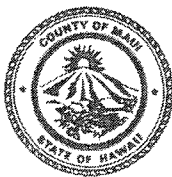


CHARMAINE TAVARES
MAYOR



OFFICE OF THE MAYOR

County of Maui

September 9, 2009

200 South High Street
Wailuku, Hawaii 96793-2155
Telephone (808) 270-7855
Fax (808) 270-7870
e-mail: mayors.office@mauicounty.gov

The Honorable Clift Tsuji, Chair
and Members of the Committee
on Agriculture

Dear Chair Tsuji and Members:

**RE: IMPACTS OF PROPOSED HAWAII DEPARTMENT OF AGRICULTURE
LAYOFFS**

The proposed layoffs facing the inspectors of the Hawaii Department of Agriculture's (HDOA) Plant Quarantine Branch concern me greatly. The impacts we will be forced to endure are broad, numerous, and potentially irreparable. The mere suggestion that the number of agriculture inspectors should be reduced to just 50 statewide clearly undervalues their critical role as the first line of defense against harmful invasive species that threaten our agriculture industry, native ecosystems, our tourist-driven economy, and public health and safety.

My administration has long been a strong advocate of the Plant Quarantine Branch. We recognize the magnitude of their responsibility to prevent new introductions of harmful plants, animals, and diseases to our state that can easily destroy our life-giving watersheds, which impact the coral reefs below. They successfully prevented Red Imported Fire Ants, snakes, and rabies, just to name a few, from becoming established here because they were present at the ports of entry. Without their vigilance, any one of these species could have entered and caused irreversible harm long before they were discovered and changed our way of life permanently.

The HDOA reports that introductions of invasive species are occurring in the islands two million times faster than the natural rate and 500 times faster than any other state in the country. What would that rate be without our agriculture inspectors in place? How many more native Hawaiian species would succumb to extinction? Our state already leads the nation in the number of species lost to extinction and shamefully tops the list of endangered species. About 360 Hawaiian plants and animals are listed as endangered, which makes up more than 30% of the nation's total. These numbers tell us that we need to be doing more, not less, to protect our environment, and ultimately ourselves. The loss of a single species appears insignificant until you view it in the larger context and acknowledge the vital role it plays in keeping the entire system healthy and well functioning. We simply cannot afford to keep losing our natural capital at this rate!

The Honorable Clift Tsuji, Chair and
Members of the Committee on Agriculture
September 9, 2009
Page 2

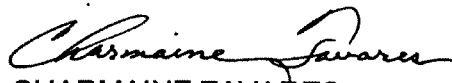
All of these issues are not new; they are simply magnified at this point in time. We must focus our efforts on solutions and make environmental protection a higher priority, because the consequences of not doing so are all encompassing. Reducing agriculture inspector positions this severely will force all future generations to pay the price for this damaging decision made today.

Conversely, the HDOA's proposal to extract one million dollars from the Hawaii Invasive Species Council (HISC) fund to restore 25 inspector positions is an ill-conceived idea at best. This would simply transfer support for invasive species control from the back end to the front end. We know better than that. Invasive species management needs to occur on the front end, preventing their introduction, while groups like the Maui Invasive Species Committee (MISC) work to stamp out incipient populations. Still, there are numerous other organizations and government agencies that are working hard on the very back end to control established populations of invasive plants and animals. Restoring positions slated for layoffs is critical, but should not be at the detriment of HISC and the island-based invasive species committees they support.

My administration is committed to supporting the HDOA in any way it can. I have already met with my Environmental Coordinator and Agricultural Specialist to discuss some ideas that we would like to share with them at the appropriate time. We have been actively seeking input from farmers, ranchers, conservationists, and community members who are quite alarmed about the proposed layoffs. We are also scheduling community meetings in conjunction with the HDOA, MISC, and Maui County Farm Bureau to ensure that the community-at-large is aware of the potential impacts of the proposed layoffs and to encourage them to work together to safeguard their communities from harmful invasive species. This includes education, identification of resources, and proactive control and reporting.

The silver lining here is perhaps an increased appreciation by all for our agriculture industry and those who put themselves in harm's way to protect our communities from dangerous invasive species. We desire to work together with all interested parties to identify additional solutions that will get us through these challenging times without robbing our future generations of the beautiful, healthy environment, they rightfully deserve.

Sincerely,


CHARMAINE TAVARES
Mayor, County of Maui

CT:KP/ad
c: Kuhea Paracuelles, Maui County Environmental Coordinator
Clark Hashimoto, Agricultural Specialist



OFFICE OF ECONOMIC DEVELOPMENT

COUNTY OF MAUI

2200 MAIN STREET, SUITE 305, WAILUKU, MAUI, HAWAII 96793, USA

Téléphone: (808) 270-7710 • Facsimile: (808) 270-7995 • Email: economic.development@mauicounty.gov

September 10, 2009

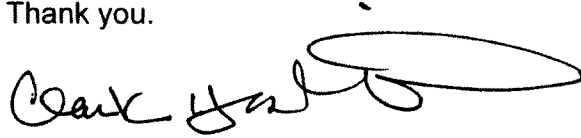
Aloha Representative Clift Tsuji, Chair on the Committee on Agriculture. My name is Clark Hashimoto, Agriculture Specialist for the Office of Economic Development, County of Maui. I am sending you this testimony at the request of our Mayor, Charmaine Tavares.

We are extremely concerned about the proposed plans to reduce the number of agriculture inspectors statewide and particularly here in Maui County. For over a century, agriculture has been deeply rooted here and throughout the State. Over the years, agriculture has always been a very challenging business with strong competition in the market, and this year has been some of the hardest of economic times. It is critical that we all work together to come up with solutions to proposed cuts to the Hawaii Department of Agriculture that will not impact our import/export business or jeopardize our environment. If these cuts occur, not only will Hawaii become more vulnerable to invasive species but overall cuts in the Department will affect other aspects of agriculture. For example, we would be losing Quality Assurance programs, Pesticide Education, Ag Development and Commodity Marketing Specialists to name a few.

Our farmers who export their flowers or products will be severely affected with potential of losing millions of dollars of lost revenue. For example, on a statewide basis, in 2007, seed crops and flowers and nursery products amounted to \$252 million in revenues. We will be paying more for food and supplies because of delays in inspection. As agriculture works to adjust to hard economic times, it becomes more apparent that we must support the agricultural industry and move toward reversing our state's dependency on imported foods, products and energy. Raising our own food and to become more self-sufficient is key to a more stable economy. About 85 percent of our food is imported and a strong agricultural sector is an important component of a balanced, diversified, and sustainable economy. However, we need a strong effort by the Hawaii Department of Agriculture to sustain our agriculture.

Agriculture, our environment, and our economy cannot possible survive the cuts in the Hawaii Department of Agriculture. Let's all work together to come up with a workable plan to address the significant impact of the proposed layoffs of agriculture inspectors. Our economy, our environment and our community well-being depend on it.

Thank you.

A handwritten signature in black ink, appearing to read "Clark Hashimoto". The signature is fluid and cursive, with a large, sweeping loop at the end.

Clark Hashimoto
Agriculture Specialist

**TESTIMONY OF Betty Spence
BEFORE THE HOUSE COMMITTEE ON AGRICULTURE
Rep. Clift Tsuji, Chair
September 10, 2009 -- 1:00 P.M.**

**RELATING TO PLANNED LAYOFFS TO
DEPARTMENT OF AGRICULTURE INSPECTORS**

Chairman Tsuji and Members of the Committee:

Thank you for the opportunity to present testimony. My name is Betty Spence and I am supplying written testimony relating to the planned layoffs of Department of Agriculture inspectors and its potential impact to the livestock industry. We understand this loss to be 55% of total inspectors and 61% of plant inspectors. I come before you representing two entities.

The Hawaii Cattlemen's Council, Inc. (HCC) is the statewide umbrella organization comprised of the five country level Cattlemen's Associations. Our 130+ member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of over 1 Million acres of land in Hawaii, 25% of the State's total land mass.

The Hawaii Cattle Producers Cooperative Association (HCPCA) is a cooperative of 46 family ranches whose primary service is livestock transportation to the west coast. HCPCA members transport approximately 50-55% of the total livestock (50,000 to 60,000 head) exported from the state.

Historically, the industry has shipped an average of 750 to 900 cow-tainers annually utilizing Matson's service for ocean transportation and 350 to 500 cattle boxes for air transportation. The cow-tainers require inspection upon arrival to Honolulu before it is released to the shipper. A shortfall in inspectors could cause delays in shippers receiving the 'empty' containers in time to export its next scheduled shipment. With the intense livestock volume booked for export on an ocean voyage, any delay to the confirmed schedule or import/non-receipt of the cow-tainer in time, could mean the shipper losing its booking on the long haul vessel and it would then require rebooking for a date in the future or it could become non-recoverable causing additional expense to the ranchers for care and feed of its livestock and could potentially equate to 90% of the cattle raised in the state which are exported.

In addition, dairies, livestock ranches and poultry farmers receive imported containers of feed requiring inspection and if the animal feed is not received when expected; there could be a loss of life to sustain livestock situated in a drought region or loss of revenue for livestock not attaining its market goal.

It should be mentioned that the plant and nursery industry would be profoundly affected should there be delays or no inspections for product leaving the State of Hawaii. Livestock air shipments take place from the Kona airport and do alleviate stress from the overcrowded ocean voyage peak seasons. A loss of Big Island inspectors could impact the planned Kona arrivals which are needed to transport livestock from Hawaii to the west coast.

Thank you for your time.



Diamond Head Papaya Co., Ltd.

16-309-A Old Volcano Road • Kaaui, Hawaii 96749
Telephone: (808) 966-7406 • Fax: (808) 966-6464

TESTIMONY BEFORE THE HOUSE COMMITTEE
ON AGRICULTURE
RELATING TO HAWAII DEPARTMENT OF AGRICULTURE
PLANNED LAYOFFS FOR INSPECTORS

PRESENTED TO THE TWENTY-FIFTH LEGISLATURE
STATE OF HAWAII

Interim of 2009
Wednesday, September 10, 2009
1:00 PM

Representative Clift Tsuji, Chair
Representative Jessica Wooley, Vice Chair
Committee Members

Thank you for the opportunity to give my testimony today. My name is Koji Okamura, I am the manager of Diamond Head Papaya Co., Ltd.

Diamond Head Papaya Co., Ltd. has been in the papaya business since 1973 exporting papayas to Japan, US mainland, Canada and to our local markets. We have always shipped the most papayas to the Japan market. From the beginning of Hawaiian papaya exports to Japan, the Hawaii industry had over 90% of the market share in Japan. In 1992, the Papaya Ring Spot Virus began invading the papaya crops in Hawaii Island. Since the late 1980's papaya production declined from an average 50 million pounds per year to 29 million pounds per year in 1995.

Since the GMO papayas was introduced and planted in 1998, Hawaii Papaya Industries production gradually recovered. However, GMO papayas were prohibited by the Japan Government. In 2001 the Japanese Government found a shipment of GMO papayas from Hawaii, since then the Ministry of Health, Labor and Welfare (MHLW) have strictly monitored all papaya shipments by inspecting 50% of all incoming shipments of papayas from Hawaii.

After papaya shipments arrive in Japan, MHLW stores all papayas shipped in their airport storage facility until their DNA or GUS GENE tests results are completed. It takes between 5-7 days to get the results back. This is a very serious problem for the Hawaii Papaya Industry because papayas are highly perishable.

Because this was a serious problem for our industry, negotiations between HPIA and MHLW ensued resulting in MHLW's agreement to release papayas without waiting for a DNA or Gus Gene test only if a monitoring system was established. Hawaii State Department of Agriculture working together with the Hawaii Papaya Industry exporters created the Identity Preservation Protocol (IPP) in 2001, to guarantee that the exported Hawaiian papaya would be free of GMO fruits. Thus, allowing the distribution of papayas to the Japanese market without waiting for results of the GMO test.

The Japan Government has finally approved deregulation of GMO papayas from Hawaii. However, it will take more marketing and educational strategies before the Japanese consumers will accept GMO papayas. According to MAFF Society for Techno-Innovation of Agriculture, Forestry & Fisheries survey in 2004, more than 70% of Japanese people are concerned. When asked if they would eat a GMO product, 50% refused.

Although the Japanese Government approved to import GMO papayas from Hawaii, it will be a while before most of the Japanese consumers accept it. So in the mean time, without an IPP certificate for none GMO papayas, most of the Japanese consumers will refuse to purchase Hawaiian papayas and may demand more of the Philippines papaya. This will ruin our Japanese market before the Japanese consumers will accept the Hawaiian GMO papayas.

At present, Hawaii papaya industry is the 10th largest agriculture commodity business in Hawaii. There are more than 160 papaya farmers and more than 1,000 people whose lives are dependent on it.

If we can't get the support from the Hawaii State Department of Agriculture I believe the Hawaii Papaya Industry will lose the Japan market. To continue shipments to Japan we need an IPP Certificate from the Hawaii State DOA.

The Hawaii Papaya Industry needs an Agricultural Commodities Marketing Specialist (ACMS) to issue IPP certificates for all of our Japan shipments.

Thank you very much for giving us the opportunity to voice our concerns.

TESTIMONY
AGRtestimony@capitol.hawaii.gov
HOUSE COMMITTEE ON AGRICULTURE
Meeting Room 325
Thursday, September 10, 2009,

CHAIRPERSON: REPRESENTATIVE CLIFT TSUJI
VICE CHAIR: REPRESENTATIVE JESSICA WOOLEY

SUBJECT: Layoff of State Department of Agriculture Inspectors

My name is Don Gerbig, a retiree from the agricultural industry, a private citizen, and an advocate for Hawaii's agricultural industry.

The unintended consequences of this particular state employee layoff action on the agricultural industry and our state economy is enormous.

Shipments of incoming agricultural products will be delayed and loss of product due to spoilage will result. Eventual reduction in shippers desire to supply the Hawaiian market due to potential losses or reduced income from shipment losses. The net result to Hawaii citizens will be unavailable agricultural products and extremely high prices for those products making it through the process.

On the other hand, with the shipment of Hawaii grown agricultural products from Hawaii, the prognosis is even worse. Unpredictable delays or even unexpected cancellation of shipments due to lack of scheduled availability of inspectors will effect the local producers income as well as their market customers. These type of transportation problems resulting from a lack of inspectors will eventually have a long term affect on local producers, forcing them to cut back their production, affecting their future sales, income and tax revenues to the state of Hawaii.

Delays in airport inspections due to an inspector reduction will affect our tourist business as well. Tourists will not be happy after having to be delayed at the airport even more than at present. This just adds to travel frustrations that could affect our tourist industry over the long run.

Cruise ships are another area of potential loss of revenues due to lack of inspectors.

Hopefully this committee will find a solution to this loss of agricultural inspectors before our state economy is affected. I thank the Committee for meeting outside of session and all of you for your efforts in this matter.

Don Gerbig



Attention: Rep. Clift. Tsuji, Chair Committee on Agriculture

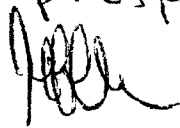
From JEFF MARCUS (OWNER) 1-800-535-3859

Floribunda Palms & Exotics Sept-9-09

P.O. BOX 635 • MT. VIEW, HI 96771 • NURSERY (808) 966-8003 • HOME/FAX (808) 968-6921 • jmarcus@interpac.net

Dear Representative Tsuji

The thought of the governor having to Lay-off All DOA inspectors on the Big Island is uncomprehensible. This is a 250 million dollar industry. The repercussions would be a disaster.

I Am A Small EXPORT nursery who for 25 years has worked to build A viable business and employ 4 people and contribute to this economy. Please use your powers to make the unions ~~accept~~ to Accept A furlough plan that will work to keep the DOA jobs. Times are tough in recession and we all have had to tighten our belts. Please save these peoples jobs so our industry will prosper. Do the right Thing!! Sincerely
JEFF MARCUS 

From: Nursery [nursery@gaiayoga.org]
Sent: Wednesday, September 09, 2009 10:37 AM
To: AGRtestimony
Subject: Dept. of Ag Layoffs

Dear Decision Makers,

I urge you to layoff as few plant quarantine people as possible. I have a small nursery and my livelihood is completely dependent on their being sufficient, dependable plant inspectors. Without the this team of people working in Hilo and on the Big Island all together, my nursery, and all nurseries on the island will lose a huge amount of income. We would lose income from off island and out of state, thus undermining the overall Hawaii economy. The amount of total state income that would be lost if we can not export plants and other agriculture products off of the Big Island is huge.

If you lay off these 14 people, you are essentially laying off all the people working at every export nursery on the island, bankrupting the export nurseries, and losing millions and millions of dollars in money into the state.

I urge you to find another strategy to balance the budget that doesn't mean destroying the nursery industry, and my seriously hurt my personal business.

Aloha and Mahalo

Ano Tarletz
GaiaYoga Nursery

Greg Westcott

Valley Farm

Meeting of the Committee on Agriculture

Rep. Clift Tsuji – Chairman

Thursday, Sept. 10, 2009

Aloha,

I have been a full time farmer on Maui for 40 years and was the community member of the joint state-federal Alien Species Action Plan team. The team's work resulted in the first scientific examination of Hawaii's quarantine system, the Kahului Airport Risk Assessment. The scientific data revealed serious gaps in the system, and established the number of inspectors, dogs and equipment needed to protect Hawaii. Today the gaps remain. The Dept. of Agriculture continues to be under funded and understaffed. We need more inspectors not fewer. The layoffs on the DOA will be catastrophic to agriculture, the environment, the economy and the health and wellbeing of the people of Hawaii.

E malama pono,

Greg Westcott



Hawaii Agriculture Research Center

Administration: P.O. Box 100, Kunia, HI 96759

Ph: 808-621-1350/Fax: 808-621-1359

TESTIMONY BEFORE THE HOUSE COMMITTEE ON AGRICULTURE

**Thursday, September 10, 2009
1:00pm, Room 325**

Chair Tsuji, Vice Chair Wooley and Members of the Committee:

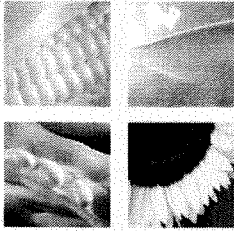
My name is Stephanie Whalen. I am Executive Director of the Hawaii Agriculture Research Center (HARC). I am testifying today on behalf of the center, our research and support staff, and our members and clients.

HARC strongly opposes the proposed layoffs of State Department of Agriculture Plant Quarantine Branch inspectors and especially of the Microorganisms Specialist Position. The Specialist is the only person authorized to issue import permits for microorganisms into the state. Without the ability to issue import permits, researchers, commercial enterprises and individuals will, without doubt bring in unauthorized, uninspected plant materials and microorganism cultures.

With layoffs of Quarantine Inspectors as well, the State's ability to review incoming materials will be drastically reduced, making the eventual introduction of damaging pests, invasive weeds, and disease microorganisms a virtual certainty.

By reducing funding now, the State will incur much greater expenses in future when attempting to cope with introduced pests, such as the coqui frog and the Erythrina gall wasp.

Thank you for the opportunity to testify in support of Hawaii's agricultural needs.



Hawaii Crop Improvement Association

Growing the Future of Worldwide Agriculture in Hawaii

Testimony to the
State House Committee on Agriculture
Thursday, September 10, 2009
Room 325, 1 p.m.

Regarding Layoffs of the Dept. of Agriculture Inspectors

Aloha Chair Tsuji, Vice Chair Wooley and members of the committee,

My name is Alicia Maluafiti, Executive Director of the Hawaii Crop Improvement Association. The Hawaii Crop Improvement Association (HCIA) is a nonprofit trade association representing the agricultural seed industry in Hawaii. Now the state's largest agricultural commodity, the seed industry contributes to the economic health and diversity of the islands by providing high quality jobs in rural communities, keeping important agricultural lands in agricultural use, and serving as responsible stewards of Hawaii's natural resources.

We are deeply concerned about cuts targeting the inspectors of the Dept. of Agriculture and its inevitable negative impact on Hawaii export markets as well as the unintended consequences on the viability of the agricultural industry.

Hawaii's seed crop industry is experiencing exponential growth and serves as one of the few stable sectors for jobs in the state, according to a new economic study. Commissioned by the Hawaii Farm Bureau Federation, the report's conclusions are based on analysis of data from the U.S. Department of Agriculture's National Agriculture Statistics Service. In "Hawaii's Seed Crop Industry: Current and potential economic and fiscal contributions," the study's authors conclude that despite major financial setbacks felt by numerous businesses across the state, the value of seed companies has continued to steadily grow since the industry sprouted roots in Hawaii more than 40 years ago. Their value is reflected in their fiscal contributions to state coffers, the high-skilled jobs that they generate for Hawaii residents, and the scientific innovations that they are spearheading to produce more crops on less land here and abroad. While the agricultural biotechnology often sparks passionate discussions between individuals on both sides of the debate over its acceptance, agricultural experts and farmers assert that genetically enhanced seeds can reduce a farmer's production costs and, ultimately, yield more viable crops per acre.

We believe that Hawaii will be the gateway for the future of worldwide agriculture. The world has just begun to see the benefits of seed biotechnology, and as more products reach the marketplace, those benefits will grow.

Cutting inspectors – and thereby slowing the inspection process – will slow down the ability of the seed industry to operate efficiently in this state. The additional costs and loss of production time make it difficult to justify to that Hawaii is a business friendly location – especially when the biotech industry is being wooed by countries such as Puerto Rico. The unintended consequences impact our ability to keep agricultural lands in ag use, provide living wage jobs in rural communities, and generate tax revenue to support our services and programs.

Mahalo for the opportunity to provide testimony on the cuts to the Dept. of Ag inspectors.

HCIA 2008-2009 Board of Directors

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91-1012 Kahi'uka Street
'Ewa Beach, HI 96706
Tel: (808) 224-3648
director@hciaonline.com
www.hciaonline.com

Hawaii Export Nursery Association

September 9, 2009

**Testimony for House of Representatives
The Twenty-Fifth Legislature
Interim of 2009**

**House Committee on Agriculture
Thursday, September 10, 1:00 p.m., Room 325
Chair – Rep. Clift Tsuji
Vice Chair – Rep. Jessica Wooley**

Aloha!

My name is Malcolm Saxby and I am writing on behalf of the Hawaii Export Nursery Association, a non profit member organization comprised of over 120 members statewide and on the mainland. HENA is dedicated to marketing, research, transportation, and educational issues. Our goal is to supply Hawaii grown, top quality tropical potted plants and flowers for the global marketplace.

Our membership does not support the reduction or elimination of the Plant Quarantine Inspectors on the Big Island of Hawaii. The Plant Quarantine Branch is an essential part of the Burrowing and Reniform Nematode (BRN) program and of the Origin Inspection Program to California.

The reduction and elimination of the PQ Inspectors will give California's Department of Agriculture (CDFA) a reason to threaten an embargo of Hawaii's foliage and floral products as well as other perishable agricultural products slated for export. Our nursery and floriculture industry has a wholesale value of about \$100 million with half coming back to Hawaii to help our struggling economy. Another repercussion of the lack of PQ inspectors will be the increased risk of infestations between nurseries and into the general public's residential areas.

With 168 certified nurseries requiring semi-annual on site inspection visits from PQ inspectors for recertification, as well as issuing of phytosanitary certificates for shipments of products required by certain areas, it is imperative our inspectors remain in full force. Should nurseries find themselves faced with a rejection of product from CDFA, local PQ inspectors will need to do on site follow up inspections in order to certify that nursery clear of the invasive pest(s) that caused said rejections.

Our industry works closely with the PQ inspectors and depends on them to keep our nurseries free of invasive pests and facilitate ease of shipments of products throughout the State and mainland U.S. With a reduction and/or elimination of these inspectors, the foliage and floriculture industries in Hawaii face an immediate shut down as it will be impossible to move products across and out of state.

We hope you will take into account the tremendous impact of a reduction or elimination of the PQ inspectors will have on our members and on the industry at large.

Warmest regards,

Malcolm Saxby

Malcolm Saxby
President



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

September 10, 2009
State Capitol - Conference Room 325
HOUSE COMMITTEE ON AGRICULTURE

Chair Tsuji, Vice Chair Wooley, and Members of the Committee on Agriculture:

My name is Ann Yamamoto; I am the Executive Director of the Hawaii Farm Bureau Federation ("HFBF"). The latest statistics from the Hawaii Department of Agriculture ("HDOA") estimates that the value of agricultural commodities from Hawaii to the continental United States is about \$416.5 million. It is our understanding that HDOA plans to lay off 50 of the 78 agriculture inspectors that must process a lot of these exports. The loss of these inspectors will have a devastating effect on HFBF members that export products, agriculture in Hawaii as its infrastructure erodes with losses by the affected farmers and ranchers, and ultimately the State of Hawaii and its people as its food security and other sources of income shrink with the cascading effect of losses in this order of magnitude.

A number of our members will be testifying on the effect of HDOA budget cuts on their individual operations. I would like to highlight a few matters common to the entire industry.

- Agriculture has tremendous potential to advance Hawaii's efforts towards self-sufficiency and sustainability in its food supply.
- Export capacity provides for agricultural production on a larger scale, which provides local business with the opportunity to meet local needs on a reliable basis and bring additional revenue into the state.
- According to recently released Hawaii agricultural statistics, the export floriculture and nursery industry has a value in excess of \$53 million, papayas bring in more than \$13 million, and cattle exports are valued at \$20 million.

A drastic reduction in HODA inspectors threatens the viability of continued export of Hawaii agricultural products. This is basic commerce that is needed to support Hawaii's economy and to pull us out of our current economic doldrums.

A precursor of things to come is already occurring, even before the pending layoffs. Hawaii's agricultural exports to California are currently at risk. For the first half of the year, over 200 shipments of cut flowers and foliage, herbs and vegetables, nursery products and fruits have been rejected at California ports. This means that Hawaii producers not only lose the sale, they must pay to have the product destroyed on the mainland, or returned to Hawaii. We are taking measures to mitigate these types of losses. An increase in these rejections and the closure of California ports to Hawaii products is unthinkable.

To paraphrase House Chair Calvin Say at this Committee's preceding hearing on agricultural imports, it just plain does not make sense to jeopardize hundreds of millions of dollars and an entire industry, to save \$5.9 million at HDOA. Thank you for this opportunity to submit written testimony.



The Hawaii Farm Bureau Federation ("HFBF") is non-profit, independent, non-governmental, voluntary organization governed by and representing 1600 farm and ranch families throughout the State united for the purpose of analyzing their problems and formulating action to achieve educational improvement, economic opportunity and social advancement and, thereby, to promote the State's well-being. We are affiliated with the American Farm Bureau Federation, which has a membership of over four million families in 2,800 counties across America. HFBF and its affiliates are local, county, state, national and international in its scope and influence and are non-partisan, non-sectarian and non-secret in character. HFBF is the voice of agricultural producers at all levels.



Hawai'i Florists & Shippers Association

*P.O. Box 5640
Hilo, Hawai'i 96720*

**Testimony for House of Representatives
Regarding
Anticipated Reduction and Possible Elimination of the Plant Quarantine
Branch on the Big Island**

House Committee on Agriculture

Rep. Clift Tsuji, Chair

Rep. Jessica Wooley, Vice Chair

Thursday, September 10, 2009, 1:00 p.m., Room 325

Aloha, my name is Eric S. Tanouye, President of Hawai'i Florists and Shippers Association. The Hawai'i Florists and Shippers Association (HFSA), is a statewide organization that was founded in 1948. It has approximately 400 members on all Islands. Our membership is composed of breeders, propagators, growers, shippers, retailers, wholesalers and allied businesses, which all support the agriculture / ornamental industries here in Hawai'i.

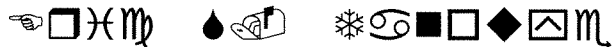
We do not support the reduction or elimination of the Plant Quarantine Branch in the State of Hawai'i. The Plant Quarantine Branch is an essential part of the Burrowing and Reniform Nematode (BRN) program. This program requires PQ Inspectors to regularly conduct nursery site visits that include visual inspection of facilities and plant materials, and random sampling and testing for presence of nematodes. Having certified nurseries allows the export of potted plant material to the mainland that would otherwise be prohibited, especially to states such as California which is our largest mainland market.

With the current threat of embargo by the California Department of Food and Agriculture (CDFA) for infested products coming from Hawai'i, the Plant Quarantine Branch has been working with the industries and the USDA-APHIS PPQ and UH-CTAHR to resolve this problem. The reduction and elimination of the PQ Branch will Give CDFA more reason to lack confidence in the cleanliness of Hawai'i's products This will increase the threat of embargo of Hawai'i's perishable agricultural and floricultural products for export. Hawai'i's Floriculture and Nursery Industry has a wholesale value of about \$100 million, of which 43.3 million represents export dollars, which comes back to Hawai'i at a time when we need the circulation of revenue to help stimulate our state's economy.

Regarding imports, if left unchecked, Hawai'i will be subject to an increasing number of invasive species, including insects, diseases and weeds that could potentially destroy many agricultural commodities and our fragile and unique pristine environment. We have already witnessed too many introductions of these pests that have cost our farmers millions of dollars in loss of businesses, increased costs for pest control, and greater added risks, thereby making farming less attractive to new prospective farmers and especially to the next generation. The reduction of our PQ Branch as proposed will only result in the demise of many of our current agricultural enterprises and reduce the future potential for agribusiness in Hawai'i.

I hope you give thought to Hawai'i's agricultural future and take into account the needs of our industry so that every farmer can succeed and continue to make this a viable industry especially in these hard economic times.

Supporting Hawai'i's Agriculture Industry



Eric S. Tanouye, President
Hawai'i Florists and Shippers Association

HAWAII PAPAYA INDUSTRY ASSOCIATION
PO BOX 6959 / 190 KAMEHAMEHA AVENUE ROOM 1
HILO HI 96720
PH. NO. 808.969-1160 FAX NO. 808.969-1781 e-mail: papayas@aloha.net

TESTIMONY BEFORE THE HOUSE COMMITTEE
ON AGRICULTURE

RELATING TO HAWAII DEPARTMENT OF AGRICULTURE
PLANNED LAYOFFS FOR INSPECTORS

PRESENTED TO THE TWENTY-FIFTH LEGISLATURE
STATE OF HAWAII

INTERIM 2009

Dear Chairman Tsuji & Members of the Committee:

My name is Loren Mochida, General Manager of THP in Keaau, Hawaii. THP is a processor and exporter of Hawaiian Premium papayas to CONUS and Japan and represents over 50 papaya growers. I am also a Director on the Hawaii Papaya Industry Association (HPIA) Board.

The Hawaii Papaya Industry Association (HPIA) has been exporting papayas to the U.S. Mainland, Canada, Japan and the local markets since early seventies. Hawaii was the majority leader in shipping fresh papayas into Japan with over 90% of the market share in that country. By the mid nineties, the Papaya Ring Spot virus (PRSV) devastated the largest growing papaya growing area in the Puna District. Since the late eighties, papaya production declined from an average of 50 million pounds per year to less than 30 million pounds per year in the mid-nineties.

Since the transgenic papayas were approved and introduced and planted in 1998, the papaya industry's production gradually increased to supply the local and few mainland markets. However, the transgenic papaya varieties were not approved by the Japan Government and were prohibited to be shipped to Japan. In 2001 the government found a shipment of transgenic papayas from Hawaii and stopped all shipments at that time. The papayas were destroyed in Japan.

HAWAII PAPAYA INDUSTRY ASSOCIATION
PO BOX 6939 / 190 KAMEHAMEHA AVENUE ROOM 1
HILO HI 96720
PH. NO. 808.969-1160 FAX NO. 808.969-1781 e-mail: papayas@aloha.net

The Ministry of Health, Labor, and Welfare have since strictly monitored all incoming papaya from Hawaii. After the papaya shipments arrive in Japan, they are confined to a storage facility until the MHLW conducted a DNA or "gus gene" tests which took from 5 to 7 days. This was a very serious problem for the papaya industry due to the highly perishable papayas.

The Hawaii Department of Agriculture (HDOA) worked with the papaya exporters to Japan and created an Identity Preservation Protocol (IPP) in 2001, to guarantee that the exported papayas were non-transgenic. With this certification from HDOA this allows all papayas into the Japan market to be distributed as soon as it arrives. These inspections are done by ACMS in HDOA and they issue the IPP certification letter for all Japan shipments.

The Food Safety Committee of the MHLW has approved the transgenic "Sunup" and "Rainbow" varieties and has deemed it safe. The public comment period has been completed. The industry is presently working on a label with the Ministry of agriculture, Fisheries, and Forestry (MAFF). It will be awhile before the industry will be able to ship the transgenic papayas to Japan. So the IPP certificate produced by the HDOA Inspectors are very important to reduce delays of our present papaya shipment

Thank you for the opportunity to provide testimony on the pending layoffs of agricultural inspectors.

To: Committee on Agriculture

September 9, 2009

Rep. Clift Tsuji, Chair
Rep. Jessica Wooley, Vice Chair

Aloha,

My name is John R. Gordines, president of the Hawaii Tropical Flowers and Foliage Association- Kauai Chapter.

I would like to direct this testimony to the Committee on Agriculture to be submitted at the hearing on Thursday, September 10, 2009 at 1:00 p.m. at Conference Room 325-State Capitol 415 South Beretania Street.

We currently have a membership of 30 growers and shippers of cut flowers, foliage and nursery products here on Kauai. In addition 12 florists that export flowers and potted plants to the mainland.

To layoff agriculture inspectors would devastate our floriculture and nursery industries on Kauai not to mention the impact statewide.

Eliminating these positions would restrict our businesses to the point of creating severe glitches in inspection requirements, delays for perishable products and additional export and import pests and diseases becoming rampant in California and elsewhere that could embargo Hawaii shipments totally. Jobs and local businesses will suffer and further dampen the state of the economy. Please reconsider as we are willing to step up to the plate and do our best to "keep it clean"

Mahalo,

John R. Gordines

President

Hawaii Tropical Flowers & Foliage Association

To: Committee on Agriculture
Rep. Cliff Tsuji, Chair
Rep. Jessica Wooley, Vice Chair

September 9, 2009

Aloha,

My name is Kathy Offley, secretary of the Hawaii Tropical Flower and Foliage Association-Kauai Chapter.

I would like to direct this testimony to the Committee on Agriculture to be submitted at the hearing Thursday September 10, 2009 at 1:00 PM in the Conference Room 325-State Capitol, 415 South Beretania Street, Honolulu, Hawaii.

We have a membership of 30 growers and shippers that depend on the agriculture inspectors to make sure that there boxes of flowers and many other boxes of Agriculture are inspected to be sent out of state. To layoff inspectors at this time would be a great hardship for many people and could make a big negative impact on the flower and nursery industry. We need these people to do their jobs. By eliminating these positions it would restrict our businesses to the point of creating severe glitches in inspections requirements.

Jobs and local businesses will suffer and further dampen the state of our economy.

Please reconsider to not layoff these inspectors

Mahalo,
Kathy Offley

Aloha,

I'm president of Hawaiian Sunshine Nursery, Inc. with locations in Waimanalo and in Hilo. We have a total of about 60 employees spread between the islands. We export 35% of our products and sell the balance locally. We bring in 80% of our starter plants from the mainland or Europe.

Should the Agricultural inspectors be laid off it will cause a cascade of events. We will not be able to have our nurseries inspected to maintain our BN Certified status. This will cause us to not be able to export and will cause a 35% reduction in income (this is due to inaction by DOA to put alternate programs in place as well as the proposed lay-offs).

With the reduction of inspectors there will be a delay in clearing our imported starter plants. This could cause us to not be able to plant up to 80% of our products. This would probably necessitate a reduction in staff to a shadow of our former size. I would guesstimate a loss of 50-80% of our business and the termination of approximately 30-50 employees.

