

**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTY-FIRST LEGISLATURE, 2022**

ON THE FOLLOWING MEASURE:

S.B. NO. 2992, S.D. 1, H.D. 1, RELATING TO AGRICULTURE

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Friday, April 1, 2022

TIME: 1:30 p.m.

LOCATION: State Capitol, Room 308, Via Videoconference

TESTIFIER(S): Holly T. Shikada, Attorney General, or
Jodi K. Yi or Bryan C. Yee, Deputy Attorneys General

Chair Luke and Members of the Committee:

The Department of the Attorney General provides the following comments regarding this bill.

This bill would establish the Hawaii agriculture investment program to support local agricultural producers and appropriates a currently unspecified amount out of the general revenues of the State of Hawaii for the purpose of this Act. The bill specifies that the monies shall be expended by the Department of Agriculture for matching grants at page 2, lines 15-17 and page 4, lines 12-14.

Article VII, section 4, of the Constitution of the State of Hawaii provides, "[n]o grant of public money or property shall be made except pursuant to standards provided by law." Because this bill does not include sufficient standards for making the grants, the Department of Agriculture will not be able to make the administrative grants intended by this bill. We therefore recommend that this bill be amended to insert sufficient standards for the administrative grants. Examples of statutes that provide standards for existing administrative grant programs are part II of chapter 9 and sections 10-17, 210D-11, and 383-128, Hawaii Revised Statutes.

Thank you for the opportunity to present this testimony.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

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

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

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 HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO. 2992, S.D. 1, H.D. 1

April 1, 2022
1:30 p.m.
Room 308 and Videoconference

RELATING TO AGRICULTURE

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

Senate Bill No. 2992, S.D. 1, H.D. 1, establishes the Hawai'i Agricultural Investment Program (HAIP) within the Department of Agriculture (DOA) for the purposes of providing funding to private entities to increase agricultural production or processing; requires the DOA to submit annual reports to the Legislature; appropriates an unspecified amount of general funds in FY 23 to establish the HAIP and support local agricultural producers, provided that no funds shall be made available unless the DOA obtains 25% matching funds from private sources; and extends the lapse date of the general fund appropriation to June 30, 2024.

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.

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

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

BEFORE THE HOUSE COMMITTEE ON FINANCE

APRIL 1, 2022

1:30 P.M.

VIA VIDEOCONFERENCE & CONFERENCE ROOM 308

**SENATE BILL NO. 2992 SD1 HD1
RELATING TO AGRICULTURE**

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 2992 SD1 HD1, which establishes the Agriculture Investment Special Fund to support local agricultural producers and appropriates funds. The Department of Agriculture ("Department") strongly supports this measure provided it does not adversely impact the Department's priorities in the Executive budget and offers supporting comments.

We firmly believe local agriculture is essential to Hawaii and are concerned that the amount of imported food has exceed 85 per cent and is rapidly approaching the 90 per cent of all foods consumed.

In a recent commercial agriculture survey of local farming operators conducted by the USDA-NASS, 58 per cent of participating farms cited the high cost of production as the leading barrier to their commercial expansion. Other challenges mentioned were shortage of labor (41 per cent), cost of shipping or transportation (39 per cent), insufficient access to capital (37 per cent), and insufficient cash flow (37 per cent). All farms surveyed indicated that a \$100,000 grant would improve their total gross sales after one year. 26 per cent of them expect an increase in total gross sales by 0-4.99 per cent and 22 per cent of them anticipate a greater than 25 per cent increase.

Unlike plantation industries (sugarcane and pineapple) in the past, diversified agriculture in the current environment requires public support in production, processing, storage, distribution, product research, and product marketing to attain desirable levels of efficiency, competitiveness, and expansion capacity. Most smaller farmers and ranchers lack the capacity and resources to initiate, participate in, and benefit from



those ancillary support activities on their own. Departmental funding and support for such assistance would provide opportunities for those smaller farmers and ranchers to survive, expand, and thrive, and in turn increase local food production to reduce Hawaii's reliance on food imports.

