

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 FINANCE

**FEBRUARY 24, 2017
12:30 P.M.
CONFERENCE ROOM 308**

**HOUSE BILL NO. 453 HD1
RELATING TO AGRICULTURE**

Chairperson Luke and Members of the Committee:

Thank for the opportunity to testify on House Bill 453 HD1, which proposes to establish a grant program within the department of agriculture to assist farmers and ranchers in meeting the costs, including audit costs and other expenses of complying with the federal Food Safety Modernization Act, U.S. Food and Drug Administration regulations, and state food safety laws. The department supports this bill provided it does not impact the department's priorities listed in the Executive Budget and offers comments.

Food safety regulations will soon drive many farmers into financial issues. The State's agricultural industry will need the support from the State to address these issues. This grant program will directly serve local farmers and ranchers with federal regulations.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE
GOVERNOR



WESLEY K. MACHIDA
DIRECTOR

LAUREL A. JOHNSTON
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 453, H.D. 1

February 24, 2017
12:30 p.m.
Room 308

RELATING TO AGRICULTURE

House Bill No. 453, H.D. 1, establishes a Food Safety Certification Costs Grant Program (Grant Program) and the Food Safety Certification Costs Grant Program Special Fund to authorize the Department of Agriculture (DOA) to administer grants to farmers and ranchers to assist them in meeting the costs of compliance with the Federal Food Safety Modernization Act, United States Food and Drug Administration regulations, and State food safety laws. The special fund is to be funded by unspecified appropriations of general funds in FY 18, as well as any other legislative appropriations and interest accumulated within the special fund. The bill also appropriates funds from the special fund in FY 18 to be used for the implementation of the program and related administrative costs, provided that these funds have an extended lapse date of June 30, 2019.

While the Department of Budget and Finance does not take any position on the establishment of the Grant Program or the use of its special fund, as a matter of general policy, the department does not support the creation of any special fund which does not

meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process;

2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue;

3) provide an appropriate means of financing for the program or activity; and

4) demonstrate the capacity to be financially self-sustaining. In regards to House Bill No. 453, H.D. 1, it is unclear whether the proposed special fund will be self-sustaining.

Thank you for your consideration of our comments.



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February 24, 2017

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON HB 453, HD1
RELATING TO AGRICULTURE

Room 308
12:30 PM

Aloha Chair Luke, Vice Chair Cullen, and Members of the Committee:

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 interests of our diverse agricultural community.

HFB supports HB 453, HD1, which requires DOA to provide grants to farmers to assist them in paying for the costs of compliance with the FDA Food Safety Modernization Act and state food safety laws.

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.

Foodborne illnesses can be serious and we should seek ways to reduce the risk. This bill will provide that assistance to our farmers for the costs they will incur to become food safety compliant.

The many criteria associated with FSMA to be compliant should not be an impediment for safe food. Hawaii cannot afford to further lose farmers as we strive to increase local food production. We want to incentivize our farmers' ability to continue their operations and provide Hawaii with abundant safe food.

Hawaii Farm Bureau respectfully requests your **strong support of HB 453, HD1** which will assist farmers with expenses to become compliant with the Food Safety Modernization Act.

Thank you for the opportunity to testify on this measure.

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 22, 2017 3:00 PM
To: FINTestimony
Cc: dale@hicattle.org
Subject: *Submitted testimony for HB453 on Feb 24, 2017 12:30PM*

HB453

Submitted on: 2/22/2017

Testimony for FIN on Feb 24, 2017 12:30PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Dale Sandlin	Hawaii Cattlemens Council	Support	No

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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From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 23, 2017 5:57 AM
To: FINTestimony
Cc: director@bettercropshawaii.com
Subject: *Submitted testimony for HB453 on Feb 24, 2017 12:30PM*

HB453

Submitted on: 2/23/2017

Testimony for FIN on Feb 24, 2017 12:30PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
BENNETTE MISALUCHA	Hawaii Crop Improvement Association	Support	No

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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Email: communications@ulupono.com

HOUSE COMMITTEE ON FINANCE
Friday, February 24, 2017 — 12:30 p.m. — Room 308

Ulupono Initiative Strongly Supports HB 453 HD 1, Relating to Agriculture

Dear Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Kyle Datta and I am General Partner of 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 produced food; increase affordable, clean, renewable energy; and reduce waste. Ulupono believes that self-sufficiency is essential to our future prosperity and will help shape a future where economic progress and mission-focused impact can work hand in hand.

Ulupono strongly supports HB 453 HD 1, which provides grants to farmers for compliance with food safety regulations, because it aligns with our goal of creating more locally produced food.

One of the greatest challenges facing agricultural enterprises over the next few years is getting into compliance with new federal food safety regulations. These new rules are expected to protect public health by providing more information about food production. However, the new regulations are expected to be significantly more strict than the current guidelines, which requires more time and cost for compliance. It is a challenge for our farmers and ranchers to navigate the nuances of the law, track new data requirements, and implement best practices for food safety. Without this funding, farmers and ranchers, particularly smaller scale operations, may be in violation of the law or be forced to shut down, which will jeopardize the future of local agriculture in Hawai'i.

As Hawai'i's local food issues become more complex and challenging, organizations need additional resources and support to address and overcome them. We appreciate this committee's efforts to look at policies that support local food production.

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

Respectfully,

Investing in a Sustainable Hawai'i



Kyle Datta
General Partner



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

LATE

**HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
FRIDAY, FEBRUARY 24, 2017 AT 12:30 P.M.**

To The Honorable Sylvia Luke, Chair;
The Honorable Ty J.K. Cullen, Vice Chair; and
Members of the Finance Committee

**TESTIMONY IN SUPPORT OF HB453 TO PROVIDE GRANTS TO FARMERS TO ASSIST IN
COSTS OF COMPLIANCE WITH FDA FOOD SAFETY MODERNIZATION ACT**

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce representing approximately 600 businesses and 16,000 employees on Maui. I am writing share our support of HB453.

This bill fits with one of our important legislative priorities this year, which is to support the agriculture industry and our local farmers and ranchers. One of the more recent issues to arise that could negatively affect our agriculture industry are the new requirements imposed by the FDA's Food Safety Modernization Act. Farmers and ranchers may be faced with huge costs and time consuming processes In order to comply with many of the new regulations, which is a burden that many cannot undertake with the already unpredictable nature of the agriculture industry. Therefore, we support this bill that would give grants to qualifying farmers and ranchers to assist with meeting the costs of complying with the federal Food Safety Modernization Act, United States Food and Drug Administration regulations and state food safety laws. This is vital for our agriculture industry that provides a number of jobs and resources for our local community.

We appreciate the opportunity to testify on this matter and therefore ask that this bill be passed.

Mahalo for your consideration of our testimony and we hope you will move this bill forward.

Sincerely,

Pamela Tumpap

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.