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DEPT. COMM. NO. 202

DTS: 202512310947TA

January 5, 2026

The Honorable Ronald D. Kouchi,
President and Members
of the Senate
Thirty-Third State Legislature
State Capitol, Room 409
Honolulu, Hawaiʻi 96813

The Honorable Nadine K. Nakamura,
Speaker and Members of the
House of Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawaiʻi 96813

Dear President Kouchi, Speaker Nakamura, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Agribusiness Development Corporation Report on The Agricultural Corridor, as required by HCR77 SLH2025.

In accordance with Section 93-16, Hawaiʻi Revised Statutes, I am also informing you that the report may be viewed electronically at:
http://dbedt.hawaii.gov/overview/annual-reports-reports-to-the-legislature/.

Sincerely,

James Kunane Tokioka
DBEDT Director

Enclosure

c: Legislative Reference Bureau

ANNUAL REPORT TO THE THIRTY-THIRD LEGISLATURE (2026 REGULAR SESSION)

REPORT ON THE AGRICULTURAL CORRIDOR

IN RESPONSE TO HCR77 SLH2025

Prepared by:

AGRIBUSINESS DEVELOPMENT CORPORATION (ADC)

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM (DBEDT)

December 2025

HCR 77 – Central Oʻahu Agricultural Corridor

Status Update and Community Recommendations (2026)

Background

House Concurrent Resolution HCR 77 urged the designation of Kunia, the Leilehua Plateau, and Poamoho as the Central Oʻahu Agricultural Corridor. The resolution further requested that:

- The Agribusiness Development Corporation (ADC) established a prioritized list of agricultural infrastructure improvement projects that would provide the greatest value to the State; and
- The Department of Transportation (DOT) improve roadway safety along Kunia Road through speed reduction measures.

KUNIA, LEILEHUA PLATEAU AND POAMOHO CENTRAL OAHU AGRICULTURAL CORRIDOR

Transportation and Safety Improvements

By November 2025, the Department of Transportation implemented the following safety improvements along Kunia Road:

- Reduced the speed limit from 45 mph to 35 mph; and
- Installed five (5) speed tables before and after key agricultural access roads.

Kunia Road has historically been notorious for traffic fatalities due to excessive speeds and reckless passing. These measures have significantly reduced vehicle speeds and improved safety.

The City and County of Honolulu has indicated willingness to reduce speed limits and consider additional traffic-calming measures along its portion of the proposed Agricultural Corridor as resources permit.

Agricultural Corridor Concept and Community Input

Ongoing discussions with the farming community support establishing a contiguous Agricultural Corridor from Kunia through Waialua with coordinated investments in infrastructure, public safety, and permitting efficiency.

Water Infrastructure – Surface Water Priority

- Expand the footprint of the Waiahole water system to irrigate additional agricultural lands throughout the corridor, prioritizing farms currently dependent on groundwater or limited water sources.
- Prioritize the use of surface water for agricultural irrigation to reduce reliance on groundwater, enhance long-term sustainability, and improve drought resilience.
- Utilize the Waiahole Ditch system to supply irrigation water from Schofield Barracks to H-1, with strategic extensions to other qualifying farmlands within the corridor.
- Designate Lake Wilson Reservoir as the primary surface water source for:
    - The Leilehua Plateau; and
    - Agricultural lands along Kaukonahua Road through Waialua.

Water and Sewer Infrastructure for Agricultural Processing

- Plan, expand, and fund potable water, non-potable water, and wastewater (sewer) infrastructure necessary to support:
    - Agricultural processing and packing facilities;
    - Value-added production; and
    - Food safety and sanitation requirements.
- Coordinate with the Board of Water Supply and the City and County of Honolulu to identify capacity constraints, prioritize agricultural users, and implement decentralized wastewater treatment where sewer connections are not immediately available.
- Recognize water and sewer infrastructure as critical to enabling local processing, reducing off-island shipment of raw products, and strengthening food security.

