

**REPORT TO THE TWENTY-EIGHTH LEGISLATURE
2016 REGULAR SESSION
STATE OF HAWAII**

**DEPARTMENT OF AGRICULTURE ANNUAL REPORT
PURSUANT TO ACT 100, SLH 1999**

PREPARED BY:

HAWAII DEPARTMENT OF AGRICULTURE

DECEMBER 2015

ACT 100, SLH 1999
Department Overview
Fiscal Year 2016 Update

Mission Statement

To further expand the role of Hawaii's agricultural industry to benefit the well-being of our island society by diversifying the economy, protecting resources important for agricultural production, and gaining greater self-sufficiency in food and renewable energy production.

Department Goals

To conserve and develop essential agricultural resources and infrastructure; to gain access to and develop local, domestic, and international markets for Hawaii's agricultural products; to conserve and protect suitable agricultural lands and water; to promote Hawaii's food self-sufficiency; to raise awareness of the importance of agriculture to the State's economy, environment, and as a profession; to implement programs to safeguard Hawaii's farmers, consumers, and natural resources; to prevent the introduction and establishment of plants, animals and diseases that are detrimental to Hawaii's agriculture and environment.

Significant Measures of Effectiveness

- Total Farm Value of agriculture in Hawaii (In thousands of dollars).

<u>FY 2015</u>	<u>FY 2016</u>
750,000	767,000

Major Functions

- Carries out programs to conserve, develop, and utilize the agricultural resources and infrastructure of the State and facilitates the transition of plantation agriculture to diversified farming.
- Enforces laws, and formulates and enforces rules and regulations to manage these resources.
- Promotes agriculture and provides opportunities to access new markets.
- Reviews, develops, and implements agricultural goals and objectives to expand and diversify Hawaii's agriculture.
- Prevents the introduction of plant pests and diseases, provides certification services to facilitate the export of certain plant materials, and controls and eradicates insects and noxious weeds and controls the distribution and usage of pesticides.
- Administers the aquaculture development, state animal health, and agricultural and aquacultural loan programs.
- Maintains official State primary measurement standards; ensures accuracy of commercial measuring devices.
- Establishes and enforces grade standards for agricultural commodities producers in the State in cooperation with the industry, and administers the State's Milk Control Act.
- Collects and disseminates statistical data on agricultural production and markets, and supports funding for research on various agricultural commodities.

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- Division/Branch: Administrative Services Office
- Purpose: To enhance the effectiveness and efficiency of the department by providing staff support services, other administrative services, and responding to the needs of the public.
- Goal 1: To minimize energy, fuel and water consumption and implement resource-efficient operations and management measures.
- Objective: Implement the department's Energy Action Plan, subject to the availability of funding. Completion date: Ongoing.
1. Initiate lighting, window tinting, retro-commissioning, alternative energy, and other energy efficiency CIP projects.
 2. Work with employees to practice energy and water conservation measures, and monitor usage/savings.
- Goal 2: To provide a safe and healthy working environment for employees by ensuring that the department's facilities are in compliance with local, state and federal requirements.
- Objective: To address the repair and maintenance and improvement needs of the department's facilities. Completion date: Ongoing.
1. Establish a priority listing of capital improvement work for the various department facilities utilizing approximately \$500,000 in general obligation bond funds appropriated in FY14 and \$500,000 in FY15.
 2. Initiate various capital improvement projects with assistance of the DAGS Public Works and Central Services Divisions.
 3. Prepare budget requests for additional capital improvement work as additional work is identified.
- Objective: To provide a safe working environment for department employees by complying with Occupational Safety and Health Administration (OSHA) requirements. Completion date: Ongoing.
1. Establish a safety committee comprised of employees from various divisions.
 2. Develop a department-wide safety plan.

3. Install signage to properly mark exit routes, hazardous materials and locations of fire extinguishers.
4. Initiate necessary repair and maintenance work or capital improvement projects to correct facility deficiencies.
5. Install burglar alarm systems in facilities where necessary, based on risk assessment, and as funding allows. Create alarm procedures to deal with intrusion alerts.

Goal 3: To provide reasonable and meaningful access to limited English proficient individuals or organizations accessing, participating or benefiting from services, programs and activities by the department.

Objective: To meet the requirements of Act 290, SLH 2006, codified into Part II of Chapter 371, HRS, and Presidential Order 13166. Completion date: Ongoing.

1. Continually update the listing of departmental employees who are skilled in a non-English language and are willing to volunteer to provide interpreter services.
2. Compile and disseminate listing of interpreters/translators and their costs for program personnel to use in providing services to their LEP customers.

Goal 4: Improve procedures and processes for maximum efficiency.

Objective: To streamline processes to maintain essential staff support services provided to the department programs. Completion date: Ongoing

1. Review fiscal processes, revise processes and procedures as needed to increase efficiencies and reduce redundancy.
2. Review all administrative services functions including copy/fax machine operations, telecom coordination, janitorial and grounds keeping contract administration, vehicle fuel and repair invoice processing, etc., to increase efficiencies.

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Division/Branch: Agribusiness Development Corporation

Purpose: To facilitate and coordinate the development and expansion of Hawaii's agricultural industry by directly participating in the shift from plantation-

based production and infrastructure to a multi-farm/multi-crop industry.

Goal 1:

Transition former plantation land and water systems for diversified agriculture.

Objective: Operate and maintain the Waiahole Water System and improve its operational efficiency.

1. Continue to provide accurate and reliable monthly flow data and usage information to the Commission on Water Resource Management (CWRM) in accordance to the ground water use permit; provide project updates to the CWRM upon request.
2. On-going efforts to monitor ditch flow and pinpoint potential areas of excessive system loss; perform necessary repairs or implement corrective actions.
3. On-going efforts to patch and repair broken ditch lining in selected sections of the water system.
4. On-going efforts to operate, maintain, or perform minor repairs on Reservoir 155 and Reservoir 225 in accordance with dam safety standards.
5. Continue to work with the Agricultural Resource Management Division of the Hawaii Department of Agriculture (HDOA) and the U.S. Army Corp. of Engineers on a project to line reservoir 155 and correct related dam safety issues; projected to be completed by June 2016. Funding was available for only Reservoir 155.
6. On-going efforts to manage aquatic weed growth in the open ditches, expanding the use of non-chemical methods by blocking complete sunlight from shining into the ditches.

Objective: Manage, operate and maintain the Kekaha agricultural land and infrastructure set aside to ADC for diversified agricultural activities.

1. On-going efforts to manage the land and infrastructure in conjunction with the tenants and the Kekaha Agriculture Association (KAA).
2. On-going efforts to evaluate and issue land licenses and sub-licenses to qualified applicants on fallow lands on a case-by-case basis.
3. On-going efforts to coordinate with the KAA, the Navy, and the Kauai county civil defense office on flooding mitigation efforts during severe weather conditions.
4. As a contractor of the Navy, continue to direct all work pertaining to the operation and maintenance of the pump stations, drainage canals, and the National Pollutants Discharge Elimination System (NPDES) permit, at the Pacific Missile Range Facility. The work includes sub-contracting

of work and coordinating activities among contractors, the KAA, and the U.S. Navy. A current contract extends ADC's involvement to September 2018.

5. Continue to work with the HDOA on required dams and reservoir improvements (Kitano and Mana reservoirs) in accordance with dam safety standards. Funding was released for design and planning.
6. In conjunction with the Hawaii Department of Health (HDOH) and the KAA, implementing a remedial action work plan to mitigate arsenic and dioxin soil pollution on the back-up generator site.
7. In conjunction with the HDOA and the KAA, refurbish and install three back-up generators by July 2014.
8. On-going discussions with Waiaka Hog Farmers to negotiate revocable permits or licenses with hog farmers. On-going efforts to work with Kauai Island Utility Cooperative (KIUC) on their proposed hydroelectric power at the Wailua Reservoir, which may involve installing piping and penstock onto the ADC land.

Objective: Manage, operate and maintain the 6,200 acres of agricultural lands and infrastructure in Kalepa, Kauai set aside to ADC for diversified agricultural activities.

1. Continue to work with Kalepa Coalition, ranchers, farmers, water users and Green Energy Team LLC on the various issues relating to the transition of the land to diversified agriculture.
2. The conversion of revocable permits to long-term licenses has been completed for about half of the current tenants and is expected to be completed by February 2015.
3. On-going efforts to work with the County of Kauai on a proposed landfill to be located in this area.
4. Work with DLNR Dam Safety and ARMD to mitigate reservoir issues at Upper A`ohoaka.

Objective: Set aside of the various irrigation water source tunnels in the Kau District (Hawaii) from the DLNR to ADC.

1. Surveys of selected water source tunnels have been completed and Kau Water User Cooperative can now work with DLNR to discuss easement/right of ways to provide water to their lands.

Objective: Support the preservation of agricultural land through participation with county, state and federal funding programs.

1. U.S.D.A. –N.R.C.S. Farm and Ranchland Protection Program: Conduct annual inspection of the agricultural conservation easement on the Hawaii Agriculture Research Center property in Kunia, Oahu. (The Grant of Easement was recorded by the Bureau of Conveyances on October 2, 2009).

Objective: Develop recently acquired Galbraith Agricultural Lands for diversified agricultural use. (The sale of 1,207 acres of Galbraith Estate lands from Trust for Public Lands to ADC closed on December 10, 2012).

1. Land clearing and preparation work of approximately 200 acres for small-sized farms (5 to 10-acre parcels).
2. Improvement and maintenance of Bott Well pump and development of irrigation system for the farmers
3. Design, plan and perform environmental assessment for a 3 million gallon (MG) and 10 MG reservoir to provide irrigation water for Galbraith and adjacent Wahiawa lands.

Goal 2: Develop facilities and provide support as necessary for successful diversified agriculture.

Objective: Refurbish and restore abandoned processing or warehouse facilities for use by diversified agriculture.

1. Perform a master plan for the ADC's recently acquired 24-acres processing facility in Whitmore Village, TMK 7-1-002-009:0000.

Goal 3: Provide solutions to certain bottleneck issues facing the agriculture industry.

Objective: Development and implementation of cost-effective pollution prevention technology for Hawaii's livestock and other small family farm operations.

1. Hog Farming: Assist with cost sharing to implement a recent USDA-approved Inoculated Dry Litter System for managing waste.

Objective: Enhance papaya industry by introducing new varieties of papaya.

1. Contract with USDA Agricultural Research Center to research and develop freckle-free papaya.

Objective: Convert food waste to biofuel, animal feed and/or plant fertilizer.

1. Development and implementation of a zero waste facility. Purchased initial critical equipment to install at a proposed new zero waste facility in Hilo, with plans to purchase more equipment before June 2015. A

location for the zero waste facility in Keaau, Hawaii Island has been selected and negotiations for purchase are scheduled to begin January 2015.

2. Investigate and evaluate use of a thermophilic bio-digester to convert food waste to feed and fertilizer.

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Division/Branch: Agricultural Development Division

Purpose: The Agricultural Development Division promotes the economic viability of commercial agriculture in Hawaii by sponsoring joint-marketing programs for agricultural products with high-revenue growth potential, facilitating the development and expansion of marketing opportunities for targeted agricultural and processed products, and providing timely, accurate and useful statistics.

Agricultural Development Division/Market Development Branch

Goal 1: Seek alternate non-state funds (federal and private grants) to offset state general funds for HDOA agricultural marketing, research and development efforts.

Objective: Coordinate the search, proposal development, submission and administration of federal and private funding opportunities with assistance from external partners.

