

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE
KA 'OIHANA MAHI'AI
1428 South King Street
Honolulu, Hawai'i 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON AGRICULTURE AND FOOD SYSTEMS

FEBRUARY 15, 2023
9:00 AM
CONFERENCE ROOM 325

HOUSE BILL NO. 946
RELATING TO THE FOOD SUPPLY

Chairperson Gates and Members of the Committee:

HB946 Requires the Agribusiness Development Corporation (ADC) to plan, design, construct, and operate a new animal slaughterhouse on the island of Oahu. Appropriates moneys. The department supports this measure of a new slaughterhouse under ADC. Additional capacity for processing will foster Increased local production of meat and increase local business.

Thank you for the opportunity to testify on this measure.



JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



JAMES J. NAKATANI
Executive Director

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

235 S. Beretania Street, Suite 205
Honolulu, HI 96813
Phone: (808) 586-0186 Fax: (808) 586-0189

TESTIMONY OF JAMES J. NAKATANI
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE COMMITTEE ON AGRICULTURE
Wednesday, February 15, 2023
9:00 a.m.
Conference Room 325
VIA VIDEO CONFERENCING

HOUSE BILL NO. 946
RELATING TO THE FOOD SUPPLY

Chairperson Gates and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 946 relating to the food supply. The Agribusiness Development Corporation (ADC) supports this measure, which requires ADC to plan, design, construct, and operate a new animal slaughterhouse on the island of Oahu.

There's a growing need for small animal slaughterhouses and farmers and ranchers cannot overcome the government regulations and a high development cost to build their own. A new slaughterhouse for hogs, sheep, and goats will provide fresh, clean locally sourced meat, which will allow Hawaii's farmers and ranchers to pursue new market opportunities and better meet consumer and producer demand along the supply chain.

We support this bill provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget. Thank you for your consideration of our testimony.



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

February 15, 2023

HEARING BEFORE THE
HOUSE COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

TESTIMONY ON HB 946
RELATING TO THE FOOD SUPPLY

Conference Room 325 & Videoconference
9:00 AM

Aloha Chair Gates, Vice-Chair Kahaloa, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports HB 946, which requires the Agribusiness Development Corporation to plan, design, construct, and operate a new animal slaughterhouse on the island of Oahu.

Hawai'i's livestock industry faces numerous challenges. These challenges have been a contributing factor to the decline of the state's livestock industry. Many small family farmers who have found a ready market for their livestock directly to local consumers, restaurants, and stores have difficulty converting their live animals into a product that can take advantage of them. The challenge for many of these small producers is that they often do not have USDA-inspected processing facilities available within a practical distance and at an affordable cost.

Hawai'i's swine farms are small with limited land, limited resources, and limited economies of scale. The primary competition for local pork is inexpensive mainland pork. Slaughter costs at the Hawai'i Meat plant in Kapolei are high and the pork industry is concerned about future slaughter capacity on Oahu.

To support our pork industry, we need a dedicated slaughterhouse to serve Oahu's small-scale hog farmers.

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

HB-946

Submitted on: 2/13/2023 10:56:39 AM

Testimony for AGR on 2/15/2023 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Cathy Goeggel	Animal Rights Hawai'i	Oppose	Remotely Via Zoom

Comments:

We oppose HB946. Anyone familiar with the sorry history of the abattoir in Campbell Industrial Park should remember the Palama Meat debacle and the financial woes of the current plant under at least 5 different operators...and every year they came hat in hand for more \$. I believe the taxpayers would like to know that you, their legislators, will not throw good \$ after bad. A SUSTAINABLE LIVESTOCK INDUSTRY IS NOT POSSIBLE FOR HAWAI'I

MAHALO

February 15, 2023
9:00 AM
Conference Room 325
VIA VIDEOCONFERENCE

Testimony in Support of HB 946, Relating to the Food Supply

COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

Rep. Cedric Asuega Gates, Chair

Rep. Kirstin Kahaloa, Vice Chair

February 13, 2023

Aloha Chair Gates, Vice Chair Kahaloa, and Members of the Committee,

I am Linda Rosehill testifying in support of HB 946 and offering amendments. I represent Hawaii Sustainable Beef Enterprises (HSBE). HSBE manages the two state harvesting and processing facilities located in Kalaeloa and Pau'ilo.

HSBE has been in discussion with the hog farmers and more recently with members of the legislature regarding the facility referenced in this bill. It is anticipated that the facility will be located in the Kalaeloa feedlot site currently leased by Hawaii Land & Livestock adjacent to the Hawaii Meats facility, a subsidiary of HSBE.

The bill does not specify the species of animal to be harvested and processed in the new facility we ask that it be amended to specify that the new facility is for the harvesting and processing of hogs and other small animals or non-beef harvesting and processing.

Thank you for the opportunity to testify.

Sincerely,

Linda Rosehill



Hawaii Cattlemen's Council, Inc.

COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

Rep. Cedric Asuega Gates, Chair

Rep. Kirstin Kahaloa, Vice Chair

HB946

RELATING TO THE FOOD SUPPLY

Wednesday, February 15, 2023, 9:00 AM

Conference Room 325 & Videoconference

Chair Gates, Vice Chair Kahaloa, and Members of the Committee,

The Hawaii Cattlemen's Council (HCC) is the Statewide umbrella organization comprised of the four county-level Cattlemen's Associations. Our member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of over 750 thousand acres of land in Hawaii, or 20% of the State's total land mass. We represent the interests of Hawaii's cattle producers.

The Hawaii Cattlemen's Council **supports HB946** which requires the Agribusiness Development Corporation to plan, design, construct, and operate a new animal slaughterhouse on the island of Oahu.

We understand that this facility will serve processing for small livestock. Increased access to harvest and processing facilities for livestock is a vital aspect of improving the supply chain and increasing local food production.

The bill states the Agribusiness Development Corporation will plan, design, construct, and operate the animal slaughterhouse. We respectfully suggest that this is amended so that the Agribusiness Development Corporation will plan, design, and construct the animal slaughterhouse, but that the private sector should be in charge of running the operation aspects of the facility.

We appreciate the opportunity to testify on this measure.

Nicole Galase

Hawaii Cattlemen's Council



HB-946

Submitted on: 2/14/2023 6:25:38 AM

Testimony for AGR on 2/15/2023 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Stacy Sugai	SK Natural Farms, LLC aka 2 Lady Farmers	Support	In Person

Comments:

Aloha Chair Gates, Vice Chair Kahaloa, and Committee,

I am submitting testimony in strong support of HB946 Relating to the Food Supply.

Hawaii needs to become more food secure. Increasing locally raised small animal protein is a vital way to provide food for the people of Hawaii. HB946, in providing a small animal slaughterhouse, is crucial to achieve this goal. This small animal slaughterhouse will provide USDA inspected and Third Party certified services. This will enable the farmers to provide small animal protein to grocery stores and restaurants to help make Hawaii more food secure.

Patsy and I own and operate our pig farm in Waianae. Our Mission is to provide locally raised pork to Hawaii, help make Hawaii a little more sustainable, and pave the way for the next generation of pig farmers. The current and only slaughterhouse on Oahu provides services to pig farmers every other week. In processing hogs every other week, we are able to provide the people of Hawaii approximately 5,000lbs of pork a month through grocery stores and restaurants. We are grateful to Hawaii Meats for continuing to process our hogs. Without them, we would have to close our farm. If, however, there was a small animal slaughterhouse, we could double that amount simply by processing weekly. We would also strive to increase our production to enable us to provide even more.

Hawaii, where we all call home, is in such a vulnerable state when it comes to food. Many talk about this urgency, many talk about how we need to increase agriculture, many talk about plans. Today you can make a huge difference in helping Hawaii to be more food secure and to increase agriculture in our state. By voting yes to HB946 Relating to the Food Supply, you are taking a stand, you are taking action, to make our home more food secure and to increase agriculture in our state. Please support this bill.

Thank you for taking the time to read and consider our testimony!

Sincerely,

Stacy and Patsy, 2 Lady Farmers



Officers

Kaipo Kekona
State President

Anabella Bruch
Vice-President

Maureen Datta
Secretary

Reba Lopez
Treasurer

Chapter Presidents

Madeline Ross
Kohala, Hawai'i

Odysseus Yacalis
East Hawai'i

Puna, Hawai'i

Andrea Drayer
Ka'u, Hawai'i

Chantal Chung
Kona, Hawai'i

Fawn Helekahi-Burns
Hana, Maui

Reba Lopez
Haleakala, Maui

Kaiea Medeiros
Mauna Kahalawai,
Maui

Kaipo Kekona
Lahaina, Maui

Rufina Kaauwai
Molokai

Negus Manna
Lāna'i

Brynn Foster
North Shore, O'ahu

Christian Zuckerman
Wai'anae, O'ahu

Ted Radovich
Waimanalo, O'ahu

Vincent Kimura
Honolulu, O'ahu

Ray Maki
Kauai

Aloha Chair Gates, Vice Chair Kahaloa, and Members of the House Agriculture & Food Systems Committee,