Water Measurement, Monitoring, and Transparency

- Fund the installation of automated water meters on all state-owned water systems throughout the corridor, including surface water and irrigation delivery systems.
- Develop a centralized, real-time dashboard to:
    - Track water usage and efficiency;

    - Monitor compliance with permits and allocations;
    - Support planning, conservation, and drought response; and
    - Increase transparency and accountability for state-managed water resources.

Public Safety and Rapid Response *(New)*

- Identify and develop a strategically located site within the Agricultural Corridor for the Department of Law Enforcement (DLE) to house and operate a dedicated drone unit.
- Utilize drone technology to provide rapid response and situational awareness for calls originating within the corridor, including:
    - Agricultural theft and vandalism;
    - Traffic incidents and roadway hazards;
    - Emergency response support; and
    - Enforcement of agricultural easements and land-use protections.
- Improve response times across remote agricultural areas where traditional patrol coverage may be limited.

Permitting and Regulatory Efficiency

- Establish a fast-track permitting process for agricultural processing facilities located within the Central Oʻahu Agricultural Corridor.
- Coordinate among relevant state and county agencies to:
    - Streamline land-use, building, and environmental permits;
    - Provide clear timelines and a single point of contact for applicants; and
    - Maintain health, safety, and environmental standards while reducing unnecessary delays.
- Recognize expedited permitting as a key incentive to encourage in-state processing, value-added agriculture, and job creation within the corridor.

Financial and Land-Use Tools

- Provide refundable tax credits for on-farm and shared irrigation infrastructure, including connections to surface water systems.

- Facilitate agricultural easements throughout the corridor, supported by enforcement personnel to protect long-term agricultural use.
- Facilitate financing and prioritize grants for modern and alternative agricultural infrastructure, including:
    - Vertical farms;
    - Hydroponic systems;
    - Shade houses and greenhouses.

Market Access and Aggregation

- Facilitate state institutional purchasing contracts for fresh produce and value-added products grown or processed within the corridor.
- Support localized agricultural hubs with coordinated transportation and aggregation services linking farms to the Wahiawā center.

Participation Requirements

- Farms participating in the Agricultural Corridor should contribute to:
    - Import replacement crops; and/or
    - Production for state institutional food needs.

Next Steps

Further engagement with the agricultural community and state and county agencies will refine corridor characteristics and identify coordinated investments in transportation safety, surface water systems, processing infrastructure, public safety technology, and streamlined permitting to measurably increase local food production and resilience statewide.

PRIORIGIZING STATEWIDE AGRICULTURAL INFRASTRUCTURE IMPROVEMENT PROJECTS

Proposed Legislation & Policy Recommendations

To strengthen Hawai‘i’s agricultural infrastructure development and regulatory environment, the following **legislative and policy proposals** are recommended for consideration by the Legislature, relevant state departments, and the Agribusiness Development Corporation (ADC).

A. Permit Exemption for USDA-Certified Facility Designs

Proposal:
Enact legislation stating that **if a facility design has been certified by the U.S. Department of Agriculture (USDA)** for food or agricultural processing purposes, then the facility itself shall be deemed **pre-approved for building and operational permitting by the State Department of Health (DOH)**, subject only to standard **infrastructure permitting** required for:

- Water supply connections
- Wastewater (sewer) systems
- Stormwater and drainage infrastructure
- Utilities and public health-related systems

Rationale:
USDA certification demonstrates that facility design meets rigorous federal standards for food safety, sanitation, and operational protocols. Removing duplicative DOH facility permitting while still requiring infrastructure related permits enhances efficiency without compromising public health.

Legislative Language Example:
“Notwithstanding any other law, a facility whose design is certified by the United States Department of Agriculture for food or agricultural processing shall not require separate Department of Health facility permitting; however, permits for infrastructure in/out of the facility, including water, wastewater, stormwater, and utilities, shall continue to be required.”

B. Adoption of Best Management Practices for Water Efficiency

Recommendation for ADC:
The Agribusiness Development Corporation shall pursue and incorporate **best management practices (BMPs)** for agricultural water use efficiency, drawing from leading practices in **U.S. states experiencing drought and high agricultural demand**, including but not limited to:

- **California's Irrigation and Water Use Efficiency Programs:**
    - Precision irrigation scheduling
    - Soil moisture monitoring systems
    - Tiered water pricing incentives for efficiency
- **Texas Water Conservation Initiatives:**
    - Water reuse standards for agricultural irrigation
    - Incentive funding for drought-resilient infrastructure
- **Florida's Agricultural Water Use Permitting Best Practices:**
    - BMPs for irrigation planning and use reporting
    - Real-time water monitoring and conservation credits

Legislative/Policy Action:
Direct ADC to:

1. Compile a statewide catalogue of BMPs relevant to Hawai‘i's climate and water challenges.
2. Develop pilot program guidelines that integrate these BMPs; and
3. Include BMP adoption criteria in funding, technical assistance, and facility planning support offered through the Food and Product Innovation Network (FPIN) and other ADC programs.

C. Fast-Track Permitting Modeled on California, Florida, and Texas

Proposal:
Enact legislation authorizing the establishment of a **statewide agricultural infrastructure**

fast-track permitting system, incorporating components of streamlined permitting frameworks from:

- **California's Office of Permitting and Environmental Review (OPR) models**
  – Coordinated permit review timelines
  – Single digital application platform for multi-agency permits
- **Florida's Unified Environmental Review Systems**
  – Time-bound permit decisions with automatic escalation for unresolved reviews
  – Interagency coordination protocols
- **Texas Commission on Environmental Quality (TCEQ) Permit Integration Pilots**
  – Pre-application conferences to resolve technical issues early
  – Consolidated technical review teams

Core Elements:

1. A **single point of contact** for ag infrastructure permit applicants.
2. **Mandatory review timelines** for all relevant state and county agencies.
3. A **centralized application and tracking portal**.
4. Authority for interagency coordination and dispute resolution.
5. Periodic performance reporting to the Legislature.

Legislative Language Example:
"The Department of Agriculture, in coordination with relevant state and county agencies, shall establish an Agricultural Infrastructure Fast-Track Permitting System to consolidate and expedite permit review for agricultural infrastructure projects, with defined timelines, single-point application access, and coordinated interagency review."

D. Refined Procurement Processes for Agriculture Projects

Recommendation:
Legislative and executive action should be taken to **refine Hawai'i's public procurement processes** to reduce delays in agricultural infrastructure project delivery, including:

- Authority to issue **agency-specific expedited procurement procedures** for agricultural projects over a defined dollar threshold.
- Creation of a **pre-qualified vendor pool** for equipment, design services, and construction associated with agricultural infrastructure.

- Use of **best-value criteria** that incorporate agricultural impact, resiliency, and time to delivery.
- Authorization for **progress payments and early contractor engagement** to align design and construction phases.

Rationale:
Current procurement timelines often lengthen project delivery and increase costs. A refined process would align procurement timelines with the urgent need to build resilience, food security, and agricultural capacity statewide.

Integration & Oversight

To ensure accountability and implementation, it is further recommended that:

- The Legislature establishes **reporting requirements** for agencies participating in the fast-track permitting system.
- ADC provides annual updates on BMP adoption, water efficiency outcomes, and infrastructure project progress; and
- A **multi-agency working group** is convened to refine legislative language, oversee implementation, and recommend further improvements.

Next Steps

Further engagement with the agricultural community, state agencies, and county partners will refine corridor characteristics, legislative language, and coordinated investments in transportation safety, surface water systems, processing infrastructure, public safety technology, regulatory reform, and expedited procurement. These efforts are focused on measurably increasing local food production and resilience statewide.