The Department appreciates the establishment of the Agriculture Investment Special Fund to support diversified agriculture and local agricultural producers in Hawaii. Among the important functions that this measure will enable the Department to resume and enhance are, as follows:

- Issue RFP awards to farmers for agricultural production or processing activities. Such awards are in high demand, especially when agricultural producers are facing difficult hardship in situations, such as the COVID-19 pandemic, severe droughts, and persistent disease infestation.
- Conduct research (data and analytics) and testing of agricultural products and markets. This function includes statistical reporting on production acreage, harvested amounts, yields, utilization, value of sales, and factor inputs of important crops (particularly food crops). Local farmers are reliant on such information to make prudent farming decisions.
- Promotion and marketing of agricultural products grown or raised in the State. This function is crucial to grow export markets and to support the doubling of local food production and the *farm-to-state* program.
- Encourage and support transportation and distribution networks necessary to promote agricultural production or processing activities. Most agricultural activities occur in rural areas on neighbor islands. Many expanding farms are dependent on the Honolulu market to sell their products and to purchase farming inputs. Hence, an affordable, and accessible intra-island shipping service is essential to supporting a viable and thriving diversified agriculture industry, comprised primarily of smaller farms and ranches in rural Hawaii.

The Department has concerns with the use of the term "grants" on Page 2, line 16, without the inclusion of standards for awarding and issuing those funds. Grants require standards set forth in statute per the Hawaii State Constitution. Use of the terms "funds" or "monies" in place of "grants" may address this concern. Alternatively, the Department recommends inclusion of the standards for grants as set forth in section 42F-103, Hawaii Revised Statutes ("HRS"). Examples of other statutes that provide standards for existing administrative grant programs can be found in Part II of Chapter 9 and Sections 10-17, 210D-11, and 383-128, HRS

While the Department is cognizant of the rationale and justification for requiring matching funds for grants from this fund, we are concerned that difficult economic circumstances caused by natural disasters or other unforeseen events may result in small farmers who are extremely vulnerable to such calamities being ineligible for assistance at the time of their greatest need.

Thank you for the opportunity to testify on this measure.

SB-2992-HD-1

Submitted on: 3/29/2022 12:57:57 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
laurel brier	Kauai women's caucus	Support	Written Testimony Only

Comments:

Supporting local farmers is supporting the community and food sovereignty for Hawaii

SB-2992-HD-1

Submitted on: 3/29/2022 5:10:46 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jeannette Gurung	WOCAN	Support	Written Testimony Only

Comments:

High costs in Hawai'i limit the competitiveness of local agriculture and have undermined efforts to expand local food production. Direct support for local agricultural producers can help overcome the high costs faced by Hawai'i's agricultural sector. We must reduce our dependence on food supplies that are shipped here, to reduce climate impacts, aid local farmers and provide security to our food supplies.



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

April 1, 2022

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON SB 2992, SD1, HD1
RELATING TO AGRICULTURE

Room 308 & Videoconference
1:30 PM

Aloha Chair Luke, Vice-Chair Yamashita, 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 SB 2992, SD1, HD1, which establishes the agriculture investment program to support local agricultural producers.

Agriculture, like all businesses, requires capital investment. The cost of operating a farm or ranch in Hawai'i can be significant. In many cases, agricultural operations require capital that our local farmers just don't have and many of Hawai'i's farmers and ranchers are finding it difficult to secure the financial support necessary to build capacity. Access to grants can result in increased capacity, new business opportunities, increase employment opportunities, and address Hawai'i's goals of increased self-sufficiency and sustainability.

Farming is a tough business. High production costs are a major driver of narrow profit margins for Hawai'i's farmers. Land, water, labor, taxes, transportation, utilities, inputs, marketing, research, invasive species, and food safety regulations are all costs of doing business that often results in our farmers just being able to break even. HFB supports any initiative that supports agricultural production so that locally produced goods can compete with imported products, strengthening our local economy.

An HDOA Agriculture Investment Special Fund can assist farmers and ranchers to increase capacity to grow and produce import replacement products in order to fulfill the State's vision for increased self-sufficiency and sustainability. We are concerned with the twenty-five percent matching funds requirement. This may limit program participants to farmers and ranchers that already have access to capital and preclude those that truly need the assistance.

Thank you for the opportunity to comment on this measure.



