

DAVID Y. IGE
Governor

SHAN S. TSUTSUI
Lt. Governor



SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

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

BEFORE THE SENATE COMMITTEE ON AGRICULTURE & ENVIRONMENT

**JANUARY 31, 2018
1:30 P.M.
CONFERENCE ROOM 224**

**SENATE BILL NO. 2573
RELATING TO NUTRIENT CYCLING**

Chairperson Gabbard and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 2573, which requests a \$2 million appropriation for a nutrient cycling center pilot project on Maui and requires the Department to report on the efficacy of the pilot project to the 2020 Legislature. The Department supports the intent of the bill provided that its passage does not replace or adversely impact the Department's priorities listed in the Executive Budget.

The Department lacks the scientific capability for implementing waste stream capture, composting process, undertaking and prioritizing research, and operationalizing the findings. This could be a project that a partnership between the Department of Agriculture and the University of Hawaii, College of Tropical Agriculture and Human Resources could collaborate on with agricultural stakeholder groups such as the Hawaii Farmers Union United or the Hawaii Farm Bureau Federation.

Thank you for the opportunity to testify on this measure.



SB-2573

Submitted on: 1/27/2018 4:56:15 PM

Testimony for AEN on 1/31/2018 1:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|--------------------------------|---------------------------|---------------------------|
| Autumn Ness | Hawai'i Center for Food Safety | Support | No |

Comments:



P.O. Box 99
Wailuku, HI 96793-0099
(808) 357-4999

TESTIMONY IN SUPPORT OF SB2573 (NUTRIENT CYCLING)
BEFORE THE SENATE AEN COMMITTEE
JANUARY 31, 2018, 1:30PM

Aloha Chairman Gabbard and Members of the Senate Committee on Agriculture and Environment. The Hawaii Farmers Union United (“HFUU”) appreciates the opportunity to testify in support of SB2573 to fund a pilot project to recycle local agricultural nutrients.

HFUU’s Nutrient Cycling Pilot Project Plan

Purpose - HFUU is looking for a first-year investment of \$200K in combination with other grants, sponsors, and marketing fees to start up a collaborative education, purchasing, and distribution program to help farmers, growers, and gardeners in Hawaii obtain appropriate high quality low cost compost and other soil amendments.

In 2017 with the support of the Department of Agriculture and UH CTAHR we did research on Korean Natural Farming and developed two business plans around nutrient cycling: one for a non-profit educational and technical assistance program, and a second to support the upgrade of an established composting business on Maui using a renewable energy technology that will allow this business to become profitable and ultimately provide education and low-cost amendments. We anticipate that the investment for the upgrade will come from the private sector. We are asking the state to help fund the non-profit farmer-based education program to start-up. We are designing the program to be self-sustaining after three years.

Organization - HFUU is an “agricultural” 501(c)(5) nonprofit, with nearly 1,400 members in 13 Chapters on the four largest Hawaiian Islands. It is also a chartered State Division of the National Farmers Union, dedicated to promoting education, cooperation, and national, state and local legislation to empower family farmers to make a living off the land. As noted above, this program is an extension of existing educational programs HFUU has been conducting through both its agricultural, membership nonprofit (HFUU) and its charitable, nonprofit foundation, the Hawaii Farmers Union Foundation (“HFUF”) organized under Section 501(c)(3) of the Internal Revenue Code.

Description - HFUU is already doing short, monthly education programs (10-20 minutes each) mainly focusing on good growing, safety and marketing practices at many of its monthly Chapter membership meetings using member skills and other community resources. In 2017 HFUF administered a series of four two-day workshops on Korean Natural Farming where participants learned how to make and use soil amendments primarily from materials at hand.

The proposed program will continue these collaborative activities, but also take a more proactive role in working with both local soil amendment producers, and importers of amendments to substitute local resources for imported resources on a larger scale. This proactive role will include advocating for improved quality standards and lower prices - including exploring co-operative purchasing of amendments if it makes economic sense. We will also help producers with business consulting.

Marketing Analysis and Plan - Initially marketing efforts will focus on the existing HFU membership, but we will quickly do outreach to non-members who can benefit and believe that this will increase membership as well as help HFUU understand and develop Hawaii’s existing and potential grower community as outlined in the attached financial projections.

