



Hawai'i Aquaculture & Aquaponics Association

Hawai'i Cattlemen's Council

Hawai'i Farm Bureau Federation

Hawai'i Farmers' Union United

Hawai'i Food Industry Association

Hawai'i Food Manufacturers Association

Kohala Center

Land Use Research Foundation of Hawai'i

Maui Farm to School Network (Maui F2SN)

Ulupono Initiative

College of Tropical Agriculture and Human Resources - University of Hawai'i at Manoa

HOUSE COMMITTEE ON FINANCE

February 23, 2021 – 2:00 P.M. – Via Videoconference

RE: HB 871 HD1 - Relating to Agricultural Enterprises – In Support

Aloha Chair Luke, Vice Chair Cullen and Members of the Committee:

The Local Food Coalition **supports** HB 871 HD1, which authorizes 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 department, to support and promote agriculture; establishes the agricultural enterprise program; establishes the Agricultural Enterprise Special Fund; and requires the Board of Agriculture to annually report an accounting of non-agricultural park lessees to the Legislature.

Smaller scale farming operations, particularly those in diversified agriculture, often do not have ready access to processing, packing, storage and distribution facilities, and usually do not have the financial resources to construct these facilities.

The agricultural enterprise program would allow DOA or a lessee to "plan, design, construct, operate, manage, maintain, repair, demolish, and remove facilities" on designated lands; would allow transfer of suitable land from DLNR to DOA; and would provide funding and personnel to implement the program. Hawaii's agriculture industry needs assistance in becoming modernized. These types of operations are extremely costly and not within the budgets for new or expanding small and medium sized farms. Outside investment or partnerships could work for our farmers but current DOA rules significantly limit these opportunities.

The Local Food Coalition is an organization comprising of farmers, ranchers, livestock producers, investors and other organizations working to provide Hawaii's food supply.

We respectfully request your support of HB 871 HD1. Thank you for the opportunity to submit testimony.

John Garibaldi
808-544-8319

igaribaldi@wik.com



EAST OAHU COUNTY FARM BUREAU

910 CALIFORNIA AVE., WAHIAWA, HI 96786

February 20, 2021

Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair
House Committee on Finance
State Capitol, 415 S. Beretania St.
Honolulu, Hawai'i 96813

Dear Chair Luke, Vice Chair Cullen, and Members of the Committee,

The East O'ahu County Farm Bureau, which represents approximately 420 farmers and supporters of agriculture from Waimanalo to Kahuku, **strongly supports HB 871**, "Relating to Agricultural Enterprises," which would establish an agricultural enterprise program under HDOA.

Modern agriculture often requires infrastructure such as greenhouses, shade houses, drip irrigation lines, aquaculture tanks, and processing, packing, and storage facilities. Farmers need to satisfy increased food safety requirements, to conserve water, to reduce fertilizer input, and to protect their crops from pests and diseases while minimizing pesticide use – all while maintaining or increasing yield and quality in order to compete in the marketplace. Farmers, especially new farmers or small-to-medium-size operations, often cannot afford to pay for all the needed facilities. Compounding the problem, current HDOA rules restrict the percentage ownership that outside investors can hold in a farm leasing HDOA lands, making it difficult for farmers to raise funds to build and improve their farms.

HB 871 would establish an agricultural enterprise program allowing HDOA and/or its lessees to build and maintain agricultural infrastructure on designated lands. Under this program, HDOA could enhance its lands' productive capacity by installing needed facilities, including processing, packing, storage, and distribution facilities that can serve many farms. In addition, the enterprise leases would be subject to different rules than current HDOA leases, allowing for greater private investment in the farms themselves. The enterprise program would strongly encourage the development of new farms and improvements to existing farms on the subject lands. We therefore respectfully urge your committee to support passage of HB 871.

Thank you for the opportunity to testify on this important matter.

Sincerely,

Frederick M. Mencher
for Grant Hamachi, President
East O'ahu County Farm Bureau



February 19, 2021

Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair
House Committee on Finance

Testimony in Support of HB 871, H.D.1, Relating to Agricultural Enterprises (Authorizes 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; establishes the Agricultural Enterprise Program and the Agricultural Enterprise Special Fund; and requires the Board of Agriculture to annually report an accounting of non-agricultural park lessees to the Legislature; effective 1/1/2050.)

Tuesday, February 23, 2021, 2:00 p.m., in Conference Room 308, via Videoconference

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 utility companies. One of LURF's missions 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 provide testimony in **support of HB 871, H.D.1**, and to offer comments.

HB 871, H.D.1. The purpose and intent of this bill is to authorize the DOA or its lessees to plan, design, construct, operate, manage, maintain, repair, demolish and remove infrastructure or improvements on any lands over which the DOA has jurisdiction where the activity is necessary to support and promote agriculture; accept from the Department of Land and Natural Resources the transfer of any lands that will serve an agricultural purpose; and efficiently operate or manage those resources. This measure is also intended to promote and support diversified agriculture and increase agricultural self-sufficiency by establishing an agricultural enterprise program within the DOA, which is found by the Legislature to be in the State's best interests and helps to meet State constitutional requirements.

LURF's Position. LURF members include private property owners, farmers and ranchers who own, maintain, and engage in agricultural enterprises, and who consider programs and incentives such as that proposed by this bill critical to the conduct of their operations and to help sustain their businesses. These landowners and agricultural stakeholders believe HB 871, H.D.1 will greatly assist with launching such incentives and with the unaffordable costs which must be incurred in connection with agricultural enterprises, projects, and activities. Creation of the Agricultural Enterprise Program will also expressly allow for ancillary and other activities that support the economic viability and success of the local agricultural industry.

As this Committee is aware, the unsustainable costs which have already been cast upon agricultural stakeholders over the past years by various safety and security standards, programs and regulations, as well as the enactment of onerous regulations relating to water systems, infrastructure, and growing and processing machinery and facilities, are now greatly exacerbated by the COVID-19 pandemic, proving to be overwhelming, if not devastating to the agricultural industry as well as the State's long-term objective of sustainable agriculture.

The purpose of this bill is consistent with the underlying intent and objectives of the Important Agricultural Lands (IAL) laws (Hawaii Revised Statutes, 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."

LURF therefore lauds the objective of HB 871, H.D.1, which is to support diversified agriculture; provide needed assistance to agriculture-related operations; and to expand Hawaii's agricultural industry. Passage of the long-awaited IAL legislation would be meaningless without implementation of such measures. By recognizing the significance of, and need to assist the local agriculture industry, and implement incentives and measures 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.

As issues relating to and food safety and security continue to be a significant concern, LURF and its members appreciate this measure being taken to assist agricultural stakeholders.

For the reasons stated above, LURF is in **support of HB 871, H.D.1** and respectfully urges your favorable consideration of this bill.

HB-871-HD-1

Submitted on: 2/22/2021 11:48:24 AM

Testimony for FIN on 2/23/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jason Moniz	Individual	Support	No

Comments:

I am a member of the Hamakua County Farm Bureau and I am in support of HB871 HD1.

Thank you,

Jason D. Moniz

HB-871-HD-1

Submitted on: 2/22/2021 12:25:31 PM

Testimony for FIN on 2/23/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Taylor Kellerman	Individual	Support	No

Comments:

Aloha,

Please support this bill. Infrastructure, particularly shared infrastructure is crucial for our farmers and ranchers to not only get their products to market, but to compete within the market place and remain financially relevant.

Thank you for your consideration

Taylor Kellerman

Director of Diversified Agriculture and Land Stewardship

Kualoa Ranch Hawaii

HB-871-HD-1

Submitted on: 2/22/2021 12:28:01 PM

Testimony for FIN on 2/23/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Stephanie Mock	Individual	Support	No

Comments:

Aloha Chair Luke, Vice-Chair Cullen, and members of the committee,

I support HB 871 HD1, which authorizes 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. HB 871 HD1 also establishes the agricultural enterprise program and the agricultural enterprise special fund.

This measure supports smaller-scale farming operations, particularly those in diversified agriculture, often do not have ready access to processing, packing, storage, and distribution facilities, and usually do not have the financial resources to construct these facilities. The agricultural enterprise program would allow HDOA or a lessee to "plan, design, construct, operate, manage, maintain, repair, demolish, and remove facilities" on designated lands.

