

**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKA'I

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

JAMES KUNANE TOKIOKA
DIRECTOR

DANE K. WICKER
DEPUTY DIRECTOR

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DTS: 202512301730TA

December 31, 2025

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

The Honorable Nadine K. Nakamura,
Speaker and Members of the
House of Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 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 Annual Report, as required by Section §163D-19 Hawaii Revised Statutes.

In accordance with Section 93-16, Hawai'i 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



Agribusiness Development Corporation Annual Report

Fiscal Year 2025

A report to the Legislature of the State of Hawai'i as required by Section §163D-19, Hawai'i Revised Statutes

Submitted December 2025





A Message from the ADC Board Chair

Aloha Agribusiness Development Corporation Stakeholders,

As we conclude another year of service, I am proud to reflect on the progress we have achieved together and the renewed sense of purpose guiding the Agribusiness Development Corporation (ADC). This past fiscal year was marked by collaboration, growth, and forward momentum — grounded in our mission to optimize Hawai'i's agricultural lands, water systems, and infrastructure for the benefit of current and future generations.

In an era of global uncertainty, ADC continues to advance a clear strategy: securing and managing key agricultural assets that sustain Hawai'i's farmers, strengthen local food production, and expand opportunities for value-added agriculture. By investing in land, irrigation systems, and the workforce that supports them, we are laying the groundwork for a resilient and self-sufficient agricultural economy.

Our mission is twofold:

1. To enhance the economic, environmental, and social well-being of Hawai'i's people through the local production of food and agricultural products for local consumption.
2. To foster responsible growth in commercial exports that diversifies and strengthens our state's rural economy.

Together, these goals ensure that agriculture remains a cornerstone of Hawai'i's prosperity, resilience, and cultural identity.

Highlights of Fiscal Year 2025

The past year brought several notable accomplishments, including:

- **Strengthening Organizational Capacity** – ADC welcomed new staff across both Kaua'i and O'ahu, including five new positions on Kaua'i – the Kaua'i Property Manager, Kaua'i Water Systems Manager and three Kaua'i Water Workers. These hires significantly expand ADC's ability to manage land, maintain infrastructure, and deliver services efficiently statewide.
- **Advancing Land and Infrastructure Projects** – ADC made progress on several critical initiatives:
 - **Land Acquisitions** to expand active agricultural use and protect key assets for long-term productivity.
 - \$39M – Acquisition of 1040 acres on Kaua'i
 - \$1.4M – Acquisition of 75 acres on Kaua'i
 - \$3M – Acquisition of 45 acres on O'ahu
 - **East Kaua'i Irrigation System Improvements**, ensuring water reliability for farmers and ranchers in the region.



- **Central O’ahu Irrigation System upgrades**, integrating technology and energy-efficient components.
 - \$9.2 in System Upgrades
- **Waiāhole Water System operations**, continuing ADC’s stewardship of one of Hawai’i’s most vital agricultural water resources.
 - \$2.5M in siphon repair
- **Collaboration and Oversight** – The ADC Board of Directors dedicated an extraordinary amount of time this year to reviewing land applications, meeting with applicants, and culminating in the largest number of applicants approved for new agricultural licenses. These efforts ensure that ADC’s lands are placed in productive hands and that decision-making remains transparent, fair, and aligned with the Corporation’s statutory mission.

Looking Forward

As we look to the year ahead, ADC remains steadfast in its mission to transform former plantation lands into thriving centers of diversified agriculture, renewable energy, and community opportunity. We will continue to partner with farmers, agencies, and legislators to strengthen Hawai’i’s food system and ensure that our agricultural lands are preserved and put to their highest and best use.

On behalf of the Board of Directors, I extend heartfelt thanks to Governor Josh Green for his strong support of ADC’s work; to the Hawai’i State Legislature for their continued confidence and investment; and to our Executive Director, staff, and partners for their hard work and professionalism. Most importantly, I thank my fellow Board members, each of whom serves as an unpaid volunteer — for the tremendous time and care they dedicate to reviewing applications, visiting sites, and upholding the integrity of ADC’s mission.

Together, we are building the future of agriculture in Hawai’i — one rooted in stewardship, innovation, and shared purpose.

With gratitude and aloha,

Lyle Tabata
ADC Board Chair





A Message from the Executive Director

Fiscal Year 2025 marked a year of significant progress for the Agribusiness Development Corporation (ADC), guided by the strategic direction, policy guidance, and fiduciary oversight of the ADC Board of Directors. Under the Board's vision for advancing agricultural development, economic diversification, and statewide food security, ADC made meaningful strides in implementing core initiatives aligned with long-term statewide priorities. Since my appointment by the Board in August 2023, I have had the privilege of working closely with Board members whose leadership, insight, and commitment to public service have helped shape the agency's direction. Working in partnership with the Board, I am equally grateful for the exceptionally dedicated and skilled ADC staff, whose professionalism, long hours, and steadfast commitment were central to achieving major milestones this fiscal year.

Advancement of Major Statewide Initiatives

Consistent with the Board's strategic guidance and legislative direction, ADC completed the Feasibility Study for the Food and Product Innovation Network (FPIN) and finalized *Envisioning Hawai'i's Food and Product Innovation Network*, as directed under Act 237 (2025). The Board's emphasis on coordinated statewide planning and value-added agricultural development informed this work, which establishes the foundation for a multi-island system designed to expand processing capacity, strengthen local food systems, increase export potential, and support innovation across Hawai'i's agricultural sector.

Strengthening Infrastructure and Organizational Capacity

With the support and advocacy of the Board, the Hawai'i State Legislature authorized five new staff positions on Kaua'i focused on water infrastructure, property management, and system operations. These positions directly advance the Board's priority to strengthen ADC's operational capacity and stewardship of critical agricultural assets.

Stewardship, Producer Support, and Innovation

In alignment with the Board's vision for responsible land stewardship and producer-centered support, ADC continued efforts to improve agricultural land access, strengthen best management practices, and foster innovation through partnerships with the Hawai'i Department of Education and the University of Hawai'i College of Tropical Agriculture and Human Resilience. Prudent financial management, guided by Board policies and oversight, ensured that resources were aligned with strategic priorities and statewide agricultural needs.

Commitment to Staff and Transparency

The Board has consistently emphasized that ADC's success depends on a strong, supported, and accountable organization. In response, I prioritized professional development, supported work-life balance, and encouraged innovation and collaboration across teams. To meet the Board's expectations for transparency and accountability, ADC continued issuing weekly operational reports, shared internally and publicly through the ADC website, reinforcing trust with stakeholders and the broader community.