HAWAII FARMERS UNION UNITED



Vincent Mina, President

| Hawaii Farmers Union Pilot Nutrient Cycling Program - Compost Amendment Program | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| Draft Cash Flow Projection as of 1/25/18 | | | | | |
| | | | | | |
| SOURCES OF FUNDS | | | | | |
| | 2018 | 2019 | 2020 | 2021 | 2022 |
| State of HI Grant | \$ 200,000 | \$ 100,000 | \$ 75,000 | | |
| Sponsorships/Ads | \$ 25,000 | \$ 50,000 | \$ 75,000 | \$ 100,000 | \$ 100,000 |
| Product Certification Fees | \$ 5,000 | \$ 10,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| Commissions on Sales | \$ 24,000 | \$ 34,000 | \$ 44,000 | \$ 44,000 | \$ 44,000 |
| Workshop Fees | \$ 5,000 | \$ 15,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 |
| | \$ 259,000 | \$ 209,000 | \$ 244,000 | \$ 194,000 | \$ 194,000 |
| USES OF FUNDS | | | | | |
| Develop initial marketing & education materials via web, including videos (agronomist/educator/communications team) | \$ 60,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 |
| Work with suppliers to develop standards and upgrade plans as needed and appropriate (agronomist and business development) | \$ 40,000 | \$ 40,000 | \$ 40,000 | \$ 40,000 | \$ 40,000 |
| Ongoing needs identification, purchasing negotiation, and sponsor solicitation | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| Production and purchase of initial inventories | \$ 40,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ 20,000 |
| Mobile kiosk/popup \$10k | \$ 10,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| Office/warehouse/retail facility rental | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 |
| Administration | \$ 52,800 | \$ 41,800 | \$ 48,800 | \$ 50,000 | \$ 50,000 |
| TOTAL USES | \$ 228,800 | \$ 182,800 | \$ 189,800 | \$ 191,000 | \$ 191,000 |
| CASH FLOW | \$ 30,200 | \$ 26,200 | \$ 54,200 | \$ 3,000 | \$ 3,000 |
| CASH BALANCE | \$ 30,200 | \$ 56,400 | \$ 110,600 | \$ 113,600 | \$ 116,600 |

SB-2573

Submitted on: 1/28/2018 8:12:24 PM

Testimony for AEN on 1/31/2018 1:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Susan Antonio | | Support | No |

Comments:

Aloha.

I fully support a nutrient cycling pilot on Maui to collect data on what large scale nutrient cycling centers can do for Hawai'i's economy, environment, and food security. There is no reason not to pass such a pilot. Hawai'i can lead the way.

Mahalo for your consideration.

Susan Kapulani Antonio

SB-2573

Submitted on: 1/28/2018 5:29:58 PM

Testimony for AEN on 1/31/2018 1:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------------|---------------------|---------------------------|---------------------------|
| Erika Lechuga Disalvo | | Support | No |

Comments:

SB-2573

Submitted on: 1/28/2018 2:01:56 PM

Testimony for AEN on 1/31/2018 1:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Arianna Feinberg | | Support | No |

Comments:

I am a small business owner and active community member on Maui. I strongly support SB2573 "Related to Nutrient Cycling". The pilot project could potentially solve a few of Maui's many sustainability issues such as our quickly filling landfill and our lack of locally produced fertilizer. Please allocate the money to give this pilot a chance. These are the sort of investments and experiments I want my tax dollars to go towards. Thanks for your consideration.

SB-2573

Submitted on: 1/28/2018 4:14:25 PM

Testimony for AEN on 1/31/2018 1:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|--|---------------------------|---------------------------|
| Joseph Kohn MD | We Are One, Inc. - www.WeAreOne.cc - WAO | Support | No |

Comments:

SB-2573

Submitted on: 1/28/2018 7:45:16 PM

Testimony for AEN on 1/31/2018 1:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| A Kathleen Lee | | Support | No |

Comments:

Aloha Honorable Hawai'i Senators,

The pilot program these wise legislators propose is worthwhile for our economy, soil health and protection for our precious coastal waters. I urge to vote yes and support our farming industry & environment that we pretend to support, but lack any substantive actions...this is one that makes good sense on several fronts.

Mahalo,

A small farmer in Hawi, HI

April

SB-2573

Submitted on: 1/29/2018 4:50:37 PM

Testimony for AEN on 1/31/2018 1:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| natalie | | Support | No |

Comments:

Aloha, My name is Natalie Forster and I have a farm in Kula Hawaii. One of our biggest expenses and most important inputs on the farm is organic compost. Currently we do not have the equipment and materials to make enough of our own to meet our own needs. As of right now there is not a good source for organic compost on Maui. This pilot project would really be useful to help build a system that could greatly benefit everyone on Maui. It would reduce waste, give our farmers a good source of compost that is highly needed and provide more nutritious food for those eating local with the help of the local compost

SB-2573

Submitted on: 1/29/2018 8:46:06 PM

Testimony for AEN on 1/31/2018 1:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Zen Powers | | Support | No |

Comments:

Seeing as we live in an island chain with limited resources and need to develop innovative ways to preserve our land and sea, I am in full support of allocating funds for the establishment of a nutrient cycling pilot program on Maui.

SB-2573

Submitted on: 1/29/2018 10:18:15 PM

Testimony for AEN on 1/31/2018 1:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| laura Ramirez | | Support | No |

Comments:

SB-2573

Submitted on: 1/30/2018 2:46:30 PM

Testimony for AEN on 1/31/2018 1:30:00 PM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|-------------------------------|-------------------------------|
| Melinda Buck | | Support | No |

Comments: