

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

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DEPARTMENT OF AGRICULTURE
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**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE SENATE COMMITTEE ON AGRICULTURE AND THE ENVIRONMENT

February 17, 2021
1:00 PM
VIA VIDEOCONFERENCE

**SENATE BILL NO. 1405
RELATING TO THE PLANT QUARANTINE BRANCH**

Chairperson Gabbard and Members of the Committees:

Thank you for the opportunity to testify on Senate Bill 491, relating to inspection fees. The bill seeks to appropriate general revenues to expand state-run quarantine facilities under the jurisdiction of the Department of Agriculture's Plant Quarantine Branch. The Department appreciates the intent of the provided it does not adversely impact the Administration's priorities in the Executive Budget.

Existing regulations in the Hawaii Administrative Rules (HAR) are designed to limit risk to existing plant-related agricultural industries by only housing and isolating limited amounts of imported restricted or potentially infected plants in quarantine.

The recent detection of coffee leaf rust in the State has shown that the existing facilities are unable to deal with the demand for disease resistant stock. However, even with the expansion of existing facilities with a \$1,000,000 increase over two years, this effort would still be inadequate for the total number of plants needed statewide for the entire industry. The increase in quarantine capacity needed to meet those demands will likely require an additional two to three years and unfortunately may not be timely enough to adequately address the immediate threat to the industry.



HAR §4-70-6 allows the Board of Agriculture to shorten or exempt existing quarantines of restricted plants, provided that the plants can be propagated and/or imported under procedures that can mitigate the risk of pest introductions with the associated materials. The Department believes that this would be the most immediate and appropriate solution for importing clean stock.

In the long term, the Department believes that increased capacity to appropriately quarantine regulated plant materials will benefit growers by enhancing the Department's ability to prevent the entry of invasive species. The Department appreciates the opportunity created by this measure to increase its capabilities to protect the State from the threat of invasive species.

Thank you for the opportunity to testify on this measure.



Hawaii Coffee Association
PO Box 168, Kealahou, HI 96750

SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT
February 17, 2021

RE: Testimony in Support of SB1405 relating to the Plant Quarantine Branch

Aloha Chair Gabbard, Vice Chair Nishihara and Senators,

I am Chris Manfredi, President of Hawaii Coffee Association (HCA) testifying in support of SB128.

Coffee leaf rust (CLR) has been discovered on Hawaii Island, Maui, Oahu and Lanai. As outlined in the bill preamble it poses a devastating threat to Hawaii's coffee industry. CLR is known to spread rapidly and leads to defoliation and tree death. The discovery of Coffee Leaf Rust in Hawaii is an emergency and requires an emergency response.

Coffee is ranked by USDA as Hawaii's second highest value crop, second only to seed corn. The typical coffee farm in Hawaii is a small family farm, yet the largest farm in the state is also a coffee farm. The USDA's National Agriculture Statistics Service recently released its 2017 Census of Agriculture Farm Typology concluding that 93% of Hawaii's Farms are family-owned.

For more details regarding Hawaii's coffee industry impacts on the State's economy, please see the attached document: [What's at Stake: The Loss of Hawaii's Coffee Industry, A Major Economic Driver](#)

We knew this day was coming and we have tried to prepare for it. The regulatory process is stringent and multilayered, time consuming and often expensive. We tried to build resiliency into our industry but the regulatory hurdles are high.

An urgent need and a long-term solution to Coffee Leaf Rust is the replacement of existing coffee trees with rust resistant varieties imported from overseas. The state's quarantine facilities are outdated and lack the capacity for such an operation. Our industry is in dire need of expanded quarantine facilities so we may be given the opportunity to meet this challenge.

This measure represents a modest and prudent investment in Hawaii's infrastructure, biosecurity and one of Hawaii's most famous and successful crops.

Please support this measure!

Thank you for the opportunity to testify and for your support for Hawaii's coffee.



Hawaii Coffee Association
PO Box 168, Kealahou, HI 96750

What's at Stake: The Loss of Hawaii's Coffee Industry, A Major Economic Driver

As growers of the #2 crop in the State, we are just under 1,500 strong who tend more than 10,000 acres. The value of our coffee is second only to Hawaii's seed cropsⁱ. For the 2019-2020 season, Hawaii's unroasted coffee was valued at \$88.76 millionⁱⁱ, while its roasted value was more than \$120 million.

Now, we're facing the most destructive coffee disease in the world: Coffee Leaf Rust (CLR), a fungus that can kill an entire farm in a matter of weeks. Annually, CLR causes \$3 billion in damage and lost income around the world.

In Hawaii, the stakes are higher than elsewhere. While most other coffee-growing regions have planted rust-resistant varieties, all of the ones commercially grown in Hawaii are not resistant. And the best fungicides used to fight this disease have not been approved here.

CLR is spreading rapidly on Maui, Big Island and Oahu. Its spores move easily on wind or by hitchhiking on workers, equipment and tourists. As a result, farmers are facing defoliation and a loss of yield up to 70% or more.

To help save our industry and the families that depend on it we need State, Federal and private support and we need it NOW.

Without action, we stand to lose hundreds of millions of dollars in Hawaii's economy –a contribution that far exceeds the value of the beans themselves. To grow our coffee, we hire thousands of workers and buy from local industries such as transportation and vendors of agricultural supplies. This so-called "downstream economic impact" is valued at about \$182 millionⁱⁱⁱ.

Then there is the "upstream economic impact" of Hawaii coffee, which is unquantified: Unlike most other crops grown here, Hawaii coffee is shelf stable. That makes it a major attraction for the souvenir market, drawing tourists to shops, cafes and agritourism operations statewide. In turn, these visitors create demand for Hawaiian coffee once they return home. Exports of coffee from Hawaii, valued at \$9.20 million^{iv} in 2019, are an ongoing advertisement for the Hawaii islands.