A. Permit Exemption for USDA-Certified Facility Designs

Proposed Legislation

Enact legislation providing that facilities designed and certified by the U.S. Department of Agriculture (USDA) for food or agricultural processing purposes shall be exempt from Department of Health (DOH) facility-level permitting, provided that:

- All infrastructure in/out of the facility remains subject to applicable permitting, including:
    - Potable and non-potable water systems

- Wastewater and sewer connections
- Stormwater management
- Utility and public health infrastructure

Role of ADC

ADC administrative staff shall:

- Maintain a registry of USDA-certified facility designs applicable to Hawai‘i
- Coordinate with DOH and county agencies to ensure consistent application of the exemption
- Assist project proponents in navigating infrastructure-related permits only

This approach eliminates duplicative review while preserving public health protections.

B. ADC-Led Adoption of Best Management Practices for Water Efficiency

Administrative Direction

Direct the Agribusiness Development Corporation to identify, evaluate, and incorporate best management practices (BMPs) for agricultural water efficiency drawn from U.S. states experiencing drought and sustained agricultural production, including California, Texas, and Florida.

ADC Responsibilities

ADC administrative staff shall:

1. Research and document BMPs related to:
    - Precision irrigation
    - Soil moisture monitoring
    - Water reuse and recycling
    - Crop selection and scheduling for drought conditions
2. Integrate BMPs into:
    - Agricultural corridor planning
    - Infrastructure investment criteria

    - Technical assistance and business development programs
3. Use BMP adoption as a qualifying or incentive factor for:
    - State-supported infrastructure projects
    - Grants, financing, and cost-share programs

C. Fast-Track Permitting for Agricultural Infrastructure (ADC-Led)

Proposed Legislation

Authorize the Agribusiness Development Corporation to establish and administer an Agricultural Infrastructure Fast-Track Permitting Program, incorporating best elements of permitting frameworks used in California, Florida, and Texas.

Core Authorities Granted to ADC

- Designation of ADC as the single point of coordination for agricultural infrastructure permits
- Authority to convene interagency review teams
- Establishment of mandatory permit review timelines
- Development of a centralized permit intake and tracking process
- Elevation and resolution of interagency conflicts impacting agricultural projects

Scope

Fast-track permitting shall apply to projects supporting:

- Agricultural corridors
- Food production and processing facilities
- Irrigation, water, and wastewater infrastructure
- Aggregation, storage, and distribution facilities

D. Expedited Procurement Authority for Agricultural Projects

Proposed Legislation and Administrative Reform

Refine state procurement statutes and administrative rules to authorize ADC-led expedited procurement for agricultural infrastructure and food system projects.

ADC Administrative Role

ADC administrative staff shall be empowered to:

- Utilize accelerated procurement timelines for agricultural projects
- Establish pre-qualified vendor and contractor pools
- Apply best-value selection criteria emphasizing speed, resiliency, and agricultural impact
- Coordinate early contractor engagement to reduce design-to-construction delays

Purpose

Expedited procurement is essential to delivering time-sensitive agricultural projects, particularly those tied to food security, climate resilience, and import replacement.

E. Delivery of Agricultural Corridors, Food Production, and Business Development

Administrative Directive

Formally direct ADC administrative staff to serve as the lead implementation entity responsible for delivering:

- Designation, coordination, and implementation of Agricultural Corridors
- Measurable increases in local food production
- Business development support for farmers, processors, and value-added producers

This directive includes responsibility for:

- Coordinating permitting and procurement expediting
- Aligning infrastructure investment with production goals
- Supporting project proponents through regulatory processes
- Reporting outcomes to the Legislature and Administration

ADC's role shall focus on execution, coordination, and delivery, ensuring that policy intent translates into on-the-ground results.

F. Accountability and Reporting

To ensure transparency and performance:

- ADC shall provide annual reports detailing:
    - Corridor implementation progress
    - Permitting and procurement timelines
    - Food production and business development outcomes
- Agencies participating in fast-track processes shall report compliance with established timelines
- Metrics shall be used to evaluate effectiveness and guide continuous improvement

Next Steps

The Legislature, Administration, and Agribusiness Development Corporation should collaborate with:

- Finalize legislative language
- Establish administrative rules and internal ADC procedures
- Initiate pilot agricultural corridor projects using expedited permitting and procurement
- Scale successful models statewide

These actions will enable Hawaiʻi to move from planning to delivery, accelerating agricultural infrastructure, strengthening food security, and supporting economic resilience.

