

**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  
Phone: (808) 973-9600 FAX: (808) 973-9613

**TESTIMONY OF SHARON HURD  
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON AGRICULTURE & FOOD SYSTEMS**

**MARCH 15, 2023  
9:30 AM  
CONFERENCE ROOM 325**

**SENATE BILL NO. 818, SD1  
RELATING TO AQUACULTURE**

Chairperson Gates and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 818, SD1. The bill transfers the Aquaculture Program (ADP) from the Department of Agriculture to the Agribusiness Development Corporation (ADC) and appropriates moneys. The Department supports the intent to expand the aquaculture program but feels that the ADP should remain in the Department to leverage the singular focus on agriculture and synergy between divisions and staff. The Department acknowledges and has been addressing the Legislature's concern that aquaculture has not previously been provided the requisite resources to expand the industry in an optimal manner.

The Department comments that this is a year of transition wherein the Animal Industry Division (AID) is asking to establish a meat inspection program, foster axis deer processing, support processes for aquatic livestock species review for import and focus on the disease mission of the AID that currently includes bovine TB and biosecurity threats such as Highly Pathogenic Avian Influenza, Avian Swine Fever or other Foreign Animal Disease preparedness actions. AID can accomplish this with support from the



Legislature and comments that transitioning the ADP to ADC, rather than augmenting the ADP within the Department, would detract from efforts to invigorate the Department.

The Department makes the following requests and comments that these requests may take 2 – 5 years to realize.

- The Aquaculture Development Program will be raised to a division level within the Department. This action will position aquaculture as a priority in Department planning. The current program manager position will be upgraded to a Division Administrator (EM-7 / \$11,196) and a Secretary III position (SR-16 / \$49,860) will be added. These personnel changes require Legislative support.
- Request the Legislature to support the intent of SB114 and HB489, which moves the administration of the importation and movement of aquatic livestock in the State from the Plant Industry Division to the Animal Industry Division. Both bills did not advance in their respective referral paths but the ability to directly administer the importation and movement of aquatic species would be an influential industry development tool for ADP. However, regardless of the final status of the bills, the Department will initiate this transfer. As noted in the SB114 and HB488 testimony, \$900,000 is requested to develop a risk-based decision-making framework to support the movement administration. The Department will initiate the required Hawaii Administrative Rule changes.
- Request the Legislature to support the intent of SB115 and HB488 by adding leasing ability to the aquaculture program. Both bills did not advance in their respective referral paths but the ability to directly administer leases would be an influential industry development tool for ADP. The Department will initiate the required Hawaii Administrative Rule changes to support the corresponding Hawaii Revised Statute changes in the legislation.
- Request the Legislature to support the development of aquaculture parks statewide under the administration of the Aquaculture Development Program as

an offshoot of SB115, SB650, and HB488. The stalled SB650 required the Department to conduct a feasibility study to identify potential sites in the State for an aquaculture park which will establish a baseline of location criteria. Estimated cost is \$500,000. In addition, this bill (SB818) already identifies two possible initial aquaculture park sites on Oahu. The Legislature is requested to support the funding of a Wilikina Hatchery and Training Center (\$12M) and a Mokuleia Innovation Center (\$15M) with planning in collaboration with existing tenants. The Department will initiate the required Hawaii Administrative Rule changes.

- Request the Legislature to support the funding of the following projects:
  - Develop scientific baselines for greenhouse hydroponic production (2 years) - \$2M. Controlled environment agriculture can be very efficient and productive. This project will establish baselines for nine key variable and identify and validate the best greenhouse design(s) suited to Hawaii’s environment.
  - Optimize a modular hatchery/nursery system to produce consistent and healthy seaweed seedstock (2 years) - \$1M. Clean seedstock is the foundation for the seaweed industry development. This project will identify and validate the best modular seaweed hatchery design that can be replicated on each island.

The requested funding is summarized in the table below.

Upgrade branch manager to division administrator and add a secretary III position	\$61,056
Develop a risk-based import and movement framework	\$900,000
Develop a feasibility study to identify potential sites for aquaculture parks	\$500,000
Develop a Wilikina Hatchery and Training Center	\$12,000,000
Develop a Mokuleia Innovation Center	\$15,000,000
Develop scientific baselines for greenhouse hydroponic production	\$2,000,000
Modular hatchery/nursery system - produce consistent and healthy seaweed seedstock	\$1,000,000

	<b>Total</b>	<b>\$31,461,056</b>
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Combining the support of the Legislature with tactically sound program development will be a make an unmistakable impact on the aquaculture industry. As such, the Department supports the intent of this measure to expand aquaculture but urges restraint in removing the program from the Department's purview and oversight. Thank you for the opportunity to testify on this measure.

**JOSH GREEN, M.D.**  
Governor

**SYLVIA LUKE**  
Lt. Governor



**JAMES J. NAKATANI**  
Executive Director

STATE OF HAWAII  
**AGRIBUSINESS DEVELOPMENT CORPORATION**

235 S. Beretania Street, Suite 205  
Honolulu, HI 96813  
Phone: (808) 586-0186 Fax: (808) 586-0189

**TESTIMONY OF JAMES J. NAKATANI**  
**EXECUTIVE DIRECTOR**  
**AGRIBUSINESS DEVELOPMENT CORPORATION**

**BEFORE THE COMMITTEES ON AGRICULTURE AND FOOD SYSTEMS**

Wednesday, March 15, 2023

9:30 a.m.

Conference Room 325  
& Videoconference

**SENATE BILL NO. 818 SD1**  
**RELATING TO THE AQUACULTURE**

Chair Asuega Gates, Vice Chair Kahaloa and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 818 S.D. 1 relating to aquaculture. The Agribusiness Development Corporation (ADC) supports this measure, which transfers the aquaculture program from the Hawaii Department of Agriculture (HDOA) to ADC.

Transferring the aquaculture program from HDOA to ADC, which is administratively attached to the Department of Business, Economic Development, and Tourism (DBEDT) could be beneficial to the State because its objectives support DBEDT's mission, which is to achieve a Hawaii economy that embraces innovation and is globally competitive, dynamic and productive, providing opportunities for all Hawaii citizens. HDOA's aquaculture branch

generates diversified agriculture solutions for moving Hawaii towards greater food self-sufficiency and fosters viable export industries. To no fault of their own, HDOA's priority and primary functions are regulatory and enforcement. Unfortunately, this mean non-regulatory functions, including the development a long-term vision and overall plan for economic development to support Hawaii aquaculture industry, are secondary.

While we appreciate the foresight and intent of this measure to support the aquaculture program, we would like to propose an amendment to the effective date to give the agencies involved ample time to facilitate the transfer. With regards to the funding appropriation, we support this bill provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget.

Thank you for your consideration of our testimony.

**SB-818-SD-1**

Submitted on: 3/13/2023 9:50:59 AM

Testimony for AGR on 3/15/2023 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Scott Wong	Ohana Hui Ventures, Inc	Support	Written Testimony Only

Comments:

As a farmer with 2 irrigation ponds on property we would like to utilize these features in the proper way and would seek assistance from the State in which we currently have done so in the past.

We are in Support.



House Committee on Agriculture & Food Systems  
Rep. Cedric Asuega Gates, Chair  
Rep. Kirstin Kahaloe, Vice Chair  
Wednesday, March 15, 2023 9:30 AM  
VIA VIDEOCONFERENCE  
Conference Room 325

Re: Testimony in strong opposition to SB818 SD1 Relating to Aquaculture

Aloha Chair Gates, Vice Chair Kahaloe, and Committee Members,

The Hawaii Aquaculture and Aquaponics Association (HAAA), with industry membership statewide and active industry involvement in the Pacific region and nationally, strongly opposes SB818 SD1 as currently proposed. The stated purpose of this measure is to transfer the administrative attachment of the aquaculture development program, including the aquaculture disease diagnostic lab and aquaculture veterinarian, from the Department of Agriculture (DOA) to the Agribusiness Development Corporation (ADC).

