

DAVID Y. IGE
Governor

SHAN S. TSUTSUI
Lt. Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
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SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson

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

**BEFORE THE HOUSE COMMITTEE ON AGRICULTURE
AND ECONOMIC DEVELOPMENT AND BUSINESS**

February 12, 2016
11:00 A.M.
CONFERENCE ROOM 312

**HOUSE BILL NO. 2657
RELATING TO AGRICULTURE**

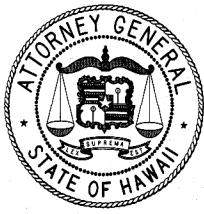
Chairpersons Tsuji and Kawakami and Members of the Committees:

Thank for the opportunity to testify on House Bill No. 2657. This bill proposes to provide loans from the Maui County Revolving Loan Program to Molokai farmers to reimburse costs of mandated food safety compliance audits. The department supports this bill as long as it does not impact the department's Executive Budget.

The department recognizes the challenges farmers face in meeting the requirements of the U.S. Food and Drug Administration's Food Safety Modernization Act. Providing farmers with financial support will help farmers continue to produce safe food for our local consumers.

Thank you for the opportunity to testify on this measure.





**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-EIGHTH LEGISLATURE, 2016**

ON THE FOLLOWING MEASURE:
H.B. NO. 2657, RELATING TO AGRICULTURE.

BEFORE THE:
HOUSE COMMITTEES ON AGRICULTURE AND ON
ECONOMIC DEVELOPMENT AND BUSINESS

DATE: Friday, February 12, 2016 **TIME:** 11:00 a.m.

LOCATION: State Capitol, Room 312

TESTIFIER(S): Douglas S. Chin, Attorney General, or
Andrew Goff, Deputy Attorney General

Chairs Tsuji and Kawakami, and Members of the Committees:

The Department of the Attorney General provides the following comments on this bill.

The purpose of this bill is to amend Act 387, Session Laws of Hawaii 1988 (“Act 387”), to provide loans to farmers and ranchers on Molokai to cover the costs of complying with federal and state food safety laws.

This bill creates an inconsistency because the loan program created by Act 387 would no longer provide loans, but would instead provide cost reimbursements.

Act 387 originally required the County of Maui to establish a temporary revolving loan program for small businesses in diversified agriculture on Molokai. The bill amends section 3(a) of Act 387 to also allow loans to Molokai farmers to help them meet the costs of compliance with the FDA Food Safety Modernization Act and state food safety laws.

However, the bill further amends section 3(b) of Act 387 by removing all references to the term “loan” and substituting the term “cost reimbursement” instead. The bill also entirely removes section 3(b)(4) and (5), which provided repayment terms for the established loans.

Therefore, if this bill is passed as is, Act 387 will be amended to require the County of Maui to establish a loan program that no longer provides loans, but only cost reimbursements with no repayment terms. We recommend that section 3(a) and 3(b) as amended by this bill be made consistent.

Thank you for this opportunity to provide comments.



An Affiliate of the Hawaii Farm Bureau Federation and the American Farm Bureau Federation

TESTIMONY BEFORE THE HOUSE COMMITTEES ON
AGRICULTURE and ECONOMIC DEVELOPMENT & BUSINESS

FEBRUARY 12, 2016

TESTIMONY ON HB 2657
RELATING TO AGRICULTURE

(AGR): Chair Tsuji, Vice Chair Onishi and respected committee members,
(EDB): Chair Kawakami, Vice Chair Kong and respected committee members:

Thank you for the opportunity to submit testimony. The Molokai Farm Bureau on behalf of our farmer and rancher families, and value added products, stand in **STRONG SUPPORT OF HB 2657**.

In this modern day where most of our state shows economic stability, Molokai's economy still remains extremely fragile.

Here agriculture has remained at the heart of our island, and its people – we are both knowledgeable and engaged in agriculture. Yet our economic struggles to maintain agriculture are real, and for this reason we are asking the State to recognize our need to help our island move towards becoming more self-reliant. Supporting this bill would allow us to address some of the larger issues we face, by helping to support those who are engaged in ag.

