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**CONGRESSMAN ED CASE  
2ND DISTRICT, HAWAII**

ISLANDS OF HAWAII, MAUI, KAHŌ'OLAWĒ, LANAI,  
MOLOKA'I, O'AHU (WINDWARD, NORTH SHORE,  
CENTRAL, LEEWARD), KAUAI AND NI'HAU,  
AND NORTHWESTERN HAWAIIAN ISLANDS

**COMMITTEES:**

**BUDGET**

**AGRICULTURE**

LIVESTOCK AND HORTICULTURE  
(RANKING MEMBER)

CONSERVATION, CREDIT,  
RURAL DEVELOPMENT AND RESEARCH

**SMALL BUSINESS**

TAX, FINANCE AND EXPORTS

REGULATORY REFORM  
AND OVERSIGHT

RURAL ENTERPRISES, AGRICULTURE  
AND TECHNOLOGY

December 19, 2005

The Honorable Michael O. Johanns  
Secretary  
United States Department of Agriculture  
1400 Independence, SW  
Washington, DC 20250-0002

Dear Mr. Secretary:

I want to thank you for arranging to hold a Farm Bill Forum in Hawaii on November 12, 2005. The event was well-attended, even though many producers had to travel from another island to attend the event in Kailua-Kona.

Prior to the forum/listening session, I sent a survey out to members of Hawaii's agricultural community. I enclose a summary of the comments received and ask that you include this in the record of the hearing.

I look forward to working with you as we prepare a new Farm Bill. I will rely on your assistance in ensuring that the special needs of Hawaii are reflected when the law is reauthorized.

With aloha,

*Ed Case*

ED CASE  
United States Congressman  
Hawaii, Second District

Cc: Under Secretary for Rural Development Thomas Dorr  
Deputy Under Secretary for Natural Resources and the Environment Merlyn Carlson  
Governor Linda Lingle

## Concerns of Hawaii's Agricultural Community

Responses to Survey by Congressman Case related to Kona Farm Bill Forum (11/12/2005)

### **I. WHAT ARE THE GREATEST CHALLENGES FACING HAWAII AGRICULTURE?**

#### **COSTS**

- High cost of transportation to export our agricultural products
  - Subsidize freight costs as they do in Central and South American countries for the same crops
- High cost of land
  - Affordable agricultural land
- Taxes
  - Lack of tax incentives
- General costs of doing business
- High cost of labor
  - Securing labor to meet the needs and creating jobs that economically sustain families
  - Availability of labor
- Market/market share
  - Being able to market our product at a reasonable cost
  - Crops compete for market with countries not tied to minimum wage
- Agricultural financing is almost impossible to access
- High input costs
  - Cost of products and inputs. The price of crops in the market goes up, but the farmers' prices stay the same
- Economic support; Expanded support systems and information
- Cost of goods due to remoteness of Hawaii
- Increased cost of fertilizers, fuel, and materials
- Inadequate payments in cost-share programs
- Farmers should receive a farmgate price to make a profit
- Packing and export costs should be passed on to buyer by law

#### **LAND**

- Land use/building encroachment on prime agricultural lands
  - Rampant development takes and builds on considerable open and agricultural lands which creates:
    - Watershed issues
    - Major infrastructure pressures
    - Changes character of area
  - Unwise, unsound, unneeded development on agricultural lands
  - Don't use 23,000 acres of prime rangeland to establish military training ground – use open unpopulated land, not Hawaii!
  - Development of farm lands for "Gentlemen's estates" that violate County and State laws by prohibiting agriculture on the estates

- Zoning and land use issues, including not being able to subdivide land of large land owners
- Kauai – large amounts of land have or are coming out of sugar use. Those lands are still controlled by relatively few people/organizations
- Water issues
  - Diversion of water resources away from agriculture
  - Water rights – Water for farming vs. water for development and golf courses
  - Need water in rural areas for high-end agriculture
  - Not enough people are being paid to create and design more food gardens and water holding systems for irrigation of these gardens
  - Too much development and usage of water, which is in limited supply for our farmers
  - Lack of adequate agriculture water
  - Flood control and drainage
  - Restore, salvage, and maintain irrigation systems abandoned by the plantations when they discontinued operations.
  - Irrigation
- Condition of Land
  - Depletion and contamination of soils and water due to poor development practices
  - Infrastructure needs – water and electricity in rural areas
  - Pollution of lands and forests via air and water
  - Erosion
  - Farmers need to be good stewards of our agricultural lands
- Access to lands and appropriate lease terms
- Too much fallow underutilized land
- Not enough people getting paid to clean up landscapes in the interior of the islands (esp. streams beds)
- Reuse and reduce wastes and reduce the volume of waste put in landfills
- Land tenure trends
- Molokai - Smaller agricultural land acreages
- Encourage diversified use of agricultural lands
- High real estate prices make it too tempting to sell agricultural land instead of continuing agricultural production

