

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 SENATE COMMITTEE ON AGRICULTURE & ENVIRONMENT

FEBRUARY 2, 2018
1:15 P.M.
CONFERENCE ROOM 224

SENATE BILL NO. 2564
RELATING TO IRRIGATION

Chairperson Gabbard and Members of the Committee:

Thank for the opportunity to testify on Senate Bill No. 2564 which authorizes general obligation bonds to finance capital improvements to the Waiahole Irrigation System. The Department strongly supports this measure.

Water is the lifeblood of agriculture. Efficient and reliable irrigation systems transport this resource to where it can be effectively used best. The State's irrigation systems are called upon to provide billions of gallons of agricultural water every year. The Waiahole Irrigation System, run by the Agribusiness Development Corporation, services the many agriculturalists in Oahu's central plain. This measure seeks to provide additional vital infrastructure funding for the Waiahole Irrigation System, which was built over a century ago, to ensure water security for Hawaii's local farmers.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE
Governor

SHAN S. TSUTSUI
Lt. Governor



JAMES J. NAKATANI
Executive Director

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

235 S. Beretania Street, Room 205
Honolulu, HI 96813
Phone: (808) 586-0186 Fax: (808) 586-0189

TESTIMONY OF JAMES J. NAKATANI
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

Friday, February 2, 2018
1:15 p.m.

SENATE BILL NO. 2564
RELATING TO IRRIGATION

Chairperson Gabbard and Members of the Committee:

My name is James Nakatani, Executive Director of the Agribusiness Development Corporation (“ADC”). The ADC strongly supports Senate Bill No. 2564 which authorize the issuance of general obligation bonds and appropriates funds to finance capital improvements to the Waiahole Irrigation System.

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.

The Waiahole Irrigation System (System) provides water to approximately 5,866 acres in the central plain that are in agricultural use. The system is of critical importance not only because of the impact on the production of crops but also because of the economic impact on the community.

Recognizing this, the ADC is taking steps to improve the efficiency of the System to reduce water loss, which can be attributed to several factors including operational

practices, seepage, leakage, soil attributes, evaporation and transpiration, illegal withdraws, structure conditions, and climate patterns.

The funding will provide the capital to make the necessary upgrades and improvements to ensure the System can deliver a reliable source of water for agricultural use for another 100 years. We appreciate your consideration of this measure.

Thank you for the opportunity to testify.

SB-2564

Submitted on: 1/31/2018 1:55:01 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Councilmember Yuki Lei Sugimura	Maui County Council	Support	No

Comments:

Please support this bill to provide additional funding for improvements to the Waiahole Irrigation System.



January 31, 2018

Senator Mike Gabbard, Chair
Senator Gil Riviere, Vice-Chair
Senate Committee on Agriculture and Environment

Support of SB 2085, Relating to Agriculture (Establishes a grant program to be administered by the agribusiness development corporation to provide financial support for agriculture-related improvements to existing and emerging farms and agribusiness operations.)

Friday, February 2, 2018, 1:15 p.m., in Conference Room 224

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. LURF's mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

LURF appreciates the opportunity to express its **support of SB 2085** and of the various agricultural stakeholder groups who defend the goals of viable agricultural operations and the conservation and protection of agriculture, including important agricultural lands (IAL) in Hawaii.

SB 2085. This bill establishes the agribusiness development corporation grant program to be administered by the corporation, the purpose of which is to provide financial support for agriculture-related improvements to existing and emerging farms and agribusiness operations.

LURF's Position. LURF members include farmers and ranchers who own, maintain, and engage in agricultural enterprises, and who consider such incentives and assistance very helpful, if not critical to the conduct of their operations and to help sustain their businesses.

As this Committee is aware, the unsustainable costs already cast upon land owners and agricultural stakeholders by various safety and security standards, programs and regulations are of serious concern, as the enactment of onerous regulations relating to maintenance and operation of water systems, infrastructure, as well as growing and

processing machinery and facilities are proving to be potentially counterproductive to the long-term objective of sustainable agriculture.

The purpose of this bill is consistent with the underlying intent and objectives of the IAL laws (Hawaii Revised Statutes [HRS], Sections 205-41 to 52), which were enacted to fulfill the mandate in Article XI, Section 3, of the Hawaii State Constitution, “to conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency and assure the availability of agriculturally suitable lands.” The IAL laws established a new paradigm which avoids requirements and mandates, and instead focuses on promoting agricultural viability by providing incentives for farmers and landowners to designate lands as IAL, and to build necessary infrastructure. This bill is thus an effort to expand the existing IAL program by establishing additional incentives for landowners to preserve and maintain IAL.