The economic losses would have an outsized impact in rural areas, where few other industries exist. Remember the collapse of the local sugar industry? We can expect similar results: dramatically increasing unemployment -- especially of historically underserved and minority

populations – accompanied by increasing crime and drug use. Not to mention the harm to almost 200 years of coffee-growing history and the cultural heritage of our islands.

What We Need:

- Statewide approval of the most effective CLR fungicides, and subsidies for farmers to purchase them.
- Support for development of the best CLR-management strategies in Hawaii, as well as support to educate farmers of them.
- Support for research of the best CLR resistant varieties that will maintain the quality of Hawaii coffees. Also support for the importation, propagation and distribution of CLR-resistant varieties, including expanded plant quarantine facilities. (This is a 5-10 year project.)
- Support for farmers to replace their existing fields with rust-resistant varieties.
- *Support for other ways to build capacity and resilience within farm communities.*

Contact:

- Chris Manfredi, President, Hawaii Coffee Association president@hawaiicoffeeassoc.org
- Suzanne Shriner, Administrator, Synergistic Hawaii Ag Council suzanne@shachawaii.org

ⁱ \$50.16 million vs \$105.7 million for Seed Crops (including seed corn), in 2018. Source: State of HI, HDOA Market Analysis and News Branch “Top 20 Agr Commodities Produced: State of Hawaii, 2018

ⁱⁱ \$88.76 million. Source: USDA-NASS. Jan 2020. “Coffee”. <https://downloads.usda.library.cornell.edu/usda-esmis/files/3t945q80c/7h14b624g/37720v92g/cafean20.pdf>

ⁱⁱⁱ Using multiplier of 2.05. Correspondence from HDOA chair P. Shimabuku to USDA Secretary S. Perdue, dated November 19, 2020

^{iv} \$5.33 million in roasted coffee from Hawaii + \$3.87 million in unroasted coffee from Hawaii. Source: USDA Global Agricultural Trade System. 2019 data.



In Cooperation with the United States Department of Agriculture
 National Agricultural Statistics Service, Pacific Region

Top 20 Agricultural Commodities Produced State of Hawaii, 2019

Commodity	Rank	Value of Production (1,000 dollars)
Seed Crops	1	109,500
Coffee	2	54,298
Macadamia Nuts	3	48,840
Other Aquaculture ¹	4	47,937
Cattle	5	41,387
Algae	6	32,652
Basil	7	28,030
Food Crops Grown Under Protection	8	11,000
Milk	9	9,492
Landscape Palms	10	7,914
Orchids-Other Potted Orchids ²	11	6,685
Papayas	12	4,943
Bananas	13	4,659
Dendrobiums-Potted	14	4,091
Sweet Potatoes	15	3,630
Phalaenopsis-Potted	16	3,509
Palms-Potted for indoor or patio use	17	3,426
Lettuce-Leaf	18	3,260
Anthuriums-Cut	19	3,192
Cabbage-Chinese	20	2,830

¹ Excludes algae and ornamental aquaculture. ² Excludes dendrobium, oncidinae and phalaenopsis potted orchids.

Sources:
 USDA-NASS and HDOA-MANB

SB-1405

Submitted on: 2/16/2021 10:28:56 PM

Testimony for AEN on 2/17/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Brittany Horn	Testifying for Pacific Coffee Research, Inc	Support	No

Comments:

Aloha Chair Gabbard, Vice Chair Nishihara and Senators,

My name is Brittany Horn, an executive Board Member of the Hawaii Coffee Association and Found of Pacific Coffee Research.

With the introduction of Coffee Leaf Rust to the Hawaiian Islands, CLR resistant plants will need to be available to our farming community for the well-being and longevity of the Hawaii Coffee Industry, Hawaii's second largest agricultural product.

The state's quarantine facilities are outdated and limited and lack the capacity for such an operation. Our industry is in dire need for expanded quarantine facilities so we may be given the opportunity to meet and overcome this challenge.

This measure represents a modest and prudent investment in Hawaii's infrastructure, biosecurity, and one of Hawaii's famed, treasured, and successful crops.

Please support this measure.

With urgency and kindness,

Brittany Horn, Pacific Coffee Research

SB-1405

Submitted on: 2/16/2021 10:06:07 PM

Testimony for AEN on 2/17/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Martha Lind	Individual	Support	No

Comments:

My husband and I are coffee farmers on Maui. Coffee leaf rust (CLR) has now been discovered on Maui, as well as other HI Islands, and poses a devastating threat to Hawaii's coffee industry. One long-term solution to CLR is to replace existing coffee trees with imported rust resistant varieties. Hawaii's quarantine facilities are outdated and do not have the capacity to monitor bringing in these rust resistant varieties. Expanded quarantine facilities are desperately needed so that the HI coffee industry can meet the challenge of replacing existing coffee trees with rust resistant varieties. Coffee is the second highest value crop in Hawaii. Without the introduction of these CLR resistant varieties, the coffee industry in Hawaii will be devastated. Please support this measure and support Hawaii's coffee industry!

SB-1405

Submitted on: 2/17/2021 11:52:35 AM

Testimony for AEN on 2/17/2021 1:00:00 PM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
James Kimo Falconer	Testifying for MauiGrown Coffee, Inc	Support	No

Comments:

Aloha Chair Gabbard and AEN Committee,

Please support the improvement of the State of Hawaii's outdated and insufficient plant quarantine facilities.

Mahalo