### **INVASIVE SPECIES/PEST ERADICATION**

- Invasive Species & Pests (Bunchy top disease-bananas (caused by aphids), coqui frogs, fire ant, nettle caterpillar, cycad scale, fruit flies)
- Hawaii has agricultural inspection at point of origin for exports; why not inspection at point of origin for import?
- Reviewing requirements for fruit fly treatments on specific crops so we can ship out fruit to mainland without treatment

### **GOVERNMENT/LEGISLATION**

- Anti-GMO movement
  - Concerned about anti-GMO legislation by local governments (such legislation could cost the state \$60 million dollars)
  - NOT caving into government subsidies and programs that promote GMOs

- Contamination of organic products from GMOs
- GMO open field trials
- Freedom to operate – anti-biotech group are very loud without anything backing their statements
- Oppose agricultural subsidies
- Too many regulations
- Less than adequate county and state planning and enforcement
- Prohibitive new regulations by EPA, FDA, USDA hurt small producers the most
- County council and mayor are dedicated to promoting tourism and off-island ownership of land, and do not take agriculture seriously as a land use option
- Legalization of marijuana
- Bureaucracy
- Lack of support on the part of many local representatives and leaders for agriculture
- Encourage federal agencies and derivative State entities to be more proactive and entrepreneurial in addressing the fact that leadership with far-sighted vision and organizational talent is needed if Hawaii to make rapid progress toward sustainability in food, fiber and cultural integrity
- Have a strong lobby in Washington for the benefit of Hawaiian farm produce

## **PRODUCTS**

- Foreign competition
  - Importers should not be allowed to buy produce that undercuts the profit of American farmers.
- Marketing/Advertising
  - Especially for small farms
  - Timing to market
  - Isolation from markets
  - Need markets for Puna products (papayas, noni, flowers)
- Diversity
  - More diversity of high-margin crops
  - Need unique Hawaiian products
  - Develop new local crops
  - How's about making rum with sugar cane? Hemp is good. Coconut oil
  - --Support new agricultural ventures during the years before they're productive or profitable
- Support of organic food
  - Brokerage of local organic products to help with distribution and sales
  - Local organic seed sources
  - Supporting and enabling organic products to compete in the market
  - Operating a farm without the use of chemicals and obtaining certified organic status
  - General lack of support for small organic farmers
  - Keeping Hawaii a place that can be assured of "Organic Foods"
- Exporting
- Production
  - Entering the marketplace, particularly with limited production capabilities
- Volatility of commodity market (big swings in macadamia kernel and crop prices)

- Exploration (give people a “taste of Hawaii”)
- Promotion of locally produced food via farmers’ markets
- Sales
- Stockpile
- Difficulty of getting young people to go into farming.
- Long timeframe for agricultural investment (i.e. several years before 1<sup>st</sup> crop on new orchards)

## **OTHER**

- Self-sufficiency
  - Sustain the population in the event of shipping disruption
  - Self-sufficiency – independence from mainland and/or foreign agricultural markets
  - Need leadership with far-sighted vision and organizational talent if Hawaii is to make rapid progress toward sustainability in food, fiber, and cultural integrity
  - Need to become more self-sufficient
  - Hawaii needs to become more sustainable with less imports
  - Lack of self sufficiency; Hawaii too dependant on mainland
  - More diverse crops in order to be more self-sustaining throughout the islands
  - Use what we have – more mango farms, avocados, oranges, etc. – stop all the shipping; we need small “truck” farms
- Theft
  - Trespassers
  - Property damages
- Country of origin labeling
  - Public confusion of “Kona” or “Hawaiian” Coffee
- Education
  - Lack of agricultural courses in high school to encourage kids to go into the agricultural industry
  - Training for new farmers
  - Educating people in both the direct and indirect ways in which agriculture is important to Hawaii’s long-term growth and overall economic success
- Fuel Costs
- Skilled farm managers and unskilled labor are both needed
- Not enough hurricane preparedness
- Disappearing small and family farms → Industrialized farming is taking over
- Lack of independent farm culture on Oahu
- For homesteader, they can use the land for collateral so they have no way of accessing capital. House is only worth of the amount of the loan guarantee, not market value or appreciation
- Cooling facilities – marshalling yards
- Improve economic environment

