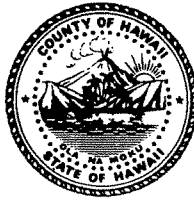


William P. Kenoi
Mayor



William T. Takaba
Managing Director

Walter K.M. Lau
Deputy Managing Director

County of Hawai'i Office of the Mayor

891 Ululani Street • Hilo, Hawai'i 96720-3982 • (808) 961-8211 • Fax (808) 961-6553
KONA: 75-5722 Hanama Place, Suite 102 • Kailua-Kona, Hawai'i 96740
(808) 327-3602 • Fax (808) 326-5663

September 10, 2009

Chairman Clift Tsuji
And Members of the House Committee on Agriculture
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

LATE
Testimony

Aloha, Representative Tsuji and Committee Members:

Thank you for this opportunity to express our concerns about the potential impacts from plans announced by Gov. Linda Lingle's administration to lay off all but one of the 14 state agricultural inspectors who now work on the Island of Hawai'i.

This proposal would have very serious and negative repercussions for our farmers and their employees, and I want to take this opportunity to once again respectfully urge the Lingle administration to reconsider. This proposal is a serious mistake that would cripple one of our fastest growing industries.

Agriculture is one of our very few export industries, and development of this sector of our economy is critical because it offers a measure of stability to protect us from the sometimes painful fluctuations in the world tourism market. For years the County, the State Legislature and previous state administrations nurtured agriculture to try to diversify our economy and to move the state closer to self-sufficiency. Eliminating almost all of the agricultural inspectors working in the County of Hawai'i undermines all those years of effort in a single stroke.

Please consider just a few of implications of this decision. The agricultural sector that would be placed in the greatest jeopardy with the loss of inspectors is the potted plant and nursery industry, a growing market that is now worth more than \$40 million a year on the Island of Hawai'i alone. Each of our 170 nurseries needs to be inspected and certified twice a year to qualify for the export market, a process that is impossible without qualified agricultural inspectors.

I know this committee is also familiar with the varroa mite and its potential to do harm to our queen bee and honey industries, which together are worth another \$10 million. Without agricultural workers to pursue bio-control strategies to combat this pest, the damage to the bee industry could be profound. Worse yet, loss of bees needed for agricultural pollination could harm the macadamia nut, rambutan and lychee sectors, which together are now worth more than \$40 million a year.

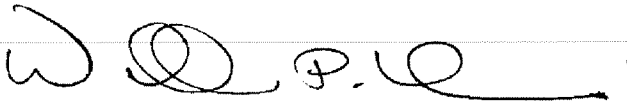
I have been speaking about industries and dollars, but let us remember the people who will be affected by the damage done by the loss of the inspectors.

Most farming provides a modest income at best, and our farm industry supports thousands of working families who depend on that income to pay their bills. These small farmers who struggle to make a living surely rank among our boldest and most hard-working entrepreneurs. They deserve continued support from the state.

Again, we urge the Lingle administration to reconsider the decision to lay off state agriculture inspectors because this plan is contrary to the long-term economic health of our State and County.

Mahalo for this opportunity to submit testimony on these issues.

Aloha,

A handwritten signature in black ink, appearing to read 'W. P. Kenoi', with a horizontal line extending to the right.

William P. Kenoi
MAYOR

To: House of Representatives
House Committee on Agriculture
Rep. Clift Tsuji, Chair
Rep. Jessica Wooley, Vice Chair
From: Executive Chef William K Trask, AAC
President; American Culinary Federation
Kona Kohala Chefs Association

LATE
Testimony

Date: September 9, 2009

Re: The (ill) planned Ag Inspector Layoffs by the Hawaii Dept. of
Agriculture and Hawaii Exports.

By now you should have all the economic facts of what laying off these ag inspectors will cost the general public in increased food prices. An estimate of 5 to 10 or even 20% increase in some produce prices is not to far fetched.

We all realize the state government (the governor) must operate under the guidelines of a sound budget. However, government (the governor) cannot operate to the detriment of the general public. The same people from where all the operating government funds come from, our tax dollars are the same people who will be negatively affected once again, by another one of Governor Lingle's inept budget saving cut backs.

However, the underlining problem to this whole budget cutting fiasco is not only the governor and her administration, but also the lack of cooperation by the other players in this scenario-----the legislator, counties, labor and management. -----The general public, your constituents, are having fundraisers to save their local public library. They understand it is their "kuliana" to do something to help the "Ohana" out of this fiscal economic dilemma.

It is not a time to blame, because there is plenty to go around. It's a time to work together for the benefit of all and fix "our situation". But again, this will not happen unless you all work together to make it happen while keeping the welfare of your constituents, the general public, in mind.

King Kamehameha the III once said,

“Ua Mau Ke Ea o Ka ‘Aina I Ka Pono”
“the Life of the Land is Perpetuated in Righteousness”

It is our state motto.

Legislators, it's time for some Righteousness for the 'Aina and 'Ohana,
bruhha



Food Company Hawaii
1116 Whitmore Avenue • Wahiawa, Hawaii 96786

September 9, 2009

The Honorable Rep. Clift Tsuji, Chairman
Rep. Jessica Wooley, Vice Chair
Members of the Committee on Agriculture

LATE
Testimony

Re: Comments regarding the planned layoffs of the department of Agriculture inspectors and the impact to current and future exports.

The Honorable Rep. Clift Tsuji, Chairman, Rep. Jessica Wooley, Vice Chair and members of the Committee on Agriculture,

I am Dan Nellis, the Director of Operations for Dole Food Company Hawaii, a grower and distributor of fresh pineapple, pineapple related products, coffee, and cacao on the North Shore of Oahu. Thank you for the opportunity to listen to my comments regarding the potential impacts of the loss of State Agricultural inspectors.

While Dole appreciates the significance of the financial crisis and the impacts it is having to the State of Hawaii. I feel the loss of Agricultural inspector positions could have a lasting impact far greater than the near term cost savings realized by a layoff.

First, the reduction of controls to prevent the movement of potentially harmful species between islands could have significant and possibly irreversible impacts. Many of the counties have unique problems and the current inspection system helps keep them isolated. The cost of eradication or control after a pest problem is introduced usually exceeds the cost of prevention.

Second, the perception that products originating from Hawaii may contain pests could result in receiving destinations placing greater scrutiny or higher requirements or bans on products shipped from Hawaii.

Third, agriculture inspectors are an important part of the process that supports agriculture exports and the jobs and revenue it generates as well as the role they perform to protect Hawaii's natural resources from invasive species.

As always, Dole is willing to work further with the State of Hawaii, in addressing support of the agricultural industry. I appreciate the opportunity to submit comments in support of the need for Agricultural Inspectors and the work of the Department of Agriculture.

Daniel X. Nellis
Director of Operations
Dole Food Company Hawaii

Phone (808) 621-3200 Fax (808) 621-7410

There is an acute need for MORE inspections in the Kona Coffee growing region. The counterfeit Kona Coffee problem needs control.

I am opposed to any of the proposed layoff scenarios.

Harold

Harold M. Hoogasian
Konaperfect.com
75-5515 Kealia Street
Holualoa, HI 96725
1-800-4KP-JAVA
harold@hoogasian.com

LATE
Testimony

The Four Way Test
of the Things We Think Say or Do:
Is It The Truth?
Is It Fair To All Concerned?
Will It Build Goodwill and Better Friendships?
Will It Be Beneficial To All Concerned?

Find Out More About Rotary:
www.sfrotary.com or www.rotary.org

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mistakes.

To: House of Representatives: Committee on Agriculture
For: Meeting of September 10, 2009 at 1:00 pm.