House Committee on Finance

Friday, April 1st, 2022, 1:30p.m. Conference Room 308

Hawai'i Alliance for Progressive Action (HAPA) Supports: SB2992 SD1 HD1

Aloha Chair Luke, Vice Chair Yamashita and Members of the Committee,

HAPA supports SB2992 SD1 HD1 which establishes the Hawai'i agricultural investment program to support local agricultural producers. HAPA appreciates that SB2992 SD1 HD1 provides direct support for local agricultural producers and can help overcome the high costs faced by Hawai'i's agricultural sector.

HAPA supports all measures to responsibly enhance our local food production, support farmers, and future farmers, and develop a society that values and understands the vital role of regenerative agriculture, food security, quality safe food, and natural resources systems in advancing our personal, local, and global well-being.

There are many challenges to producing food locally while maintaining a viable farming business. The all around high costs in Hawai'i limit the competitiveness of local agriculture and have undermined efforts to expand local food production. We believe this bill would help to alleviate economic strains on small scale food producers by growing their capacity and allowing them to expand to assist in meeting our local food production goals.

HAPA understands that as we develop a framework to help support local food production the more we support our economy and environment.

Please support SB2992 SD1 HD1 and measures that help us reach this ambitious but critically important goal of rapidly expanding local food production, with a regenerative and environmentally responsible approach.

Thank you for your consideration,

A handwritten signature in black ink, appearing to read 'Anne Frederick', is written in a cursive style.

Anne Frederick

Executive Director



Hawaii Cattlemen's Council, Inc.

COMMITTEE ON FINANCE
Rep. Sylvia Luke, Chair
Rep. Kyle T. Yamashita, Vice Chair

SB2992 SD1 HD1
RELATING TO AGRICULTURE

Friday, April 1, 2022, 1:30 PM
VIA VIDEOCONFERENCE

Chair Luke, Vice Chair Yamashita, 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 SB2992 SD1 HD1** to establish the agriculture investment special fund to support local agricultural producers. There are many challenges to producing food locally while maintaining a viable business operation. We appreciate this bill that would alleviate economic strains on the sector that farmers and ranchers experience and believe it will help local beef producers by growing capacity within the industry.

We appreciate the opportunity to testify on this measure.

Nicole Galase
Hawaii Cattlemen's Council
Managing Director





1050 Bishop St. PMB 235 | Honolulu, HI 96813
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Executive Officers

Charlie Gustafson, Tamura Super Market, *Chair*
Eddie Asato, Pint Size Hawaii, *Vice Chair*
Gary Okimoto, Safeway, *Secretary/Treas.*
Lauren Zirbel, HFIA, *Executive Director*
John Schliff, Rainbow Sales and Marketing, *Advisor*
Stan Brown, Acosta Sales & Marketing, *Advisor*
Paul Kosasa, ABC Stores, *Advisor*
Derek Kurisu, KTA Superstores, *Advisor*
Toby Taniguchi, KTA Superstores, *Advisor*
Joe Carter, Coca-Cola Bottling of Hawaii, *Immediate Past Chair*

TO: Committee on Finance
Rep. Sylvia Luke, Chair
Rep. Kyle T. Yamashita, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: April 1, 2022
TIME: 1:30pm
PLACE: Via Videoconference

RE: SB2992 SD1 Relating to Agriculture

Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

HFIA is in support of this measure to establish the agriculture investment special fund to support local agricultural producers. As the text of this measure notes “high costs in Hawaii limit the competitiveness of local agriculture and have undermined efforts to expand local food production.” Hawaii can be a very challenging state for any type of business to operate; labor, fuel, energy, real estate, and supplies are all more expensive here than on the mainland. This can be especially challenging for our local agricultural producers who are competing with imported products grown in places where operating costs for things like labor, fuel, and agricultural land are exponentially cheaper. Direct support for our agricultural producers is the most straightforward way for the State to address these issues and help our local Hawaii farmers increase local food production. We urge you to pass this measure and we thank you for the opportunity to testify.

