence when they bought the crop insurance that was made available before they planted. Now they need you to represent them on the federal level and request the aid that they need.

We have to question why you have such a hard stance when it comes to requesting federal aid for our state's farmers. I was happy for the home owners in Columbia and other areas that lost their homes, due to the flood, to receive assistance from FEMA even though they could have bought flood insurance. The fact remains that you cannot prepare for a 1000 year flood. It seems that in the head winds of free government spending, you have lowered your head in a stance to lower all government spending. If you walk with a lean long enough, it will give you an unhealthy posture. Without Federal Assistance the farmers of our state will suffer disproportionately from other sectors of our economy. We will lose many of our farmers to bankruptcy. Your stance will create an unhealthy posture for our state. This will open the door for larger corporate farms to settle in our area. This trend will not be a good for our business or our state. One of our Republican presidential candidates made a statement that resonated well with me. "Big government needs big business." Our state's farmers are small businesses and many small businesses like myself will not survive without them.

Sincerely,

A handwritten signature in black ink, appearing to read "Kirby Johnson", followed by a long horizontal line extending to the right.

Kirby Johnson