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State of Hawaii
DEPARTMENT OF AGRICULTURE
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February 29, 2008

TO: The Honorable Rosalyn Baker, Chairperson
Senate Committee on Ways and Means

The Honorable Marcus Oshiro, Chairperson
House Committee on Finance

FROM: Sandra Lee Kunimoto, Chairperson 
Board of Agriculture

SUBJECT: Fiscal Year 2008-2009 Grant and Subsidy Applications

In response to your memorandum dated February 14, 2008, requesting the department to review grant-in-aid applications from various organizations, we offer the following comments:

The Hawaiian Land Restoration Institute (Log No. 43-O)

Request is for \$500,000 in FY 09 for research of apple snail control methods in taro patches. The department supports the intent of the project as most taro farmers agree that the apple snail is the most serious pest threat to taro production in Hawaii. While we support the intent of the grant-in-aid, we have concerns about the possible adverse budgetary impact that this grant-in-aid will have on the Executive Supplemental Budget request. If the project is funded, the department makes the following recommendations on the study design and funding:

1. In the absence of more definitive data on the potential efficacy of the product for apple snail control, i.e., the opportunity to secure a fully federally registered end use product label, the study should be pared down to the following:
 - a. Laboratory studies should confirm the LD50 toxicity of the product to the apple snail as provided by Pacific Biodiesel. The product is likely to be a mixture of compounds of plant origin, not all with biological activity.



Fiscal Year 208-2009 Grant and Subsidy Applications

- b. The laboratory should participate with Pacific Biodiesel in a detailed characterization of the chemical composition of the product as this information will be requested by the U.S. Environmental Protection Agency if efficacy trials support a consideration for registration for pesticide use.
 - c. The field trials should be limited to less than one acre, total area treated (i.e., lo'i). An area greater than an acre would require the approval of the U.S. Environmental Protection Agency as the site is an aquatic area, thus requiring a federal Experimental Use Permit.
 - d. The laboratory should assist taro farmers and Pacific Biodiesel identify, review, and assure all requirements for the testing of the product as well as use of the product as a soil conditioner. State Department of Health Clean Water Regulations impose specific requirements for the addition of materials to waters of the United States and some of these requirements may apply in this case.
 - e. Information on biological fate and persistence of the product in soil and water can be postponed to a Phase II study.
2. The HDOA supports the video documentation and training sessions for taro growers statewide for the sharing of information on cover cropping and the organic production of taro developed by growers on Kauai.
 3. The HDOA supports the funding for project documentation and management by the Hawaiian Land Restoration Institute.

Given the above, the HDOA supports a project as follows:

Airfare	5,000
Supplies	5,000
Laboratory testing	175,000
In-field Monitoring	30,000
Crop Compensation	10,000
Video	35,000
Farmer Workshops	10,000
Project Documentation	30,000
TOTAL	\$300,000

Fiscal Year 208-2009 Grant and Subsidy Applications

Hawaii Beekeepers' Association (Log No. 63-O)

Request is for \$66,700 to map locations of feral honey bee colonies and swarms on Oahu using geographical information system (GIS) mapping in order to aid in the suppression of the parasitic mite of honey bees, *Varroa destructor*. While the intent of the request has merit, the experimental design described in the request would not accomplish its stated purpose. The study as designed would most likely provide data that is focused around populated areas and feral hives located in agricultural or remote areas would not be accounted for. We also have concerns about the possible adverse budgetary impact that this grant-in-aid will have on the Executive Supplemental Budget request. Finally, the University of Hawaii is the most appropriate agency to administer and expend any funds appropriated for this request since one of the collaborators on the project is a faculty member at the University.

Hawaii Farm Bureau Federation (HFBF) (Log No. 75-O)

Request is for \$1 million in FY 09 to fund agricultural research and market development. The funding for research as outlined in the request is well documented and has strong merits. We have continually provided testimony in support of specific bills appropriating funds for the HFBF to conduct various agricultural research and development activities that contribute to the expansion of the agricultural industry and the State's economy. This year the department has testified in support of the intent of H.B. 3310, Relating to Agriculture, and S.B. 3208, Relating to Agriculture, provided that it does not replace or adversely impact priorities in the Executive Budget. While we support the intent of the grant-in-aid, we have concerns about the possible adverse budgetary impact that this grant-in-aid will have on the Executive Supplemental Budget request.