The Hawaii Farmers Union United (HFUU) is a 501(c)(5) agricultural advocacy nonprofit representing a network of over 2,500 family farmers and their supporters across the Hawaiian Islands. **HFUU supports HB946.**

Currently, local processors are simply unable to meet the demand for animal slaughtering, especially small animal processing. Requiring the Agribusiness Development Corporation to plan, design, construct and operate a new animal slaughterhouse on the island of Oahu would provide a much needed local source of animal slaughtering services.

This bill would create new jobs as well as provide a government-backed safety net for farmers and ranchers who are often left without access to a facility for animal processing. In addition, it would help to provide safe, healthy and sustainable food for the people of Hawaii. This will be a boon for the farmers and consumers in Hawaii.

Mahalo for the opportunity to testify.

Kaipo Kekona, President HFUU/HFUF



Aloha House Agriculture Committee,

My name is David Souza, a member with Island Farms LLC.

I am humbly asking your support with Bill HB946

Currently, we do not have access to a full-time harvest facility. Many farmers like myself are able to produce our small animal livestock to meet the supply demands for our growing island community through stores, restaurant, farmers markets, and whole sale outlets. However, by not have a certified USDA full time facility to harvest, and brake down to the necessary cuts, there is no possible way to get out product to our island communities.

By passing bill HB946 will help keep our communities sustainable, achieve our state commitment, and keep local agriculture alive in Hawaii.

Mahalo,

David Souza



HB-946

Submitted on: 2/14/2023 2:13:44 PM

Testimony for AGR on 2/15/2023 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
KAYLEN SOUZA	ISLAND FARMS	Support	Written Testimony Only

Comments:

Hello House AG Committee,

As a Hog Farmer im humbling asking for your support with HB946. Our main goal is to support and feed our local community here in Waianae and the island chain. We hog farmers work very hard, day in and out to produce the best quality local pork on island and we just need your support to help us grow so we can help Stabalizes Hawaiiis Food supply. By passing this bill it will open many doors and endless opportunities for many small animal farmers on oahu.

Thank you

Kaylen Souza

Island Farms



February 14, 2023

To: Chair Gates, Vice Chair Kahaloe, and members of the Committee on Agriculture & Food Systems

Regarding: HB946 "Relating to the Food Supply"

Mahalo for this opportunity to provide comments regarding HB946, "Relating to the Food Supply," on behalf of Farm Link Hawai'i. Farm Link's mission is to create a thriving, equitable local food system by empowering local farmers and improving access to good local food. We work with over 170 Hawai'i farmers, ranchers, and food makers, to serve more than 1,000 customers with over 500+ local products. We support local farms with the marketplace, delivery logistics, demand data, and long-term buying commitments to lower producer risk. In 2022 we purchased over \$1.3MM of locally grown, raised, and produced products, including more than \$120,000 in locally raised pork.

We agree with the bill's premise that there is a great need for improved access to slaughter and processing for livestock producers throughout Hawai'i, and that this need is particularly acute on O'ahu for small animal species including pigs, goats, and sheep. **We strongly support the intent of this bill to ensure a sustainable source of animal protein for Hawai'i consumers, and the proposal to appropriate state funds to facilitate the development of a small animal livestock processing facility on O'ahu.**

That said, we recommend that the bill be amended to address the following considerations:

1. **Governance** - the Agribusiness Development Corporation's failure to successfully execute its mandate to "facilitate the transition of agricultural infrastructure from plantation operations to other agricultural enterprises" (Act 264) has been well documented (see the separate [State Audit](#) and [UHERO](#) reports, dated January 2021). This track record does not instill confidence in the choice of the ADC to manage the planning, design, and construction of a new slaughter facility. To ensure the success of this critical infrastructure, we recommend that the bill be amended as follows:
 - a. Require the ADC to issue an RFP for a qualified entity to take on these responsibilities.
 - b. Establishment of an independently selected board of directors made up of community partners and stakeholders that directly use and benefit from the facility's services.
 - c. Inclusion of anti-monopoly language to protect public assets, along with the competitive integrity of the private market. Stipulations that seek to diversify the State's existing concentration of slaughter facility ownership and operation through training and education of new industry professionals in partnership with proven workforce development programs.



- d. Open book transparency and reporting.
2. **Operational funding** - the bill currently allocates funding for planning, designing, and constructing a new facility, but fails to include funding for operating the facility when it initially comes online. It is likely that facility throughput will be insufficient to sustain breakeven operations for several years, while ranchers and farmers increase production. This should be remedied with operational funding support for years 1-3 of operation, to be matched by federal, private, and/or philanthropic funding.

With these adjustments, we would be delighted to wholeheartedly support HB946 and its intent to plan, design, construct, and operate a new animal slaughterhouse on O'ahu.

Mahalo for your consideration of these comments, and for your support for Hawai'i's food system.

Sincerely,

A handwritten signature in black ink, appearing to read "Claire Sullivan".

Claire Sullivan, CEO
Farm Link Hawai'i
Phone: (808) 218-0077
Email: claire@farmlinkhawaii.com



February 14, 2023

Regarding: HB946 “Relating to the Food Supply”

Mahalo for this opportunity to provide comments regarding HB946, “Relating to the Food Supply,” on behalf of Piko Provisions. Our mission is to create the best foods for the world by sourcing ingredients sustainably, processing them minimally and presenting them transparently. We work with over 300 stewards of Hawai‘i to connect families with locally grown and made, pure, first food options for their growing families in over 250 communities across Hawai‘i and have so far produced, sold, donated and distributed over 150,000 meals to families.

As an individual I have been involved with, dependent upon and fulfilled by food, farming, agriculture and feeding my community since birth. Being a 6th generation farmer, dairyman and having worked previously for years in Hawaii’s animal protein industry with a vertically integrated, regenerative cattle company I know first-hand not only the plight faced by farmers and ranchers but also the opportunity there is for us to come together to help feed each other and increase the health, wealth, and wellbeing of Hawai‘i as a whole.

We agree with the bill’s premise that there is a great need for improved access to slaughter and processing for livestock producers throughout Hawai‘i, and that this need is exacerbated on O‘ahu especially for small animal species including pigs, goats, sheep and any species other than beef. **We strongly support the intent of this bill to ensure a steward-owned, community-centric, sustainable source of Hawaii born, raised and processed animal protein for Hawai‘i consumers, and the proposal to appropriate state funds to facilitate the development of a small animal livestock processing facility on O‘ahu.**

That said, we recommend that the bill be amended to address the following considerations:

1. **Governance** - To ensure the success of this critical infrastructure, we recommend that the bill be amended as follows:
 - a. Require the ADC to issue an RFP for a qualified entity to take on these responsibilities with quarterly progress reviews and annual contract reviews.
 - b. Establishment of an independently selected board of directors made up of community partners and stakeholders that directly use and benefit from the facility’s services.
 - c. Inclusion of anti-monopoly language to protect public assets, along with the competitive integrity of the private market. Stipulations that seek to diversify the State’s existing concentration of slaughter facility ownership and operation through training and



education of new industry professionals in partnership with proven workforce development programs.

- d. Open book transparency and reporting.
 - e. An established governance model to protect against the dissolution of the established entity, purpose, and/or mission of this organization which places power in the hands of the community and those impacted most by access to services. A model such as a “Golden Share, LLC” or “Perpetual Trust”.
2. **Operational funding** - the bill currently allocates funding for planning, designing, and constructing a new facility, but fails to include funding for operating the facility when it initially comes online. It is likely that facility throughput will be insufficient to sustain breakeven operations for several years, while ranchers and farmers increase production. This should be remedied with operational funding support based on a sound financial pro forma created by tenured industry professionals, to be matched by federal, private, and/or philanthropic funding.

With these amendments, we wholeheartedly support HB946 and its intent to plan, design, construct, and operate a new animal slaughterhouse on O‘ahu. To aid the independently elected board of directors a cohort of impact investors, farmers, industry professionals and legal and financial advisors have been working on such aforementioned governance and financial documents for the past year and a half and I would be happy to convene the cohort with interested parties to help bring this amended bill into actionable steps and eventually usable fruition.

Mahalo for your consideration of these comments, and for your support for Hawai‘i’s food system.

Sincerely,

Ethan West, CEO
Piko Provisions
Phone: (808) 798-3995
Email: ethan@pikoprovisions.com

HB-946

Submitted on: 2/13/2023 3:10:21 PM

Testimony for AGR on 2/15/2023 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
David Wong	Individual	Support	In Person

Comments:

Aloha Mr. Chairman and Members of the House Agriculture Committee:

My name is David Wong and I am the Manager of Mountain View Farms. I am testifying in favor of HB 946.

