

HB 2261 HD2 SD1

LINDA LINGLE
Governor



SANDRA LEE KUNIMOTO
Chairperson, Board of Agriculture

DUANE K. OKAMOTO
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512

TESTIMONY OF SANDRA LEE KUNIMOTO
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON ENERGY AND ENVIRONMENT
TUESDAY, MARCH 18, 2008
4:00 P.M.
ROOM 414

HOUSE BILL NO. 2261, H.D. 2, S.D. 1
RELATING TO AGRICULTURAL LOANS

Chairperson Menor and Members of the Committee:

Thank you for the opportunity to comment on House Bill No. 2261, H.D. 2, S.D. 1. The Department strongly supports this bill which creates loans for renewable sustainable projects for farmers and aquaculturists. The bill will assist agricultural and aquaculture operations to become more sustainable. Energy costs for farm and aquaculture operations will continue to rise and this program will allow these operations to finance projects which will generate energy or utilize technology to offset some of their energy costs. In addition, any excess energy produced could be sold to utility companies providing supplemental income for the operations and reduce the State's reliance on fossil fuels.

The bill also allows funding of projects such as food safety and traceability which is becoming increasingly important in today's food security chain. The program would enable farms and aquaculture operations to become more energy self reliant or comply with food safety requirements allowing them to be a more competitive and safer sustainable operation.

**HAWAII FARM BUREAU FEDERATION
2343 ROSE STREET
HONOLULU, HI 96819**

MARCH 18, 2008

HEARING BEFORE THE
SENATE COMMITTEE ON ENERGY & ENVIRONMENT

TESTIMONY ON HB 2261, HD 2, SD 1
RELATING TO AGRICULTURAL LOANS

Chair Menor and Members of the Committee:

My name is Alan Takemoto, Executive Director, of the Hawaii Farm Bureau Federation, which is the largest non-profit general agriculture organization representing approximately 1,600 farm and ranch family members statewide.

The Hawaii Farm Bureau Federation supports HB 2261, HD 2, SD 1, which establishes the Hawaii farm renewable sustainable energy loan program to provide financial assistance for the development of sustainable energy by farmers and aquaculturalists.

The intent of this measure is to broaden the qualifications of the current ag loan program and increase the dollar amount of loans needed to develop alternative energy type farm operations. Farms, or agricultural lands, offer the natural resources and land to best pursue alternative energy farm production. Some farmers have access to the natural resources on their land that can produce energy for the farm so that they can be either self contained and/or less dependent on county power and, therefore reduce their power expenses. However, these farmers lack the financial assistance to carry out this innovative program that will allow farmers to further diversify their operations.

Offering this ag loan program will have an impact on reducing Hawaii's reliance on fossil fuels, reduce farm productions costs, and create new business opportunities for farmers interested in alternative energy production.

Thank you for allowing us to testify on this measure.

testimony

From: Michael M. Kliks, PhD [mmkliks@hawaii.rr.com]
Sent: Sunday, March 16, 2008 3:45 PM
To: testimony
Subject: Testimony in Strong Support for SB2261 SD1



THE HAWAI'I BEEKEEPERS'
ASSOCIATION

3081G. Paty Drive, Honolulu, Hawai'i, 96822;
Tel: 808-988-7203; FAX: 808-988-5161
Email: mmkliks@hawaii.rr.com

Visit our Web site at www.hawaiibeekeepers.org

**TESTIMONY OF IN STRONG SUPPORT OF HB 2261 SD1
BEFORE THE HOUSES ENE COMMITTEE; MARCH 18, 2008, ROOM 414, AT 4:00 PM**

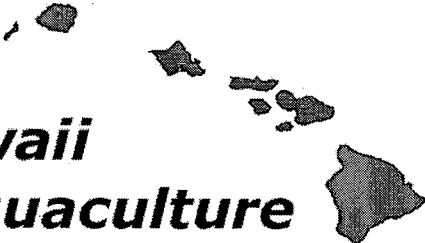
Aloha Chairperson Menor and Members of the Committee!

As President of the Hawai'i Beekeepers' Association, owner of Manoa Honey Company, and on behalf of all farmers who understand the importance of diversifying our energy resources, **I wish to testify in strong support of HB2261 SD1 that establishes** a loan program to provide financial assistance to farm producers for the production and use of alternative, sustainable energy. Currently, only direct farm activities are able to qualify for the DOA agriculture loan program.

We believe that it is important to pass this bill because it will not only make it possible for more farmers to qualify for such loans, but it will significantly increase the amount of loans available to those farmers who wish to develop alternative energy-type farm operations.

By implementing this program we will reduce Hawai'i's reliance on fossil fuels, reduce farm production costs, and create new business opportunities for those wise farmers interested in alternative energy production. . .and it will promote our larger goal that is the move toward **food self-sufficiency , food security, and food supply sustainability** by providing farmers with optional sources of income and inexpensive, on site energy sources.

Michael M. Kliks, PhD, President, Hawai'i Beekeepers' Association, 3081G Paty Drive, Honolulu, HI 96822



**Hawaii
Aquaculture
Association**

To:

THE SENATE
THE TWENTY-FOURTH LEGISLATURE
REGULAR SESSION OF 2008

COMMITTEE ON ENERGY & ENVIRONMENT
Sen. Ron Menor, Chair
Sen. Gary L. Hooser, Vice Chair

HEARING

DATE: Tuesday, March 18, 2008
TIME: 4:00 p.m.
PLACE: Conference Room 414, State Capitol
415 South Beretania St

From: Ron Weidenbach, President, Hawaii Aquaculture Association
Phone: 429-3147, Email: hawaiiifish@gmail.com

Re: **HB 2261 HD2 SD1** Relating to loans to assist agricultural and aquacultural industries

Chair Menor, Vice-Chair Hooser, and Members of the Committee:

The Hawaii Aquaculture Association (HAA) **strongly supports House Bill 2261 HD2 SD1**, which includes farm sustainable projects in the existing agricultural loan program, and aquaculture sustainable projects in the existing aquacultural loan program.