Outlook for the Year Ahead

With the continued guidance of the Board of Directors, FY2025 positioned ADC for sustained growth and deeper collaboration with state, county, community, and industry partners. In the year ahead, ADC will advance the Board's priorities by continuing to invest in statewide infrastructure, support agricultural producers across all islands, and further develop FPIN-related initiatives that contribute to a more resilient, diversified, and locally grounded agricultural economy.

Wendy Gady
Executive Director





Executive Summary

Land

In Fiscal Year (FY) 2025, ADC worked with applicants for farmland and is in discussion to license nearly all its remaining lands. ADC received more than 40 land applications which were vetted by the Land Application Permitted Interaction Group who were appointed by the board chair.

Much of ADC's efforts focus on property management – the processes and labor required to manage the life cycle of all acquired property including acquisition, control, accountability, responsibility, restoration, maintenance, utilization and disposition. Property management encompasses both individual properties and the infrastructure that ties the region together. Adding to this complexity is the requirement that ADC farmers submit an approved conservation plan and meet current food safety and Good Agriculture Practices (GAP) criteria. ADC's effort to encourage tenant farmers to embrace GAP certification was paused at the start of the COVID-19 pandemic. However, efforts are again underway.

ADC sought and received funding for FY 2025 to hire a property manager for the island of Kaua'i.





Water

Agriculture water continues to be central to developing and expanding diversified agriculture in Hawai'i. With predicted droughts and climate change on the horizon, ADC is developing irrigation water systems to prepare for future needs.

In FY 2025, the ADC moved forward with the corporation's plan for water security, making continued improvements and maintenance to the Kekaha ditch system on Kaua'i and the Waiāhole water system on O'ahu. ADC also completed due diligence studies on the Wahiawā Irrigation System (WIS) and the East Kaua'i Irrigation System (EKIS).



WIS is the primary source of agriculture water for approximately 17,000 acres of farmland on O'ahu's north shore, and the state is reviewing a potential takeover of the system in 2026. The ADC is developing and implementing plans to reduce water loss by piping and capping open ditches. Additionally, ADC received approval from its board of directors to begin due diligence at the Kaua'i farmers request for the proposed acquisition of EKIS which will help contribute to water security and recreational activities in east Kaua'i for years to come.

These improvements will not only ensure the production of crops but will also address some of the goals of the Hawai'i Fresh Water Initiative in its 2016-2018 Blueprint for Action, Water Security for an Uncertain Future. The report is based upon a statewide collaboration which identified some uncertainty factors related to climate change that include reduced rainfall, increased drought and increased evapotranspiration as having an impact on our water resources. It was found that rainfall in Hawai'i has decreased by 18% between 1978 and 2007, and that because of global warming, increased temperatures have resulted in increased evaporation of surface water.

The Hawai'i Fresh Water Initiative found three strategies of conservation recharge and re-use to ensure the availability of water. A specific goal under the conservation strategy is to improve agricultural water efficiency. It also emphasizes that the ability to store water in reservoirs is key to managing drought conditions and to making use of storm water runoff. ADC's Water Security Plan seeks to mitigate some of these factors and help increase the availability of agricultural water without increasing the allocation of water. It also addresses the agricultural water needs of the central plains by leveraging a public-private partnership with a private landowner.



As such, ADC is reviewing its existing inventory of active and dormant reservoirs, as well as other reservoirs owned by other state agencies to determine if any are appropriate to ADC's mission and the long-term food security goals of the state.

Lastly, ADC sought and received approval to hire a water manager for the island of Kaua'i, as well as three water workers to maintain and operate the Kaua'i irrigation water systems.

Infrastructure

FY 2025 saw ongoing planning and community engagement for the Wahiawā Recycled Water Irrigation Project and the Central O'ahu Agriculture and Food Hub (COAFH), formerly the Whitmore Community Food Hub Project. Planning for the phase 1 installation of access roads and utility infrastructure for COAFH is ongoing with construction anticipated for early/mid 2026. The purchase of three deep-water wells from Dole Food Company to supply irrigation water to ADC tenants and provide redundancy for ADC irrigation systems was officially purchased. Additionally, ADC and Kekaha Agricultural Association (KAA) are in the process of renovating portions of the Waiawa hydroelectric plant in Kekaha which will provide additional power to ADC tenants in west Kaua'i.





Who is ADC?

The Agribusiness Development Corporation is a state agency created in 1994 by the Hawai'i State Legislature and administratively attached to the Hawai'i Department of Business, Economic Development and Tourism (DBEDT), to conserve and convert arable lands and their associated infrastructure that were formerly large mono-crop plantation lands into new productive uses. The agency's ultimate goal is to ensure that agricultural production and agribusiness ventures will be responsive to the current food and other agricultural needs of the State.

In 2005, the Hawai'i 2050 Sustainability Task Force developed a broad, comprehensive plan that recognized local food production as a key element of food self-sufficiency and sustainability for the

State. In his Sustainable Hawai'i Initiative, Governor David Ige unveiled his 2016 roadmap, adopting the guiding principles of the Sustainability Task Force and narrowing his focus to five goals. Included among the five goals was the increase in local food production, a key element in



Hawai'i's quest to prudently utilize our natural resources and to ensure that we are today and Hawai'i's successors in the future can enjoy the beauty and bounty of this great state.



With the support of the Legislature, ADC's first major action in 1998 was the purchase of the nearly 100-year-old Waiāhole ditch from the Waiāhole Irrigation Company, Ltd., formerly the Waiāhole Water Company, Ltd., a subsidiary of O'ahu Sugar Company. ADC continues to

operate and manage the 26-mile-long ditch, which provides non-potable water to approximately 5,866 acres of agricultural lands.

In 2012, with a new administration, a new executive director and an energetic and visionary board of directors, and again with the support and direction from the Legislature, ADC began an aggressive campaign to kick-start Hawai'i's diversified agricultural production.



At the same time, Dole Foods Company and Castle and Cooke Hawai'i began to divest themselves of lands that were best suited for agricultural use, keeping those lands with optimum commercial value for commercial and residential development. Through the concerted efforts, support and confidence of the administration, the Legislature and the private sector, ADC began and continues to acquire the best arable lands from Waialua to Wahiawā and Waipi'o, enabling it to fulfill its mission of conserving and converting former sugarcane and pineapple fields into diversified crop production and guaranteeing these prime lands will never be lost to non-agricultural uses. Since 2012, ADC has acquired approximately 3,371 acres of former sugar and pineapple land in the area. A breakdown of the land purchases can be found in the appendix.

In July 2022, Governor Ige signed into law Act 219 that approved the transfer of ADC to DBEDT. The ADC is grateful to be partnering with DBEDT and the resources the department can provide in furthering ADC's mission in assisting local agriculture and expanding local food production.

As the ADC moves forward under the leadership of Executive Director Wendy Gady, the corporation will continue to build on Hawai'i's respect for local farmers and its agricultural foundations. Local agriculture on ADC property will not only help us toward our goal of food sustainability but also diversify our local economy and help ADC safeguard Hawai'i's agricultural lands in perpetuity.