From: Robert Coffey
Hawaii Dept. of Agriculture Commodities Branch ACMS

LATE
Testimony

Dear Committee Members;

It is becoming more evident that Governor Lingle's real intent is not just balancing the budget, but taking an axe to government to further her own political agenda. The cuts to the Hawaii Department of Agriculture (HDOA) are not well thought out and would likely cause more harm to our state's economy, citizens, business', and environment. While the unintended consequences of the cuts to the Plant Quarantine inspection program, such as: delays and costs increases to produce shipments, greater chance of alien species introduction, and massive hardship to commercial export nurseries, have been made public, I would like to address the cuts to the Commodities Branch.

The HDOA Commodities Branch is part of the Quality Assurance Division and we perform Fee For Service commodity grading services, On- Farm Food Safety Certification, and consumer protection related inspections. The RIF will hurt the industries we inspect and hinder our efforts to generate revenue for the state. We are scheduled to lose one full time inspector in both Kona and Maui and both Hilo inspectors. Additionally the Honolulu office will lose four of seven inspectors. Of those remaining, one will be booked with on-line egg grading, another will be booked with fruit and vegetable (FFV) inspection for the defense commissaries, which leaves only one inspector free to handle all other wholesale and retail FFV and egg inspection, food safety, and processed foods inspection and certification for Oahu.

- Losing trained inspectors will hurt our ability to earn revenue via Fee For Service inspection of seed, coffee, eggs, fresh fruits and vegetables.
- Industries that require product certification before shipment (seed, coffee, papaya) will suffer delays due to lack of inspectors.
- We are losing 5 trained and certified Food Safety auditors. If the USDA mandates certification for all farms we will only have 3 auditors to certify all the farms in Hawaii.
- The senior inspectors will be eligible for retirement in 2 years. When they're gone there will be no trained personnel to take over.
- Focus may be only on revenue generation and consumer protection could be left behind.

There are alternatives to the chaos the governor has created. We were informed by the HGEA last March to expect a furlough of 2 days / month for FY2010 and 2011. If the Governor had followed the law and made a furlough offer to the union for negotiation, instead of the news media, we would be in a better financial position today. We are willing to do our part to help the economy, but we do not want to be pawns in the governor's political chess match nor see our programs and Hawaii's Ag industry go down the drain.

LATE Testimony

Kona Blue Water Farms is an integrated hatchery and offshore grow-out mariculture company which produces Kona Kampachi®, a Hawaiian yellowtail. The majority of our exports is freshly harvested fish, sent to the mainland U.S., Canada, and inter-island throughout Hawaii state.

However, the core of our larval rearing production depends on receiving algae paste from the mainland. As this is a live organism, it is inspected by Hawaii State Agricultural personnel at Kona airport. The proposed reduction in agricultural inspectors will result in this produce being rerouted to Honolulu for inspection before being delivered to Kona. This will result in extra costs for shipping and processing, and more importantly, time delays. As the agricultural inspection team is being reduced, this may result in considerable delays in processing, in one central Honolulu location, all incoming produce and animals. These sensitive organisms may not survive the delay incurred while waiting in Honolulu for inspection.

Kona Blue also ships live fish inter-island for various research projects, and we will begin this year shipping live fingerlings to our second operational site in Mexico. Again, the extra time and expense that will be incurred due to every shipment being routed to Honolulu for inspection by an overworked minimal staff could prove disastrous for our company. The young fingerlings have a limited life span in shipment, without food or supplied oxygen, and would need to be packed in less density, incurring shipping costs multiple times that which we would incur if we were able to ship these directly from Kona.

We strongly urge reconsideration of the proposed agricultural inspector staff cuts, which we feel would decimate Hawaii's growing agricultural industry. This would only lead to a downward spiral of reduced tax revenue for the state.

