SYLVIA LUKE Lt. Governor



SHARON HURD Chairperson, Board of Agriculture

MORRIS M. ATTA Deputy to the Chairperson

State of Hawai'i DEPARTMENT OF AGRICULTURE KA 'OIHANA MAHI'AI 1428 South King Street Honolulu, Hawai'i 96814-2512 Phone: (808) 973-9600 FAX: (808) 973-9613

TESTIMONY OF SHARON HURD CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

MONDAY, MARCH 13, 2023 1:15 P.M. CONFERENCE ROOM 224 AND VIDEO CONFERENCING

> HOUSE BILL NO. 690, HD1 RELATING TO AGRICULTURE

Chair Gabbard and Members of the Committee:

Thank you for the opportunity to present testimony on House Bill 690 HD1. This bill amends Chapter 141, HRS, to establish the Hawaii Agricultural Investment Program and provides a dedicated funding source for the local agricultural sector. Through this program, the Department of Agriculture (Department) can invest in agricultural producers to support the State's economy and alleviate financial strains on the local agricultural sector.

The Department fully supports this bill with appropriation of funds to farmers, ranchers, growers, producers and other bona fide operations to expand, strengthen, and boost resiliency of Hawaii's agriculture. Additionally, it will allow the Department to react quickly to assist farmers and ranchers to recover from any proclamation of natural disasters or emergencies that may adversely impact the local agricultural industry.

The overall budget of this investment program is estimated at \$6 million in each of the fiscal years, 2024 and 2025. State funds will account for \$4.5 million and the remaining balance from matched federal, private, or other sources. Two additional staff



HB690, HD1 March 13, 2023 Page 2

is respectfully requested 1) to manage the procurement process to award grants, to generate and administer contracts, and 2) manage the accounting oversight resulting from awarding of grants.

The Department fully supports the bill and will work to establish the Hawaii agricultural investment program within its jurisdiction.

Thank you for your consideration and opportunity to testify on this measure.



Email: communications@ulupono.com

SENATE COMMITTEE ON AGRICULTURE & ENVIRONMENT Monday, March 13, 2023 — 1:15 p.m.

Ulupono Initiative <u>strongly supports</u> HB 690 HD1, Relating to Agriculture.

Dear Chair Gabbard and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

Ulupono <u>strongly supports</u> **HB 690 HD1**, which establishes the Hawai'i Agricultural Investment Program to support local agricultural producers.

Ulupono supports the State's efforts to invest in local agriculture. We also recognize the many economic difficulties the State faced in 2021. However, the 2021 State Legislative Session saw the Department of Agriculture (DOA) lose millions of dollars due to the elimination of its Agricultural Development and Food Security Special Fund, which was the DOA's main source of industry funding. By establishing this investment program dedicated to the development of a viable local agricultural industry and providing state funding, Hawai'i is making a commitment to our local farmers and ranchers that they will play a significant role in diversifying our economy.

This program seeks to invest in local farmers and ranchers by funding solutions to address the industry's most pressing challenges. It is important to note that nearly a quarter of U.S. agriculture departments have established grant or cost-share programs to invest in local agriculturalists, demonstrating that these states were responsive to the needs and issues facing local producers by implementing programs to assist with critical needs such as infrastructure, technology, equipment, processing, training, market access and development, and much more.¹ Hawai'i should do the same and continue its commitment to our many important sustainability goals.

Investing in a Sustainable Hawai'i

¹ States include Connecticut, Maine, Massachusetts, Michigan, Montana, New York, Oklahoma, Tennessee, Vermont and Virginia.



We believe that the proposed program will help to address Hawai'i agriculture's priority issues. To do this, we ask for an appropriation of at least \$3,000,000 per fiscal year in Section 3 of the bill.

It is important to note that this measure requires a match to receive grant funding and that the DOA must report on each program expenditure to the Legislature. By making the program general funded, there is a collaborative future between departmental program expenditures and legislative accountability. We look forward to seeing this collaboration support a successful agricultural industry here in Hawai'i.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata Director of Government Affairs

HB-690-HD-1 Submitted on: 3/11/2023 11:51:17 AM Testimony for AEN on 3/13/2023 1:15:00 PM

Submitted By	Organization	Testifier Position	Testify
Alan Gottlieb	Testifying for Ponoholo Ranch Limited	Support	Written Testimony Only

Comments:

Please support this bill

Officers Kaipo Kekona State President

Anabella Bruch Vice-President

Maureen Datta Secretary

Reba Lopez Treasurer

Chapter Presidents

Madeline Ross Kohala, Hawai'i

Odysseus Yacalis East Hawai'i

Puna, Hawai'i

Andrea Drayer Ka'ū, Hawai'i

Chantal Chung Kona, Hawai'i

Fawn Helekahi-Burns Hana, Maui

> Reba Lopez Haleakala, Maui

Kaiea Medeiros Mauna Kahalawai, Maui

Kaipo Kekona Lahaina, Maui

Rufina Kaauwai Molokai

Negus Manna Lāna'i

Brynn Foster North Shore, Oʻahu

Christian Zuckerman Wai'anae, Oʻahu

Ted Radovich Waimanalo, Oʻahu

Vincent Kimura Honolulu, Oʻahu

> Ray Maki Kauai



Aloha Chair Gabbard, Vice Chair Richards, and Members of the Senate Agriculture and Environment 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 supports HB690.**

HFUU understands the vital importance of sustainable and locally-produced foods to our communities. This bill will allow farmers to access the resources needed for us to continue our businesses, as well as help to boost the state's agricultural production.

HB690 would establish the Hawaii Agricultural Investment Program, which will provide grants and other means of financial assistance to local agricultural producers. By providing a steady source of dedicated funds, this program would be instrumental in helping farmers and ranchers to attract productive capital investment. This investment will help Hawaii to develop a reliable and stable agricultural system, which can provide its citizens with sustainably and locally-produced foods. We strongly support HB690, and believe that this bill is essential to helping to ensure the long-term sustainability of Hawaii's agricultural industry. Thank you.

Mahalo for the opportunity to testify.

Kaipo Kekona, President HFUU/HFUF

Kend S.K. Kehre



1255 23rd Street, NW Suite 450 Washington, DC 20037 P 202-452-1100 F 202-778-6132 humanesociety.org

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Hearing date: Monday, March 13, 2023

Time & Location: 1:15pm, Conference Room 224 & Videoconference

To: Senator Mike Gabbard, Chair Senator Herbert Richards III, Vice Chair and Members of the Senate Committee on Agriculture & Environment

Submitted by: Susan Rhee, Hawaii State Director, the Humane Society of the United States

RE: Comments on HB 690 HD1, Relating to Agriculture

Chair Gabbard, Vice Chair Richards, and Members of the Committee:

The Humane Society of the United States (HSUS) offers the following comments on HB 690 HD1.

If passed, HB 690 HD1 would provide a much-needed economic boost to Hawaii's agricultural industry. One of Hawaii's greatest points of cultural pride is our rich history of sustainable agriculture and farming practices, and HB 690 could strengthen that heritage.

That said, we strongly encourage an amendment be made providing funding for Hawaii egg producers to convert outdated conventional egg operations to more humane cage-free operations. This type of funding was included in the original version of HB 690.

Egg producers acknowledge that the future of their industry is cage-free. In fact, many egg producers on the islands desire to convert their egg farms to cage-free facilities but funding is a major obstacle to doing so. Further, Meat & Poultry magazine has concluded, "It's no longer a discussion about whether to convert egg production from cage to cage-free operations, but rather when it will happen." Further, new USDA statistics show that more than 35% of the U.S. egg flock is now cage-free, up from just 4% a decade ago.

The overwhelming shift to cage-free in recent years is due to public concern for animal welfare, food companies' demand for cage-free products, and legislative momentum across the U.S.

Currently, egg-laying hens in conventional "battery cage" are provided roughly 67 square inches of space to live their entire lives; that's smaller than the dimensions of a sheet of computer paper. Animal protection organizations like the HSUS endorse the investment in conversion funding because a faster transition to cage-free will allow more animals to engage important natural behaviors like flapping their wings, walking, perching, dustbathing and laying



eggs in nest boxes. Evidence indicates that cage-free standards also reduce *Salmonella* risks, which means safer food for Hawaii families.

