

Testimony of Steven Chiang, Director, UH Agribusiness Incubator Program  
**IN SUPPORT OF HB 1534**  
Relating to Agriculture Innovation

Committee on Agriculture / Committee on Economic Development & Business  
Hearing scheduled for 02-03-14, 9:30AM

Chairperson Tsuji, Chairperson Wooley, and Members of their respective Committees:

In my current roles as:

- Director of the University of Hawaii’s Agribusiness Incubator Program
- Co-Director of the University of Hawaii’s GoFarm Hawai’i program

And my former roles as:

- Program Manager of the U.S. Department of Energy-funded Sustainable Bioenergy Program (UH/CTAHR)
- Contributor to the State of Hawaii Bioenergy Master Plan,

I understand the importance of innovation in feed production, food waste recycling, on-farm energy efficiency, and soil health and conservation and thus support HB 1534, which provides grants to agribusiness incubator programs that support agribusinesses which advance these critical aspects of agriculture in Hawaii.

The University of Hawaii’s Agribusiness Incubator Program (AIP) has for the past ten years mentored and developed startup and growth-oriented agribusinesses across the state, and thus has seen the impact of agribusiness incubation on fostering the viability and growth of agribusinesses in Hawaii. As an example of the impact an agribusiness incubator program can have, AIP-supported agribusinesses have achieved average annual improvements reflected in the table below:

<b>AIP client growth metric:</b>	<b>FY’06-’13 average <u>annual</u> change</b>	<b>Relevance to Hawaii</b>
Revenue	+ 40%	Greater economic contribution
Employment	+ 30%	More jobs
Acres in production	+ 47%	More food security
Net income (profit)	+ 252%	Increased agribusiness viability

I am thus confident that passage of this bill would achieve positive results for the targeted aspects of agriculture. Thank you for your consideration.

Written Statement of  
**LEN HIGASHI**  
**Acting Executive Director & CEO**  
High Technology Development Corporation  
before the  
**HOUSE COMMITTEES ON AGRICULTURE**  
**AND**  
**ECONOMIC DEVELOPMENT & BUSINESS**

Monday, February 3, 2014  
9:30 a.m.  
State Capitol, Auditorium  
In consideration of

**HB 1534 RELATING TO AGRICULTURE INNOVATION.**

Chairs Wooley and Tsuji, Vice Chairs Onishi and Ward, and Members of the Committees on Agriculture and Economic Development and Business.

The High Technology Development Corporation (HTDC) **supports the intent of** HB 1534 relating to Agriculture Innovation. HTDC supports the intent of providing resources to nurture and grow agricultural innovation and supporting startups and businesses in this arena. HTDC comments that the College of Tropical Agriculture and Human Resources (CTAHR), more specifically, the Agribusiness Incubator Program (AIP), may be better suited to implement the program proposed in HB 1534, as AIP's mission is to provide business consulting services to agriculture-related businesses.

Thank you for the opportunity to offer these comments.



## **Hawaii Cattlemen's Council, Inc.**

P O Box 437199 Kamuela HI 96743

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HOUSE COMMITTEE ON AGRICULTURE  
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS  
Monday February 3, 2014 9:30 a.m. Auditorium

### **HB 1534 RELATING TO AGRICULTURE INNOVATION**

Establishes an Agriculture Innovation Grant Program to fund agribusiness incubator programs to support start-up businesses in Hawaii focused on feed production, food waste recycling, on-farm energy efficiency, and soil health and conservation. Effective July 1, 2014

Chair Wooley, Chair Tsuji and Members of the Committees:

My name is Alan Gottlieb, and I am a rancher and the Government Affairs Chairperson of the Hawaii Cattlemen's Council. The Hawaii Cattlemen's Council, Inc. (HCC) is the Statewide umbrella organization comprised of the five county 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 approximately 25% of the State's total land mass.

The Hawaii Cattlemen's Council supports HB 1534.

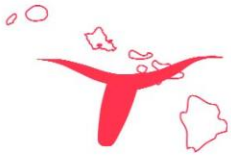
Many Hawaii livestock producers rely on imported grain to sustain their animals and these feed costs are a significant part of their overall expense. Furthermore, the 9 years on-going drought we have had in Hawaii in many of our largest cattle raising regions has added to the problem. We continue to hear about pilot projects for feed mills here in Hawaii, and bi-products from bio-energy crops, but these have still not come to fruition.

We support policies to strengthen the cattle industry and allow us to keep more of our Hawaii born calves in Hawaii (currently about 90% of our calves are shipped out of State by boat and airplane for pasture and finishing elsewhere). With the growing demand by restaurants and local consumers for local grown beef presents a golden opportunity for Hawaii beef cattle industry provided conditions in Hawaii are optimal for raising consistent, high quality beef.

Hawaii's cattle industry faces a number of challenges, including high fuel and transportation costs, the rising costs of livestock feed, limited and aging processing facilities, and ongoing drought conditions that disrupt cattle weight gains and interrupt the marketing of consistent high quality beef. For this reason, having a good supplemental feed, grown in Hawaii is essential in many cases.

If we can develop local feeds to feed Hawaii Livestock, this will go a long way in helping all Hawaii Livestock producers and the Hawaii cattle industry to keep more of our calves here in Hawaii for finishing for local markets.

Thank you for giving me the opportunity to testify on this important matter.



## Hawaii Cattlemen's Council, Inc.

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### HOUSE COMMITTEE ON AGRICULTURE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS Monday February 3, 2014 9:30 a.m. Auditorium

#### **HB 1534 RELATING TO AGRICULTURE INNOVATION**

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Chair Wooley, Chair Tsuji and Members of the Committees:

My name is Dr. Ashley Stokes, and I am a veterinarian and member of the health and welfare committee for the Hawaii Cattlemen's Council. The Hawaii Cattlemen's Council, Inc. (HCC) is the Statewide umbrella organization comprised of the five county 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 approximately 25% of the State's total land mass.

#### **The Hawaii Cattlemen's Council supports HB 1534.**

Many Hawaii livestock producers rely on imported grain to sustain their animals and these feed costs are a significant part of their overall expense. Furthermore, the 9 years on-going drought we have had in Hawaii in many of our largest cattle raising regions has added to the problem. We continue to hear about pilot projects for feed mills here in Hawaii, and bi-products from bio-energy crops, but these have still not come to fruition.

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HOUSE COMMITTEE ON AGRICULTURE AND ECONOMIC DEVELOPMENT & BUSINESS  
Monday, February 3, 2014 – 9:30 a.m. – Auditorium

**Ulupono Initiative Strongly Supports HB 1534, Relating to Agriculture Innovation**

Dear Chair Wooley, Vice Chair Onishi, Chair Tsuji, Vice Chair Ward, and Members of the Committee:

My name is Kyle Datta and I am general partner of the Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally grown food, increase renewable energy, and reduce/recycle waste. Ulupono invests in projects that have the potential to create large-scale, innovative change.

**Ulupono strongly supports HB 1534**, which creates an agriculture innovation grant program. As a for-profit investment firm, we are continually searching for new entrepreneurs and businesses that can help increase local food production. However, there are few programs in Hawai'i that are designed to help startup agricultural endeavors. Similar to the Energy Excelsator program conducted by Pacific International Center for High Technology Research (PICHTR), this program will help these companies start on a better trajectory by providing them early stage funding and expert consultation. Ulupono is currently analyzing some of the companies that participated in the Energy Excelsator for potential investment opportunities. If a similar agricultural program exists, Ulupono would be interested in observing the types of agricultural business models that can support local food production.

Furthermore, the average age of a Hawai'i farmer is approximately 60 years old. An agriculture innovation grant program would bring new entrepreneurs into Hawai'i's agricultural sector. These entrepreneurs can eventually create the next generation of agricultural leaders.

We believe that working together we can help produce more local food, support an economically strong homegrown agriculture industry, which strengthens our community with fresh, healthy food. Thank you for this opportunity to testify.

Respectfully,

Kyle Datta  
General Partner

Email: [communications@ulupono.com](mailto:communications@ulupono.com)

Written Testimony Presented Before the  
House Committee on Agriculture  
And  
House Committee on Economic Development & Tourism  
Monday, February 3, 2014; 9:30 am

By

J. Kenneth Grace

**HB 1534 RELATING TO AGRICULTURE INNOVATION**

Chairs Wooley and Tsuji, Vice Chairs Onishi and Ward, and members of the House Committee on Agriculture and the House Committee on Economic Development & Tourism, thank you for the opportunity to testify today in support of HB 1534, which establishes an Agriculture Innovation Grant Program to fund agribusiness incubator programs to support start-up businesses in Hawaii focused on feed production, food waste recycling, on-farm energy efficiency, and soil health and conservation.