Sincerely, with aloha,

Kelly Coleman
Vice President of Marketing
Kona Blue Water Farms
(808) 331-1188, x108
mobile: (415) 939-4602

LATE Testimony

Dear Representative Tsuji and Committee Members,

We are Mark and Ali Minney, owners and operators, of Malolo Farm a DOA certified export nursery. We also have an APHIS cut flower stamp for shipping of our flowers. We are members of HFSA and MFGA. We have been in the agriculture business in Maui for 23 years.

We have worked very closely with the University of Hawaii's Agricultural Department in Maui by propagating and trying to preserve and promote their numerous cultivars. Spectacular flowers all of which are unique to Hawaii and therefore very important to our floral economy. We have sent thousands of plants to Hawaii for farms there and now the UH of Kauai's Agriculture Dept. is purchasing plants for trials on their island, hoping to extend the productivity of Protea in our state. The University has limited resources so operations like ours are vital to the Protea industry here. If we are not allowed to continue to do business as we are we cannot afford to continue these efforts.

After attending the meeting at Maui Waena Elementary School our feelings of the importance of the HDOA layoffs were staggering to say the least. The ramifications for the State of Hawaii's environment, way of life and the economy is so broad reaching and permanent that these layoffs simply can not be allowed to happen.

We appreciate your consideration and efforts to help find a solution to this situation. We apologize for the late testimony but this is of the utmost of importance to us personally, for our peers in the industry, the awesome employees of the Dept. of Agriculture and for our State.

Sincerely,

Mark and Ali Minney
Malolo Farm
Maui, HI

MONSANTO HAWAII
2104 Lauwiliwili St., 101K
Kapolei, HI 96707

September 10, 2009

Testimony before the
House Committee on Agriculture

LATE
Testimony

Chairman Tsuji, Speaker Say, and committee members:

My name is Gerry Dill, Technology Lead, representing Monsanto Hawaii. Our company is a leading global provider of technology-based solutions and agricultural products that improve farm productivity and food quality. In Hawaii, we farm over 7,000 acres of farmland and employ about 1,000 employees statewide. We have farm operations on the islands of Molokai, Maui, Kauai, and Oahu and are proud members of the Hawaii Crop Improvement Association.

Our operations in Hawaii are heavily dependent on the uninterrupted import and export of seed to and from the U.S. mainland and abroad. Any delays in the shipment both interisland and transpacific will cause substantial delays in our operation. Our operation is based on taking advantage of the growing seasons north and south of the equator, coordinating our planting schedules in these world regions and meeting the ever increasing worldwide demand for these improved seed products. We rely heavily on the Hawaii Department of Agriculture's inspectors to verify and approve seed shipments coming into Hawaii, the interisland movement of seed, the inspection of many different fields planted statewide and the certification of seed being exported out of the State.

Hawaii's mild climate, capable workforce, available lands and access to transportation enticed many seed companies, like Monsanto, to establish their seed production and research efforts here in the islands. Seed companies have been producing seed successfully in Hawaii since the 1960's. While other areas on the U.S. mainland and other countries around the world may have attractive seasonal weather conditions, Hawaii's advantage is a year round growing season that can provide up to 3 to 4 generations of seed production in a single calendar year.

We are entering our busiest time of the year and we are gearing up to employ another 200-300 seasonal workers during the winter months.

If these delays become too difficult, it will have negative consequences on our company's viability and to those 1,000 employees who we now employ in Hawaii. This will have a domino effect throughout our company locally and worldwide as planting schedules are coordinated and tied to our ability to deliver seed to these locations on time. The inability to move product in and out of the state will have economic ramifications that may shift production work scheduled for Hawaii to other States, US territories and countries.

We understand the dire situation of our State's fiscal situation and the importance for all of us to be apart of a solution to address how we can ensure that we have uninterrupted service in and out of our state.

We look forward to working with the State Department of Agriculture, the Legislature, and others in the agricultural industry to find ways of maintaining a seamless agricultural inspection and seed certification process.

Thank you for allowing us to testify on this important matter.
