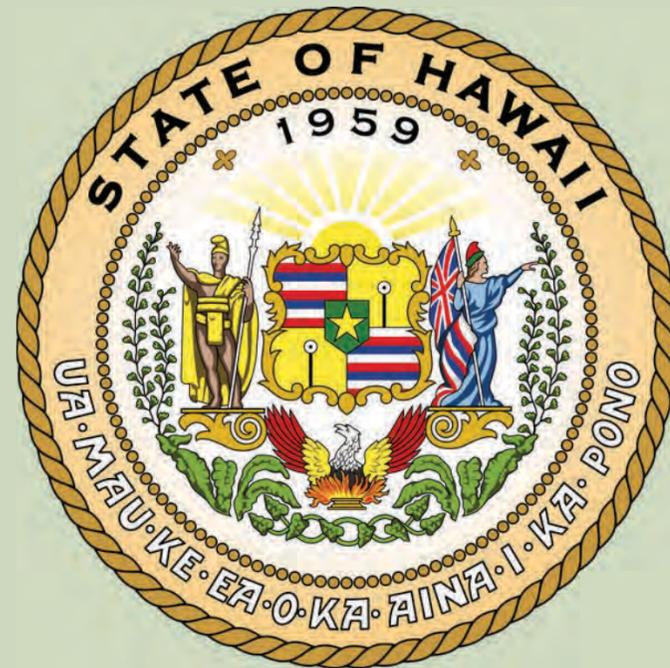


State Agribusiness Development Corporation



Legislative Informational Briefing

February 26, 2021

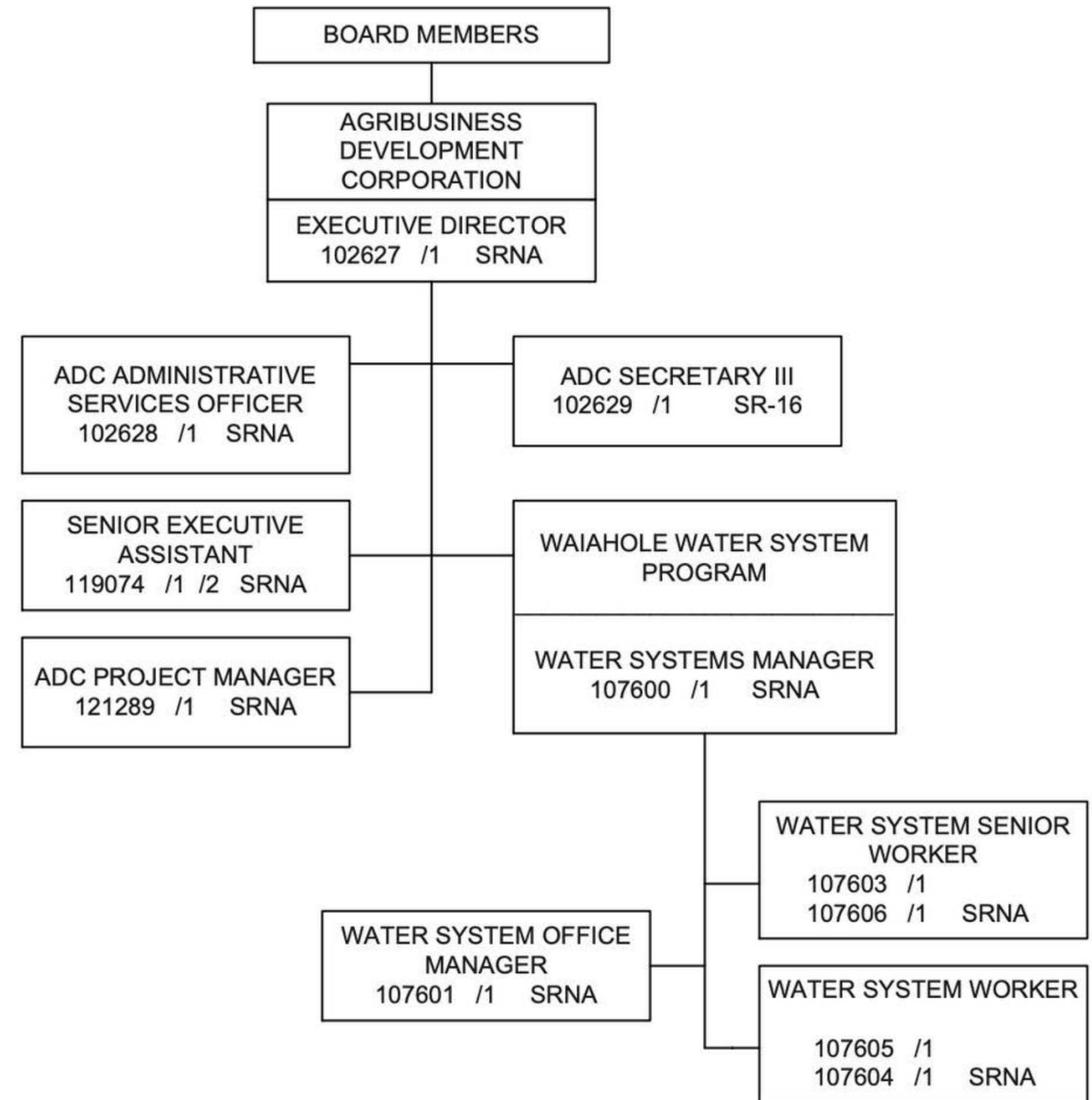
Our Mission

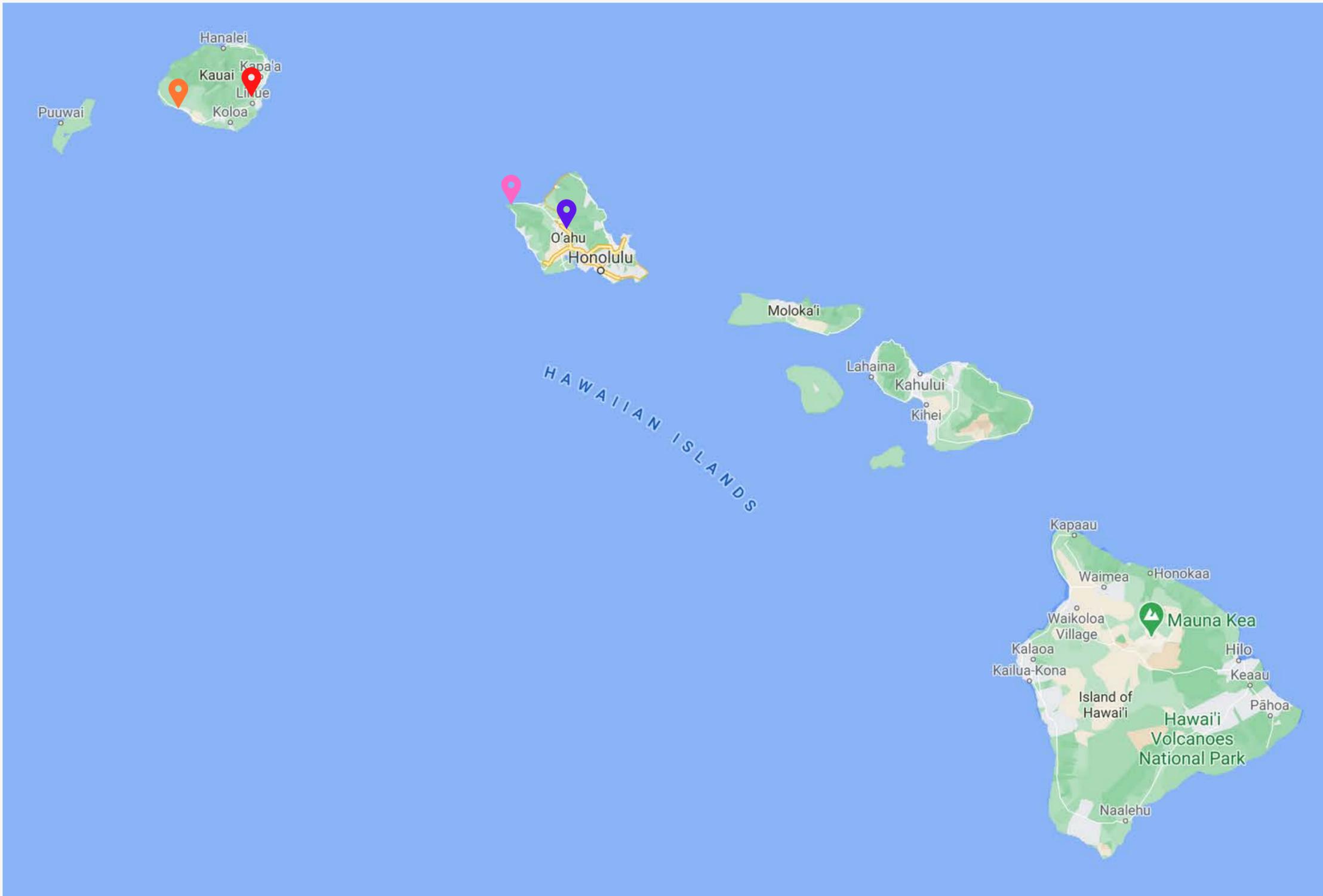
The ADC's mission is to acquire and manage, in partnership with farmers, ranchers, and aquaculture groups, selected arable lands, water systems and infrastructure for commercial agricultural use, and to direct research into areas that will lead to the development of new crops, markets, and lower production costs.



ADC Staffing

- ADC initially had 5 staff members
- In January 2021, staffing was reduced to 4 members
- James Nakatani has been ADC Executive Director since 2013





 Central Oahu

 Mokuleia

 Kalepa

 Kekaha

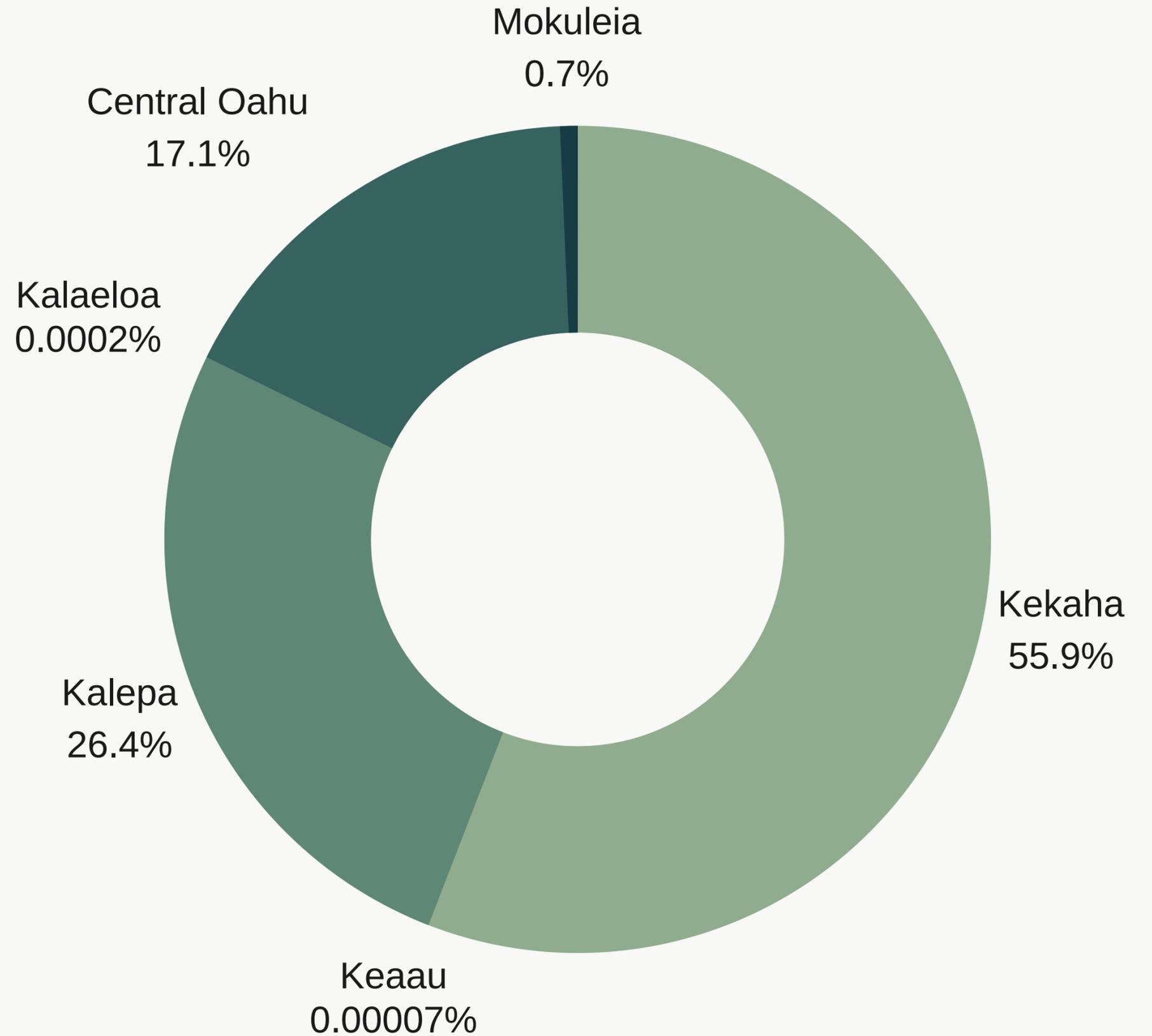
Total ADC Acreage Statewide



- Total Acreage: 22,535
- Tillable Acreage: 15,093
- Current acreage occupied: 9,617
- Percent Occupied: 64%

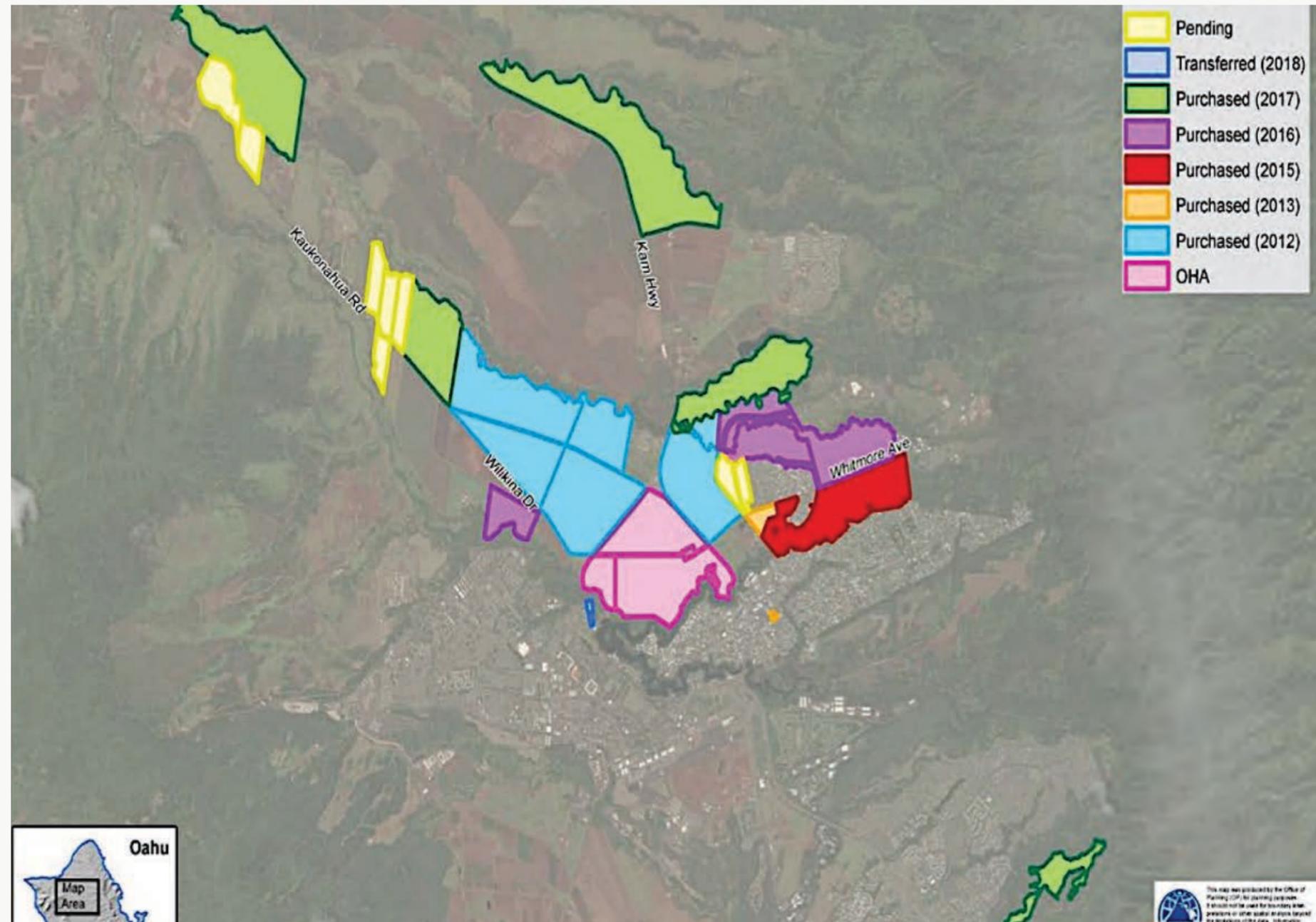
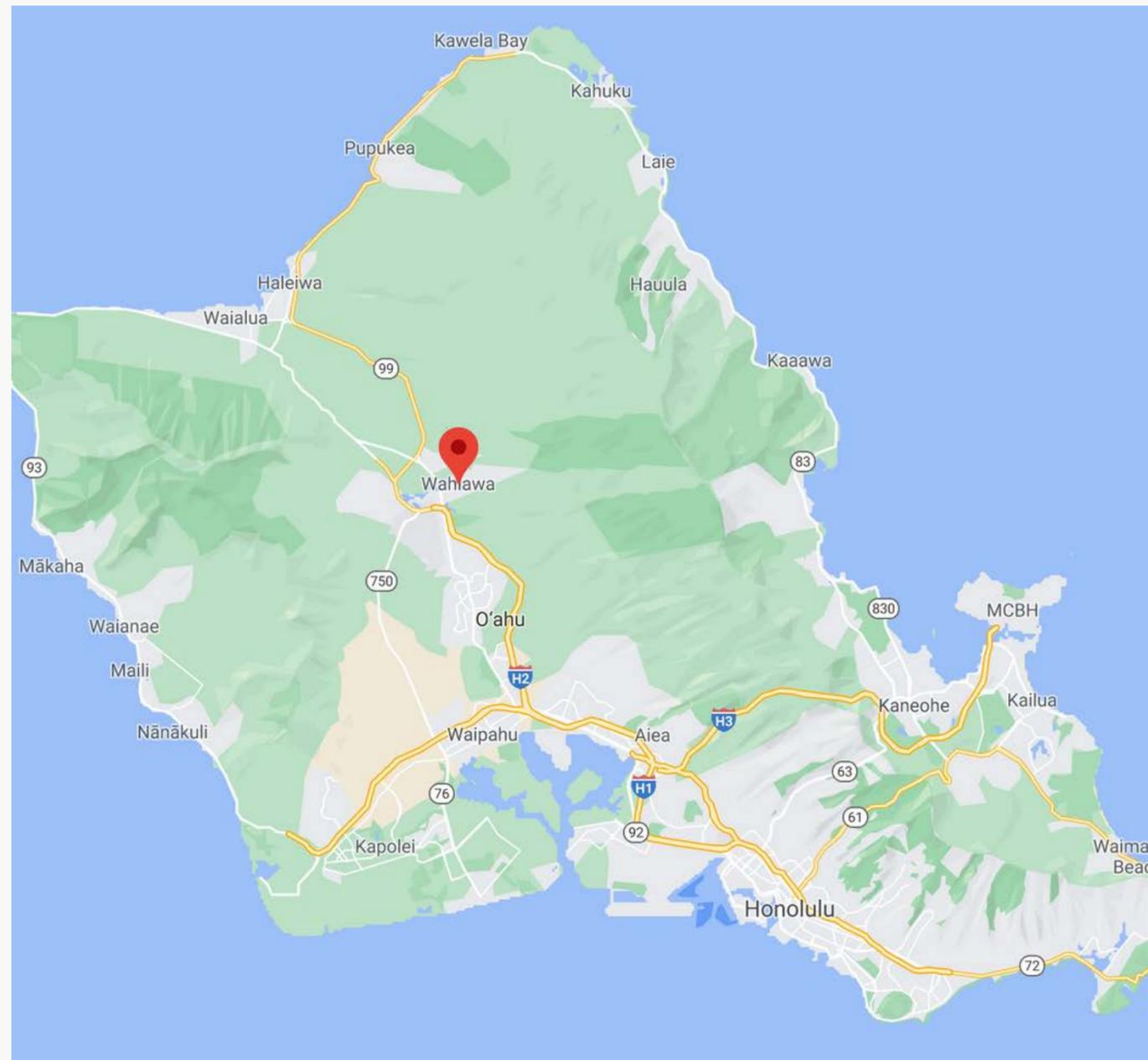
Lands Under ADC

Based on acreage



Oahu

Total Acreage: 3,843
Tillable Acreage: 3,252
Current acreage occupied: 1,559
Percent Occupied: 48%





Galbraith Crops

Some of the crops currently grown at the Galbraith site for the consumer market include:

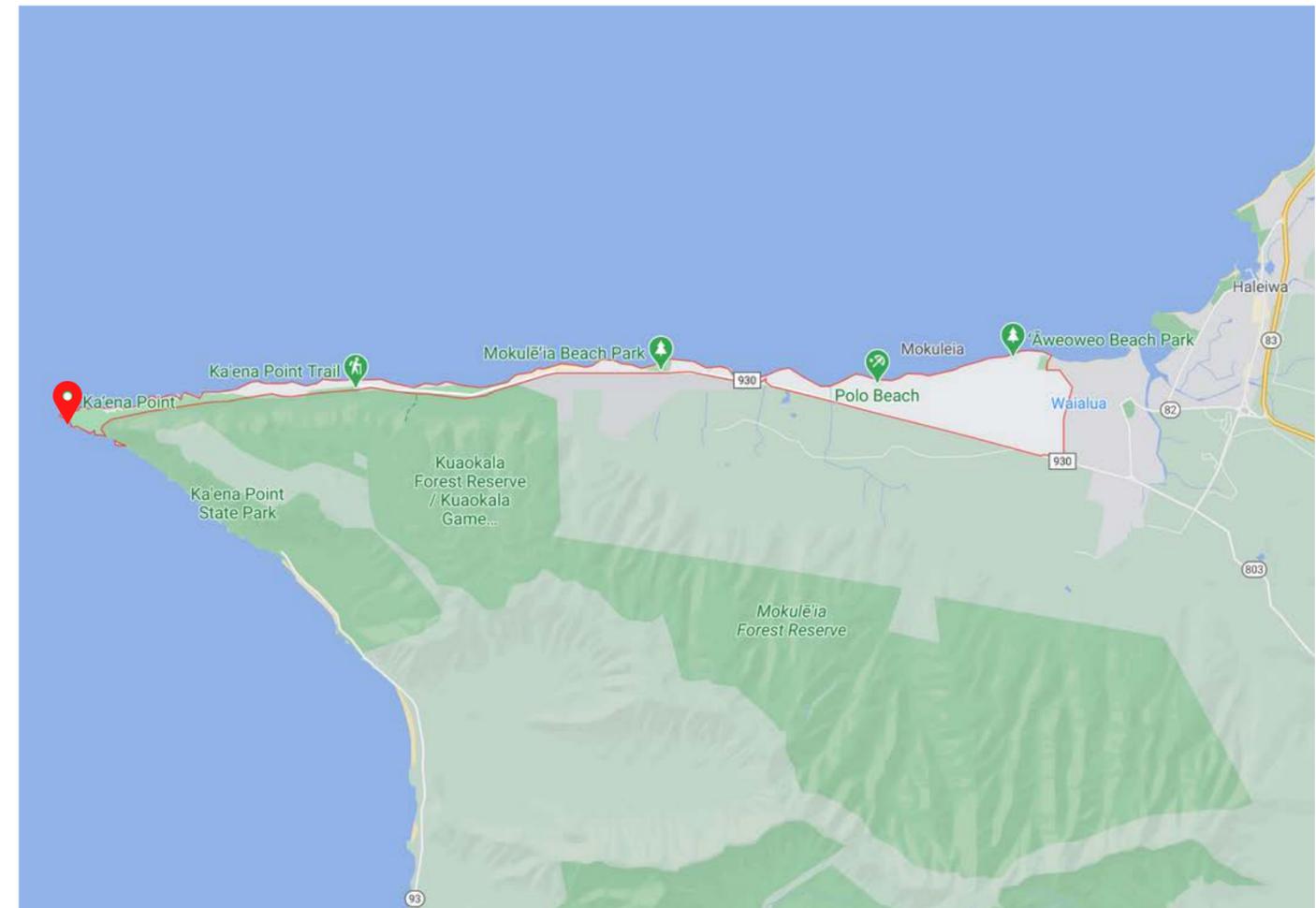
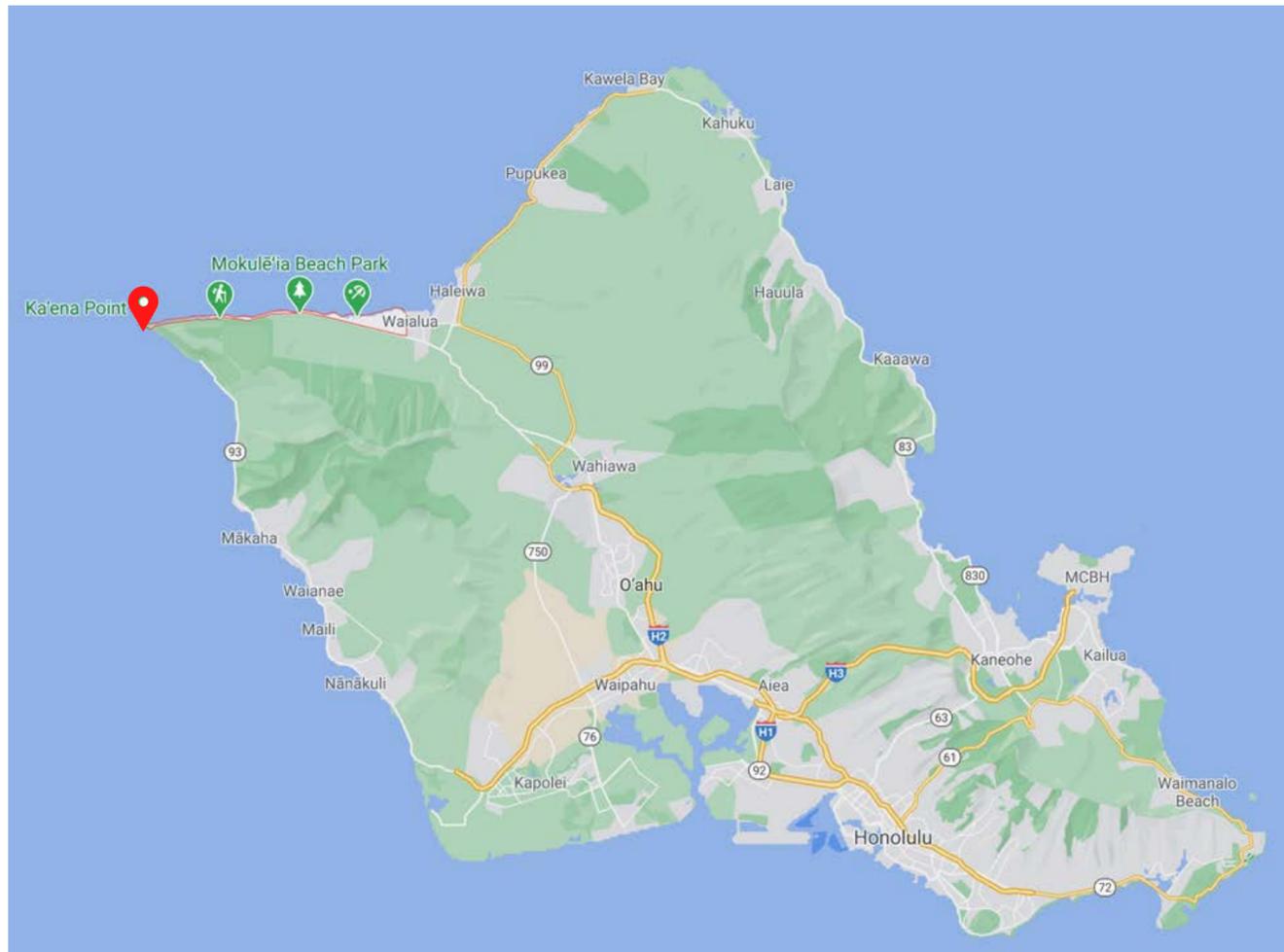
- Cabbage
- Bell Peppers
- Tomatoes
- Cucumber
- Taro
- Eggplant
- Okra
- Papaya
- Citrus
- Avocado
- Banana
- Dragon fruit
- Watermelon
- Green Onion
- Ti Leaves