Mahalo for your consideration.

HB-871-HD-1

Submitted on: 2/22/2021 1:21:18 PM

Testimony for FIN on 2/23/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kalani	Individual	Support	No

Comments:

Please pass this bill so that DOA can better support our local farmers. Thank you.

HB-871-HD-1

Submitted on: 2/22/2021 1:45:57 PM

Testimony for FIN on 2/23/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
J Ashman	Individual	Support	No

Comments:

Farmers on State DOA administered land leases need this bill to give DOA flexibility in how it supports agriculture. Modern agriculture has changed and is evolving quickly. In order to remain viable and help Hawaii meet its self-sufficiency goals, DOA must have the authority to support farmers in new and innovative ways.

Please pass HB 871 HD1.

Thank you.

HB-871-HD-1

Submitted on: 2/22/2021 2:46:29 PM

Testimony for FIN on 2/23/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Randy Cabral	Individual	Support	No

Comments:

Strongly support

**LARRY JEFTS FARMS, LLC
PO BOX 27
KUNIA, HAWAII 96759
(808) 688-2892**

HB237hd1, Relating to Invasive Species
House FIN Hearing – 2:00pm
Tuesday, February 23, 2021

Testimony by: Larry Jeffs
Position: Support

Chair Luke, Vice Chair Cullen, and Members of the House FIN Committee:

I am Larry Jeffs, owner and operator of Larry Jeffs Farms, LLC. We have more than 42 years of Hawaii farm experience on Molokai and Oahu. I am a volunteer director, serving as Chair of the West Oahu Soil and Water Conservation District (SWCD). I have been an officer of the Hawaii Farm Bureau for many years.

Livestock ranching has an estimated annual value of \$68 million with 142,000 beef cattle on more than 1,300 ranches---60% are raised on the Big Island. It's an industry that is striving to bring local food to Hawaii consumers.

Two-lined spittlebug damage results in entire pastures reduced to dust and replaced with weeds that cattle cannot eat. This damage causes runoff and affects the surrounding land and water. More importantly, it has a direct impact on food production and replacement of imported beef.

As such, please consider the appropriations request to mitigate and control the spittlebug and restoration of pasture lands among the budget priorities during these challenging times.

Thank you for the opportunity to testify on this bill.



Email: communications@ulupono.com

HOUSE COMMITTEE ON FINANCE
Tuesday, February 23, 2021 — 2:00 p.m.

Ulupono Initiative supports HB 871 HD 1, Relating to the Agricultural Enterprises.

Dear Chair Luke and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food; renewable energy and clean transportation; and better management of freshwater and waste.

Ulupono supports HB 871 HD 1, which authorizes 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 department, to support and promote agriculture.

Ulupono supports the DOA's Enterprise Program, which provides additional infrastructure and services directly supporting local producers' post-harvest opportunities. Agricultural infrastructure such as the Kalaelo harvesting facility, Honalo Marshalling yard, and the Kamuela Vacuum Cooling Plant are extremely important in providing crucial markets to agriculturalists statewide. The DOA's management of such a program is important to support the State's goals on food production.

We recognize that you face many difficult decisions this year to balance the budget in the midst of this economic crisis, but we hope that this support for local agriculture can be considered.

Thank you for this opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

Investing in a Sustainable Hawai'i



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
Tuesday, February 23, 2021 at 2:00 p.m.

By
Nicholas Comerford, Dean
College of Tropical Agriculture and Human Resources
University of Hawai'i at Mānoa

HB 871 HD1 – RELATING TO AGRICULTURAL ENTERPRISES

Chair Luke, Vice Chair Cullen, and members of the House Committee on Finance:

Thank you for this opportunity to testify in strong support of HB 871 HD1 relating to agricultural enterprises.

Given the desire by the state government, state agencies, and University of Hawai'i at Mānoa (UHM), College of Tropical Agriculture and Human Resources (CTAHR) to increase all aspects of agriculture for the benefit of the residents of Hawai'i, the Hawai'i Department of Agriculture (HDOA) requires the ability and authority that is outlined in this bill.