ADC's Mission

To acquire and manage, in partnership with farmers, ranchers and aquaculture groups, selected arable lands, water systems and infrastructure for commercial agricultural use and to direct research into areas that will lead to the development of new crops, markets and lower production costs.

What ADC Does for Hawai'i

Rich agricultural lands are one of Hawai'i's greatest assets. ADC's role is to protect the future of agriculture in Hawai'i by facilitating its transformation from a dual crop economy of sugar and pineapple to a multi-crop industry. The breadth of ADC's responsibilities includes transitioning former plantation lands and water systems to diversified long-term agricultural use, initiating and developing diversified agriculture facilities, and finding innovative solutions for issues facing the agricultural industry today.





ADC's unique position enables it to coordinate federal, state and private resources to optimize agribusiness opportunities. Its exemptions from Hawai'i Revised Statutes Chapter 171 regarding land use, as well as Public Utilities Commission regulations and civil service laws, allow for greater flexibility in managing its programs. ADC fosters the growth of agricultural enterprises across the state by providing affordable irrigation and long-term licenses or leases to tenants, which stimulates investment in agribusiness and enhances the viability of agriculture in Hawai'i.

ADC has the power to achieve these goals through diverse efforts, such as:

- Acquiring and managing select arable agricultural lands, water systems and infrastructure.
- Acquiring agricultural conservation easements to protect certain agricultural lands.
- Organizing farmers and users into cooperatives that benefit from the participants' common interests and collective efforts.
- Assisting in acquiring or constructing processing and/or treatment facilities to enhance producers' abilities to access export or value-added opportunities.
- Informing, educating or training farmers on various industry practices such as food safety, production techniques and land uses.
- Coordinating and cooperating with other government agencies, educational institutions and private organizations to advance agriculture in Hawai'i.
- Conducting research and demonstrative projects to facilitate the transfer of knowledge or adoption of technology.
- Conducting economic and feasibility studies relating to agriculture.





Organizational Overview

The ADC is headed by an 11-member board of directors consisting of four members representing counties, four at-large members, and three ex-officio members. The current members as of June 30, 2025, are:



Lyle Tabata
Board Chair
Kaua'i County



Jason Okuhama
Vice Chair Board
At-large Member



Glenn Hong
Board Member
At-large



Karen Seddon
Board Member
At-large



Jayson M. Watts
Board Member
Maui County



Jesse Cooke
Board Member
Honolulu City & County



Dean Okimoto
Board Member
At-large (Interim)



Nathan Trump
Board Member
Hawai'i County (Interim)



Sharon Hurd
Chairperson
Board of Agriculture
Ex-Officio



Dane Wicker
Designee for Director
Department of Business,
Economic Development
and Tourism
Ex-Officio



Ciara Kahahane
Designee for Chairperson
Board of Land and Natural
Resources
Ex-Officio
(Feb 1, 2024 – present)



Ryan Kanakaole
Designee for Chairperson
Board of Land and Natural
Resources
Ex-Officio
(Jul 1, 2023 – Jan 31, 2024)





ADC Staff

The ADC Executive Director is Wendy Gady, who was hired by the ADC Board of Directors in August 2023.

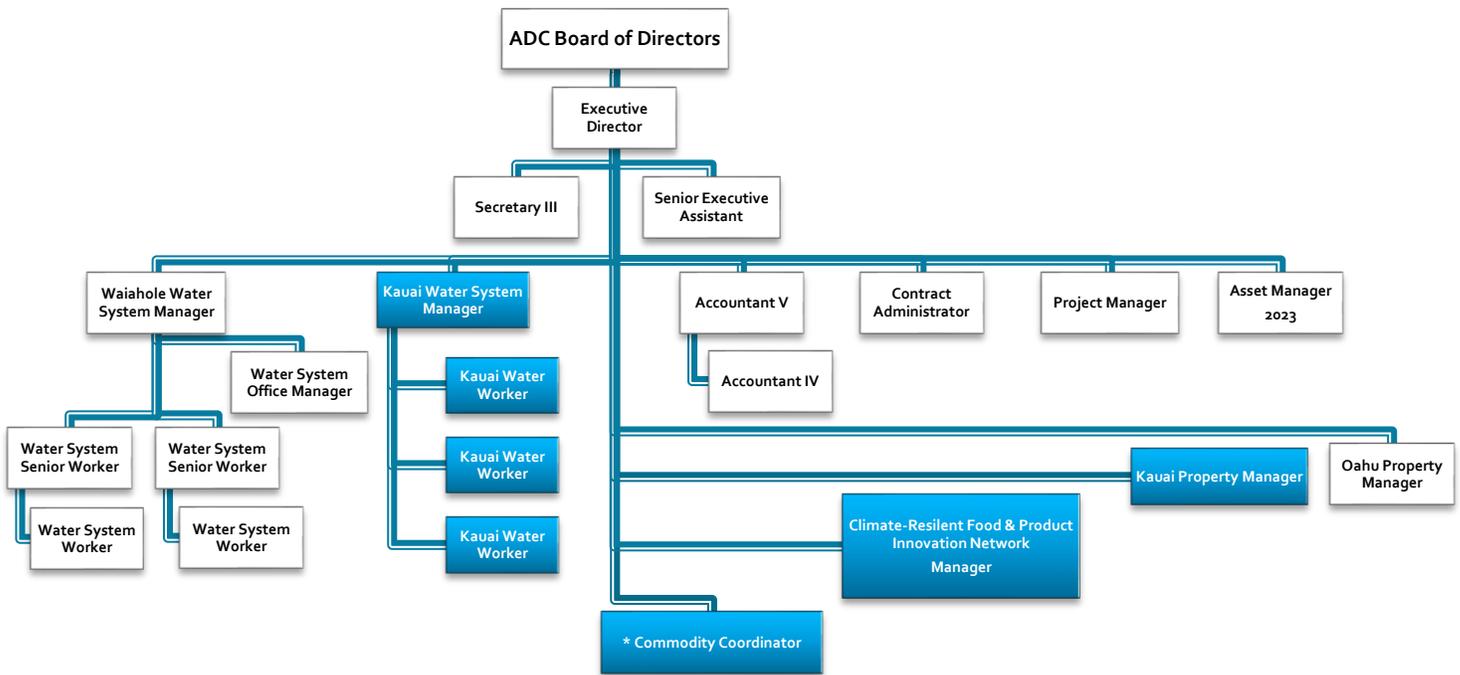
Ms. Gady continues to provide active and effective leadership as Executive Director. She consistently recognizes the skills, dedication, and contributions of the entire ADC staff, whose collective efforts have resulted in significant accomplishments and organizational milestones benefiting ADC, Hawai'i's families, and the agribusinesses served. The commitment demonstrated by ADC staff — often through long days and extended efforts — has been instrumental in advancing the agency's mission to expand food production statewide.