Aquaculture is one of the fastest growing segments of diversified agriculture in the State, reaching \$21.3M in wholesale product value in 2006. However, this industry is largely comprised of family farm operations that often struggle to make ends meet. Developing sustainable and renewable energy projects is in the best interest of long term sustainability for both the industry and state, but such ventures will be nearly impossible for aquaculturists without financial support. Eligibility to apply for loans specific to energy projects as well as non-energy related loans allows our aquaculturists to utilize their natural resources and develop new products and processes vital to their continued success.

HAA strongly supports this bill, and encourages the Committee to vote positively on this bill so that the Hawaii aquaculture industry can continue to expand and contribute increasingly to Hawaii's economy. Thank you for the opportunity to testify.

**Testimony before the
Senate Committee on
Energy and Environment**

H.B. 2261 HD2 SD1 – Relating to Agricultural Loans

**Tuesday, March 18, 2008
4:00 pm, Conference Room 414**

**By Arthur Seki
Director of Technology
Hawaiian Electric Company, Inc.**

Chair Menor, Vice-Chair Hooser and Members of the Committee:

My name is Arthur Seki – I am the Director of Technology in the Energy Solutions & Technology Department at Hawaiian Electric Company. I am testifying on behalf of Hawaiian Electric Company (HECO) and its subsidiary utilities, Maui Electric Company (MECO) and Hawaii Electric Light Company (HELCO), hereby referred to collectively as the HECO Utilities.

We support H.B. 2261 HD2 SD1 that would provide incentives for biodiesel development in Hawaii.

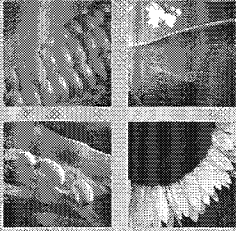
As you may know, HECO Utilities are committed to exploring and using biofuels in its existing and planned generating units. The use of biofuels can reduce the State's dependence on imported oil and increase the amount of renewable energy from sustainable resources. This commitment by the HECO Utilities is demonstrated by the following initiatives:

- HECO's next power plant (100 MW) on Oahu (located at Campbell Industrial Park) will be 100% biofueled;
- MECO tested biodiesel in its diesel engines and combustion turbine at Maalaea power plant and will conduct further tests;

- HECO and MECO are partnering with BlueEarth Biofuels to build a 40 million gallon per year biodiesel production plant on Maui;
- HECO is providing seed funding to the Hawaii Agriculture Research Center (HARC) and the agriculture departments at the University of Hawaii's Manoa and Hilo campuses to conduct biofuel crop research; and
- HECO is examining micro-algae biofuel development that could use carbon dioxide from our power plant stacks.

In conclusion, HECO Utilities support H.B. 2261 HD2 SD1 as a way to stimulate the development of locally produced biofuels.

Thank you for the opportunity to present this testimony.



Hawaii Crop Improvement Association

Growing the Future of Worldwide Agriculture in Hawaii

Testimony by: Sarah Styan
HB 2261sd1, Agricultural Loans
Senate ENE Committee
Tuesday, March 18, 2008
Room 414: 4:00 pm

Position: Support

Chair Menor and Members of the Senate ENE Committee:

My name is Sarah Styan. I am a Kauai resident, President of HCIA and research scientist of Pioneer Hi-Bred International, Waimea Research Station. The HCIA represents seed production and research facilities operating in Hawaii for nearly 40 years. The HCIA is comprised of five member companies that farm an estimated 8,000 acres on four islands, valued at \$97.6 million in operating budget (2006/2007 HASS). We are proud members of Hawaii's diversified agriculture and life sciences industries.

The purpose of this bill is to establish a loan program to provide financial assistance to farm producers for the production of sustainable energy. Currently, only direct farm activities are able to qualify for the DOA agriculture loan program.

This bill will broaden the qualifications and increase the dollar amount of loans needed to develop alternative energy-type farm operations. Farms, or agricultural lands, offer the natural resources and land to best pursue alternative energy farm production.

Offering this program will have an impact on reducing Hawaii's reliance on fossil fuels, reduce farm production costs, and create new business opportunities for farmers interested in alternative energy production.

Please support this measure. I can be reached at 808-338-8300 ext. 113 if there are any questions. Thank you for the opportunity to present testimony.

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HAWAIIAN MARINE ENTERPRISES

P.O. Box 301 • Kahuku, Hawaii 96731 • Phone: 293-1230

March 17, 2008

Senator Ron Menor, Chair
Senate Committee on Energy and Environment
State Capitol Building
415 S. Beretania St.
Honolulu, Hawaii 96813

Dear Chair Menor and Members of the Committee:

I am sending this testimony to express my strong support for **HB 2261 HD2 SD1**, "Relating to Agricultural Loans." My company has produced *ogo* (edible seaweed) in Kahuku for 25 years. My partner and I have always been interested in the possibility of installing solar or wind energy facilities both for their environmental benefits, and to reduce our dependence on expensive electricity. However, the high capital costs of installing alternative energy facilities have prevented us from pursuing this option. The loan program created by **HB 2261 HD2 SD1** should allow farms like ours to consider alternative energy generation as a real possibility.

Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in cursive script that reads "Frederick M. Mencher".

Frederick M. Mencher
General Partner