

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

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Deputy to the Chairperson

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

BEFORE THE SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

**MONDAY, FEBRUARY 14, 2022
1:20 P.M.
VIA VIDEO CONFERENCE**

**SENATE BILL NO. 3181
RELATING TO AGRICULTURE**

Chairperson Gabbard and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 3181 that establishes a local agriculture transportation cost reimbursement incentive program to be administered by the Department of Agriculture. The purpose of the program is to reimburse agricultural producers on neighbor islands for certain transportation costs of agricultural commodities for consumption within the State. The reimbursement is up to \$5,000 per qualified agricultural producer who have annual gross receipts totaling at least \$50,000. There is an appropriation to fund and administer this program.

The Department of Agriculture supports the intent of this measure, provided it will not adversely impact the Department's priorities in the Executive Budget.

In a recent commercial agriculture survey of local farming operators conducted by the USDA-NASS, 39 per cent of the respondents cited the cost of shipping or transportation as a significant challenge to their operations and a barrier to their commercial expansion. Most agricultural activities occur in rural areas on neighbor islands. Many farms are dependent on the Honolulu market to sell their products and to



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purchase farming inputs. Hence, an affordable, and accessible intra-island shipping service is essential to supporting a viable and/or thriving diversified agriculture industry, comprising of smaller farms and ranches in rural Hawaii.

Thank you for the opportunity to comment on this measure.



Email: communications@ulupono.com

SENATE COMMITTEE ON AGRICULTURE & ENVIRONMENT
Monday, February 14, 2022 — 1:20 p.m.

Ulupono Initiative supports SB 3181, Relating to Agriculture.

Dear Chair Gabbard 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 the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food; renewable energy and clean transportation; and better management of freshwater and waste.

Ulupono supports SB 3181, which establishes a local agriculture transportation cost-reimbursement incentive program to be administered by the Department of Agriculture (DOA) to reimburse eligible producers for a portion of the producer's costs to transport agricultural commodities.

This bill seeks to address an ongoing issue that many local producers face statewide – transportation. As an island state, Hawai'i's producers rely on air freight, water cargo, and parcel services to transport products both within the state and to the U.S. mainland or foreign markets. Transportation remains one of the top expenses for producers, so any support from the State is welcomed.

This measure provides support to local neighbor island producers to move products within the state. While O'ahu has the strongest market for agricultural products, other islands also receive goods from O'ahu. As such, we recommend that this committee consider the removal of subsection (b)(1) regarding eligibility.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

Investing in a Sustainable Hawai'i



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February 14, 2022

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

TESTIMONY ON SB 3181
RELATING TO AN AGRICULTURE

Conference Room 224 & Videoconference
1:20 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 3181, which establishes a local agriculture transportation cost reimbursement incentive program to be administered by the Department of Agriculture to reimburse eligible producers for a portion of the producer's costs to transport agricultural commodities.

Interisland transportation has been a major issue with neighbor island farmers and ranchers. The majority of agricultural lands are in the neighbor islands yet the population center is on Oahu. Neighbor island farmers and ranchers are disadvantaged when competing with fellow farmers and ranchers on Oahu due to additional transportation costs of bringing in supplies and sending product out. Each increase in interisland shipping rates means increased costs to these farmers and ranchers, costs that usually cannot be passed on to the vendor. This bill seeks to level the playing field by providing assistance to neighbor island farmers and ranchers.

We believe that this program will help to reduce the operating costs for our neighbor island farmers and ranchers and eventually help reduce the cost of purchasing local agriculture products for local consumers.

We respectfully offer the following recommendations.

- Expand the allowable agricultural commodities to include hemp, floriculture, horticulture, feed, fiber, and fuel.
- Provide funding for a transportation cost reimbursement incentive program coordinator.

Thank you for the opportunity to testify on this measure.



THE SENATE
THE THIRTY-FIRST LEGISLATURE
REGULAR SESSION OF 2022

COMMITTEE ON AGRICULTURE AND ENVIRONMENT

Senator Mike Gabbard, Chair
Senator Clarence K. Nishihara, Vice Chair

Monday, February 14, 2022 1:20 p.m.
Conference Room 224 & Videoconference

RE: SB3181 RELATING TO AGRICULTURE

My name is Eric S. Tanouye and I am the President for the Hawaii Floriculture and Nursery Association. HFNA is a statewide umbrella organization with approximately 300 members. Our membership is made up with breeders, hybridizers, propagators, growers, shippers, wholesalers, retailers, educators, and the allied industry, which supports our efforts in agriculture.

The Hawaii Floriculture and Nursery Association (HFNA) **SUPPORTS SB3181**

There are a lot moving costs associated with agriculture and transportation is one that has been changing quite rapidly over the last few years. We find this reimbursement incentive program to be important to help agriculture producers to be able to move their products in an economical manner, that can keep costs low through out the state.

If you have any questions at this time, I would be happy to discuss them and can be reached by phone at 808-959-3535 ext 22, cell 960-1433 and email eric@greenpointnursery.com.

Supporting Agriculture and Hawaii,


Eric S. Tanouye
President
Hawaii Floriculture and Nursery Association