JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor

SHARON HURD
Chairperson
Board of Agriculture & Biosecurity

DEAN M. MATSUKAWA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE & BIOSECURITY
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TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

MARCH 18, 2026
9:30 AM
CONFERENCE ROOM 325 & VIDEOCONFERENCE

SENATE BILL NO. 2350, SENATE DRAFT 2
RELATING TO AGRICULTURE

Chair Chun, Vice Chair Kusch, and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 2350, Senate Draft 2 that transfers the rights, powers and duties Livestock Support Services Branch from the Department of Agriculture and Biosecurity (Department) to the Agribusiness Development Corporation. Requires that the regulatory functions of the Aquaculture and Livestock Support Services Branch remain with the Department of Agriculture and Biosecurity. The Department opposes this bill.

The Aquaculture and Livestock Support Services economic development function works to improve regulatory efficiency, streamline permitting processes and improve access to funding sources. The program plays a significant role in aquaculture development and works closely with the Agricultural Loan Division to provide financing for aquaculture operations and with the Department's Aquatic Unit's veterinarian for disease surveillance and investigations. The ability for the development functions and the regulatory functions to work together and advocate for aquaculture is essential to grow the aquaculture industry in Hawaii. The loss of synergy within the economic development functions of the department may result in less support for the aquaculture industries, which has great potential, and could hinder the Department from reaching its goal of doubling local food production.

The Department also has concerns that department level cooperation and coordination with other cabinet level departments such as the DLNR will be reduced with the transfer of the program to the Agribusiness Development Corporation especially when it comes to streamlining the cumbersome aquaculture permitting process. Thank you for the opportunity to testify.

JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

STATE OF HAWAI'I | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF LAND AND NATURAL RESOURCES
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RYAN K.P. KANAKA'OLE
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DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
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COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Testimony of
RYAN K.P. KANAKA'OLE
Acting Chairperson

Before the House Committee on
AGRICULTURE & FOOD SYSTEMS

Wednesday, March 18, 2026
9:30 AM
State Capitol, Conference Room 325

In consideration of
SENATE BILL 2350, SENATE DRAFT 2
RELATING TO AGRICULTURE

Senate Bill 2350, Senate Draft 2 proposes to transfer the rights, powers, functions, and duties of the Aquaculture and Livestock Support Services Branch of the Department of Agriculture and Biosecurity (DAB) that relate to agricultural enterprises to the Agribusiness Development Corporation and requires that the regulatory functions of the Aquaculture and Livestock Support Services Branch remain within the DAB. **The Department of Land and Natural Resources (Department) supports this measure.**

The Department is responsible for managing, conserving, and restoring the state's unique aquatic resources and ecosystems, including preventing the introduction and spread of aquatic invasive species (AIS). In the context of aquaculture, the Department coordinates with DAB to review proposed aquaculture activities to minimize AIS risks to native species and ecosystems. The Department recognizes the intent of this measure to facilitate the growth of the State's agricultural sector. The Department supports the retention of regulatory authority within DAB as it helps maintain stability in aquatic livestock permitting, disease and pest control, and biosecurity oversight.

Mahalo for the opportunity to comment on this measure.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

WENDY GADY
EXECUTIVE DIRECTOR

STATE OF HAWAI'I
AGRIBUSINESS DEVELOPMENT CORPORATION
HUI HO'OULU AINA MAHIAI

TESTIMONY OF WENDY L. GADY
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE HOUSE COMMITTEE ON AGRICULTURE & FOOD SYSTEMS
March 18, 2026
9:30 a.m.
Conference Room 325 & Videoconference

SENATE BILL NO. 2350, SD2
RELATING TO AGRICULTURE

Chairperson Chun, Vice Chair Kusch, and Members of the Committee:

We are writing to **submit comments** on the proposed transfer of the Department of Agriculture and Biosecurity's Aquaculture and Livestock Support Services to the Agribusiness Development Corporation (ADC). This transition represents a strategic opportunity to strengthen Hawai'i's food production systems, expand export capacity, and advance long-term economic, environmental, and social benefits for the State.

Aquaculture is a vital component of Hawai'i's food production system and agricultural economy. According to the most recent data from the U.S. Department of Agriculture National Agricultural Statistics Service, Hawai'i's aquaculture industry generates approximately $53 million in annual sales and supports nearly 400 hired workers statewide, in addition to owners and family labor. The sector spans shellfish, finfish, algae, hatchery operations, broodstock development, research enterprises, and value-added processing.

Beyond its direct economic footprint, aquaculture plays a uniquely important role in both food security and agricultural exports. Hawai'i residents consume significantly more seafood per capita than the national average, reflecting the cultural and nutritional importance of fish and marine products in

our islands. Yet a substantial portion of seafood consumed locally is imported. Expanding local aquaculture production directly increases the State's capacity to supply fresh, locally produced protein, strengthens food resilience, and reduces dependence on external supply chains.

At the same time, aquaculture is one of Hawaiʻi's most export-oriented agricultural subsectors. The State is internationally recognized for high value broodstock, hatchery technologies, algae products, and specialty marine species that are exported to global markets. These exports generate outside revenue, support innovation-driven enterprises, and reinforce Hawaiʻi's position as a leader in ocean science and sustainable production systems. Strengthening aquaculture therefore advances both import substitution for local food security and export growth for economic diversification.

It is important to clarify that ADC's interest is limited to the commercial and industry development functions associated with aquaculture and livestock support services. ADC does not seek to assume regulatory authority related to animal health, biosecurity enforcement, inspections, or permitting compliance, which appropriately remain within the Department of Agriculture and Biosecurity. This proposal is focused on strengthening business development, infrastructure planning, and industry expansion capacity, not regulatory oversight.

Reach State Food Mandate Goals

Beyond its direct economic footprint, aquaculture plays a uniquely important role in both food security and agricultural exports. Hawaiʻi residents consume significantly more seafood per capita than the national average, reflecting the cultural and nutritional importance of fish and marine products in our islands. Yet a substantial portion of seafood consumed locally is imported. Expanding local aquaculture production directly increases the State's capacity to supply fresh, locally produced protein, strengthens food resilience, and reduces dependence on external supply chains.

Expanding local aquaculture production also supports the State's broader food system goals. Through initiatives such as the Hawai‘i 2030 Local Food Goal, the State has committed to doubling local food production and increasing the share of food consumed in Hawai‘i that is produced locally. In parallel, state policies increasingly encourage or require public institutions—including schools, hospitals, and state facilities—to increase procurement of locally produced food. As these institutional purchasing commitments expand, a reliable and scalable supply of locally produced protein will be essential. Growth in Hawai‘i's aquaculture sector can help meet this demand by providing fresh, locally raised seafood to institutional buyers while keeping food expenditures circulating within the local economy.

At the same time, aquaculture is one of Hawai‘i's most export-oriented agricultural subsectors. The State is internationally recognized for high value broodstock, hatchery technologies, algae products, and specialty marine species that are exported to global markets. These exports generate outside revenue, support innovation-driven enterprises, and reinforce Hawai‘i's position as a leader in ocean science and sustainable production systems. Strengthening aquaculture therefore advances both import substitution for local food security and export growth for economic diversification.

Industry Development Requires Infrastructure and Strategic Capacity

As Hawai‘i works to increase local food production, enhance biosecurity, and grow high-value agricultural exports, it is increasingly clear that technical and regulatory support alone is not sufficient. Producers, particularly in aquaculture and livestock—also require coordinated business development capacity, including market analysis, infrastructure planning, capital formation, and public-private partnership facilitation.

ADC's statutory mission and operating model are uniquely suited to deliver this integrated approach. Unlike regulatory agencies, ADC has authority to acquire land, develop shared-use infrastructure, finance and manage facilities,

and structure partnerships that reduce risk for industry investors. These tools are essential for scaling aquaculture and livestock enterprises but are not functions traditionally performed by regulatory agencies.

A persistent challenge facing Hawaiʻi's aquaculture and livestock industries is access to suitable space to grow—whether for production, processing, research and development, or value-added activities. Limited availability of appropriately zoned land, specialized facilities, and supporting infrastructure has constrained expansion and discouraged private investment.

Locating aquaculture and livestock support services within ADC would allow the State to strategically plan for and invest in facilities and sites that enable industry growth, including shared-use infrastructure, innovation and incubation spaces, and production-ready lands. This capability directly supports industry scaling, reduces barriers to entry, strengthens Hawaiʻi's agricultural export competitiveness, and increases local food production capacity.

Interagency Coordination and Blue Ocean Economy Alignment

Transferring aquaculture and livestock support services to ADC would strengthen coordination among the Department of Business, Economic Development & Tourism (DBEDT) and its attached agencies and divisions, including the Natural Energy Laboratory of Hawaii Authority (NELHA), the Office of Planning and Sustainable Development, the Land Use Commission, and the Hawaiʻi Technology Development Corporation (HTDC).

In 2024, ADC, the Natural Energy Laboratory of Hawaii Authority, and the Hawaiʻi Technology Development Corporation executed a Memorandum of Agreement to better coordinate statewide aquaculture planning, infrastructure development, and commercialization pathways. Aligning industry development functions within ADC strengthens the State's ability to integrate land-based and ocean-based aquaculture strategies under a coordinated framework.

