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Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

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

BEFORE THE SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

**WEDNESDAY, FEBRUARY 9, 2022
1:00 P.M.
CONFERENCE ROOM 224 & VIA VIDEOCONFERENCE**

**SENATE BILL NO. 2327
RELATING TO AGRICULTURAL PRODUCTION**

Chairperson Gabbard and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 2327, relating to agricultural production. The bill requires the Department to collaborate with agricultural growers and researchers to develop and implement a program to safely distribute disease- and insect-free tropical plant materials to Hawaii farmers. The bill also requires the Department to adopt rules to specify the plant species and varieties that warrant additional regulations and appropriates funds. The Department respectfully opposes the measure and offers comments.

The bill does not define what would be considered tropical plant materials and would also turn the Department into an importer, breeder, producer, and distributor of tropical plant materials, thereby competing directly with the many existing nurseries both in State and out-of-state that produce plants for sale in Hawaii. The bill does not specify the amounts of plants to be imported or produced, or whether farmers will purchase plants from the Department or get them for free, the latter of which could result in substantial taxpayer funds subsidizing farmers. Unless there was a substantial increase in funding, the Department does not have the existing facilities, personnel, or diagnostic equipment to meet the requirements of this bill at a scale necessary to reduce pest



introduction effectively. Diagnostic resources needed would include new or refurbished laboratory facilities, equipment for molecular diagnostics, and positions for a molecular diagnostician and a support technician. Additionally, as the Department's Plant Quarantine Branch is also the agency charged with regulating the import of plants, the Department would have a conflict of interest as both the importer/distributor and regulator.

The Department concurs with the goal of importing and distributing disease- and insect-free plant materials, as a way to prevent the introduction and movement of harmful invasive species. The Department suggests alternatives for consideration to work towards this goal. Hawaii could institute a fee-based nursery licensing program along the lines of those already in operation in many other states. These programs require periodic inspections for plant pest cleanliness and hold nursery owners accountable for maintaining their stock in a pest-free status. This encourages nurseries to implement best management practices, quality control programs and to source plants from reputable distributors, with an end result being that consumers benefit by purchasing higher quality and healthier plants and the risk of introduction and spread of invasive species are reduced. Furthermore, a licensing program would encourage business owners to take actions to protect their plants from pests already in the surrounding environment.

The Department strongly supports the intent to import pest and disease-free plant material to Hawaii. For that purpose, the National Clean Plant Network (NCPN) was created to address pest and disease-free plants for propagation of clean crops, such as berries, citrus, fruit trees, grapes, hops, roses and sweet potatoes. However, production of clean tropical flowers is currently not included in the NCPN system and would require additional funding to be included in the accredited NCPN laboratory of the University of Hawaii.

Another alternative is to amend Hawaii Administrative Rules (HAR) 4-70, Plant Import Rules, to specify the plant species and varieties that require more stringent controls and impose quarantine requirements, diagnostic measures, treatments, or any other import requirements deemed necessary. The industry can already petition the

Board of Agriculture to enact a rule change pursuant to HAR 4-1-23 to identify the specific plants that they determine would need additional restrictions. By maintaining the established process, it would increase the regulation but put the burden on the importer to comply as opposed to having the State shoulder the burden. This would also limit what can be imported, lessening the likelihood of a new pest introduction. The Department believes that this alternative is better suited to the intent of this bill.

Thank you for the opportunity to testify on this measure.



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FEBRUARY 9, 2022

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

TESTIMONY ON SB 2327
RELATING TO AGRICULTURAL PRODUCTION

Conference Room 224 & Videoconference
1:00 PM

Aloha Chair Gabbard, Vice-Chair Nishihara, 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 SB 2327, which requires the Department of Agriculture to collaborate with agricultural growers and researchers to develop and implement a program to safely distribute disease- and insect-free tropical plant materials to Hawaii farmers and to adopt rules to specify the plant species and varieties that warrant additional regulations.

Many tropical flower species face new threats from insects and diseases. For example, the ginger coming in the floral trade has succumbed to a new virus on Oahu. Commercial production has significantly declined. As new plantings are installed clean fresh material is needed to prevent its spread. Because the disease is a virus, diseased plants may not be obvious in their early stages. A guaranteed clean source of material is important.

For these reasons, HFB respectfully requests your strong support of this measure.

Thank you for this opportunity to testify in support of this measure.

DAVID Y. IGE
GOVERNOR



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EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT
ON
SENATE BILL NO. 2327

February 9, 2022
1:00 p.m.
Room 224 and Videoconference

RELATING TO AGRICULTURAL PRODUCTION

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill No. 2327 adds a new section to Chapter 141, HRS, to require the Department of Agriculture (DOA) to establish a new program that safely distributes disease and insect-free tropical plant materials to farmers in the State; requires the DOA to adopt rules pursuant to Chapter 91, HRS, to effectuate the program; and appropriates an unspecified amount of general funds in FY 23 for the DOA to develop and implement the program.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and

- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.