

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



WENDY GADY
EXECUTIVE DIRECTOR

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
HUI HO'OU LU AINA MAHIAI

TESTIMONY OF WENDY L. GADY
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND
TOURISM

March 20, 2025

1:00 p.m.

Conference Room 229 & Videoconference

HOUSE BILL NO. 1006 HD2
RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION

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

The Agribusiness Development Corporation (ADC) **supports** HB 1006 HD2 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”

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 ADC to extend its support to farming businesses engaged in agritourism.

Mahalo for the opportunity to testify on this important measure.



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

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

JAMES KUNANE TOKIOKA
DIRECTOR

DANE K. WICKER
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: dbedt.hawaii.gov

Telephone: (808) 586-2355
Fax: (808) 586-2377

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

Thursday, March 20, 2025
1:00 PM
State Capitol, Conference Room 229

In consideration of
HB 1006, HD2
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 HB1006 HD2, 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 business through direct sales and interaction with customers, while allowing local farmers to capitalize on Hawaii's unique regional identity.

Thank you for the opportunity to testify.



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 20, 2025

HEARING BEFORE THE
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

TESTIMONY ON HB 1006, HD2
RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION

Conference Room 229 & Videoconference
1:00 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 HB 1006, HD2, 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.

**Testimony to the Senate Committee on Economic Development and Tourism
Senator Lynn DeCoite, Chair
Senator Glenn Wakai, Vice Chair**

**Thursday, March 20, 2025, at 1:00PM
Conference Room 229 & Videoconference**

RE: HB1006 HD2 Relating to the Agribusiness Development Corporation

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

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports House Bill 1006 House Draft 2 (HB1006 HD2), which includes agricultural tourism in the definition of "enterprise" to authorize the Agribusiness Development Corporation to financially support farming businesses engaged in agricultural tourism.

HB1006 HD2 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Travel & Tourism. This bill promotes policies that drive economic growth, enhance workforce opportunities, and improve the quality of life for Hawaii's residents.

There is a critical need to modernize Hawaii's agricultural laws to accommodate emerging revenue streams and innovation within the sector.

The proposed legislative amendment revises Section 163D-2 of the Hawaii Revised Statutes by introducing a new definition for "agricultural tourism." This definition characterizes agricultural tourism as a commercial activity taking place on a working farm that offers enjoyment, education, or involvement for visitors—so long as it remains a secondary function that does not disrupt the farm's primary operations. Additionally, the amendment updates the definition of "enterprise" to explicitly include businesses engaged in agricultural tourism alongside those involved in crop development, creation of value-added products, and enhancement of agricultural commodities, with a focus on production for export.

By integrating agricultural tourism into the statutory framework, the amendment seeks to promote economic diversification and innovation while safeguarding the core agricultural mission of Hawaii's farms. The Chamber supports this measure because it bolsters the state's agricultural competitiveness and drives sustainable economic growth by opening new avenues for revenue and reinforcing the primacy of traditional farming operations.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

We respectfully ask to pass House Bill 1006 House Draft 2. Thank you for the opportunity to testify.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 229
Thursday, March 20, 2025, 1:00 P.M.

Senator Lynn DeCoite, Chair
Senator Glenn Wakai, Vice Chair
Members of the committee on Economic Development and Tourism

SUPPORT HB1006 HD2 RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION

The Maui Chamber of Commerce **SUPPORTS HB1006 HD2** 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, offering additional revenue beyond traditional agricultural sales. It also enhances brand awareness, as direct interaction with consumers allows farmers to build brand recognition and customer loyalty. Additionally, agtourism helps preserve agricultural heritage by educating the public about farming practices, food production, and rural lifestyles, fostering a deeper appreciation for agricultural traditions. By hosting events and workshops, farmers can further strengthen ties with their communities and build social capital.

For communities, agtourism stimulates economic growth by attracting visitors who spend on lodging, dining, and shopping. It creates jobs in hospitality, tourism, and agriculture-related sectors, and it can help revitalize rural areas by attracting tourists and promoting local businesses. Moreover, 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 HB1006 HD2** 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.

Hearing on March 20, 2025
1:00 p.m., Room 229

LATE

COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

Senator Lynn DeCoite, Chair

Senator Glenn Wakai, Vice Chair

OPPOSITION to HB1006

Aloha, Chair DeCoite, Vice Chair Wakai, and Committee Members

I do not believe state agricultural lands should be used for tourism activities, but if it is the will of the Legislature to authorize it, **then I highly recommend we clearly identify the meaning of “accessory and secondary.”**

An excellent example of this safeguard is the Italian agritourism activities law which requires agricultural businesses to maintain a majority of their activity and income from the primary agricultural activity. Hawaii should require the same.

Without this proposed language, or similar, included in the statutes, undesired exploitation of agricultural lands for non-agricultural activity will be too easy. Then, the stated goal of supporting and increasing agricultural productivity in Hawaii will be thwarted by higher yielding, non-agricultural uses of agricultural lands.

Here is a brief description of the Italian law:

The professional agricultural entrepreneur (IAP) is someone who possesses professional knowledge and skills **and devotes at least fifty percent of their total working time to agricultural activities, deriving at least fifty percent of their overall income from such activities.**

<https://italylawfirms.com/en/running-an-italian-agritourism-as-a-professional-farmer-the-requirements/>

Please amend HB1006 as highlighted below in yellow.

SECTION 1. Section 163D-2, Hawaii Revised Statutes, is amended as follows:

1. By adding a new definition to be appropriately inserted and to read:

"Agricultural tourism" means commercial activity conducted on a working farm, or a "farming operation" as defined in section 165-2, for the enjoyment, education, or involvement of visitors; provided that the agricultural tourism activity is accessory and secondary to the principal agricultural use and does not interfere with surrounding farm operations. ["Accessory and secondary" means that the enterprise devotes at least fifty percent of its total working time to agricultural activities and derives at least fifty percent of its overall income from such activities.]"

2. By amending the definition of "enterprise" to read:

"Enterprise" means a business with its principal place of business in Hawaii, which is, or proposes to be, engaged in agricultural crop development, development of new value-added products, enhancement of existing agricultural commodities, and the application of existing agricultural appurtenant facilities to productive uses; provided that the majority of whatever the corporation produces shall be used for export. "Enterprise" includes a business engaged in agricultural tourism."

SECTION 2. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 2050.

Some language must be included to ensure that the primary agricultural activity shall remain the priority activity, and there must be assurances of compliance!

Respectfully offered.

Gil Riviere

Kathleen M. Pahinui
Pahinuik001@hawaii.rr.com

Monday, March 17, 2025

COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM Senator Lynn DeCoite, Chair Senator Glenn Wakai, Vice Chair

Re: Testimony Opposing HB 1006 HD2 RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION

Aloha Chair DeCoite and Vice Chair Wakai and Committee Members:

I oppose HB 1006 HD2 and its purpose to include agricultural tourism in the definition of "enterprise" and to authorize the Agribusiness Development Corporation to financially support farming businesses engaged in agricultural tourism.

This bill is a slippery slope to let agri-tourism be the primary financial driver and any agriculture just window dressing. I do appreciate the long effective date that will hopefully kill this bill.

If the real purpose is to allow tourism instead of farming – then we should just say so. This is an end run around our food security. If those who are leasing from ADC cannot make it via ag only, then they should give up the lease and allow another farmer / rancher to take it on.

Let us not dilute the little ag we have left on our islands. ADC should focus only on real agriculture. Our tax dollars should not be subsidizing other types of businesses. That is not what the ADC was set up to do.

We are one major disaster away from starvation. This bill brings us even closer.

Please support agriculture, not tourism. Please help us reach our food security goals.

Food first!

Mālama ʻāina,

Kathleen M. Pahinui

Kathleen M. Pahinui
Resident, Waialua, North Shore, Oʻahu