HB 871 HD1 gives HDOA the ability and authority to accomplish its basic mission to “conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency and assure the availability of agriculturally suitable lands.”

UHM/CTAHR understands, through experience, that HDOA is critical to the agricultural future of the state of Hawai'i. It is tasked with diverse responsibilities and focuses on those responsibilities with limited manpower and monetary resources. HB 871 HD1 and its intent are fundamental to HDOA's mission.

Given the state's current economic situation, HB 871 HD1 will also be a mechanism for implementing the needed changes and management objectives with which HDOA is tasked.

Therefore, the University strongly supports the intent of this bill, but is aware of the current financial climate of the State of Hawai'i and realizes that state funding is reduced. For the next fiscal biennium, the University of Hawai'i Board of Regents approved a budget request for the University that was flat, and did not seek any increased funding to the University. UH defers to HDOA on their priorities.



P.O. Box 253, Kunia, Hawai'i 96759
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e-mail info@hfbf.org; www.hfbf.org

February 23, 2021

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON HB 871, HD1
RELATING TO AGRICULTURAL ENTERPRISES

Conference Room 308
2:00 PM

Aloha Chair Luke, Vice-Chair Cullen, 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 1,800 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 supports HB 871, HD1, which would establish an enterprise program under the Hawaii Department of Agriculture.

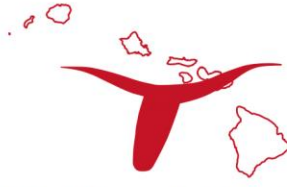
This is a much-needed program that would boost Hawaii's agricultural production and success to the levels our state needs to become more self-sufficient. Our farmers need this assistance. Our communities need the results of this program.

With the passage of this bill, HDOA will be better able to support and promote agriculture through increased management and control of the lands under its jurisdiction.

Hawaii's agriculture needs assistance in becoming modernized. Controlled environment production, on-site processing, cold storage, and value-added processing will promote environmental sustainability and meet consumer demands. These types of operations are extremely costly and not within the budgets for new or expanding small and medium-sized farms. Outside investment or partnerships could work for our farmers but current HDOA rules significantly limit these opportunities.

Please support Hawaii's efforts to retain and grow its agricultural industry in order to provide our communities with the food and other products they need.

Thank you for the opportunity to support this important measure.



Hawaii Cattlemen's Council, Inc.

COMMITTEE ON FINANCE
Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair

HB871 HD1

Relating to agricultural enterprises

Tuesday, February 23, 2021, 2:00 pm
VIA Video Conference

Chair Luke, Vice Chair Cullen, and Members of the Committee,

The Hawaii Cattlemen's Council **supports HB871 HD1** to establish the agricultural enterprise program. Smaller farming and ranching operations do not have the capacity or access to processing, packaging, storing, and distribution facilities. Funding and support is needed for the Department of Agriculture to implement this program that will assist our farmers and ranchers to get access to the facilities they need to continue to operate.

The COVID pandemic has highlighted the need to support local farmers and ranchers and to streamline and bolster steps along the supply chain. Thank you for the opportunity to testify on this matter.

Nicole Galase
Hawaii Cattlemen's Council
Managing Director



Hawaii Cattlemen's Council

Position Statement on Local Beef Production

One of the core strengths of any society lies in its ability to be self-sufficient, to feed itself. Hawaii's beef producers are committed to providing wholesome food for its community that is safe, secure and sustainable.

For most of its existence, Hawaii's beef industry has followed a conventional model with production, harvest and processing occurring within state. In the early 1990's, a combination of rising costs and inefficiencies led Hawaii producers to shift to an export calf model which remains dominant today. However, with increasing consumer demand for locally sourced food, there is renewed focus on expanding local beef production. Several private labels have emerged over the last 10 years, raising the flavor and tenderness profile for local beef, further driving demand. The groundwork for expansion has been set.

