

DAVID Y. IGE  
Governor

DOUGLAS S. CHIN  
Lt. Governor



SCOTT E. ENRIGHT  
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER  
Deputy to the Chairperson

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

**BEFORE THE SENATE COMMITTEES ON AGRICULTURE & ENVIRONMENT AND  
ECONOMIC DEVELOPMENT, TOURISM, & TECHNOLOGY**

**MARCH 23, 2018  
1:15 P.M.  
CONFERENCE ROOM 224**

**SENATE CONCURRENT RESOLUTION NO. 164/SENATE RESOLUTION NO. 123  
REQUESTING THE BOARD OF AGRICULTURE TO DEFINE "AGRICULTURAL HUB"  
OR "FOOD HUB" AND, IN COLLABORATION WITH THE AGRIBUSINESS  
DEVELOPMENT CORPORATION, IDENTIFY AREAS IN THE STATE THAT ARE  
POTENTIALLY SUITABLE TO BECOME AGRICULTURAL HUBS OR FOOD HUBS.**

Chairperson Gabbard, Chairperson Wakai and Members of the Committees:

Thank you for the opportunity to testify on SCR 164/SR 124 that have two requests. The first request is for the Board of Agriculture to include under the definition of "agricultural hub" or "food hub", a centrally-located facility with a business management structure that facilitates the aggregation, storage, processing, distribution, and marketing of locally produced food products. The second request is that the Board of Agriculture and the Agribusiness Development Corporation identify areas in the State that are potentially suitable to become agricultural hubs or food hubs. The Department of Agriculture offers comments.

Section 205-2(d)(15)(E) already defines a "food hub" as: "a facility that may contain a commercial kitchen and provides for the storage, processing, distribution, and sale of agricultural products grown in Hawaii and value-added products that were produced using agricultural products grown in Hawaii."



As for the location of potential “food hubs” throughout the State, the “Statewide Agricultural Land Use Baseline (2015)” has identified the Whitmore complex as a “food processing hub” (page 57) for local farmers such as those that may establish agricultural operations on the 1,200 acres of former Galbraith Estate agricultural land in Central Oahu now owned by the Agribusiness Development Corporation. We are also aware of a project by Aloun Farms called the Ohana Farm Parcels, a 427-acre condominium property regime just north of Whitmore Village. Farms on this property may benefit from a “coordinating entrepreneur” who will also offer a centralized processing, storage, and distribution facility on site.

Identifying the location of other potential food hub sites throughout the State may need to consider the amount of agricultural production needed to sustain the core operations of a food hub facility. Existing farmers will have to be convinced that entering into a relationship with a food hub is advantageous enough to cause them to no longer sell their products through existing channels. In the case of new agricultural lands being offered to agricultural operations, perhaps a modular approach to food hub development would reduce the risk of developing a food hub with over-capacity for the throughput available. In either case, private and public investors will expect their return-on-investment to meet their expectations.

Thank you for the opportunity to testify on these resolutions.

**DAVID Y. IGE**  
Governor

**DOUGLAS S. CHIN**  
Lt. Governor



**JAMES J. NAKATANI**  
Executive Director

STATE OF HAWAII  
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TESTIMONY OF JAMES J. NAKATANI  
EXECUTIVE DIRECTOR  
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE COMMITTEES ON AGRICULTURE AND ENVIRONMENT AND  
ECONOMIC DEVELOPMENT, TOURISM AND TECHNOLOGY

Friday, March 23, 2018  
1:15 p.m.

SENATE CONCURRENT RESOLUTION 164  
REQUESTING THE BOARD OF AGRICULTURE TO DEFINE "AGRICULTURAL HUB"  
OR "FOOD HUB" AND, IN COLLABORATION WITH THE AGRIBUSINESS  
DEVELOPMENT CORPORATION, IDENTIFY AREAS IN THE STATE THAT ARE  
POTENTIALLY SUITABLE TO BECOME AGRICULTURAL HUBS OR FOOD HUBS.

Chairpersons Gabbard and Wakai and Members of the Committees:

My name is James Nakatani, Executive Director of the Agribusiness Development Corporation ("ADC"). The ADC supports Senate Concurrent Resolution 164 which requests the Board of Agriculture to define "Agricultural Hub" or "Food Hub" and, in collaboration with the Agribusiness Development Corporation, identify areas in the State that are potentially suitable to become agricultural hubs or food hubs.

In order for diversified agriculture to grow in the State, it is important to establish the necessary infrastructure for packing and distribution that one farmer cannot sustain alone and reestablish agricultural hubs that were lost in the decline of the sugarcane and pineapple industries. ADC's projects in the Whitmore Village area on Oahu highlight this potential and illustrate the complexity in implementing such a project. ADC looks forward to collaborating with the Board of Agriculture on defining agricultural and food hubs and identifying reasonable locations for implementation.

Thank you for the opportunity to testify.

**SCR-164**

Submitted on: 3/21/2018 9:16:46 PM

Testimony for AEN on 3/23/2018 1:15:00 PM

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

Comments: