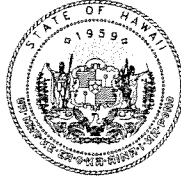


NEIL ABERCROMBIE  
Governor



JAMES J. NAKATANI  
Executive Director

STATE OF HAWAII  
**AGRIBUSINESS DEVELOPMENT CORPORATION**  
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TESTIMONY OF JAMES J. NAKATANI  
EXECUTIVE DIRECTOR  
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE SENATE  
COMMITTEE ON WAYS AND MEANS

Tuesday, March 25, 2014  
9:00 a.m.  
State Capitol  
Conference Room 211

HOUSE BILL NO. 2543, SD1  
RELATING TO ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS  
TO ASSIST BIOTORK HAWAII, LLC

Chairperson Ige and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 2543, SD1 relating to issuance of special purpose revenue bonds to assist BioTork Hawaii, LLC. This measure seeks to financially assist industrial enterprises through the issuance of special purpose revenue bonds. The Agribusiness Development Corporation (ADC) supports this bill.

ADC is committed to convert crops, crop residues, dedicated energy crops and agricultural wastes into economically and environmentally sustainable biofuels and value added co-products.

BioTork in collaboration with USDA Pacific Basin Agricultural Research Center (PBARC), Hawaii Department of Agriculture and the Agribusiness Development Corporation conducted a mini-pilot scale production of biofuel and animal feed from Heterotrophic Algae as a part of the Zero Waste Program (ZWP) at the USDA PBARC facility. The project

originated in 2010 with a focus to develop a prototype of algae/fungi from papaya waste to produce oil and feed products. The project results thus far have been phenomenal with the conversion of papaya waste into oil and protein using algae/fungi. We concur with BioTork that this project is a viable commercial operation that could help the agricultural industry. ADC respectfully requests that the Committee pass this bill.

Thank you for the opportunity to testify.



TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
HOUSE BILL NO. 2543, S.D. 1

MARCH 25, 2014

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO  
ASSIST BIOTORK HAWAII, LLC

House Bill No. 2543, S.D. 1, authorizes the issuance of special purpose revenue bonds (SPRB) for the purpose of assisting BioTork Hawaii, LLC., a Delaware corporation, for the planning, permitting, design, construction, equipping, and operation of a facility to convert agricultural crops and by-products to biofuels and high-protein feed pursuant to Part V, Chapter 39A, Hawaii Revised Statutes.

The Department has no position on the issuance of SPRBs as contemplated in this bill. The Department would like to advise the Legislature and prospective issuers that should the legislation be approved, approval of SPRB issuance will still require further discussion and satisfactory review of the financing components involved in the transaction.

Thank you for the opportunity to provide testimony on this measure.

**NEIL ABERCROMBIE**  
Governor



**SCOTT E. ENRIGHT**  
Chairperson, Board of Agriculture

**KEN H. KAKESAKO**  
Deputy to the Chairperson

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**TESTIMONY OF SCOTT E. ENRIGHT  
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS  
TUESDAY, MARCH 25, 2014  
9:00 A.M.  
Room 211**

**HOUSE BILL NO. 2543 SD1  
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO  
ASSIST BIOTORK HAWAII**

Chairperson Ige and Members of the Committee:

Thank you for this opportunity to provide testimony on House Bill No. 2543 SD1. This measure seeks to assist BioTork Hawaii LLC with the planning, permitting, design, construction, equipping, and operation of a facility to convert agricultural crops and byproducts to biofuels and feed. The Hawaii Department of Agriculture supports the intent of this bill.

The high cost of energy and livestock feed are significant hurdles for farmers in Hawaii, and research in converting agricultural crops and byproducts to biofuels and protein feed, is an important step towards food sustainability.

Thank you for the opportunity to present testimony.



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**Cc:** [cmanfredi@kaufarmandranch.com](mailto:cmanfredi@kaufarmandranch.com)  
**Subject:** \*Submitted testimony for HB2543 on Mar 25, 2014 09:00AM\*  
**Date:** Sunday, March 23, 2014 5:10:57 PM

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**HB2543**

Submitted on: 3/23/2014

Testimony for WAM on Mar 25, 2014 09:00AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Chris Manfredi	Hawaii Farm Bureau	Support	Yes

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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