There is no doubt in my mind that DOA inspectors could be much more efficient than they are. DOA is currently acting in a fashion to protect their own interests instead of protecting Agriculture. There is also no doubt in my mind that there is blame enough to go around for the current crisis. I blame the Legislature and Governor for taxing and spending when the times were good. I blame the public for continuing to elect officials that pander to special interest groups (Unions among others). I blame the Unions for holding the public hostage by precipitating this situation with an eye to only perpetuate the Union.

What we need now is **leadership** by our elected officials. This is not about parties but about what is truly best for all of the people in the State. What we need is efficiency in our public departments, fiscally responsible behavior by our elected officials in how our tax dollars are spent with a view longer than the next election.

I humbly suggest that we not only look at short term solutions to this crisis but also longer term solutions that will prevent similar problems in the future. The same basics that keep businesses and families out of debt should be applied to the public sector as well. The parables of the Ant and the Grasshopper (**tax dollars**) apply as does The Goose that Laid the Golden Egg (**tourism**).

Sincerely,

David Fell

Hawaiian Sunshine Nursery, Inc.

2191 Ainaola Dr.,

Hilo, Hawaii 96720

808-959-4088 Fax 808-959-4089

From: Kalapana Tropicals [orchids@kalapanatropicals.com]
Sent: Wednesday, September 09, 2009 11:41 AM
To: AGRtestimony
Subject: regarding DOA layoffs

September 9, 2009

Support Hawaii Agriculture by Keeping inspectors in force.

Without the Dept Agriculture inspectors in place our very successful Certified (for EXPORT)Potted Orchid Farm on the Big Island of Hawaii would basically shut down! 22 years in the orchid industry, we have 7 full time employees in addition to ourselves that would be without jobs AND health insurance for NO GOOD REASON AT ALL! Our business is THRIVING despite the economic down turn and we have not laid off any employees.

The orchid industry alone is a HUGE driving force and is a stable industry in spite of economic challenges. In brief the trickledown effect will be huge and if the state thinks that revenues are down with the AG industry in full swing, they have no idea how BIG our industry really is.....just consider

1,000's of workers laid off

100's of privately developed SUCCESSFUL farms shut down

All successful entrepreneur farmers will close their doors

All supportive Ag business will close ie ; chemical companies, greenhouse companies, container & building supplies, website businesses & marketing/bookkeeping companies.

Fed EX will stop flying their big jet into Hilo

Matson will lose all incoming AND outgoing business that is ag related.

Land Taxes will plummet

And.....we won't be paying ANY state income tax because we will be without jobs!!!!

Local farmers spend locally!

To devastate an industry that is successfully dumping millions into our locally economy is basically economic and social suicide.

Please mandate that our Ag Industry must be protected at all cost.

Sincerely,

John & Mindi Clark

owners

Kalapana Tropicals

808-966-6842

From: Kalapana Tropicals [orchids@kalapanatropicals.com] on behalf of Kama'ili Nursery [kamaili@easthawaii.net]
Sent: Wednesday, September 09, 2009 12:07 PM
To: AGRtestimony
Subject: re: Layoff of DOA inspectors.

The Honorable Linda Lingle
Governor, State of Hawai'i
Executive Chambers
State Capitol
Honolulu, Hawai'i 96813

September 2, 2009

Dear Governor Lingle,

We are owners of Kama'ili Nursery, a certified nursery on the Big Island. This letter hopes to make you and your administration aware of the dire consequences that the layoff of agricultural inspectors will have on our industry. We are being informed by the Dept. of Agriculture that they will no longer be able to inspect or certify nurseries. Hence, we will no longer be able to ship our products interisland or to the mainland. Apparently, your administration believes that agriculture is an expendable industry in Hawaii. You have portrayed yourself and the Republican Party as pro-business. Yet we cannot think of any decision whose impact will be more anti-business than this misguided measure.

The loss of revenue to the Big Island and to the entire state will far offset any temporary savings the state may gain from these layoffs. Like other farmers in the Big Island we built our farm from the ground up and have invested twenty plus years into building our business. Yet it can be wiped out in a matter of weeks by political maneuvering. What will happen to our ten employees after we shut down? Will they receive assistance from the state? What will happen to those farmers who lose their land? What will happen to the local businesses that are supported by agriculture? We will certainly no longer need to buy growing materials, greenhouse supplies, pots, fertilizer, chemicals, boxes, packing supplies and office supplies. The list could go on and on. We won't be buying any new land or new vehicles. We won't be hiring machine operators or clearing land. Other supporting industries that would be affected are Fed-ex and UPS, Aloha and Hawaiian Air Cargo, Young Brothers, and Matson. All these businesses would also be in danger of going under or laying off workers. But at least the Lingle administration will have shaved a few dollars off the budget.

Hopefully the state does not delude itself that we can survive even a temporary interruption of business. The reality is that most farms operate on a slim margin and would not be able to survive the loss of income. The loss of the market share and the loss of prestige to Hawaiian products could not be easily regained. Please reconsider the devastating consequences that you, Governor Lingle, could be unleashing on our already floundering economy.

Sincerely,

Beverly Tuaolo and Afa Tuaolo
Kama'ili Nursery
P.O. Box 2161
Pahoa, Hi 96778
(808) 965-7614

The following testimony is being provided on behalf of the Kona Soil and Water Conservation District's Board of Directors.

The Kona Soil and Water Conservation District believes the Governor's plan to reduce the number of Agriculture Inspectors on Hawaii Island from 14 to 1 will have a negative impact on many aspects of our agricultural industry.

We have scores of nurseries that export potted plants that would not be able to conduct business any longer. The value of this business is estimated at \$40 million. Our agricultural export business is developing, to remove the inspectors would bring great harm to businesses that provide jobs for thousands of our island residents. Some of those businesses would likely have to layoff employees which would bring further harm to both the island's and the state's economy.

Existing problems in agriculture, including coqui frogs, varroa mites and little fire ants can be attributed to not having a strong enough agricultural inspection program. These problems will not go away and will be magnified many times if the proposed layoffs are implemented. The issues with the varroa mites and their debilitating effect on the bee population, including the harm brought to the queen bee production industry, will extend to food and coffee production losses due to lack of pollinators.

Reducing the number of inspectors on Hawaii Island will require even more of our imported food be routed through Oahu adding additional costs to families and businesses.

Any cost savings the state may realize by these layoffs will be more than made up for by the additional costs in unemployment and in lost and closed businesses. One thing Hawaii Island can produce is food. Instead of trying to make agricultural production more challenging the state should be looking into ways to reduce those challenges that currently exist.

Mary Robblee
Conservation Assistant
Kona Soil and Water Conservation District
81-948 Waena'Oihana Loop #101
Kealahou, HI 96750
808-322-2484 ext. 100
Fax 808-322-3735

Attn: Committee on Agriculture
Hearing on 9-10-09 at 1pm

The planned layoffs of Inspectors of Department of Agriculture Will Deeply Impact my current and future exporting ventures, its revenue generation and a lot more related products made in Hawai'i.

As a farmer of Kona Coffee, Vanilla, Vineyard and more on 62 acres in South Kona, Hawaii, I ask you to acknowledge my opinions in this layoff.

As a contractor of steel buildings, I ask you to acknowledge my opinions in this layoff.

As a real estate professional, I ask you to acknowledge my opinions in this layoff.

As a business employer, I ask you to acknowledge my opinions in this layoff.

As a Mom, Grandma and Community Environmentalist, I ask you to acknowledge my opinions in this layoff.

Mahalo,

Kathleen D. Irwin, CEO
Mama's Bay Organic Farm
88-1779 Mamalahoa Hwy.
Honaunau, Hawai'i, 96726
Mailing Address: P.O. Box 260, Captain Cook, HI 96704
Ranch/Office: 808-328-1728
Ranch/Fax: 808-328-1730
Cellular: 808-756-7800



MAUI TOMORROW

Protecting Maui's Future

September 9, 2009

House Committee on Agriculture
Hearing: Sept. 10th, 1:00pm

Dear Representative Tsuji and Committee Members,

My name is Irene Bowie, executive director of Maui Tomorrow Foundation.

Maui residents are deeply concerned about the recently announced cuts to the HDOA budget including 52 of 73 "General Fund" positions in Plant Quarantine being laid off along with other HDOA branches, including Plant Pest Control.

We fear that with all incoming shipped produce being routed through Honolulu, and 58 Oahu positions cut down to 23, inspectors will be overwhelmed thus causing delays in product movement. We are also extremely concerned about the elimination of efforts to control environmental pests from outside the state and also from island to island.

Economically, invasive species have the potential to literally shut down the State's cash cow -- tourism. Pests such as biting sand flies and a host of other harmful species can wreak havoc on tourists and an industry dependent on a tranquil and peaceful environment. Hawaii's scenic beauty and pristine environment are inextricably interrelated with the tourism industry. Protecting the environment from invasive species means protecting the State's primary economic engine.