1. Continue to train staff to administer grants awarded and to be familiar with the state procurement system and administrative rules.
2. Continue to engage in networking activities to seek grant funding sources and partners.

Goal 2: Provide equitable, efficient, effective and accountable administration of contracted programs, including the Sponsorship and Product Promotion (SPP), the Agricultural Management Assistance Organic Certification Cost Share Program (AMAOC CSP), Specialty Crop Block Grant Program (SCBGP), Federal-State Marketing Improvement Program (FSMIP) and the State Trade and Export Program (STEP).

Objective: Maintain a systematic and fair procedure to provide notice, selection, disbursement and monitoring of various grant programs, as funding allows.

1. Maintain a work plan for each program with project duration, identified tasks, and timeline to illustrate the process.
2. Maintain a database system, etc. to monitor the various grant programs to ensure that reporting and invoicing requirements are submitted in a timely manner.
3. Maintain two trained staff members to administer the contracted programs. Both members will serve as liaisons to the AG's Office, the State Procurement Office, and the Department's Fiscal Office.

Objective: Provide relevant reports, analyses and other pertinent information upon request to document progress and proper execution of the various programs.

1. Prepare summarized progress reports upon request to support grantor, legislative and departmental inquiries.
2. Final reports due upon completion of the programs' established requirements.
3. Engage sub awardees in the reporting process with regular communications regarding preferred format for progress and final reports.

Market Development Branch

Goal 1: Utilize state, federal and allotted funds from the Agriculture Development and Food Security Program to increase food security and food self-sufficiency for Hawaii.

Objective: To support the objectives of the Market Expansion portion of the Agriculture Development and Food Security Program that includes 1) Stabilize Existing Markets; 2) Develop New Export Markets; 3) Farm to School; 4) Increase Local Share of the Market; 5) Import Replacement; and 6) Export Certification.

1. Stabilize Existing Markets
 - a. Engage with commodity organizations/associations to stay current and conduct outreach
 - b. Offer programs and activities to help organizations/associations meet the goals they deem important to their members.
 - c. Work with other public and private agencies to determine metrics to gauge market conditions.
 - d. Administer projects awarded to taro, tropical fruits, vegetables, tea, breadfruit, cacao, basil, floriculture, papayas and 'awa.
2. Develop New Export Markets

- a. Plan trade mission to Australia and the ASEAN region for Hawaii companies to seek opportunities for Hawaii products in a market that has increased air routes to/from the state.
 - b. Serve as Project Managers for WUSATA Legacy Trade Shows to become familiar with signature regional agriculture events such as ANUGA (Cologne), SIAL China (Shanghai) to seek opportunities for Hawaii companies and products.
 - c. Monitor progress of deregulation of papayas into China.
 - d. Develop activities for markets that align with new nonstop air service with the intent to introduce products for export.
 - e. Manage Hawaii booths at three trade shows in Japan to continue to increase exports to Hawaii's top agricultural export market.
3. Farm To School
- a. Work with Hawaii Farm to School and School Garden Network to collaborate on farm to school and agriculture education.
 - b. Develop creative activities to support food security and food self-sufficiency at the private and public schools.
4. Increase local share of the Market
- a. Promote "Buy Local, It Matters" campaign with action to "EAT LOCAL" through retail, print, radio and TV channels.
 - b. Collaborate with industry and public and private stakeholders to support the development of a facility that adds value to agricultural products that includes production, processing and sales with the intent of introducing a new revenue source for local producers.
5. Import Replacement
- a. Create programs and activities targeting consumers to shift to local production – such as soliciting proposals for "local plate lunch" development – with the goal of shifting to purchasing and consuming local proteins, starches, fruits and vegetables.
 - b. Work with CTAHR and other agriculture organizations to promote commodities that can be grown in the tropic zone – and provide the tools to move to commercial production.
6. Export Certification
- a. Conduct training/informational sessions on Kosher and Halal Certification in preparation for visitors whose faith and traditions require special food preparations.
 - b. Conduct training/informational sessions with USDA, Department of Commerce and State agencies presenting guidelines and taking part in Q & A with Hawaii agricultural producers

Goal 2:

Promote, develop and expand market opportunities for Hawaii agricultural and value-added producers in local, domestic and international markets with targeted sales of \$1 million in fiscal year 2016 by aligning the Branch's

activities with the needs of the various components of the state agricultural industry.

Objective: Identify potential markets for local agricultural products.

1. Conduct market research using the following channels to classify potential markets.
 - a. Hawaii agricultural statistics.
 - b. Trade Publications (print/online).
 - c. Internet - to monitor local, national and international trends.
 - d. Local associations – initiate and maintain close contact with local trade groups to understand where the local markets are moving.
 - e. Trade Shows –attend trade shows to assess their potential for Hawaii company attendance and to conduct market research.
 - f. Monitor additional airline service into the state to assess new routes for potential as a new market for Hawaii agricultural products.
 - g. Use social media as a reference tool, mining for feedback, comments to uncover trends and gauge public opinion regarding agriculture.
2. Summarize and prioritize potential markets and products by developing a rating system that accounts for local production, expansion barriers, and growth potential.
3. Recommend two to four agricultural markets for priority joint marketing initiatives.
4. Update and monitor list on an annual basis.

Objective: Identify agricultural industries (or groups) with high revenue growth potential. *(New concept to base agricultural industries identification on industry life cycle, e.g. if an industry is mature, we don't need to assist whereas a group that is in the growth phase may need assistance).*

1. Initiate and maintain contact with industry associations, informal groups and industry leaders.
2. Assess each group's organizational life cycle phase (birth/growth/maturity/decline/renewal).
3. Summarize and prioritize potential agricultural industries by developing a rating system that accounts for an appropriate action for each life cycle phase and recommend branch action.
4. Integrate target market priority list from previous objective to match possible markets to agricultural industries with potential.
5. Recommend two to four agricultural industries (or groups) for action and gauge success based on progression to next phase of life cycle.

6. The procedure will be repeated annually for the next five years.
7. Seek new agricultural products with export potential created by the post-treatment option of irradiation expected to be operational in 2013 and collaborate on promotional activities in targeted markets.

Objective: Based on market intelligence, market research and industry feedback, conduct sales generating activities in selected target or niche markets with the highest demand for selected agricultural products and value-added processed products in local, domestic and international markets.

1. Coordinate or participate with producers in at least two local trade shows, consumer fairs, sales promotions with retailers or other events. These may include the Lodging, Hospitality, and Food Service Expo, the Made in Hawaii Festival, and the County Farm Fairs, Hawaii Coffee Association Conference, Kau Coffee Fest, and the Landscape Industry Council of Hawaii, among others.
2. Coordinate or participate with producers in at least two Mainland trade shows and retail store promotions. These may include the Produce Marketing Association Fresh Summit; the Specialty Coffee Association of America Trade Show; the Winter Fancy Food Show; and the Natural Products Expo West. Provide option to facilitate freight consolidation to lower trade show material freight costs and improve logistic control.
3. Coordinate or participate with producers in at least four foreign trade activities (including trade missions and reverse trade missions) to and from selected markets. These may include The International Food Ingredients and Additives Exhibition and Conference [IFEA] (Japan), The World Food and Beverage Great Expo 2016 [FABEX] (Japan), Tokyo Café Show and Conference [CAFÉ] (Japan), SIAL China (Shanghai), ANUGA (Cologne, Germany), and Fancy Food Australia. Provide possible options to facilitate freight consolidation to lower trade show material freight costs and improve logistics control or assist with in-country costs.
4. Maintain or develop options for the Hawaii agricultural producers' database on MDB's website to facilitate sales arising from trade leads and inquiries.
5. Performance measures for activities stated above will include the number of trade leads generated per event, number of new companies participating, expected annual sales generated after the event, floor sales executed at the event, and sales generated six months after the event, return-on-investment (ROI) on the event, and number of website hits over time.
6. Reporting requirements for each event are a preliminary report after 60 days of the event and a final report after 240 days of the event. Farmer's market reporting will be in conjunction with the organization

managing the market and will include gross sales, number of vendors and public attendance.

7. When possible, recruit bi-lingual, tri-lingual staff to facilitate marketing Hawaii agricultural products to global consumers.

Objective: Offer a Sponsorship and Product Promotion request for proposal (SPP) process to attract a larger pool of applicants and to ensure greater effectiveness, transparency and accountability.

1. Consider proposals from targeted agriculture trade associations with clear goals, feasible objectives, well-defined deliverables and measurable performances – focusing on those companies in the mature life cycle phase.
2. Meet with potential participants to keep them updated on program changes and to conduct outreach activities on an ongoing basis. The outreach target for fiscal year 2016 is 10 trade associations or community groups.
3. Request that proposals include “Buy Local, It Matters” campaign and “EAT LOCAL” message to support Goal 1 to move Hawaii toward food security and food self-sufficiency.

Goal 3: Facilitate development and expansion of marketing opportunities for select agricultural and processed products as a “tie-in” with the tourism industry.

Objective: Facilitate development of ag-tourism as a complementary activity to farming.

1. Maintain partnership in ag-tourism and encourage the continuing participation of Hawaii’s culinary chefs as liaisons between the agricultural and tourism industries via our website, media initiatives and ag-related special events including festivals, fairs, trade shows and conferences.
2. Support growth of the statewide ag-tourism association (HATA) which continues to develop standards and legal framework for business operations. Topics for clarification will include zoning, public safety, signage, and ADA access.

Goal 4: Maintain marketing campaigns that educate the public about local agriculture producers and products and promote high-quality producers.

Objective: Maintain the Seals of Quality program to protect Hawaii’s brand cachet in local, domestic and international markets.

1. Maintain the functional marketing plan with defined marketing activities to promote awareness and increase sales of program products in local, domestic and international markets.
2. Maintain coordination with the Quality Assurance Division (QAD) to provide initial quality checks for potential participants and ongoing quality control of existing program members.
3. Recruit and maintain at least 60 participants statewide by June 30, 2016.
4. Maintain ongoing collaborations with the Quality Assurance Division (QAD), other government agencies (the HTA, DBEDT and the Governor's tourism liaison), and other non-government entities in developing and executing joint marketing activities for the Seals of Quality products in established tourism markets.

Objective: Support the Manufacturing Sector by identifying products that are manufactured, assembled, fabricated, or produced within the State and that have had at least fifty-one per cent of its wholesale value added by manufacture, assembly, fabrication, or production within the State via the "Made in Hawaii with Aloha" (MIHA) logo.

1. Administer the Limited License Agreement where the Licensee agrees to use the MIHA logo on products that comply with HRS 486-119.
2. Seek collaboration with agencies whose members would benefit from the program such as the Hawaii Food Manufacturers Association, Chamber of Commerce and DBEDT, among others.
3. Create activities to promote the MIHA logo.

Objective: Maintain select marketing programs with partners to emphasize the concept of buying local agricultural products.

1. Continue partnership effort on public education of Hawaii consumers as to what is produced in Hawaii and the importance of buying locally grown and locally produced products, which not only support our local farmers, but also supports businesses within our state.
2. Maintain participation in the buy local marketing campaign by Hawaii farmers.

1. Extend participation in the buy local concept with partners to local retailers to utilize point-of-purchase displays to educate consumers about buying local.
2. Increase purchase of promotional collaterals for wider distribution at schools, community events, supermarkets, to increase awareness of the “Buy Local, It Matters” call-to-action campaign.
5. Continue to support activities and groups where students are engaged in agriculture with the intent to continue in the industry. These groups could include the Hawaii FFA, 4H Program, School Garden Network, and others.
6. Continue to evaluate current marketing strategies, explore new marketing opportunities and develop performance measures.

Cooperative Agreement with USDA-NASS/MANB

Goal 1: Provide timely, accurate and useful statistics of Hawaii’s agriculture to support production, marketing, policy, and planning and research functions.

Objective: Provide basic agricultural statistics reports and other pertinent data to support relevant agricultural activities in the state. To retool the Hawaii Agricultural Statistics and Market Analysis and News Branches that have been reduced in staff for the last five years.

1. Collect, compile and publish crop and livestock reports in fiscal year 2016.
2. Seek support from NASS to continue surveys that were discontinued.
3. Meet scheduled release time and date of statistical reports pre-specified to data users 99 percent of the time.
4. Continue to fill vacant positions allowing for the gathering, organizing and publishing Hawaii-specific agricultural statistics.

Objective: Maintain relevancy and defensibility of generally accepted procedures in providing official estimates on agricultural statistics.

1. Conduct ongoing, systematic open reviews of survey methodology and estimation procedures.
2. Capture and evaluate data from alternate sources to verify or support survey results.
3. Systematically review each step of data collection, processing, and estimating to improve quality and timeliness.

Objective: Close gap between services provided to customers and their shifting expectations.

1. Explore new ways to provide dialogue with data users. Staff to attend at least five commodity group or industry association meetings.
2. Train staff in assisting customers to find the products or information they seek. Continuous staff training in fiscal year 2016.
3. Continue alternate data release procedures on an ongoing basis: – e.g. e-mail, websites, and compact disks.
4. Publish reports online as workload allows.

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Division/Branch: Agricultural Loan Division

Purpose: The objective of the State Agricultural Loan Division is to foster economic development in the state by stimulating, facilitating, and granting loans to farmers and aquaculturists.

Goal 1: To increase the overall number of loans and dollar amount loaned over time and to provide assistance to the farming and aquaculture communities.

Objectives: Approve 25-30 loans annually with a dollar amount of \$5,000,000 or as much as is available in State funds. The Division is experiencing strong demand for loans with higher loan amounts being requested. The Division will focus on making loans and continue its outreach efforts to inform prospective borrowers about the program.

1. Work with staff to ensure that loan applications are completed on a timely basis.
2. To monitor existing loan funds to ensure that loans are funded on a timely basis.
3. To close loans and disburse loan funds on a timely basis.
4. Increase program outreach efforts to farmer groups, agricultural classes, commercial lenders and any other interested groups.

Objective: The Division's objective is to expand and preserve the agricultural and aquacultural industries. The target includes the creation or preservation of 100 agricultural/aquacultural jobs, expand or preserve 250 acres of agricultural lands

annually and generate \$3,000,000 in annual farm income from new borrowers. The Division's focus will be to expand the agriculture industry to increase exports or reduce imports thereby helping the State's economy and increasing food self-sufficiency. Although the Division has creation or retention of jobs, agricultural acreage and annual income as targets these will not be factors in determining which loans will be funded or submitted for approval.

1. Retain/create agricultural jobs through direct loans or loans made in cooperation with commercial lenders.
2. Preserve or expand use of agricultural lands through direct loans or loans made in cooperation with other lenders.
3. Increase farm income through direct loans or loans made in cooperation with other lenders.
4. Conduct field visits to verify growth in acreage or increase in number of farm employees after the loan was disbursed.
5. Tabulate and monitor acreage and employment data collected from borrowers.

Goal 2: To operate the agricultural loan program in a self-sufficient manner and maintain a quality loan portfolio with a reasonable level of delinquencies while supporting the agriculture and aquaculture industries.

Objective: Step up collection efforts on delinquent accounts and increase monitoring of current accounts. Collection efforts are important to ensure funding for future loans and to pay for the Division's operations. The Division will continue monitoring of current accounts and work with the delinquent borrowers to ensure timely repayment of their loans. The program is a lender of last resort and collection efforts need to be balanced with the need to assist the industry.

1. The Division's goal is to keep delinquencies under 20% of the total loan volume.
2. Continued monitoring of available fund balances, delinquent accounts and the overall health of the portfolio and status of the agriculture and aquaculture industries.
3. To ensure adequate monitoring of the Division's accounts, a target of 750 servicing contacts with borrowers will be maintained.
4. Continued focus on development of individual repayment plans for delinquent borrowers to establish regular loan payments, ensuring close monitoring of the accounts and conducting periodic reviews of the borrower's performance and financial condition.

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Division/Branch: Agricultural Resource Management Division

Purpose: To develop and manage the State's agricultural resources by ensuring affordable and reliable irrigation water and infrastructure, productive farmland, and efficient and cost effective processing, livestock slaughter and agricultural research facilities.

Goal 1: Complete transition of the first round of Non-Agricultural Park leases from DLNR to DOA and begin additional reviews and transfer of lands as expeditiously as possible.

Objective: Have ARMD actively take over and manage the first round of unconditional leases from DLNR Land Division.

1. Work with DLNR, Land Division to complete Governor's Executive Orders for the first round of unconditionally accepted parcels.
2. Continue to work with Land Division to bring conditional leases into compliance or cancel the lease for breach and transfer to DOA for disposition.

Objective: Continue transition of second list parcels of Non-Agricultural Park leases from DLNR to DOA and continue research for additional lands.

1. Have BLNR and BOA approve complete second list for Non Agricultural Park program.
2. Work with DLNR, Land Division to complete Governor's Executive Orders for the second round of approved parcels.

Objective: Begin transition of third list parcels of Non-Agricultural Park leases from DLNR to DOA.

1. Meet with DLNR divisions to review third list parcels to exclude from transfer.
2. Complete inspection of final third list parcels.
3. Have BLNR and BOA approve complete third list for Non Agricultural Park program.
4. Work with DLNR, Land Division to begin Governor's Executive Orders for the third round of approved parcels.