In recent years, Hawaii Cattlemen's Council (HCC) and the Hawaii Department of Agriculture (HDOA) recognized limited harvest capacities as one of the primary constraints for expanding local beef production. It has been HCC's position that each island should have access to a full complement of harvest and processing facilities. The economic benefit of efficiencies achieved with consolidation should be balanced with the unique challenges Hawaii's beef industry faces. These include;

- the vulnerability of interisland transportation of perishable goods and/or live animals as it relates to;
 - food security and safety, animal welfare, affordable shipping rates, labor disputes and equipment failure
- the need to develop and maintain a diversified economic base and skilled labor force on outer islands
- limited competitive markets
- quasi-public responsibility of state-owned food processing facilities

Among other things previously identified (see attached, "A Livestock Harvest Facility for Hawaii"), the ideal model should address;

- Flexible marketing – direct sale vs retained ownership
- Increased capacity/access for all producers to harvest, process and market
- Growth of market share through "coopetition" vs direct competition
- Compliance with regulatory planning concepts and concerns, especially as related to environmental issues
- Preservation of the integrity of locally labeled beef
- Opportunity to expand locally branded products

Our producers continue to provide high-quality grass-fed beef year-round, which serves a loyal, sustainability-minded customer base that increasingly want to know where their food comes

from. HCC supports a business model that facilitates infrastructure that allows each island to maintain autonomy over its beef production from gate to plate.

A Livestock Harvest Facility for the State of Hawaii Hawaii Cattlemen's Council



Senate Bill 1257 provides \$1.5M for the planning and design of a livestock harvest facility within the state of Hawaii. This is an ambitious initiative that represents our strong belief in the future of our industry and our commitment to building infrastructure that will help grow and expand our local markets.

Our critical need for this project is based on the following;

- a. increased consumer demand for local beef
- b. increased market demand created by expanding programs, such as our schools' Aina Pono initiative
- c. availability for producers' strategic culling programs
- d. security for animal welfare in the face of disease or drought

The Request for Proposal (RFP) for planning and design should include the following key components and deliverables from firms who will respond;

1. An analysis of a viable business/feasibility plan that addresses expected throughput, revenues, expenses and return on investment related to the operation of a new facility. Our initial recommendation for Hawaii Island is for a 5,000 head capacity that can be expanded to 10,000 head/year. This will be varied island by island. We see this information as critical to attracting capital to our state and industry.
2. Schematics and drawings of the layout of a new facility that can be adapted to meet different environmental conditions for each island and can scale up or down to meet production needs.
3. Analysis and review of technologies to support the remote locations and sensitive environments in which this facility will operate.

4. Review of the following key features of the facility itself. These features will ensure that the proposed model will meet our goal of creating a facility that serves the sustainability needs of our industry addressed through these economic, social and environmental considerations.

Economic	<ul style="list-style-type: none"> • Capacity (target steady state, initial, and ramp up) • Scalable/modular • Marketing partner • Added value/processing • Certification for specialty markets – i.e. export, BRC, GFSI • Management expertise • Transportation costs • Flexible marketing – direct sale vs retained ownership • Innovation and technology • Useful life • Potential for multi-species use • Scope of facility—slaughter, processing, and further processing capabilities • Value Added Products and Processing
Social	<ul style="list-style-type: none"> • Food safety • Worker safety • Animal well-being • Employee engagement • Central location • Affordable housing
Environmental	<ul style="list-style-type: none"> • Renewable energy • Waste disposal - bio digester • Water resources and requirements • Critical path for permits • Environmental Impact Statement • Air emissions/odor • Proximity to existing infrastructure and need for establishment of new connections to electrical, water, wastewater, and roadways.

HCC believes our industry and agriculture as a whole are at a critical crossroads. There is a great deal to be optimistic about including consumer demand for more locally sourced food, public officials who have declared a commitment to improve Hawaii’s food security, an advocate in our HDOA administration who believe in the need for Hawaii’s agriculture to thrive and people within the ranching community with the will to move our industry forward. These things combine to create powerful synergy to keep our industry and agriculture a vibrant and relevant part of our state’s economy and landscape. This project is the result of that synergy and a real, tangible move forward for the beef industry.

HB-871-HD-1

Submitted on: 2/22/2021 9:58:08 AM

Testimony for FIN on 2/23/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Kau	Hawaii Department of Agriculture	Support	No

Comments:

I am available for questions.

