JOSH GREEN Lt. Governor



PHYLLIS SHIMABUKURO-GEISER Chairperson, Board of Agriculture

> MORRIS M. ATTA 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 PHYLLIS SHIMABUKURO-GEISER

CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE COMMITTEE ON WAYS AND MEANS

FEBRUARY 24, 2022 10:00 A.M.

CONFERENCE ROOM 224 & VIA VIDEOCONFERENCE

SENATE BILL NO. 2288 RELATING TO COMPOSTING

Chairpersons Dela Cruz and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 2288. The bill requires the Department of Agriculture to establish a compost reimbursement program within the Department of Agriculture to provide reimbursements to farmers, ranchers, and landscapers when purchasing compost from a certified processor, dealer, retailer, or wholesaler licensed to do business in the State; establishes a compost reimbursement program manager position; and appropriates funds. The Department supports this bill.

The Department successfully administered a similar program in 2019-2021 and would implement the same controls to ensure the proper disbursement of funds for this program. In order to maximize funds available for reimbursement, the program will be administered by existing staff. The previous program was popular with the agriculture sector and would assist farmers and ranchers with compost costs.



As such, the Department supports this measure as long as it does not adversely impact our priorities in the Executive Supplemental Budget.

Thank you for the opportunity for testify on this measure.

DAVID Y. IGE GOVERNOR

OFFICE OF THE PUBLIC DEFENDER





CRAIG K. HIRAI DIRECTOR

GLORIA CHANG DEPUTY DIRECTOR

STATE OF HAWAI'I DEPARTMENT OF BUDGET AND FINANCE EMPLOYEES' RETIREMENT SYSTEM HAWAI'I EMPLOYER-UNION HEALTH BENEFITS TRUST FUND P.O. BOX 150 HONOLULU, HAWAI'I 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION FINANCIAL ADMINISTRATION DIVISION OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY TESTIMONY BY CRAIG K. HIRAI DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE TO THE SENATE COMMITTEE ON WAYS AND MEANS ON SENATE BILL NO. 2288

> February 24, 2022 10:00 a.m. Room 211 and Videoconference

RELATING TO COMPOSTING

The Department of Budget and Finance (B&F) offers comments on this bill. Senate Bill No. 2288 requires the Department of Agriculture to establish a compost reimbursement pilot program to provide reimbursements to farmers and ranchers for up to 50% on purchases of compost from certified vendors, provided that no single farmer or rancher can receive more than \$50,000 per year. This bill also appropriates \$2,000,000 in general funds in FY 23 for 1.00 temporary Program Manager position, program administrative costs, and reimbursements.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and

 Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.

<u>SB-2288</u> Submitted on: 2/18/2022 7:49:45 PM Testimony for WAM on 2/24/2022 10:00:00 AM

 Submitted By	Organization	Testifier Position	Remote Testimony Requested
Ted Bohlen	Testifying for Climate Protectors Hawai'i	Support	No

Comments:

SUPPORT

<u>SB-2288</u> Submitted on: 2/20/2022 9:46:04 AM Testimony for WAM on 2/24/2022 10:00:00 AM

Submitted 1	By Organization	Testifier Position	Remote Testimony Requested
laurel brie	r Testifying for Kauai Climate Action Coalit		No

Comments:

Composting is a very effective way to reduce methane, a powerful GHG emission, and create a very useful product for soil enhancement that in turn sequesters carbon. It's a win / win for the environment and improving our soil for better growing conditions leading to greater food security and a stronger local economy with locally produced soil amendments and food. Let's incentize this climate action.



Officers Vincent Mina State President HFUU

Anabella Bruch Vice-President HFUU

Maureen Datta Secretary HFUU

Reba Lopez HFUU Treasurer

Chapter Presidents

Dash Kuhr Kohala, Hawai'i

Drake Weinert East Hawai'i

Steve Lund Puna, Hawai'i

Andrea Drayer K'au, Hawaii

Maureen Datta Kona, Hawai'i

Robert Boudreaux Hana, Maui

Reba Lopez Haleakala, Maui

Bobby Pahia Mauna Kahalawai, Maui

> Kaipo Kekona Lahaina, Mau

Brynn Foster North Shore, Oahu

Christian Zuckerman Wai'anae, Oahu

Vincent Kimura Waimanalo, Oahu

Anabella Bruch Kauai Aloha Chair DelaCruz, Vice Chair Keith-Agaran, and Members of the Committee,

The Hawaii Farmers Union United (HFUU) 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 strongly supports SB2288** to provide cost-sharing with farms to purchase compost.

During 2019 and 2020 the compost reimbursement pilot program provided over \$300,000 in funding to farmers large and small, organic and conventional, as well as landscape and turf operations. **HFUU would like a compost reimbursement program re-established and made permanent**.

The success of the pilot program is clearly demonstrated by wide adoption and use in the pilot, which would only grow through the establishment of a permanent program.

Mahalo for the opportunity to testify.

Vincent Mina President HFUU/HFUF



Senate Committee on Ways and Means

Hawai'i Alliance for Progressive Action (HAPA) Supports: SB2288

Thursday, February 24th, 2022 10:00 a.m. Conference Room 211

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee,

HAPA supports SB2288, which establishes a compost reimbursement program within the Department of Agriculture to provide reimbursements to farmers, ranchers, and landscapers when purchasing compost from a certified processor, dealer, retailer, or wholesaler licensed to do business in the State.

HAPA supports efforts to expand composting, which can divert up to 54% of household waste from the landfill and create garden gold for healthy, nutritious plants.

Through encouraging composting programs, we have the added benefit of avoiding the costs associated with hauling waste to other locations for recycling or disposal as well as reducing costs of inputs such as fertilizer or compost.

Composting will reduce carbon dioxide and human-made methane emissions, which are greenhouse gasses that contribute to climate change and are also a critically important part of regenerative agriculture.

Please support SB2288.

Thank you for your consideration.

Respectfully,

Anne Frederick Executive Director

<u>SB-2288</u> Submitted on: 2/22/2022 4:02:14 PM Testimony for WAM on 2/24/2022 10:00:00 AM

Submitted By		Organization	Testifier Position	Remote Testimony Requested
	Sherry Pollack	Testifying for 350Hawaii	Support	No

Comments:

350Hawaii supports SB2288. Composting is an important factor in regenerative agriculture that helps build soils and sequester carbon, all of which we must do more of to address climate change. Please pass this important legislation. Mahalo 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

February 24, 2022

HEARING BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY ON SB 2288 RELATING TO COMPOSTING

Room 211 & Videoconference 10:00 AM

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, 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 2288, which establishes a compost reimbursement program within the Department of Agriculture to provide reimbursements to farmers, ranchers, and landscapers when purchasing compost from a certified processor, dealer, retailer, or wholesaler licensed to do business in the State and also establishes a compost reimbursement program manager position.

HFB strongly supports the concept of building soil structure and nutrient capacity. Caring for the soil is a cornerstone to having multigenerational farms that continue to provide for the people of Hawai'i. Many of our farms add compost made off-site as well as utilize short-term fallow between crop cycles to increase organic content in their soils. HFB recognizes and supports the diversion of discarded food and other useful wastes away from landfills. The benefits of this and of composting are well-known.

Farming is a tough business. High production costs are a major driver of narrow profit margins for Hawai'i's farmers. Land, water, labor, taxes, transportation, utilities, inputs, invasive species, and food safety regulations are all costs of doing business that often results in our farmers just being able to break even. HFB supports this initiative that could reduce the cost of production for local farmers by incentivizing, with a 50% match, the use of compost material. This is another mechanism that can help locally produced goods compete with imported products, strengthening our local economy.

Thank you for this opportunity to testify on this important subject.



23 February 2022

To: Chair Donovan Dela Cruz, Vice Chair Gilbert Keith-Agraran, and the senate committee on Ways and Means

Re: SB2288, Relating to Composting



I, Kahealani Acosta, testify IN SUPPORT of SB2288, relating to composting.

According to UHERO study conducted in 2015 [1], approximately 26% of food is wasted along Hawai'i's available food supply, which estimates a total loss of \$1 billion dollars of fresh consumable food annually. Food is lost all along the food chain, with greatest losses occuring at the consumer level. In 2020, Honolulu alone accounted for 400 million pounds of food waste. Consequently, Hawai'i residents lose an average of \$700 on food that goes straight to the garbage. On O'ahu, 15

percent of residential garbage is food, equating to about 435 pounds of food waste per household per year (<u>opala.org</u>). This waste has the potential to become an agricultural commodity, if suited for outcomes that regenerate this waste into a valuable, nutrient-rich source material for agricultural and soil remediation strategies.

Moreover, in alignment with other agricultural bills moving through the 2022 legislative session, SB2288 would serve as a companion to SB3004, SB2955, and would ensure priorities are met for SB2989, relating to a healthy soils program in Hawai'i. Soils are composed of 45% parent material, 25% air, 25% water, and 5% organic matter, in which organic matter is the sole source of energy for biological matter within the soil and is required for a healthy and well-functioning soil [2, 3].

The Food+ Policy internship develops student advocates who learn work skills while increasing civic engagement to become emerging leaders. We focus on good food systems policy because we see the importance and potential of the food system in combating climate change and increasing the health, equity, and resiliency of Hawai'i communities.

In 2022, the cohort of interns are undergrads and graduate students from throughout the UH System. They are a mix of traditional and nontraditional students, including parents and veterans, who have backgrounds in education, farming, public health, nutrition, and Hawaiian culture.



According to the US EPA [4], compost possess the following benefits:

- Organic waste in landfills generates methane, a potent greenhouse gas. By composting wasted food and other organics, methane emissions are significantly reduced.
- Compost reduces and in some cases eliminates the need for chemical fertilizers.
- Compost promotes higher yields of agricultural crops.
- Compost can help aid reforestation, wetlands restoration, and habitat revitalization efforts by improving contaminated, compacted, and marginal soils.
- Compost can be used to remediate soils contaminated by hazardous waste in a cost effective manner.
- Compost can provide cost savings over conventional soil, water and air pollution remediation technologies, where applicable.
- Compost enhances water retention in soils.
- Compost provides carbon sequestration.

In alignment with the aloha+ challenge goal of solid waste diversion to 70% by 2030, as well as other supportive measures in the 2022 legislative session, **SB2288** is primed as an opportunity of converting food and other green waste into food for Hawai'i's soils, and ultimately a healthier and more resilient food system.

As a graduate student of indigenous cropping systems, a budding farmer, and advocate for sustainable and resilient food systems, I urge the committee to pass SB2288. On behalf of the Hawai'i Food+ Policy Internship, I would like to thank Chair Donovan Dela Cruz, Vice Chair Gilbert Keith-Agraran, and the senate committee on Ways and Means, for considering the comments made herein.

Me ka mahalo nui (with deep gratitude), Kahealani & the Food+ Interns #fixourfoodsystem

References

[1] Matthew K Loke and PingSun Leung, "Quantifying food waste in Hawaii's food supply chain," Waste Management & Research, 2015, Vol. 33 (12) pp. 1076-1083

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[2] http://soilhealth.cals.cornell.edu

[3] https://soilhealthhawaii.org/what-is-soil-health/

[4] https://www.epa.gov/sustainable-management-food/reducing-impact-wasted-food-feeding-soil-and-composting

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<u>SB-2288</u> Submitted on: 2/21/2022 6:40:59 PM Testimony for WAM on 2/24/2022 10:00:00 AM

Submitted By		Organization	Testifier Position	Remote Testimony Requested
	Ruta Jordans	Individual	Support	No

Comments:

Please give some precedence or benefit to locally produced compost!

<u>SB-2288</u> Submitted on: 2/22/2022 1:32:34 AM Testimony for WAM on 2/24/2022 10:00:00 AM

Submitted	By Organ	ization Testifier Po	osition Requested
Janet L Pap	pas Indiv	idual Suppor	rt No

Comments:

Dear WAM members,

I strongly support SB2288 which establishes a compost reimbursement program to provide reimbursements to farmers and ranchers. Hawaii needs to strongly encourage composting programs to divert green waste from landfills to farmlands where this waste can be used to reduce CO2 and methane emissions (greenhouse gases). Additionally, compost reduces farmers' costs for fertilizer and pesticides by producing healthier soil and thus healthier plants. Finally, support for composting encourages small local businesses.

Please support all the composting bills this session.

Sincerely,

Jan Pappas

Aiea, Hawaii 96701

<u>SB-2288</u> Submitted on: 2/22/2022 1:16:29 PM Testimony for WAM on 2/24/2022 10:00:00 AM

Submitted By		Organization	Testifier Position	Remote Testimony Requested
	Cara Oba	Individual	Support	No

Comments:

I support this bill and hope it encourages demand for locally-produced compost to get our compost infrastructure going!

<u>SB-2288</u> Submitted on: 2/22/2022 2:53:36 PM

Testimony for WAM on 2/24/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Reagan Cline	Individual	Support	No

Comments:

I support the creation of a compost reimbursement program to incentivize farms to use locally made compost. Soil health is critical to the health of Hawaii - for growing food, for conserving water, for reducing erosion and runoff. And compost is an excellent additive for health soil - it puts organic matter back into the earth instead of crowding out the landfill.