Other industries, such as agriculture already suffer multi-million dollar losses annually from the destruction caused by alien pests and these proposed cuts will only make those costs rise dramatically. Other possible consequences include:

- The quality of fresh produce and livestock feed declining due to delays
- Cost of food increasing if retailers shift to air cargo to maintain quality
- Delays in shipping cattle and other livestock to the mainland which could prove disastrous for the animals
- Delays in Honolulu in processing imports of rooted and non-rooted plants which could damage or kill nursery stock
- Certified nurseries being unable to self-certify, which will result in the loss of export businesses

Invasive species also affect the health and safety of island residents. From rodents and brown tree snakes to the Little Fire Ant, Stinging Nettle Caterpillars, Varroa Mite, Coqui Frog, and the slug that is the carrier of the coma-causing rat lung worm disease to
Pg. 2, contd.

dengue fever carrying mosquitoes, the very nature of our Hawaiian lifestyle is jeopardized by the danger and disease caused by invading pests.

With respect to funding issues, we ask the Senate to consider the enormous fiscal advantages of not only protecting but prioritizing funding to HDOA detection, inspection and eradication efforts. The Lingle administration may discount the importance of DOA's programs and the diligence and expertise of its many inspectors and other staff, but all the pretty pictures in glossy magazines won't keep the tourism industry alive if we fail to protect our islands from invasive pests.

The Pest Inspection, Quarantine and Eradication Fund, a fee-for-services law, was enacted in order to fund the Inspection Branch of the DOA. We ask Senate to pass an amendment establishing a penalty for non-compliance with this law, thereby assuring adequate funds for the Inspectors. You might also consider as a reasonable funding source a modest ½ % increase in the excise tax, which could raise \$300 million a year.

The alien invasive species problem in Hawaii is both serious and daunting. The damage that invasive species cause affects the State's health and safety, as well as its economic and environmental well being. The Lingle administration's threatened attempt to balance the State budget by gutting the Dept of Agriculture is unacceptable and we implore you to find other solutions.

Thank you,



Irene Bowie/Executive Director

From: feldchase@aol.com
Sent: Wednesday, September 09, 2009 1:05 AM
To: AGRtestimony
Subject: Testimony - Committee on Agriculture

My name is Marjorie Chase and my husband Stephen and I own Moani Orchid Farm in Kapoho on the Big Island.

This testimony is directed to the Committee on Agriculture's hearing on Thursday, September 10, 2009.

We run a certified cut orchid nursery that as been in business for 5 years in our family and another 12 years prior to that from the folks we purchased it from. If the state Ag inspectors positions are cut and we are no longer able to ship our flowers to our wholesalers on the mainland in a timely manner, we will be out of business as will our neighboring small farms.

Not only will this have a devastating impact on our immediate family (3 generations are working at this business and it provides the only income for my mother and brother-in-law and niece) but on our little town of Pahoa as well. Without the income from these small businesses, it will impact other non Ag small businesses that make up, almost entirely, our town.

While we understand the need to balance the budget, the amount of money saved by cutting these inspector positions would more than be countered by lost revenues to the state as our farms go out of business and taxes generated by farms and small businesses are diminished.

Respectfully,
Marjorie Chase
PO Box 967
Pahoa, HI
96778

From: Barbara Bostwick [pacifictransplants@msn.com]
Sent: Wednesday, September 09, 2009 11:33 AM
To: AGRtestimony
Cc: Judy Schilling
Subject: Agricultural Inspectors

Aloha

My name is Charles McCorriston Bostwick. I am a fourth generation kama'aina. I own a certified export nursery called Pacific TransPlants. I have been in business since 1986. I am currently on the Board of Directors of both the Hawaii Export Nursery Association (HENA) and the Hawaii Florists and Shippers Association (HFSA).

I am writing to express my concerns over the proposed layoffs of Ag Inspectors. Our industry relies heavily on these inspectors in many ways. Without them we face certain declines and many more problems in the near future.

First and foremost these inspectors provide the intial defense against invassive species coming in to our islands. We already know the devistating effects these pests cause and that they have changed our island life as we know it. The most prominate one, or the loudest one, is the couqi frog. This pest must be contained and controlled to the best of our ability. It can not be allowed to spread across the state. Come to the Hilo side of the Big Island sometime and listen, imagine that noise everywhere in the state of Hawaii. These inspectors are essential to the effort in stopping the spread of the Couqi frog. Funding must also come to stop further pests from getting established here. The inspectors are the only means in combating additional "Couqi Frog Type Pests" from getting a foothold in Hawaii.

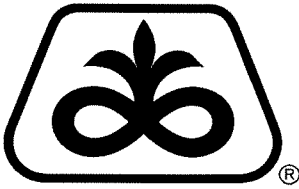
Our export nursery industry employs many people and generates much needed income for the State of Hawaii. California is the main market for our products. With the strenghtening of CA's own efforts to limit outside pests, it is more important than ever to show them that Hawaii is not dropping the ball on this issue. Cutting inspector positions signals to CA that we are not willing to do what is necessary to make sure our products are shipped clean and pest free. In turn they might not want to bring our products into their state. In turn jobs will be lost, income to the State reduced and Hawaii's reputation questioned. Right now Hawaii produces the Best Quality Interior Foliage and Flowers money can buy. We want to hold on to that Brand and expand on it. Reducing or eliminating Agricultural Inspectors would produce a severely negative effect that would have a ripple effect across this State of Hawaii.

I urge you, and Governor Lingle to find other ways to balance the budget. Do not cut Agiculture Inspector Positions. They are vital to our state and a lifeline to Hawaii's fight against more invassive spieces and the export of clean pest free products. In short, the future of the State of Hawaii depends on them. Keeping alien species out and exporting clean products that show the world we are serious and is the only way to go.

Hawaii is a special place let's keep it that way.

Aloha,

Charles M. Bostwick
Pacific TransPlants
P. O. Box 110
Mt. View, HI 96771
808-968-6523



Pioneer Hi-Bred International, Inc.
Cindy Goldstein, Ph. D
Business and Community Outreach Mgr
PO Box 520
Waialua, HI 96791

**Testimony by Cindy Goldstein, Pioneer Hi-Bred International, Inc.
Planned Layoffs of Dept of Agriculture Inspectors
House Committee on Agriculture
Thursday, September 10, 2009
1 p.m., Room 325**

Chairman Tsuji, Vice Chair Wooley, and members of the Agriculture Committee,

My name is Dr. Cindy Goldstein, representing Pioneer Hi-Bred International, Inc., with two facilities on Oahu and two on Kauai. Pioneer imports, produces, and exports corn, soybean, and sunflower seed at our four Hawaii locations. Seed grown by Pioneer in Hawaii is shipped to Pioneer locations on the US mainland, to international Pioneer locations, or may be shipped interisland for planting by Pioneer. Hawaii is very important to our business strategy to develop and deliver new corn hybrids and new soybean and sunflower varieties to farmers in the United States and around the world.

Hawaii Department of Agriculture inspection is very important for seed movement and occurs at several steps; at the time of importation, for seed quality and purity during production, phytosanitary inspection prior to harvest, and certification for export. The proposed layoffs of Department of Agriculture inspectors will have a significant impact on our ability to develop new products if there are delays in receiving imported seed or delays in seed exports. Our seed production follows tight time schedules for land resource allocation, for planting and harvesting schedules, and timely shipment to meet planting schedules for production. Economic losses are significant if bringing a new product to market is delayed by a season for any reason. If planting is delayed because shipments cannot be inspected or delays in exporting cause loss of a season because seed was not planted in time, Pioneer will experience significant economic losses.

Our seed is a perishable product. If seed sits in a container at temperatures above 110 degrees, the seed quality will rapidly deteriorate with reduced germination. If seed shipments sit for a few days at room temperature or above, seed quality declines, impacting plant growth. Direct economic losses due to poor seed quality could result if seed movement is delayed and seed sits in a warm environment awaiting inspection and release.

Pioneer Hi-Bred International, Inc. would like to work with Hawaii Dept of Agriculture to find solutions that allow timely and steady flow of seeds and plant materials through importation, field production, and export.

Thank you for the opportunity for Pioneer Hi-Bred to present testimony.

Aloha House Committee on Agriculture,

I am writing in regards to the State of Hawaii layoffs for Dept. of Agriculture employees, particularly in support of keeping the Inspector positions. It is my understanding that the budget for the Dept. of Ag is less than 3% of the total budget. Yet the Dept. of Agriculture seems to be the hardest hit in the layoffs. The Dept. of Agriculture cannot afford to lose any of their inspectors. Without the inspectors, all export; to the mainland USA and abroad, and interisland ag products (produce and plant material) would cease, and imports would go uninspected, bringing an even more abundance of pests into our state. This is a foolish and short sighted reaction to the budget crunch and will only bring uncontrollable problems to our shores.

There are severe negative effects on all locally based nurseries when losing the vital services provided by the PQ inspectors for plants shipments within the State, between States and the mandatory incoming Agriculture product inspection of the varied commodities from overseas, the Mainland and the neighbor islands. These inspectors are necessary for both certified and uncertified nurseries, growers of cut flowers, potted orchids, fruits & vegetables, aquaculture and live animal exports or imports into and between islands. All nursery growers need the inspectors to be able to keep current with BRN certification program requirements or to obtain Phytosanitary certificates to ship between States or other countries.

It is imperative we do not decrease our inspection of imported produce and plant material, as pests are already establishing here faster than we can deal with them now.