Galbraith Crops



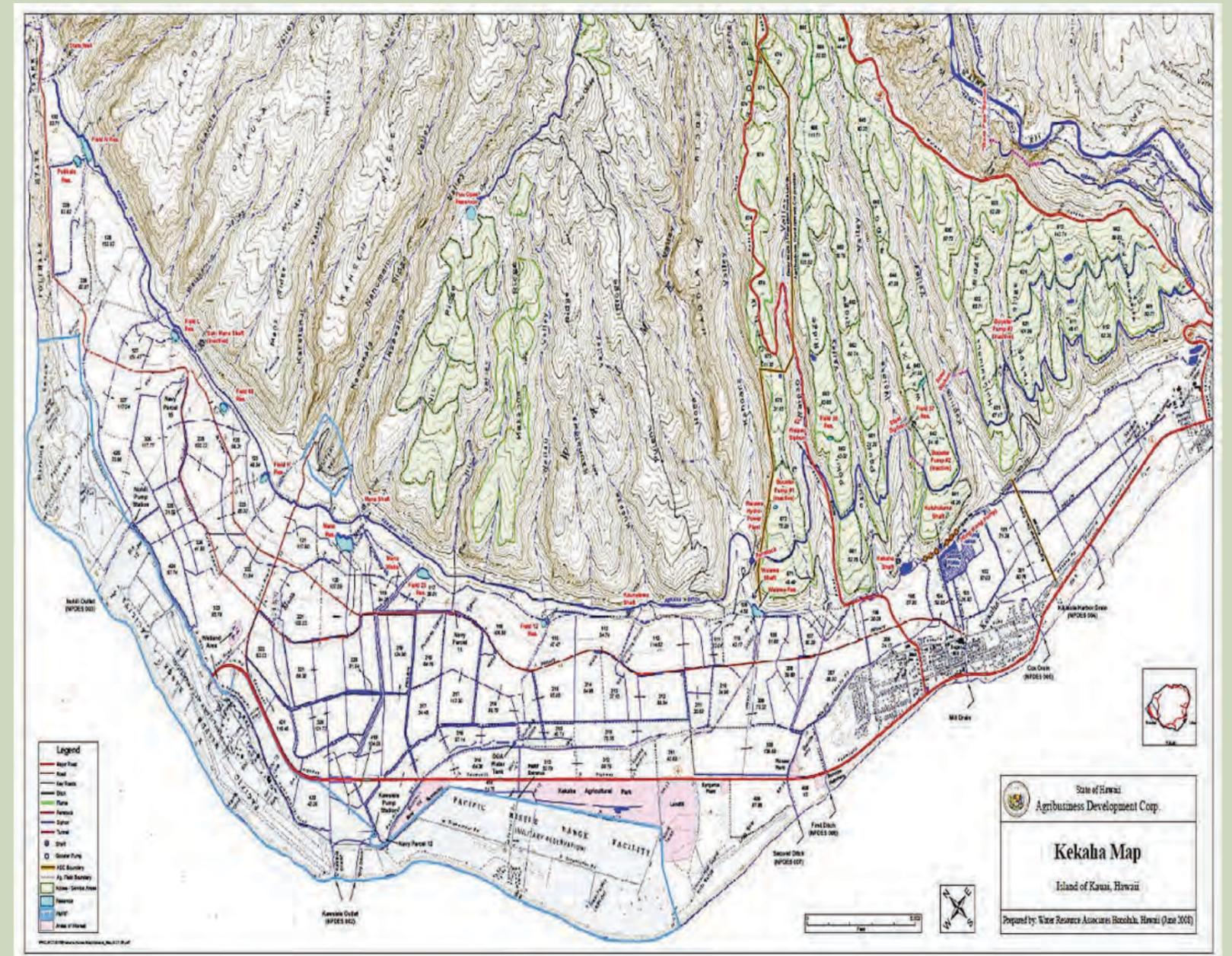
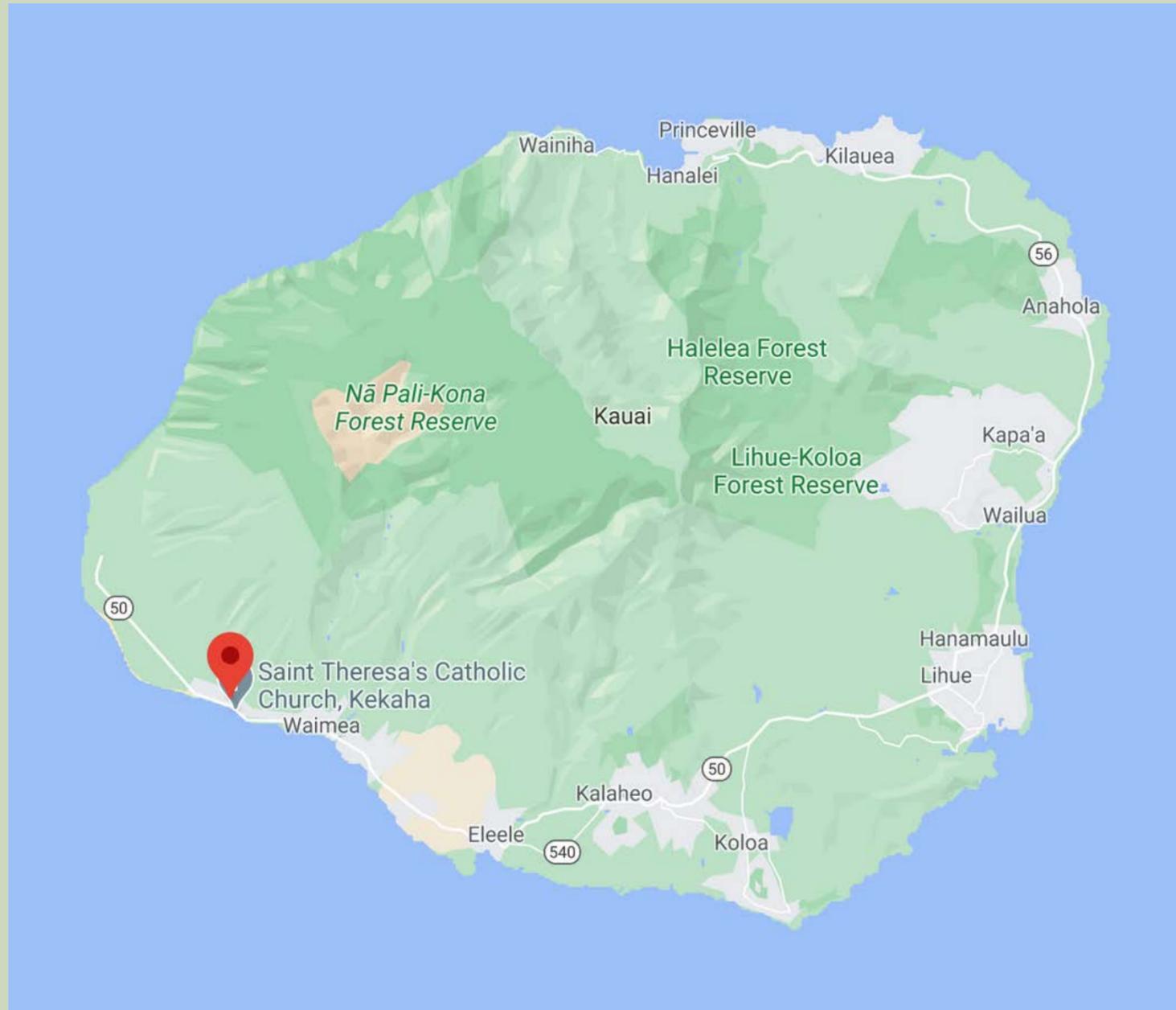
Mokuleia

Total Acreage: 148
Tillable Acreage: 18
Current acreage occupied: 18
Percent Occupied: 100%



Kekaha

Total Acreage: 12,592
Tillable Acreage: 7,511
Current acreage occupied: 3,990
Percent Occupancy: 53%



Kekaha Crops



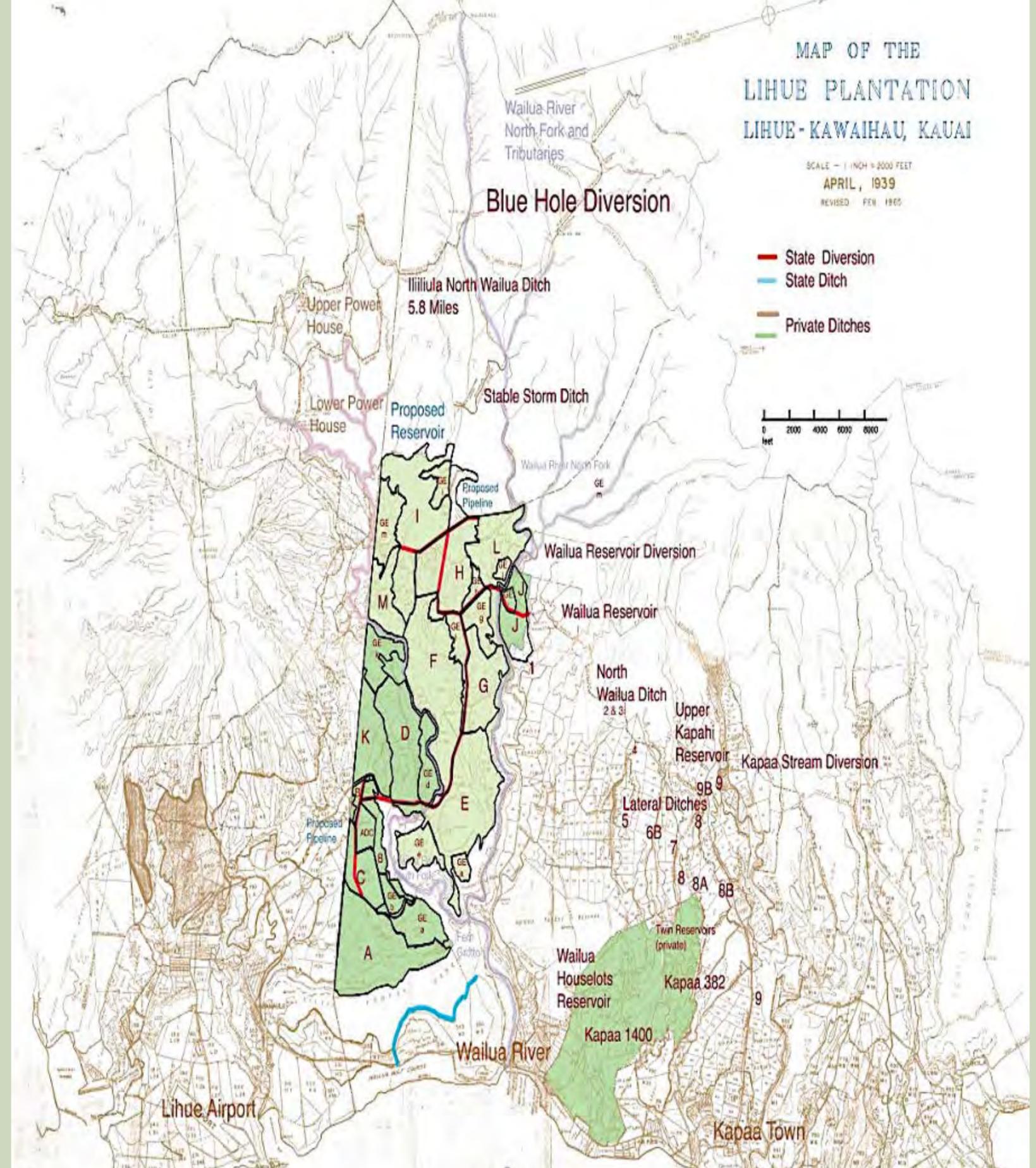
Kalepa

Total Acreage: 5,946

Tillable Acreage: 4,306

Current Acreage Occupied: 4,045

Percent Occupancy: 94%



Kalepa Crops

Dedicated lands for
diversified ag, 300
acres of new farms



Non-Food Crops

- Christmas tree farm (Helemano Farms) near Whitmore Village
- Provides seasonal jobs to community
- 5,000 raised trees sold out by first week of December 2020



Waiahole Water System

- The Waiahole Water Systems currently manages and provides water to approximately 5,866 acres in the central plain that are in agricultural use.
- The system is 27 miles long.
- The system is of critical importance not only because of the impact on the production of crops but also because of the economic impact on the community.



CIP Land Acquisitions

Funds Received: \$114,052,000
Funds Expended: \$81,737,925

Acres Acquired:

- Gross: 3,752.24
- Useable: 3,161.41

Cost Per Acre: \$21,783.78

CIP Land Acquisitions

Year	Act No.	CIP	Description	Appropriation	Expenditures	Gross Acres	Usable Acres	TMK(s)
2010	180	GALBRAITH ESTATE, OAHU	LAND ACQUISITION	\$ 13,000,000.00	\$ 13,000,000.00	1250	1217	Various
2012	106	STATE PACKING AND PROCESSING FACILITY, OAHU	PLANS, LAND ACQUISITION, DESIGN AND CONSTRUCTION TO PURCHASE 24 ACRES AND FOR INFRASTRUCTURE IMPROVEMENTS FOR AN AGRICULTURAL PACKING AND PROCESSING FACILITY ON TMK 7-1-02-09.	\$ 3,600,000.00	\$ 3,388,208.52	24	24	7-1-002-009
2013	134	AGRICULTURAL LAND, OAHU	AND ACQUISITION OF AGRICULTURAL LANDS ON OAHU: TMKS 7-1-02-04, 7-1-02-23, 7-4-012-016, 6-5-02-05, 6-5-02-01, 7-1-02-34, 7-1-02-06	\$ 12,500,000.00	\$ 12,434,570.16	333.251	130.268	7-4-012-016 7-1-002-023 7-1-002-004 6-5-002-001
2015	119	AGRICULTURAL LAND, OAHU	PLANS, LAND ACQUISITION AND DESIGN FOR LAND ACQUISITION ON OAHU: TMK 7-1-02-32; 7-1-02-06; 7-1-02-34; 9-5-03-07; 6-5-02-11.	\$ 10,000,000.00	\$ 9,152,010.94	503.954	360.164	7-1-002-006 7-1-002-034 7-1-002-032 9-5-003-007
2016	124	AGRICULTURAL LAND, OAHU	PLANS, LAND ACQUISITION AND DESIGN FOR LAND ACQUISITION ON OAHU: TMKS 6-4-003-003; 6-5-002-011; 6-5-002-006; 6-5-002-008; 6-5-002-027; 6-5-002-028; 6-5-001-046.	\$ 31,500,000.00	\$ 22,390,546.35	856.31	730.311	6-4-003-016 6-5-001-046 6-5-002-011 6-5-002-006 6-5-002-008
2017	49	AGRICULTURAL LAND, OAHU	PLANS, LAND ACQUISITION, AND DESIGN FOR LAND ACQUISITION ON OAHU: TMK(S) 6-5-01-14; 6-5-01-44 (POR); 6-5-05-02 (POR); 6-4-04-08; 6-4-04-06.	\$ 23,752,000.00	\$ 20,852,179.48	782.723	697.671	6-5-005-009 6-4-004-006 6-4-004-008 6-5-001-044
2018	53	AGRICULTURAL LAND, OAHU	PLANS, ACQUISITION OF EASEMENTS FOR DEEP WELLS AND ACQUISITION OF LANDS ON OAHU: TMK 6-5-002-006; 6-5-002-008; 6-5-002-027; 6-5-002-028 IN KAMANANUI, OAHU, AND DESIGN FOR DEEP WELLS AND LAND ACQUISITIONS FOR CULTIVATION AND IRRIGATION OF GALBRAITH, KAMANANUI, AND PAALAA UKA LANDS.	\$ 4,700,000.00	\$ -	0	0	Pending
2019	40	AGRICULTURAL LAND, OAHU	PLANS, LAND ACQUISITION, DESIGN, AND EQUIPMENT FOR ACQUISITION AND DEVELOPMENT OF LANDS ON OAHU: TMK 9-2-001: POR11.	\$ 15,000,000.00	\$ -	0	0	Pending

	Appropriations	Expenditures	Gross Acres	Usable Acres
Total:	\$ 114,052,000.00	\$ 81,737,925.35	3,752.24	3,161.41

Year	Act No.	CIP	Description	Appropriation	Expenditures	Gross Acres	Usable Acres
2013	134	AGRICULTURAL LAND, OAHU	REVENUE BOND FOR LAND ACQUISITION OF AGRICULTURAL LANDS ON OAHU.	\$ 175,000,000.00	\$ -	0	0
Total:				\$ 175,000,000.00	\$ -	0	0

Average Cost per Acre	\$	21,783.78
Projected sales revenue (GDP)	\$	3,161.41
	\$	11,500.00
	\$	36,356,261.00

Progress Made During Past Year

- We acknowledge there have been challenges, particularly at our Wahaiawa properties. This includes clearing the area of illegal activity and tilling the land and providing the necessary irrigational improvements.
- Now that we've taken those major steps this past year, we can move forward with our goal of 100 percent occupancy of the land.



Clean Up at ADC Wahiawa Site



The removal of over 150 abandoned vehicles since last summer by a private towing company to eventually clear the area for agricultural use.

Security

Hiring of a new security firm, with increased patrols of our properties, particularly at night, to discourage illegal activity and theft/vandalism of our water infrastructure and crops.



Repairs to Former Del Monte Well (Bott Well)

Water for irrigation was previously an issue, but has since been rectified. Repairs were made to the former Del Monte Foods Co. well (Bott Well) that provides much-needed water to the ADC property and tenants.





Two new reservoirs recently completed

Two reservoirs -- 10 million and 3 million gallons in size -- are currently being filled with water to assist with farmers' irrigational needs.



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Two reservoirs -- 10 million and 3 million gallons in size -- are currently being filled with water to assist with farmers' irrigational needs.

Next steps

ADC's pivot to fill vacant lands, potential economic impact of putting the land in production



Next Steps: Wahiawa, Oahu

- With the recent progress made at our Wahiawa properties, ADC is set to begin soliciting applications in Spring 2021 for its remaining 1,200 acres in the Central Oahu area.
- An official announcement will be made in Spring 2021 to interested farmers and the general public.

- Once applications are submitted, our ADC Board of Directors will then determine which applicants qualify as part of the selection process. Once the finalists are selected, we will begin negotiating terms of leases with the prospective tenants and announce new signees later this year.
- Develop and implement a crop rotation framework that includes both livestock and crops (1 to 3 years).
- Develop facilities and infrastructure to accommodate agriculture activities (harvesting, packing, processing and distribution) (5 to 7 years).



Next Steps: Wahiawa, Oahu

- Incorporate R-1 water from the Wahiawa Wastewater Treatment Plant into the agriculture system (5 to 10 years).
- Expand system capacity by acquiring and incorporating 3 existing wells (1 to 3 years).
- Develop additional reservoirs to accumulate surface water and incorporate into the agriculture system (2 to 5 years).
- Develop and implement a crop rotation framework that includes both livestock and crops (1 to 3 years).
- Develop facilities and infrastructure to accommodate agriculture activities (harvesting, packing, processing and distribution) (5 to 7 years).

Next Steps: Waiahole Water System

- Implement the Central Oahu Watershed Management Plan (5 to 7 years).
- Rehabilitate the existing Waiahole Water System which includes constructing a reservoir, back-up well development, enclosing high-risk sections, and improving data gathering (1 to 5 years).



Next Steps: Kalepa, Kauai

- Convert 500 acres to productive diversified agriculture status (1 to 3 years).
- Selected parcels will be targeted for land preparation including tree clearing and amending the conditions of the soil.
- Implement a crop rotation program (1 to 3 years). Develop a crop rotation framework that includes both livestock and field crops.



Next Steps: Kekaha, Kauai



- Convert 1,000 acres to productive diversified agriculture status (1 to 3 years).
- Selected parcels will be targeted for land preparation including tree clearing and amending the conditions of the soil.



ADC Projects

- Freckle free and Virus Resistant Solo Papaya
- Waiahole Water System Improvements
- Wahiawa Recycled Water Irrigation System
- Zero Waste Conversion Project
- Agricultural Infrastructure Improvement Project

Challenges

- COVID pandemic
- Lack of funding
- Climate Change
- Food Safety
- Competing Ag Interests



Mahalo!

