

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

JAMES KUNANE TOKIOKA DIRECTOR

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Statement of JAMES KUNANE TOKIOKA Director

Department of Business, Economic Development, and Tourism before the

HOUSE COMMITTEE ON AGRICULTURE AND FOOD SYSTEMS

Friday, January 31, 2025 10:00 AM State Capitol, Conference Room 325

In consideration of HB 1006
RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION.

Chair Kahaloa, Vice Chair Kusch, and members of the Committee:

The Department of Business, Economic Development, and Tourism strongly supports HB 1006 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.





STATE OF HAWAI'I AGRIBUSINESS DEVELOPMENT CORPORATION HUI HO'OULU AINA MAHIAI

TESTIMONY OF WENDY L. GADY
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE HOUSE COMMITTEE ON AGRICULTURE AND FOOD SYSTEMS
January 31, 2025
10:00 a.m.
Conference Room 325 & Videoconference

HOUSE BILL NO. 1006 RELATING TO AGRICULTURAL DEVELOPMENT

Chairperson Kahaloa, Vice Chair Kusch, and Members of the Committee:

The Agribusiness Development Corporation (ADC) <u>supports</u> HB 1006 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.
- 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.

Officers

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Kilia Avelino-Purdy Moloka'i

Negus Manna Lāna'i

India Clark North Shore, Oʻahu

Christian Zuckerman Wai'anae, O'ahu

Ted Radovich Waimānalo, Oʻahu

Vincent Kimura Honolulu, Oʻahu

Natalie Urminska Kaua'i



Aloha Chair Kahaloa, Vice Chair Kusch, and Members of the House Agriculture & Food Systems 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 HB1006.**

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 Heaivilin Advocacy Director Hawai'i Farmers Union



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January 31, 2025

HEARING BEFORE THE HOUSE COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

TESTIMONY ON HB 1006 RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION

Conference Room 325 & Videoconference 10:00 AM

Aloha Chair Kahaloa, Vice-Chair Kusch, 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, 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.



COMMITTEE ON AGRICULTURE & FOOD SYSTEM Rep. Kirstin Kahaloa, Chair Rep. Matthias Kusch, Vice Chair

HB1006

RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION

Friday, January 31, 2025, 10:00 AM Conference Room 325 & Videoconference

Chair Kahaloa, Vice Chair Kusch, and Members of the Committee,

The Hawaii Cattlemen's Council <u>supports HB1006</u> which includes agricultural tourism in the definition of "enterprise" to authorize the Agribusiness Development Corporation to financially support farming businesses engaged in agricultural tourism.

Farming and ranching is a difficult business, but we need these businesses to persist if we want to reduce our reliance on imported foods and improve Hawaii's food security. The definition of agricultural as an endeavor that "does not interfere with surrounding farm operations" ensures that farmers and ranchers can bring in a diversified revenue stream and give the public access to working farms while still producing food.

We appreciate the opportunity to testify on this measure. The Hawaii Cattlemen's Council (HCC) is the Statewide umbrella organization comprised of the four county-level Cattlemen's Associations. Our member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of over 750 thousand acres of land in Hawaii, or 20% of the State's total land mass. We represent the interests of Hawaii's cattle producers.

Nicole Galase Hawaii Cattlemen's Council Managing Director









HB-1006

Submitted on: 1/28/2025 3:47:01 PM

Testimony for AGR on 1/31/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Theresa M Thompson	Individual	Support	Written Testimony Only

Comments:

I support HB 1006 RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION.

Mahalo,

Theresa Thompson

HB-1006

Submitted on: 1/28/2025 5:52:49 PM

Testimony for AGR on 1/31/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jacqueline S. Ambrose	Individual	Support	Written Testimony Only

Comments:

YES to- Includes agricultural tourism in the definition of "enterprise" to authorize the Agribusiness Development Corporation to financially support farming businesses engaged in agricultural tourism.