This alignment supports a Blue Ocean Economy strategy that integrates aquaculture, renewable energy, innovation, land-use planning, and export-

oriented economic development. ADC's land and infrastructure authority, combined with the Natural Energy Laboratory of Hawaii Authority's ocean-based research and commercialization expertise and the planning and permitting roles of the Office of Planning and Sustainable Development and the Land Use Commission, fosters a more coordinated, predictable, and investment-ready environment for aquaculture and livestock enterprises statewide.

Data-Driven Economic Strategy

Equally important is close collaboration with the Department of Business, Economic Development & Tourism's Research and Economic Analysis Division. This division provides statewide economic modeling, impact analysis, forecasting, and industry reporting that are critical to informed policy decisions. Access to rigorous economic data allows the State to quantify aquaculture's job creation, export growth, import substitution potential, and long-term return on public investment. Strong collaboration opportunities through working closely with DBEDT's Research and Economic Analysis Division will ensure that aquaculture expansion strategies are grounded in reliable economic analysis and aligned with broader statewide economic priorities.

Additionally, coordination with ADC's Commodity Coordinator is essential to integrating aquaculture and livestock development strategies with broader agricultural production planning. The Commodity Coordinator plays a key role in identifying production trends, supply gaps, market opportunities, and barriers affecting local producers. Aligning industry development functions with ADC's commodity-level expertise—while leveraging DBEDT's economic analysis capacity—creates a data-driven, market-responsive framework for scaling aquaculture in Hawaiʻi.

Governance and Capacity

To ensure that aquaculture perspectives are consistently represented as these programs evolve, we respectfully recommend that one of ADC's At-Large

Board member seats be designated as a representative of the aquaculture industry. This representation would provide sector-specific insight and help guide policy and investment decisions aligned with industry needs and Blue Ocean Economy objectives.

The addition of five (5) full-time equivalent positions is not program expansion for its own sake, but rather foundational capacity necessary to responsibly absorb transferred functions and to allow ADC to develop and execute a coordinated aquaculture and livestock industry development strategy. Without these administrative and program support resources, ADC cannot deliver the planning, project development, economic coordination, and interagency alignment expected by the Legislature.

Conclusion

In summary, transferring Aquaculture and Livestock Support Services to ADC—paired with ADC's land and infrastructure authorities, enhanced interagency collaboration, coordination with DBEDT's Research and Economic Analysis Division, integration with ADC's Commodity Coordinator expertise, appropriate governance representation, and adequate staffing—offers a forward-looking, systems-based approach to strengthening Hawai'i's food production, expanding agricultural exports, increasing economic resilience, and advancing Blue Ocean Economy goals.

Thank you for your leadership and for the opportunity to share these comments. We would be pleased to discuss this recommendation further at your convenience.

Hawaii Cattlemen's Council, Inc.

COMMITTEE ON AGRICULTURE & FOOD SYSTEMS
Rep. Cory M. Chun, Chair
Rep. Matthias Kusch, Vice Chair

SB2350 SD1
RELATING TO AGRICULTURE

March 18, 2026, 9:30 AM
Conference Room 325 & Videoconference

Chair Chun, Vice Chair Kusch, and Members of the Committee,

The Hawaii Cattlemen's Council **opposes SB2350 SD1** which transfers oversight of the Aquaculture and Livestock Support Services Branch of the Department of Agriculture and Biosecurity to the Agribusiness Development Corporation and transfers the Agricultural Development Division of DAB to the ADC

When there is a threat of aquaculture or livestock disease, the veterinarians within this branch work closely with state veterinarians and vet medical officers in the Animal Industry Division and the USDA. This close working relationship allows the state to investigate, contain and resolve outbreaks immediately, which protects the industry. Moving this branch to another Department is concerning.

Additionally, other functions in this branch include providing grants in support of agriculture which benefit the aquaculture and livestock industries. We urge the legislature to keep this function within the Department of Agriculture and Biosecurity so that it continues to be a regulatory department as well as one that provides advocacy and support for agriculture.

We appreciate the opportunity to testify on this measure. The Hawaii Cattlemen's Council (HCC) is the Statewide umbrella organization comprised of the four county-level Cattlemen's Associations. Ranchers produce a high-quality protein and are the stewards of almost 750 thousand acres of land in Hawaii, or nearly 20% of the State's total land mass. We represent the interests of Hawaii's cattle producers.

Nicole Galase
Hawaii Cattlemen's Council
Managing Director

Marine Genetics

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Kurtistown, Hawaii
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March 17 2026

TESTIMONY IN SUPPORT

Committee on Agriculture & Food Systems
SB 2350 SD2 – RELATING TO AGRICULTURE

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

My name is Dr. Jim Wyban. I am an aquaculture scientist and entrepreneur and a pioneer of Hawai‘i’s Specific Pathogen Free (SPF) shrimp broodstock industry. Over the past three decades, my work has helped position Hawai‘i as a global leader in biosecure shrimp genetics and high-value aquaculture exports.

I support SB 2350 SD2 and the transfer of the majority of aquaculture development responsibilities from the Department of Agriculture to the Agribusiness Development Corporation.

Aquaculture today is both agriculture and advanced technology. Aquaculture directly contributes to Hawaii’s food security. It requires long-term land security, capital investment, and coordinated economic development strategy. Transferring aquaculture development functions to ADC will better align land management, infrastructure planning, and business development under an entity focused on agribusiness growth and investment.

It is appropriate that animal health, biosecurity enforcement, inspection, and regulatory compliance remain within the Department of Agriculture and Biosecurity. Hawai‘i’s global reputation in SPF broodstock production depends on strong regulatory oversight.

This measure will improve clarity, accountability, and strategic coordination while maintaining essential biosecurity protections.

Mahalo for the opportunity to testify in support.

Respectfully submitted,

Dr. Jim Wyban
CEO
Marine Genetics LLC

Hawaii
Aquaculture &
Aquaponics Association

TESTIMONY ON SB2350 SD2

COMMITTEE ON AGRICULTURE & FOOD SYSTEMS
Rep. Cory M. Chun, Chair
Rep. Matthias Kusch, Vice Chair

Wednesday, March 18, 2026, 9:30AM
VIA VIDEOCONFERENCE
Conference Room 325, State Capitol

Aloha Chair Chun, Vice Chair Kusch, and Committee Members

The Hawai‘i Aquaculture & Aquaponics Association (HAAA) offers comments supporting the intent of SB 2350 SD2, provided that key amendments are adopted to ensure the bill strengthens — rather than inadvertently weakens — the foundations of commercial aquaculture in Hawai‘i.

SB 2350 SD2 proposes to transfer Aquaculture and Livestock Support Services (ALSS) to the Agribusiness Development Corporation (ADC), while retaining the aquaculture veterinary program and certain import regulatory functions within the Department of Agriculture and Biosecurity (DAB). HAAA recognizes the Legislature’s goal of improving program effectiveness and accountability. We agree that a structural realignment could be beneficial if it is paired with clear statutory protections for aquaculture tenants, regulatory continuity, and a mandate for industry engagement.

1. Reaffirm and carry forward Act 232 lease protections

HAAA worked closely with the Legislature in 2011 to pass Act 232, establishing direct, long-term, bankable aquaculture leases, including terms up to 65 years, renewal rights for tenants in good standing, and the ability to conduct supportive activities related to aquaculture. These provisions remain only partially implemented by DAB and not at all within ADC.

SB 2350 SD2 should be amended to explicitly require ADC to honor and implement all Act 232 lease authorities for aquaculture tenants on lands and facilities transferred from DAB to ADC, and for all future ADC aquaculture tenants.

2. Clarify that ALSS’s mission under ADC includes commercial aquaculture and structured industry consultation

In recent years, ALSS has shifted toward a narrow “restorative aquaculture” focus and has distanced itself from commercial industry input. This has resulted in inconsistent policy

proposals and limited engagement with operators.

HAAA respectfully requests that the bill or committee report affirm that ALSS's mandate under ADC includes support for commercial aquaculture and require formal mechanisms for industry consultation in program planning and land-use decisions.

3. Protect continuity of DAB's regulatory functions

We support the bill's intent to retain animal health, biosecurity enforcement, inspections, and import permitting within DAB. To avoid gaps or delays in essential services, including broodstock collection and interagency permitting.

HAAA recommends requiring clear memoranda of understanding between ADC and DAB to ensure uninterrupted regulatory support for aquaculture operations.

4. Ensure aquaculture expertise and bankable tenure within ADC

For the transfer to succeed, ADC must have aquaculture expertise involved in decisions affecting ALSS functions. HAAA recommends including aquaculture representation within ADC's governance or advisory structures by recognized aquaculture industry.

Additionally, the bill or committee report should clarify that ADC should issue long-term leases, not licenses, for all aquaculture projects, consistent with Act 232 and the requirements of commercial lenders and USDA programs.

Conclusion

With these amendments, HAAA would support SB 2350 SD2 as a constructive step toward more effective, industry-aligned management of aquaculture development functions. Without them, we are concerned that the bill may simply relocate existing challenges rather than resolve them.

Mahalo for the opportunity to testify.

Hawai‘i Aquaculture & Aquaponics Association (HAAA)
Executive Committee