APPENDIX A

Statewide Agricultural Infrastructure Improvement Projects

1. Surface Water Capture, Conveyance & Distribution

a. Oʻahu Surface Water Distribution Expansion

- **Waiahole Ditch System Modernization & Extension**
    - Expand conveyance infrastructure from Lake Wilson and existing reservoirs to irrigate agricultural lands across Central and North Oʻahu.
    - Prioritize connection to farms historically dependent on limited water sources.
- **Leilehua Plateau Water Delivery Network**
    - Build pipelines, pump stations, and delivery mains to serve ag clusters on the Plateau, Kapolei ag lands, and surrounding zones.
- **Central Oʻahu Irrigation Distribution Hubs**
    - Install pressure zones and smart control systems for equitable distribution.

b. Neighbor Island Surface Water Distribution Projects

- **Maui Surface Water Integration**
    - Expand surface water conveyance from East Maui streams (e.g., ʻĪao, Waiheʻe) to agricultural districts in Central and Upcountry Maui.
- **Kauaʻi Ditch System Enhancements**
    - Modernize irrigation canals and delivery systems to improve reliability and reduce losses.
- **Hawaiʻi Island Surface Delivery Corridors**
    - Develop conveyance from Hamakua and other surface sources to irrigate mid-elevation agricultural parcels.
- **Molokaʻi and Lānaʻi Irrigation Extensions**

- Extend modular ditch/pipeline systems to support diversified crops on available ag lands.

2. Automated Water Measurement & Decision Support

- **Statewide Automated Metering Infrastructure**
  - Install automated water meters, gates, and telemetry on all state-owned and cooperative irrigation systems.
- **Real-Time Water Monitoring Dashboard**
  - Centralize data from all islands to track usage, efficiency, drought response, and compliance.
- **Adaptive Water Management Controls**
  - Integrated systems for precision scheduling, conservation credits, and automatic allocation adjustments.

3. Groundwater Development & Fast-Track Well Permitting

a. Fast-Tracking Well Permits

- Legislate and adopt policies enabling expedited permitting of agricultural groundwater wells:
  - Priority processing for irrigation wells tied to surface water integration and food production.
  - Coordinated review timelines between ADC, Commission on Water Resource Management (CWRM), DOH, and counties.
  - Clear guidance for environmental and cultural resource assessments to prevent delays.

b. Groundwater Reliability & Redundancy Projects

- **Well Rehabilitation & Modernization**
  - Upgrade existing agricultural wells to improve yield and energy efficiency.
- **Strategic Well Field Development**

    - New well clusters serving high-production ag zones statewide with backup power and storage.

- **Aquifer Recharge & Monitoring**
    - Managed Aquifer Recharge (MAR) sites linked to irrigation need to sustain pumping capacity.

4. Port & Cold-Chain Infrastructure Expansion (All Islands)

a. Cold-Chain Port Enhancements

- **Honolulu Harbor Cold-Chain Expansion**
    - Refrigerated container yards, blast freezers, and sorting areas dedicated to agricultural exports/import replacements.
- **Māʻalaea & Kahului Harbor Cold Chain**
    - Expanded refrigerated staging and processing adjacent to key Maui agricultural production zones.
- **Nawiliwili Harbor Cold-Chain Facilities**
    - Additional reefer points, temperature-controlled storage, and rapid transfer links to trucks and rail.
- **Hilo & Kawaihae Cold-Chain Upgrades**
    - Multi-mode refrigerated freight staging to support East Hawaiʻi ag producers.
- **Lānaʻi & Molokaʻi Intermodal Cold Support**
    - Modular cold staging units tied to barge and container movements.

b. Port Agri-Logistics Infrastructure

- **Ag Terminal Consolidation Zones**
    - Dedicated agriculture terminals at major harbors for sorting, repacking, and cross-docking.
- **Port Access Improvements**
    - Road and freight rail connections to expedite movement from farms to harbor facilities.