## 2. WHAT WOULD YOU LIKE OUR FEDERAL GOVERNMENT TO FOCUS ITS EFFORTS ON BEHALF OF HAWAII AGRICULTURE?

### LAND

- Water issues
  - Water-holding areas:
    - Clean up fresh-water holding areas
    - Fund more projects for the construction of fresh-water holding systems using underground filtration
  - Federal funding for agricultural water development
  - Money and engineering assistance to repair irrigation systems
  - Protect watershed through stepped up conservation support, which can mitigate increased development and preserve open spaces and coastal areas
  - Bring water to rural areas (Big Island)
- Preserve agriculture-zoned land
- Infrastructure development in rural areas
  - Electrical development
- Federal incentives to keep land in agriculture
- Arrange for appropriate state lands to be used for agriculture
- Reopen traditional sites for taro- and rice-growing for the Hawaiian people
- Protect wetlands
- Organize parcels of land on Hamakua Coast dedicated to the use of small family farmers

### ACCESS TO FEDERAL PROGRAMS

- Adjusted gross income limit on Farm Bill conservation programs prevents many landowners from using program
- \$50,000 per landowner payment cap on "Practice Incentive Payments" limits ability to use funds, even if the benefits for such practices on large acreages would be significant
- Federal assistance programs like emergency conservation, crop disaster, environmental quality assistance programs, and the like have been of great service; however, the rules within these programs need to be fine-tuned as many Hawaii farmers cannot currently qualify.
- If mainland farmers are being subsidized, then Hawaii agriculture should be rewarded for growing more desirable items.
- Inadequate crop insurance
  - Crop insurance for Hawaiian grown products
  - Extend crop insurance program to high-value hardwoods and other struggling start-up industries
- Different programs are needed for Hawaii than the rest of the country
  - Most of the U.S. policies for agriculture do not apply or work in Hawaii, more monitoring needs to be done for Hawaii

### AGRICULTURAL RESEARCH

- Inadequate funding/resources for agricultural research
  - Research for new hybrids

- Provide formula funding to ensure Hawaii receives a fair share of federal funding
- Hawaii crops are all considered minor crops, which makes it harder to get competitive grants
- Hawaii organic farmers should get equivalent recognition and support from federal and state institutions as do conventional farmers and a voice in research projects

## **PRODUCTS**

- Promote Hawaiian/local products
  - Support efforts to find and promote agricultural ventures and products that are either unique to our islands or where Hawaii has an advantage in production
  - Push macadamia nuts for Hawaii
  - Give macadamia nut growers the same support as wheat farmers, etc.
  - Federal incentives to purchase Hawaii agriculture products
- Diversity
  - Support other products like goat cheese or Hauula's tomatoes, not just coffee and macadamia nuts
  - Federal assistance for timber crops (koa, ohia, and others)
  - Federal assistance for R&D and marketing of new products
  - Create a local seed bank for the preservation of open-pollinated and heirloom varieties that have naturalized in Hawaii. This is crucial to insuring a secure food supply for all future generations.
- Organic Farming
  - More focus on chemical-free operations
  - Support organic farms rather than agribusiness
  - Continue to designate money to help offset the cost of organic certification (Cost-share assistance)
  - Since the establishment of the USDA National Organic Program (NOP) virtually all the previous "organic farmer associations" across the nation have been co-opted as certifying agents of USDA, which now precludes them from directly representing farmers due to conflict of interest rules which has left most organic farmers with no voice to government. Hawaii organic farmers need federal assistance to reorganize themselves under their own associations.
- Support for non-program crops
  - Difficult to compete with current purchase programs, even though quality of local growers surpasses what is made available through existing programs
- Encourage Hawaii to become self-sufficient - Why are we importing avocados when we have 60 varieties here?
- Exports
- Focus on higher value products
- Assistance in processing raw commodities into value-added products
- Marketing
  - Marketing can't survive financially
- Aiding the development of local markets for Hawaii-grown products

## **INVASIVE SPECIES/PEST ERADICATION**

- Federal assistance for fruit fly and other pest eradication
  - Need funding for disinfestations facilities (Tropical Fruit Disinfestation Facility in Kauai)

- Require increased inspection of products coming into Hawaii to ensure no inadvertent contamination (ports and airports)
- Research for fungal and bacterial controls

## GOVERNMENT/LEGISLATION

- Loans & Taxes
  - Assist start-up farmers with low-interest loans or tax incentives
  - Low interest loans and tax investment credits
  - Support demonstration and development activities that are necessary to provide validation required for loans or private sector equity investment
  - Tax breaks
  - Cut back on taxes
  - Tax incentives/credits
  - Work to eliminate estate tax-which would allow farming operations to be passed on to the next generation
  - Require that property taxes be based on actual use, not highest and best use
- Anti-GMO
  - Require GMO labeling on all products sold in the US
  - GMO Crops are dangerous
  - Initiate programs that provide incentives to grow organic produce that is free of toxic chemicals and fertilizers that poison to the land and accumulate in our body tissue
    - Organic Crop subsidizing
  - Stop subsidizing GMO research and support healthy sustainable agriculture
  - Stop the GMO industry on this island
  - Legislation ensuring public "right to know" or location of GMO experimental field trials
- Increased funds and grants
  - To develop infrastructure and support programs
  - To research diversified farming and aquaculture
  - Grants to help get new farmers started
  - Designate funding to assist farmers' markets around the state
- USDA
  - USDA has inadequate staffing
  - Programs are focused on large corporations' activities, not on small family farms
  - For small farmers the cost-sharing programs from for irrigation, windbreak, etc. should be available from USDA - Farm Service Agency
  - Develop a bill that requires USDA to provide assistance to help farmers and producers comply with new regulations
- Cut back on overregulation
- Jones Act
  - Repeal Jones Act to allow foreign competitive shipping rates
  - Maybe the Jones Act changes could help the whole state
- Energy
  - Energy Bill 2005 - New technology Enhanced Efficiency Nitrogen
  - Renewable energy
  - Energy costs high
- Cut back on subsidization
- Federal labor incentives for agriculture

- Offset labor costs
- Budget
  - Balance the budget
  - Cut federal expenditures across whole budget & give money to farmers
- Protection of Farm → Change laws – Farmers can protect themselves and properties
  - Make a law so that farmers can shoot people who steal or destroy products and property
  - Support development of local markets
- Economic and support systems
- COOL labeling for macadamia nut industry
- Title II and Title IX need to be expanded
- Support legislation that strengthens the “Right to Farm” over private contractual agreements that take away the right to farm
- Using any paperwork reduction acts
- Oppose (or revise) the Food Safety Act that will have a devastating effect of Hawaii’s farmers
- Develop policies to decentralize the production of food
- US Fed. Marketing Order should be able to help the farmer assuring a minimum farmgate price and assessments. (Not considered an anti-trust violation)
- Support full funding for NRCS – field personnel not just federal programs. Under the current farm bill, NRCS seems to be program driven.
- Reevaluate NAFTA
- Impose tariffs again

## **OTHER**

- Education Programs
  - Foster agriculture in schools
  - Continue programs like the Ag Development Program at the University of Hawaii at Hilo to help local students pursue agricultural education by providing mentoring and peer tutoring
  - Support the Forest TEAM program at Hawaii Community College
  - Encourage farm-to-school programs that pay farmers adequately for their efforts
  - Technical assistance through university programs needs to be expanded to meet the needs of small farmers
  - People need to be educated at an early age about entrepreneurship (strong science and business and accounting skills)
  - Support for on farm agriculture education, internships, training, etc.
  - Teach young local people about the importance of farming
- Transportation
  - Improved transportation, i.e. ferry system to help move product markets within Hawaii
  - Increase transportation competition – lower rates
  - Shipping subsidies, especially for smaller family farms
- Support regional biofuel development in Hawaii
  - Control fuel prices and promote alternative energy and incentives
  - Funding for biodiesel and ethnaol
  - Energy crops that can by used for biomass energy production
- Labor and Farmer Needs

- Establishing a work program for Mexican labor
- Affordable housing for workers
  - Grants or low-cost loans for farm worker housing development
- Find ways to make it easier to bring in migrant workers for seasonal employment
- Affordable health care for farm workers.
- Emergency planning
  - Be prepared for another hurricane and help farmers recover
  - Fund project that would promote hurricane preparedness (storehouses, safe shelters)
- Need to develop protocols for coexistence between all facets of agriculture (organic, commercial, seed industry, industrial)
- Foster small farms, rather than large corporation farms that destroy diversity, the building block of any healthy environment
- Promote sustainable agricultural programs
- Keep forests intact
- Level the playing field
- Support genetic engineering
- Legalize marijuana
  - Stop illegalities of growing hemp
- Foster the backyard garden as a source of food
- Allow Hawaii farmers to stay in business and make a profit while getting their products to market, internal and external, in an effective, efficient, timely manner
- More focus on food security and sustainable communities
- Focus on local farmer not big business
- Focus on small family farms
- Education of consumers
- Assist farmers with funding to protect themselves against theft



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