

TESTIMONY
SB 1317

LINDA LINGLE
Governor



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

SANDRA LEE KUNIMOTO
Chairperson, Board of Agriculture

DUANE K. OKAMOTO
Deputy to the Chairperson

TESTIMONY OF SANDRA LEE KUNIMOTO
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON
WATER, LAND, AGRICULTURE AND HAWAIIAN AFFAIRS
WEDNESDAY, FEBRUARY 11, 2009; 2:45 P.M.
ROOM 229

SENATE BILL NO. 1317
RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION

Chairperson Hee and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 1317 which seeks to repeal Chapter 163D and transfer all rights, powers, functions, and duties of the Agribusiness Development Corporation (ADC) to the Department of Agriculture. While both the Hawaii Department of Agriculture (HDOA) and ADC advocate for agriculture on many issues, including preserving agricultural lands and water systems, we approach these issues from different perspectives, drawing upon different statutes, structure and capabilities, which are often complementary to each other. Our respective structures have worked well for the agricultural industry and we believe the current organizational structures should continue. The HDOA opposes this bill.

HDOA does not see any financial or strategic benefit accruing to the State or the industry by the actions proposed in this bill. Particularly in these difficult economic times, we do not believe that this is a good time to make changes that will degrade the efficiency of both the ADC and HDOA as they are diverted from their primary missions in order to address problems of assimilation and coordination of effort.

We would also like to note that the Board of the Agribusiness Development Corporation is a valuable resource for the ADC and the industry. The board is composed of dedicated, knowledgeable and passionate advocates for agriculture. Dissolution of the ADC board at a time when the industry needs the involvement of all of its best minds is neither warranted nor in the best interests of the industry.



STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
235 S. Beretania Street, Room 205
Honolulu, HI 96813
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TESTIMONY OF ALFREDO LEE
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE SENATE
COMMITTEE ON WATER, LAND,
AGRICULTURE AND HAWAIIAN AFFAIRS

Wednesday, February 11, 2009
2:45 PM
Room 229

SENATE BILL NO. 1317
RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION

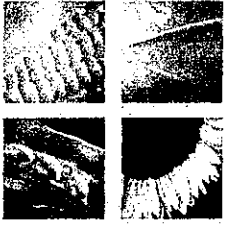
Chair Hee, Vice Chair Tokuda and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 1317. The Agribusiness Development Corporation (ADC) opposes this bill. We were originally created by the legislature as an agency administratively attached to, but separate from the Hawaii Department of Agriculture (HDOA), in order to give us the freedom and flexibility to act quickly and decisively in carrying out our mission. This autonomy we believe is vital to our success.

The ADC is a self-sustaining agency which currently funds all ongoing and future projects through revenue generated by the assets we manage. We have evolved into an agency that is very effective and successful in carrying out its mission, having broad support from the Hawaii agricultural community and stakeholders. In spite of our small staff of only four people, we are responsible

for the management and administration of agricultural lands currently totaling 12,500 acres, and irrigation water systems that service a total of 17,646 acres. By fiscal year 2011, the total acres which the ADC provides irrigation water for is expected to exceed 40,000. In addition, we have funded and administered various demonstration projects to benefit local agriculture, such as an animal feed project on the Big Island, a waste stream management project on Maui, and a solar water pasteurization project, also on Maui. Furthermore, we are involved in other initiatives in support of agriculture such as the Farm and Ranch Land Protection Program (FRPP), and the management of agriculture-related grants for the state.

Another key factor in our success has been the strong guidance received from the ADC Board of Directors, who consist of three ex-officers and eight private-sector citizens who volunteer their personal time for the benefit of the state and agriculture. The Board members are highly knowledgeable experts and advocates for agriculture, who are active participants in providing advice and decision-making on critical issues. The only costs the Board incurs are related to travel and business expenses, which are minimal. To dissolve this invaluable Board would be a net loss for the Hawaii agriculture industry and would not make economic sense.



Hawaii Crop Improvement Association

Growing the Future of Worldwide Agriculture in Hawaii

Testimony By: Alicia Maluafiti
SB 1317, Relating to Government
Senate WTL Committee
Wednesday, Feb.11, 2009
Room 229, 2:45 pm

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Fred Perlak

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Mark Stoutemyer
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Past President
Sarah Styron

Executive Director
Alicia Maluafiti

Position: Strong Opposition to Repeal of Agribusiness Development Corporation

Chair Hee and Members of the Senate WTL Committee:

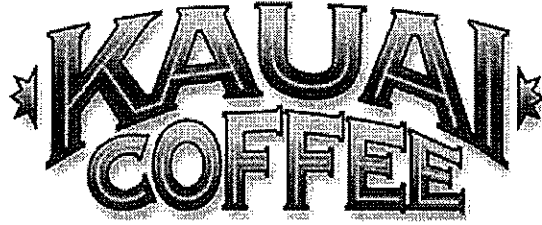
My name is Alicia Maluafiti, Executive Director of the Hawaii Crop Improvement Association. The Hawaii Crop Improvement Association (HCIA) is a nonprofit trade association representing the agricultural seed industry in Hawaii. Now the state's largest agricultural commodity, the seed industry contributes 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.