The HAAA strongly opposes this proposed broad stroke transfer of critical aquaculture industry support from the more appropriate State DOA to ADC, which does not have the staff or the technical aquaculture expertise necessary to support our industry. With the Hawaii aquaculture industry having grown from a minor activity to a leading diversified agriculture sector in one generation, and with accelerating growth and tremendous growth potential on the horizon, this transfer makes no sense from an industry support or economic development perspective.

This bill also includes the following overreaching provisions of serious concern, which seem to exempt ADC from laws that are currently in place to regulate aquaculture operations and protect the environment and public health, and which consolidate powers to the executive director:

**§163D-E Powers, duties, and activities of the corporation.**

(a) The business of aquaculture shall be governed by this part and shall be exempt from any other provisions relating to the harvesting, processing, and marketing of cultured aquatic life.

(b) Except as provided in this part, the business of aquaculture processing, distribution, and marketing shall be administered by the executive director.

(3) Administer the programs of the State relating to animal husbandry, entomology, farm credit, development and promotion of agricultural products and markets, and the establishment and enforcement of the rules on the grading and labeling of agricultural products.



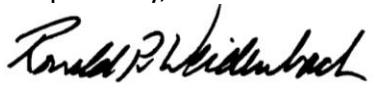
In addition, **SECTION 11** of this bill proposes an ADC-managed Mokuleia Aquaculture Innovation Center. While HAAA is supportive of an aquaculture innovation center, it is necessary to first **conduct an Oahu Aquaculture Park feasibility study** to ensure the best site is selected, as the statewide Hawaii Aquaculture Collaborative Steering Committee and the HAAA recommended to AGR as an industry priority prior to session. Optimal sites for both consistent solar intensity and deep-water access, which are critical physical elements of NELHA's continuing aquaculture success, do not exist in Mokuleia but appear to be present on the West Side of Oahu and in Ewa.

**Given the above concerns and more, the HAAA strongly opposes SB818 SD1 and respectfully request that this bill be opposed or deferred.** Alternatively, if you believe the aquaculture development function would be better served by DBED&T, then we respectfully request that this bill be amended to transfer the economic development functions of the program to the Business Development & Support Division, not to ADC. **It is critical, however, that the Aquaculture Disease Diagnostic Lab and Aquaculture Veterinarian remain within DOA's Animal Industries to ensure that this lab remains technically and financially viable to support the veterinary needs of our growing industry.**

**In addition, the HAAA also respectfully requests that Section 11 be deleted or amended to fund an Oahu Aquaculture Park feasibility study to identify the optimal site for an aquaculture park.**

Thank you for the opportunity to testify regarding the HAAA's serious concerns and strong opposition to this measure as currently proposed.

Respectfully,



Ronald P. Weidenbach  
HAAA President



6880 Kamehameha V Hwy. Kaunakakai, Molokai, Hawaii 96748 USA  
[www.broodstock.com](http://www.broodstock.com) [molokaishrimp@mac.com](mailto:molokaishrimp@mac.com) Tel. (808) 658-3276

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**Please oppose SB 818 SD1**

**Chair Cedric Asuega Gates**

**Agriculture & Food Systems**

Dear Honorable Chair Gates and Committee Members,

Im not sure what the reason was for bringing this bill to the legislature. I have been operating Molokai Sea Farms since 1988. We have been utilizing the state veterinarian off and on for the past 30 years and DOA has been doing a good job administering the program. It has been working well so it makes no sense to try to fix it or change it. It doesnt make sense to separate it from the other vet ag services the do a provides.

Starting an Aquaculture Innovation Center at Mokuleia seems counter intuitive. Mokuleia is a fresh water site. The long term potential for aquaculture in Hawaii is with Mariculture. With drought conditions increasing in the islands it makes no sense to start a fresh water innovation aquaculture center.

Please join me in opposing this bill. If something is not broken don't try to fix it. If something is not needed don't try to build it.

Respectfully submitted,

A handwritten signature in blue ink that reads "Steve Chaikin". The signature is fluid and cursive, with the first name being more prominent.

Steve Chaikin

Owner and Operator

Molokai Sea Farms



EcoPonicX, Inc.  
791 Aipo Street  
Honolulu, HI 96825

808-725-7168  
www.ecoponicx.com

TO: Representative Cedric Asuega Gates, Chair  
Representative Kirstin Kahaloa, Vice Chair  
House Committee on Agriculture & Food Systems  
Wednesday, March 15, 2023 @ 9:30 a.m. in Room 325 & Videoconference

**RE: OPPOSITION TO SENATE BILL 818 SD 1 RELATING TO AQUACULTURE –  
TRANSFER THE AQUACULTURE PROGRAM FROM THE DEPARTMENT OF  
AGRICULTURE TO THE AGRIBUSINESS DEVELOPMENT CORPORATION.**

Aloha Chair Asuega Gates, Vice Chair Kahaloa, and Members of the Committee,

My name is Scott "Ame" Arakaki. I am the CEO and Co-Founder of EcoPonicX, Inc. we strongly oppose SB 818 SD1: transfer the aquaculture program from the Department of Agriculture to the Agribusiness Development Corporation. The ADC does not currently have the staff or the technical expertise necessary to support the growing aquaculture industry. With the transfer establishing adequate positions, equipment, operational location, and funding would act to destabilize the momentum of the State's aquaculture industry. As would constructing Oahu's Aquaculture Innovation Center at a hastily chosen location. If this innovation center is to play as pivotal a role as the Natural Energy Laboratory of Hawaii Authority has played over the past four decades in developing the Hawai'i aquaculture industry, then proper consideration of its placement should be undertaken. Rushing to establish a site for the sake of having a site on Oahu could be even more disruptive than the transferral of the State's aquaculture development from HDOA to the ADC. We understand that a thorough site study encompassing the entirety of Oahu has not been conducted, and conducting such a study would be in the best interest of Section 11 of this bill.

Our startup is researching and designing technologies to address the global issue of malnutrition and food security, which heavily impacts our State because of its 85-90% dependence on importation. It primarily incorporates the aquaponic relationship described by Professor Doug Sanders and the hydroponic process named "Kratkey hydroponics" by CTHAR's Professor Bernard A Kratky. It'll be able to raise plants utilizing the uptake of nutrients from a liquid solution that raises aquatic animals simultaneously while minimizing electrical usage. For example, this year, we're collaborating with one of the State's oldest producers of tofu, Aloha Tofu, in researching a process utilizing their food waste streams as a source of nutrition for an insect species that can then be directly consumed or converted into a protein and lipid resource for our aquatic animal species: locally produced fish feed. This project is just one of a number in collaboration with Assistant Professor Kacie Ho of the University's Department of Human Nutrition, Food, and Animal Sciences. Another is a research project, whose results will be the subject of a graduate student's published works, to raise and test

the anthocyanin and polyphenol content of several microgreen plants grown by our system. Supporting the development of skills and talents in our local educational institutions is very important to our company.

Thank you for the opportunity to testify in strong opposition to this measure.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ame Arakaki', written in a cursive style.

Ame Arakaki  
CEO and Co-Founder

2029 Nuuanu Ave. #1510  
Honolulu, Hawai'i 96817  
March 13, 2023

Representative Cedric Asuega Gates, Chair, and Representative Kirstin Kahaloe, Vice Chair  
House Committee on Agriculture and Food Systems  
State Capitol, 415 S. Beretania St.  
Honolulu, Hawai'i 96813

Dear Chair Gates, Vice Chair Kahaloe, and Members of the Committee,

I oppose SB 818 SD1, “Relating to Aquaculture,” which would transfer responsibility for all Hawai'i aquaculture except ornamental aquaculture to the Agribusiness Development Corporation.

I have made my living in aquaculture and aquaponics in Hawai'i since the late 1970's. I have been a member of the Hawai'i Aquaculture and Aquaponics Association since the 1980's, and its treasurer since 2009. During my time in the industry, aquaculture has grown into a major component of Hawai'i's diversified agriculture, with sales of almost \$80 million in 2021 and with much room for further growth. I strongly support the further responsible development of this industry. However, I can see no obvious need to transfer authority over the industry to ADC, and SB 818 SD1 includes no justification of the transfer.

My concerns include the following:

- **Transferring responsibility for aquaculture away from DOA is premature.** As stated by the Hawai'i Aquaculture Collaborative, the creation of a five-year strategic plan is a priority of the aquaculture industry. If approved, the plan will presumably include an assessment of the appropriate agencies to oversee aquaculture development. Any major changes in agency responsibility should wait for the plan's conclusions. Further, the Legislature has wisely recently provided DOA aquaculture with additional staff and resources; these enhancements should be allowed to perform under the new Administration before a lead agency change is considered.
- **SB 818 creates substantial risk for the industry and its customers.** Page 5, lines 2-4 states: “The business of aquaculture shall be governed by this part and shall be exempt from *any other provisions* [italics mine] relating to the harvesting, processing, and marketing of cultured aquatic life.” This wording appears to exempt these aspects of aquaculture from any other State regulation, including environmental regulations, permitting, and human and animal health and safety rules. While I support regulatory relief for aquaculture, a total exemption seems a step too far.
- **SB 818 will create conflicting jurisdictions.** It assigns responsibility to ADC to govern “the business of aquaculture,” but most aquaculture businesses in Hawai'i are located at NELHA, which is currently administered by DBEDT. There are also aquaculture businesses throughout the State that are on land owned by DOA and DLNR as well as on private lands. Will these businesses also be subject to ADC oversight?
- **SB 818 will reduce the financial stability of critical veterinary services.** All of DOA's aquaculture-related services including the State aquatic veterinarian and the disease diagnostic lab would be transferred to ADC, separating aquaculture services from livestock veterinary services and reducing the potential for these services to become financially self-sustaining. Removing the veterinarian and the lab from DOA will disrupt the valuable synergy between this essential service program and the Animal Industries Division staff and facilities and other components of the Department.
- **ADC is not the appropriate agency to oversee the entire aquaculture industry.** ADC was created in order to transition former sugar and pineapple lands to diversified agriculture, and

has not completed this task. So far as I know, it was never intended to control entire segments of agriculture. Hawaii's aquaculture industry includes offshore and onshore facilities, freshwater and marine operations, production, research, and consulting. Can ADC really administer all these activities wisely? Further, a recent audit has disclosed significant problems within ADC, including poor financial documentation.

For these reasons, in order to support the responsible growth of Hawai'i's vital aquaculture industry, I respectfully request that your committee defer SB 818 SD1.

Thank you for the opportunity to testify on this proposed legislation, and for your support of Hawai'i's growing aquaculture industry.

Sincerely,

A handwritten signature in cursive script that reads "Frederick M. Mencher".

Frederick M. Mencher

# AQUACULTURE

PLANNING & ADVOCACY LLC

## COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

Rep. Cedric Asuega Gates, Chair

Rep. Kirstin Kahaloa, Vice Chair

Rep. Elle Cochran

Rep. Justin H. Woodson

Rep. Nicole E. Lowen

Rep. Gene Ward

Rep. Amy A. Perruso

## NOTICE OF HEARING

DATE: Wednesday, March 15, 2023

TIME: 9:30 a.m.

PLACE: VIA VIDEOCONFERENCE

Conference Room 325

State Capitol

415 South Beretania Street

My name is John Corbin and I strongly oppose this measure. I managed the State Aquaculture Development Program from 1978 to 2006, when I left the position. I have continued industry involvement through membership in the Hawaii Aquaculture and Aquaponics Association and the USDA Regional Aquaculture Center. Further, I also served almost continuously from 1980 to 2006 as a Board member of NELHA and provided an aquaculture perspective to its development.

I am very concerned about this drastic change in lead agency for aquaculture from DOA and its Board to ADC and its Board that has no valid justification and would be extremely disruptive to industry development. Please consider the following comments:

- Recently, the Legislature wisely gave DOA additional staff and resources to re-establish the previous Aquaculture Development Program's critical functions. These new resources should be given a chance to be put in place and perform in the current post-covid economic environment before any lead agency change is discussed.

-The language of the bill is very broad in its scope ,e.g., ADC would govern "the business of aquaculture" and this could lead to mission confusion and unintended consequences. The Hawaii reality is important aspects of the very diverse, statewide aquaculture industry are in three different departments; DOA, DLNR and DBEDT, and that will continue and should continue with DOA as the lead department for increasing food self-sufficiency. In particular, any changes that could negatively affect the NELHA, a great aquaculture success story, should be avoided.

- Simply put, I believe removing the State Aquaculture Veterinarian and the Disease Prevention Program from under DOA Animal Industry Division is a bad idea and will severely hamper its effective and efficient operation. The synergies that exist with other parts of DOA would be lost

# AQUACULTURE

## PLANNING & ADVOCACY LLC

and they need to be maintained to serve the evolving industry. The Program should stay in DOA, Animal Industry Division and be given the staffing and resources to serve existing activities like Certified Disease-Free Shrimp and emerging activities such as Certified Disease-Free Shellfish Seed.

-ADC recently underwent a critical audit of its management practices and poor performance that was thoroughly discussed by the Legislature during the last session, that led to its move to DBEDT. As such, I would imagine ADC is revamping its program to address these criticisms. I believe it would not be prudent to consider giving ADC a new, unfamiliar and much more complex responsibility, such as developing the vast potentials of land based and ocean aquaculture, at this time.

Thank you for the opportunity to testify.

John S. Corbin MS, CFP, AICP  
President  
Aquaculture Planning and Advocacy



March 13, 2023

TO: Representative Cedric Asuega Gates, Chair  
Representative Kirstin Kahaloa, Vice Chair  
House Committee on Agriculture & Food Systems  
Wednesday, March 15, 2023 @ 9:30 a.m. in Room 325 & Videoconference

**RE: OPPOSITION TO SENATE BILL 818 SD 1 RELATING TO AQUACULTURE –  
TRANSFER THE AQUACULTURE PROGRAM FROM THE DEPARTMENT OF  
AGRICULTURE TO THE AGRIBUSINESS DEVELOPMENT CORPORATION.**

Aloha Chair Asuega Gates, Vice Chair Kahaloa, and Members of the Committee,

I am writing this as a private citizen, although I also work in the field of aquaculture as a Professor of Aquaculture at UH Hilo. I also have a private aquaculture consulting practice. I have 38 years of experience in aquaculture (24 years of that in Hawai'i) and much of my work has focused on aquaculture policy and regulation.

I strongly oppose SB 818 SD1: transfer the aquaculture program from the Department of Agriculture to the Agribusiness Development Corporation.

First, this bill is not necessary and appears to be politically motivated. The Hawaii Department of Agriculture has been proficient in promoting aquaculture development although more support is need for HDOA to increase its capacity to support aquaculture. The Plant Quarantine Division is an important part of aquaculture management and they are generally doing a good job. The disease diagnostic lab and the Aquatic Veterinary position are also best situated within HDOA.

Transferring responsibilities and personnel is absolutely unnecessary and the transition would incur high costs and will slow down all transactions.

Instead of transferring the responsibility to the ADC, which has no track record with aquaculture, the capacity of HDOA should be strengthened. Also, certain permits relevant to aquaculture that are now under the auspices of DAR and OCCL should be transferred to the HDOA.