- Goal 2: Continue the implementation of Capital Improvement Projects that improve the efficiencies of the irrigation systems.
- Objective: Increase overall efficiencies in the irrigation systems to ensure the maximum amount of water collected is available for distribution.
1. Secure adequate funding to continue the construction of the proposed improvements to the irrigation systems.
 2. Review day to day operations to identify opportunities to refocus maintenance activities to take advantage of system improvements.
 3. Connect with farmers to identify “joint” projects that allow the farmers to develop a sense of “joint ownership” for the systems.
- Goal 3: Complete master planning for the development of the Kunia Agricultural Park
- Objective: Solidify development strategies for Kunia Agricultural Park.
1. Identify easement requirements for utilities to the Ag Park.
 2. Continue discussions with adjacent developer to set time line to provide necessary utilities.
 3. Finalize layout of parcels.
 4. Finalize Environmental Impact Statement.

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- Division/Branch: Animal Industry/Animal Disease Control and Veterinary Laboratory
- Purpose: To protect livestock, poultry and public health by preventing the entry of animal diseases into the State, and diagnosing, monitoring, controlling and eradicating livestock and poultry diseases of economic and public health concern.
- Goal 1: Safeguard against the entry of Foreign Animal Diseases (FADs)
- Objective: Strengthen measures in place to mitigate and detect the occurrence of FADs in Hawaii.
1. Apply for USDA Animal Health Surveillance grants to fund activities for CY 2016.

2. In CY 2016 continue to provide enforcement activities to assist USDA in ensuring garbage feeding swine operations statewide are compliant with laws and rules that are in place to prevent the introduction of FADs.
3. Continue to obtain poultry and other birds to collect samples for avian influenza virus testing.
4. Diligently investigate disease states in animals to rule-out foreign animal diseases.

Goal 2: Update plans to control and contain bovine tuberculosis (BTB) on Molokai.

Objective: Contain bovine tuberculosis in feral swine to the East End of Molokai.

1. Seek additional USDA cooperative agreement funding in 2015 and 2016 to continue surveillance, control and eradication activities on the East End of Molokai where bovine tuberculosis remains endemic in the feral swine population threatening spill over into cattle herds in that area.
2. Continue annual testing of all cattle and goat herds on the East End of Molokai.
3. Continue the enforcement of Quarantine Order 87-A which prohibits the movement of feral swine and axis deer west of Kamalo, Molokai to prevent the spread of bovine tuberculosis from the East End of Molokai to other areas of Molokai and the State.
4. Participate with USDA, Veterinary Services and Wildlife Services in conducting studies to determine the efficacy and feasibility of vaccinating feral swine with an oral bovine tuberculosis vaccine.

Goal 3: Update the Lists of diseases and biological agents reportable to the Division

Objective: Ensure that notifiable diseases diagnosed in Hawaii are reported promptly to the Division and add aquaculture relevant disease to the reportable lists.

1. Amend chapter 4-22, HAR, "Reporting of Animal Diseases" by November 2016.
2. Engage Hawaii's veterinary professional community to maintain vigilance in monitoring for occurrence of reportable diseases in animals.

Goal 4: Amend animal disease control administrative rules to strengthen disease control prevention and control measures.

Objective: Update and strengthen animal disease control Administrative Rules.

1. Revise Trichomoniasis rules to prevent the introduction and spread, control outbreaks and eradicate infections from cattle herds.
2. Revise Scrapie rules to prevent its introduction, conduct surveillance and to maintain the State's consistent status in the National Scrapie program.
3. Strengthen garbage feeding regulations to strengthen the State's ability to prevent the introduction of FADs.

Goal 5: Continue development of animal disease traceability processes used during an animal disease outbreak to reduce the magnitude of associated adverse economic impacts.

Objective: Utilize Federal cooperative agreement funds to enhance intrastate animal disease traceability by encouraging premises registration and mitigating bottlenecks in animal disease investigations.

1. Seek funding from the USDA-Veterinary Services for equipment to facilitate animal disease investigations in CY 2016.
2. Continue animal disease traceability activities through CY 2016.
3. Update technical equipment that support electronic identification in production animal species such as cattle, hogs, and small ruminants in CY 2016.

Goal 6: Improve laboratory support for animal disease surveillance and control programs to mitigate potential negative economic impacts on animal industry and public health.

Objective: Ensure timely laboratory testing in support of the Division and livestock, poultry and aquaculture industries.

1. Cross-train laboratory personnel to ensure that timely and high quality laboratory diagnostic support is maintained.
2. Implement new methodology and equipment for disease testing and diagnosis.
3. Apply for Federal cooperative agreement funds, if applicable, to support laboratory activities by March 2016.
4. Conduct surveillance testing for high impact disease agents that affect domestic animals by performing pathology examinations and collecting appropriate samples for laboratory testing.

Goal 7: Continue pseudorabies and swine brucellosis surveillance and control measures agreed upon with USDA.

Objective: Control the spread of pseudorabies and swine brucellosis from infected feral swine to domestic swine herds.

1. Test 25% of domestic swine herds in the State annually.
2. In a four year period all domestic herds will be tested.
3. Herds designated as high risk because of previous exposure or potential exposure to feral swine will be tested annually.
4. Continue testing of all sows and boars over 6 months of age at slaughter.

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Division/Branch: Animal Industries / Aquaculture and Livestock Support Services

Purpose: To develop sustainable and profitable commercial aquaculture and livestock industries by encouraging a diversity of products, improving management practices and technologies, assisting with procurement of production related infrastructure and resources, and providing direct assistance with regulations, disease prevention, marketing and new business development.

Overall Industry Goal: Boost farm incomes for all livestock, which includes aquaculture, operations in Hawaii by:

- increasing the total number of livestock on large and small farms;
- improving the efficiency of livestock operations;
- developing new marketing locally and abroad;
- facilitating new production systems.

