

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 FINANCE

**THURSDAY, MARCH 2, 2023
2:30 P.M.
CONFERENCE ROOM 308 AND VIDEO CONFERENCING**

**HOUSE BILL NO. 690, HD1
RELATING TO AGRICULTURE**

Chair Yamashita and Members of the Committee:

Thank you for the opportunity to present testimony on House Bill 690 HD1. This bill amends Chapter 141 to establish the Hawaii Agricultural Investment Program and provides a dedicated funding source for the local agricultural sector. Through this program, the Department of Agriculture (Department) can invest in agricultural producers to support the State's economy and alleviate financial strains on the local agricultural sector.

The Department fully supports this bill with appropriation of funds to farmers, ranchers, growers, producers and other bona fide operations to expand, strengthen, and boost resiliency of Hawaii's agriculture. Additionally, it will allow the Department to react quickly to assist farmers and ranchers to recover from any proclamation of natural disasters or emergencies that may adversely impact the local agricultural industry.

The Department respectfully comments that the awarding of grants for the listed items will require discussion as a policy matter and require changes to rules. Two additional staff is requested 1) to manage the procurement process to award grants, to



generate and administer contracts and 2) manage the accounting oversight resulting from awarding of grants. The overall budget of this investment program is estimated at \$6 million in each of the fiscal years, 2024 and 2025. State funds will account for \$4.5 million and the remaining balance from matched federal, private, or other sources.

The Department fully supports the bill and will work to establish the Hawaii agricultural investment program within its jurisdiction.

Thank you for your consideration and opportunity to testify on this measure.



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

March 2, 2023

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON HB 690, HD1
RELATING TO AGRICULTURE

Conference Room 308 & Videoconference
2:30 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 HB 690, HD1, which establishes the Hawai'i Agricultural 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 Program can assist farmers and ranchers to increase capacity to grow and produce import replacement products to fulfill the State's vision for increased self-sufficiency and sustainability. We are concerned with the thirty-three 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.



Email: communications@ulupono.com

HOUSE COMMITTEE ON FINANCE
Thursday, March 2, 2023 — 2:30 p.m.

Ulupono Initiative strongly supports HB 690 HD1, Relating to Agriculture.

Dear Chair Yamashita 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 choices, and better management of freshwater resources.

Ulupono strongly supports HB 690 HD1, which 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, which was the DOA's main source of industry funding. By establishing this investment program dedicated to the development of a viable local agricultural industry and providing state funding, Hawai'i is making a commitment to our local farmers and ranchers that they will play a significant role in diversifying our economy.

This program seeks to invest in local farmers and ranchers by funding solutions to address the industry's most pressing challenges. It is important to note that nearly a quarter of U.S. agriculture departments have established grant or cost-share programs to invest in local agriculturalists, demonstrating that these states were responsive to the needs and issues facing local producers by implementing programs to assist with critical needs such as infrastructure, technology, equipment, processing, training, market access and development, and much more.¹ Hawai'i should do the same and continue its commitment to our many important sustainability goals.

¹ States include Connecticut, Maine, Massachusetts, Michigan, Montana, New York, Oklahoma, Tennessee, Vermont and Virginia.



We believe that the proposed program will help to address Hawai'i agriculture's priority issues. To do this, we ask for an appropriation of at least \$3,000,000 per fiscal year in Section 3 of the bill.

It is important to note that this measure requires a match to receive grant funding and that the DOA must report on each program expenditure to the Legislature. By making the program general funded, there is a collaborative future between departmental program expenditures and legislative accountability. We look forward to seeing this collaboration support a successful agricultural industry here in Hawai'i.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs



Hawai'i Alliance for Progressive Action (HAPA) Supports: HB690 HD1

Thursday, March 2nd, 2023 2:30 p.m. Conference Room

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

HAPA supports HB690 HD1 which establishes the Hawai'i agricultural investment program to support local agricultural producers.

HB 690 HD1 will help bolster agricultural production throughout the islands through the establishment of a dedicated funding source for the agricultural sector.

It is critical to our sustainability and survival as an island chain to increase our local food production and agricultural sector in a way that supports regenerative agriculture and local production.

As we have so regularly heard over the last few years, Hawai'i relies on imports to satisfy more than 80 percent of its food demand¹. This leaves us especially vulnerable to natural disasters and supply chain disruptions. Regenerative agriculture is necessary to diversify our economy and mitigate the impacts of climate change.

The expansion of agriculture will allow us to broaden our economic streams and make us less reliant on tourism, which has become more and more extractive for local residents who are more often pushing for limits². A robust local food and agriculture sector could help to diversify our local economy.

Please support HB690 HD1.

Thank you for your consideration.

Respectfully,

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

Anne Frederick
Executive Director

¹ <https://www.civilbeat.org/2021/04/how-hawaii-squandered-its-food-security-and-what-it-will-take-to-get-it-back/>

² <https://www.staradvertiser.com/2021/06/02/hawaii-news/hawaii-residents-support-limits-on-tourism-a-survey-finds/>



Hawaii Cattlemen's Council, Inc.

COMMITTEE ON FINANCE
Rep. Kyle T. Yamashita, Chair
Rep. Lisa Kitagawa, Vice Chair

HB690 HD1
RELATING TO AGRICULTURE

Thursday, March 2, 2023, 2:30 PM
Conference Room 415 & Videoconference

Chair Yamashita, Vice Chair Kitagawa, 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 HB690 HD1** which establishes the Hawai'i Agricultural Investment Program 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





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Ted Radovich
Waimanalo, O'ahu

Vincent Kimura
Honolulu, O'ahu

Ray Maki
Kauai

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

The Hawaii Farmers Union United (HFUU) is a 501(c)(5) agricultural advocacy nonprofit representing a network of over 2,500 family farmers and their supporters across the Hawaiian Islands. **HFUU supports HB690.**

HFUU understands the vital importance of sustainable and locally-produced foods to our communities. This bill will allow farmers to access the resources needed for us to continue our businesses, as well as help to boost the state's agricultural production.

HB690 would establish the Hawaii Agricultural Investment Program, which will provide grants and other means of financial assistance to local agricultural producers. By providing a steady source of dedicated funds, this program would be instrumental in helping farmers and ranchers to attract productive capital investment. This investment will help Hawaii to develop a reliable and stable agricultural system, which can provide its citizens with sustainably and locally-produced foods. We strongly support HB690, and believe that this bill is essential to helping to ensure the long-term sustainability of Hawaii's agricultural industry. Thank you.

Mahalo for the opportunity to testify.

Kaipo Kekona, President HFUU/HFUF



March 1, 2023

HAWAI'I STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
COMMITTEE ON FINANCE

RE: SUPPORT of HB690 HD1

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

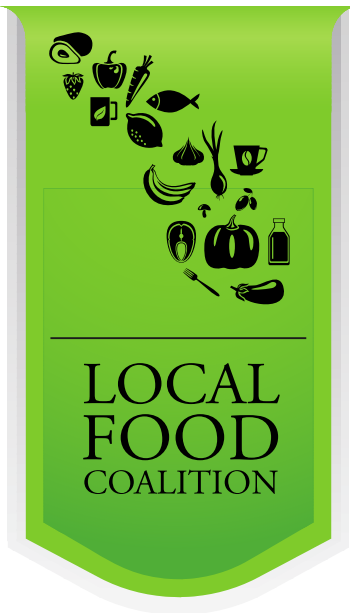
HB 690 will establish the Hawai'i agriculture investment program to bolster agricultural production and support local agricultural producers throughout the islands.

Please support SB690 HD1 and the establishment of a dedicated funding source for the agricultural sector.

Mahalo for your consideration,

Anna Camacho, co-founder

GOOD FOOD
movement



Hawai'i Aquaculture & Aquaponics Association
Hawai'i Cattlemen's Council
Hawai'i Farm Bureau Federation
Hawai'i Farmers' Union United
Hawai'i Food Industry Association
Hawai'i Food Manufacturers Association
Kohala Center
Land Use Research Foundation of Hawai'i
Maui Farm to School Network (Maui F2SN)
Ulupono Initiative
College of Tropical Agriculture and Human Resources - University of Hawai'i at Manoa

HOUSE COMMITTEE ON FINANCE
March 2, 2023 – 2:30 p.m. – Conference Room 308 &
Via Videoconference

HB 690 HD1 – RELATING TO AGRICULTURE – IN SUPPORT

Aloha Chair Yamashita, Vice Chair Kitagawa and Members of the Committee:

The Local Food Coalition **SUPPORTS** HB 690 HD1, which establishes the Hawaii Agricultural Investment program to support local agriculture producers; requires annual reports; and appropriates funds.

The program will provide matching grants that will support agricultural development by addressing the industry's top issues as identified by local farmers and ranchers. The bill also establishes standards that include a matching requirement from federal, private, or other sources.

The pandemic highlighted the need to increase Hawaii's food self-sufficiency and reduce our reliance on imports. Now is the time to reinvest in our local agricultural industry. This program will support a wide range of agricultural activities that will help the state reach its goal of doubling local food production.

The Local Food Coalition is an organization comprised of farmers, ranchers, livestock producers, investors and other organizations working to provide Hawaii's food supply.

We respectfully request your support of HB 690 HD1. Thank you for the opportunity to submit testimony.

Kendall Matsuyoshi
808-544-8345
kmatsuyoshi@wik.com



**THE HUMANE SOCIETY
OF THE UNITED STATES**

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Hearing date: Thursday, March 2, 2023

Time & Location: 2:30pm, Conference Room 208 & Videoconference

To: Rep. Kyle T. Yamashita, Chair
Rep. Lisa Kitagawa, Vice Chair
and Members of the House Committee on Finance

Submitted by: Susan Rhee, Hawaii State Director, the Humane Society of the United States

RE: Comments on HB 690 HD1, Relating to Agriculture

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

The Humane Society of the United States (HSUS) offers the following comments on HB 690 HD1.

If passed, HB 690 HD1 would provide a much-needed economic boost to Hawaii's agricultural industry. One of Hawaii's greatest points of cultural pride is our rich history of sustainable agriculture and farming practices, and HB 690 could strengthen that heritage.

That said, we strongly encourage an amendment be made providing funding for Hawaii egg producers to convert outdated conventional egg operations to more humane cage-free operations. This type of funding was included in the original version of HB 690.

Egg producers acknowledge that the future of their industry is cage-free. In fact, many egg producers on the islands desire to convert their egg farms to cage-free facilities but funding is a major obstacle to doing so. Further, Meat & Poultry magazine has concluded, "It's no longer a discussion about whether to convert egg production from cage to cage-free operations, but rather when it will happen." Further, new USDA statistics show that more than 35% of the U.S. egg flock is now cage-free, up from just 4% a decade ago.

The overwhelming shift to cage-free in recent years is due to public concern for animal welfare, food companies' demand for cage-free products, and legislative momentum across the U.S.

Currently, egg-laying hens in conventional "battery cage" are provided roughly 67 square inches of space to live their entire lives; that's smaller than the dimensions of a sheet of computer paper. Animal protection organizations like the HSUS endorse the investment in conversion funding because a faster transition to cage-free will allow more animals to engage important natural behaviors like flapping their wings, walking, perching, dustbathing and laying



eggs in nest boxes. Evidence indicates that cage-free standards also reduce *Salmonella* risks, which means safer food for Hawaii families.

Responding to demand from their customers, more than 200 of the country's largest companies have pledged to switch exclusively to cage-free eggs. This includes the nation's leading restaurant chains, such as McDonald's, Burger King, Taco Bell, IHOP and Denny's, as well as retail giants like Walmart and Costco. Hawaii-based companies, like Foodland and Hawaiian Airlines, have also agreed to source only cage-free eggs.

In addition, ten states have passed cage-free laws (Arizona, Nevada, Utah, Oregon, Washington, Michigan, Colorado, Rhode Island, California and Massachusetts). Eight of those states also ban the sale of eggs from battery cages. Several other states, have cage-free bills pending, as well.

Moreover, funding for producers to transition to modern cage-free egg facilities is directly in line with the intent of the bill to "improve equipment and technology for agricultural production or processing activities" (HB 690 HD1 Sect. 141(b)(2)), and it will promote food safety, which is the goal of HB 690 HD1 Sect. 141(b)(6). It would also help producers meet market demands and support the future of Hawaii's egg industry while providing much-needed jobs in our construction sector.

For the foregoing reasons, we kindly urge you to amend HB 690 HD1 to include funding for egg producers seeking to convert their outdated equipment to new, more humane cage-free operations.

Sincerely,

Susan Rhee
Hawaii State Director
The Humane Society of the United States

Email: nmilne@kohalacenter.org

HOUSE COMMITTEE ON FINANCE
Thursday, March 2, 2023 – 2:30 p.m. – Conference Room 308 & Videoconference

Nicole Milne, personal testimony, in support of HB 690, HD1, Relating to Agriculture

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

Thank you for the opportunity to provide personal testimony in **strong support** of HB 690, HD1 which establishes the Hawai‘i agriculture investment program to bolster agricultural production throughout the islands through the establishment of a dedicated funding source for the agricultural sector.

My name is Nicole Milne and I am the Vice President of Food and Agriculture Initiatives at The Kohala Center (TKC) and Member of the Board of Hawai‘i Good Food Alliance (HGFA). These entities are non-profit, statewide organizations that are community-based, working to support the development and resilience of economically viable agricultural and food operations *alongside* increased access to local food for Hawai‘i residents.

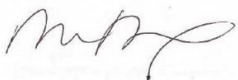
During the pandemic the Hawaii Department of Agriculture (HDOA) lost a significant source of revenue when the Legislature eliminated the Agriculture Development and Security Special Fund, HDOA’s main source of funding, through Act 87, SLH 2021.

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 TKC, 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 capital products truly 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. HDOA is Hawai‘i’s lead agency charged with supporting an industry that is critical to the resiliency of our island communities and rural economies. This initiative would shore up future capacity through a matching grant program to 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 HB 690, HD1. Thank you for the opportunity to testify.

Sincerely,



Nicole Milne
Vice President, The Kohala Center
Board Director, Hawai‘i Good Food Alliance
Personal Testimony

HB-690-HD-1

Submitted on: 2/28/2023 6:38:55 PM

Testimony for FIN on 3/2/2023 2:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Virginia Tincher	Individual	Support	Written Testimony Only

Comments:

Members of the FIN Committee,

We need to support our local farmers. At our home we always buy local food whenever possible. We eat seasonal fruit and vegetables grown in Hawaii.

I am in strong support of HB690 HD1

Mahalo for this opportunity to testify.

Virginia Tincher

Aina Haina, Oahu

HB-690-HD-1

Submitted on: 3/1/2023 6:15:24 AM

Testimony for FIN on 3/2/2023 2:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Caroline Azelski	Individual	Support	Written Testimony Only

Comments:

In support of HD1. Thank you.

HB-690-HD-1

Submitted on: 3/1/2023 10:52:36 AM

Testimony for FIN on 3/2/2023 2:30:00 PM

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

Comments:

Hello,

My name is Nanea Lo. I'm born and raised in the Hawaiian Kingdom a Kanaka Maoli.

I'm writing in SUPPORT of HB690 HD1.

HB 690 will establish the Hawai'i agriculture investment program to bolster agricultural production throughout the islands through the establishment of a dedicated funding source for the agricultural sector.

Please support HB690 HD1.

me ke aloha 'āina,
Nanea Lo, Mō'ili'ili

HB-690-HD-1

Submitted on: 3/1/2023 12:33:26 PM

Testimony for FIN on 3/2/2023 2:30:00 PM

Submitted By	Organization	Testifier Position	Testify
brandi corpuz	Individual	Support	Written Testimony Only

Comments:

Aloha my name is Brandi Corpuz and I support HB690 to help farmers of Hawaii grow the food we need in Hawaii. Growing food is one of the most difficult jobs that we have and it is the valuable resource. We need to secure our food source locally and this bill just makes since.

sincerely, Brandi Corpuz

HB-690-HD-1

Submitted on: 3/1/2023 1:46:02 PM

Testimony for FIN on 3/2/2023 2:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ezgi Green	Individual	Support	Written Testimony Only

Comments:

Aloha kākou!

HB 690 will establish the Hawai‘i agriculture investment program to bolster agricultural production throughout the islands by establishing a dedicated funding source for the agricultural sector.

Please support HB690.

I appreciate your consideration,

Ezgi Green, Waialua