We farmers and nursery growers contribute to our tax base, buy fertilizer, ag chemicals, pay FedEx, Young Bros. many trucking companies, insurance companies...the list goes on. Do not punish us with these layoffs, you will put most of us out of business with these layoffs.

Sincerely, Susan Hamilton

Susan Hamilton
Plant It Hawaii, Inc.
Hula Brothers, Inc.
P.O. Box 388
Kurtistown, HI 96760
808.966-6633/fax:966-6900
hhami@plantithawaii.com

To: COMMITTEE ON AGRICULTURE

Rep. Clift Tsuji, Chair
Rep. Jessica Wooley, Vice Chair

Rep. Lyla B. Berg Rep. K. Mark Takai
Rep. Isaac W. Choy Rep. James Kunane Tokioka
Rep. Cindy Evans Rep. Glenn Wakai
Rep. Joey Manahan Rep. Barbara C. Marumoto
Rep. Angus L.K. McKelvey

From:
Peter Berg
Quindembo Bamboo Nursery
Kamuela, HI 96743
www.bamboonursery.com
email biz.: bambooinfo@lava.net
email personal: proacrz@mac.com
808-885-4968
808-987-6452

Aloha, While I am sure that many issues have been discussed, and many opinions stated there is one point of view that I would encourage you to keep uppermost in you minds: **no other issue over which we have some form of control will likely impact everyone in the State over a longer term (decades or more) than the health of our agriculture.**

If Agricultural Inspectors are cut

1. In the short term many farmers will go out of business due to their inability to ship their products both within and out of the State.
2. In the short term food coming in to the State will be longer in transit, spoilage will occur, and the population as a whole will suffer as a result.
3. In the long term everyone in the State will suffer due to lack of locally produced farm products, and the consequences of more invasive species. And this is at a moment when there is general understanding and consensus that locally produced, fresher food is more nutritious - this impacts everyone.

Please remember: IF YOU EAT, YOU'RE INVOLVED IN AGRICULTURE.

Mahalo,

Peter Berg

RE: Testimony for *House Hearing & Briefing on the planned Ag Inspector Layoffs by the Hawaii Dept. of Agriculture and Hawaii Exports*

*

*September 9, 2009

To Whom It May Concern:

We are the owners of Quintal Farms, Inc., a certified nursery on the Big Island. We are horrified to know that your administration is on the brink of eliminating the Inspectors from the Department of Agriculture.

The consequences of this decision are catastrophic to the state of Hawaii. Without inspectors to certify nurseries and inspect plants, our business will cease to operate. *Please do not delude yourself into thinking that we can survive ANY interruption in our ability to ship plants off-island.* You have portrayed yourself and the Republican Party as pro-business. Yet we cannot think of any decision whose impact will be more anti-business than this misguided measure.

This decision would force us to cease operation of our business. We do not have reserves to be able to continue to operate for any period of time. As such, we would have to immediately layoff our present employees. We would no longer be able to make our Department of Ag loan payments, mortgage payments, medical payments or pay our other bills. We would no longer need to purchase greenhouse supplies, packing supplies, freight, advertising, chemicals, office supplies, building supplies, irrigation supplies, rubbish service, accounting services, web site services, etc. We won't be buying any new land or new vehicles. We won't be hiring machine operators or clearing land. Other supporting industries that would be affected are FedEx, UPS, Aloha and Hawaiian Air Cargo, Young Brothers, Matson, Greenhouse Specialists, Nursery Things, Central Supply, BEI, Crop Production Services, Hawaii Grower Products, Pak-Line, Farm Supply Cooperative, HPM, Argus Building Supplies, just to name a few. The list of affected businesses on the Big Island is endless.

Like other farmers in the Big Island we built our farm from the ground up and have invested over twenty-five years into building our business.

We do not have the luxury of paid holidays, sick leave and vacation. As owners, we have taken a 50% cut in pay this year so that we can continue to operate in the already depressed economy. Our business is our life.

Yet it can be wiped out in a manner of weeks by political maneuvering.

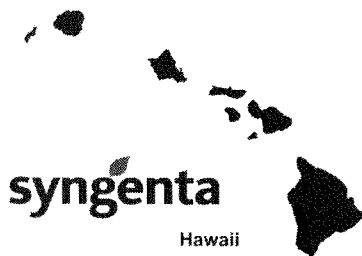
In the potted orchid industry, the fall season is typically one of high demand from mainland customers. The loss of the market share at this critical time and the loss of prestige to Hawaiian products could not be easily regained. The loss of revenue to the Big Island and to the entire state will far offset any temporary savings the state may gain from these layoffs.

Sincerely,

Kai and Haroldeen Quintal
Quintal Farms, Inc.
P.O. Box 462
Kurtistown, HI 96760
(808) 966-7370
sales@QuintalFarms.com

From: Seven Rocks Orchids [sevenrocksorchids@yahoo.com]
Sent: Tuesday, September 08, 2009 9:05 PM
To: AGRtestimony
Subject: Ag Inspector Layoff

Aloha Rep Cliff Tsuji, The administration attempt to layoff Agricultural Inspectors would be a disaster to the State of Hawaii. Already the introduction of new species of pests, diseases and invasive plant species in my 30 years of agriculture adventures is a major cost to the agricultural industry in Hawaii (control of which is left to ag producers and exporters) and an environmental disaster to the natural habitat of Hawaii. Lack of inspection of imports is insane--(look at the ramifications of the coquie frog and its noise, plant quarantine restrictions and its incredible food supply for the brown tree snake and others). The export of our Ag products is already threatened by California, and can be expanded to other major markets in the Mainland. Please do not allow the elimination of the Ag Inspectors. I realize that the budget must be balanced, and no one wants to be the victim of cuts, but the long term costs of cutting Ag Inspectors is priceless. I am willing to volunteer to help with inspections, but the authority of that responsibility needs to be considered. Aloha, Jerome Siebenrock, Seven Rocks Orchids, Kurtistown



Syngenta Hawaii, LLC.
94-880 Kunia Road
PO Box 8
Kunia, HI 96759

Tel 808 688 1477
Fax 808 688 1479

9/9/2009

House Committee on Agriculture
Chair - Representative Clift Tsuji
Vice Chair – Representative Jessica Wooley
Meeting Date: Sept 10, 2009 @ 1 P.M.
Conference Room 325
State Capitol 415 S. Beretania St.

RE: House hearing on Ag Inspector Layoffs.

Chairman Tsuji,

This letter is in **support of the House effort to retain the Agricultural Inspectors** who work to protect our islands from invasive species, who inspect our high value farm products prior to shipment, who liaison with the USDA, and who certify our seeds. As a member of the Hawaii Seed Industry since 1995 I know the importance the Hawaii Department of Agriculture (HDOA) Inspectors play by inspecting incoming and outgoing seed shipments. HDOA thru the QAS provides seed certification for all seed that requires certification. QAS is not only responsible for seed certification issues but also plays an important part in inspecting other agricultural commodities such as coffee and macadamia nuts.

Without inspections, delays in exporting seed to the mainland and beyond could seriously hamper the seed industry's ability to provide global distribution of seed. The latest HASS report (Hawaii Ag Statistics Service, 2009) indicates that the seed industry shipped over 10 million pounds of seed outside the State of Hawaii (through air and surface consignments). Without incoming seed inspections the seed industry will face delays toward developing superior corn, soybean and sunflower varieties for a growing world population, and could affect the way we prioritize a \$177 million dollar Hawaii seed industry (HASS, 2009).

The importance of the HDOA inspectors goes beyond the seed industry. Our HDOA inspectors work with the other commodity groups to assure that these industries can compete with mainland and global counterparts. Industries that the HDOA assists include Coffee (a \$32 million dollar industry), Mac nuts (a \$25 million dollar industry), Vegetables and Melons (a \$37 million dollar industry), and Cut Flowers (a \$106 million dollar industry).

I urge the House Committee on Agriculture to continue to support our State Ag Inspectors, and not allow the Governor's proposed layoffs to affect the services that they provide.

Sincerely,
Michael Austin
Kunia Res. Stn. Mgr.

COMMITTEE ON AGRICULTURE

Rep. Clift Tsuji, Chair
Rep. Jessica Wooley, Vice Chair

Rep. Lyla B. Berg
Rep. Isaac W. Choy
Rep. Cindy Evans
Rep. Joey Manahan
Rep. Angus L.K. McKelvey
Rep. K. Mark Takai
Rep. James Kunane Tokioka
Rep. Glenn Wakai
Rep. Barbara C. Marumoto

Aloha,

My name is Harry Graham. I am the president of Tropical Gardens of Maui Inc. We are a small family-based export nursery and garden located in Iao Valley here on Maui. Our company started in 1982 and we have been in business through thick and thin. At this time, we have 4 full-time employees that are working very hard to ensure we will be in business through this temporary economic downturn.

If the proposed Ag Inspector layoffs come to be, then our family business will have no choice but to close.

