

SCR 234/ SR

137

LINDA LINGLE
Governor



SANDRA LEE KUNIMOTO
Chairperson, Board of Agriculture

DUANE OKAMOTO
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
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**TESTIMONY OF SANDRA LEE KUNIMOTO
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE SENATE COMMITTEES ON AGRICULTURE AND HAWAIIAN AFFAIRS
AND INTERGOVERNMENTAL AND MILITARY AFFAIRS
MONDAY, MARCH 31, 2008
1:15 A.M.
ROOM 229**

**SENATE CONCURRENT RESOLUTION NO. 234 / SENATE RESOLUTION NO. 137
REQUESTING HAWAII'S CONGRESSIONAL DELEGATION TO INTRODUCE AND
SUPPORT FEDERAL LEGISLATION TO IMPROVE THE VIABILITY OF HAWAII'S
GEOGRAPHICALLY DISADVANTAGED FARMERS AND RANCHERS**

Chairperson Tokuda, Chairperson Inouye and Members of the Committees:

Thank you for the opportunity to comment on Senate Concurrent Resolution No. 234 and Senate Resolution No. 137. The purpose of these resolutions is to request Hawaii's congressional delegation to introduce and support federal legislation to improve the viability of Hawaii's geographically disadvantaged farmers and ranchers. The HDOA supports the intent of both of these resolutions.

Hawaii's congressional delegation has been active in the issue of Hawaii's geographically disadvantaged farmers and ranchers for some time. The HDOA worked with staff economists at the USDA-Agricultural Marketing Services (AMS) and Senator Daniel Inouye's office in 2002 and 2003 to produce the Congressional report entitled "Report on Geographically Disadvantaged Farmers and Ranchers: A Case Study of Hawaii" which highlighted several deficiencies of Hawaii port infrastructures including lack of space at seaports for both passenger and freight traffic, and lack of shaded or refrigerated staging areas.

More recently, the HDOA worked collaboratively with Senator Inouye's office to provide information relating to livestock, feedstock and related transportation costs to support U.S. Senate legislation relating to geographically disadvantaged farmers and ranchers.



Hawaii Farm Bureau
F E D E R A T I O N

2343 Rose Street, Honolulu, HI 96819
PH: (808)848-2074; Fax: (808) 848-1921

March 31, 2008

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE AND HAWAIIAN AFFAIRS
AND
SENATE COMMITTEE ON INTERGOVERNMENTAL AND MILITARY AFFAIRS

TESTIMONY ON SCR 234 / SR 137

Chair Tokuda and Chair Inouye and committee members:

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 (HFBF) strongly supports SCR 234 / SR 137, requesting Hawaii Congressional Delegation to introduce and support federal legislation to improve the viability of Hawaii's geographically disadvantaged farmers and ranchers.

Hawaii and Alaska are the only two states that are not contiguous to the U.S. mainland and, thus are economically placed at a disadvantage to the rest of the 48 states. The major issue is the limitations we have on transportation and the cost of fuel to transport our inputs. The ever increasing cost of fuel is directly impacting our local farmers and ranchers ability to compete with the rest of the nation. Local farmers and ranchers are not cost competitive as they are not limited and bound by our transportation modes and can find other alternatives such as trucking and train. Hawaii's farmers and ranchers are forced to pay higher costs as fuel prices continue to escalate and the modes of transportation will be limited.

We strongly support this resolution to urge our congressional delegation to support and initiate federal legislation that will improve Hawaii's farmers and ranchers competitiveness and address the costs to transport agricultural inputs used to produce local crops in a geographically disadvantaged state such as Hawaii. This resolution also helps Hawaii's ability to achieve sustainability.

We urge your support and passage of this measure. Thank you.



Maui County Farm Bureau



*An Affiliate of the American Farm Bureau Federation and Hawaii Farm Bureau Federation
Serving Maui's Farmers and Ranchers*

March 31, 2008

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE AND HAWAIIAN AFFAIRS
SENATE COMMITTEE ON INTERGOVERNMENTAL AND MILITARY AFFAIRS

TESTIMONY ON SCR 234 / SR 137

Chair Tokuda and Chair Inouye and committee members:

My name is Warren Watanabe, Executive Director of the Maui County Farm Bureau, a non-profit general agriculture organization and an affiliate of the Hawaii Farm Bureau Federation.

MCFB strongly requests your SUPPORT of SCR 234/SR 137, requesting Congressional Support for implementation measures associated with Geographically Disadvantaged Farmers and Ranchers.