HCIA opposes efforts to repeal the Agribusiness Development Corporation (ADC). The ADC is administratively linked to the Department of Agriculture (DOA), but separate from the DOA. This specific relationship leverages ADC's ability to carry out its purpose of facilitating the transition from plantation agriculture to smaller, entrepreneurial farms, particularly attending to land and water infrastructure needs.

In addition, ADC's voluntary Board of Directors are agriculture community members who are highly knowledgeable advocates and resources for the ADC. ADC is self-sufficient and should be praised for their efforts and work accomplished rather than be the subject of repeal.

Instead of abolishing the ADC, more support should be considered to increase its budget and staff of four people so that it can address other agribusiness needs such as marketing of Hawaii grown products.

We urge you to hold this bill in committee. Thank you for the opportunity to testify.



TESTIMONY OF WAYNE K KATAYAMA
PRESIDENT
KAUAI COFFEE COMPANY, INC.
CHAIRPERSON
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE SENATE
COMMITTEE ON WATER, LAND,
AGRICULTURE AND HAWAIIAN AFFAIRS

Wednesday, February 11, 2009
2:45 a.m.
Conference Room 229

SENATE BILL NO. 1317
RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION

Chair Hee, Vice Chair Tokuda, and Members of the Committee:

I am unavailable to attend today's hearing; however I would like to provide written testimony on Senate Bill 1317. I am strongly opposing this bill that would eliminate the Agribusiness Development Corporation (ADC). Eliminating the ADC will create a hardship on Hawaii's farms and agribusinesses.

ADC is a SELF-SUSTAINING agency with the mission of employing former sugar and pineapple land into diversified agriculture. Examples of ongoing ADC initiatives are:

- The acquisition and management of large scale agricultural land and water systems, for the benefit of local farmers and agribusinesses on Kauai.
- The acquisition and management of large scale water system on Oahu.
- Re-start of a post harvest processing facility on Kauai.
- Study on providing irrigation for Ka'u, Big Island
- Potential of agricultural development on Central Oahu.
- Maintaining a beef industry on the Neighbor Islands.

ADC is a self-sustaining agency and serves as an efficient agency to receive Federal, State or County funds in support and development of the agriculture industry.

ADC has evolved into an agency that is very effective and successful in carrying out its mission, having broad support from the Hawaii's agricultural community and stakeholders.

**KEKAHA AGRICULTURE ASSOCIATION
P. Box 940
WAIMEA, HAWAII, 96796**

TESTIMONY OF MEMBERS OF
THE KEKAHA AGRICULTURE ASSOCIATION

BEFORE THE SENATE COMMITTEE
ON WATER, LAND, AGRICULTURE, AND
HAWAIIAN AFFAIRS

Wednesday, February 11, 2009
2:45 PM
Room 229

**SENATE BILL NO. 1317
RELATING TO THE AGRIBUSINESS DEVELOPMENT
CORPORATION**

Chairman Hee, Vice Chair Tokuda and members of the committee:

Thank you for this opportunity to present testimony on behalf of Senate Bill 1317. The members of the Kekaha Agriculture Association strongly oppose this bill. The ADC was established pursuant to Haw. Rev. Stat. 163D for the purpose of promoting the development of agriculture enterprises in order to make optimum use of former sugar and pineapple lands in the State of Hawaii and the various supporting irrigation, drainage, roads, and other critical infrastructure components associated with those lands. Pursuant to Governor's Executive order No. 4007 the ADC was tasked the responsibility and obligation to administer and manage these lands. The ADC's successful accomplishments over the past several years have been directly attributed to their autonomy. Dissolving this invaluable agency would be an injustice to the Hawaii agriculture industry and would not make any economic sense. As we have learned from the past, Hawaii's present economic condition will be heavily dependent on its

agriculture industry. We need to continue to support Hawaii's agriculture efforts in any way, including the efforts of the ADC. Again, we strongly oppose this bill and respectfully request that you reconsider these actions.

Respectfully submitted

Landis Ignacio
Manager



Hawaii Agriculture Research Center

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

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TESTIMONY BEFORE THE SENATE COMMITTEE ON WATER, LAND, AGRICULTURE, AND HAWAIIAN AFFAIRS

SENATE BILL 1317

RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION

February 11, 2009

Chairman Hee, Vice Chair Tokuda, and Members of the Committee:

My name is Stephanie Whalen. I am President and Research 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 opposes SB 1317, Relating to the Agribusiness Development Corporation.

Last month, during a legislative informational briefing, you listened to farmers describe the major obstacles facing agriculture in the state and asked what you could do to support us. We respectfully ask that you hold this bill. The ADC is now highly functional and has served agriculture in a way that a state agency cannot. In addition, the expertise of the ADC Board of Directors is invaluable and should not be lost.

We appreciate the assistance that the legislature has given agriculture in the past and hope that you will continue to support farming in these critical times.

Thank you for the opportunity to testify.

TESTIMONY

SB 1317

(END)