Please also oppose Section 11 (proposing a Mokuleia Aquaculture Innovation Center); this is also unnecessary and would destroy the largest freshwater aquaculture farm in Hawai'i. There is no reason to harm a sustainable and beneficial family farm that has been a great source of locally-produced food for decades.

Thank you for the opportunity to testify in strong opposition to this measure.



Sincerely,  
Maria Haws, Ph.D.

March 14, 2023

Representative Cedric Asuega Gates, Chair  
Representative Kirstin Kahaloa, Vice Chair  
House Committee on Agriculture & Food Systems  
Wednesday, March 15, 2023 @ 9:30 a.m. in Room 325 &  
Videoconference



**RE: SENATE BILL 818 SD 1 RELATING TO AQUACULTURE – TRANSFER THE AQUACULTURE PROGRAM FROM THE DEPARTMENT OF AGRICULTURE TO THE AGRIBUSINESS DEVELOPMENT CORPORATION.**

Aloha Chair Asuega Gates, Vice Chair Kahaloa, and Members of the Committee,

The Pacific Coast Shellfish Growers Association (PCSGA) represents bivalve shellfish growers who operate in Hawaii, Washington, California, Alaska, and Oregon. Hawaii is a critically important state where much of the shellfish seed is produced due to the extended growing season and since it does not experience the harmful effects of ocean acidification. We are writing to express gratitude for Hawaii's efforts to support and facilitate responsible marine aquaculture development and to encourage this committee to consider the potential implications of moving regulatory oversight from the Department of Agriculture to the Agribusiness Development Corporation (ADC).

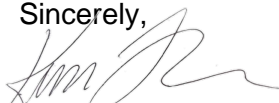
Effective regulation and oversight of the industry requires trust between the agency staff and the growers and capacity to fulfill the mandated obligations, including lab capacity for testing and institutional knowledge about the sector being managed. It is not clear that the ADC has this capacity, nor is it clear why this move is being initiated. What is clear is that the growers are not comfortable with the move, not because they fear more oversight, but because they don't have the same trust and confidence with the ADC that they do with the Department of Agriculture. They are also concerned that they could lose critical testing capacity if the funds are shifted from the Department of Agriculture to the ADC.

We would greatly appreciate more clarification on why this move is being proposed and how it will impact critical services that the Department of Agriculture is much better positioned to provide. We encourage the Committee to seek the same clarity before making this important decision that could have serious implications for the future of marine aquaculture in the state.

PCSGA members produce oysters, clams, mussels, and other shellfish species in the waters off the U.S. Pacific Coast. Our growers depend on clean water and healthy ecosystems to produce a nutritious source of protein that does not impact freshwater resources. We encourage efforts to facilitate clear and consistent permitting processes that will support responsible growth and expansion of shellfish aquaculture.

Mahalo for your consideration.

Sincerely,



Kim Thompson  
Executive Director  
Pacific Coast Shellfish Growers Association

3/14/2023

Jamestown Point Whitney Ventures LLC.  
Nathan Tsao, General Manager

TO: Representative Cedric Asuega Gates, Chair  
Representative Kristin Kahaloha, Vice Chair  
House Committee on Agriculture & Food Systems  
Wednesday, March 15, 2023 @ 9:30 a.m. in Room 325 & Videoconference

**RE: OPPOSITION TO  
SENATE BILL 818 RELATING TO AQUACULTURE – TRANSFER THE  
AQUACULTURE PROGRAM FROM THE DEPARTMENT OF AGRICULTURE TO  
THE AGRIBUSINESS DEVELOPMENT CORPORATION.**

Aloha Chair Asuega, Vice Chair Kahaloha, and Members of the House Committee,

Jamestown Point Whitney Ventures LLC strongly opposes SB 818: transfer the aquaculture program from the Department of Agriculture to the Agribusiness Development Corporation. As an established and growing aquaculture business we are greatly disappointed to hear that SB818 was passed by the senate despite such overwhelming opposition amongst industry colleagues. We urge you to oppose or defer this measure.