As noted in HRS Section 205-41, the intent of Act 183 (2005) was to develop agricultural incentive programs to promote agricultural viability, sustained growth of the agricultural industry, and the long-term use and protection of important agricultural lands for agricultural use in Hawaii concurrently with the process of identifying important agricultural lands as required under the Act. Such incentives and programs are expressly identified in HRS 205-41, and specifically include assistance in identifying federal, state and private grant resources for agricultural business planning and operations; as well as incentives that promote investment in agricultural businesses or value-added agricultural development, and other agricultural financing mechanisms.

LURF appreciates the objective of SB 2085, which is to support agriculture and aid agriculture-related or agribusinesses operations, and believes that the bill is consistent with the purpose and intent of the IAL laws. Passage of the long-awaited IAL legislation would be meaningless without implementation of these incentives which require the cooperation and support of the business and economic community. The establishment of a grant program for those engaged, or desirous of engaging in, or expanding agriculture-related or agribusiness operations and activities is critically needed to help support viable agricultural activity in this State.

By recognizing the significance of, and need to assist the local agriculture industry, and implement incentives which help to support the growth and maintenance of agriculture in the State, this bill significantly helps to promote economically viable agriculture and food self-sufficiency in Hawaii.

Thank you for the opportunity to present testimony in support of this measure.



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February 2, 2018

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

TESTIMONY ON SB 2564
RELATING TO IRRIGATION

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.

The Hawaii Farm Bureau strongly supports SB 2564, which authorizes the Director of Finance to issue general obligation bonds to finance capital improvements to the Waiahole Irrigation System.

Since the demise of plantation operations across the islands, we have seen the erosion of irrigation systems. Ditches that carried water fell into disrepair with major leaks in the system, and in cases such as Kau, cracks in tunnels created enough losses that there is no longer significant flow of water. The Legislature continues to advocate for increased self-sufficiency and sustainability. Agriculture must play a key role in the process and for there to be agriculture, water is important.

The Waiahole Irrigation System was built about 100 years ago and continues to be a critical infrastructure system that provides water to thousands of acres of prime agricultural lands in central Oahu. The central plains of Oahu are one of the most highly productive and diversified agricultural region in the State.

The State Agribusiness Development Corporation (ADC) recognized the importance of the system to the State's future sustainability and now owns and operates the Waiahole Irrigation system. Being that the system is aging and needs constant repairs and maintenance, additional funds will allow ADC to improve the irrigation system by adding more reservoirs that will increase storage capacity and a back-up well for emergency situations when and if the system is ever compromised during a natural disaster.

We appreciate the ADC's forward thinking approach to ensure the long term sustainability of agriculture in the central Oahu region. Farmers and their crops cannot afford to wait until there's a problem before trying to fix it.

Thank you for this opportunity to provide our opinion on this important matter.



Board of Directors

TESTIMONY FROM BENNETTE MISALUCHA, EXECUTIVE DIRECTOR

President

Alan Takemoto

In Support of SB 2564 Relating to Irrigation

Vice-President

Joshua Uyehara

SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT
Friday, February 2, 2018, 1:15 p.m.
Conference Room 224

Secretary

Dawn Bicoy

Chair Gabbard and members of the committee:

Treasurer

Laurie Yoshida

The Hawaii Crop Improvement Association (HCIA) is a Hawaii-based non-profit organization that promotes modern agriculture to help farmers and communities succeed. Through education, collaboration, and advocacy, we work to ensure a safe and sustainable food supply, support responsible farming practices, and build a healthy economy.

Directors-at-Large

Adolf Helm

Mark Stoutemyer

Dan Clegg

Gene Harrington

HCIA stands in **support of SB 2564**, which authorizes the issuance of general obligation bonds and appropriates funds to finance capital improvements to the Waiahole Irrigation System.

President Emeritus

Kirby Kester

The Waiahole irrigation system is arguably Oahu's most important irrigation system. It currently serves close to 6,000 acres of agricultural land in Central Oahu.

Executive Director

Bennette Misalucha

To continue service, the Waiahole irrigation system needs continued maintenance and financial support for ancillary systems. Providing the Agribusiness Development Corporation with the necessary resources to maintain this system is necessary to support water security for future generations. Additionally, investing in this system will promote improved efficiency and mitigate potential threats such as drought.

Thank you for the opportunity to testify.

Respectfully submitted,

Bennette Misalucha
Executive Director

SB-2564

Submitted on: 2/1/2018 10:21:01 AM

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

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

Comments: