JOSH GREEN, M.D. GOVERNOR SYLVIA LUKE LT. GOVERNOR



STATE OF HAWAI'I

AGRIBUSINESS DEVELOPMENT CORPORATION

HUI HO'OULU AINA MAHIAI

TESTIMONY OF WENDY L. GADY EXECUTIVE DIRECTOR AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT
January 30, 2025
1:00 p.m.
Conference Room 224 & Videoconference

SENATE BILL NO. 1003 RELATING TO AGRICULTURAL DEVELOPMENT

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

The Agribusiness Development Corporation (ADC) supports the overall intent, but provides **comments** to Senate Bill 1003, which provides funding to enable the acquisition of agricultural land in Ka'ū on Hawai'i Island. This acquisition represents a critical opportunity to protect and enhance agricultural production in the state, ensuring the preservation of prime farmland while advancing ADC's mission of promoting food security, sustainable agribusiness, and Hawaii's food sustainability and purchasing goals.

Comments

The purpose of this bill is to authorize the issuance of general obligation bonds to the Agribusiness Development Corporation for the acquisition of land in Ka'u for agricultural development

This bill does not indicate the owner of the land to be acquired.

Accordingly, the authorization to acquire land in this bill does not appear to satisfy section 163D-31(b)(3), Hawaii Revised Statutes (HRS). Therefore, the bill may not create adequate authority for the Agribusiness Development Corporation to complete the acquisition.

Regarding acquisitions of land by ADC, HRS section 163D-31(b) states:

Acquisitions of important agricultural lands authorized by the legislature.

* * *

- (b) The acquisition shall be authorized by a bill enacted into law and shall contain:
 - (1) A statement of the value of the interest in land as a resource to the State;
 - (2) A description of the specific parcel of land or agricultural easement proposed to be acquired;
 - (3) The name of the owner of the property; and
 - (4) The estimated costs of acquiring the interest in the land.

To avoid this issue, we respectfully suggest that this bill be amended in name the owner of the land to be acquired.

Background

Kaʻū, located on the southern end of Hawaiʻi Island, is home to some of the most fertile agricultural lands in the state, with rich volcanic soils and a climate conducive to diversified farming. Historically, this region has supported a variety of agricultural industries, from sugarcane plantations to diversified crop farming. The lands under consideration are ideally suited for continued agricultural use and are essential for expanding local food production, supporting small and mid-sized farmers, and promoting value-added agricultural businesses.

The acquisition of agricultural land in Kaʻū is aligned with Hawaii's Food Sustainability Goals and the state's commitment to increasing local food production and reducing dependence on imported food. Furthermore, the project complements Hawaii's State Procurement Goals, which aim to prioritize purchasing locally grown food for state institutions, including public schools, hospitals, and correctional facilities.

Key Benefits of the Land Acquisition

1. Preservation of Prime Agricultural Land

Purchasing agricultural land in Ka'ū will protect valuable farmland from potential development or non-agricultural use, ensuring it remains dedicated to food production. This aligns with statewide goals to safeguard agricultural land as a critical resource for current and future generations.

2. Advancing Hawaii's Food Sustainability Goals

The Hawai'i 2050 Sustainability Plan calls for a significant reduction in food imports and an increase in local food production. Currently, Hawaii imports nearly 85-90% of its food, leaving the state vulnerable to supply chain disruptions. By acquiring and dedicating these lands to agricultural use, this project directly supports the state's goal of doubling local food production by 2030.

3. Supporting State Procurement Goals for Local Food

Senate Bill 1003 supports Hawaii's commitment to prioritizing locally grown food in state procurement. Increasing local agricultural capacity in

Ka'ū will enable state institutions such as public schools, hospitals, and correctional facilities to meet their local purchasing targets. The acquisition will facilitate partnerships between local farmers and state institutions, creating a reliable market for locally grown produce while ensuring fresher, healthier food options for Hawaii residents.

4. Expanding Local Food Production

This land acquisition will provide opportunities for diversified farming, enabling local farmers to grow fresh produce, livestock, and value-added products for local consumption. Increased local production will reduce reliance on imported goods and enhance Hawaii's food security.

5. Support for Small Farmers

ADC plans to subdivide and lease the acquired lands to small and midsized farmers, prioritizing access for local producers and new farmers. This will create opportunities for farming entrepreneurs, support economic development in rural communities, and ensure equitable access to agricultural resources.

6. Promotion of Sustainable Agriculture

ADC is committed to promoting sustainable and environmentally responsible farming practices on these lands, including soil conservation, efficient water use, and the adoption of renewable energy systems to support farming operations.

7. Economic Development in Ka'u

This initiative will stimulate economic growth in the Ka'ū region by creating jobs in agriculture and associated industries, fostering value-added businesses, and supporting the local economy through agricultural activity.

ADC's Role and Commitment

As the state's lead agency for agricultural land management and development, ADC is uniquely positioned to oversee the acquisition, management, and leasing of this land. ADC has a proven track record of working with local farmers and agribusinesses to create opportunities for agricultural growth and economic development.

Upon acquiring the land, ADC will:

- Develop a comprehensive management plan to maximize agricultural productivity.
- Collaborate with local farmers, agricultural cooperatives, and community stakeholders to ensure the land is utilized effectively.
- Provide resources and technical assistance to farmers to support their operations and promote sustainable practices.
- Partner with state institutions to ensure local produce from the land reaches Hawaii's public schools, hospitals, and other facilities.

Alignment with Statewide Goals

Senate Bill 1003 aligns with several critical state initiatives, including:

- Hawai'i 2050 Sustainability Plan: By promoting local food production
 and preserving agricultural lands, this measure supports sustainability
 goals and reduces reliance on imported goods.
- Food Security and Resilience: The acquisition of agricultural land will expand Hawaii's capacity for local food production, making the state less dependent on outside markets and more resilient to supply chain disruptions.
- State Procurement Goals: This acquisition will enable the state to meet its local food purchasing requirements for public institutions, creating a stable market for local farmers while providing nutritious food to Hawaii's residents.
- Economic Diversification: This investment in agriculture helps diversify
 Hawaii's economy and reduces overreliance on tourism.

Conclusion

The acquisition of agricultural land in Kaʻū represents a once-in-a-generation opportunity to secure Hawaii's agricultural future and advance key statewide sustainability and food procurement goals. This measure not only preserves valuable farmland but also supports local farmers, strengthens food security, and promotes economic growth in one of Hawaii's rural communities.

Mahalo for the opportunity to testify on this important measure.





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

January 30, 2025

HEARING BEFORE THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

TESTIMONY ON SB 1003 RELATING TO AGRICULTURAL DEVELOPMENT

Conference Room 229 & Videoconference 1:00 PM

Aloha Chair DeCoite, Vice-Chair Wakai, and Members of the Committees:

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 provides comments on SB 1003, which authorizes the issuance of general obligation bonds to the Agribusiness Development Corporation (ADC) to purchase a land parcel in Ka'ū for agricultural development. While we support the intent of this measure to expand agricultural opportunities for ADC, we encourage ADC to broaden its scope to consider potential land acquisitions in both Maui County and Hawaii Island and to ensure that adequate water resources are available before purchasing any land for agricultural development.

The agricultural industry established the Agribusiness Development Corporation as sugar and pineapple downsized. It was created to help transition Hawaii's agricultural industry from plantation agriculture to smaller, diversified agricultural operations. Over the past decade, ADC has made significant progress in transitioning Hawaii's agricultural sector by managing key state agricultural lands, developing irrigation systems, and supporting diversified agriculture on Oahu and Kauai. Expanding ADC's role to additional lands is a logical next step, but due diligence must be done to ensure successful outcomes.

While Kaʻū offers potential for agricultural development, Maui County and other areas of Hawaii Island also have significant agricultural potential. Purchasing land in Kaʻū is step in the right direction for expanding agricultural opportunities in Hawaii. However, ensuring water access, considering multiple locations, and prioritizing infrastructure development are essential to the success of ADC's expansion.

Thank you for this opportunity to testify in support of this measure.



RE: SUPPORT for SB1003RELATING TO AGRICULTURAL PROTECTION

Aloha Chair DeCoite, Vice Chair Wakai, and Committee Members,

The Synergistic Hawai'i Agriculture Council (SHAC) stands in **strong support** of this Bill to acquire agricultural land in the Ka'u District. Our consortium represents 1,500 coffee macadamia, papaya, and floriculture agribusinesses. SHAC's growers, processors, and shippers stretch across the State.

Since transitioning from mainly sugar plantations in the 1990s, Ka'u has successfully diversified its agricultural output. Today, it is known for award-winning coffee farms, macadamia orchards, and grazing pastures for cattle. As a nonprofit that serves Hawaii's coffee and macadamia industries, SHAC sees the potential for further diversification and growth of agriculture in this region.

We particularly appreciate how this initiative will:

- * Protect prime agricultural land
- * Support local farmers in creating new operations or expanding current ones
- * Strengthen Hawaii's agricultural self-sufficiency
- * Enhance the region's agricultural infrastructure

The Ka'u District's fertile soil and proven agricultural track record make this investment both timely and wise. We urge the legislature to support this important initiative.

Mahalo nui loa for supporting this bill!

Suzanne Shriner Administrator

Jun Thin

Submitted on: 1/29/2025 12:01:57 PM

Testimony for EDT on 1/30/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Gloria Camba	Testifying for Ka'u Coffee Growers Cooperative	Support	Written Testimony Only

Comments:

January 29, 2025

Senator Lynn DeCoite, Chair Senator Glenn Wakai, Vice Chair Senate Committee on Economic Development and Tourism Hawaii State Capitol 415 South Beretania Street, Honolulu, HI 96813

Dear Chair DeCoite, Vice Chair Wakai, and Commitee members,

As president of the Ka'u Coffee Growers Cooperative, the largest coffee cooperative in the Ka'u region, I am writing to express our support for SB1003, the proposed legislation to acquire agricultural land in Pahala.

Our cooperative emerged from the economic upheaval following the closure of Ka'u Sugar Company's Pahala mill in the 1990s. Our member farmers, many of whom are former sugar workers and their children, have built internationally recognized coffee farms, demonstrating the remarkable resilience of our community. We witnessed firsthand how small-scale, diversified agriculture transformed Pahala from a plantation town into a thriving agricultural district.

The parcel under consideration in Pahala is ideal for agriculture. Parts of it are a former vegetable farm known for its productivity. It sits next to current coffee farms and macadamia nut orchards. And cattle graze on it. This location would create natural opportunities to expand the agricultural diversity that has become Kaʻu's economic backbone.

Our cooperative's history proves that small-scale, diversified agriculture can revitalize a rural town. This land acquisition would build on Pahala's successful transition from plantation agriculture to a diverse, resilient farming community. It represents not just an investment in land, but an investment in the continued economic vitality of the Ka'u District. We strongly urge the legislature to support this bill, which will secure a key resource for Pahala's agricultural future.

Sincerely, Gloria Camba President Ka'u Coffee Growers Cooperative

Submitted on: 1/29/2025 12:23:33 PM

Testimony for EDT on 1/30/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
JOHN L. AH SAN	Testifying for United Ka'u Farmers Cooperative	Support	Written Testimony Only

Comments:

January 29, 2025

Senator Lynn DeCoite, Chair Senator Glenn Wakai, Vice Chair Senate Committee on Economic Development and Tourism Hawaii State Capitol 415 South Beretania Street, Honolulu, HI 96813

Dear Chair DeCoite, Vice Chair Wakai, and Commitee members,

I write to you on behalf of the United Ka'u Farmers Cooperative (UKFC), an organization committed to advancing scientific research in coffee cultivation and sustainable agricultural practices. We strongly support SB1003, the bill to purchase land in Ka'u for an agriculture park.

We are very familiar with the agricultural potential of the proposed parcel, as one of our members operates an award-winning coffee farm immediately adjacent to it. With the support of a 2019 Specialty Crop Block Grant, we have extensively documented the growing conditions of this coffee farm, including soil composition and weather data. The area is ideal for coffee production and other agricultural enterprises.

We strongly support this acquisition because it will:

- * Protect land with proven exceptional growing conditions
- * Provide opportunities for new farmers to benefit from our research findings
- * Expand opportunities for agricultural research and development
- * Strengthen Ka'u's position as a leading agricultural region in Hawaii

In short, the parcel under consideration represents exactly the type of versatile, high-potential agricultural land that must be protected for future generations. We strongly urge the legislature to support this project for Ka'u's agricultural future.

Sincerely,
John Ah San
President
United Ka'u Farmers Cooperative



Testimony of Nathan Trump

Island Harvest Inc.

January 30, 2025

RE: SB1003 RELATING TO AGRIBUSINESS DEVELOPMENT

Aloha Chair DeCoite, Vice Chair Wakai, and the members of the Senate Committee on Economic Development and Tourism,

I am writing on behalf of Island Harvest in support of Senate Bill 1003 RELATING TO AGRIBUSINESS DEVELOPMENT.

This bill will increase opportunities for agribusiness development in the Ka'u district where agricultural skill and natural resources are abundant but access to agricultural land is limited. Allocating funds to the Agribusiness Development Corporation to purchase land in this region has the potential to unlock rural agribusiness, allowing for increased local food production and employment opportunities

Blessed with some of the most fertile soil on Hawai'i Island, the Ka'u District is a cornerstone of local agriculture. The parcel proposed for preservation is well suited for agricultural production; it is adjacent to coffee farms, a macadamia nut orchard, and a former vegetable farm. ADC's acquisition of this parcel would protect a legacy of farming excellence, grow the economic resilience of Ka'u, and secure a vital resource for Hawaii's agricultural future.

Island Harvest is an organic macadamia nut farm located in Kapaau on the Big Island. In addition to macadamia nuts, we grow breadfruit, limes, and raise sheep. As a farming company, we employ agricultural and business practices that contribute positively to our environment and community while ensuring that our farming team can work in a safe environment.

Mahalo,

Nathan Trump

General Manager

Island harvest





THE SENATE KA 'AHA KENEKOA

THE THIRTY-THIRD LEGISLATURE REGULAR SESSION OF 2025

COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM Senator Lynn DeCoite, Chair Senator Glenn Wakai, Vice Chair

Thursday, January 30, 2025 1:00 PM Conference Room 229 & Videoconference State Capitol 415 South Beretania Street

RE SB 1003 - RELATING TO AGRICULTURAL DEVELOPMENT.

My name is Eric S. Tanouye and I am the President for the Hawaii Floriculture and Nursery Association. HFNA is a statewide umbrella organization with approximately 300 members. Our membership is made up with breeders, hybridizers, propagators, growers, shippers, wholesalers, retailers, educators, and the allied industry, which supports our efforts in agriculture.

The Hawaii Floriculture and Nursery Association (HFNA) STRONGLY **SUPPORTS Senate Bill 1003.** As the statewide organization representing nursery and floriculture producers, we appreciate the preservation of agricultural land in Hawaii.

Supporting the expansion of farming in Ka'u is a terrific choice. Blessed with excellent growing conditions, the region's varied microclimates support ornamentals such as proteas and 'Ōhi'a, in addition to edible crops such as coffee and macadamia nuts.

This acquisition represents an investment not just in Ka'u, but in the future of Hawaii's self-sufficiency and economic resilience. We urge the legislature to support this purchase, which will benefit generations to come.





If you have any questions at this time, I would be happy to discuss them and can be reached by phone at 808-959-3535 ext 22, cell 960-1433 and email eric@greenpointnursery.com.

Supporting Agriculture and Hawaii,

Eric S. Tanouye

President /

Hawaii Floriculture and Nursery Association

Submitted on: 1/29/2025 12:49:32 PM

Testimony for EDT on 1/30/2025 1:00:00 PM

Submitt	ed By	Organization	Testifier Position	Testify
Lori Al	San	Testifying for Ka'u Ocean Vista Coffee Estate	Support	Written Testimony Only

Comments:

January 29, 2025

Senator Lynn DeCoite, Chair Senator Glenn Wakai, Vice Chair Senate Committee on Economic Development and Tourism Hawaii State Capitol 415 South Beretania Street, Honolulu, HI 96813

Dear Chair DeCoite, Vice Chair Wakai, and Committee members,

I am writing to express my strong support for the proposed legislation to acquire agricultural land in Pahala. As part of a farming family who has worked the soil in Ka'u for the past 28 years, I have a deep personal understanding of both the challenges and opportunities that farming presents in our community.

When my dad started growing coffee in Pahala in 1996, the town was still finding its way after the closure of the local sugar mill. Today, I look across our district and see thriving farms, award-winning coffee operations, and a renewed sense of purpose in our agricultural community. The proposed land acquisition would build on this success and secure our agricultural future.

What makes this project particularly valuable is its focus on long-term agricultural security. As longtime farmers, my family understands how crucial land security is for agricultural success. This acquisition would provide new farmers with the confidence to make the substantial investments required for successful farming operations, knowing their efforts won't be lost to land use changes or lease uncertainties.

The parcel's location adjacent to existing coffee farms and macadamia orchards makes it ideal for agricultural development. Its proven versatility – having supported both tree crops and cattle grazing – opens up numerous possibilities for diversified agriculture. This variety is exactly what our community needs to build a resilient local food system and create new economic opportunities.

Every new farm operation brings:

- * Additional jobs for local residents
- * Increased business for our local suppliers and services

- * New opportunities for our young people to stay in the community
- * Greater food security through local production
- * Enhanced economic stability for our rural town

Most importantly, this agricultural park would ensure that farming remains a viable path for future generations in Pahala. Our children and grandchildren need access to agricultural land to continue the farming tradition we've built here in Ka'u.

I strongly urge the legislature to support this vital investment in our community's future. This project will have lasting positive impacts for generations to come.

Sincerely, Lori Ah San Ka'u Ocean Vista Coffee Estate Pahala, Hawaii



Submitted on: 1/29/2025 5:40:12 PM

Testimony for EDT on 1/30/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kaweni Ibarra	Individual	Support	Written Testimony Only

Comments:

To whom it may concern,

My name is Kaweni Ibarra and I am writing this letter as a private citizen, and as a resident who grew up in, and continues to live in the district of Ka'u. Through this testimony I would like to signify that I support bill S.B. 1003, along with its companion bill, H.B. 685.

I strongly believe that this bill will provide useful opportunities for the local community in Ka'u. Furthermore, this could potentially set precedence for mitigating growing issues that have historically affected our district, such as economic disparity, job opportunities, and power imbalances due to growing influxes of outsiders moving in.

Thank you for the opportunity to provide testimony. I hope that this bill can aid our community's ability to continue living in Ka'u and retain the agricultural lifestyles that have flourished here for many generations.

Sincerely,

Kaweni Ibarra

Submitted on: 1/30/2025 7:55:52 AM

Testimony for EDT on 1/30/2025 1:00:00 PM



Submitted By	Organization	Testifier Position	Testify
Wayne Kawachi	Individual	Support	Written Testimony Only

Comments:

January 29, 2025

Senator Lynn DeCoite, Chair Senator Glenn Wakai, Vice Chair Senate Committee on Economic Development and Tourism Hawaii State Capitol 415 South Beretania Street, Honolulu, HI 96813

Dear Chair DeCoite, Vice Chair Wakai, and Committee members,

I'm writing to you as president of 'O Ka'ū Kākou (OKK), a volunteer-driven community organization dedicated to promoting the health and wellbeing of Ka'u through education, culture, and economic opportunity. I am writing to express our support for SB1003, the proposed legislation to acquire agricultural land in our district.

This acquisition aligns with OKK's mission to strengthen our community. Agriculture has always been central to Ka'u's cultural identity, economic vitality, and educational heritage. Farming has sustained our families, preserved our cultural practices, and provided opportunities for our keiki to learn and grow.

The parcel under consideration represents more than just agricultural land – it is an investment in our community's future. Located adjacent to existing coffee farms and macadamia orchards, this property embodies the diverse agricultural traditions that shape Ka'u's character in the postplantation era.

We particularly support this acquisition because it will strengthen our community's food security and self-reliance, support the continuation of Ka'u's agricultural heritage, and create economic opportunities through farming and related industries

As an organization committed to building a healthy, sustainable Ka'u, we see this land acquisition as beneficial to our community's future. We strongly urge the legislature to support it.

Sincerely, Wayne Kawachi President 'O Ka'ū Kākou



Submitted on: 1/30/2025 8:34:27 AM

Testimony for EDT on 1/30/2025 1:00:00 PM



Submitted By	Organization	Testifier Position	Testify
Austin Johnasen	Individual	Support	Written Testimony Only

Comments:

Aloha Chair DeCoite, Vice Chair Wakai, and members of the Committee:

I support SB1003, as this will enable the community of Kau to use their strength in agriculture to further support Hawaii's needs.

Mahalo for the opportunity to testify,

Austin Johnasen

IN support of SB1003



Aloha to the committee,

My name is Ralph Gaston, and I appreciate the time to speak to you today in support of Senate Bill 1003. I want to use a bit of my story here in Hawaii to explain why this bill is important for our community - and for all of Hawai'i.

Growing up in Baltimore, I never imagined I would visit Hawai'i, let alone make a home here. But in 2011, my wife Joan and I made the move to help our mother, Lorie, with the family coffee company.

Rusty's Hawaiian is named for our late father, Rusty Obra, who founded the company in 1999 - and the Ka'u Coffee Growers cooperative in 2003. Papa Rusty's dream was to see Ka'u become well known for its coffee, similar to the status that Kona coffees had achieved.

I think that was a success. But it's what I learned after living in Ka'u that brings me here today.

See, it's one thing to settle in, get into a company, and get to the business of sales - roasting coffee, finding buyers, setting up packaging, distribution, and so on. But that means nothing if we are not truly part of the community.

So for a guy who grew up on the east coast in a big city, that meant joining the Farm Bureau for a few years. Volunteering time to help the Ka'u Coffee Festival, and Hawaii Coffee Association, and also the Synergistic Hawaii Agriculture Council.

Most importantly, it meant meeting my fellow farmers, and coffee growers, and those who have made Pahala home for many decades. It's the community that lives and shares the magic of Ka'u together, all the ups and downs. When we had a big windstorm years ago, and Albizia trees blocked the road up to Cloud's Rest...we all got our gloves and chainsaws, and cleared that road together.

All through the year, we share our bounty together. Maybe its smoked pork from a weekend hunt. Or fresh lilikoi and mango from a backyard tree. Or avocados, or the holiday season when I make pies for all my neighbors. But every interaction, every graduation party or holiday party or just a community gathering, show more and more how special Ka'u is - and how important the saying of the locals really is:

We have to keep Ka'u....Ka'u.

i've been here for almost 14 years now, and I can't imagine leaving Ka'u. I truly enjoy living in one of this state's most beautiful and bountiful areas. And I want to do my part so that those who grew up here, and raised their kids here...I want to help those kids keep their ties to Hawai'i. To have their chance to remain connected to this special

land. That is the least I can do for a community that has welcomed my wife and I with open arms.

This is why I think projects like this one, with the ADC, are so important. the Ka'u District is home to very productive farmland, ideal for growing the foods that we need to be more self sustainable as a state here in Hawaii. AS we see with events happing as we speak, disruptions to the food supply can happen suddenly and leave Hawaii in a tough position. The less Hawai'i has to rely on those container ships to feed our people, the safer we all are.

This is land that produced high quality fruits and vegetables when run by Ellis Hester for over a generation. And it would be ideal again for farmers - local farmers - to have access to these lands to plant the crops that can feed Hawaii for generations to come.

That is why I support Senate Bill 1003.

Mahalo for your time and consideration.

-Ralph Gaston Rusty's Hawaiian, Isla Custom Coffees