The REALITIES:

- The costs that our island's farmers and ranchers must incur to comply with federal and state requirements, including the food safety requirements of the FDA Food Safety Modernization Act, are very costly and prohibitive to many of our farmers and ranchers.
- Because of the costs to meet these requirements, it will increase the already larger percentage of expenses we incur to farm or ranch on Molokai, and it will likely result in serious economic hardship, or worse, farm and ranch closures.

The FACTS:

- 35% of our Molokai residents are already on Government Assistance
- Our unemployment rate is already more than DOUBLE (for some islands we are actually more than triple) the rest of the state:
 - December 2015 Hawaii Unemployment rate (most current release / not seasonally adjusted)

State	3.7%
Honolulu	3.5%
Maui Island	3.6%
Molokai	10.5%

Our island can't afford to lose any more contributing, producing entities in any sector, let alone our most viable economic sector on our island. This bill could prevent a detrimental effect to the diversified agricultural industry on Molokai.

Thank you for your time and consideration in allowing this Bill to move forward.

We are in strong support of HB 2657.

Dawn Bicoy,
Government Affairs, the Molokai Farm Bureau



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February 12, 2016

HEARING BEFORE THE
HOUSE COMMITTEE ON AGRICULTURE
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

TESTIMONY ON HB 2657
RELATING TO FOOD AGRICULTURE

Room 312
11:00 AM

Aloha Chair Tsuji, Chair Kawakami, Vice Chair Onishi, Vice Chair Kong, and Members of the Committees:

I am Randy Cabral, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,900 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interest of our diverse agricultural community.

HFB strongly supports HB 2582, which provides loans from the Maui County Revolving Loan Program to Molokai farmers and ranchers to reimburse costs of mandated food safety compliance audits and other related costs.

HFB appreciates the support by the legislature in our past efforts to help Hawaii's farmers achieve compliance with the FDA Food Safety and Modernization Act. As the actual rule has been rolled out by FDA the immensity of the task is becoming evident. The final details are still not clear as the agency themselves have finished articulating the details of the measure but training sessions have been delayed. However, basic requirements about water treatment and refrigeration are clear. This will mean changes on many of our farms. Cooperative efforts will be important to ensure affordability. The Department will play a key role in not only facilitating training with the University and other partners but also identifying implementation measures needed. The Department and Counties all have ag parks so their responsibility also extends to their roles as managers of agricultural operations.

HFB respectfully requests your support in moving this measure forward to ensure that our Molokai farmers are able to meet compliance deadlines and remain competitive in the marketplace.

Thank you for the opportunity to comment on this measure.

Testimony H.B. No. 2657

Adolph Helm Member Owner
Anahaki LLC, Anahaki Farms, Anahaki Tea Co., Molokai Herb & Tea Co.
(*A Native Hawaiian Company*)
P.O Box 391
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COMMITTEE ON AGRICULTURE
COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

NOTICE OF HEARING

DATE: Friday, February 12, 2016
TIME: 11:00am
PLACE: Conference Room 312
State Capitol
415 South Beretania Street

MEASURE: HB 2657 Relating to Agriculture

SUPPORT

Aloha Chairs Tsuji and Kawakami, Representative Decoite and Fellow Committee Members;

Mahalo, for allowing me the opportunity to submit testimony in support of HB 2657. My name is Adolph Helm a Molokai Homestead farmer and business owner. My family and I operate a farm and business specializing in Hawaiian herbs, teas and diversify agriculture.

Understanding the Food Safety Requirements we have already moved forward in constructing a modest tea and herb drying and processing facility. This investment came from personal funds and was made to ensure we could continue to operate once Food Safety mandates were in place.

That being said HB 2657 that Molokai Representative Decoite introduced is a great opportunity for Molokai farmers to succeed. Molokai farmers are operating at a disadvantage on many levels having access to loans and funds to support Food Safety requirements will help them stay in business and ensures the sustainability of farming on Molokai.

Mahalo,

Adolph Helm