

**Meeting of the
HAWAII ECONOMIC DEVELOPMENT TASK FORCE**

No.1 Capitol District (Hemmeter) Building
4th Floor Ewa Library
250 S. Hotel Street

**Tuesday, October 26, 2010
2:00 - 5:00 p.m.**

Members Present: Robin Campaniano, Luella Costales, Garen Deweese, Mark Duda, Mary Alice Evans for Abbey Mayer, Jeffrey Kissel, Sandra Kunimoto, Jeff Mikulina, Theodore Peck (Chair), Mattie Yoshioka, Sylvia Yuen

Members Not In Attendance: Jacqui Hoover, Pono Shim, Jeanne Skog, Laura Thielen

Other Attendees: Mark McGuffie, Enterprise Honolulu (representing Mr. Pono Shim), Gregg Kinkley (DBEDT Deputy Attorney General), Robert Harris (Sierra Club), Alfredo Lee (Agribusiness Development Corporation – Hawaii Department of Agriculture), State Energy Office: James Bac, Cameron Black, Colleen Miller, Mark Glick, David Sakoda, and Tim Ming; Andrei Chakine, Anna Tchernykh

Welcome and Motion to Approve Meeting Summary: Chair Theodore Peck opened the meeting at 2:05pm by welcoming the task force members and submitted a motion to approve the meeting summary for 10-12-10. The Task Force approved the motion.

Food Security Brief on Agricultural Issues: Director Kunimoto provided a handout to the Task Force, which she used to discuss eleven long-standing issues in growing agriculture in Hawaii. These issues are as follows: (1) land, (2) water, (3) workforce development, (4) public awareness/support, (5) marketing and competitiveness, (6) research and development, (7) transportation and energy, (8) food safety, (9) bio-security, (10) environment and (11) financing. Although not listed in any order of priority, Ms. Kunimoto indicated, that the issues of ‘land and water’ were of particular importance.

The importance of retaining and maintaining agriculture infrastructure, e.g., irrigation systems, was emphasized; guarding the best of agricultural land from development, smart growth and not creating sprawl was also emphasized. One needed legislative fix is for capital improvements to not be contingent on a requirement of federal funds.

Some issues mentioned under water include increasing water storage capacity, conservation, and capital improvement requirements for dams. Due to Hawaii’s small agricultural market size achieving ‘economies of scale’ for certain types of infrastructure such as producing its own fertilizer was not considered feasible.

The synergy between food and energy provides a focus to capitalize on addressing agricultural issues.

Topics discussed under workforce development include career choice options, successful role models, and grounds for training prisoners to skilled labor, youth challenge- last chance to get high school diploma. Housing for agricultural workers is always an issue.

Public awareness is important. Need to emphasize buy fresh, buy local, produce more of our own and let people know, make sure waste is recycled, utilize all inputs in the most efficient ways, and long term leases in financing.

The handout entitled “Growing Agriculture in Hawaii - Issues” can be found at the following website address: <http://hawaii.gov/dbedt/info/energy/HEDTF/index.html>

[Yoshioka] Inquired about the Department of Agriculture’s (DoA) earmarks and list of specifics relating to the use of DoA’s current allocation for the ‘agricultural development and food security special funds.’

[Chair] DoA’s earmarks were in the budget and not in Act 73(10).

[Kunimoto] DoA’s earmarks were through provisos within the budget.

[Kissel] Inquired if one were exporting tomatoes was there a way to rank crops for competitiveness, or any studies for guidance? Also inquired if we calculated the value of crop most worthwhile and way of ranking certain amount of crops produced here? Ranking order or studies give us guidance- cost production studies for crops, what’s available what kind of land is available?

[Kunimoto] Cautioned that studies are based on premises. However, there are cost of production studies for various crops that can be used.

[Yuen] Agreed with Kunimoto that projections may be hard to replicate due to the various elements that could affect production.

[Campaniano] Indicated that meeting perceived demand with local supply is a challenge.

[Kunimoto] It is not Government’s job to tell farmers what to grow. Farmers will make that decision.

[Kissel] Inquired whether there is public policy to restore agriculture as part of economy through export crops?

[Kunimoto / Chair] Indicated no known policy targets for bringing agricultural export dollars to Hawaii, provide capital for entrepreneurs.

[Duda] Questioned whether a technocratic approach was being taken for determining economic success, what data?

[Yuen] Indicated that government policy does need to reflect a consideration of people’s values.

[Kunimoto] That programs such as the interception of invasive species provides opportunities for growing crops under known conditions such as temperature, water, soil type.