Industry Advocacy and Development

Goal 1: At the government level, increase the visibility of the aquaculture and livestock industries and their role in reaching Hawaii's sustainability goals.

- Objectives:
1. Act as the lead coordinator for statewide aquaculture and livestock program activities for County, State and Federal entities.
 2. Work closely with State and County lawmakers to develop and adopt pro-aquaculture and pro-livestock legislation.

Goal 2: Increase local and export awareness and demand for aquaculture and livestock products.

- Objectives:
1. Develop and implement an industry marketing program with a goal to educate consumers regarding aquaculture and livestock as sustainable food solutions. Web marketing will be developed with print channels utilized as the budget permits.
 2. Work with selected industry segments to develop generic promotional materials (e.g., photography and brochures).
 3. Establish an economic foundation for the livestock industry through the development of institutional food programs.
 4. Work with industry associations, university, local processors, the culinary industry, and the Market Development Branch to develop new products and local markets for those products including (high quality grass finished beef, fresh local pork, locally unique added value products and locally influenced high quality ready to cook meals for local and potential export markets.

Goal 3: Develop and implement aquaculture and livestock plans and policies by providing review and input into aquaculture governance propositions and representing the State at the Federal and international levels.

- Objectives:
1. Facilitate expansion of Federal/State sponsored offshore aquaculture development on species, systems, environmental impacts and economic benefits and potential leases as the Federal Offshore Aquaculture Policy is developed.
 2. Collaborate with national aquaculture organizations, such as the National Association of State Aquaculture Coordinators (NASAC) and the National Aquaculture Society (NAA), to provide feedback on developing aquaculture policies.
 3. Represent the Hawaii aquaculture industry at aquaculture conferences such as Aquaculture America.
 4. Represent the Hawaii livestock industries at national livestock development organizations such as the National Institute for Animal Agriculture (NIAA)

Goal 4: Develop resources and infrastructure to support local aquaculture and livestock production

- Objectives
1. Work with other departments and divisions to secure resources including leaseholds, water, processing facilities, etc. required to maintain and promote the local production of aquaculture and livestock.
 2. Work with Federal agencies and other divisions to secure CIP funds

for the development and redevelopment of infrastructure critical to the survival and expansion of the aquaculture and livestock industries.

3. Work with other divisions to amend rules to allow the aquaculture and livestock industries to obtain leases, water and other resources at rates which these industries can bear. Assist in developing financing options that would allow the industries to develop and operate competitively and in a long term sustainable manner.

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Division/Branch: Animal Industry, Rabies Quarantine Branch

Purpose: To protect animal and public health by reducing the likelihood that rabies will be introduced into the State and monitoring animal entries for alien pests that may carry human or animal diseases.

Goal 1: Improve, make easier and simplify the customer registration process while improving efficiency of program to register pet owners and collect fees.

Objective: Provide web based capability for owners to register, pay fees and check pet qualification by 2016.

1. Select vendor to design enhancements for interface by late 2015 if funds available.
2. Purchase hardware by early-2015 if funds available.
3. Vendor to install and validate enhancement by late 2016.

Goal 2: Continually apply new information on rabies virus and public policy to analyze the quarantine program and respond to needs of users and the general public.

Objective: Review rules and regulations on an ongoing basis to be consistent with new rabies scientific research findings and other anticipated initiatives.

1. Amend Rules with respect to emergency specialist veterinary treatment, consistency with ADA and clarifications in early 2015 (in progress).
2. Amend Rules with respect to program modifications late 2015 to early 2016.

Goal 3: Improve emergency response capabilities, including hurricanes.

Objective: Conduct structural modifications to catteries where feasible.

1. Implement additional mitigation strategies identified by structural study by mid-2016 (initial phase completed FY 2014.)

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Division/Branch: Plant Industry Division

Purpose: To protect Hawaii's agricultural industries, environment, and general public by preventing the introduction and establishment of harmful insects, diseases, illegal non-domestic animals, and other pests; to conduct effective plant pest control activities; to enhance agricultural productivity and agribusiness development by facilitating export shipments of agricultural and horticultural materials and products; to ensure the effective, efficient, and safe use of pesticides and to minimize their possible adverse effects to humans and the environment while considering the benefits of their use.

Goal 1: To protect Hawaii's agricultural industries, natural resources, and the public from the entry and establishment of harmful insects, diseases, illegal non-domestic animals, and other injurious pests.

Objective: To reduce the entry of invasive species by conducting inspections and other prevention activities at various ports-of-entry.

1. Stabilize the existing level of funding for Plant Quarantine inspectors and programs and aggressively seek additional federal funding support to address these needs. Completion Date: Ongoing.
2. Establish Biosecurity Inspection Facilities at airports and sea ports statewide for the inspection of agricultural products and other regulated commodities by appropriate Quarantine Programs (State Quarantine, USDA, APHIS, Plant Protection and Quarantine, and Homeland Security, Customs and Border Protection).
3. Increase collaboration and coordination between federal and state agencies, public-private partnerships in order to combine resources to mitigate increased pest pressure due to global trade.
4. Expand the existing nursery certification program by developing a compliance program for interisland movement of nursery stock and by entering into new compliance agreements with other states and/or

countries to reduce risk of pest movement between islands, states and foreign countries on nursery stock. Completion Date: On-going

5. Expand the electronic transporter manifest system and electronic importer manifest system in order to more efficiently schedule inspections and be able to prioritize and inspect high- and moderate- risk commodities.

Goal 2: To conduct effective plant pest control programs.

Objective: To contain, control and/or eradicate plant pests that enter the state by using chemical and mechanical means and/or biocontrol strategies to mitigate risks to agriculture and the natural resources of the state.

