

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

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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

Tuesday, February 4, 2025
1:00 PM
State Capitol, Conference Room 229

In consideration of
SB 827
RELATING TO MEAT PROCESSING

The Department of Business, Economic Development, and Tourism (DBEDT) appreciates the opportunity to **provide comments** on SB 827, which seeks to require and appropriate funds for the department of business, economic development, and tourism to develop and implement a grant program to expand the meat processing capacity in the State.

DBEDT recognizes the importance of initiatives that strengthen Hawaii's food and product innovation sectors and acknowledges the role that value-added facilities play in anchoring and scaling up critical industries such as agriculture and meat processing.

Our department's fiscal year 2026 budget includes funding requests for:

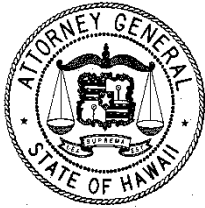
1. Proof of Concept for Food and Product Innovation Facilities
 - a. This initiative is designed to explore, plan, and develop facilities that enable the production of value-added agricultural products. By providing infrastructure that fosters innovation, we aim to help local producers increase competitiveness, expand market reach, and enhance Hawaii's food security.
2. Small Animal Slaughter and Processing Facility
 - a. Funding for this facility is intended to address the significant gap in Hawaii's meat processing capacity, particularly for small and medium-

scale producers. This facility will provide critical infrastructure to process locally raised animals, reducing reliance on imported meat and bolstering the local livestock industry.

Both projects are strategically targeted to anchor and scale up meat processing statewide, contributing to Hawaii's agricultural self-sufficiency and supporting the state's food security goals. Additionally, they align with the broader objectives of HB452 by fostering economic diversification, creating jobs, and addressing barriers faced by Hawaii's producers.

DBEDT emphasizes that these projects are not only infrastructure investments but also key drivers for building resilient, sustainable supply chains in Hawaii. We appreciate the Legislature's continued support in addressing the systemic challenges within the state's agricultural ecosystem and look forward to collaborating with stakeholders to advance these priorities.

Mahalo for the opportunity to provide these comments. We are available to answer any questions and provide further details on DBEDT's budgetary requests and initiatives.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2025**

ON THE FOLLOWING MEASURE:

S.B. NO. 827, RELATING TO MEAT PROCESSING.

BEFORE THE:

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

DATE: Tuesday, February 4, 2025 **TIME:** 1:00 p.m.

LOCATION: State Capitol, Room 229 & Videoconference

TESTIFIER(S): Anne E. Lopez, Attorney General, or Elise A. Amemiya or
Christopher J.I. Leong, Deputy Attorneys General

Chair DeCoite and Members of the Committee:

The Department of the Attorney General provides the following comments.

The purpose of this bill is to require the Department of Business, Economic Development and Tourism to develop and implement a grant program to expand meat processing capacity in the State and it makes an appropriation for this purpose.

This bill does not appear to contain legally sufficient standards for grants of public money as required by article VII, section 4, of the Constitution of the State of Hawaii--"[n]o grant of public money or property shall be made except pursuant to standards provided by law." Therefore, we recommend that this bill be amended to insert appropriate standards. Examples of existing statutes that provide standards for agencies to issue grants are part II of chapter 9 and sections 10-17, 210D-11, and 383-128, Hawaii Revised Statutes.

We have attached draft standards to this testimony as a sample to work from. These standards could be inserted on page 3, line 5 as a new subsection (d), with subsequent subsections appropriately re-alphabetized. Additionally, we are happy to work with you on developing more specific standards.

Thank you for the opportunity to provide comments.

POSSIBLE STANDARDS FOR THE GRANTS IN THIS BILL

(d) Applications for grants shall be made to the department of business, economic development and tourism and contain the information as shall be required by rules adopted thereunder. At a minimum, the applicant shall:

- (1) Be licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
- (2) Provide a detailed plan outlining the scope, objectives, and projected impact of the project or projects and a clear breakdown of how grant funds will be utilized;
- (3) Agree to use state funds exclusively for the purposes of this program;
- (4) Indicate capability to properly use the grant for the purpose of the grant program. [Specific applicant qualifications should be described for the different types of grants.];
- (5) Comply with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, disability, or any other characteristic protected under applicable federal or state law;
- (6) Agree not to use state funds for purposes of entertainment or perquisites;
- (7) Comply with other requirements as the department may prescribe;
- (8) Comply with all applicable federal, state, and county statutes, rules, and ordinances;
- (9) Agree to indemnify and save harmless the State of Hawaii and its officers, agents, and employees from and against any and all claims arising out of or

resulting from activities carried out or projects undertaken with funds provided hereunder and procure sufficient insurance to provide this indemnification if requested to do so by the department.

