

DAVID Y. IGE
Governor

DOUGLAS S. CHIN
Lt. Governor



SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
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State of Hawaii
DEPARTMENT OF AGRICULTURE
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**TESTIMONY OF SCOTT E. ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE SENATE COMMITTEE ON AGRICULTURE & ENVIRONMENT

**FEBRUARY 9, 2018
1:15 P.M.
CONFERENCE ROOM 224**

**SENATE BILL NO. 2522
RELATING TO AGRICULTURE**

Chairperson Gabbard and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 2522. This bill establishes the agriculture accelerator program to authorize the agribusiness development corporation to provide grants and invest in existing or new agriculture businesses approved by the board of agriculture in return for equity in those agriculture businesses. The Department supports this bill provided it does not impact the Department's priorities listed in the Executive Budget.

The work of ADC is critical in moving the State toward food security and self-sufficiency. This program helps Hawaii in its efforts to provide more local products for local consumption.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE
Governor

DOUGLAS S. CHIN
Lt. 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 COMMITTEE ON AGRICULTURE AND ENVIRONMENT

Friday, February 9, 2018
1:15 p.m.

SENATE BILL NO. 2522
RELATING TO AGRICULTURE

Chairperson Gabbard and Members of the Committee:

The Agribusiness Development Corporation (“ADC”) supports Senate Bill No. 2522 which establishes an agriculture accelerator program within Chapter 163D, Hawaii Revised Statutes, to support and invest in Hawaii’s existing farms and emerging agribusiness operations.

The ADC is an agency attached to the Hawaii Department of Agriculture tasked with transitioning former plantation lands and water systems for diversified agriculture and providing solutions to certain bottleneck issues facing today’s agriculture industry.

Establishing an agriculture accelerator program under 163D HRS will give ADC the ability to invest in existing farmers and emerging agribusiness operations to provide capital for agriculture-related improvements such as modernizing and expanding existing agricultural operations, which includes

equipment modernization and/or replacement, improving energy efficiency, research and development of new markets and products, and food safety technical training and educational services.

The most critical element of empowering farmers to make their businesses successful is the ability to leverage all resources. By investing in existing farms and emerging agribusiness, the agriculture accelerator program could help ADC foster partnerships and help farmers gain access to economic opportunities to build sustainable companies that create jobs and contribute to the strength and vigor of Hawaii's agriculture industry.

Thank you for the opportunity to testify, and for your consideration of this bill.



STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
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EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY LAUREL A. JOHNSTON
ACTING DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT
ON
SENATE BILL NO. 2522

February 9, 2018
1:15 p.m.
Room 224

RELATING TO AGRICULTURE

Senate Bill No. 2522 establishes the Agriculture Accelerator Program and the Agriculture Accelerator Special Fund (AASF) to authorize the Agribusiness Development Corporation to provide funds and invest in new or existing agriculture businesses approved by the Board of Agriculture in return for equity in those agriculture businesses. The AASF would be funded by appropriations through the Legislature, grants, donations and any interest earned from the balance in the special fund.

As a matter of general policy, the Department of Budget and Finance 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 Senate Bill No. 2522, it is difficult to determine if the proposed special fund would be self-sustaining.

Thank you for your consideration of our comments.



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February 9, 2018

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

TESTIMONY ON SB 2522
RELATING TO AGRICULTURE

Room 224
1:15 PM

Aloha Chair Gabbard, Vice Chair Riviere, 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 support the intent of SB 2522, which establishes the agriculture accelerator program to authorize the agribusiness development corporation to provide moneys and invest in existing or new agriculture businesses approved by the board of directors of the ADC in return for equity in those agriculture businesses. It also establishes an agriculture accelerator special fund to provide funds for the agribusiness development corporation to provide moneys to and invest in agriculture businesses under the agriculture accelerator program.

ADC was initiated by the agricultural industry as the closure of plantations escalated and there was a need to identify mechanisms that could quickly place farmers on lands that were destined to be idle.

HFB believes that ADC has a tremendous amount of power and has a responsibility in continuing to assist Hawaii's transition from plantation agriculture to smaller diversified agricultural operations.

Hawaii's farmers and ranchers are finding it difficult to secure the financial support necessary to build capacity. The agriculture accelerator program can result in increased capacity, new business opportunities, increase employment opportunities and address Hawaii's goals of increased self-sufficiency and sustainability.

Thank you for this opportunity to testify on this measure.

SB-2522

Submitted on: 2/7/2018 6:47:05 PM

Testimony for AEN on 2/9/2018 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dale Sandlin	Hawaii Cattlemens Council	Support	Yes

Comments: