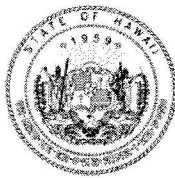


**LINDA LINGLE**  
Governor



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 HOUSE COMMITTEE ON FINANCE  
THURSDAY, FEBRUARY 18, 2010  
3:00 P.M.  
ROOM 308**

**HOUSE BILL NO. 2290, HD1  
RELATING TO AGRICULTURE**

Chairperson Oshiro and Members of the Committee:

Thank you for this opportunity to provide testimony on House Bill No. 2290, HD1 relating to agriculture. The bill proposes to establish an agricultural inspection and certification fund to be used for the inspection, weighing or grading of agricultural commodities and will repeal the certification revolving fund. The department supports this bill.

House Draft 1 addresses the concerns we expressed in the original version and has incorporated our recommendations. As written, it provides assurance to industry that the department will be able to continue to provide the inspection and certification services that are essential to their businesses.

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
HOUSE BILL NO. 2290, H.D. 1

February 18, 2010

RELATING TO AGRICULTURE

House Bill No. 2290, H.D. 1, establishes the Agriculture Inspection and Certification special fund. In addition, House Bill No. 2290 redirects: 1) all fees, expenses, and penalties collected for certification and agriculture control activities; 2) fees to defray the cost of administering the weighing of coffee; 3) fees for certification services of flowers and foliage; and 4) fees charged by the Department of Agriculture for audits and certification that are currently deposited into the general fund to be deposited into the Agriculture Inspection and Certification special fund. House Bill No. 2290, H.D. 1, also transfers all moneys in the certification services revolving fund to the Agriculture Inspection and Certification special fund. House Bill No. 2290, H.D. 1, also resets inspection and certification fees, provided that the Department of Agriculture has not amended administrative rules, to generate sufficient revenues to fund the operation of agricultural inspection and certification programs.

As a matter of general policy, this department does not support the creation of any special fund which does not meet the requirements of Section 37-52.3 of the Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. It is difficult to determine

whether there is a clear nexus between the benefits sought and the charges made upon the users or beneficiaries of the program and whether the fund will be self-sustaining.

Lastly, House Bill No. 2290, H.D. 1, appropriates \$1.4 million in general revenues in FY 11 for the agriculture inspection and certification program; however, this general fund appropriation is not included in the Administration's financial plan.

The Twenty-Fifth Legislature, State of Hawaii  
Hawaii House of Representatives

Committee on Finance

Testimony by  
Hawaii Government Employees Association  
February 18, 2010

H.B. 2290, H.D. 1 – RELATING  
TO AGRICULTURE

The Hawaii Government Employees' Association, AFSCME Local 152, AFL-CIO supports the purpose and intent of H.B. 2290, H.D. 1. We do, however, have some concerns about portions of the bill that would allow the hiring of inspection staff by government or private agencies other than the Department of Agriculture.

With the devastating cuts and layoffs already absorbed by the Department of Agriculture, we are certainly in favor of legislation to support and re-establish the operations and services provided by the Department to the agriculture industry. However, we cannot support provisions that would allow other government and private agencies to hire inspection staff to do audit and certification services. In essence, we believe it would allow for the privatization of services, which we stand strongly against. Higher costs, lower quality of services provided and loss of accountability are some of the common results of the privatization of government services. The essential agricultural inspection and certification functions should continue to be performed by employees of the State Department of Agriculture.

If the intent is to dedicate monies, establish and collect fees to ensure that the state provides the agricultural industry the essential and necessary services needed, we wholeheartedly agree. But, we cannot support provisions that would allow the contracting out of inspection and certification work traditionally performed by state employees.

Thank you for the opportunity to comment on H.B. 2290, H.D. 1.

Respectfully submitted,

Nora A. Nomura  
Deputy Executive Director



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

2343 Rose Street, Honolulu, HI 96819  
Phone: (808) 848-2074; Neighbor Islands: 1-800-482-1272  
Fax: (808) 848-1921; e-mail: info@hfbf.org

**TESTIMONY**

**HB 2290 HD1 RELATING TO AGRICULTURE**

Chair Oshiro and Members of the Committee:

Hawaii Farm Bureau Federation on behalf of our farmer and ranch families and organizations support HB 2290 establishing a special fund for agricultural inspection and certification.

Hawaii has been severely impacted by the reduction in services by PQ and Commodities. Farmers and ranchers along with some in the business community have experienced the impacts. A major impact to agriculture has been the inspection and certification of goods for sale and export. While many programs involved fees, there was also subsidization of costs from general funds.

