

HCR 326,
HD2

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 AGRICULTURE AND HAWAIIAN AFFAIRS
TUESDAY, APRIL 22, 2008
9:30 A.M.
ROOM 414**

**HOUSE CONCURRENT RESOLUTION NO. 326, H.D. 2
REQUESTING THAT THE DEPARTMENT OF AGRICULTURE CONVENE A TASK FORCE
TO DEVISE A PLAN WITHIN ONE YEAR TO TIMELY EXPEDITE THE INTRODUCTION AND
DELIVERY OF HAWAIIAN CACAO TO THE MARKETPLACE**

Chairperson Tokuda and Members of the Committee:

Thank you for the opportunity to comment on House Concurrent Resolution No. 326, H.D. 2. The purpose of this resolution is to request the Hawaii Department of Agriculture (HDOA) to convene a task force to devise a plan within one year to timely expedite the introduction and delivery of Hawaiian Cacao to the marketplace. The HDOA offers the following comments.

If a task force is being proposed, resources should be appropriated for this purpose, or industry needs to be willing to come up with the resources to fund this initiative.

The cacao industry in Hawaii is in its infancy stage. We currently have about a dozen growers with total acreage of approximately 50 acres, which produces a farmgate value for cacao pods of about \$60,000. The biggest producer, Dole Plantation in Waialua, has about 20 acres. Each acre generally produces between 800 and 1,000 pounds of dry seed.

The state recognizes the potential of this industry and had funded some \$100,000 in cacao-related research. Much of this research relates to growing and processing

techniques to pursue high quality cacao production. Additionally, the Original Hawaiian Chocolate Company in Kona had received over \$400,000 in federal grants to expand chocolate production.

Hawaii cacao has great market potential, especially for the high-end culinary industry. Hawaii can become one of the unique locations in the world, in which the major infusion beverages – coffee, tea and cacao are grown. Again, if a task force is being proposed, resources should be appropriated for this purpose.



LATE

HOUSE OF REPRESENTATIVES

STATE OF HAWAII
STATE CAPITOL
HONOLULU, HAWAII 96813

April 21, 2008

To: The Honorable Senator Jill N. Tokuda, Chair
The Honorable Senator J. Kalani English
Senate Committee on Agriculture and Hawaiian Affairs

From: Corinne W. L. Ching

Subject: House Concurrent Resolution 326 - Relating to Cacao

I submit testimony in **strong support** of House Concurrent Resolution 326 - Relating to Cacao.

Cacao holds a special place in history. *Theobroma cacao*, otherwise known as chocolate and translated into English as the "Food of the Gods", was introduced to the Hawaiian Islands in 1850. Cacao has been used for centuries as a medicine and cacao has high concentrations of theobromine, a purine alkaloid that has both a calming effect on the brain and an energizing effect on the nervous system. It has also been found to stimulate the appetite and to reduce fatigue.

Each year, the chocolate industry produces \$75 billion worldwide. Hawaii's environment and climate position it as the only state in the United States that can commercially grow cacao. Hawaii is ideally in close proximity to both Asia and mainland US, located to capture and prosper from the opportunities from a growing cacao market. Asia has already developed into a major chocolate market and Japan has experienced a significant increase in chocolate consumption during the past decade.

Today, the cacao industry is poised to heighten the state's economy with a broad range of job opportunities and increased revenue from diversified agriculture, production and processing, in addition to research and development with the potential to attract federal funds. Cacao possesses a propitious opportunity to develop a new industry in the growing, cultivating, processing, and shipping of Hawaii-grown cacao to the mainland United States and the rest of the world. Additionally, cacao holds the promise of helping the state diversify away from pineapple and sugar cane, markets that have eroded in recent years.

In 2003, the Hawaii Tropical Fruit Growers organized a cacao chapter. In 2004, Dole Food Company rejuvenated its Oahu cacao. Although some progress has been made in promoting Hawaiian grown cacao, the Cacao Task Force would develop a plan to identify strategies to accelerate the growth of the cacao industry, increase the manufacture and supply of locally grown cacao, promote its use and products, and identify any potential obstacles to the industry.

Thank you for the opportunity to submit testimony in support of HCR 326.



Food Company Hawaii

1116 Whitmore Avenue Wahiawa, Hawaii 96786

LATE

April 22, 2008

The Honorable Jill N. Tokuda, Chair

The Honorable J. Kalani English, Vice Chair

Committee on Agriculture and Hawaiian Affairs

RE: HCR 326, HD 2 – Requesting that the Department of Agriculture Convene a Task Force to Devise a Plan within One Year to Timely Expedite the Introduction and Delivery of Hawaiian Cacao to the Marketplace – SUPPORT

Senate Committee on Agriculture and Hawaiian Affairs, April 22, 2008, 9:30AM – Conference Room 414

Aloha Chair Tokuda, Vice Chair English and Members of the Committee:

I am Michael Conway, Manager of Agriculture, of Dole Food Company Hawai'i ("Dole"). Thank you for the opportunity to offer testimony in support of HCR 326, HD 2, to establish a Cacao Task Force.

The establishment of a Cacao Task Force would be helpful in identifying problems and overcoming barriers that keep farmers out of production. These challenges include dissemination of knowledge required to economically cultivate, process and distribute cacao. Additionally, regulations need to be established to protect the industry against the introduction of cacao pests and diseases. There is also a need to establish and to identify quality standards for certification to assist marketing cacao as a specialty product.

