

## JUDtestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 14, 2011 4:13 PM  
**To:** JUDtestimony  
**Cc:** Leslie.Campaniano@hawaii.gov  
**Subject:** Testimony for HB290 on 2/15/2011 2:00:00 PM  
**Attachments:** HB290\_AGR\_JUD\_2-15-11-final.pdf

Testimony for JUD 2/15/2011 2:00:00 PM HB290

Conference room: 325  
Testifier position:  
Testifier will be present: No  
Submitted by: Chair Russell S. Kokubun  
Organization: Hawaii Department of Agriculture  
Address:  
Phone:  
E-mail: [Leslie.Campaniano@hawaii.gov](mailto:Leslie.Campaniano@hawaii.gov)  
Submitted on: 2/14/2011

Comments:

NEIL ABERCROMBIE  
Governor



RUSSELL S. KOKUBUN  
Chairperson, Board of Agriculture

JAMES J. NAKATANI  
Deputy to the Chairperson

State of Hawaii  
DEPARTMENT OF AGRICULTURE  
1428 South King Street  
Honolulu, Hawaii 96814-2512

TESTIMONY OF RUSSELL KOKUBUN  
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON JUDICIARY

February 15, 2011

2:00 P.M.

HOUSE BILL NO. 290 HD1  
RELATING TO AGRICULTURE

Chairperson Keith-Agaran and Members of the Committee:

Thank you for the opportunity to testify on House Bill 290 HD1 relating to agriculture. The bill proposes to establish an agriculture inspection and certification special fund, transmit all fees pursuant to section 141-4, chapter 144, part I of chapter 145 and chapter 147, Hawaii Revised Statutes and transfer all moneys from the certification services revolving fund to the agriculture inspection and certification special fund, and repeal the certification services revolving fund. The bill also requires the establishment or increase of fees to cover the operation and maintenance of the agriculture inspection and certification program, central services and departmental administrative expense assessments.

The Department has strong concerns. Most of the fees collected are paid by the users of various agricultural industries for inspection services requested. Because inspections are performed at request, it is difficult to anticipate how many inspections will be requested in the future and therefore, difficult to project how much will be collected in fees. Approximately \$700,000 fees were assessed in FY-10. In order to become special funded, approximately \$1.47 million dollars will be needed to cover annual operating expenses, central services assessment and departmental administrative expenses, which would require fee rates to be doubled. To restore positions lost due to the reduction-in-force, fees would need to be increased 2-1/2 to 3 times the current fee rate to meet the calculated \$1.82 million dollars estimated cost.



With these cost realities, the Department finds it will be difficult to carry out the provisions of this measure.

Thank you for the opportunity to testify on this measure.

## JUDtestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 14, 2011 4:34 PM  
**To:** JUDtestimony  
**Cc:** warrenmcfb@hotmail.com  
**Subject:** Testimony for HB290 on 2/15/2011 2:00:00 PM  
**Attachments:** HB 290HD1 Ag Commodities fee for services jud.doc

Testimony for JUD 2/15/2011 2:00:00 PM HB290

Conference room: 325  
Testifier position: support  
Testifier will be present: No  
Submitted by: Warren Watanabe  
Organization: HFBF  
Address:  
Phone:  
E-mail: [warrenmcfb@hotmail.com](mailto:warrenmcfb@hotmail.com)  
Submitted on: 2/14/2011

Comments:



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

2343 Rose Street, Honolulu, HI 96819  
Phone: (808) 848-2074; Neighbor Islands: 1-800-482-1272  
Fax: (808) 848-1921; e-mail: [info@hfbf.org](mailto:info@hfbf.org)

February 14, 2011

**TESTIMONY**

**HB290 RELATING TO AGRICULTURE**

Chair Keith-Agaran and Members of the Committee:

HFBF on behalf of our commercial farm and ranch families and organizations is in strong support of HB290 HD1, establishing a fee for services process in the Commodities Branch of the Hawaii Department of Agriculture.

In 2005, the House of Delegates governing the policies of the Hawaii Farm Bureau Federation provided direction to the organization that a fee for service program could be used to ensure timely delivery of services to our farmers and ranchers. As State budgets tightened, the choice to go without services was not an option to the industry. Without timely inspections and or certifications, movement of agricultural products would be impacted, possibly losing markets due to shipping delays or loss of product integrity.

This measure parallels the invasive species fees and other measures we have supported to ensure that our industry can continue to function. As we support these measures it is critical that the Department identify ways to maximize productivity to minimize costs. Some of the costs are borne by our farmers and ranchers that are unable to pass them on to the customers due to price competition.

We support changes in Section 147-112 that authorizes contracts with private parties or other governmental agencies to perform certifications and audit functions. This has significant implications for some of our remote regions such as Kohala and Kona. Inspectors located in Hilo can spend hours in transportation. Having a trained inspector on site who would only charge for actual time inspecting would save considerable costs. We recognize training will be needed but the long term benefits will help the industry.

As HFBF agrees to support a fee for services structure it should also be recognized that many of these services are for the benefit of everyone ... not just farmers and ranchers. If it is the policy of the State of Hawaii to support

agriculture, consideration to return to General Funds of some of these services is warranted. Balancing the needs of the various agencies for General Fund use and not taking advantage of agriculture's willingness to entertain a fee for services process must be taken seriously. Agriculture should not be alone in agreeing to a fee for services program.

