SHAN S. TSUTSUI Lt. Governor



**SCOTT E. ENRIGHT** Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER 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 SCOTT E. ENRIGHT CHAIRPERSON, BOARD OF AGRICULTURE

# BEFORE THE HOUSE COMMITTEES ON AGRICULTURE AND ECONOMIC DEVELOPMENT AND BUSINESS

February 6, 2015 9:00 A.M. ROOM 312

# HOUSE BILL NO. 649 RELATING TO AGRICULTURAL PRODUCTS

Chairpersons Tsuji, and Kawakami and Members of the Committees:

Thank you for the opportunity to testify on House Bill No. 649 which would establish a 3-year pilot program to enable new businesses to produce value-added products using fruits and vegetables deemed unsuitable to be sold as fresh. The Department supports legislation that helps farmers or adds value to Hawaii-grown products and supports the intent of this bill.

The Maui Food Technology Center (MFTC), currently in operation and newly renovated, provides a kitchen available to residents, students, new small to mid-sized food companies and entrepreneurs seeking to work with agricultural products and value-added food production including culinary arts, food science and food technology. The intent of the bill to provide a kitchen where businesses can produce value-added products using blemished crops could be served by working with the MFTC.

The State Universities of Nebraska and Oregon both operate food processing facilities with staff specializing in food safety, microbial analysis, machinery maintenance and repair, waste management, sensory analysis, and product development/labeling, which are important to a food processing facility. The pilot program proposed would likely require staff with the skills listed, equipment and other infrastructure for the facility to be operational.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE GOVERNOR

LUIS P. SALAVERIA DIRECTOR

MARY ALICE EVANS DEPUTY DIRECTOR



# DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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: www.hawaii.gov/dbedt Telephone: (808) 586-2355 Fax: (808) 586-2377

Statement of Luis P. Salaveria, Director Department of Business, Economic Development and Tourism before the House Committees on Agriculture and Economic Development & Business Friday, February 6, 2015 9:00 AM State Capitol, Conference Room 312

# In consideration of HB649 RELATING TO AGRICULTURAL PRODUCTS

Chairs Tsuji and Kawakami, Vice Chairs Onishi and Kong and members of the House Committees on Agriculture and Economic Development & Business.

The Department of Business, Economic Development and Tourism (DBEDT) appreciates the intent of HB649 that establishes a three-year blemished crop pilot program on the island of Oahu, including a state-sponsored kitchen, within DBEDT.

We note that the bill addresses agricultural waste and the conversion of agricultural produce towards value-added products. While DBEDT would be pleased to be involved and will undoubtedly provide support when needed, the Department of Agriculture would be the appropriate State agency to establish and administer the pilot program.

Thank you for the opportunity to offer these comments.



P.O. Box 253, Kunia, Hawai'i 96759 Phone: (808) 848-2074; Fax: (808) 848-1921 e-mail info@hfbf.org; www.hfbf.org

### February 6, 2015

#### HEARING BEFORE THE HOUSE COMMITTEE ON AGRICULTURE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

#### TESTIMONY ON HB 649 RELATING TO AGRICULTURAL PRODUCTS

#### Room 312 9:00 AM

Aloha Chair Tsuji, Chair Kawakami, Vice Chair Onishi, Vice Chair Kong, and Members of the Committees:

I am Christopher Manfredi, President of the Hawaii Farm Bureau Federation (HFB). Organized since 1948, HFB is comprised of 1,932 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interests of our diverse agricultural community.

**HFB supports HB 649,** which establishes a 3-year pilot program that enables new businesses to produce value-added products using fruits and vegetables deemed unsuitable to be sold as fresh.

As expenses rise, increases in farm revenues (and profits) are critical to the continued viability of farms and ranches. One way is to turn waste to value added products. Currently off-grade and excess production due to market conditions is wasted. Converting them into value-added products will not only increase farm revenue but also provide new business opportunities, increase employment opportunities and address Hawaii's goals of increased self-sufficiency and sustainability.

If a Hawaii farmer wants to process his off-grade product into a value added product he is usually forced to send it to the mainland because Hawaii lacks value-added processing facilities. This cost of transportation to and from the mainland is often enough to discourage farmers from pursuing value-added production.

Hawaii is potentially losing millions of dollars because we lack the ability to process our own agricultural products. An agricultural processing facility here in Hawaii will provide farmers an opportunity to establish another market for their product.

Mahalo for the opportunity to testify.

# onishi3 - Timothy

From:	mailinglist@capitol.hawaii.gov
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#### <u>HB649</u>

Submitted on: 2/3/2015 Testimony for AGR/EDB on Feb 6, 2015 09:00AM in Conference Room 312

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Simon Russell	Hawaii Farmers Union United	Support	No

#### Comments:

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#### <u>HB649</u>

Submitted on: 2/6/2015 Testimony for AGR/EDB on Feb 6, 2015 09:00AM in Conference Room 312

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Carl	Individual	Support	No

Comments:

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