SB-2992-HD-1

Submitted on: 3/30/2022 8:56:12 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ronald Weidenbach	Hawaii Aquaculture & Aquaponics Association	Support	Written Testimony Only

Comments:

The Hawaii Aquaculture and Aquaponics Association (HAAA) representing aquaculture and aquaponics industry Statwide strongly supports SB2992 SD1 which is to establish the Hawaii agricultural investment program to provide a dedicated funding source for the local agricultural sector. Through the program, the Department of Agriculture will invest in agricultural producers to support the State's economy and alleviate financial strains on the local agricultural sector. This measure would be beneficial for the Hawaii agriculture industry. Thank you for the opportunity to testify in strong support of this measure.



Email: communications@ulupono.com

HOUSE COMMITTEE ON FINANCE
Friday, April 1, 2022 — 1:30 p.m.

Ulupono Initiative strongly supports SB 2992 SD 1 HD 1 and offers amendments.

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 strongly supports SB 2992 SD 1 HD 1 and offers amendments. This bill establishes the Hawai'i Agricultural Investment Program to support local agricultural producers.

Ulupono supports the State's efforts to invest in local agriculture. We also recognize the many economic difficulties the State faced in 2021. However, the 2021 State Legislative Session saw the Department of Agriculture (DOA) lose millions of dollars due to the elimination of its Agricultural Development and Food Security Special Fund ("Barrel Tax"), which was the DOA's main source of industry funding. These significant cuts have negatively impacted the DOA's ability to support the agricultural industry with funding and resources at a time when the industry needs them most.

With the economy now looking to recover and diversify, agriculture has presented itself as a leading industry for investment. The State must invest in local farmers and ranchers by funding solutions to address the industry's many challenges. We believe that the proposed program will help to address a broad range of agricultural production issues and it may not be necessary to explicitly state any specific type of operation, such as the current draft's mention of chicken shell egg farm or business operations.

To address the recommendations made in the testimonies by the DOA and the Attorney General's Office in the previous committee, we recommend adding the following standards to the proposed Hawai'i Agricultural Investment Program:

"§ **Grants; conditions and qualifications.** (a) Applications for grants shall be made to the department and contain such information as the department shall require. At a minimum, the applicant shall show:

- (1) The name of the requesting organization or individual;

Investing in a Sustainable Hawai'i

- (2) The purpose for the grant;
- (3) The service to be supported by the grant;
- (4) The target group to be benefited;
- (5) The cost of the grant; and
- (6) That the grant shall be used for activities that are consistent with the purposes of this chapter.

(b) Grants shall only be awarded if:

(1) The applicant agrees to comply with applicable federal, state, and county laws;

(2) The grant shall not be used for purposes of entertainment or perquisites;

(3) All activities and improvements undertaken with funds received shall comply with all applicable federal, state, and county statutes and ordinances, including applicable building codes and agency rules; and

(4) The applicant will indemnify and hold harmless the department, the State of Hawaii, its officers, agents, and employees from and against any and all claims arising out of or resulting from activities carried out or projects undertaken with funds provided hereunder, and procure sufficient insurance to provide this indemnification if requested to do so by the department.

(c) To receive a grant, an applicant shall:

(1) Be:

(A) A for-profit organization incorporated under the laws of the State;

(B) A nonprofit community-based organization determined to be exempt from federal income taxation by the Internal Revenue Service;

(C) A cooperative association; or

(D) An individual, who in the department's determination, is able to provide the services or activities proposed in the application for a grant;

(2) In the case of a nonprofit organization, have a governing board whose members have no material conflict of interest and serve without compensation, have bylaws or policies that describe the manner in which business is conducted and policies relating to nepotism and management of potential conflict of interest situations;

(3) Agree to make available to the department all records the applicant may have relating to the operation of the applicant's activity, business, or enterprise, to allow the office to monitor the applicant's compliance with the purpose of this chapter; and

(4) Establish, to the satisfaction of the department, that sufficient funds are available for the effective operation of the activity, business, or enterprise for the purpose for which the grant is awarded.

(d) Every grant shall be:

(1) Monitored by the department to ensure compliance with this chapter and the purposes and intent of the grant; and

(2) Evaluated annually to determine whether the grant attained the intended results in the manner contemplated."