- (10) Agree to make available to the department all records the applicant may have relating to the grant, to allow state agencies to monitor the applicant's compliance with this section.



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February 4, 2025

HEARING BEFORE THE
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

TESTIMONY ON SB 827
RELATING TO MEAT PROCESSING

Conference Room 325 & Videoconference
9:30 AM

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 827, which requires the Department of Business, Economic Development, and Tourism to develop and implement a grant program to expand the meat processing capacity in the State.

Across the State, various invasive species are creating havoc in agriculture as well as the ecosystems in which they exist. Maui County's Axis Deer population is a good example of nature getting out of control, with populations exploding due to abundant forage following rainfall events. They continue to destroy crops and pasture lands by devouring living vegetation as they spread. Feral pigs damage crops by consuming them or trampling of crops. They will eat almost any crop. Feral pigs damage pasture grasses, killing desired plant species and often encouraging the growth of undesired weed species. They can also devastate orchards by consuming fruit, citrus, and nuts, and their rooting can severely damage or even kill saplings, shrubs, and vines directly or by facilitating the spread of soil-based fungal diseases. Feral pigs can also break irrigation lines, rip or tear nets, drying racks, and other agricultural structures and equipment.

These and other feral populations can pose a danger, especially as populations grow and their health is jeopardized due to inadequate food. Diseases that they usually tolerate will become serious debilitating illnesses that could put our domestic livestock industry in jeopardy. Such fears are not unreasonable, as incidences such as bovine tuberculosis spread from feral pigs have been documented in Molokai.

Hawai'i's farmers and ranchers are working to provide Hawai'i with an increased level of self-sufficiency but will not be able to do so if their products are consumed or damaged by feral animals. Axis Deer, feral pigs, and other invasive species can cause significant damage to property, agriculture (crops and livestock), Hawai'i's native species and ecosystems, and Hawai'i's cultural and historic resources. They can also threaten the health of people, wildlife, pets, and other domestic animals. As Hawai'i's feral animal populations continue to expand, these damages, costs, and risks will only keep rising.

Wild game can be a significant source of protein for Hawai'i's residents in need. Wild game can provide a beneficial outlet for meat harvested from invasive species and provide a tool for long-term sustainable invasive management for Axis Deer, feral pigs, and wild goats.

In order to sell Axis deer meat, the meat must first be inspected by a USDA-FSIS inspector under voluntary USDA inspection. The USDA defines Axis Deer as a non-amenable species or exotic meat, which means that the cost of the inspection is not covered by the federal government, unlike other meats such as beef, pork, sheep, and domesticated birds. Increased processing capacity with a revived Hawai'i State Meat and Poultry Inspection Program could provide an alternative to FSIS inspection. It could help increase processing capacity, diversify processing options and reduce processing bottlenecks, allow producers to find a local facility to slaughter and process livestock in remote/rural locations, reduce transportation time and costs, and support producers' ability to donate locally produced meat to food banks and other community feeding programs. State MPIs are often more flexible and responsive to the unique needs of producers than USDA-FSIS. Under a cooperative agreement, USDA-FSIS can provide up to 50 percent of Hawai'i's operating funds, as well as training and other assistance.

Expanding our meat processing capacity and reestablishing a Hawai'i meat and poultry inspection program will help manage invasive species while providing a valuable protein source.

Thank you for the opportunity to testify on this measure.



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TO: Committee on Economic Development and Tourism

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: February 4, 2025

TIME: 1pm

RE: SB827 Relating to Meat Processing

Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

A grant program to increase the meat processing capacity in the state can have a range of positive benefits. Generally, increasing local food production helps diversify our economy and makes our state more self-sufficient and resilient. Increasing local protein processing also makes our local food systems more diverse and creates opportunities for more types of local agriculture to thrive.

By specifically enabling the processing of axis deer this program will also help mitigate the environmental destruction caused by these invasive animals, lessen the burden on farmers and ranchers to deal with axis deer individually, and provide an inexpensive local protein that can be used by local consumers and businesses.

We encourage the committee to pass this measure and we thank you for the opportunity to testify

LATE



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 229
Tuesday, February 4, 2025, 1:00 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 SB827 RELATING TO MEAT PROCESSING

The Maui Chamber of Commerce **SUPPORTS SB827** which requires the Department of Business, Economic Development, and Tourism to develop and implement a grant program to expand the meat processing capacity in the State.

The Chamber agrees that a grant program aimed at increasing meat processing capacity in the state could yield a variety of positive benefits. In general, expanding local food production helps diversify our economy, making our state more self-sufficient and resilient. Enhancing local protein processing also strengthens our food systems, fostering opportunities for a wider range of agricultural sectors to flourish.

By specifically supporting the processing of axis deer, this program will contribute to mitigating the environmental damage caused by these invasive animals. It will also reduce the burden on farmers and ranchers who must deal with axis deer individually, while providing an affordable local protein source for consumers and businesses alike.

For these reasons we **SUPPORT SB827** 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.

COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

Tuesday, February 4, 2025, 1:00 P.M.

Conference Room 229 & Videoconference

SB 827 RELATING TO MEAT PROCESSING

WRITTEN TESTIMONY IN SUPPORT WITH CONSIDERATIONS

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

Pūlama Lānaʻi is in **support of SB 827, with additional language consideration.**

This legislation addresses a critical need by increasing processing infrastructure to allow for the more efficient handling of wild game, such as axis deer, and supporting local ranchers and hunters. In doing so, it will help manage invasive species and bolster food security in the State.

As outlined in Section 2, the grant program to expand meat processing capacity will be an important step toward meeting the growing demand for processing services. However, we would like to **respectfully request that the Committee consider including funding for inspectors as part of the bill.** Under the Federal Meat Inspection Act (FMIA), meat intended for human consumption must be inspected by USDA inspectors to ensure it is safe, wholesome, and properly labeled. This applies to both livestock and wild game, like axis deer, that may be processed for distribution.

Without the necessary funding for inspection services, the expanded capacity of meat processing facilities may not meet the FMIA standards required for public safety and the legal distribution of meat. This could undermine the effectiveness of the proposed program and limit the scope of the benefits it is designed to provide. **Funding for inspectors from the USDA Food Safety and Inspection Service (FSIS) would ensure that any meat processed under the grant program meets federal regulations and is safe for public consumption.**

Incorporating funding for inspection services into the bill would ensure that the expanded meat processing capacity can operate in full compliance with federal laws and can be utilized to its maximum potential, creating a safe and reliable source of locally processed wild game meat. It would also enhance consumer confidence in locally sourced meat, which is essential to the success of the program.

Pūlama Lānaʻi is a land and resource management company, a cultural steward, and a community builder. Today, Lānaʻi is being redefined as a sustainable community. Pūlama Lānaʻi is helping to shape the future of our island by creating new opportunities driven by agriculture, resource management, conservation and more. We strive to enhance and perpetuate the island's diverse species and fragile ecosystem through game management, natural species preservation, watershed management, erosion control, coastal resources and fisheries management, invasive species control and conservation education. Pūlama Lānaʻi brings an integrated and comprehensive approach to protect and manage Lānaʻi's natural resources. Bound by a strong sense of community, we are committed to building infrastructure and expanding essential services to improve the lives of Lānaʻi residents.

As an asset manager for the ownership company, Pūlama Lānaʻi is very interested in the policies, such as SB 827. Under the leadership of our Conservation Department, we have implemented a variety of tools to manage axis deer on Lānaʻi and bolster food security, including investing in a mobile processing unit and transporting USDA inspectors to Lānaʻi to ensure that we are able to deliver food safely to our community.

We respectfully **request that the Committee consider adding language into SB 827 to include funding for inspectors**, as it is a crucial piece of a puzzle for ensuring long-term success of the grant program.



LATE

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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. **HFUU supports SB827.**

SB827 presents a promising opportunity to address the dual challenges of economic development and invasive species control in Hawaii. By mandating the Department of Business, Economic Development, and Tourism to establish a grant program aimed at expanding meat processing capacity, this legislation seeks to harness the untapped potential of wild game processing. Invasive species such as axis deer pose significant ecological and economic threats, with a 2016 UHERO study estimating their impact on Maui alone to be \$2.1 million annually. By turning the challenge of controlling these populations into an opportunity for economic growth, SB827 could facilitate the creation of a wild game processing industry, which would boost rural economic activities and become a new revenue stream for local communities.

Mahalo for the opportunity to testify.

Hunter Heavilin
Advocacy Director
Hawai'i Farmers Union