In 2012 we started raising pigs using the Korean Natural Farming system. This system uses a microbial waste management process. As a result there is no waste odors, no waste lagoons that could overflow with severe rain storms, and no waste composting requirements.

We started with nine baby pigs and now have over 1,000 pigs. There is a great potential for locally produced pork. Hawaii's consumers love locally produced pork.

The limiting factor is a small animal slaughtering facility that is USDA Inspected and approved by a Third Party Auditor. All locally produced animal protein must be slaughtered by this type of facility to comply with Federal Food Safety Standards.

HB 946 will enable this to happen.

Thank You

HB-946

Submitted on: 2/14/2023 9:15:06 AM

Testimony for AGR on 2/15/2023 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Dexter Kishida	Individual	Support	Written Testimony Only

Comments:

I would like to add a few comments.

1) Could you include a community based advisory committee to help advise the ADC?
Suggested make up of the committee in addition to HDOA and ADC personnel: 2 Industry experts, 1 City and County Representative, and 2 community members.

2) While this bill includes construction, the first one or two years of operating expenses should be included.

Thank you for this opportunity to submit testimony.

Dexter Kishida

HB-946

Submitted on: 2/14/2023 9:35:40 PM

Testimony for AGR on 2/15/2023 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ruth Love	Individual	Comments	Written Testimony Only

Comments:

While improving the ability of the islands to feed themselves is important, my concern is that monies should be allocated to each island for the processing of animals. Not just Oahu.

Thank you,

Mrs Ruth Love

HB-946

Submitted on: 2/15/2023 7:48:32 AM

Testimony for AGR on 2/15/2023 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
BRYAN MAYER	Individual	Oppose	Written Testimony Only

Comments:

To: Chair Gabbard, Vice Chair Richards, and members of the Committee on Agriculture & Environment

Regarding: HB946 “Relating to the Food Supply”

Mahalo for this opportunity to provide comments regarding HB946, “Relating to the Food Supply,” With 20 years experience in slaughter, butchery, education, and supply chain both here and on the continent my mission is to create a thriving, equitable local food system by empowering and supporting local producers and improving access to good local food. I’ve worked with multiple slaughter operations, both brick-and-mortar and mobile, developed training programs, and have lectured and written extensively on the importance and how to build and support local agricultural infrastructure.

There is great need for improved access to slaughter and processing for livestock producers throughout Hawai‘i, and that this need is particularly acute on O‘ahu for small animal species including hogs, sheep, and goats. I strongly support the intent of this bill to ensure a sustainable source of animal protein for Hawai‘i consumers, and the proposal to appropriate state funds to facilitate the development of a small animal livestock slaughter/processing facility on O‘ahu, **but cannot support the bill as it is currently written**

With that said below are recommend amendments to the bill to address the following considerations:

1. **That the facility be designed, owned, and managed by a nonprofit benefit corporation.** This will ensure that the use of these public funds will provide a broad public benefit.
2. **A startup board of directors consisting of community partners and stakeholders across the value chain of animal husbandry** – including representation from funders in philanthropy and the private sector. Broad and next generation representation is key to addressing the operational and system level challenges as well as the long-term financial

management and fundraising needs.

3. **A board and enterprise governance model that integrates modern governance best practices and demonstrates transparency and accountability to the taxpayers of Hawai'i.**
4. **Financial support for increasing animal volume and covering slaughter facility operational costs until that volume is met must be identified if this facility is to be successful.** A pro forma analysis of this facility prepared in partnership with stakeholders is showing that a financially viable facility is possible if volumes can be achieved, and operational support provided over the next 4 to 6 years.
5. There will need to be follow up funding and sources identified and dedicated for operating until break even and profitability as both bills identify that ADC will be charged with planning, designing, constructing, and operating this facility and funding is allocated for each line item except operating. Should an RFP for an outside operator be sought it is recommended to include stipulations that seek to diversify the currently concentrated collection of facility owners and operators through the training, educating, uplifting, and empowering of passionate new industry professionals in partnership with workforce development programs such as Hawaii Investment Ready and the council for native Hawaiian advancement.

Anti-monopoly language built in to protect public assets and interests and the competitive integrity of the private market —

To protect access for future generations the facility should be strictly designated to the slaughtering and processing of 100% locally raised animals from birth to harvest and provisions in the bylaws established to ensure the protection of community interest and food security over private profit.

Bryan Mayer
Savory Institute/Land To Market
Phone: (646) 201-8298
Email: Bryan.Mayer@gmail.com