The industry has recognized the dire state of the State Budget. It is willing to evolve to a true fee for services structure and this measure provides the means to move in this direction. Passage of this measure is critical since many of the products are exported, bringing new monies into the State resulting in tax dollars important to increasing dollars in the General Fund.

The seed, coffee and papaya industry are important to the State as they bring in much needed tax dollars through exports. This is new dollars that flows in to a dwindling pot. We support any fee structure that will meet their needs.

HFBF strongly requests your support of this measure to ensure sale of agricultural products and exports can continue on a timely basis. If there are any questions, please contact Luella Costales at 848 2074. Thank you

**MONSANTO HAWAII**

2104 Lauwiliwili Street  
Kapolei, Hawaii 96707

February 18, 2010

HEARING BEFORE THE  
HOUSE COMMITTEE ON FINANCE

Agenda #3

TESTIMONY ON  
HB 2290  
RELATING TO AGRICULTURE

Chair Oshiro and committee members:

My name is Alan Takemoto and I am the Community Affairs Manager for Monsanto.

We support HB 2290 which establishes an agriculture inspection and certification special fund under the department of agriculture.

As the economy continues to struggle, the agricultural industry is confronted by a substantial decrease in agricultural inspection services statewide. The ability to move products in and out of the state as well as interisland is critical to our industry and our economy. With the anticipation of reduced agricultural inspections services, we appreciate all that the legislature and the HDOA has done in seeking alternatives and solutions.

As part of the farming community, we want to support every effort to making the Hawaii Department of Agriculture capable of meeting the needs of all farmers and related organizations. We hope that by establishing a special fund specifically for the services rendered, the HDOA can provide the necessary services that are required to protect Hawaii's agricultural industry.

We know there is much more to be done and we want to help in facilitating the process by which we all can be a partner during these difficult times.

Thank you for the opportunity to submit testimony.

## Individual in Support of HB2290

'Naked and Hungry' was written on the front of a t-shirt design submitted to a chapter t-shirt contest held by the National FFA organization. In the back has the back of a cartooned person with it's rear end censored posing this question: 'what would you be without agriculture?' This shirt hangs in my closet at home and when I stop to think about the importance of agriculture I am amused by the simplicity of the industry: 'What would you be without agriculture? Naked and Hungry.'

My name is Denna Macanas and I will be the first to admit that I have been amongst the majorities who have overlooked agriculture. Growing up my future careers where of becoming a teacher, doctor, accountant and pharmacist, it was not until high school that the value of agriculture hit me. Throughout high school I strived to keep my grades up and stay involved in extracurricular activities in hopes of one day getting into college. I landed in agriculture class through the learning center program. With the introduction of agriculture came the activation of becoming an FFA member and that is where everything clicked. Agriculture was my calling and as I went through college I knew this is where I wanted to be. However, as I treaded my way through college I could not help but wonder 'what am I being prepared for?' I've learned the importance of N-P-K, the difference between clay, loam and sandy soil, the evolution of an insect, identified *Cordyline fruitcosa*, learned techniques on how to be a good apiarist and built patience in plant tissue culture. Before I graduated I along with many other classmate were hit with the question 'now what?' The University of Hawaii at Hilo (UHH) College of Agriculture, Forestry and Natural Resource Management (CAFNRM) graduated 20 students in the spring of 2009 including myself. Of the 20, I know of only one graduate who has returned to school to become an Agriculture teacher. With everyone having to tighten their financial belts and the recent RIFs that were conducted I have to ask: "What will happen to the future of Hawaii's

## Individual in Support of HB2290

agriculture? How will this impact the future of Hawaii?" With the cuts of inspectors and researchers from the Department of Agriculture what will happen if there is a disease that plagues the honey bees or a new strain of virus hits our huge crop industries like coffee or macadamia nuts that wipes out a good majority of the industry? Who's to blame when it all hits the fan if we have to stretch our Department of Agriculture thin? Though anyone graduating in agriculture expects to be making millions, anyone graduating with a college degree does hope that they will be able to find a job that validates their hard work and sacrifice they put forth over the past few years. I am a product of the Hawaii's public school system, graduated from Leilehua High School and UHH CAFNRM with a B.S. in Agriculture. Right now I am on a journey to one day receive a doctorate's in Agricultural Education in hopes that one day I can return to Hawaii to teach Agriculture but will it still be thriving by then?