**HFBF respectfully requests your support of this measure restoring the effective date to July 1, 2011, with the caveat that if General Fund health is improved, serious consideration will be given to a possible matching fund program to reduce costs to our farmers and ranchers.**

Thank you for this opportunity to provide our opinion on this matter. HFBF is ready and willing to work with you to identify solutions during these difficult economic times to maintain and improve the viability of our industry. If there are any questions, please contact Warren Watanabe at 2819718.

## JUDtestimony

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**From:** Al Santoro [asantoro@hawaii.rr.com]  
**Sent:** Saturday, February 12, 2011 12:22 PM  
**To:** JUDtestimony  
**Subject:** Testimony on HB 290  
**Attachments:** Testimony HB290-HDoA Inspection & Certification Fund.doc

Aloha,

Pls forward my attached testimony on HB290 to the JudiciaryCommittee; mahalo...Al Santoro

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Al Santoro  
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February 12, 2011

To: House Committee on Judiciary  
Re: Hearings on February 15th, 2: pm, Rm 325  
Subject: Testimony Regarding HB 290, HD1, HSCR 38

Aloha Committee Chair and Committee Members,

I am an organic farmer on the North Shore of Oahu and President of the Hawaii Center for Organic Farming. Please accept my testimony on the subject Bill.

In the case of HB 290, HD1, HSCR 38: To Establish an Agriculture Inspection and Certification Special Fund under the Department of Agriculture. There is a huge disconnect in this Bill because it certainly does NOT "promote and support agriculture"; in fact it will continue to undermine our local farmers' ability to compete if it is not amended to clarify the actual status of these State-sponsored services.

Consider the inspection processes of imported agricultural produce: since the Bill will establish fees to conduct this service it needs to be supported because public monies are used now to subsidize imported foods which clearly undermines our farmers' ability to compete. However, the full costs of these services has never been determined and other bills, such as HBs 167 and 168 appropriate more public monies to construct and operate multiple "bio-security facilities". Please understand that importing foreign and mainland produce IS NOT agriculture, so consideration must be given to assigning this responsibility to a centralized authority for all harbor and airport, import and export inspections. And this Bill should be amended to determine the total costs for these facilities and services so that an appropriate level of "fee for service" can be computed.

Also consider the food safety inspection services: there is no greater threat to our food security and sustainability than the existing food safety conditions and processes. It's simple - of the 7500 farms in Hawai'i, only 47 are food safety certified under the current guidelines; that is 1/2 of 1% of our farms. The current system is a mainland-derived marketing gimmick based on high risk, huge acreage, mono-culture growing and processing operations. In fact it only guarantees that the operation has performed all of the required documentation properly and that 99.5% of our farms are excluded from our local markets. It is the best example that food safety does not mean safe food. Even the Food Safety Modernization Act signed by President Obama in January EXEMPTED all "small farms" but the current system does not. The Bill should be amended to first direct the HDoA to develop a Hawai'i State food safety inspection program that conforms to our local growing conditions and risks. Mahalo.

Al Santoro, Farmer

## JUDtestimony

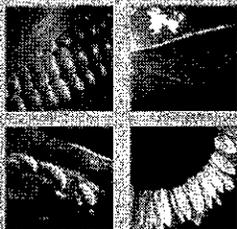
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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 14, 2011 7:42 PM  
**To:** JUDtestimony  
**Cc:** director@hciaonline.com  
**Subject:** Testimony for HB290 on 2/15/2011 2:00:00 PM  
**Attachments:** HB 290 HD 1 House Jud 2.15.11.pdf

Testimony for JUD 2/15/2011 2:00:00 PM HB290

Conference room: 325  
Testifier position: support  
Testifier will be present: No  
Submitted by: Alicia Maluafiti  
Organization: HCIA  
Address:  
Phone:  
E-mail: [director@hciaonline.com](mailto:director@hciaonline.com)  
Submitted on: 2/14/2011

Comments:



# Hawaii Crop Improvement Association

*Growing the Future of Worldwide Agriculture in Hawaii*

Testimony By: Alicia Maluafiti  
HB 290 HD 1 - Relating to Agriculture  
The House Committee on Agriculture  
Tuesday, February 15, 2011  
Room 325, 2:00 p.m.

## Position: Strongly Support

Aloha Chair Keith-Agaran, Vice Chair Rhoads, and members of the Committee:

My name is Alicia Maluafiti, Executive Director of the Hawaii Crop Improvement Association, a nonprofit trade association representing the seed industry in Hawaii. HCIA strongly supports HB 290 HD 1.

HCIA believes that HB 290 is an important and necessary initiative to mitigate further cutbacks to the Dept. of Agriculture as a result of Hawaii's fiscal crisis and the department's reliance on the general fund to support the ag inspector positions. The agricultural industry and especially the farmers whose commodities require inspection and certification by the HDOA risk their long term economic viability when they cannot get their products to market in a timely manner. The ability for the HDOA to utilize properly regulated third-party inspectors also provides the department with not only operational flexibility, but fiscal sustainability if that opportunity proves to be more affordable for the state.

We support any effort to restore the Dept. of Agriculture positions, minimize the adverse impact of the budget crisis on their department, and ensure the HDOA's ability to support, promote and enhance Hawaii's agricultural industry. While the seed industry is willing to support fee increases as part of our commitment to sharing the burden placed upon the HDOA, we also believe that the state needs to consider a balanced approach to addressing the shortfall to a department that serves the greater good for the state of Hawaii. We believe HB 290 is an important step in the right direction and recommend its passage.

Mahalo for the opportunity to comment.

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