



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
KA 'OIHANA O KA LOIO KUHINA  
THIRTY-THIRD LEGISLATURE, 2026**

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**ON THE FOLLOWING MEASURE:**  
S.B. NO. 2712, RELATING TO HEMP.

**BEFORE THE:**  
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

**DATE:** Wednesday, February 18, 2026      **TIME:** 3:15 p.m.

**LOCATION:** State Capitol, Room 224

**TESTIFIER(S):** Anne E. Lopez, Attorney General, or  
Travis T. Moon or Christopher J.I. Leong, Deputy Attorneys  
General

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Chair Gabbard and Members of the Committee:

The Department of the Attorney General provides the following comments.

This bill establishes the Hemp Paper Packaging Pilot Program within the Department of Agriculture and Biosecurity to evaluate the efficacy of hemp paper packaging for state and county uses. The bill also establishes the Hawaii Hemp Fiber Special Fund and an industrial hemp license surcharge to support fiber-only industrial hemp production, processing, and manufacturing.

The bill provides that the moneys in the Hawaii Hemp Fiber Special Fund may, in part, be expended to award producers grants, processor grants, converter and manufacturer grants, and grants to nonprofit organizations and public institutions of higher education. (See page 5, line 14 – page 6, line 15.) The bill, however, does not provide standards for those grants.

Article VII, section 4, of the Constitution of the State of Hawaii provides that "[n]o grant of public money or property shall be made except pursuant to standards provided by law." We recommend that sufficient statutory standards be included in section 141-B governing eligibility and accountability requirements for grant awards. We have attached draft standards to this testimony as a sample framework. These standards could be inserted beginning on page 8, line 12, as a new section 141-B(d) with

subsequent subsection redesignated accordingly. We would be pleased to work with the Legislature on refining these standards.

In addition, the Department notes several technical drafting issues in the bill that should be addressed.

1. The definition of "Fund" refers to the "Hawaii hemp fiber fund" (page 3, line 13). This should be corrected to "Hawaii hemp fiber **special** fund."
2. Section 141-B(b)(2) refers to "processer grants" (page 5, line 20). This should be corrected to "**processor** grants."
3. Section 7 appropriates funds for fiscal year "2026-2026" (page 17, line 3).

This fiscal year designation should be corrected to "fiscal year 2026-**2027**."  
Thank you for the opportunity to provide comments.

POSSIBLE STANDARDS FOR THE GRANTS IN THIS BILL

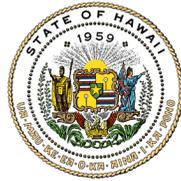
(d) Applications for grants under this section shall be submitted to the department in a form and manner prescribed by the department. At a minimum, the applicant shall:

- (1) Be licensed or accredited, in accordance with federal, state, or county statutes, regulations, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
- (2) Provide a detailed plan outlining the scope, objectives, and projected impact of the project and a clear breakdown of how grant funds will be used;
- (3) Agree to use state funds exclusively for the purposes of this program;
- (4) Indicate capability to properly use the grant for the purposes of the program;
- (5) Comply with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, disability, or any other characteristic protected under applicable federal or state law;
- (6) Agree not to use state funds for purposes of entertainment or perquisites;
- (7) Comply with any additional requirements prescribed by the department;
- (8) Comply with all applicable federal, state, and county statutes, rules, and ordinances;
- (9) Agree to indemnify and save harmless the State of Hawaii and its officers, agents, and employees from and against any and all claims arising out of or resulting from activities carried out or projects undertaken with funds provided hereunder and procure sufficient insurance to provide this indemnification if requested to do so by the department; and

- (10) Agree to make available to the department all records the applicant may have relating to the grant, to allow state agencies to monitor the applicant's compliance with this section.

**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 AND BIOSECURITY**

**BEFORE THE SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT**

**WEDNESDAY, FEBRUARY 18, 2026  
3:15 PM  
CONFERENCE ROOM 224 & VIDEOCONFERENCE**

**SENATE BILL NO. 2712  
RELATING TO HEMP**

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

Thank you for the opportunity to testify on Senate Bill No. 2712. This measure establishes the Hawaii Hemp Fiber Special Fund. Establishes the Hemp Paper Packaging Pilot Program. Establishes the Industrial Hemp License Surcharge. Requires reports to the Legislature. Appropriates funds. Sunsets 6/30/2030.

The Department of Agriculture and Biosecurity (Department) supports the intent of this measure and offers the following comments.

SB 2712 significantly expands the authority, responsibilities, and resources of the Department. Under this legislation, the Department will administer the Hawaii Hemp Fiber Special Fund to support fiber-only industrial hemp production, processing, and in-state manufacturing. This includes issuing grants, providing per-ton incentives, managing pilot projects, and delivering training initiatives.