5. Agricultural Consolidation, Aggregation & Processing Sites

a. Regional Agri-Hubs

- **Central Oʻahu Agricultural Consolidation & Cold Storage Site**
    - Multi-purpose facility (receiving, washing, packing, cooling, and distribution) serving Kunia–Wahiawā producers.
- **Maui Agricultural Processing & Cold Hub**
    - Cold storage, value-added areas (dehydration, canning), and logistics staging.
- **Kauaʻi Ag Aggregation & Distribution Center**
    - Handling, sorting, and refrigerated freight staging for island-wide producers.

b. Neighbor Island Shared-Use Production Centers

- **Hawaiʻi Island Cold & Processing Park**
    - Central handling and temperature-controlled sorting for Hāmākua, Kaʻū, and Kona producers.
- **Molokaʻi & Lānaʻi Shared-Use Facilities**
    - Modular cold rooms and processing bays with access to regional containers.

c. Mobile and Distributed Support Units

- **Mobile Cold Pods**
    - Trailerized refrigerated units deployed seasonally near fields.
- **Micro-Processing & Value-Added Centers**
    - Shared kitchens, dehydration labs, and packaging support units.

6. Energy Production, Resilience & Farm-Scale Power Projects

a. Renewable Generation for Agriculture

- **Solar + Storage Microgrids at Major Irrigation Hubs**

    - PV + batteries powering pumps, cold rooms, and processing centers (multi-megawatt deployments).

- **Ag Residue Bioenergy Projects**
    - Modular biomass/biogas systems at large consolidation hubs.
- **Green Hydrogen Pilot Projects**
    - Pilot renewable hydrogen for pump fuel in remote agricultural zones.

b. Power Resilience Enhancements

- **Backup Generation for Critical Ag Nodes**
    - Generators and UPS systems at water distribution nodes, cold storage, and processing facilities.
- **Demand Response & Rate Optimization**
    - Smart energy management to reduce peak costs for irrigation and processing loads.

Enabling Cross-Cutting Projects

These system-wide supports unlock greater utility from infrastructure investments:

7. Broadband & Digital Agriculture Enablement

- **Rural High-Speed Connectivity**
    - Fiber and wireless broadband to support precision irrigation, farm telemetry, and digital market platforms.

8. Workforce & Training Infrastructure

- **Training Centers at Agri-Hubs**
    - Facilities providing education in irrigation management, processing, cold chain operations, and agribusiness.

Illustrative Acreage Impact (Statewide)

Project Category	Approx. Benefiting Acres
Surface Water Distribution (Oʻahu + Neighbor Islands)	25,000+
Groundwater & Well Expansions	20,000+
Cold-Chain Port Infrastructure	Supports island-wide production (all ag acres)
Regional Agri-Hubs & Processing	15,000+
Renewable Energy Microgrids	Supports irrigation across 10,000+

Actual acreages will vary based on final designs, water rights, and land use agreements.

Prioritization Framework (for Legislative & Planning Use)

Projects may be prioritized based on:

✓ Greatest statewide acreage served
✓ Alignment with food security and import-replacement goals
✓ Early readiness and permitting feasibility
✓ Cost leverage through federal/state matching funds
✓ Synergies with private investment and cluster growth

Top 5 Immediate Priorities:

1. Surface water distribution expansion (Oʻahu)
2. Fast-track well permitting & strategic groundwater development
3. Cold-chain port expansions in all major harbors
4. Central Oʻahu Agri-Hub & Combined Processing Network
5. Renewable energy microgrids at major irrigation nodes

Next Steps

ADC and partner agencies should:

- Advance feasibility and design studies for high-impact projects
- Establish fast-track permitting and procurement pathways
- Engage federal, private, and philanthropic funding sources
- Align projects with the Hawaiʻi Food Strategy and energy resilience plans