Compensation or assistance for disadvantaged social groups, or other population sectors in the United States is common within Federal programs. As late entrants into the Union, Alaska and Hawaii are not part of many Federal Programs. Also, our geographic location, non-contiguous to the rest of the country, provides challenges to our farmers and ranchers. One of the areas that impacts us the most is transportation. Ranchers and farmers in Hawaii face added transportation costs for input supplies not faced by our fellow ranchers in Nebraska or Iowa or farmers in California or Arizona. For example, our feed and fertilizer must travel across an ocean with limited options of choice of transportation systems. Transportation costs are often included in pricing within the Continental US.

FREE SHIPPING*

*Valid on items ground shipped via UPS, FedEx Ground and USPS in Continental U.S.

This is an example of how Hawaii farmers and ranchers are geographically disadvantaged.

Free Trade agreements such as NAFTA and CAFTA have resulted in opportunities for U.S. farmers and ranchers but also opened new avenues for invasive species. Produce from a U.S. wholesaler can no longer be assumed to be a product of the United States. It could have been grown in Mexico and distributed by the U.S. wholesaler. I believe we are seeing evidence of this in the increase and changes in invasive species observed by the Hawaii Department of Agriculture during their inspections at the Kahului Airport. USDA protects ports of entry within the contiguous U.S. In Hawaii, they protect the mainland from Hawaii....they do not protect Hawaii. This is another example of non-parity between states of the Union

We respectfully request your support of this resolution. This will provide further support to our Congressional delegation, in their attempts to implement findings of the USDA report. Thank you.

Kahua Ranch

P.O. Box 837
Kamuela, Hawaii 96743

March 31, 2008

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE AND HAWAIIAN AFFAIRS
AND
SENATE COMMITTEE ON INTERGOVERNMENTAL AND MILITARY AFFAIRS

TESTIMONY ON SCR 234 / SR 137

Chair Tokuda and Chair Inouye and committee members:

My name is Herbert M. Richards Jr., Chairman of the Board, Kahua Ranch. Our operations is located on the slopes of Mauna Kea on the Big Island. We are involved in ranching, vegetable production, renewable energy production and agritourism.

I strongly support SCR 234 / SR 137, requesting the Hawaii Congressional Delegation to introduce and support federal legislation to improve the viability of Hawaii's geographically disadvantaged farmers and ranchers.

I have been a very strong advocate for agriculture over the years. I was one of the originators of the concept of "Geographically Disadvantaged Farmers and Ranchers", which resulted in the study authorized in the 2002 Farm Bill. This effort represented our attempt to level the playing field between Hawaii and Alaska vs. the States within the Continental United States. The Executive Summary of a study by the Agricultural Marketing Service, USDA in 2003,

"... makes recommendations and suggests actions in the transportation arena that can improve the competitiveness of these farmers and ranchers in the domestic and international marketplace, utilizing private enterprise, as well as State and U.S. Department of Agriculture (USDA) programs and initiatives.

Inadequate port infrastructure, limited access to freight service, and the low priority often given by transportation providers to handling agricultural commodities often create physical and economic barriers that make it difficult for farm producers and ranchers in geographically insular areas to compete successfully with U.S. mainland producers. Furthermore, many of the non-contiguous U.S. States and Territories consist of islands or chains of islands, where local farmers and ranchers are obliged to rely exclusively on either sea or air transportation to ship their cargo to the U.S. mainland and other destination markets.

This report can be found at the following website.

www.ams.usda.gov/tmd2/Insular/FINALVersion.pdf

Globalization, brings with it opportunities and challenges. We have greater access to things from destinations faraway. At the same time, exposure to our farmers and ranchers to competition increases exponentially. While trade can be an opportunity, it is catastrophic if technological advancements and infrastructure support is not provided to our local farmers and ranchers to allow fair competition in the marketplace.

I am sorry I cannot be at this hearing today. I respectfully urge your support and passage of this measure to bring fairness to our farmers and ranchers as citizens of the United States. Please contact me at 882 4646 if you have any questions. Thank you.