Ms. Gady believes that ADC's greatest asset is its people. She prioritizes staff support by encouraging professional development, promoting work-life balance, and fostering an environment that values innovation and forward-looking ideas to strengthen the organization's future. In alignment with the Board's goal of increased transparency, Ms. Gady continues to provide weekly executive reports, which are shared internally with staff and publicly posted on the ADC website. She looks ahead to continued growth and collaboration with individuals, organizations, and communities across Hawai'i, and welcomes ideas that enhance ADC's ability to serve the state.



ADC is supported by a staff of 21 employees, including the Executive Director, who collectively advances agribusiness development initiatives and maintains the Waiāhole Water System. The shaded positions reflect new positions added in FY 2025, with one additional position approved for FY 2026. All other positions were filled by the end of FY 2024.

The white boxes reflect Board approved positions, and the blue boxes are positions added by the Legislature and are pending Board approval. The Commodity Coordinator was added for FY26.





**FY 2025 Financial Statement
Agriculture Development Revolving Fund**

Revenue	Budget (\$)	Actual (\$)
Kekaha	579,122	241,107
Galbraith	386,517	533,076
Navy 2468	490,498	-
Misc	10,500	70,894
East Kaua'i	216,914	107,596
Whitmore 24	56,952	22,746
Whitmore 24-Reimbursement for UHCDC	-	-
Whitmore 24-Reimburse PPE (UHCDC)	-	-
Tamura Warehouse	19,166	17,569
Whitmore 256	118,354	125,207
Kalaeloa Rendering Plant	37,120	27,840
Dole 73	1,741	1,451
Paalaa Uka	94,526	76,905
Kunia	-	-
Other	-	2,003,763
OHA/DHHL	(408,282)	(336,856)
Total	1,603,128	2,891,298
Expenditure	Budget (\$)	Actual (\$)
Kekaha	557,620	203,406
Galbraith	575,850	382,181
Navy 2468	-	-
East Kaua'i	-	14,988
Whitmore 24 (UH)	911,990	914,901
Whitmore 256	-	185,457
Whitmore 194	-	23,345
Paalaa Uka	93,750	-
Kunia	-	1,683
Wahiawā Irrigation System	-	-
East Kaua'i Irrigation System	-	-
Wilikina Aquaculture	-	-
Payroll	327,229	(327,229)
Admin-Fiscal Office	221,720	363,669
Insurance	200	-
Waiāhole Water System	15,050	19,868
Total	2,703,409	2,107,236
Revenue Less Expenditure	(1,100,281)	784,062



**FY 2025 Financial Statement
Waiāhole Water System Revolving Fund**

Revenue	Budget (\$)	Actual (\$)
Water Delivery	1,440,454	1,431,380
Investment Earnings	12,500	51,812
Total	1,452,954	1,483,192

Expenditure	Budget (\$)	Actual (\$)
Payroll & Benefits	556,541	624,792
General Administration	279,594	109,867
Machinery and Equipment	40,000	9,579
Insurance	-	1,000
Materials & Supplies	71,400	15,884
Repairs & Maintenance	71,951	7,919
G.O. Bond Repayment	433,468	425,635
Total	1,452,954	1,194,676
Revenue Less Expenditure	-	288,516



**FY 2025 Financial Statement
Agriculture Development & Research Fund**

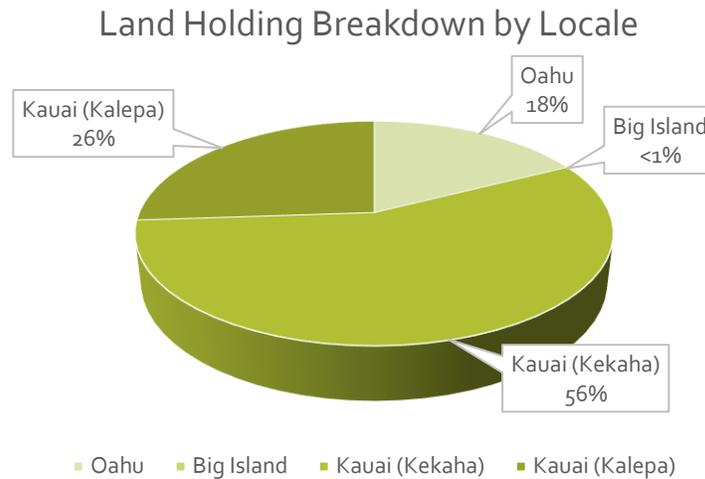
Revenue	Budget (\$)	Actual (\$)
Legislative Appropriation	3,430,359	3,520,359
Restriction	(243,036)	(243,036)
Total	3,187,323	3,277,323

Expenditure	Budget (\$)	Actual (\$)
Kekaha	-	251
Galbraith	620,000	587,026
Whitmore 24 (UH)	-	225,000
Whitmore Wings	-	-
Whitmore 256	325,000	82,121
Paalaa Uka	120,000	-
Kalepa	255,000	253,248
East Kaua'i Irrigation System	500,000	441,789
East Kaua'i	-	1,266
Kunia	205,000	-
Payroll	1,068,174	901,822
Admin	94,149	113,284
Insurance	-	4,560
Transfer to Special fund	-	-
Waiāhole Water System	-	-
Total	3,187,323	2,610,367
Revenue Less Expenditure	-	666,956



Land Holding Overview

This graph illustrates the breakdown of land areas managed by the ADC.



Central O‘ahu Lands

In 2012, the Trust for Public Land purchased 1,732 acres of land from the Galbraith Estate, near Wahiawā, and transferred the land to two Hawai‘i public agencies. ADC received 1,200 acres and the Office of Hawaiian Affairs (OHA) received the 500 acres surrounding Kūkaniloko, the royal birthing site. Today, ADC owns or manages nearly 4,000 acres on O‘ahu. The properties can only



be used for agriculture or agriculture-related activities.

Kalepa, Kaua‘i Lands

In 2005, ADC gained control of nearly 6,000 acres of former Līhu‘e Plantation land, now referred to as Kalepa.

Kekaha, Kaua‘i Lands

In 2002, with the closing of all Amfac/JMB sugar operations, ADC gained control of more than 12,000 acres of land in the Mānā plains area of Kekaha, followed in 2009 with the transfer of the Kōke‘e Ditch System, the Kekaha Ditch System, two pump stations, two hydro-electric power plants and an irrigation/drainage ditch system.



FY 2025 Highlights

FY 2025 Accomplishments

1. Secured \$4MM in funding to complete plans and design for phase 2 and 3 of the Wahiawā Reclaimed Water Irrigation System, to remove the City's R-1 effluent from Lake Wilson and transmit the water to the Galbraith Agricultural Lands for irrigation.

2. Executed a contract to improve and connect three (3) deep wells to increase water security for the ADC lands and surrounding farmlands. Construction is scheduled for October 2024. On the right is a photo of Well #24 improvements in Helemano, O'ahu. In FY2025 work began on this critical project to provide high quality water to agricultural fields.



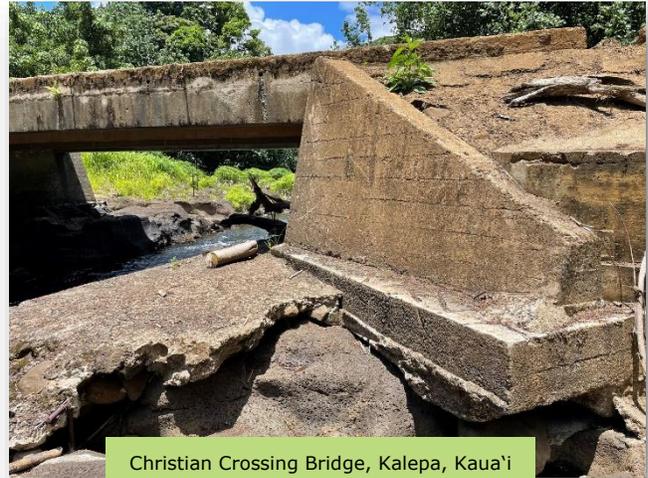
Pump #24, Wahiawā, O'ahu



Galbraith Agricultural Lands, Whitmore, O'ahu

3. Farming began on the Galbraith Agricultural Lands where 1,000 vehicles and solid waste had been illegally dumped. In 2024, ADC received conditional notice of no further action from the Hawai'i Department of Health. On the left is a photo of farming on the property.

4. Contracted \$1MM to complete phase 2 of construction to reinforce abutments and footing of the Christian Crossing Bridge, which also serves as the only alternative crossing across the Wailua River for large vehicles and heavy equipment to the North Shore of Kaua'i. Construction is scheduled for late 2025. On the right is a photo of the eroded bridge abutments that will be improved in Kalepa, Kaua'i.



5. Received \$2.5MM to replace Bridge 108 in Kekaha, Kaua'i. Construction started in June 2025.
6. Executed a contract to develop a backup well and irrigation improvements along the Waiāhole Ditch in Kunia. Construction is scheduled for July 2026



Wahiawā Irrigation system gate controls
Wahiawā, O'ahu

7. Completed due diligence for the ADC portion of the Wahiawā Irrigation System acquisition. On the left are photos of site visit of the system.





8. Continued supporting DAGS Public Works in the development of the infrastructure and warehouse at the Central O'ahu Food Hub in Whitmore, O'ahu. Construction started in February 2025.

9. Executed a contract to construct a new hydropower plant on the Kekaha Ditch. This requirement to modify the instream flow is the result of a settlement of a complaint against ADC before the Commission on Water Resources Management (CWRM) to stop the waste of water and a petition to amend interim instream flow standards in the Waimea River. Construction is scheduled for completion late 2025. On the right is a photo of the original penstock that feeds the hydropower plant in Kekaha, Kaua'i.



Kekaha Hydro Power Plant Improvements, Kekaha, Kaua'i



Feed Trials, Kalaeloa, O'ahu

10. Continued to conduct aquaculture feed trials at the facility in Kalaeloa, O'ahu. Construction of a new driveway and facility expansion is scheduled for December 2026. Kalaeloa, O'ahu.

11. Island Resource Solutions continued to assist ADC in reviewing the draft National Pollutant Discharge Elimination System permit.



Trespass and clearing illegal encampment,
Wahiawā, O'ahu

12. Continuing sweeps and clearing of vacant properties with the assistance of HPD until tenants are licensed and can begin to occupy and farm the land. Left is a photo of a vehicle recovery on ADC land.

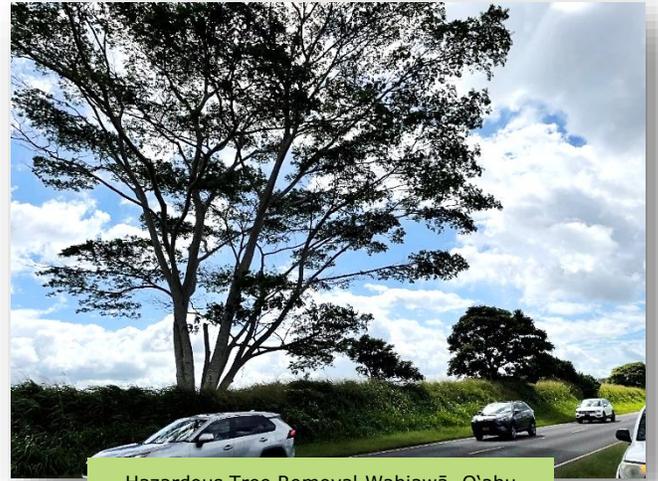


Cleared field for agricultural events
Wahiawā, O'ahu

13. Continued clearing of vacant lands in anticipation of use for agricultural events. On the left is a photo of progress to clear the property in Whitmore, O'ahu.



14. Continued to remove several hazardous trees along roadways and abutting homes that posed a threat to health and safety. To the right is a photo of a large Albizia tree along Wilikina Drive in Wahiawā, O'ahu



Hazardous Tree Removal Wahiawā, O'ahu



Proposed site for agricultural processing facility
Kekaha, Kaua'i

15. Received \$2MM funding for development of an agricultural processing facility in Kekaha, Kaua'i. On the left is a photo of the proposed building.



Kaua'i land considered for purchase
Līhu'e, Kaua'i

16. Received funding approval to purchase 1,000+ acres on Kaua'i and O'ahu. The land purchases will support the use of past plantation lands to encourage Hawai'i production of agricultural products for local consumption and export. On the left is a photo of the Kaua'i lands under review for purchase.



17. Staff continued to push tenants to embrace GAP training and certification as Food Safety Modernization Act (FSMA) rules come into force.

18. Hired a new property manager for the island of Kaua'i, a new water manager for the island of Kaua'i and a Climate Resilient Food Product Innovation Manager. ADC received funding to hire a Commodity Coordinator, who will work with farmers for institutional purchasing.

19. Waiāhole Water System staff participated in equipment use to improve safety and proper use of equipment used to clear vegetation around ADC facilities. On the right is a photo of the training on a brush cutter.