This measure requires the Department to establish and collect a license fee and surcharge from industrial hemp licensees. Currently, hemp licenses in Hawai'i are issued by the USDA, which does not assess such fees. The Department notes that hemp growers have previously raised concerns about duplicative state regulations and additional costs that could create unnecessary burdens and harm the economic viability of Hawai'i's industrial hemp industry.

The bill imposes strict timelines for regulatory development, requiring comprehensive rules on eligibility, licensing, compliance, audits, and reporting to be

drafted within 90 days and fully adopted within 12 months. These accelerated deadlines increase the complexity of rulemaking and administrative oversight.

To meet these mandates, the Department will need additional staffing and expertise in areas such as grant management, environmental compliance, data analysis, and auditing.

Thank you for the opportunity to provide testimony on this measure.



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February 18, 2026

HEARING BEFORE THE  
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

**TESTIMONY ON SB 2712**  
RELATING TO HEMP

Conference Room 224 & Videoconference  
3:15 PM

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

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate, and advance the social, economic, and educational interests of our diverse agricultural community.

**The Hawai'i Farm Bureau supports the intent of SB 2712**, which establishes the Hawai'i Hemp Fiber Special Fund, creates a hemp paper packaging pilot program, establishes a license surcharge to support the fund, and appropriates funds to develop a statewide industrial hemp fiber industry.

HFB supports efforts to expand value-added agriculture, strengthen local manufacturing capacity, and reduce Hawai'i's reliance on imported materials. Industrial hemp fiber represents a potential opportunity within a diversified agricultural portfolio, particularly where it can support processing, manufacturing, and downstream product development within the State.

As the Legislature considers significant investment in a specific emerging sector, HFB encourages careful implementation to ensure that production incentives, processing infrastructure, workforce development, and market demand grow in coordination. Long-term success will depend on viable processing capacity, stable end markets, and integration with Hawai'i's broader agricultural economy.

HFB also supports maintaining balance across agricultural investments so that new initiatives complement existing farming operations and contribute to overall industry growth and stability.

With thoughtful implementation and continued collaboration among producers, processors, and state agencies, SB 2712 has the potential to contribute to Hawai'i's agricultural diversification goals.

Mahalo for the opportunity to provide testimony in support of the intent of this measure.



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

From: Robert Bence, Certified Organic Farmer, Hawai'i Sustainable Farms, Hawai'i Hemp Farmers Association, Hemp Feed Coalition, Keki O ka 'Āina Farms Inc. and as a Hawai'i Hemp Task Force Member

Date: 2/16/2026

Subject: SB2712 – Comments to Support Industrial Hemp Expansion & Experienced Farmer Priority. **Please adopt the included amendments** in line with the Hawai'i Hemp Task Force Priorities

Aloha Chair and Committee Members,

I am submitting testimony regarding SB2712 and its impact on Hawai'i's hemp industry.

**Amendments offered to better align with Hawai'i State Hemp Task Force Recommendations**

**Current Bill Limitation**

- SB2712 primarily emphasizes hemp for paper production.
- Growing hemp solely for paper is financially unfeasible, especially in Hawai'i, due to high land costs, labor, and low margins.
- Farmers need diverse, profitable industrial hemp uses to make cultivation viable.

**Broaden Industrial Hemp Uses**

- The program should include all industrial hemp purposes, such as:
  - Fiber for textiles, rope, construction materials (e.g., hempcrete, insulation)
  - Biomass for animal bedding, biofuel, or compost

- Hemp seeds, oil, and protein for food or nutrition
- Specialty packaging or other value-added products
- Expanding eligible uses creates multiple revenue streams, attracts participation, and strengthens the state’s hemp economy.

**Farmer Priority**

- **Grants and incentives should be reserved for farmers who successfully grew at least one USDA-compliant hemp crop prior to 2025.**
- This rewards experienced growers who understand compliance and best practices, aligning with Hawai‘i Hemp Task Force recommendations.

**No Added Fees or Regulations**

- Oversight should remain minimal and transparent.
- **No new fees**, surcharges, or state-level regulations should be imposed beyond existing USDA requirements.
- This ensures small and medium-sized farmers can participate without unnecessary financial or administrative burden.

**Suggested Amendment Language (Draft)**

Section X – Industrial Hemp Program & Grants

Expand eligible uses to all industrial hemp purposes, not limited to paper.

Grants and incentives shall prioritize farmers who successfully completed at least one USDA-compliant hemp crop prior to January 1, 2025.