**Mikilua Poultry Farm Inc.
1612-A Kilohi Street
Honolulu, Hawaii 96819**

March 31, 2008

**Senate Committee on Water, Land, Agriculture and Hawaiian Affairs
and
Senate Committee on Intergovernmental and Military Affairs**

TESTIMONY on SCR 234/SR 137

Chair Tokuda and Chair Inouye and Members of the Committee:

My name is Phyllis Shimabukuro-Geiser, President of Mikilua Poultry Farm Inc a family operated egg farm in Leeward Oahu since 1947. We are currently the only egg farm that produces Island Fresh eggs for Oahu, Big Island, Kauai, Lanai and Maui. I would like to thank you for your support of 2007 Livestock Revitalization Program which subsidizes a portion of our feed cost.

Our family farm strongly supports SCR 234/SR 137; requesting Hawaii Congressional Delegation to introduce and support federal legislation to improve the viability of Hawaii's geographically disadvantaged farmers and ranchers.

On April 6, 2007 I met with Representative Mazie Hirono and discussed the 24th Legislature Regular Session 2007 SCR 193/HCR 169, requesting Hawaii's Congressional Delegation to legislate a reduction in Federally Regulated fees or an exemption from Federal Statutes for Transportation costs for Livestock Feed to Hawaii. Representative Hirono is on the Committee on Transportation and Infrastructure.

On December 20, 2007 I also met with Jennifer Sabas and Chauncey Ching of Senator Inouye's office to discuss SCR 193/HCR 169.

Representative Hirono informed me she is deeply troubled by the closing of Hawaii dairies and egg farms. Representative Hirono met with House Agriculture Chair Collin Peterson about the lack of affordable feed and farm closures in Hawaii.

According to Representative Hirono and Chauncey Ching, some kind of subsidy to assist Hawaii importers of feed with transportation costs was difficult to achieve in the 2007 Farm Bill. The House Agriculture Committee was hearing complaints from all over the country about higher feed prices due to the increased demand for corn for ethanol production.

SCR 234/SR 137 emphasizes the ongoing need for our state Legislature and congressional delegation to pursue assistance for disadvantaged Hawaii farmers with unaffordable transportation cost that contributes to a 38% higher feed cost for our farm since 2006. Please continue to impress upon Congress through our State Congressional Delegation that Hawaii farmers and consumers are the most disadvantaged compared to the other noncontiguous state of Alaska which has the alternative to ship by ground. Puerto Rico, a noncontiguous territory is closer in proximity to the mainland US ports.

Chauncey Ching acknowledged that Hawaii has approximately 4 days of food supply during a disruption in transportation service. Hawaii faces greater consequences than the rest of the US in regards to food security and our economy. Based on our unique geography, I believe SCR 234/SR 137 presents the case of Hawaii's disadvantages that merit congressional assistance.

I respectfully ask your support and passage of this measure that emphasizes the ongoing need for federal legislation to improve the viability of Hawaii's geographically disadvantaged farmers and ranchers for Hawaii's sustainability. Mahalo.

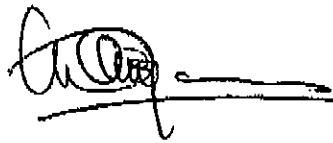
March 29th, 2008.

To: Sen. Jil Tokuda, Chair Senate Agriculture Committee
Fax: 808 537 7220

To: Sen. L. Inouye, Chair Government Affairs
Fax: 808 536 7339

cc. Senate Sergeant-At-Arms 808 586 6659

From: CN Lee, private citizen



Ref.: SCR 234 "Requesting Hawaii's Congressional Delegation To Introduce and Support Federal Legislation To Improve The Viability Of Hawaii's Geographically Disadvantage Farmers and Ranchers."

Aloha senators. I have worked with Hawaii livestock producers since 1986 in the capacity of Extension Specialist with the University of Hawaii College of Tropical Agriculture and Human Resources.

The Hawaiian island is the most populated isolated islands in the world. Our unique location attracts tourists from all over to lift, work and to play here. With a population of over 1.2 million and a tourist population of over 7 million annually, there is a huge demand for food and other resources. Yet we are a net importer for over 85% of the food we consume.

The recent increases in oil and the demand for grains in biofuel had devastated our livestock industry which imports feed from the mainland. We no longer have dairy operations in Kauai, Maui and Oahu which has over 900,000 residents. Our egg and swine industry are at the verge of collapsing under the high price of fuel and grains. Importing such food items makes Hawaii vulnerable to external forces at a time of global terrorism and labor disputes. Any such events would mean disruption to our food supply and put the well being of the young and the elderly in jeopardy.

Hence, I support the actions called for in SCR 234. Thank you for your leadership in address a crucial need of our state.