

LATE TESTIMONY



Hawaii Farm Bureau
F E D E R A T I O N

2343 Rose Street • Honolulu, Hawaii 96819
Phone: (808) 848-2074 • Neighbor-Islands: (800) 482-1272
Fax: (808) 848-1921 • Email: info@hfbf.org
www.hfbf.org

Committee on Finance

April 6, 2011

3 pm

Room 308

Aquaculture Leases

SB 1511 SD1 HD1

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

The Hawaii Farm Bureau Federation, the largest general agriculture organization in Hawaii, on behalf of our commercial farm and ranch families and organizations across the State, is in strong support of SB 1511 SD1 HD1, which will allow longer aquaculture leases and will also allow lessees in good standing the right of first refusal to extend their leases.

This bill is not a referendum on the merits of open-ocean aquaculture. The purpose of this bill is just to put aquaculture leases on equal terms of lease length to other agricultural leases, and to allow tenants in good standing to make the required substantial investments necessary for success, knowing that they are able to renew their leases.

GOOD FOR THE STATE AND THE PUBLIC:

- Serves the public interest in food security and self-sufficiency for Hawaii
- Supports diversified agriculture
- Hawaii's people love fresh fish
- Fish consumption is up but wild stocks are not
- Sales of \$32 million in 2009 (latest NASS data)
- Diversifies job opportunities
- No cost to State in these difficult economic times!

FAIR AND REASONABLE:

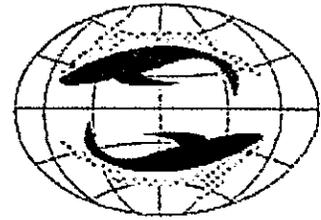
- Allows lease renewal for experienced and successful farmers
- Encourages long-term investment-----opens financing options to those farmers who have invested the necessary time, effort, and money to make their operations work
- BLNR retains discretion to terminate lease

Without the opportunity to renew leases, as allowed for land-based agriculture, investment in aquaculture may not occur. Although DLNR can terminate problematic tenants, the agency currently has no mechanism to allow good tenants to stay on their properties.

We hope you will help support local agriculture by passing this important bill. Thank you for the opportunity to offer these comments.

Cates International, Inc.
P.O. Box 335
Kailua, HI 96734
Ph. 808 841-4956
Fax 808 841-4955

Cates



International, Inc.

THE HOUSE
THE TWENTY-FIFTH LEGISLATURE
REGULAR SESSION OF 2011

LATE TESTIMONY

HOUSE COMMITTEE ON FINANCE
Rep. Marcus Oshiro
Rep. Marilyn Lee, Vice Chair

DATE: Wednesday, April 6, 2011
TIME: 3:00 p.m
PLACE: Conference Room 308, State Capitol
415 South Beretania Street

RE: Testimony In Strong Support of SB 1511 Relating to Aquaculture

Aloha Representatives Oshiro and Lee,

I have been involved in Offshore Aquaculture for over a decade now, as I look forward to my future in business, and in particular in the business of Aquaculture, I see a future where in Hawaii, Aquaculture is treated with the same importance as other land based Agriculture. Many in Hawaii have little argument against a strong Ag Industry, though there seems little that our Legislatures can do to support Agriculture without the assistance of tax dollars, I believe if this bill is supported, it will be one of the few things our leaders can do to create a climate of supporting the Agriculture Industry that will cost the tax payers nothing.

We all need to work together to pull through these tough economic times, and I can tell you from personal experience that the length of an aquaculture lease is THE major factor in not being able to obtain financing in the past years, and this was during the good times!

I know others including HAAA (Aquaculture Association) have given more details on the specifics of this bill, though I would like to point out that I was the first company to obtain an open ocean lease in the State of Hawaii, I can speak from personal experience of the need for this bill and how it will help to create a positive climate for future investment. Though some will and have spread a great deal of misinformation recently, Aquaculture and in particular Offshore Aquaculture has had a major positive impact here in Hawaii in the past decade. I was able to provide millions of pounds of Moi without damaging the Environment, create many good paying jobs, and most importantly, I was able to supply our Community with fresh Moi.

I seek your support on this bill, it will be a positive step forward for Hawaii.

Sincerely,

Randy Cates
Cates International, Inc.



A sea-cage farmed fish with sea lice



A juvenile wild fish after migration past a farm