[Chair] Inquired whether there are annual conferences to discuss the state of agriculture?

[Kunimoto] Indicated that there were agricultural commodity conferences that regularly discussed the state of agriculture in Hawaii; also, cattle, floriculture associations.

[Costales] Advised that more imported labor was becoming more evident in Hawaii due to the lack of local workforce development. There is a decrease in students going into agriculture.

[Yoshioka] Cited a program on Kauai where teachers drive curricula to incentivize farming. Includes grants to teachers, different farms.

[Chair] Is 4H in the state active?

[Yuen] 4H is active, although admittedly it could be more active. Could start at community college level.

Attorney General’s Opinion: Mr. Gregg Kinkley, DBEDT’s Deputy Attorney General, advised the Task Force members that under Hawaii’s “Sunshine Law” (Part I of Chapter 92, Hawaii Revised Statutes) the use of a communications instrument (e.g., Polycom telephone) by a Task Force member was not an allowable attendance.

Review of Draft Outline of 10 HEDTF Tasks: The Chair envisioned the need to accomplish the following with regard to the 2011 Legislative report:

- Develop a ‘Work Plan,’
- Propose legislation that reflects consensus and approval of the Task Force, and

- Recommend that the \$0.60 going to the General Fund from the ‘Energy Security Special Fund’ be re-directed to energy and food security initiatives.

Task 1: Identify and review each state and county agency's policy objectives, mandates, organizational structure, and resources to address energy and food security issues;

[Bac] Policy objectives from County websites policies/mandates

[Yoshioka] Asked if only for government agencies. Advised that the website for Kauai is outdated and that DBEDT should contact the Kauai Office of Economic Development for details on County mandates, structure and resources.

[Bac] Used planning documents, long term plan for each of the counties

[Chair] Indicated that the real question is: ‘What are the leverage points for policy, resources, and structure relating to food and energy security?’

[Kunimoto / Yuen] Felt that there was a need to capture all programs impacting food and energy security issues. Suggested covering Departments at the ‘Program-level.’

[Chair] Not just every county but each island

[Campaniano] Recommended that data sources be cited.

[Chair] In agreement with the Task Force members that all Cabinet-level organizations should be reviewed for impact on food/energy programs.

Agreed that the Hawai'i Alliance for Community Based Economic Development (HACBED) should be listed; however more appropriately under Task 3. It is a statewide federally tax - exempt non - profit organization established in 1992 to encourage increased investments in sustainable and community - based approaches to economic development.

Task 2: Identify all federal and private funds available to the State and counties to address energy and food security issues;

[Chair] Indicated that the real issue is: How effective are we in tapping funds we know about and what potential sources are we not utilizing? Talk about actual targets and also methodology

[Evans] Documenting private sector funding sources is viewed as important. Need to show what we have in place to date, and what sources to pursue. Function as a clearinghouse of options.

[Chair] What we've been successful in so-far, comprehensive plan on how we're going to successfully fund. What we have in place to date, then form structure, bring resources for other technologies and celebrate some of successes we've been able to do

[Yuen] Should summarize

Task 3: Identify effective measures for interagency cooperation, coordinate efforts with the counties, and promote public- and private-sector partnerships to achieve the objective of energy and food security;

[Kissel] Inquired whether food and energy security reflected a steady state or reduced state condition?

[McGuffie] [A past CTAHR study projected how much land it would take to feed everybody in the State, given that only 5% + or approximately 104,000 acres of the land zoned in Ag in Hawai'i is currently used for farming, cited that approximately 240,000 acres or 12 % of ag zoned lands will be needed to feed everybody. This was a subjective study as there are so many assumptions that need to be factored in.](#)

[Campaniano] The issue is security; not self-sufficiency, which the Task Force needs to address.

[Yuen] Pass through all ten tasks and then spend more time on certain tasks.

[Yoshioka] See tasks 8,9,10 as follow-up.

[Chair] Hawaii needs a condition-based viable plan for addressing food and energy security. Intent of legislature really had broad frame.

[Kissel] What kind of measures do we employ as a cushion due to externalities that threaten our security?

[Evans / Chair] FEMA and State Civil Defense are responsible for and have plans to address extreme events, which threaten Hawaii's public safety

[Mikulina] Security as far as reduction in quality of life as we know it

[Chair] Start with list and then quantitatively pick.

[Campaniano] If we include in task number 1, have to automatically include in number 3

Task 4: Identify existing programs and agreements addressing energy and food security that may be enhanced through legislation;

[Chair] Energy 'Memorandums of Understanding' should be examined, as well as, cooperative agreements with foreign partners.