We are not just a landscape nursery or a place tourists can come to see exotic plants. Our nursery specializes in growing many types of rare hard-to-find plants and ships them to collectors and businesses on the Mainland. There is no or very little market for our product locally but there is great demand for the things we grow in many parts of the Mainland and even other countries. Our business was one of the first to go online with our website www.tropicalgardensofmaui.com in 1994. Since then we have expanded our growing space and our inventory. We do contract growing for mainland companies that have sought us out for quality, selection and price that Mainland growers can't offer. Business has been better and it's been worse but we are confident of our future and are planning to expand further as soon as business picks up. That is as long as we can continue the main thing that allows a business such as ours to exist, to be able to export our plants with state certification. Our business is one that does not depend on tourism to thrive. This is the type of thing that the State and County Government should be encouraging and promoting. As a small-business owner I urge you to do everything you can to keep the Plant Quarantine Branch inspectors in their positions. Times are hard now and we all need to cut back and make sacrifices to get through this economy, but to just eliminate a complete segment of an industry is wrong. We strongly believe it is time for the Legislature and the Executive Branch and unions to sit down with cool heads and reason to come up with a solution or compromise to this issue that will allow us the continued ability to survive, compete, and grow in our home Hawaii.

Mahalo for your time.
Harry Graham
Tropical Gardens of Maui

Jeffrey Parker
President, Tropical Orchid Farm, Inc.
P.O. Box 170
Haiku, HI 96708

Written Testimony To:
House Committee on Agriculture
Hearing: Sept. 10th, 1:00pm

Dear Representative Tsuji and Committee Members,

I am Jeffrey Parker, owner of Tropical Orchid Farm, Inc., a DOA Certified export nursery. I am a member of the Hawaii Agriculture and Conservation Coalition and a member of the Maui County & Hawaii Farm Bureaus.

I have been in business for over 30 years and a State Certified Nursery for almost as long. 98% of my income is derived from the export of orchid plants – I have virtually no local market for my specialized products.

At a meeting I attended last week, DOA's Carol Okada revealed that they **no longer will be able to inspect and certify our nurseries.**

I then asked "So, we will have to go out of business?"

She replied "Yes".

27 years ago, the late Stanley Saka, Supervisor of DOA on Maui, encouraged us and helped us to become a Certified Nursery. So, really I am in this business BECAUSE of the DOA.

I am in a unique and highly specialized niche of the Hawai'i orchid trade. I artificially propagate and distribute to the mainland and internationally, the world's rare and endangered orchid species. You probably don't know that orchids are the largest plant family on Earth, the most diverse, and the highest-evolved plants on Earth. Orchids and the study of orchids are at the very top of the botanical sciences. Each species is unique to its particular location and as their habitats are bulldozed and burned, the species are lost forever, except those that are conserved in National Parks, scientific institutions, botanical gardens, and private collections. So, orchids have become powerful symbols of all that is being lost with habitat destruction around the world.

My customers include scientific institutions like The Atlanta Botanical Garden, The New York Botanical Garden, University of California, and my most important; the Smithsonian National Museum of Natural History.

The famous orchid taxonomist Eric Christensen, writing in the scientific section of a 2004 Orchid Digest magazine essentially said "if it weren't for the hard work and dedication of a handful of companies, many of these species would already be extinct" – and then named our company and three others (one of these has already shut down).

If my company goes under, so will much of orchid conservation and education in the United States, even around the world.

During the economic decline of the last few years, of course things have been more challenging. But we managed to market more aggressively and work longer and harder hours and weekends, and we are doing okay as a result.

So to have spent 30 years learning skills and developing my unique business, and surviving one of the worst economic downturns of our lifetimes, and then have a single blind ideologue, who refuses to examine the economic and environmental impacts of her cuts and refuses to look at other options, unilaterally say "You are out of business" is outrageous. Her management of this issue is so irresponsible; she should probably be removed from office.

If my business closes, the other businesses that will be hurt are:

Hawaii Grower Products – where we buy all our fertilizers, chemicals and horticultural supplies

Wailuku Rapid Print – that does all our printing

Chris Reickert Design – who works on our website and color catalogs.

Pak-line Hawaii – where we buy all of our packing materials and boxes

Gaspro – where we buy all of our spray equipment and worker safety materials

And more

The Pest Inspection, Quarantine and Eradication Fund, a fee-for-services law, was enacted in order to fund the Inspection Branch of the DOA. The Senate should pass an amendment establishing a penalty for non-compliance with this law, thus assuring adequate funds for the Inspectors.

(The PIQE Fund would raise \$4,000,000 - \$6,000,000, enough to cover PQ shortfall)
Another reasonable funding source (from my perspective) is a modest 0.5% excise tax increase, which would raise \$300 million a year.

I know you will not stand by and watch as we all go under.

Thanks for this opportunity to speak to you.

Jeffrey Parker

William G. Jacintho
P.O. Box 473
Kula, Maui, Hawaii 96790
(808) 878-2660
jacinthow001@hawaii.rr.com

September 8, 2009

Dear Chair Tsuji and members of the Committee on Agriculture,

The recent proposed Department Of Agriculture layoffs are devastating to the State of

Hawaii. It affects all of us in many ways both now, and in the long run. My name is William G. Jacintho, and I have been a life long farming resident here on Maui growing nursery plants and producing beef cattle. I am also a Maui County Farm Bureau Board member, and the President of the Maui Cattlemen's Association.

Some financial info: Of the Livestock Industry, for the State (HASS 2007), Beef Cattle generated \$26,196,000, Milk \$9,673,000, Hogs \$3,682,000, and Poultry \$7,428,000. Goats and Sheep are unknown at this time---a relatively new addition to the business, picking up, with data showing 12,000 head on inventory. (A value of over 1.8 million dollars.) Our Statistician position is on the chop list, and this kind of information will not be available.

Currently, the Dept of Ag does an outstanding, professional job, with the limited resources they have. Hats off to them!! What the Governor proposes is devastating.

Here are some Agriculture concerns affected by the Governors proposed State Dept. of Agriculture layoffs/cuts.

1. Livestock Feed import concerns:

*For local uses such as for fattening cattle here, and other livestock animals such as goats, sheep, horses, ect.... Delays at the pier would reduce the freshness and quality of feed, and local livestock producers might run out of feed inventory before the shipment arrives.

*This will also affect all feed and pet stores like Del's, Feed and Farm, Wai'Ulu Farms, Haiku Hay and Grain, Wal-mart, and other independent buyers and retail sellers.

*Delayed feed, would cause more delays for many other ranchers who ship stocker Cattle to the mainland. These livestock containers are stocked with feed and water for the five-day trip to the Mainland.

*Delays of imported feed, creates a great fear of missing connecting barges with Matson. Over 51,000 head of cattle from the State of Hawaii are exported out. (HASS 2007) There is no way, that there is enough pasture grass to hold the animals for a long time. Ranches that ship stockers are not set up that way, and can't make these kinds of adjustments.

***More at the Pier: Due to projected inspection delays, there will not be enough electrical plugs stations to keep all the reefer chillers going.

It is said that the price for agricultural products will go up, but once again, and it's most certain, that the farmer will not get any of it.

2. Working Dogs:

Some ranchers have expressed concerns of hold ups for bringing in working dogs from Australia and New Zealand.

3. Slaughter house and beef processing facilities:

*Lay off list includes positions such as Veterinary program manager II.

*Livestock inspector II and I. This does impact the Livestock and Poultry industry, as well as the health and safety of the consumers.

*There is always the possibility of a second round of layoffs and other State Vet positions could be involved.

*Also, a position on Molokai, as well as some other animal technician positions, is on the layoff list. This also affects the pet industry.

4. On the Plant and Nursery side:

*We and many other nurseries ship in rooted and non-rooted plants from the Mainland. These are shipped on a Monday, and arrive on Thursday, and sometimes on Friday. It supposed to be 2nd day airfreight, but that does not happen with the current System. Also, the plants arrive just making it, and sometimes are beginning to dry out and wilt on the edges.

*With the lay-offs, who knows when nurseries will receive their plants, and in what condition they will be in. Most likely, they will be dead, and who will be responsible for the damage?

*The shipper might get caught for the first load, but once it doesn't work out, they will not take the financial hit anymore.

*The Floriculture and Nursery Industry produces \$105,918,000 wholesale value for the year. (HASS 2007) Of that income, \$54,320,000 is out of State shipments.

Invasive species:

*On the out of State side, probably bigger than we expect, like bigger snakes than the brown tree snake, bigger iguanas, more exotic fish, worse fire ants, more fruit and vegetable pests.... People will bring them in. They have snuck by in the past.

*On the intrastate side, little fire ants, coqui frogs, nettle caterpillar, and varroa mite, just to name a few.

*Our biological control for fireweed will be history. Tons of research, down the drain for many biological control studies.

Suggested solutions:

*Keep the import fees in place.

*Maybe even look at that further for PQ purposes.

*Probably furloughs could be considered for the short term.

*State employees have taken pay cuts in the past, and for a while now, taken the Pay Lag, that back then, promised to help the State out of the hole it was in, but we just get deeper.

*A better budget plan is very much needed, trim the fat. On the news, they showed a segment that the freeways would be landscaped; now that takes millions to install and maintain.

*Tax cuts are hurting the State, especially if that's what is depended upon revenue.

*It is not wise to cut areas that bring in revenue.

Thank you very much for addressing this issue, and for allowing public testimony.