It is important to note that various states across the nation have established similar programs to support and invest in agriculturalists with critical needs such as fencing, conservation, irrigation, equipment, soil health, training, market access and development, and much more. Hawai'i should do the same and continue its commitment to our many important sustainability goals.

Thank you for this opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs



Food+ Policy Internship 2022

food@purplemaia.org

March 31, 2022

To: The House Committee on Finance

Subject: Support for SB2992

Aloha e Chair Luke, Vice Chair Yamashita and Members of the Committee,

We are in **full support of SB2992 SD1 HD1 relating to an agricultural investment fund**. The fact that Hawai'i imports almost 90% of our food is not a new concept. We have known this for almost a decade, yet little funding has been appropriated to this vulnerable sector. We set goals of doubling local food production or making 30% of school meals local, putting pressure on our local farmers without support to achieve these goals. An appropriation of funds to support our agricultural farmers through SB2992 SD1 HD1 can alleviate this burden and further local agricultural goals.

In a [2021 USDA and HDOA agricultural expansion survey](#), the highest ranked barrier to expanding an operation was cost of production. Everyone knows that the cost of production in Hawai'i is so much more than if we were to grow the same food on the mainland or elsewhere. Yet, we continue to exploit the labor and land of other places so we can get cheap food. Instead of encouraging this negative feedback loop, we can invest in our local farmers to give them access to capital to expand their productions.

By supporting an agricultural fund like this, we would not only be supporting the expansion of local agriculture into our economy and into our diets, but also creating new jobs as well. Of the 1,062 farms surveyed in that same survey, 63.9% of them said that the most expected result from expanding their operations would be the creation of job opportunities. 944 of those farms surveyed said that the majority of their operations' current market was local; 417 said the mainland and 120 said international markets. Another [2017 survey](#) found that hired farm labor consisted of 37% of total farm production expenses, yet only 17% in California, the best state for comparison. So, farmers of Hawai'i currently focus on our local markets, but funding is needed to expand their capabilities and reach even more of our community.

The Food+ Policy internship develops student advocates who learn work skills while increasing civic engagement to become emerging leaders. We focus on good food systems policy because we see the importance and potential of the food system in combating climate change and increasing the health, equity, and resiliency of Hawai'i communities.

In 2022, the cohort of interns are undergrads and graduate students from throughout the UH System. They are a mix of traditional and nontraditional students, including parents and veterans, who have backgrounds in education, farming, public health, nutrition, and Hawaiian culture.



Food+ Policy Internship 2022

food@purplemaia.org

The ripple effects of creating an agricultural investment fund go on. If we aid our farmers of Hawai'i with the capital necessary to feed local residents, to meet State local food production goals, and to diversify our economy, then we can win this negative cycle of importing food and diminishing local farmers. As UHWO Sustainable Community Food Systems professor, Albie Miles, said in an article, "if we get food right, we get everything right." **We fully support this SB2992 SD1 HD1 to create an agricultural investment fund.**

Mahalo,
Kelsey Amos and the Food+ Policy Team

The Food+ Policy internship develops student advocates who learn work skills while increasing civic engagement to become emerging leaders. We focus on good food systems policy because we see the importance and potential of the food system in combating climate change and increasing the health, equity, and resiliency of Hawai'i communities.

In 2022, the cohort of interns are undergrads and graduate students from throughout the UH System. They are a mix of traditional and nontraditional students, including parents and veterans, who have backgrounds in education, farming, public health, nutrition, and Hawaiian culture.

Email: nmilne@kohalacenter.org

HOUSE COMMITTEE ON FINANCE

Friday, April 1, 2022 – 1:30 p.m.

Nicole Milne, personal testimony, in strong support of SB 2992 SD1 HD1, Relating to Agriculture.

Dear Chair Luke, Vice Chair Yamashita, and Members of the Committee:

Thank you for the opportunity to provide my personal testimony in strong support of SB 2992 SD1 HD1 which establishes the Hawai‘i Agricultural Investment Program to bolster agricultural production throughout the islands.

My name is Nicole Milne and I am the Vice President of Food and Agriculture Initiatives at The Kohala Center (TKC). TKC is a non-profit, statewide organization for research, education, and ‘āina stewardship that has supported the growth and development of Hawai‘i’s producers and community food systems since 2011, serving as Hawai‘i’s only cooperative development center, specializing in financial capitalization for agricultural and food businesses.

