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Chairperson, Board of Agriculture

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Deputy to the Chairperson

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

BEFORE THE HOUSE COMMITTEE ON AGRICULTURE

**MARCH 21, 2018
8:30 A.M.
CONFERENCE ROOM 312**

**SENATE BILL NO. 2839 SD2
RELATING TO AGRICULTURE ENTERPRISES**

Chairperson Creagan and Members of the Committee:

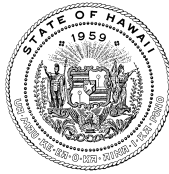
Thank for the opportunity to testify on Senate Bill No. 2839 SD2 relating to agricultural enterprises. This bill establishes a new agricultural enterprise program within the department of agriculture, establishes positions, and makes an appropriation. The department supports this measure.

This bill is intended to allow agricultural enterprises on HDOA land. The Ag Park program and the Non-Ag Park program focus on actual, physical farming activity on the land. Ancillary activity is allowed in certain cases, but only under certain conditions. Additionally, strict qualifications as a bonafide farmer must be met to hold these long-term leases. However, the HDOA believes that in order to grow the agricultural industry in general, it is in the State's interest to allow on State land, activities that support agriculture, but do not necessarily participate in the growing of a plant or animal. Examples may include, but not be limited to, agricultural educational training, farmers markets, food hubs and processing facilities, animal feed mills, etc. The business of agriculture is far broader than simply the growing of an organism. This program recognizes that the business of agriculture is just as important to the growth of agriculture as the production of the crop itself.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE
GOVERNOR



LAUREL A. JOHNSTON
DIRECTOR

KEN N. KITAMURA
ACTING DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
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**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

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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 LAUREL A. JOHNSTON
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON AGRICULTURE
ON
SENATE BILL NO. 2839, S.D. 2

**March 21, 2018
8:30 a.m.
Room 312**

RELATING TO AGRICULTURAL ENTERPRISES

Senate Bill No. 2839, S.D. 2: establishes a new Agricultural Enterprise Program (AEP) within the Department of Agriculture (DOA) to plan, design, construct, operate, manage, maintain, repair, demolish and remove infrastructure on any lands under the jurisdiction of the DOA to support and promote agriculture; creates two new positions to implement the AEP; establishes the Agricultural Enterprise Special Fund (AESF); appropriates an unspecified amount of general funds in FY 19 to be deposited into the AESF; and appropriates an unspecified amount of special funds in FY 19 in the AESF to carry out the purposes of this Act.

While the Department of Budget and Finance takes no position on the AEP, 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 Senate Bill No. 2839, S.D. 2, it is difficult to determine whether the proposed special fund would be self-sustaining.

Thank you for your consideration of our comments.



Email: communications@ulupono.com

HOUSE COMMITTEE ON AGRICULTURE
Wednesday, March 21, 2018 — 8:30 a.m. — Room 312

Ulupono Initiative Strongly Supports SB 2839 SD 2, Relating to Agriculture

Dear Chair Creagan, Vice Chair DeCoite, and Members of the Committees:

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 better management of waste and fresh water. 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 SB 2839 SD 2, which establishes an agricultural enterprise program administered by the Department of Agriculture, because it aligns with our goal of creating more locally produced food.

Agriculture is one of Hawai'i's most important and yet most challenging industries. Quality agricultural land is one of the main prerequisites for local food production. The Department of Agriculture, which is knowledgeable about managing agricultural land for farmers and ranchers, should be responsible for managing lands suitable for agriculture.

Another critical challenge for our local farmers and ranchers is to obtain adequate funding. The grant funding in this bill will stimulate and increase new investment in Hawai'i's agricultural industry.

Farming and ranching require a number of costly expenditures to succeed. Some of these costs include rent, water infrastructure, farming equipment, labor expenses, production inputs like seeds, fertilizer, and feed, as well as processing facilities, and marketing development.

With agricultural statistics showing a pronounced decrease in local farming and ranching, there is an increasing need to find new investment to support a diversified agricultural base and find meaningful employment for farm workers.

As Hawai'i's local food issues become more complex and challenging, organizations need

Investing in a Sustainable Hawai'i



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,

Kyle Datta
General Partner

SB-2839-SD-2

Submitted on: 3/19/2018 9:14:35 PM

Testimony for AGR on 3/21/2018 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

Comments:

To the Honorable Richard P. Creagan, Chair; the Honorable Lynn DeCoite, Vice-Chair, and Members of the House Committee on Agriculture:

Good afternoon. My name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") Legislative Priorities Committee of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on **SB2839 SD2** relating to Agricultural Enterprises; Agricultural Enterprise Special Fund; and an appropriation.

The OCC Legislative Priorities Committee is in favor of **SB2839 SD2** and supports its passage.

SB2839 SD2 is in accord with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it establishes a new agricultural enterprise program within the department of agriculture to plan, design, construct, operate, manage, maintain, repair, demolish, and remove infrastructure on any lands under the jurisdiction of the department, to support and promote agriculture; creates two new positions to implement the program; establishes the agricultural enterprise special fund; and makes an appropriation, effective 7/1/2050.

The DPH Platform states that "[a]griculture in our state must be preserved and its future strengthened. Sufficient prime agricultural lands must be maintained for the health, economic well-being and sustenance of the people. We believe in an integrated approach to agricultural innovation and sustainability. We encourage the responsible development of ocean resources in order to achieve sustainability of our marine resources, and ensure and improve the health of our reef and marine life.

This approach includes but is not limited to, the adoption of the native Hawaiian concept of ahupua'a, an integrated approach to land management. This could also include the development of economic, land and ocean use policies that foster sustainable crops both for local consumption and for export, policies to foster agriculture-related infrastructure at shipping points, and increased inspection to protect against invasive species and to encourage reduced holding times.

We will promote the ethical and safe production of livestock, dairy products, poultry and eggs.." (Platform of the DPH, P.2, Lines 76-88 (2016)).

As an island state, securing affordable food for all is a priority. We support

healthy, sustainable, and diversified local food production, and “Buy Local” strategies to assure greater food security and food safety.

We recognize the essential link between the availability of adequate and affordable water and low-cost electrical power as essential components of viable agricultural businesses.

We support land use planning and infrastructure development to support sustainable diversified agriculture, including low-cost inter-island transportation of agricultural products. We likewise support publicly funded research and development for agricultural diversification and value-added products. (Platform of the DPH, P.2, Lines 97-107 (2016)).

Given that **SB2839 SD2** establishes a new agricultural enterprise program within the department of agriculture to plan, design, construct, operate, manage, maintain, repair, demolish, and remove infrastructure on any lands under the jurisdiction of the department, to support and promote agriculture; creates two new positions to implement the program; establishes the agricultural enterprise special fund; and makes an appropriation, effective 7/1/2050, it is the position of the OCC Legislative Priorities Committee to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC Legislative Priorities Committee

Email: legislativepriorities@gmail.com, Text/Tel.: (808) 258-8889

LATE

SB-2839-SD-2

Submitted on: 3/20/2018 1:52:44 PM

Testimony for AGR on 3/21/2018 8:30:00 AM

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

Comments: