

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
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TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON JUDICIARY AND HAWAIIAN AFFAIRS

MARCH 2, 2023
2:00 PM
CONFERENCE ROOM 325

HOUSE BILL NO. 975, HD 1
RELATING TO SUSTAINABLE AGRICULTURE

Chairperson Tarnas and Members of the Committee:

Thank you for the opportunity to testify on House Bill 975, HD1 relating to sustainable agriculture. This housekeeping measure addresses potential deficiencies in Act 312, Session Laws of Hawaii 2022, which established a three-year cover crop reimbursement pilot program to provide up to 75 per cent cost reimbursement to farming operations in the State for the acquisition of cover crop seeds, green manure, or compost to incentivize such practices. The Department supports this bill and defers to the Attorney General's office regarding the need for guidelines for a reimbursement program.

Both cover crops and compost (green manure is often used interchangeably with cover crops, although cover crops do not become green manure until it is tilled into the soil) are recognized best management practices by the Natural Resources Conservation Service (NRCS) of the United States Department of Agriculture. Both practices are valuable tools which can reduce surface water velocities, trap pesticides, soils, nutrients, and other pollutants of concern before they leave agricultural properties.



Subsidy implementation may provide cross-programmatic efficiencies related to matching federal funding with the Department of Health's Clean Water Branch, Polluted Runoff Control Program. If cover crops, green manure, and composting are implemented in watersheds with approved watershed-based plans (WBP) in the State of Hawaii, state funds appropriated by this bill may be leveraged to provide greater non-point source pollution control. Watersheds with WBPs include:

Kaua'i:

- Hanalei Bay Watersheds: Hanalei, Waikoko, Waipā, and Wai'oli
- Nawiliwili Bay Watersheds: Puali, Hulēi'ia, and Nawiliwili

Oahu:

- Ala Wai Watersheds: Manoa-Palolo, Makiki, and Ala Wai
- Honouliuli Watershed
- Kaiaka Bay: Kī'iki'i, Kaukonahua, Poamoho, Paukauila, Helemano, and 'Ōpae'ula
- Kapakahi Stream Watershed
- Ko'olaupoko Watersheds: Watersheds from Kualoa to Makapu'u
- Ma'ili'ili Watershed
- Waikele Watershed
- Wailupe Stream Watershed

Moloka'i

- Kawela Watershed

Maui

- Southwest Maui Watersheds: Hapapa, Wailea, Mo'oloa
- West Maui Watersheds: Honokōwai, Wahikuli, Kahana, Honokahua, and Honolua
- South Central Maui Watershed: Pōhākea

Kaho'olawe

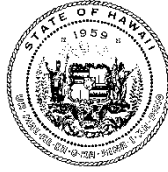
- Kaulana and Hakioawa Watersheds
- Kamōhio Watershed

Hawai'i

- Pelekane Bay Watershed: Kawaihae Watershed
- Waikoloa-Wai'ula'ula Stream Watershed

The resources requested by the Department to implement reimbursement programs includes an accountant and an account clerk within the Administrative Services Office. The positions are needed to properly implement this and other related reimbursement programs at an estimated cost of \$120,000 annually.

Thank you for the opportunity to provide testimony on this bill.



STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
STATE PROCUREMENT OFFICE

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TESTIMONY
OF
BONNIE KAHAKUI, ACTING ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE
ON
JUDICIARY & HAWAIIAN AFFAIRS
Thursday, March 2, 2023, 2:00 pm

HOUSE BILL 975, HD1
RELATING TO SUSTAINABLE AGRICULTURE

Chair Tarnas, Vice Chair Takayama, and members of the committee, thank you for the opportunity to submit testimony on House Bill 975, HD1. The State Procurement Office (SPO) respectfully provides comments to Section 2, page 6, lines 7-9.

The proposed language states:

Grants made by the department of agriculture under 5 this Act may be made without regard to chapters 103D and 103F, Hawaii Revised Statutes

COMMENTS: The SPO is concerned that there no mention of public posting to ensure eligible applicants have equal opportunity to participate in the three-year cover crop reimbursement program. Neither is there language to post any awards, which is normally done for all types of contract awards. The language also does not require for-profit entities, non-profit community-based organizations, and cooperative associations be compliant with the laws of Hawaii including:

- Chapter 37, General Excise Tax Law:
- Chapter 383, Hawaii Employment Security Law
- Chapter 386, Workers Compensation Law
- Chapter 392: Temporary Disability Insurance
- Chapter 393: Prepaid Health Car Act, and
- §103D-310(c); Certificate of Good Standing
-

If it is the intent of the legislature to allow the exemption from 103D and 103F, there should transparency in the process which will ensure the application process will be applied equally and uniformly, while providing fairness, open competition, a level playing field, government disclosure, and transparency.

RECOMMENDATION: The SPO recommends adding language to address each of our concerns.

Thank you for the opportunity to submit testimony on this measure.



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March 2, 2023

HEARING BEFORE THE
HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

TESTIMONY ON HB 975, HD1
RELATING TO SUSTAINABLE AGRICULTURE

Conference Room 325 & Videoconference
2:00 PM

Aloha Chair Tarnas, Vice-Chair Takayama, 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 975, HD1, which is a housekeeping measure that addresses potential deficiencies in Act 312, Session Laws of Hawai'i 2022, which established a three-year cover crop reimbursement pilot program to provide up to 75 per cent cost reimbursement to farming operations in the State for the acquisition of cover crop seeds, green manure, or compost to incentivize such practices.

HFB agrees that the use of cover crops and green manure increases agricultural productivity and is a beneficial management practice. We strongly support the concept of building soil structure and nutrient capacity. Caring for the soil is a cornerstone to having multigenerational farms that continue to provide for the people of Hawai'i. Many of our farms add compost made off-site as well as utilize short-term fallow between crop cycles to increase organic content in their soils. HFB recognizes and supports the diversion of discarded food and other useful wastes away from landfills. The benefits of this and composting are well-known.

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, 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 this initiative that could reduce the cost of production for local farmers by incentivizing, with a 75% match, cover crops seeds, green manure, and compost material. This is another mechanism that can help locally produced goods compete with imported products, strengthening our local economy.

Thank you for this opportunity to testify on this important subject.



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Honolulu, O'ahu

Ray Maki
Kauai

Aloha Chair Tarnas, Vice Chair Takayama, and Members of the House Judiciary & Hawaiian Affairs 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 HB975.**

The Hawaii Farmers Union United has been a strong supporter of the cover crop reimbursement pilot program. This bill supports the long-term health of our farming operations and our soil. We have seen the positive impacts of previous incentive programs and think HB975 further clarifies and strengthens the pilot program.

By clarifying the requirements for the submission of applications and disbursement of grants, the state will be better equipped to provide the needed resources to these farmers and help alleviate their financial burden. The bill would also provide the necessary infrastructure to administer the valuable program and ensure the financial resources are put to the best use. The cover crop pilot program and similar incentives are key investments in the agricultural sustainability of the State of Hawaii and our farmers.

Mahalo for the opportunity to testify.

Kaipō Kekona, President HFUU/HFUF

HB-975-HD-1

Submitted on: 2/28/2023 9:40:10 PM

Testimony for JHA on 3/2/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Dana Keawe	Individual	Support	Written Testimony Only

Comments:

support

HB-975-HD-1

Submitted on: 3/1/2023 8:52:11 AM

Testimony for JHA on 3/2/2023 2:00:00 PM

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

Comments:

In support of HD1. Thank you.