

**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 SENATE COMMITTEES ON AGRICULTURE AND ENVIRONMENT  
AND ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**

**FEBRUARY 15, 2023  
1:00 PM  
CONFERENCE ROOM 224**

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

Chairpersons Gabbard and DeCoite and Members of the Committees:

Thank you for the opportunity to testify on Senate Bill 818. The bill transfers the Aquaculture Program (ADP) from the Department of Agriculture to the Agribusiness Development Corporation (ADC) and appropriates moneys. The Department opposes this bill.

The Department bases its opposition to this bill on following points:

- The Department is solely focused on the agriculture industry. All state-wide agriculture industry development support resides in the Department where inter-department collaboration and existing relationships with county and federal programs are leveraged to create opportunities.
- Transferring a program between departments creates disruptions at the program and department levels. Momentum from last year's influx of dedicated funds and new positions (4) will be lost as the program would need to adjust to a new administrative and management structure.



- Current legislation is poised to add new responsibilities to ADP which require intra-departmental as well as inter-department collaboration. This synergy will be lost if a move to ADC is initiated.
  - Proposed legislation (HB488 / SB115 / SB650) to add leasing ability to the program and planning for aquaculture parks create linkages between the Aquaculture Program and the Agriculture Resource Management Division (ARMD). Leasing ability requires substantial administrative rule development for alignment and consistency with ARMD.
  - Proposed legislation (HB489 / SB115) to move the Aquatic Livestock permit process from the HDOA Plant Quarantine Branch to the Animal Industry Division requires AID's support to manage and administer the import permit process. Alignment with USDA rules and regulations will be imperative for program legitimacy. Like the leasing function above, this transfer of responsibility requires substantial administrative rule development at the division and branch level.

As such, the Department opposes this measure. 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**

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

**BEFORE THE COMMITTEES ON AGRICULTURE AND ENVIRONMENT AND  
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**

Wednesday, February 15, 2023

1:00 p.m.

Conference Room 224  
& Videoconference

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

Chairs Gabbard and DeCoite, Vice Chairs Richards and Wakai and Members of the joint Committees:

Thank you for the opportunity to testify on Senate Bill No. 818 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 supports 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.



February 12, 2023

Senator Mike Gabbard, Chair, and Senator Herbert M. “Tim” Richards III, Vice Chair  
Senate Committee on Agriculture and Environment  
Senator Lynn DeCoite, Chair, and Senator Glenn Wakai, Vice Chair  
Senate Committee on Energy, Economic Development, and Tourism  
Wednesday, February 15, 2023, 1:00 PM, Room 224 & Videoconference

Re: SB818 Relating to Aquaculture

Aloha Chairs Gabbard and DeCoite, Vice Chairs Richards and Wakai, and Committee Members

The Hawaii Aquaculture and Aquaponics Association (HAAA) representing aquaculture industry members, researchers, and supporters Statewide acknowledges and greatly appreciates the long-term support of the Hawaii aquaculture industry by the multiple introducers of SB818. Nevertheless, we believe this measure, which would transfer responsibility for all Hawai‘i aquaculture except ornamental aquaculture to the Agribusiness Development Corporation (ADC), is a misdirected and will result in long-term harm to our currently expanding industry.

We offer comments regarding our concerns and respectfully request that your Committees defer this measure at this time and, instead, engage with industry leaders and members after session to better understand what the Hawaii aquaculture industry members actually want and need in terms of State support to continue the growth of sustainable aquaculture in Hawaii. We believe that this would be a much more meaningful and productive means to support our industry rather than going forward with this measure which proposes top-down management and control by an agency with no direct working knowledge or understanding of the complexities of our industry.

Our concerns include the following:

**ADC is not the appropriate agency to oversee the aquaculture industry.** ADC was created in order to transition former sugar and pineapple lands to diversified agriculture. Once accomplished, the intent was for ADC to then transition these lands to the appropriate State agency for long-term management. This is not occurring and, instead, ADC apparently seeks to control and micro-manage diversified agriculture. Hawaii’s aquaculture industry includes offshore and onshore facilities, freshwater and marine operations, production, research, and consulting. ADC does not have the in-house expertise to understand and administer all these diverse elements of our industry.

**ADC is not the appropriate agency for management of the aquaculture disease diagnostic lab jointly operated by UH/CTAHR and DOA.** It will not be cost-effective to separate the State aquatic veterinarian and the disease diagnostic lab from livestock veterinary services and reducing the potential for these services to become financially self-sustaining.

**This measure appears to set aside or side step important regulatory controls necessary to protect the environment and public health.** Wording on page 5, lines 2-4 appears to exempt aquaculture from any other State regulation, including environmental regulations, permitting, and human and animal health and safety rules. This is excessive and unnecessary and would undermine the public’s trust in aquaculture as an environmentally sustainable and food safe industry.

**This measure 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’s Business Division. There are also aquaculture businesses throughout the State that are on land owned by DOA and DLNR as well as on private lands.

**Transferring the responsibility for aquaculture away from DOA will be unproductive.** The Hawai'i Aquaculture Collaborative's number two priority for the 2023 legislative session was funding for the creation of a five-year strategic plan for the aquaculture industry. Legislation is currently under consideration in the House and Senate that would authorize the UH Sea Grant program to hire an independent consultant to develop such a plan in concert with industry stakeholders. If approved, the plan could be directed to include an assessment of the appropriate agencies to oversee aquaculture development. Any such changes in agency responsibility should wait for the plan's conclusions.

Given these multiple serious concerns, the HAAA respectfully urges the Committee on Agriculture and Environment and the Committee on Energy, Economic Development, and Tourism to defer SB 818, meet with industry after session, and support the industry's requested five-year strategic plan to guide the responsible growth of Hawai'i's Globally-recognized aquaculture industry.

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

Sincerely,  
Ron Weidenbach  
HAAA President

**SB-818**

Submitted on: 2/14/2023 11:20:41 AM

Testimony for AEN on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
John Corbin	Testifying for Aquaculture Planning and Advocacy	Oppose	Written Testimony Only

Comments:

My name is John Corbin and I oppose this measure. I managed the State Aquaculture Development Program from 1978 to 2006, when I retired. I have continued 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 concerned about this drastic change in lead agency for aquaculture from DOA and its Board to ADC and its Board that has no justification. Please consider the following:

- Recently, the Legislature wisely gave DOA additional staff and resources to re-establish the previous aquaculture program's functions. These new resources should be given a chance to perform before a lead agency change is considered.
- The Legislature is considering a new 5 year Aquaculture Strategic Development Plan to guide industry expansion efforts after the shock of the Pandemic. I think it is important to incorporate current trends and constraints as guidance for current development decisions. Consideration of a lead agency change should wait for the new plan.
- The language of the bill is very broad in places ,e.g., ADC would govern "the business of aquaculture" and this could lead to confusion and unintended consequences. The reality is aspects of the diverse Hawaii aquaculture industry are in three different departments; DOA, DLNR and DBEDT. In particular, any changes that would negatively affect NELHA, a success story, should be avoided.
- Removing the State Aquaculture Veterinarian and the Disease Prevention Program from under DOA will hamper its effective and efficient operation. The synergies that exist with other parts of DOA should be maintained. The change should be avoided.
- ADC recently underwent an audit of its management practices that was thoroughly discussed by the Legislature during the last session, leading to its move to DBEDT. As such, I would imagine ADC is going through some program adjustments and it would not be prudent to consider giving it responsibility for aquaculture at this time.

Thank you for the opportunity to provide these comments.







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February 15, 2023

HEARING BEFORE THE  
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT  
and  
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

**TESTIMONY ON SB 818**  
RELATING TO AQUACULTURE

Conference Room 224 & Videoconference  
1:00 PM

Aloha Chairs Gabbard and DeCoite, Vice-Chairs Richards and Wakai, and Members of the Committees:

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.

**HFB respectfully opposes SB 818** which would transfer the aquaculture program from DOA to ADC and appropriate funding.

The Legislature has acknowledged the importance of Hawai'i's aquaculture industry and recognizes that supporting local aquacultural production can help the State move toward greater food sustainability and economic diversification. Hawai'i's aquaculture industry continues to be one of the fastest-growing segments of Hawai'i agriculture and has become an important source of seafood and other products for local sale and export. Currently, Hawai'i imports about 63 percent of its seafood but with continued support, we can increase local production and decrease imports.

HFB strongly supports the expansion of aquaculture in the islands but we are unaware of the justification to transfer the aquaculture program to ADC from DOA, and we believe that such a drastic and significant change may be unwise. The bill raises myriad issues regarding purpose, timing, conflicting jurisdiction over aquaculture businesses, regulatory authority, etc. that should be discussed and addressed.

The aquaculture industry itself has long prioritized the development of a five-year strategic plan to assist in the growth and oversight of aquaculture in the State. Currently, there are bills before this body that would enable the UH Sea Grant program to develop a

comprehensive plan for and with the aquaculture industry. HFB supports those measures and suggests that the plan be developed and considered, prior to any major changes in administrative agency responsibilities.

Thank you for the opportunity to testify on this issue.

2029 Nuuanu Ave. #1510  
Honolulu, Hawai'i 96817  
February 12, 2023

Senator Mike Gabbard, Chair, and Senator Herbert M. "Tim" Richards III, Vice Chair  
Senate Committee on Agriculture and Environment  
Senator Lynn DeCoite, Chair, and Senator Glenn Wakai, Vice Chair  
Senate Committee on Energy, Economic Development, and Tourism  
State Capitol, 415 S. Beretania St.  
Honolulu, Hawai'i 96813

Dear Chairs Gabbard and DeCoite, Vice Chairs Richards and Wakai, and Members of the Committees,

**I oppose SB 818, "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 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. Legislation is currently under consideration in Hawai'i's House and Senate that would authorize the U.H. Sea Grant program to hire an independent consultant to develop such a plan in concert with industry stakeholders. 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. 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 committees defer SB 818.

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

Sincerely,

  
Frederick M. Mencher

**SB-818**

Submitted on: 2/13/2023 12:44:44 PM

Testimony for AEN on 2/15/2023 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Dana Keawe	Individual	Support	Written Testimony Only

Comments:

support