No additional license fees, taxes, or regulations shall be imposed beyond USDA and DOA requirements

Oversight and administration shall be minimal, transparent, and farmer-focused, consistent with Hawai‘i Hemp Task Force guidance.

**1. Strike the 5% Industrial Hemp License Surcharge (§141-C)**

Current Text (§141-C):

~~“In addition to any license fee established and levied by the department under this part, there shall be levied, assessed, and collected an industrial hemp license surcharge equal to five per cent of the license fee on each industrial hemp producer or processor license issued pursuant to this part.”~~

Proposed Change:

- Strike entire sentence.
- Replace with:

“No additional state license fees, surcharges, taxes, or regulatory requirements shall be imposed on industrial hemp producers or processors beyond those required for federal compliance or existing state licensing under this chapter.”

Effect: Eliminates the 5% surcharge and prohibits new fees or extra regulations.

## **2. Broaden “Fiber-Only” References to All Industrial Uses (§141-B)**

Current Text:

~~“...to provide grants, per ton incentives, and pilots for fiber only industrial hemp production, processing, and in-state manufacturing.”~~

Proposed Change:

- Replace “fiber-only industrial hemp production” with:

“industrial hemp production and all industrial uses (including fiber, textiles, construction, biomass, seeds, oil, food, packaging, and other non-cannabinoid derivative uses).”

Effect: Expands program scope so farmers can grow hemp for profitable, diverse industrial applications, not just paper.

### 3. Prioritize Experienced USDA-Compliant Farmers (§141-B Grants)

Proposed Insertion (at end of §141-B grants section):

“To be eligible for producer grants and incentives under this section, an applicant must demonstrate successful cultivation of at least one industrial hemp crop under a USDA-approved hemp program prior to January 1, 2025.”

Effect: Rewards experienced growers who already comply with federal rules, aligns with Hawai‘i Hemp Task Force recommendations.

### 4. Explicit No-Fees / Minimal Oversight Language

Proposed New Subsection (§141-B(e)):

“Oversight and administration under this part shall be minimal, transparent, and farmer-focused. No additional state license fees, taxes, surcharges, or regulatory requirements shall be imposed on industrial hemp producers or processors beyond those required under federal law or existing state licensing.”

Effect: Protects small and mid-sized farmers from future fee schemes or regulatory overreach.

### 5. Summary of Redline Changes for Committee Submission

<b>Section</b>	<b>Action</b>	<b>Purpose</b>
§141-C	Strike 5% surcharge; replace with no-fees language	Remove financial burden; protect farmers
§141-B	Replace “fiber-only industrial hemp” with “industrial hemp production and all industrial uses”	Expand program to viable markets
§141-B	Insert grant eligibility requirement for prior USDA-compliant growers	Reward experienced, compliant farmers

§141 -B(e)	Insert explicit no-fees / minimal oversight clause	Ensure ongoing farmer-friendly regulation
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## Summary

- Paper-only focus is not economically viable.
- Broad industrial use allows Hawai'i farmers to grow profitable and sustainable hemp crops.
- Prioritizing experienced farmers ensures compliance and responsible growth.
- Avoiding added fees and regulations protects small and medium farmers and aligns with Task Force recommendations.

Mahalo



Robert Bence

Hawai'i Sustainable Farms

Hawai'i Hemp Farmers Association

Hemp Feed Coalition

Keki O ka 'Āina Farms Inc.

Hawai'i Hemp Task Force Member

**SB-2712**

Submitted on: 2/16/2026 8:46:48 AM

Testimony for AEN on 2/18/2026 3:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

SUPPORT

**SB-2712**

Submitted on: 2/16/2026 7:44:40 PM

Testimony for AEN on 2/18/2026 3:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jessica Redford	Individual	Support	Written Testimony Only

Comments:

Promote hemp as an agricultural product of Hawaii

**SB-2712**

Submitted on: 2/17/2026 6:53:29 AM

Testimony for AEN on 2/18/2026 3:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Noelle Lindenmann	Individual	Support	Written Testimony Only

Comments:

Dear Chair, Vice Chair, and Members of the Committee

I am writing in support of SB2712.

In light of county work to reduce reliance on single-use plastics, a pilot program to use hemp paper packaging (with Hawai'i grown hemp) would be a reduction in the need to import packaging. Less reliance on imported products is always good in our state.

Mahalo for this opportunity to provide testimony,

Noelle Lindenmann, Kailua-Kona

**SB-2712**

Submitted on: 2/17/2026 8:27:17 AM

Testimony for AEN on 2/18/2026 3:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Michael Olderr	Individual	Support	Written Testimony Only

Comments:

I support this long-overdue and common-sense bill.