Jamestown Point Whitney Ventures LLC is a multifaceted shellfish hatchery program owned and operated by the Jamestown S’Klallam Tribe with facilities in both Hawaii and Washington. Since opening in 2015 JPWV’s Kona hatchery site mainly functions as a production and export facility of Pacific Oyster juveniles to its WA facilities. This juvenile export is made possible by the importation of adult oysters to Hawaii which are used as breeding stock.

Throughout its eight years of operations in Kona, JPWV has maintained a highly functional relationship with the Hawaii Dept of Agriculture. The longstanding HDOA permit processes, oversight, and institutional staff knowledge of the Hawaii aquaculture industry provides a well-functioning agency interface for JPWV to successfully operate and grow.

JPWV’s concerns include the following:

**Premature adoption of a new governing body creates undefined and perhaps unnecessary business requirements.**

We feel that the current agency interface is quite adequate in the handling and defined continuance of our aquaculture operations. There is no language contained in this bill that clearly expresses an update to any existing permitting processes or requirements. Blindly accepting the terms of an undefined agency relationship may be obstructive to operations and business.

**Outreach activity by ADC to connect with existing aquaculture operations on an individual case level has been hugely inadequate.**

While the creation of an aquaculture specific oversight body separate from DOA may prove useful in the future, thus far the adoption of this action has been largely hidden from our (industry's) eyes and ears. As a NELHA tenant who speaks to many other aquaculture owners/managers/colleagues on a daily basis, I can say that none of them have been contacted in regards to this action. We feel that this lack of initial transparency begins any future relationship with ADC off to a rocky beginning.

**The staffing of ADC as an oversight agency must be include Hawaii specific Industry experts.**

As it is right now, HDOA staff maintains a close relationship with JPWV on all details of our operations. We feel very strongly that inadequate staffing knowledge of a new agency will lead to confusion of future agency interface, and potentially be obstructive to our business.

Thank you for the opportunity to testify in strong Opposition of this measure.

Sincerely,  
Nathan Tsao

**SB-818-SD-1**

Submitted on: 3/14/2023 11:02:51 AM

Testimony for AGR on 3/15/2023 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Thayne Taylor	Individual	Oppose	Written Testimony Only

Comments:

With respect, I strongly oppose SB818 SD1 since ADC does not have the staff or the technical expertise necessary to support our industry. As such, I respectfully request that this bill be opposed or deferred. Alternatively, if you believe aquaculture would be better served by DBED&T, then I respectfully request that this bill be amended to only transfer the economic development functions of the program to DBED&T's Business Development & Support Division. **It is critical that the Aquaculture Disease Diagnostic Lab and Aquaculture Veterinarian remain in DOA Animal Industries to ensure that this lab remains technically and financially viable to support the veterinary needs of our growing industry.**

**Thank you for your time,**

**Thayne Taylor**

**SB-818-SD-1**

Submitted on: 3/14/2023 2:27:22 PM

Testimony for AGR on 3/15/2023 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Lisa Rhoden	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose SB818 which transfers the aquaculture development department from HDOA to ADC.

Given ADC's track record on developing land under their control for conventional farming, leasing this land to successful farm operations, and, in an administrative capacity fulfilling their responsibilities such as filing annual reports and having proper and complete documentation for land they have leased out, it is premature to move an entire industry to under their control.

The aquaculture industry in Hawaii also opposes this measure and they know their business and needs better than anyone, certainly better than anyone currently at ADC. There is no specialist in aquaculture within ACD. HDOA has the organizational capacity, relationships with the growers, and the support structure in terms of staff and funding, to continue to grow and develop this industry alongside the industry's own leaders. Aquaculture is part of agriculture and as such should remain in the HDOA.

SB818 does not assist or enhance the aquaculture industry in Hawaii and should not be passed.

Respectfully,

Lisa Rhoden

Hanapepe, HI