We are pleased to note that Dole's Waialua Chocolate, at 20 acres, is the largest commercial cacao farm in the country producing a world-class chocolate. At the present time, we are unable to process cacao bean into chocolate due to a lack of critical mass. It is estimated that a minimum 300 producing acres is required to justify construction of a chocolate manufacturing facility here in the islands. Waialua Chocolate has received high praise from world-class chefs like Alan Wong and chocolatiers such as Stanton Ho and Felipe Padovani. The limited quantity of Waialua Chocolate has made it one of the most sought after local products.

Dole is fortunate to enjoy continuous agricultural operations in Hawai'i for more than 100 years. At one point in our history, we were one of the largest sugar growers in the state. Today, in addition to cacao, Dole is one of this state's largest pineapple growers and Waialua Coffee is also being farmed and processed on our North Shore properties. We also continue to lease much of our land to diversified agriculture farmers.

For these reasons we respectfully ask for your committee's favorable support of these resolutions. As always, we are grateful for the opportunity to share our views with you.

Sincerely,

Michael Conway
Manager of Agriculture, Dole Food Company Hawai'i

LATE

the Original Hawaiian Chocolate Factory
GENUINE HAWAIIAN

Testimony on Behalf of The Original Hawaiian Chocolate Factory
(78-6772 Makenawai St, Kailua-Kona, HI 96740. Ph: (808) 322-2626)
For House Concurrent Resolution 326 – Relating to Cacao

April 21st 2008

To: The Honorable Senator Jill N. Tokuda, Chair

The Honorable Senator J. Kalani English

Senate Committee on Agriculture and Hawaiian Affairs

Subject: House Concurrent Resolution 326 - Relating to Cacao

We are Robert and Pamela Cooper. We established and operate Hawaii's first local tree to bar chocolate manufacturing company on the Kona side of Hawaii Island. We bought a six-acre farm with 1350 cacao trees in 1997 and since we incorporated our chocolate factory in 1999, have invested over \$450,000 of our own money (on a loan for which we are still paying) and ten full-time years of our lives to develop the small-scale technology required to manufacture cocoa beans into chocolate. We have also given over 65,000 cacao seeds and plants to any farmer who indicated interest and now purchase the raw product from 15 of our 60 farmers growing cacao. We are presently purchasing over \$450,000 worth of materials to upgrade our facilities to enable us to purchase the additional cacao that we calculate our new and existing farmers will be producing in the near future.

We presently sell to chefs who proudly use our Hawaiian-grown and Hawaiian-manufactured chocolate as well as to a large number of local companies who, along with their retailers, have our chocolate and products made with our chocolate in more than 50 stores State-wide. We pay farmers a stable price, which is many times higher than the ever-changing international price for cocoa beans and we manufacture a highly prized chocolate. We also organized the establishment of cacao as one of the commodity groups in the Tropical Fruit Growers' Association in 2003. We provide training in cacao production in well-attended workshops at our farm and elsewhere. We believe that the recent rapid growth in cacao production, particularly in the Kona area, is largely due to our active support of cacao farmers – which is why we are very much in favor of anything that can support this industry throughout the State.

For a decade now, there has been significant interest in the commercial production of cacao in Hawaii. While many people have been interested in developing this potentially significant new agricultural industry, to our knowledge, we are the only people who invested our own money and time to actually develop not only the production of cacao in Hawaii, but also chocolate production in Hawaii. We strongly support the bill to create a taskforce to look into this potentially important new agricultural crop and product.

Please support House Concurrent Resolution 326 - Relating to Cacao Mahalo for your time.

Chocolate is Aloha!

Pamela and Robert Cooper

chocolate is aloha!

78-6772 Makenawai Street Kailua-Kona, Hawaii 96740

toll free: 1.888.447.2626

telephone and fax: 808.322.2626

Monday, April 21, 2008

LATE

To: The Honorable Senator Jill N. Tokuda, Chair
The Honorable Senator J. Kalani English
Senate Committee on Agriculture and Hawaiian Affairs

From: Pam Williams, Fine Chocolate Industry Association

Subject: House Concurrent Resolution 326 - Relating to Cacao

I submit testimony in **strong support** of House Concurrent Resolution 326 - Relating to Cacao.

Hawaii is ideally located to capture and prosper from the opportunities from a growing cacao market. The State has a propitious opportunity to develop a new industry in the growing, cultivating, processing, and shipping of Hawaii-grown cacao to the mainland United States and the rest of the world.

In my experience, chocolate manufacturers and chocolatiers are looking for origin cocoa beans and chocolate for their consumer market who is now demanding flavor, quality and traceability – Everything that Hawaii grown cacao can offer.

In 2003, the Hawaii Tropical Fruit Growers organized a cacao chapter. In 2004, Dole Food Company rejuvenated its Oahu cacao. Although some progress has been made in promoting Hawaiian grown cacao, the Cacao Task Force would develop a plan to identify strategies to accelerate the growth of the cacao industry, increase the manufacture and supply of locally grown cacao, promote its use and products, and identify any potential obstacles to the industry.

Please support HCR 326. Mahalo for your time.