

DAIRY

Appendix B Part 3



Meadow Gold Dairies



January 9, 2008

Ms. Jeri Kahana
Program Manager
Commodities Branch
Hawaii State Department of Agriculture
1428 S. King Street
Honolulu, Hawaii 96814

Re: Processor Comments, HCR 170, SD1

Dear Ms. Kahana:

Thank you for the opportunity to comment on how Hawaii's agricultural industry in general, and specifically the dairy industry, can become more sustainable and thriving.

The Legislature has acknowledged the importance of agriculture in Hawaii, and has supported policies to protect important agriculture lands and funding for water infrastructure and systems. However, farmer access to IAL and water systems is only part of the equation toward a sustainable agriculture industry in Hawaii.

The best way to ensure that IAL and water systems remain dedicated to agriculture is to ensure commercial success of farmers. This assurance can be done through the development of an agriculture marketing entity, perhaps through ADC, that would primarily market Hawaii fresh produce and meats to state institutions (DOE, Public Safety, Hawaii Health Systems Corporation, etc). As a secondary market, the entity would also market to local outlets that want to support a sustainable agricultural industry.

In addition, the Seal of Quality program can be marketed more aggressively to residents who want to support a sustainable agriculture industry. The Hawaii Marketing Alliance, of which I am Chairman, initially developed the Seal of Quality brand and is comprised of agriculture leader-experts in brand building. The proposed marketing entity (ADC) could sub-contract with the HMA to accomplish that.

In terms of the dairy industry, it should be noted that Oahu producer pricing is already based on mainland pricing. It is suggested that Big Island producers structure their minimum prices similar to the Oahu producers but with actual freight and hauling costs instead of the flat \$12.20 cwt. for freight and hauling that the Oahu producers arbitrarily set.

Please contact me at 944-5911 if I can be of further assistance.

Sincerely,

Glenn K. Muranaka
President and General Manager