[Mikulina] Expand programs for energy efficiency and demand-side management funded through the 'Public Benefits Fee.'

[Yuen] There is a need for a legislative funding vehicle for 'capital improvement projects' to maintain and develop agricultural infrastructure, such as irrigation systems.

[Yoshioka] Commented, that Kamehameha Schools for land and water has leverage (influence). Also, that the 'Important Agricultural Land' studies by County are worth examining for enhancing food security.

[Kunimoto] Department of Agriculture programs are self-supporting; that the marketing impacts of programs such as 'Buy Local' are not easily measurable.

[Chair] Need to collect data measuring price points, whereby the data serves as a gauge or sensor of food and energy security. Retail supply chain, wholesale side, products all cost driven.

[Kunimoto] Commented that having successful mid-level farmers are desirable and important to agriculture. Also, that a critical mass of large, mid-level, and small farmers were necessary for agriculture's success.

[Duda] Hawaii's energy resources are known and how to use them is clear. Hawaii's agriculture picture is not as clear.

[McGuffie] [Although Hawai'i has cattle, currently we do not have, nor in the foreseeable future a way of viably supporting the infrastructure to handle and process the finished product.](#)

[Kissel] Are we going to measure self-sufficiency as net? Both food and energy can be viewed in terms of calories.

[Duda] Responded that food and energy security is an economic development issue, rather than a calorie issue.

[Chair] Pointed out that one calorie of food and energy were not necessarily the same in that the amount of inputs to produce them would differ.

Task 5: Investigate alternative institutional mechanisms to promote the efficient execution and implementation of a multi-year strategy to achieve energy and food security;

[Chair] A key issue is: 'What is the metric for food and energy security to justify the legislative recommendation?' Recommended legislation to be successful also needs to include the input of suppliers, farmers, and others. Further, there needs to be measures and incentives, and data. A 'Lead By Example' type of program for agriculture was suggested.

[Duda] All energy is here; whereas, with food we need to set a goal of locally produced.

[McGuffie] Cattle industry has been a huge challenge and is one of our biggest export "imports", due to the lack of infrastructure to finish the abundance of beef in Hawai'i most is shipped/exported and we buy it back in a box... very inefficient and costly, we need ways to change this around from addressing the Jones Act to adding slaughterhouses and expertise to handle.

[Kinkley] Advised that a 'Lead By Example' type program by law was prohibited from interfering with interstate commerce, and that specifying quotas or percentages were prohibited.

[Mikulina] Indicated that metrics for reporting was still important.

Task 6: Investigate the streamlining of administrative processes to accelerate and achieve energy and food security;

[Chair] Inquired about redoing the agricultural land ratings for classifying land due to comments received that the ratings were antiquated?

[Kunimoto] Disagreed that the agricultural land ratings were necessarily antiquated. Indicated, that it is a case where developers are just unhappy with the restrictions. The Office of Planning has soil classification overlays, which provide footprint and/or cross-section information.

[Evans] There is a need to protect 'A and B lands,' but maybe 'C, D, E' classifications could be less restrictive to provide for more streamlined use processes.

Task 7: Provide an appropriate forum for all affected or interested parties to address energy and food security issues;

[Chair] Need an 'Outreach Plan.'

[Luella] Interest groups- include community colleges.

Task 8: Recommend appropriate legislation resulting from its findings to improve, accelerate, and achieve the objective of energy and food security;

[Bac] For this task, the input and consensus of Task Force members is needed.

Task 9: Review whether:

- (A) The apportionment of the environmental response, energy, and food security tax among the funds listed under section 243-3.5, Hawaii Revised Statutes, is appropriate;**
- (B) The apportionment should be changed; and**
- (C) Any additional special, trust, or revolving fund should receive a share of the tax; and**

[Bac] For this task, the input and consensus of Task Force members is needed.

Task 10: Perform any other function necessary to effectuate the purposes of this part.

[Bac] For this task, the input and consensus of Task Force members is needed.

Next Meeting: Tuesday, November 9, 2010, 2-5 p.m., Ewa 4th Floor Library, No.1 Capitol District (Hemmeter) Building, 250 S. Hotel Street.

See attached Meeting Agenda.

HEDTF Future Meeting Dates:

- Tuesday, November 23, 2010 and Wednesday, December 8, 2010.
- Conducting future HEDTF meetings on Kauai, Maui, and in the County of Hawaii

Suggestions For Future Agenda: County by County case studies of specific issues and plans providing a 'down to up' understanding.

Adjournment: The meeting was adjourned at 4:55 p.m.