



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKA'I

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Statement of
JAMES KUNANE TOKIOKA
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

Thursday, February 6, 2025
1:15 PM
State Capitol, Conference Room 229

In consideration of
SB 1325
RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION.

Chair DeCoite, Vice Chair Wakai, and members of the Committee:

The Department of Business, Economic Development and Tourism strongly supports SB 1325 which seeks to enhance agritourism by including agricultural tourism in the definition of "enterprise" to authorize the Agribusiness Development Corporation (ADC) to financially support farming businesses engaged in agricultural tourism.

Agritourism activity is an entrepreneurial strategy that allows farmers, many of which may qualify as small businesses, to find greater success in their businesses through direct sales and interaction with customers, while allowing local farmers to capitalize on Hawai'i's unique regional identity.

Thank you for the opportunity to testify.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



WENDY GADY
EXECUTIVE DIRECTOR

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
HUI HO'OULU AINA MAHIAI

TESTIMONY OF WENDY L. GADY
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE SENATE COMMITTEE ON
ECONOMIC DEVELOPMENT AND TOURISM

February 6, 2025
1:15 p.m.
Conference Room 229 & Videoconference

SENATE BILL NO. 1325
RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION

Chairperson DeCoite, Vice Chair Wakai, and Members of the Committee:

The Agribusiness Development Corporation (ADC) **supports** SB 1325 which seeks to enhance agritourism by including agricultural tourism in the definition of “enterprise” to financially support farming businesses engaged in agricultural tourism. This important amendment will allow ADC to provide financial and strategic support to farming businesses engaged in agritourism, which is a growing and vital component of Hawaii’s agricultural economy.

The Role of Agritourism in Hawaii’s Agriculture and Economy

Agritourism merges agriculture with tourism, offering unique experiences such as farm tours, hands-on workshops, farm-to-table dining, and direct-to-consumer sales of locally grown products. It plays an essential role in diversifying

the agricultural sector, strengthening rural economies, and promoting Hawaii's cultural heritage. Key benefits of agritourism include:

- 1. Economic Sustainability for Farmers:** Agritourism provides an additional revenue stream for farmers, helping them offset rising operational costs and the challenges of fluctuating crop prices. This financial stability allows farmers to reinvest in their operations and improve overall productivity.
- 2. Promotion of Locally Grown Products:** By engaging directly with visitors, agritourism promotes the value of locally grown food and educates the public on sustainable farming practices, thereby fostering greater appreciation for Hawaii's agricultural products.
- 3. Support for Rural Communities:** Agritourism creates jobs and stimulates economic activity in rural areas, offering opportunities for local residents and businesses to thrive.
- 4. Cultural and Environmental Education:** Agritourism highlights Hawaii's unique agricultural practices, traditional knowledge, and environmental stewardship, creating opportunities to share Hawaii's cultural heritage with visitors and residents alike.

Why Agritourism Should Be Included in the Definition of “Enterprise”

The ADC is instrumental in supporting Hawaii's agricultural sector by providing resources, financial support, and expertise to farmers. However, the current definition of “enterprise” does not explicitly include agritourism, limiting

ADC's ability to assist farming operations engaged in this important activity. By expanding the definition of "enterprise" to include agritourism, this amendment will:

- **Encourage Diversification in Agriculture:** Farmers will have greater access to resources needed to launch or expand agritourism initiatives, helping them diversify their income streams and build more resilient operations.
- **Increase Access to Funding and Technical Support:** Including agritourism will enable ADC to provide financial support, grants, and technical expertise to farming businesses that incorporate tourism into their operations.
- **Support Statewide Economic Goals:** Agritourism aligns with Hawaii's broader goals of promoting sustainable tourism, supporting local businesses, and reducing reliance on imports by strengthening the local food system.

Economic Impact of Agritourism in Hawaii

Agritourism already contributes significantly to Hawaii's economy. According to the Hawaii Department of Agriculture, agritourism activities have generated millions of dollars in revenue annually, with many farms reporting that tourism-related income represents a substantial portion of their total earnings. Expanding ADC's mandate to support agritourism will allow more farming

operations to benefit from this growing market, further boosting the agricultural and tourism sectors.

Conclusion

Including agritourism in the definition of “enterprise” is a necessary step to ensure that Hawaii’s farmers can fully participate in this dynamic and growing sector. By providing financial support and resources to agritourism ventures, ADC will strengthen Hawaii’s agricultural economy, enhance rural development, and promote sustainable tourism practices.

I respectfully urge the Committee to support this amendment and authorize the Agribusiness Development Corporation to extend its support to farming businesses engaged in agritourism.

Mahalo for the opportunity to testify on this important measure.



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February 6, 2025

HEARING BEFORE THE
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

TESTIMONY ON SB 1325
RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION

Conference Room 229 & Videoconference
1:15 PM

Aloha Chair DeCoite, Vice-Chair Wakai, 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 1325, which includes agritourism in the definition of "enterprise" to authorize the Agribusiness Development Corporation to financially support businesses engaged in agritourism.

We strongly support agritourism, which represents an excellent revenue enhancement opportunity for farmers and ranchers and an educational opportunity for the public. Fostering the profitability of farmers and ranchers will significantly contribute to the State's goal of increased self-sufficiency.

The Agribusiness Development Corporation (ADC) was initiated by the agricultural industry as sugar and pineapple downsized. It was established to help transition Hawaii's agricultural sector from plantation agriculture to smaller, diversified agricultural operations. Transitioning large tracts of monoculture farmland into smaller diversified ag lots and finding and supporting bona fide farmers to work those lands is a long and complex process. ADC has successfully developed a productive diversified sector from former sugar and pineapple lands.

ADC assists farmers and ranchers with land and water issues, regulatory mandates, invasive species, global competition, financing, marketing, and research funding. As the entrepreneurial agricultural arm of the state, ADC should have the authority to support agritourism.

Thank you for this opportunity to provide comments on this measure.



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

LATE

**HEARING BEFORE THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 229
Thursday, February 6, 2025, 1:15 PM**

To The Honorable Senator Lynn DeCoite, Chair
The Honorable Senator Glenn Wakai, Vice Chair
Members of the Committee on Economic Development and Tourism

SUPPORT SB1325 RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION

The Maui Chamber of Commerce **SUPPORTS SB1325** which includes agricultural tourism in the definition of "enterprise" to authorize the Agribusiness Development Corporation to financially support farming businesses engaged in agricultural tourism.

The Chamber recognizes that agricultural tourism (agtourism) offers a wide range of benefits for both farmers and local communities. For farmers, agtourism provides diversified income streams through activities such as farm tours, farm-to-table dinners, and agritainment, which offer additional revenue beyond traditional agricultural sales. It also helps enhance brand awareness by allowing direct interaction with consumers, enabling farmers to build brand recognition and customer loyalty. Agtourism also contributes to the preservation of agricultural heritage by educating the public about farming practices, food production, and rural lifestyles, fostering a deeper appreciation for agricultural traditions. Finally, by hosting events and workshops, farmers can strengthen ties with their communities and build social capital.

For communities, agtourism can stimulate economic growth by attracting visitors who spend on lodging, dining, and shopping. It also creates jobs in hospitality, tourism, and agriculture-related sectors. Agtourism can revitalize rural areas by attracting tourists and promoting local businesses. Additionally, by generating income from non-agricultural activities, agtourism incentivizes farmers to keep their land in agricultural production, helping to preserve open spaces and natural landscapes.

In essence, agtourism offers a sustainable way for farmers to thrive, communities to prosper, and consumers to connect with the source of their food.

For these reasons we **SUPPORT SB1325** and respectfully request its passage.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



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Vincent Kimura
Honolulu, O'ahu

Natalie Urminska
Kaua'i

Aloha Chair Decoite, Vice Chair Wakai, and Members of the Senate Economic Development and Tourism Committee,

The Hawai'i Farmers Union is a 501(c)(5) agricultural advocacy nonprofit representing a network of over 2,500 family farmers and their supporters across the Hawaiian Islands. **HFU supports SB1325.**

By including agricultural tourism within the definition of "enterprise," the Agribusiness Development Corporation can extend support to farming businesses that implement tourism activities as complement to their primary agricultural operations.

Agricultural tourism should be seen as an accessory and secondary component to the principal agricultural use of the land. It offers a platform for farmers to educate the public about sustainable farming practices and the important role agriculture plays in Hawaii's economy and environment. Through strategically developed tourism activities, farmers can share their stories and the unique characteristics of their crops, encouraging a deeper connection and appreciation for locally-produced food. This approach not only benefits farmers but also enhances the visitor experience by providing authentic, educational insights into Hawaii's agricultural landscape, thereby strengthening the community and fostering a sustainable future.

Mahalo for the opportunity to testify.

Hunter Heavilin
Advocacy Director
Hawai'i Farmers Union

Aloha ‘Awakea Council,

LATE

Hawaii Food+ Policy stands in support of SB1325. Today we are discussing a very simple yet effective bill for our future in economic development for Hawai‘i. SB1325 by simply adding enterprise would help native and local farmers here in our home to build a more prosperous business through our already tourist reliant economy today.

Growing up, one of our interns, Kalamakahi, her parents were hotel workers and she always loved going around the island even if there were malihini to see. Although, as she got older, seeing tourists disrupt ecosystems and wildlife through unsanctioned hiking trails and diving companies (owned by foreigners) is disheartening and it is hard to see the home she grew up in slowly lose its beauty through the tourist industry. Promoting Agritourism would help domesticate businesses, promote a more sustainable form of tourism, increase local job employment, increase farmer incomes, educate a tourist, and promote a healthier relationship with our agriculture and tourist industries.

This is the first step into creating a healthier pai‘aina with modern economy and preservation of Hawai‘i. Mahalo for your time and care. We hope you consider voting AYE for the future of our home.

Aloha,

Hawaii Food+ Policy