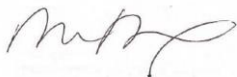
Given Hawai‘i’s physical isolation and the extreme dependence on imported food, it is imperative that the public and private sector work in partnership to build thriving community food systems that increase equitable access to healthy food and develop resilient local economies that support viable businesses that provide living wages. The pandemic has acutely reminded us of the importance and the value of having a strong agricultural and food sector that can source materials locally, employ local residents, serve island consumers, and share profits with local communities.

Access to capital remains a barrier for many food and agricultural entrepreneurs in the islands. The scope of financial products available to farmers and ranchers in Hawai‘i is diverse, from microloans available through The Kohala Center, Kiva, and USDA Farm Service Agency, to larger loans via Feed the Hunger Fund, Slow Money Hawai‘i, Hawaii Department of Agriculture, American Ag Credit, and more. However the demand for affordable capital across the sector far outweighs the supply, and oftentimes eligibility requirements significantly narrows the number of products accessible to producers.

I strongly support the State’s efforts to broaden investment pathways available for farmers and ranchers, including those that increase *equitable access to affordable capital*, as this initiative does. The state Department of Agriculture (DOA) is Hawai‘i’s lead agency charged with supporting an industry that is critical to the resiliency of our island communities and rural economies. Given recent cuts to DOA’s budget, shoring up future capacity through a matching grant program would facilitate the Department’s ability to assist farmers with critical infrastructure such as fencing, irrigation, and soil health and conservation practices. Hawai‘i would join with several state agricultural departments across the U.S. that house similar programs, including Minnesota, Massachusetts, Kentucky, and many others. And furthermore, this investment initiative would help unlock federal funding for Hawai‘i’s producers which is available through various Farm Bill programs already utilized by farmers and ranchers across the state.

I respectfully request your support of SB 2992 SD1 HD1. Thank you for the opportunity to testify.

Sincerely,



Nicole Milne, Vice President, The Kohala Center
Personal Testimony

SB-2992-HD-1

Submitted on: 3/31/2022 12:26:23 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ted Bohlen	Climate Protectors Hawai'i	Support	Written Testimony Only

Comments:

To: The Honorable Sylvia Luke, Chair, The Honorable Kyle Yamashita, Vice Chair, and Members of the House Committee on Finance

From: Climate Protectors Hawai'i (by Ted Bohlen)

Re: Hearing **HB2992 SD1 HD1 RELATING TO AGRICULTURE.**

Hearing: Friday, April 1, 2022, 1:30 p.m., CR 308 and by videoconference

Aloha Chair Luke, Vice Chair Yamashita, and Members of the House Committee on Finance:

The Climate Protectors Hawai'i is a group focused on reversing the climate crisis and encouraging Hawai'i to lead the world towards a safe and sustainable climate and future. The Climate Protectors Hawai'i **SUPPORTS HB2992 SD1 HD1!**

This bill would establish an agriculture investment program to support local agriculture producers with a dedicated funding source. Providing funding for local agriculture would not only help local farmers overcome the high costs of producing food here, but would also increase access to healthy local food for Hawaii residents and help mitigate the climate emergency by reducing the need to import food from great distances.

Please pass this bill!

Mahalo!

Climate Protectors Hawai'i (by Ted Bohlen)

SB-2992-HD-1

Submitted on: 3/28/2022 2:29:00 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Maureen Datta	Individual	Support	Written Testimony Only

Comments:

I am in strong support of SB2992.

SB-2992-HD-1

Submitted on: 3/29/2022 4:54:57 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
mary drayer	Individual	Support	Written Testimony Only

Comments:

strongly SUPPORT SB2992 SD1 HD1

SB-2992-HD-1

Submitted on: 3/29/2022 4:57:04 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
John Witeck	Individual	Support	Written Testimony Only

Comments:

Please pass SB2992. Our people really need this support provided to those who produce good local food crops for our tables. The high costs of land and other commodities in Hawai'i limit the competitiveness of local agriculture and have made it harder to increase Hawai'i's food production. The encouragement and support such as what is provided in this bill could help our local farmers and food producers to overcome the high costs and produce and provide quality foods for our restaurants and tables. Tourists, too, would especially prefer to eat good, fresh, local produce at restaurants and be able to buy it in stores. Please approve this important bill and make Hawaii more self-sufficient agriculturally. Mahalo.