Hawaii Farm Bureau Federation Foundation for Agriculture (Log No. 76-O)

Request is for \$368,000 in FY 09 to create public awareness programs, establish education programs in grades schools and coordinate workshops and seminars for farmers regarding agricultural practices, methodologies and techniques. Some elements of this proposal mirror the Hawaii Farm Bureau grant request "Agricultural Research and Market Development" (Log No. 75-0) and give the appearance of two grant proposals to achieve similar objectives. We also note that 80% of the requested funds are for staffing personnel including 3 positions and 50% of the Executive Director, and no private matching funds have been identified for the project. Finally, we have concerns about the possible adverse budgetary impact that this grant-in-aid will have on the Executive Supplemental Budget request.

Hawaii Humane Society (Log No. 103-C)

Request is for \$1,500,000 in FY 09 to make renovations to the dog and cat holding areas, dog and puppy adoption areas and veterinary clinic. The department is not the appropriate agency to review this grant since the Society does not support the

Fiscal Year 208-2009 Grant and Subsidy Applications

livestock or poultry industries, which are under the department's purview. Therefore, the City and County of Honolulu is the most appropriate agency to administer and expend any funds appropriated for this request. Finally, we have concerns about the possible adverse budgetary impact that this grant-in-aid will have on the Executive Supplemental Budget request.

Malama Kauai (Log No. 168-O)

Request is for \$249,920 in FY 09 to develop a food security program for Kauai with a network of community gardens and farms. At this initial stage, the project has more to do with community development and gardening rather than commercial agriculture. It is difficult to assess the actual funding needs for equipment, supplies, and soil amendments from the proposal, since no actual number of gardens, farms, or acreage information are provided. Some of the proposed works to be performed by paid consultants for training and coordinating could possibly be done by volunteers. Finally, we have concerns about the possible adverse budgetary impact that this grant-in-aid will have on the Executive Supplemental Budget request and believe the County of Kauai is the appropriate agency to administer and expend any funds appropriated for this request.

Molokai Livestock Cooperative (Log No. 184-O)

Request is for \$75,000 in FY 09 to hire, train, and certify personnel to increase production and sustain the operations of the Molokai slaughter and processing plant. The cooperative provides fresh, safe, and affordable meat products to the community. We have concerns about the adverse budgetary impact that this grant-in-aid will have on the Executive Supplemental Budget request and believe the County of Maui is the appropriate agency to administer and expend any funds appropriated for this request since the Maui County Office of Economic Development is familiar and has facilitated the ongoing development of the Molokai Slaughterhouse.

Grant applications for the Hawaii Rural Development Council (Log No. 95-O), L&R Farm (Log No. 158-O), and National Tropical Botanical Garden (Log No. 189-C) that were received from your office have been transmitted to the Departments of Business, Economic Development and Tourism, Hawaiian Home Lands, and Land and Natural Resources respectively, as the appropriate agencies to review those applications.

We have attached a revised listing of the grant-in-aid requests which identifies the appropriate program/agency which should administer and expend the grant-in-aid funds.

If there are any questions, please call me at 973-9550 or have your staff contact Warren Takenaka at 973-9609.

Attachment

Listing of FY 2009 Grant-In-Aid Requests

Agency/Prog ID	Organization	Log No.	FY 2009 Requested Funds		
			Gen Funds	GOB	Total
DOA/AGR 122	E kupaka ka aina - The Hawaii Land Restoration Institute	43-O	500,000		500,000
UOH	Hawaii Beekeepers' Association	63-O	66,700		66,700
C&C of Honolulu	Hawaiian Human Society	103-C		1,500,000	1,500,000
County of Maui	Molokai Livestock Cooperative	184-O	75,000		75,000
County of Kauai	Malama Kauai	168-O	249,920		249,920
DOA/AGR 171	Hawaii Farm Bureau Federation	75-O	1,000,000		1,000,000
DOA/AGR 171	Hawaii Farm Bureau Foundation for Agriculture	76-O	368,000		368,000
DBEDT/OSP	Hawaii Rural Development Council	95-O	198,500		198,500
DHHL	L&R Farm ENT LLC	158-O	45,000		45,000
DLNR	National Tropical Botanical Garden	189-C		1,500,000	1,500,000
			2,503,120	3,000,000	5,503,120