1. Prevent distribution of noxious weed seeds by examining seed shipments originating from foreign and domestic seed sources for exotic seeds, such as fireweed, field bindweed, and quack grass. Completion date: On-going.
2. Conduct statewide pest detection and monitoring to delineate infestations of regulated pests for control or eradication. Determine statewide distribution of noxious weeds (e.g., fireweed and fountain grass), plant diseases (e.g., banana bunchy top virus and papaya ringspot virus), insect pests (e.g., little fire ant) and coqui frogs. Utilize GIS technology to map results for use in planning and communication with decision makers. Completion date: On-going.
3. Increase invasive species monitoring, detection and diagnostic activities to detect, identify, delineate, and eradicate incipient infestations of invasive alien species, such as the red imported fire ant, Africanized honey bee, coconut rhinoceros beetle, and many other serious pests not yet found in Hawaii. Seek extension of present federal funding support and new funding to increase personnel, equipment, and supplies necessary to implement this action. Completion Date: On-going.
4. Seek federal and private sector funding to supplement operating funds to conduct foreign explorations to search for and introduce potential biocontrol agents of targeted weeds and plant pests, such as fountain grass, coffee berry borer, fire weed and little fire ant. Completion Date: On-going.
5. Make maximum use of personnel temporarily assigned to the Branch from Federal and other State agencies to assist with pest detection and biocontrol projects, respectively. Completion Date: On-going.
6. Develop an Insect Diagnostic Identification Network for Hawaii and the American Pacific with land grant universities and departments of agriculture in Hawaii, Guam, American Samoa, Commonwealth of the Northern Mariana Islands (CNMI), and Federal States of Micronesia (FSM) with funding from Research, Education and Extension Service (UH-CREES).

USDA via the University of Hawaii, Cooperative Completion Date: On-going.

7. Expand the recently established apiary program to assist Hawaii's queen bee rearing industry through certification, registration, education and development of pest management techniques appropriate to Hawaii conditions. The program also works with all beekeepers to ensure adequate pollination of locally grown crops, and assist and promote beekeeping in Hawaii through training and outreach on effective tropical beekeeping techniques and pest management. Completion Date: On-going.
8. Upgrade biocontrol facilities and/or investigate the potential for building new modernized facilities to increase the biocontrol program's capabilities to respond to new emerging and established pests.

Goal 3: To enhance agricultural productivity and agribusiness development by facilitating export shipments of agricultural and horticultural materials and products.

Objective: To provide opportunities for Hawaii's fresh fruits and vegetables and nursery products to reach new markets.

1. Support the establishment of new markets for Hawaii grown fresh agricultural products, including, initiatives to have post-harvest quarantine treatment facilities in Hawaii available for use by all growers wishing to move products to export markets currently restricted as a result of state and/or federal quarantine prohibitions; and collaborate with federal agencies to expedite the export of new products. Completion Date: Ongoing.

Goal 4: To minimize pesticide's possible adverse effects on humans and the environment.

Objective: To prevent injury from pesticides by reducing the number of highly toxic exposures requiring immediate medical care by 50% by the end of FY 2014.

1. Evaluate the effectiveness of pesticide poisoning prevention activities to reduce pesticide illnesses among children under 6 years old. Completion Date: On-going.
2. Conduct at least thirty (30) fumigation use inspections to assure the use of fumigants by commercial pest control operators in Hawaii meet all health and safety requirements and directions for use mandated by the U.S. Environmental Protection Agency. Completion Date: On-going, annually.
3. Conduct 40 inspections of agricultural employers to assure employers are in compliance with the USDA Worker Protection Standard. Emphasis will be placed on farms using restricted-use pesticides, farms with a past

enforcement action (either a warning notice or civil penalty), crops requiring worker entry soon after pesticides have been applied, such as cut flowers, pineapples, and seed corn. Completion Date: On-going.

4. Develop a pesticide case database to track compliance rate, repeat violators, and costs per enforcement action. Completion date: On-going.
5. Increase pesticide education outreach to applicators of pesticides to reduce the potential for pesticide misuse affecting human health and the environment.

Objective: To manage pesticides use to minimize environmental effects and maintain important pesticides uses. To have no increase in the number of drinking water sources having a pesticide residue level in excess of 10% of a regulatory limit.

1. Fund research to enable informed decision-making on pesticides potential to leach into the water supply. Completion Date: On-going.

Objective: To enhance the pesticide regulatory program through effective program management and data collection.

1. To achieve a 90% compliance rate with pesticide distribution and use requirements. Completion date: On-going.
2. To identify activity areas not achieving 90% compliance, identify reason for non-compliance and determine actions recommended to attain better compliance rates. Completion Date: On-going.
3. Maintain a data base of Restricted Use Pesticide (RUP) sales, to better inform the general public of RUP sold in the State of Hawaii.

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Division/Branch: Quality Assurance Division

Purpose: To ensure food safety and quality in agricultural products, measurement accuracy and fairness in the marketplace.

Goal 1: Stabilize workforce and improve efficiency within the Division.

Objective: Restore positions lost due to reduction-in-force. Anticipated completion date: June 2016

1. Create and fill additional positions to restore Division personnel count.

2. Rewrite job descriptions to provide statewide coverage.
3. Upgrade current computer program to enhance efficiency.
4. Develop training program for new inspectors

Goal 2: Improve focus on delivering quality assurance services.

Objective: Look after the interests of the consumers and businesses; assuring accuracy of measurement, packaging, labeling and pricing of commercial goods to prevent unfair practices. Completion date: On-going.

1. Provide technical assistance and traceability of measurement standards.
2. Conduct tests to determine accuracy of measuring devices and packaged goods; and compliance with labeling and pricing requirements.
3. Licensing of dealers and assure proof of ownership of agricultural commodities to deter agricultural theft.
4. Registration of measuring devices to ensure conformance with laws regulating measuring devices.
5. Conduct certification of agricultural commodities for genetic purity, quality condition and origin.
6. Conduct audits to assure producers are following good agricultural and good handling practices.