SB-2992-HD-1

Submitted on: 3/29/2022 5:15:59 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Eliel Starbright	Individual	Support	Written Testimony Only

Comments:

Cover crops improve water quality, soil health, and build resiliency in the face of climate change. They are one of the most common, accessible agricultural strategies for improving soil health and water retention. They also prevent nitrogen pollution in water and erosion to the benefit of both the environment and the farmer.

SB-2992-HD-1

Submitted on: 3/29/2022 5:22:02 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Patricia Blair	Individual	Support	Written Testimony Only

Comments:

Absolutely important!

SB-2992-HD-1

Submitted on: 3/29/2022 6:18:53 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
B.A. McClintock	Individual	Support	Written Testimony Only

Comments:

High costs in Hawai'i limit the competitiveness of local agriculture and have undermined efforts to expand local food production. Direct support for local agricultural producers can help overcome the high costs faced by Hawai'i's agricultural sector.

SB-2992-HD-1

Submitted on: 3/29/2022 7:19:03 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Roger Walraven	Individual	Support	Written Testimony Only

Comments:

I speak in support of family farms and the State' full support of their endeavors. For too long, Hawaii has been totally dependent on Mainland and Foreign Exports of staples that every family needs. No more! Give independent growers and farmers some tax breaks or other incentives to get us off these Unsustainable food sources. Grow Hawaiian. Eat Hawaiian.

SB-2992-HD-1

Submitted on: 3/29/2022 10:15:37 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
denise woods	Individual	Support	Written Testimony Only

Comments:

Please support this bill. It is more important than every with the war and soaring food prices and inflation that we grow our own food in Hawaii.

SB-2992-HD-1

Submitted on: 3/30/2022 7:16:00 AM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
carol lee kamekona	Individual	Support	Written Testimony Only

Comments:

High costs in Hawai‘i limit the competitiveness of local agriculture and have undermined efforts to expand local food production. Direct support for local agricultural producers can help overcome the high costs faced by Hawai‘i's agricultural sector.

We need to make changes now that will affect our future generations. We need to reduce our dependence on imports. We need to take care of our people!

SB-2992-HD-1

Submitted on: 3/30/2022 10:37:26 AM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Lindsey A Drayer	Individual	Support	Written Testimony Only

Comments:

I support this. Thank you

SB-2992-HD-1

Submitted on: 3/30/2022 11:00:53 AM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
pamela burrell	Individual	Support	Written Testimony Only

Comments:

Aloha Senators,

Direct support for local agricultural producers can help overcome the high costs faced by Hawai'i's agricultural sector.

Please help.

regards,

Pamela Burrell

Kilauea, Kaua'i

SB-2992-HD-1

Submitted on: 3/30/2022 11:22:54 AM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Wendy Arbeit	Individual	Support	Written Testimony Only

Comments:

Food is more important than tourists overrunning our state. Cut the amount of support given to tourism and give that to our farmers.

I fully support this measure so our farmers can be successful in competing with mainland big ag.

It's a win-win for our local farmers and our nutrition.

SB-2992-HD-1

Submitted on: 3/30/2022 11:23:55 AM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Anita Yokota	Individual	Support	Written Testimony Only

Comments:

As a farmer in Waimanalo, I ask that you support SB2992. This bill could give much needed support to local farmers that have to contend with the high cost of living in Hawaii.

SB-2992-HD-1

Submitted on: 3/30/2022 2:27:38 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Nancy Redfeather	Individual	Support	Written Testimony Only

Comments:

This Bill seems to "fil in the gaps" that are apparent in the ADC program. Because this program is administered by HDOA, and they have become very familiar with running grant programs, and because the program targets primarily the small and medium size farm (Hawaii Island 86% of all farms 1-9 acres) these funds could be put to very good use either for needed equipment or in some cases even purchasing land. I hope the amount put into this fund is VERY large. This one time investment could become the real catalyst for restarting the type of food production that many people have been envisioning for many years.

