



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
House Committee on Finance
Wednesday, March 29, 2023 at 3:00 p.m.

By

Anna Wieczorek, Interim Dean
College of Tropical Agriculture and Human Resources

And

Michael Bruno, Provost
University of Hawai'i at Mānoa

SB 743 SD1 HD1 – RELATING TO COFFEE PEST CONTROL

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

Thank you for the opportunity to provide testimony in support of SB 743 SD1 HD1 relating to coffee pest control and to provide comments.

The coffee industry is the third highest valued agricultural commodity of Hawai'i. Coffee is grown on 7,100 acres in Hawai'i and has a farm gate value worth \$60,000,000, and green coffee has a value of about \$113,000,000. With the state's first detection of the Coffee Berry Borer (CBB) in 2010, and with the arrival of Coffee Leaf Rust (CLR) in 2020, this important crop faces serious threats to its existence. The College of Tropical Agriculture and Human Resources' (CTAHR) Cooperative Extension Service, in partnership with the Pacific Basin Agricultural Research Center, Hawai'i Agriculture Research Center, Hawai'i Department of Agriculture (HDOA), Synergistic Hawai'i Agriculture Council, and numerous coffee grower associations such as the Hawai'i Coffee Association, have helped develop and share integrated pest management practices to the coffee growers of Hawai'i.

The estimated annual economic benefit to Hawai'i coffee growers due to the implementation of integrated pest management practices recommended by CTAHR's Cooperative Extension Service is valued at \$33,000,000 per year.

The current pesticide subsidy act has been used by a significant number of Hawai'i's coffee growers to defray the cost of pest management practices to improve the profitability of their operations. By extending the current pesticide subsidy program to June 2025, and the program manager position to June 2026, it gives Hawai'i coffee growers this management tool to improve their profitability while a variety of new management practices to contain CBB and CLR are being developed by the agricultural research community in Hawai'i and worldwide.

We support SB 743 SD1 HD1, however, we defer to HDOA on the appropriation of funds from the pesticide use revolving fund.

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
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TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON FINANCE

MARCH 29, 2023
3:00 PM
CONFERENCE ROOM 308

SENATE BILL NO. 743
RELATING TO AGRICULTURE

Chairperson Yamashita and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 743. This bill is intended to extend the sunset date for the coffee berry borer and coffee leaf rust pesticide and fertilizer subsidy program to 6/30/2025 and the program manager position, including the position's civil service and collective bargaining laws exemption, to 6/30/2026. Requires the Department of Agriculture to report to the Legislature. Appropriates funds for the operation and implementation of the pesticide and fertilizer subsidy program. The department supports this measure but offers comments.

Invasive species are a primary threat to Hawaii's agriculture and economy. The coffee berry borer (*Hypothenemus hampei*) is a significant coffee pest in Hawaii and the world. The extension of the subsidy program and program manager position will allow the Department to continue to support coffee farmers by partially offsetting the costs of purchasing certain pesticides that contain *Beauveria bassiana* as an active ingredient, and certain fungicides, such as Priaxor Xemium in order to control the coffee berry borer and the coffee leaf rust to mitigate the damage these organisms cause to the coffee beans and plants. However, the body of scientific literature does not offer a clearly substantiated link between fertilizer and the plants resistance to coffee pests and



diseases. The department would like to limit the fertilizer subsidy program to growers impacted by coffee berry borer and coffee leaf rust.

Thank you for the opportunity to testify on this measure.

The Department strongly supports this bill.

REBECCA VILLEGAS

*Council Member
District 7, Central Kona*



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HAWAI'I COUNTY COUNCIL

*County of Hawai'i
West Hawai'i Civic Center, Bldg. A
74-5044 Ane Keohokalole Hwy.
Kailua-Kona, Hawai'i 96740*

TESTIMONY OF REBECCA VILLEGAS COUNCIL MEMBER,
HAWAI'I COUNTY COUNCIL
ON SB 743 SD1, HDI, RELATING TO COFFEE PEST CONTROL
Committee on Finance
Wednesday, March 29, 2023 at 3:00 p.m.

Chairperson Yamashita and Members of the Committee:

Thank you for the opportunity to testify in support of SB 743 SD1, HD1. My testimony is submitted in my individual capacity as a member of the Hawai'i County Council.

Invasive species are a primary threat to Hawai'i's agriculture and economy. The coffee berry borer is a significant coffee pest in Hawai'i and the world. Coffee leaf rust causes severe defoliation that greatly reduces the photosynthetic capacity of the coffee plants. Long-term effects of coffee leaf rust may include dieback, which has a significant impact on the following year's yield and causes an estimated thirty per cent to eighty per cent loss if not properly treated. Efforts to control coffee leaf rust are critical to sustaining the coffee industry.

This bill extends the pesticide subsidy program to June 30, 2025, and extends the position of the pesticide subsidy manager to June 30, 2026. The extension of the subsidy will allow the Department to control the coffee berry borer and the coffee leaf rust to mitigate the damage these organisms cause to the coffee beans and plants.

For these reasons stated above, I urge the Committee on Finance to support this measure. Should you have any questions, please feel free to contact me at, (808) 323-4267

Mahalo for your consideration.

A handwritten signature in black ink, appearing to read 'Rebecca Villegas'.

Rebecca Villegas
Council Member, Hawai'i County Council

SB-743-HD-1

Submitted on: 3/27/2023 2:42:33 PM

Testimony for FIN on 3/29/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Carolyn Witcover	Ma'alahi Farm	Support	Written Testimony Only

Comments:

i strobgly support extending the sunset date for the Coffee Berry Borer Pesticide Subsidy Program to 6/30/2025 and the program manager position, including the position's civil service and collective bargaining laws exemption, to 6/30/2026. I support the appropriation of funds for the operation and implementation of the Pesticide Subsidy Program to be effective 6/14/2023, provided that the appropriation shall take effect on 7/1/2023. Please help our farmers!

SB-743-HD-1

Submitted on: 3/27/2023 4:18:24 PM

Testimony for FIN on 3/29/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Erika Zemby	Kona Bae Farm	Support	Written Testimony Only

Comments:

Mahalo for your past support of the CLR/CBB subsidy bill. As a small coffee grower, I can tell you how devastating CLR and CBB have been to our crops. Thanks to your previous support, farmers have been able to make a dent in fighting both CLR and CBB but there is still a long way to go. Kona coffee is a Hawaii tradition that helps promote tourism. Helping farmers helps our economy thrive. Mahalo for your continued support of this important subsidy.



**RE: Support for SB743
RELATING TO COFFEE PEST CONTROL**

HDOA; Coffee Berry Borer; Coffee Leaf Rust; Pesticide Subsidy Program; Appropriation (\$)

Aloha Chair, Vice Chair and Committee Members,

The Synergistic Hawai'i Agriculture Council (SHAC) stands in support of this Bill. Our consortium represents 1,500 coffee, macadamia, papaya, and floriculture agribusinesses. SHAC's growers, processors, and shippers stretch across the State.

Economically, many smaller farms struggle to keep up with the cost burdens that the invasive Coffee Leaf Rust and Coffee Berry Borer has generated. **This subsidy increases the participation of growers in pest management and has made control much more effective regionally.** By lowering the cost of the product, more growers are likely to treat the pests, and the overall quality of the crop increases.

"Fertilizer" encompasses a number of products that are not pesticides or fungicides but will stimulate the tree to have a defensive response to CLR.

For every \$50 in subsidy costs spent per acre, approximately \$600 in improved crop value is returned to the farmer. This has the potential to increase income by up to \$2.4 million across our Kona, Ka'u and Maui coffee communities. The University of Hawaii estimates that each agricultural dollar circulates 11 times through the community, via local wages, goods and services. Supporting ag is good for the economy.

Thank you for considering support to this bill. Your attention makes a difference in the lives of hundreds of farmers.

Mahalo nui loa!

Suzanne Shriner
Administrator



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Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

March 29, 2023

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON SB 743, SD1, HD1
RELATING TO COFFEE PEST CONTROL

Conference Room 308 & Videoconference
3:00 PM

Aloha Chair Yamashita, Vice-Chair Kitagawa, 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 743, SD1, HD1, which extends the sunset date for the coffee berry borer and coffee leaf rust pesticide and fertilizer subsidy program to 6/30/2025 and the program manager position, including the position's civil service and collective bargaining laws exemption, to 6/30/2026. It also requires the Department of Agriculture to report to the Legislature and appropriates funds for the operation and implementation of the pesticide and fertilizer subsidy program.

Coffee is one of Hawai'i's signature crops; one that helps bring fame and tourists to Hawai'i. Coffee Berry Borer (CBB) threatens the entire Hawai'ian coffee industry. While the full tally is yet to be made, farms on Hawai'i Island have experienced deep losses. Some have failed. Moreover, large quantities of coffee have been downgraded due to insect damage, reducing the value of the remaining crop. CBB is a serious threat to Hawai'i's agriculture industry and the state's economy. While CBB is battled worldwide, no other coffee-growing origin shares Hawai'i's high labor costs and restrictions on pesticides that may be used elsewhere to fight this destructive pest. This places the industry at a competitive disadvantage when compared to the rest of the coffee-growing world.

Fighting CBB is a priority in other coffee-producing countries. The USDA has expressed its support targeted toward research, education, and mitigation. The industry's response has been immediate and multi-faceted. A non-profit CBB task force has been formed, including growers, processors, HDOA, UH, USDA, and county government. CTAHR and HDOA have been responsive and effective in their combined efforts. The industry has

committed countless private-sector dollars and has leveraged both State and Federal funds.

A new threat, *Hemileia vasatrix* (coffee leaf rust), threatens the entire Hawai'ian coffee industry. Coffee Leaf Rust (CLR) is known to spread rapidly and leads to defoliation and tree death that can result in up to 70% loss of yield. CLR has already been identified on Hawai'i Island, Maui, and Oahu. CLR is the most destructive coffee disease in the world and can kill an entire farm in a matter of weeks. This fungus is a serious threat to Hawai'i's agriculture industry and the state's economy.

The extension of the CBB funding and the inclusion of CLR in the Pesticide Subsidy Program should be viewed as a modest investment in one of the state's largest and most important agricultural crops.

Thank you for the opportunity to testify on this measure of great importance

SB-743-HD-1

Submitted on: 3/28/2023 6:26:14 AM

Testimony for FIN on 3/29/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Clare Wilson	Huahua Farm	Support	Written Testimony Only

Comments:

My husband and I own and operate a Kona coffee farm near Holualoa. We strongly support the extension of the CBB/CLR subsidy program AND the addition of fertilizer to the subsidized products. We have seen in our fields that the regular application of fertilizer definitely has a positive effect against CLR. Maintaining healthy coffee trees is an important part of the battle against CLR. Please help support farmers in our costly battle against pests.

Mahalo,
Clare Wilson
Huahua Farm

SB-743-HD-1

Submitted on: 3/28/2023 8:39:36 AM

Testimony for FIN on 3/29/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jacqueline Wikum	Mai Mahealani Farm	Support	Written Testimony Only

Comments:

Strong support for the subsidy program. It has kept my farm economically sustainable during the arrival of coffee leaf rust.

Thank you.

SB-743-HD-1

Submitted on: 3/28/2023 8:56:06 AM

Testimony for FIN on 3/29/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Colehour Bondera	Kanalani Ohana Farm	Support	Remotely Via Zoom

Comments:

Aloha Chair and Committee Members:

Please accept my support for SB743 SD1 HD1.

As a long-time (21 years) organic Kona coffee farmer, it is critical for our farm to have support to deal with pest and disease problems which are new to Hawai‘i.

As a Founding Member, President Emeritus and current Board member of Kona Coffee Farmers’ Association, it is clear that most coffee farmers cannot apply all approved pesticides for pest problems. We simply cannot take that many expensive risks. Our Board voted to include fertilizer as a means to help farmers yield more options for efforts to deal with CLR; this is a great and timely opportunity to do so...

Research and time have shown that the first and best thing which pest problems such as Coffee Leaf Rust are fought against with is tree/plant health. This is achieved by healthy soils, which means that enough food (fertilizer) is provided. As testified in 2022, to both the House and the Senate, we must have a more comprehensive system in place for farmer support.

The only strong argument last year in opposition to this need of farmers (to include fertilizer in the subsidy program) was that the HDOA did not have a means to so allocate designated funds, since they have operated without a fertilizer or soils Program for so long. That is the responsibility of the HDOA to rectify, and farmers do not need to wait while the legislature and HDOA discuss who is administratively responsible. This year SB660 addresses this HDOA need, but we must include designation and required allocations in SB743, in order for action to happen in the coming year (starting July 1st).

As a past member of the National Organic Standards Board which advises the US Secretary of Agriculture on policy and action decisions at the federal level, I understand that things can be made to happen in many ways. This is the second year of the request to combine the subsidy program into one for both pesticides and fertilizers since we are working for and with farmers who will participate more if there is only a single program, rather than two separate efforts.

HDOA can present their needs to so accomplish in discussion, or any subsequent Conference discussions. Farmers need to not be put on hold for yet another year. Further, all Hawai‘i coffee could and should be organic, and using Hawai‘i-made, Hawai‘i-ingredient fertilizers is one way

for a much lighter carbon footprint. HDOA can and should be encouraging this to happen as fast as possible. How to do so is what we should be hearing back from HDOA, in my opinion.

Finally, as the lead farmer on research funded by the Organic Farming Research Foundation, as well as by CTAHR, on the pest control impact of local fertilizer and Indigenous Micro-Organisms on Coffee Leaf Rust, many of us are already seeking to demonstrate that Coffee Leaf Rust can be affected just as well as via imported pesticides. Research by farmers can be supported more since then fertilizer can be accessed by more farmers who are in need, in what is truly the worst coffee production year in history.

I am available for present and/or future discussion on this topic.

Thank you in advance for your support.

Sincerely,

Colehour Bondera

KANALANI OHAN FARM

colemel2@gmail.com

808-640-1643 iphone

SB-743-HD-1

Submitted on: 3/28/2023 10:37:40 AM

Testimony for FIN on 3/29/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
James Kimo Falconer	Hawaii Coffee Growers Association	Support	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Kitagawa and members of the House Finance Committee,

Please vote to extend the sunset date for the CBB and Coffee leaf Rust (CLR) subsidy program.

This program has been instrumental in helping Hawaii Coffee farmers fight the battles presented by these two pests. At its inception, it aided the coffee farms that were first seeing the immediate damage. The remainder of the Hawaii coffee growing regions were not infected for many years later and today are relying on this assistance to manage their farms' ability to develop their means of control. We appreciate your consideration of this bill.

Mahalo for the opportunity to testify.



RE: Support for SB743

RELATING TO COFFEE BERRY BORER

Department of Agriculture; Coffee Berry Borer; Coffee Leaf Rust; Subsidy Program; Appropriation (\$)

Aloha Chair and Committee Members,

The Kona Coffee Farmers Association stands in dedicated support of this Bill. We represent over 180 farms in the Kona districts and our mission is to protect the economic interests of our growers.

The coffee berry borer (CBB) is a devastating invasive pest. Economically, many smaller farms struggle to keep up with the cost burdens that CBB and coffee leaf rust has introduced. This subsidy increases the participation of growers in pest management and has made control significantly more effective regionally. By lowering the cost of the product, more growers are likely to treat the pest, and the overall quality of the crop increases. This benefits the state in added income to its resident farmers as well as added tax revenue. With coffee leaf rust, our organic farmers struggle with a lack of available fungicides. Research has shown that proper soil health management can possibly reduce the need for fungicidal sprays. The KCFA respectfully requests that a soil health subsidy be included with the pesticide program.

My family has a small working coffee farm in Captain Cook and like other members of KCFA we would like to thank you for considering support to this bill. Your attention makes a difference in the lives of hundreds of farmers.

Mahalo nui loa!

Mark Petersen
President

SB-743-HD-1

Submitted on: 3/28/2023 12:01:47 PM

Testimony for FIN on 3/29/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Polly Petersen	The Four Sens, LLC	Support	Written Testimony Only

Comments:

As a small coffee farmer in Captain Cook and member of KCFA we support this bill.



PO Box 168, Kealahou, HI 96750

COMMITTEE ON FINANCE

March 29, 2023

RE: STRONG SUPPORT for SB743 SD1 HD1; RELATING TO COFFEE PEST CONTROL

Aloha Chair Yamashita, Vice Chair Kitagawa and members of the committee,

I am Chris Manfredi, Executive Director of Hawaii Coffee Association.

The Hawaii Coffee Association's (HCA) mission is to represent all sectors of the Hawaiian coffee industry. Our members are located throughout the State of Hawaii and positioned throughout the supply chain.

SB743 SD1 HD1 extends the existing pesticide subsidy program, appropriates funds and extends the temporary program manager position within Hawaii's Department of Agriculture. This program has been a lifeline for Hawaii's coffee growers in the battle against invasive pests and disease; most notably Coffee Berry Borer and Coffee Leaf Rust.

A report released on January 21, 2022 by USDA National Agricultural Statistics Service (NASS) suggests the value of Hawaii's green coffee crop in the 2021-22 exceeds \$113,000,000. This figure places coffee among Hawaii's highest value crops, yet does not account for upstream and downstream revenue in terms of value-added products and ancillary businesses. It's also important to note the coffee industry promotes tourism, and preserves open space, view planes and watersheds.

Coffee leaf rust (CLR) has been found on Hawaii Island, Kauai, Maui, Oahu and Lanai. CLR poses a devastating threat to Hawaii's coffee industry. CLR is known to spread rapidly and leads to defoliation and tree death. Coffee Berry Borer (CBB) remains a significant threat in all coffee producing regions.

Hawaii's coffee farmers have the highest cost of production anywhere, particularly with recent labor shortages and inflationary pressures. The cost to manage these compound threat layers caused by invasive species and economic forces are squeezing Hawaii's farmers more than ever before. Yet we still compete in a global market with our counterparts across the globe who do not share many of our high costs. We respectfully ask that the Pesticide Subsidy Program be continued and be adequately funded. Please consider it a wise investment in one of Hawaii's most important agricultural crops. Your support is vitally important to Hawaii's coffee growers and the many families and businesses that depend on our industry.

We respectfully ask you to pass SB743 SD1 HD1.

Please accept our thanks on behalf of Hawaii's hard working coffee producers.

SB-743-HD-1

Submitted on: 3/27/2023 2:34:13 PM

Testimony for FIN on 3/29/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Gordon Inouye	Individual	Support	Written Testimony Only

Comments:

Please extend the sunset of this bill. The coffee industry needs it.

Gordon Inouye

SB-743-HD-1

Submitted on: 3/27/2023 3:21:15 PM

Testimony for FIN on 3/29/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Franz Weber	Individual	Support	Written Testimony Only

Comments:

I AM IN SUPPORT

SB-743-HD-1

Submitted on: 3/29/2023 9:08:58 AM

Testimony for FIN on 3/29/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

Please support SB743 SD1 HD1.