Challenges Ahead

Anticipated Agribusiness Challenges

As Hawai'i's agricultural sector continues to evolve, ADC staff anticipate several key challenges that will shape the future of agribusiness development statewide:

1. Access to Markets and Distribution

Achieving the State's goals of doubling food production by 2030 and increasing institutional purchasing requires producers to meet higher standards and access larger markets. Farmers must maintain or obtain GAP certification and comply with the federal Food Safety Modernization Act to participate in emerging institutional and commercial opportunities. Building a coordinated distribution network capable of moving food efficiently within and across counties will be essential to leveraging Hawai'i's diverse microclimates and supporting crop specialization.

2. Food Aggregation, Processing, and Value-Added Production

Developing a robust supply chain for both **fresh and shelf-stable food products** is essential for improving farm profitability, supporting sustainable business growth, and strengthening statewide food security. Expanding aggregation, processing, and **value-added manufacturing capacity** will enable farmers to capture higher market value, extend product shelf life, reduce post-harvest loss, and access institutional and export markets more effectively.

3. Access to Affordable Water and Agricultural Land

The state is experiencing increasing drought conditions, heightening the urgency for reliable water access. Many irrigation systems have suffered from neglect as legacy monocrop industries exited, and these systems now require urgent maintenance and upgrades. Water scarcity has become a pressing issue for both food security and public safety. Land access is similarly constrained, with farmers competing against housing, energy, and other non-agricultural uses. ADC, like other state landholders, will continue to evaluate competing proposals to ensure alignment with its mission and statutory responsibilities.

4. Labor, Housing, and Infrastructure Constraints

Agribusinesses consistently cite labor shortages and a lack of agricultural worker housing as major barriers to growth. Expanding multi-unit farmworker housing and extending municipal water and sewer infrastructure into agricultural districts are critical to supporting the workforce required to increase food production under challenging conditions.

5. Climate Change, Drought, and Fire Mitigation

Extreme weather events, rising temperatures, and prolonged drought are increasingly impacting agricultural lands statewide. ADC properties, particularly on Kaua'i, have experienced repeated flooding, and the risk of severe drought and wildfire is escalating. An aggressive approach toward fire mitigation, stormwater capture, and water infrastructure improvement is essential. Simultaneously, strategies to **increase food production in the absence of abundant water** — including drought-tolerant crops, water-efficient technologies, and climate-smart practices — will be critical to sustaining Hawai'i's food security.



6. Biosecurity Threats

The spread of invasive species, including coconut rhinoceros beetle and little fire ants, continues to threaten agriculture, horticulture, native ecosystems, and tourism. These biosecurity challenges carry significant economic, environmental, and health consequences and require sustained intervention.

7. Agricultural Theft and Security Concerns

Agricultural theft, trespassing, illegal encampments, and other security issues continue to affect ADC properties and tenants. While progress has been made through partnerships with local law enforcement and active land management, increasing houselessness and transient activity present ongoing challenges to secure and productive agricultural operations.

Summary

In summary, Hawai'i's agribusiness sector faces a complex and interconnected set of challenges, including limited access to markets, water, and land; labor and infrastructure constraints; climate change and drought; biosecurity threats; and security concerns. Addressing these challenges will require coordinated investment in distribution, aggregation, and value-added production; development of resilient water and land management systems; support for farmworker housing and labor; and proactive approaches to climate adaptation and fire mitigation. By strategically confronting these issues, ADC aims to create a more sustainable, profitable, and secure agricultural landscape that advances the State's goals for food production, economic resilience, and community well-being.



Appendix I

Land Purchase Summary as of FY 2025

ADC Land Purchase Breakdown

Seller	TMK	Acreage	Closing
Trustee of the George Galbraith Estate	Various	1,250	2012
Castle & Cooke, Inc.	1-7-1-002-009	24	2013
Tamura Enterprises, Inc.	1-7-4-012-016	2	2014
Dole Food Company, Inc.	1-7-1-002-004 1-7-1-002-023	257	2015
W.H. Shipman, Ltd.	3-6-151-002	2	2015
Dole Food Company, Inc.	1-6-5-002-001	73	2016
Dole Food Company, Inc.	1-7-1-002-006 1-7-1-002-034	197	2016
Castle & Cooke, Inc.	1-7-1-002-032	205	2016
Dole Food Company, Inc.	1-6-4-003-016 1-6-5-001-046	386	2017
Castle & Cooke, Inc.	1-9-5-003-007	92	2017
Dole Food Company, Inc.	1-6-5-002-011	215	2017
Dole Food Company, Inc.	1-6-4-004-008 1-6-4-004-006	234	2017
Dole Food Company, Inc.	1-6-5-005-002	434	2017
Dole Food Company, Inc.	1-6-5-001-044	114	2020
Castle & Cooke, Inc.	1-7-1-002-037 1-7-1-002-044	30 22	2022 2022
Dole Food Company, Inc.	Various (well easements)	X	2025



Appendix II

Reporting Requirements per 163D-19(b)(1)-(4), HRS as of

FY 2025

§163D-19 Annual report. (a) The corporation shall submit to the governor and the legislature, no later than twenty days prior to the convening of each regular session, a complete and detailed report of its plans and activities.

(b) The following information shall be included in the annual report and shall be posted on the corporation's website:

- (1) The number of lots the corporation leased or used, by size and island.
- (2) The number of lots the corporation leased or used, by island, that contain protocols and conditions supporting specialty farm products.
- (3) The number of vacant parcels and unoccupied parcels in the leasing process, by island, including the parcel size, location, and date the parcel was last occupied by a tenant; and
- (4) A description of any lease sales or transfers approved by the corporation, including:
 - (A) A description of the type of farm products produced by the transferring lessee and the farm products to be produced by the accepting lessee on the leased lands; and
 - (B) The date and description of the transferring lessee's last lease approved by the corporation. [L 1994, c 264, pt of §1; am L 2019, c 28, §9]