HB-871-HD-1

Submitted on: 2/22/2021 11:25:49 AM

Testimony for FIN on 2/23/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Alan Gottlieb	Ponoholo Ranch Limited	Support	No

Comments:

Please support HB 871 HD1

HB-871-HD-1

Submitted on: 2/22/2021 11:32:52 AM

Testimony for FIN on 2/23/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Chad Cleveland	Ahualoa Family Farms	Support	No

Comments:

Aloha Chair Luke, Vice-Chair Cullen, and members of the committee,

I support HB 871 HD1, which authorizes 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. HB 871 HD1 also establishes the agricultural enterprise program and the agricultural enterprise special fund.

This measure supports smaller-scale farming operations, particularly those in diversified agriculture, often do not have ready access to processing, packing, storage, and distribution facilities, and usually do not have the financial resources to construct these facilities. The agricultural enterprise program would allow HDOA or a lessee to "plan, design, construct, operate, manage, maintain, repair, demolish, and remove facilities" on designated lands.

Mahalo,

Ahualoa Family Farms



HAWAII CROP IMPROVEMENT ASSOCIATION

In Support of HB871 HD1
Relating to Agricultural Enterprises

House Committee on Finance

Date: Tuesday, February 23, 2021
Time: 2:00 p.m.
Place: Via Video Conference
Conference Room 308

Chair Luke, Vice-Chair Cullen, and members of the committee:

Thank you for allowing the Hawaii Crop Improvement Association the opportunity to provide testimony in support of HB871 HD1 which authorizes 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; establishes the agricultural enterprise program; establishes the Agricultural Enterprise Special Fund; and requires the Board of Agriculture to annually report an accounting of non-agricultural park lessees to the Legislature.

The success of farmers is integral to meeting the State's food sustainability goals. As it is, many farmers don't have access to processing, packing, storage, and distribution, nor do they have the financial resources to construct these facilities.

The proposed Agricultural Enterprise Program will help farmers optimize productivity, support and promote agriculture through farmers markets, food hubs, and processing facilities, and enable agricultural educational training. These types of operations are extremely costly and not within the budgets for most local farmers. Outside investment, and/or partnerships, could work for farmers but current HDOA rules limit these opportunities.

We respectfully request your support for HB871 HD1 to make agriculture more sustainable for Hawaii's farmers. If you have any questions, please contact me at your convenience. Mahalo for your time and consideration.

Sincerely,

Emmanuel Zibakalam

Executive Director, Hawaii Crop Improvement Association

The Hawaii Crop Improvement Association 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.

HB-871-HD-1

Submitted on: 2/22/2021 11:57:30 AM

Testimony for FIN on 2/23/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jerry Nishek	Kauai Nursery & Landscaping Inc.	Support	No

Comments:

Aloha Chair Luke, Vice-Chair Cullen, and members of the committee,

I support HB 871 HD1, which authorizes 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. HB 871 HD1 also establishes the agricultural enterprise program and the agricultural enterprise special fund.

This measure supports smaller-scale farming operations, particularly those in diversified agriculture, often do not have ready access to processing, packing, storage, and distribution facilities, and usually do not have the financial resources to construct these facilities. The agricultural enterprise program would allow HDOA or a lessee to "plan, design, construct, operate, manage, maintain, repair, demolish, and remove facilities" on designated lands.

Mahalo,

Jerry Nishek

Kauai Nursery & Landscaping Inc.

3-1550 Kaumualii Highway, Lihue HI 96766

HB-871-HD-1

Submitted on: 2/22/2021 12:49:18 PM

Testimony for FIN on 2/23/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Stephanie A Whalen	HARC	Support	No

Comments:

Supporting agricultural enterprises is important to the future growth of the agricultural industry. There is a note of caution though that before building something for the industry there needs to be some commitment by individual producers that they will use the facility and provide payment for use if that is necessary to maintain the facility.

HB-871-HD-1

Submitted on: 2/22/2021 12:50:16 PM

Testimony for FIN on 2/23/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ronald Weidenbach	Hawaii Aquaculture & Aquaponics Association	Support	No

Comments:

HB871 is a detailed and carefully conceived measure to support the development, infrastructure and commercial operation of diversified agriculture farms, including aquaculture and aquaponics enterprises, on Hawaii Department of Agriculture lands. If we as a State are serious about diversifying our economy and improving local food production, food safety, and food security, then the passage of HB 871 is an important and necessary step to enable HDOA lands to developed and utilized for this fundamental economic purpose and to encourage and facilitate the continuation of farming in Hawaii. The Hawaii Aquaculture and Aquaponic Association strongly supports this measure.