Responding to demand from their customers, more than 200 of the country's largest companies have pledged to switch exclusively to cage-free eggs. This includes the nation's leading restaurant chains, such as McDonald's, Burger King, Taco Bell, IHOP and Denny's, as well as retail giants like Walmart and Costco. Hawaii-based companies, like Foodland and Hawaiian Airlines, have also agreed to source only cage-free eggs.

In addition, ten states have passed cage-free laws (Arizona, Nevada, Utah, Oregon, Washington, Michigan, Colorado, Rhode Island, California and Massachusetts). Eight of those states also ban the sale of eggs from battery cages. Several other states, have cage-free bills pending, as well.

Moreover, funding for producers to transition to modern cage-free egg facilities is directly in line with the intent of the bill to "improve equipment and technology for agricultural production or processing activities" (HB 690 HD1 Sect. 141(b)(2)), and it will promote food safety, which is the goal of HB 690 HD1 Sect. 141(b)(6). It would also help producers meet market demands and support the future of Hawaii's egg industry while providing much-needed jobs in our construction sector.

For the foregoing reasons, we kindly urge you to amend HB 690 HD1 to include funding for egg producers seeking to convert their outdated equipment to new, more humane cage-free operations.

Sincerely,

Susan Rhee Hawaii State Director The Humane Society of the United States



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 13, 2023

HEARING BEFORE THE SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

TESTIMONY ON HB 690, HD1 RELATING TO AGRICULTURE

Conference Room 224 & Videoconference 1:15 PM

Aloha Chair Gabbard, Vice-Chair Richards, 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 690, HD1,** which establishes the Hawai'i Agricultural Investment Program to support local agricultural producers.

Agriculture, like all businesses, requires capital investment. The cost of operating a farm or ranch in Hawai'i can be significant. In many cases, agricultural operations require capital that our local farmers just don't have and many of Hawai'i's farmers and ranchers are finding it difficult to secure the financial support necessary to build capacity. Access to grants can result in increased capacity, new business opportunities, increase employment opportunities, and address Hawai'i's goals of increased self-sufficiency and sustainability.

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, marketing, research, 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 any initiative that supports agricultural production so that locally produced goods can compete with imported products, strengthening our local economy.

An HDOA Agriculture Investment Program can assist farmers and ranchers to increase capacity to grow and produce import replacement products to fulfill the State's vision for increased self-sufficiency and sustainability. We are concerned with the twenty-five percent matching funds requirement. This may limit program participants to farmers and ranchers that already have access to capital and preclude those that truly need the assistance.

Thank you for the opportunity to comment on this measure.



Senate Committee on Agriculture and Environment

Hawai'i Alliance for Progressive Action (HAPA) Supports: HB690 HD1

Monday, March 13, 2023 1:15p.m. Conference Room 224

Aloha Chair Gabbard, Vice Chair Richards and Members of the Committee,

HAPA supports HB690 HD1 which establishes the Hawai'i agricultural investment program to support local agricultural producers.

HB 690 HD1 will help bolster agricultural production throughout the islands through the establishment of a dedicated funding source for the agricultural sector.

It is critical to our sustainability and survival as an island chain to increase our local food production and agricultural sector in a way that supports regenerative agriculture and local production.

As we have so regularly heard over the last few years, Hawai'i relies on imports to satisfy more than 80 percent of its food demand¹. This leaves us especially vulnerable to natural disasters and supply chain disruptions. Regenerative agriculture is necessary to diversify our economy and mitigate the impacts of climate change.

The expansion of agriculture will allow us to broaden our economic streams and make us less reliant on tourism, which has become more and more extractive for local residents who are more often pushing for limits². A robust local food and agriculture sector could help to diversify our local economy.

Please support HB690 HD1.

Thank you for your consideration.

Respectfully,

Anne Frederick Executive Director

¹ https://www.civilbeat.org/2021/04/how-hawaii-squandered-its-food-security-and-what-it-will-take-to-get-it-back/

² https://www.staradvertiser.com/2021/06/02/hawaii-news/hawaii-residents-support-limits-on-tourism-a-survey-finds/

The Hawai'i Alliance for Progressive Action (HAPA) is a public non-profit organization under Section 501(c)(3) of the Internal Revenue Code. HAPA's mission is to catalyze community empowerment and systemic change towards valuing 'aina (environment) and people ahead of corporate profit.



Hawai'i Aquaculture & Aquaponics Association

Hawai'i Cattlemen's Council

Hawai'i Farm Bureau Federation

Hawai'i Farmers' Union United

Hawai'i Food Industry Association

Hawai'i Food Manufacturers Association

Kohala Center

Land Use Research Foundation of Hawaiʻi

Maui Farm to School Network (Maui F2SN)

Ulupono Initiative

College of Tropical Agriculture and Human Resources - University of Hawai'i at Manoa SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT March 13, 2023 – 1:15 p.m. – Conference Room 224 & Videoconference

HB 690 HD1 - RELATING TO AGRICULTURE - IN SUPPORT

Aloha Chair Gabbard, Vice Chair Richards and Members of the Committee:

The Local Food Coalition **SUPPORTS** HB 690 HD1, which establishes the Hawaii Agricultural Investment program to support local agricultural producers; requires annual reports; and appropriates funds.

The program will provide matching grants that will support agricultural development by addressing the industry's top issues as identified by local farmers and ranchers. The bill also establishes standards that include a matching requirement from federal, private, or other sources.

The pandemic highlighted the need to increase Hawaii's food selfsufficiency and reduce our reliance on imports. Now is the time to reinvest in our local agricultural industry. This program will support a wide range of agricultural activities that will help the state reach its goal of doubling local food production.

The Local Food Coalition is an organization comprised of farmers, ranchers, livestock producers, investors and other organizations working to provide Hawaii's food supply.

We respectfully request your support of HB 690 HD1. Thank you for the opportunity to submit testimony.

Kendall Matsuyoshi 808-544-8345 <u>kmatsuyoshi@wik.com</u>

Submitted on: 3/12/2023 11:53:49 AM Testimony for AEN on 3/13/2023 1:15:00 PM

Submitted By	Organization	Testifier Position	Testify
Christian Zuckerman	Testifying for Kuwale Ridge Farms	Support	Written Testimony Only

Comments:

Aloha,

My name is Christian Zuckerman and I am in strong support of HB 690. I am a farmer in Waianae and also a member of the Hawaii Farmers Union United (HFUU).

Aloha

Christian



COMMITTEE ON AGRICULTURE AND ENVIRONMENT Senator Mike Gabbard, Chair Senator Herbert M. "Tim" Richards, III, Vice Chair

HB690 HD1 RELATING TO AGRICULTURE

Monday, March 13, 2023, 1:15 PM Conference Room 224 & Videoconference

Chair Gabbard, Vice Chair Richards, and Members of the Committee,

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.

The Hawaii Cattlemen's Council **supports HB690 HD1** which establishes the Hawai'i Agricultural Investment Program to support local agricultural producers. There are many challenges to producing food locally while maintaining a viable business operation. We appreciate this bill that would alleviate economic strains on the sector that farmers and ranchers experience and believe it will help local beef producers by growing capacity within the industry.

We appreciate the opportunity to testify on this measure.

Nicole Galase Hawaii Cattlemen's Council Managing Director



P.O. Box 934 • Hilo, HI 96721 • (808) 333-6755 • www.hicattle.org • office@hicattle.org



Environmental Caucus of The Democratic Party of Hawaiʻi

Agriculture & Food Security Committee

Monday, March 13, 2023, 1:15 pm

Senate Committee on Agriculture and Environment HOUSE BILL 690 – RELATING TO AGRICULTURE

Position: Strong Support

Me ke Aloha, Chair Gabbard, Vice-Chair Richards, and members of the Senate Committee on Agriculture and Environment:

HB690 establishes an agricultural investment program to support local agricultural producers, providing matching funds to promote the infrastructure to support local food production.

The Agriculture & Food Security Committee enthusiastically supports this very-well crafted and perceptive bill. It understands the limitations of a pure "market-based" approach in light of our geographic isolation and scale disadvantages, reflected in the 85-90% importation of foods consumed in the State. For Hawaii to develop greater food security in the face of food producer collapses and supply chain disruptions due to climate change, Hawaii needs to to overcome important hurdles to local food production.

This amazing bill provides a vehicle for all aspects of the food security issue, including training, food certification, land and equipment, value-added facilities, infrastructure repair and modernization, electricity supply, transformation of our waste load to positive soil regeneration, market research and testing. This bill requires an appropriation to provide matching funds, and is a keystone investment in promoting food security that can enable improvements in market share and self-reliance.

The problems of food security are many and complex. This bill begins to unravel them and provide for cumulative growth. Especially now in a time of surplus revenues, keystone investments are critical to growing our self-reliance. We will appreciate the assignment of a major investment to get the program running. Permanent positions with the Department may be necessary to build this program, which will pay dividends in the future.

Mahalo for the opportunity to address this matter.

/s/ Charley Ice Acting Chair, Agriculture and Food Security Committee Environmental Caucus of the Democratic Party



March 12, , 2023

To: Chair Gabbard, Vice Chair Richards, and the Senate Committee on Agriculture and Environment

Subject: HB690, Relating to Agriculture

Aloha,

Food+ Policy **supports HB690**, which would provide needed investment in infrastructure and the development of Hawai'i's agricultural sector, including the development of markets locally for local products. We are hopeful the grant program outlined in this bill would combat our food import dependence and strengthen the local food system.

Mahalo, Kelsey Amos & the Food+ Policy Team #fixourfoodsystem

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 2023, the cohort of interns are undergraduate 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.

Submitted on: 3/10/2023 7:19:41 PM Testimony for AEN on 3/13/2023 1:15:00 PM

Submitted By	Organization	Testifier Position	Testify
Nanea Lo	Individual	Support	Written Testimony Only

Comments:

Hello,

HB 690 will establish the Hawai'i agriculture investment program to bolster agricultural production throughout the islands through the establishment of a dedicated funding source for the agricultural sector.

Please support HB690.

Thank you for your consideration, Nanea Lo, Mōʻiliʻili

HB-690-HD-1 Submitted on: 3/10/2023 9:03:33 PM Testimony for AEN on 3/13/2023 1:15:00 PM

Submitted By	Organization	Testifier Position	Testify
Dana Keawe	Individual	Support	Written Testimony Only

Comments:

support

Submitted on: 3/11/2023 12:30:16 PM Testimony for AEN on 3/13/2023 1:15:00 PM

Submitted By	Organization	Testifier Position	Testify
Michele Nihipali	Individual	Support	Written Testimony Only

Comments:

HB 690 will establish the Hawai'i agriculture investment program to bolster agricultural production throughout the islands through the establishment of a dedicated funding source for the agricultural sector.

Please support HB690.

Thank you for your consideration,

Michele Nihipali

54-074 A Kam Hwy.

Hauula, HI 96717

<u>HB-690-HD-1</u>

Submitted on: 3/11/2023 6:35:08 PM Testimony for AEN on 3/13/2023 1:15:00 PM

Submitted By	Organization	Testifier Position	Testify
Rexann Dubiel	Individual	Support	Written Testimony Only

Comments:

Please support Bill 690.

Make farmers accountable with annual reports, otherwise, it will be another boondoggle like the ADC.

<u>HB-690-HD-1</u>

Submitted on: 3/11/2023 10:14:19 PM Testimony for AEN on 3/13/2023 1:15:00 PM

Submitted By	Organization	Testifier Position	Testify
Normand A Cote	Individual	Support	Written Testimony Only

Comments:

Aloha,

I strongly SUPPORT HB690!

Sincerely,

Normand A Cote

Law Abiding Citizen

Submitted on: 3/12/2023 6:10:56 AM Testimony for AEN on 3/13/2023 1:15:00 PM

Submitted By	Organization	Testifier Position	Testify
James Crum	Individual	Support	Written Testimony Only

Comments:

We have stated goals of increasing local ag production and consumption yet need bills like this one to ensure the necessary supports are in place to make it possible. Ag production in Hawaii is hard. Making it profitable and not giving up is even harder. Thank you for supporting this bill to ensure needed supports for local ag producers.

HB-690-HD-1 Submitted on: 3/12/2023 6:55:03 AM Testimony for AEN on 3/13/2023 1:15:00 PM

Submitted By	Organization	Testifier Position	Testify
Woody Child	Individual	Support	Written Testimony Only

Comments:

I support HB 690 relating to Agriculture.

HB-690-HD-1 Submitted on: 3/12/2023 10:40:09 AM Testimony for AEN on 3/13/2023 1:15:00 PM

Submitted By	Organization	Testifier Position	Testify
Caroline Azelski	Individual	Support	Written Testimony Only

Comments:

In support of HD1. Thank you.

HB-690-HD-1 Submitted on: 3/12/2023 10:49:03 AM Testimony for AEN on 3/13/2023 1:15:00 PM

Submitted By	Organization	Testifier Position	Testify
Robert ZUckerman	Individual	Support	Written Testimony Only

Comments:

I am strongly in support of this.

HB-690-HD-1 Submitted on: 3/12/2023 11:54:47 AM Testimony for AEN on 3/13/2023 1:15:00 PM

Submitted By	Organization	Testifier Position	Testify
Sunny Savage	Individual	Support	Written Testimony Only

Comments:

In support...

Submitted on: 3/12/2023 1:17:00 PM Testimony for AEN on 3/13/2023 1:15:00 PM

Submitted By	Organization	Testifier Position	Testify
Susan Stayton	Individual	Support	Written Testimony Only

Comments:

Dear Representatives,

HB 690 will establish the Hawai'i agriculture investment program to bolster agricultural production throughout the islands through the establishment of a dedicated funding source for the agricultural sector.

Please support HB690.

Thank you for your consideration,

Susan Stayton, Lawai, Kauai, HI

Submitted on: 3/12/2023 5:07:14 PM Testimony for AEN on 3/13/2023 1:15:00 PM

Submitted By	Organization	Testifier Position	Testify
Shay Chan Hodges	Individual	Support	Written Testimony Only

Comments:

HB 690 will establish the Hawai'i agriculture investment program to bolster agricultural production throughout the islands through the establishment of a dedicated funding source for the agricultural sector.

Please support HB690.

Thank you for your consideration,

Shay Chan Hodges

Maui, Hawaii

Email: nmilne@kohalacenter.org

HOUSE COMMITTEE ON FINANCE Monday, March 13, 2023 – 1:15 p.m. – Conference Room 224 & Videoconference

Nicole Milne, personal testimony, in support of HB 690, HD1, Relating to Agriculture

Dear Chair Gabbard, Vice Chair Richards, and Members of the Committee:

Thank you for the opportunity to provide personal testimony in <u>strong support</u> of HB 690, HD1 which establishes the Hawai'i agriculture investment program to bolster agricultural production throughout the islands through the establishment of a dedicated funding source for the agricultural sector.

My name is Nicole Milne and I am the Vice President of Food and Agriculture Initiatives at The Kohala Center (TKC) and Member of the Board of Hawai'i Good Food Alliance (HGFA). These entities are non-profit, statewide organizations that are community-based, working to support the development and resilience of economically viable agricultural and food operations *alongside* increased access to local food for Hawai'i residents.

During the pandemic the Hawaii Department of Agriculture (HDOA) lost a significant source of revenue when the Legislature eliminated the Agriculture Development and Security Special Fund, HDOA's main source of funding, through Act 87, SLH 2021.

Access to capital remains a barrier for many food and agricultural entrepreneurs in the islands. The scope of financial products available to farmers and ranchers in Hawai'i is diverse, from microloans available through TKC, Kiva, and USDA Farm Service Agency, to larger loans via Feed the Hunger Fund, Slow Money Hawai'i, Hawaii Department of Agriculture, American Ag Credit, and more. However the demand for *affordable* capital across the sector far outweighs the supply, and oftentimes eligibility requirements significantly narrows the number of capital products truly accessible to producers.

I strongly support the State's efforts to broaden investment pathways available for farmers and ranchers, including those that increase *equitable access to affordable capital*, as this initiative does. HDOA is Hawai'i's lead agency charged with supporting an industry that is critical to the resiliency of our island communities and rural economies. This initiative would shore up future capacity through a matching grant program to facilitate the Department's ability to assist farmers with critical infrastructure such as fencing, irrigation, and soil health and conservation practices. Hawai'i would join with several state agricultural departments across the U.S. that house similar programs, including Minnesota, Massachusetts, Kentucky, and many others. And furthermore, this investment initiative would help unlock federal funding for Hawai'i's producers which is available through various Farm Bill programs already utilized by farmers and ranchers across the state.

I respectfully request your support of HB 690, HD1. Thank you for the opportunity to testify.

Sincerely,

Nicole Milne Vice President, The Kohala Center Board Director, Hawai'i Good Food Alliance Personal Testimony