Field Availability

Island	Location	Lot, Field, Unit, Parcel, Tax Map Key			Specialty Crop	Licensed	Date Last Occupied (vacant)
		Number	Size (acres)				
Hawai'i	Keaau	002	1.526			n/a	
Kaua'i	Kalepa	A	419	X	X	2020	
Kaua'i	Kalepa	B	61.4	X	X	n/a	
Kaua'i	Kalepa	HSPA 1	2	X	X	n/a	
Kaua'i	Kalepa	HSPA 2	2	X	X	n/a	
Kaua'i	Kalepa	HSPA 3	19	X	X	n/a	
Kaua'i	Kalepa	C	179	X	X	n/a	
Kaua'i	Kalepa	D	469	X	X	n/a	
Kaua'i	Kalepa	E	587		X	n/a	
Kaua'i	Kalepa	F	630	X	X	n/a	
Kaua'i	Kalepa	G	312		X	n/a	
Kaua'i	Kalepa	H	382		X	n/a	
Kaua'i	Kalepa	I	518		X	n/a	
Kaua'i	Kalepa	J	160			n/a	
Kaua'i	Kalepa	K	345.43		X	n/a	
Kaua'i	Kalepa	L	287	X	X	n/a	
Kaua'i	Kalepa	M	235		X	n/a	
Kaua'i	Kalepa	GE (A-M)	1000	X	X	n/a	
Kaua'i	Kekaha	101	71.38	X	X	n/a	
Kaua'i	Kekaha	102	67.03	X	X	n/a	
Kaua'i	Kekaha	103	21.8 (por)	X	X	n/a	
Kaua'i	Kekaha	104	52.23 (por)	X	X	n/a	
Kaua'i	Kekaha	105	52.75	X	X	n/a	
Kaua'i	Kekaha	106	38.08	X	X	n/a	
Kaua'i	Kekaha	107	80.29	X	X	n/a	
Kaua'i	Kekaha	108	61.88	X	X	n/a	
Kaua'i	Kekaha	109	4.58	X	X	n/a	
Kaua'i	Kekaha	110	43.17	X	X	n/a	
Kaua'i	Kekaha	111	23.01	X	X	n/a	
Kaua'i	Kekaha	112	114.62	X	X	n/a	
Kaua'i	Kekaha	113	54.74	X	X	n/a	
Kaua'i	Kekaha	115	47.47	X	X	n/a	
Kaua'i	Kekaha	116	106.88	X	X	n/a	
Kaua'i	Kekaha	117	58.81	X	X	n/a	
Kaua'i	Kekaha	119	94.26	X		unknown	
Kaua'i	Kekaha	120	107.09	X	X	n/a	
Kaua'i	Kekaha	121	106.44	X	X	n/a	
Kaua'i	Kekaha	123	48.34	X	X	n/a	



Island	Location	Lot, Field, Unit, Parcel, Tax Map Key		Specialty Crop	Licensed	Date Last Occupied (vacant)
		Number	Size (acres)			
Kaua'i	Kekaha	125	68.31	X	X	n/a
Kaua'i	Kekaha	127	151.47	X	X	n/a
Kaua'i	Kekaha	128	153.92	X	X	n/a
Kaua'i	Kekaha	130	83.71	X	X	n/a
Kaua'i	Kekaha	201	80.76	X		unknown
Kaua'i	Kekaha	206	24.17	X	X	n/a
Kaua'i	Kekaha	207	88.02	X		n/a
Kaua'i	Kekaha	208	59.8	X	X	n/a
Kaua'i	Kekaha	209	73.32	X	X	n/a
Kaua'i	Kekaha	210	34.96	X	X	n/a
Kaua'i	Kekaha	211	35.69	X	x	n/a
Kaua'i	Kekaha	212	88.84	X	X	n/a
Kaua'i	Kekaha	213	37.15	X		2015
Kaua'i	Kekaha	214	54.96	X		2015
Kaua'i	Kekaha	215	85.05	X		2015
Kaua'i	Kekaha	216	98.79	X	X	n/a
Kaua'i	Kekaha	217	112.3	X	X	n/a
Kaua'i	Kekaha	218	64.16	X	X	n/a
Kaua'i	Kekaha	219	199.72	X	X	n/a
Kaua'i	Kekaha	220	91.94	X	X	n/a
Kaua'i	Kekaha	221	100.03	X	X	n/a
Kaua'i	Kekaha	222	71.94	X	X	n/a
Kaua'i	Kekaha	223	85.02	X	X	n/a
Kaua'i	Kekaha	225	105.22	X	X	n/a
Kaua'i	Kekaha	228	82.87	X	X	n/a
Kaua'i	Kekaha	229	92.02	X	X	n/a
Kaua'i	Kekaha	309	139.88 (por.)	X	X	n/a
Kaua'i	Kekaha	310	75.76	X	X	n/a
Kaua'i	Kekaha	311	42.69	X	X	n/a
Kaua'i	Kekaha	312	88.19	X	X	n/a
Kaua'i	Kekaha	313	50.79	X	X	n/a
Kaua'i	Kekaha	314	64.36	X	X	n/a
Kaua'i	Kekaha	315	40.71	X	X	n/a
Kaua'i	Kekaha	316	97.25	X	X	n/a
Kaua'i	Kekaha	317	54.48	X		2016
Kaua'i	Kekaha	320	101.73	X		2013
Kaua'i	Kekaha	321	69.28	X	X	n/a
Kaua'i	Kekaha	322	63.03	X	X	n/a
Kaua'i	Kekaha	323	85.78	X		unknown
Kaua'i	Kekaha	324	41.88	X	X	n/a



Island	Location	Lot, Field, Unit, Parcel, Tax Map Key		Specialty Crop	Licensed	Date Last Occupied (vacant)
		Number	Size (acres)			
Kaua'i	Kekaha	325	31.57	X	X	n/a
Kaua'i	Kekaha	326	117.77	X		2010
Kaua'i	Kekaha	327	117.04	X		2016
Kaua'i	Kekaha	408	15	X	X	n/a
Kaua'i	Kekaha	409	87.86	X	X	n/a
Kaua'i	Kekaha	414	14.76	X		2015
Kaua'i	Kekaha	419	91.14	X		2013
Kaua'i	Kekaha	421	63.6	X		2013
Kaua'i	Kekaha	424	67.74	X		2010
Kaua'i	Kekaha	425	70.66	X		2010
Kaua'i	Kekaha	601	50.77	X		2003
Kaua'i	Kekaha	602	59.93	X		2003
Kaua'i	Kekaha	611	48.17	X		2003
Kaua'i	Kekaha	612	62.36	X		2003
Kaua'i	Kekaha	613	142.71	X		2003
Kaua'i	Kekaha	621	101.99	X		2003
Kaua'i	Kekaha	631	67.17	X		2003
Kaua'i	Kekaha	632	65.71	X		2003
Kaua'i	Kekaha	633	62.29	X	X	n/a
Kaua'i	Kekaha	635	87.73	X		2003
Kaua'i	Kekaha	641	48.26	X		2003
Kaua'i	Kekaha	642	94.16	X		2003
Kaua'i	Kekaha	643	41.99	X		2003
Kaua'i	Kekaha	644	47.58	X		2003
Kaua'i	Kekaha	645	80.25	X		2003
Kaua'i	Kekaha	646	44.41	X	X	n/a
Kaua'i	Kekaha	651	31.2	X		2003
Kaua'i	Kekaha	652	68.74	X		2003
Kaua'i	Kekaha	653	56.79	X		2003
Kaua'i	Kekaha	661	52.76	X		2003
Kaua'i	Kekaha	662	43.02	X		2003
Kaua'i	Kekaha	663	63.65	X		2003
Kaua'i	Kekaha	664	105.52	X		2003
Kaua'i	Kekaha	665	111.71	X		2003
Kaua'i	Kekaha	666	82.55	X	X	n/a
Kaua'i	Kekaha	671	49.49	X		2003
Kaua'i	Kekaha	672	75.29	X		2003
Kaua'i	Kekaha	673	31.85	X		2003
Kaua'i	Kekaha	KAP 1	6.371	X	X	n/a
Kaua'i	Kekaha	KAP 2	13.726	X	X	n/a