SB-2992-HD-1

Submitted on: 3/30/2022 3:56:25 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Theresa M Thompson	Individual	Support	Written Testimony Only

Comments:

I support this Bill.

Theresa Thompson

SB-2992-HD-1

Submitted on: 3/30/2022 8:30:36 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Harrinette Holt-Hansen	Individual	Support	Written Testimony Only

Comments:

I support SB2992 SD1 HD1. Hawaii's agriculture sector and small farmers need help. This bill will help them expand and help them compete with the high cost of operations. We must help our agriculture and increase self-sustainability in all ways possible.

Aloha,

H.Holt-Hansen

SB-2992-HD-1

Submitted on: 3/30/2022 10:38:58 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Janet L Pappas	Individual	Support	Written Testimony Only

Comments:

Dear FIN Chair and committee members,

I strongly support SB2992 which establishes the Hawaii agricultural investment program to support local farmers. In the U.S. a survey showed that 58% of farmers polled cited the high cost of production as their major roadblock to sustainable farming. In Hawaii the numbers may be even higher due to higher costs for fuel for transportation, importing soil amendments and payments for harvesting, processing and delivering their products to market.

Less than 15% of Hawaii's foos supply is locally grown. We are trying to grow our base of small farmers but they are going to need a helping hand to get started. With funds from this investment program, they can make make improvements to their infrastructure and land and hopefully help the State reach its food sustainability goals.

Please fund this bill so that we can all rest easier when the world's markets get shaky and we must rely even more on our hardworking local farmers for the food on our tables.

Thank you for your consideration of bill SB2992.

Sincerely,

Jan Pappas

Aiea, Hawaii

SB-2992-HD-1

Submitted on: 3/30/2022 11:15:46 PM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Sherry Pollack	Individual	Support	Written Testimony Only

Comments:

I support SB2992 SD1 HD1. High costs in Hawaii limit the competitiveness of local agriculture and have undermined efforts to expand local food production. Direct support for local agricultural producers can help overcome the high costs faced by Hawaii's agricultural sector. Please pass this important measure. Mahalo!

SB-2992-HD-1

Submitted on: 3/31/2022 6:28:48 AM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Nanea Lo	Individual	Support	Written Testimony Only

Comments:

Hello,

My name is Nanea Lo. I come from Papakōlea, O‘ahu. I'm a Kanaka Maoli born and raised in the Hawaiian Kingdom. I'm writing in full support of SB2992 SD1 HD1.

High costs in Hawai‘i limit the competitiveness of local agriculture and have undermined efforts to expand local food production. Direct support for local agricultural producers can help overcome the high costs faced by Hawai‘i's agricultural sector.

Support SB2992 SD1 HD1.

me ke aloha ‘āina,

Nanea Lo

SB-2992-HD-1

Submitted on: 3/31/2022 7:48:28 AM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Lisa Seikai Darcy	Individual	Support	Written Testimony Only

Comments:

Please support Agricultural Investments.

Mahalo,

Lisa Darcy

Maui County

SB-2992-HD-1

Submitted on: 3/31/2022 11:03:24 AM

Testimony for FIN on 4/1/2022 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jessica Kuzmier	Individual	Support	Written Testimony Only

Comments:

Aloha, I am testifying in support of SB2992 SD1 HD1, which establishes the Hawai'i Agricultural Investment Program to support local agricultural food producers via a 50% matching grants program.

As you are aware, the high costs in Hawai'i limit the competitiveness of local agriculture and have undermined efforts to expand local food production. Direct support for local agricultural producers can help overcome the high costs faced by Hawai'i's agricultural sector, and this bill gives some help to do this.

I am absolutely in favor of doing whatever we can to support local agriculture, especially that of small-scale businesses which invest in sustainable and regenerative agriculture, aquaculture and animal husbandry for our local people. With the uncertainty of major crises such as climate change, pandemics and war, we need to do what we can to make sure that we can be able to feed ourselves with food that nourishes not only us, but that of our biodiversity and with an eye to mitigating climate change. Local agriculture will help this, by reducing our food miles.

Mahalo for taking the time to listen to my views.