

## ACTION PLANS 2002 Update

Division, Branch: Aquaculture Development Program

Program Objective: To develop a sustainable and profitable commercial aquaculture industry by encouraging a diversity of products, improving management practices and technologies, and providing direct assistance with regulations, disease, marketing and new business development.

### PRIORITY GOALS AND OBJECTIVES

Department Objective: To facilitate the growth of existing and new agricultural products and by-products for local and export sales.

Goal 1. Facilitate the development of commercial open ocean aquaculture to a \$5M industry by 2005.

The 1999 State Legislature amended Chapter 190D, HRS, the Ocean and Submerged Lands Leasing law to clarify and streamline the process for commercial leasing for aquaculture. The amendments to the law will remain in effect for five years and then the Legislature will review the situation. The Department of Land and Natural Resources (DLNR) will issue and administer leases, while DOA, through its Aquaculture Development Program (ADP), will be the liaison with potential leasees and provide technical support. Two private companies came forward to be the "test cases" to work out the initial permitting and leasing process, one will grow pearl oysters and the other fish. Both companies have gotten leases. Currently two more companies are requesting ocean leases.

First sales of fish are now targeted for late 2001. Revenues will depend on stocking rates. With the success of the two cages, the project is expected to expand to four cages by 2005. A study is being made of potential sites for additional ocean leases for cage culture and other aquaculture technologies. Upon the availability of these results, the potential sites should be designated for aquaculture use and promoted to potential farmers. Additional projects are expected to start-up as a result of this preliminary assessment of suitable sites and the initial farm successes. The first harvest of black pearls from a farm begun in 2001 can be expected in 2006 (pearls have a much longer product cycle).

Opportunities also exist to bring into Hawaii substantial research dollars for open ocean aquaculture from the federal and international sources. The Department will facilitate these activities by various means including provision of permit assistance, technical information and matching funds. In addition, planning and coordination of the overall, long-term research and development for open ocean aquaculture will continue to be addressed by the Department.

Progress in meeting development targets will be measured by the number of successfully permitted projects in the start-up phase and the successful sale of product and subsequent sustainable operation of established farms.

Timetable to Accomplish Goal

<u>Identify Target/Task</u>	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>
1. Permit/lease 2 Test Case sites	X				
2. Harvest and sales first test cage	X				
3. Continue Federal/State Research on Species/Systems (Ongoing)	X	X	X	X	X
4. Statewide assessment of sites	X				
5. Permit/lease 2 cages	X	X		X	X
6. Designate sites for open ocean aquaculture	X				
7. Promote investment, e.g., web site, conferences, trade magazines	X	X	X	X	X
8. Permit/lease 8 cages at one or more locations			X	X	
9. Harvest and sale, first black pearls from test case site				X	

Goal 2: Facilitate the further development of the freshwater and marine aquarium products segment of Hawaii aquaculture to a \$15M industry (\$5M freshwater species and \$10M saltwater species) by 2005.

Since the early 1990's efforts to expand the aquarium products industry for Hawaii have been gaining momentum. A comprehensive description of the opportunity was contained in a report to the 1996 State legislature. Since then, modest Federal and State research dollars have addressed species and system development. A directory of the industry prepared in 1997, and now in its second edition, identified over 75 breeders and producers. Despite these efforts the aquarium industry remains fragmented and lacks cooperation among the members and a cohesive direction for expansion of both the freshwater and saltwater components.

Department focus on expansion of the aquarium industry will initially address consensus building and developing an industry action agenda. To facilitate this process the industry directory will be periodically updated and an ad hoc advisory committee was formed to advise

on development issues. Recent changes to streamline the species importation process will be fully implemented to benefit producers and breeders and additional changes will be suggested.

ADP will also work with the industry to help develop a research and development agenda to coordinate and guide solicitation and expenditure of public funds. Marketing plans for both freshwater and saltwater species will also be a focus. Moreover, critical technical extension and disease management services for this sector will be targeted for additional funding and constant improvement to keep up with the new species and technologies and number of farms.

A potentially multi-year federally funded program began in 2000. The goal of the Pacific Tropical Ornamental Fish Program is sustainable economic development, which will provide entrepreneurial and long-term employment opportunities for Hawaii through expansion of cultured sources of aquarium products. Funding is through the U.S. Department of Commerce.

Finally as the industry becomes more successful and cohesive, ADP will focus on park and cooperative development. Funds for a study to determine the feasibility and possible locations for aquaculture parks for aquarium species will be requested, perhaps from the legislature, and if feasible one or more parks will be constructed, if possible, in partnership with private landholders. Also, as is common in agriculture, ADP will assist the industry in exploring the formation of cooperatives for purchasing and marketing to reduce the costs of equipment, supplies, and air transportation.

Progress towards the goal will be evaluated through production of required development agenda or studies, expansion of funding levels and expansion of the number of farms and production value for the industry.

	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>
1. Form and staff an Ad hoc Advisory Committee	X	X	X	X	
2. Update Aquarium Industry Directory		X		X	
3. Develop consensus/action agenda for FW and SW species and periodically re-evaluate	X		X		X
4. Facilitate species importation permits and suggest additional permit streamlining	X	X	X	X	
5. Improve disease management services with targeted fees, grants and use of a special fund	X	X	X	X	

	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>
6. Develop research agenda and funding for the aquarium sector and periodically review	X		X		X
7. Assist in developing and implementing industry-wide marketing plans for FW and SW aquarium species	X	X	X	X	X
8. Improve production extension services by co-funding, grants and networking	X	X	X	X	X
9. Conduct aquaculture park feasibility/site determination study		X			
10. Develop 2 aquaculture parks for aquarium species			X	X	
11. Assist industry with cooperative formation for purchasing and marketing					X