Island	Location	Lot, Field, Unit, Parcel, Tax Map Key		Size (acres)	Specialty Crop	Licensed	Date Last Occupied (vacant)
		Number					
Kaua'i	Kekaha	KAP 3		10.834	X	X	n/a
Kaua'i	Kekaha	KAP 4		10.014	X	X	n/a
Kaua'i	Kekaha	KAP 5		9.954	X	X	n/a
Kaua'i	Kekaha	KAP 6		8.472	X	X	n/a
Kaua'i	Kekaha	KAP 7		8.495	X	X	n/a
Kaua'i	Kekaha	KAP 8		8.113	X	X	n/a
Kaua'i	Kekaha	KAP 9		6.045	X	X	n/a
Kaua'i	Kekaha	KAP 10		5.423	X	X	n/a
Kaua'i	Kekaha	KAP 11		7.603	X	X	n/a
Kaua'i	Kekaha	KAP 12		5.465	X	X	n/a
Kaua'i	Kekaha	KAP 13		5.976	X	X	n/a
Kaua'i	Kekaha	KAP 14		7.91	X	X	n/a
Kaua'i	Kekaha	KAP 15		7.845	X	X	n/a
Kaua'i	Kekaha	KAP 16		7.753	X	X	n/a
Kaua'i	Kekaha	KAP 17		9.447	X	X	n/a
Kaua'i	Kekaha	KAP 18		9.447	X	X	n/a
Kaua'i	Kekaha	KAP 19		7.585	X	X	n/a
Kaua'i	Kekaha	Parcel A		5.601		X	n/a
Kaua'i	Kekaha	Parcel B		32.929		X	n/a
Kaua'i	Kekaha	Parcel C		17.297	X	X	n/a
Kaua'i	Kekaha	Parcel D		5.195	X	X	n/a
Kaua'i	Kekaha	Parcel E		42.019		X	n/a
O'ahu	Galbraith	1		26.551	X	X	n/a
O'ahu	Galbraith	2		10.767	X	X	n/a
O'ahu	Galbraith	3		6.023	X		2012
O'ahu	Galbraith	4		10.000	X	X	n/a
O'ahu	Galbraith	5		36.026	X	X	n/a
O'ahu	Galbraith	6		30.616	X	X	n/a
O'ahu	Galbraith	7		24.202	X	X	n/a
O'ahu	Galbraith	8		42.325	X	X	n/a
O'ahu	Galbraith	9		79.991	X	X	n/a
O'ahu	Galbraith	10		83.328	X	X	n/a
O'ahu	Galbraith	11		62.025	X	X	n/a
O'ahu	Galbraith	12		57.783	X	X	n/a
O'ahu	Galbraith	005		221.902	X	X	2017
O'ahu	Galbraith	003		132.648	X	X	n/a
O'ahu	Galbraith	010		319.769	X	X	n/a
O'ahu	Whitmore	004		257	X	X	n/a
O'ahu	Whitmore	037		30	X		n/a
O'ahu	Whitmore	044		22	X		n/a
O'ahu	Whitmore	009		24	X	X	n/a



Island	Location	Lot, Field, Unit, Parcel, Tax Map Key		Specialty Crop	Licensed	Date Last Occupied (vacant)
		Number	Size (acres)			
O'ahu	Paalaa					
O'ahu	Uka	016	552.47	X		2017
O'ahu	Whitmore	006	4	X		2017
O'ahu	Whitmore	008	230	X		2017
O'ahu	Paalaa					
O'ahu	Uka	056	114	X	X	n/a
O'ahu	Paalaa					
O'ahu	Uka	046	42	X	X	n/a
O'ahu	Whitmore	001	73	X	X	n/a
O'ahu	Paalaa					
O'ahu	Uka	006	42	X	X	n/a
O'ahu	Paalaa					
O'ahu	Uka	008	46	X	X	n/a
O'ahu	Paalaa					
O'ahu	Uka	031	216	X	X	n/a
O'ahu	Paalaa					
O'ahu	Uka	009	393.26	X	X	n/a
O'ahu	Whitmore	023	0.29	X		2013
O'ahu	Whitmore	006	7.87		X	2016
O'ahu	Whitmore	034	187	X	X	2016
O'ahu	Whitmore	041	122	X	X	2016
O'ahu	Whitmore	046	60	X	X	2016
O'ahu	Whitmore	047	24	X	X	2016
O'ahu	Whitmore	010	5	X		2018
O'ahu	Tamura	016	1.57		X	n/a
O'ahu	Kunia	003	91	X	X	2015
O'ahu	Mililani	007	92	X		2017
O'ahu	Waiāhole	014	225	n/a	n/a	n/a
O'ahu	Waiāhole	003	243.18	n/a	n/a	n/a



Description of Lease Sales or Transfers Approved by the Board of Directors

<u>No.</u>	<u>Doc. No.</u>	<u>Effective Date</u>	<u>Transferor</u>	<u>Products</u>	<u>Transferee</u>	<u>Products</u>
1	S-8001	2/1/25	Sunrise Capital, Inc.	Shrimp	Aloun Kauai Farming LLC	Shrimp
2	S-8002	2/1/25	Sunrise Capital, Inc.	Shrimp	Aloun Kauai Farming LLC	Shrimp
3	S-8005	2/1/25	Sunrise Capital, Inc.	Shrimp	Aloun Kauai Farming LLC	Shrimp
4	S-8008	2/1/25	Sunrise Capital, Inc.	Shrimp	Aloun Kauai Farming LLC	Shrimp
5	S-8012	2/1/25	Sunrise Capital, Inc.	Shrimp	Aloun Kauai Farming LLC	Shrimp
6	S-8013	2/1/25	Sunrise Capital, Inc.	Shrimp	Aloun Kauai Farming LLC	Shrimp
7	S-8017	2/1/25	Sunrise Capital, Inc.	Shrimp	Aloun Kauai Farming LLC	Shrimp
8	S-8020	2/1/25	Sunrise Capital, Inc.	Shrimp	Aloun Kauai Farming LLC	Shrimp

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ⁱ Sunrise Capital, Inc. lease agreements under the Hawai'i Department of Agriculture were converted to license agreements under ADC and then assigned to Aloun Kauai Farming LLC at the ADC board meeting held on August 20, 2024. Effective date reflects the date of assignment.