My name is J. Kenneth Grace, and I am employed as the Interim Associate Dean and Associate Director for Research in the College of Tropical Agriculture and Human Resources (CTAHR), University of Hawaii at Manoa. I am providing personal testimony today on HB 1534.

I strongly support this effort to support the incubator programs that are essential for agricultural start-ups to develop into successful businesses. The Agricultural Incubator Program at the University of Hawaii, housed within CTAHR and entirely supported to date by competitive federal funding, demonstrates the potential for such programs to help Hawaii. Private efforts in Hawaii to make food safety certified kitchen and food processing facilities available to new businesses have also proven quite popular.

I respectfully ask you to consider the following friendly revisions to HB 1534:

1. The present language does not include agribusiness incubator programs assisting start-up businesses focused on food production, food processing, and marketing of food products for funding consideration. I suspect that this is an oversight rather than intentional, and strongly suggest that these food-related agricultural activities be included in the bill.
2. Section 2 states that the program will be established within the Department of Business, Economic Development and Tourism (DBEDT), and administered and implemented by the "development corporation." A "board" is also referred to as a managing entity in the bill. Since this is an amendment of HRS 206-M, which authorizes the Hawaii High Technology Development Corporation (HTDC), I assume that HTDC is the "development corporation" and "board" refers to the board of directors of HTDC. However, for clarity, I suggest that direct reference to the Hawaii High Technology Development Corporation be made, and that a more explicit description of the "board" be included in the bill.

**onishi2-Micah-Seth**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, February 01, 2014 3:10 PM  
**To:** AGRtestimony  
**Cc:** unmanib@maui.net  
**Subject:** Submitted testimony for HB1534 on Feb 3, 2014 09:30AM

**HB1534**

Submitted on: 2/1/2014

Testimony for AGR/EDB on Feb 3, 2014 09:30AM in Conference Room Auditorium

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Unmani Cynthia Groves	Individual	Support	No

Comments: Absolutely support this bill--particularly the on farm mentoring soil remediation projects, restoration crops that can create an economic boom--such as industrial hemp, which as well creates health for our people and environment--green construction, hundreds of value added products, healthier growing without the negative effects with pesticides or burning crops such as with cane. Please move this bill forward.

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**onishi2-Micah-Seth**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, February 02, 2014 9:37 AM  
**To:** AGRtestimony  
**Cc:** afrancokaupo@gmail.com  
**Subject:** Submitted testimony for HB1534 on Feb 3, 2014 09:30AM

**HB1534**

Submitted on: 2/2/2014

Testimony for AGR/EDB on Feb 3, 2014 09:30AM in Conference Room Auditorium

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Alex Franco	Maui Cattle Company	Support	No

Comments: It is critical to the livestock industry that we find ways to utilize by products along with food waste that could be used as an economical feed source for livestock in Hawaii

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, February 02, 2014 7:12 AM  
**To:** AGRtestimony  
**Cc:** mgalimba@kuahiwiranch.com  
**Subject:** Submitted testimony for HB1534 on Feb 3, 2014 09:30AM

**HB1534**

Submitted on: 2/2/2014

Testimony for AGR/EDB on Feb 3, 2014 09:30AM in Conference Room Auditorium

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Michelle Galimba	Kuahivi Ranch	Support	No

Comments: This is an excellent idea that addresses some of the key leverage points in rebuilding local agriculture, with broad applicability.

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**onishi2-Micah-Seth**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, February 02, 2014 1:34 AM  
**To:** AGRtestimony  
**Cc:** chris@ponoholo.com  
**Subject:** \*Submitted testimony for HB1534 on Feb 3, 2014 09:30AM\*

**HB1534**

Submitted on: 2/2/2014

Testimony for AGR/EDB on Feb 3, 2014 09:30AM in Conference Room Auditorium

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Christopher English	Individual	Support	No

Comments:

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