

SB 1545

DAVID Y. IGE
Governor

JOSH GREEN
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
MONDAY, February 4, 2019
1:20 p.m.

SENATE BILL NO. 1545
RELATING TO AN APPROPRIATION FOR THE ESTABLISHMENT OF A BIOFUEL
AND ANIMAL FEED FACILITY

Chairperson Gabbard and Members of the Committee:

My name is James Nakatani, Executive Director of the Agribusiness Development Corporation (“ADC”). The ADC supports Senate Bill No. 1545, which authorizes the issuance of general obligation bonds and appropriates funds for plans, design, construction, and equipment for a biofuel and animal feed facility in Keaau in the County of Hawaii.

The biofuel and animal feed facility is part of a partnership between the Daniel K Inouye U.S. Pacific Basin Agriculture Research Center (PBARC) and ADC to research and commercialize zero-waste processes. The focus of the partnership is to identify and transform agricultural waste streams into commercially viable products. This project processes papaya culls and uses the resulting material as the foundation to grow algae for biofuel and animal feed. Zero-waste research is essential to reduce agriculture’s impact on the environment and create new commercial opportunities for the industry.

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

SB-1545

Submitted on: 2/3/2019 3:35:18 PM

Testimony for AEN on 2/4/2019 1:20:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Micah Munekata	Testifying for Hawaii Department of Agriculture	Support	No

Comments:

The Department supports this partnership between PBARC and ADC.

LATE

Senator Mike Gabbard, Chair

Senator Russell E. Ruderman, Vice Chair

COMMITTEE ON AGRICULTURE AND ENVIRONMENT

Dear Chair Gabbard, Vice-Chair Ruderman, and Committee members:

RE: SB 1545, RELATING TO AN APPROPRIATION FOR THE ESTABLISHMENT OF A BIOFUEL AND ANIMAL FEED FACILITY

I am not aware of any direct involvement by Hawaii County with this project, but our relationship with the Daniel K Inouye U.S. Pacific Basin Agriculture Research Center (PBARC) and the Agribusiness Development Corporation (ADC) is such that I have great faith in their initiatives. Moreover, the idea of reducing papaya waste and turning it into a commercially viable product is very positive.

Please support SB 1545.

VTY



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January 31, 2019

TESTIMONY IN SUPPORT OF SB 1545

RELATING TO AN APPROPRIATION FOR THE ESTABLISHMENT OF A BIOFUEL AND ANIMAL FEED FACILITY

Chair Gabbard, Vice Chair Ruderman
Senate Conference Room 224
February 4, 2019 1:20pm

Pacific Biodiesel is in strong support of SB 1545

Years of research have concluded that several economically viable pathways exist to support farmers on Hawaii Island by creating value-added products from their raw materials. Unfortunately, many of these processes are too technically complicated and capital intensive for the average farmer to do on their own. The State of Hawaii, through the ADC, has the ability to help get over this hurdle.

This proposed processing facility will create several distinct processing lines. The initial lines may process macadamia nuts and sunflower seeds into cosmetic oils, culinary oils, and feedstock for biodiesel production. Also created will be high protein animal feed and fertilizer. As new crops are developed, such as hemp, pongamia, or moringa, these items can be processed at this facility as well.

Markets for these products are being established in the State as well as on the US mainland and Asia. This project is an excellent opportunity to put Hawaii farmers on solid footing with high value products creating family-wage jobs.

I encourage you to support this important agriculture and energy project.

Mahalo,

Robert King, President
Pacific Biodiesel Technologies, LLC

renewable • sustainable • community-based



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February 4, 2019

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

TESTIMONY ON SB 1545
RELATING TO AN APPROPRIATION FOR THE ESTABLISHMENT OF A BIOFUEL AND
ANIMAL FEED FACILITY

Room 224
1:20 PM

Aloha Chair Gabbard, Vice Chair Ruderman, and Members of the Committee:

I am Brian Miyamoto, Executive Director 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 interest of our diverse agricultural community.

The Hawaii Farm Bureau supports the intent of SB 1545, which authorizes the issuance of general obligation bonds and appropriates funds for a biofuel and animal feed facility in Keaau in the County of Hawaii.

Hawaii's livestock industry faces numerous challenges. One of their biggest challenges is the rising cost of feed for livestock production. These costs have been a contributing factor to the decline of the state's livestock industry.

In 2007, there were 5 dairies and 6 egg farms in Hawaii. Since then, 4 of those dairies and 4 off those egg farms have gone out of business. The remaining egg farms and our last dairy are currently threatened with closure, due to rising production costs, primarily the cost of feed.

The development of local feed will help contribute to waste-reduction and recycling by using waste materials, such as cooking or trap grease oil, virgin vegetable oil and animal fats, as well as agricultural crops like unusable macadamia nuts, fruits and shells, and converting these low to no value agricultural products into high value co-products like biofuel and high protein livestock feed.

SB 1545 will help to keep fresh locally produced milk, eggs, beef, pork, poultry, sheep, lamb, fish, and crustaceans available to the residents of Hawaii and will help to revitalize our dwindling livestock industry. A decrease or absence of livestock production increases the State's reliance on the importation of food and threatens the State's food security. Thank you for the opportunity to testify on this measure.

SB-1545

Submitted on: 1/29/2019 11:33:03 PM

Testimony for AEN on 2/4/2019 1:20:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Koohan Paik	Individual	Oppose	No

Comments: