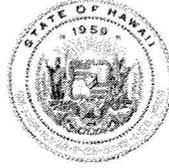


LINDA LINGLE
Governor



SANDRA LEE KUNIMOTO
Chairperson, Board of Agriculture

DUANE OKAMOTO
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 Fax: (808) 973-9613

**TESTIMONY OF SANDRA LEE KUNIMOTO
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON AGRICULTURE
FRIDAY, JANUARY 30, 2009
9:30 A.M.
CONFERENCE ROOM 312**

**HOUSE BILL NO. 404
RELATING TO AGRICULTURE**

Chairperson Tsuji and Members of the Committee:

Thank you for the opportunity to comment on House Bill No. 404. The purpose of this bill is to establish an agricultural products transportation program to provide grants to qualified agricultural producers to alleviate ocean and air intrastate transportation costs. The Hawaii Department of Agriculture (HDOA) offers comments.

The Hawaii Department of Agriculture (HDOA) acknowledges the significant impact of transportation costs on agricultural producers. Agriculture has many needs and in better economic times, HDOA would wholeheartedly support this bill, however, we do not believe that this is the best time to initiate and fund new programs. Unless passage of this bill does not replace or adversely impact priorities as indicated in our Executive Biennium budget, we respectfully recommend that this bill be reintroduced at a time when the state can better afford its implementation.

Some positive steps have been taken by industry which we commend and encourage them to continue. The Hawaii Farm Bureau Federation worked with the Hawaii Super Ferry to implement a reduced rate for agricultural products. The flower and foliage industry is uniting and organizing to bring multiple organizations under the umbrella of the newly formed Hawaii Floriculture and Nursery Association to negotiate shipping rates, standardizing box sizes and bulk purchase. This is a tremendous task and we are encouraged by the progress they are making.

The Twenty-Fifth Legislature
Regular Session of 2009

HOUSE OF REPRESENTATIVES
Committee on Agriculture
Rep. Clift Tsuji, Chair
Rep. Jessica Wooley, Vice Chair

State Capitol, Conference Room 312
Friday, January 30, 2009; 9:30 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 404
RELATING TO AGRICULTURE**

The ILWU Local 142 supports H.B. 404, which establishes an agricultural products transportation program to provide grants to qualified agricultural producers to alleviate ocean and air intrastate transportation costs.

The agriculture industry is faced with numerous challenges--from finding workers willing to work in the industry to securing land and capital and markets for their products. In Hawaii, where most of the agricultural products are grown on the neighbor islands, transportation is another major challenge. Cost is a factor as goods must be shipped by air or sea, but soon the issue may be finding a means of transportation at all if Young Brothers' application to discontinue its "less than container load" shipping from Kahului.

If the State's public policy is to support locally grown food, the State should also support the means for farmers to transport their products to market. An investment in the Agricultural Products Transportation Program will pay huge dividends by assisting farmers with the cost of transportation, promoting open, green space for visitors and residents alike to enjoy, and supporting agriculture as a viable industry in Hawaii.

The ILWU urges passage of H.B. 404. Thank you for considering our testimony.

wooley1-Christopher

From: Tim Mann [kaimana@hawaiiintel.net]
Sent: Wednesday, January 28, 2009 9:06 PM
To: AGRtestimony

Aloha Friends

My name is Tim Mann, manager of Friendly Aquaponics, Inc, in Honokaa, Hawaii; a sustainable fish and vegetable farm. These comments are for the information of the House Committee on Agriculture for the hearing Friday, January 30, 2009 9:30 AM in State Capitol Conference Room 312 on HB 404 introduced by Representative Mark Nakashima.

I entirely support Representative Nakashima's efforts with HB 404 to establish an agricultural products transportation program to provide grants to qualified agricultural producers to alleviate ocean and air intrastate transportation costs. Transportation to the Oahu and Maui markets is a major problem for Big Island agricultural producers; we are limited to selling on the Big Island, unless we have a non-perishable product or have enough production to afford container-quantity shipping. Thanks for your consideration and support of this bill.

Aloha from

Susanne Friend and Tim Mann
Friendly Aquaponics, Inc
PO Box 1196
Honokaa, Hawaii 96727
808-775-0949
kaimana@hawaiiintel.net <http://friendlyaquaponics.com/>

HOUSE COMMITTEE ON AGRICULTURE

THE HONORABLE CLIFT TSUJI, CHAIR
THE HONORABLE JESSICA WOOLEY, VICE CHAIR

HOUSE BILL NO. 404 scheduled for hearing on January 30, 2009

Testimony of Roy Catalani,
Vice President of Strategic Planning and Government Affairs,
Young Brothers, Limited

Chair Tsuji, Vice Chair Wooley, and Members of the House Agriculture Committee:

Thank you for the opportunity to testify on House Bill No. 404 (*HB 404*).

Young Brothers, Limited (*Young Brothers* or *YB*) supports the intent of the bill, which we view as the Legislature's support of the State's agricultural industry by establishing a program to ease the costs of intrastate transportation for agricultural producers. We note that YB has for many years provided a thirty percent discount for the transportation of island agricultural products.

By this testimony, we seek to make two points that we believe are important to this analysis. First, Young Brothers clarifies the following statement in the bill's preamble to correct or preclude any misconception about YB's position on less-than-container-load, or *LCL*, cargo shipping:

However, due to space and facilities constraints, primarily at Kahului harbor on Maui and Hilo harbor on the big island, Young Brothers, the only ocean transporter that is subject to a public utilities commission tariff structure on interisland transportation, recently applied to discontinue less than container load shipping from Kahului harbor.

In particular:

- YB's application to discontinue LCL cargo shipping to and from Kahului harbor was filed on **April 13, 2006, nearly three years ago**, and **withdrawn five months later in August 2006** for the reasons stated below. This withdrawn application did not involve any harbor other than Kahului harbor.
- The application was prompted by the **State Department of Transportation's decision** to take away approximately 25 percent of Young Brothers' operating space at Kahului harbor (in order to make room for the Hawaii Superferry) without provision for any replacement space despite the fact that this facility was already over capacity. The application was supported by that **Department's recommendation** that YB discontinue LCL activities at Kahului harbor because LCL service requires extensive space for consolidation and deconsolidation of cargo.

- After agreeing that LCL cargo shipments to and from Kahului harbor should continue, YB and the State Departments of Transportation and Commerce and Consumer Affairs entered into a **memorandum of understanding (MOU)**, under which the State Department of Transportation agreed to provide YB with additional operating space and YB agreed to remain in LCL service for a period of time under the terms of the MOU. Since the MOU, YB has not taken any steps to terminate LCL service at any port.
- As noted above, **on August 23, 2006, Young Brothers withdrew its application to** discontinue LCL shipments to Kahului harbor. By Order No. 22814 filed on September 1, 2006, the PUC approved the withdrawal.

Second, we note that the study referenced in the bill has limited value in determining the appropriate State policy with respect to LCL and the future of food transportation. The focus of many involved in the food and agricultural industry includes food safety, food quality, and transportation efficiency, which are not enhanced by a focus on the LCL mode of transportation. Rather, these goals are enhanced by having food products in controlled-temperature environments, i.e., refrigerated containers, from the farm to the wholesaler or retailer. We submit that State policy should promote these goals in food transportation as part of developing a sustainable agricultural industry.

Young Brothers proposes that the language in HB 404's preamble be amended to more accurately reflect both YB's and the State's efforts in facilitating shipments of agricultural products, including LCL cargo, as well as the importance of working towards consolidation as part of a system that promotes food quality, food safety, and efficiency. We would be happy to assist your staff in drafting such amendments, if YB's proposals are adopted by this Committee.

Thank you for the opportunity to testify.

wooley1-Christopher

From: Susan Sanders [susan@hawaiiisimplynatural.com]
Sent: Thursday, January 29, 2009 2:37 PM
To: AGRtestimony
Subject: HB 404

Aloha,

PLease give this bill your attention. Farm to Market. A complete cycle. If we are to full the agricultural mission of the Dept of Agriculture, transportation is necessary.

Susan Sanders
Small Farmer
Hamakua Coast
990.2679 (cellphone)

January 29, 2009

Re: HB 404 to establish an agricultural products transportation program
House Committee on Agriculture, January 30, 2009, 9:30 AM in State Capitol Conference
Room 312.

To; Representative Clift Tsuji, Chair, Committee on Agriculture

Aloha

The challenges to profitable agriculture are many and transportation is at the top of the list. Without proper crop handling, packaging and transportation to market, everything farmers grow winds up at local farmers markets and a few restaurants. This floods the local market, depresses the price and drives farmers out of business.

With crop handling and sufficient transportation, export value would go up, local prices would improve, food supply would increase and land would more likely stay in agriculture.

I have been in farming in Hawaii for over thirty years and the story has always been the same. I strongly urge you to pass this bill to improve transportation to market for Hawaii agricultural products.

Aloha

Walker Sanders