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS M. ATTA
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

LATE

TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON FINANCE

FEBRUARY 23, 2021
2:00 P.M.
VIA VIDEOCONFERENCE

HOUSE BILL NO. 871 HD1
RELATING TO AGRICULTURAL ENTERPRISES

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to testify on House Bill 871 HD1 relating to agricultural enterprises. This bill establishes a new agricultural enterprise program within the Hawaii Department of Agriculture (Department), establishes the Agricultural Enterprise Special Fund, and requires annual reporting to the Legislature. The Department **strongly supports** this measure, provided this measure does not impact the Executive Budget.

This bill is intended to allow agricultural enterprises on lands under the jurisdiction of the Department. The Department's Ag Park program and the Non-Ag Park program focus on actual, physical farming activity on the land. Limited ancillary activity is allowed only under very narrow conditions and circumstances. Moreover, strict eligibility requirements as a bonafide farmer must be met to hold any long-term lease under both programs. However, the agricultural industry must adapt to rapid developments in technology and methodology in agriculture and aquaculture in order to attain the food sustainability goals of the State. The Department needs flexibility in its disposition of public lands to support those changing conditions by allowing and



encouraging the use of innovative agricultural models to optimize productivity, supporting and promoting agriculture through farmers markets, food hubs and processing facilities, animal feed mills, etc., and enabling or providing agricultural educational training. 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.

HB-871-HD-1

Submitted on: 2/22/2021 2:20:49 PM

Testimony for FIN on 2/23/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jimmy Gomes	Ulupalakua Ranch	Support	No

Comments:

I support HB 871



Testimony of Daimon Hudson
Director of Global Expansion, Kalera, Inc.

LATE

Before the
House Committee on Finance
February 23, 2021 - 2:00 p.m.
Conference Room 308

In consideration of
House Bill No. 871 HD1
RELATING TO AGRICULTURAL ENTERPRISES

Chair Luke, Vice Chair Cullen, and committee members:

Thank you for the opportunity to provide comments in **Strong Support** for House Bill 871 HD1 which would authorize the Department of Agriculture to plan, design, construct, operate, manage, maintain, repair, demolish, and remove infrastructure on any agricultural lands to support and promote agriculture. The bill will also establish the agricultural enterprise program.

Over the years, the Governor has stressed the importance of food sustainability through his Sustainable Hawaii Initiative. The legislature has also supported these efforts with various programs that would help reduce Hawaii's reliance on agricultural imports.

Due to Hawaii's leaders putting an emphasis on local food production, Kalera has started its Hawaii expansion and would like to use Hawaii as the hub for its Asia-Pacific operations. Kalera uses technology to ensure more people across the globe have access to the freshest, most nutritious and cleanest produce on the planet. The company's cutting-edge hydroponic production facilities have been designed for rapid rollout and grow vegetables faster, cleaner, at a lower cost, and with less environmental impact.

Currently, the Department of Agriculture's statutory authority allows for the production of crops and organisms on Department of Agriculture lands. However, the statute does not explicitly allow ancillary and other activities that would support agriculture. HB871 will give the Department of Agriculture greater flexibility on agricultural leases to help develop economic viability and further ensure success of agriculture across the islands.

We appreciate your attention on the matter and will be available to answer any questions.

Respectfully submitted,

Daimon Hudson
Director of Global Expansion
Kalera

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LATE

HB-871-HD-1

Submitted on: 2/22/2021 6:51:21 PM

Testimony for FIN on 2/23/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jeri Moniz	Individual	Support	No

Comments:

I support this bill

HB-871-HD-1

Submitted on: 2/22/2021 6:57:55 PM

Testimony for FIN on 2/23/2021 2:00:00 PM



Submitted By	Organization	Testifier Position	Present at Hearing
James W Tavares	Individual	Support	No

Comments:

I support this bill