

**REPORT TO THE TWENTY-SEVENTH LEGISLATURE
2013 REGULAR SESSION**

DEPARTMENT OF AGRICULTURE ANNUAL REPORT

PURSUANT TO ACT 100, SLH 1999

Prepared by:

**Department of Agriculture
State of Hawaii**

January 2013

ACT 100, SLH 1999
Department Overview
Fiscal Year 2013 Update

Mission Statement

To re-establish agriculture as essential to the well-being of our island society by rejuvenating the economy, protecting important resources, and gaining greater self-sufficiency in food production and alternative energy development.

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 2012</u>	<u>FY 2013</u>
742,889	775,598

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.

ACT 100, SLH 1999
ACTION PLAN
Fiscal Year 2013 Update

- 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 \$750,000 in general obligation bond funds appropriated in FY12 and \$500,000 in FY 13.
 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 to maintain reasonable levels of Post RIF staff support services

Objective: To streamline processes to maintain essential staff support services provided to the department programs. Completion date: June 30, 2013

1. Re-distributing Fiscal duties among the remaining Fiscal staff and restored Fiscal positions.
2. Re-distribute neighbor-island administrative services functions including copy/fax machine operations, telecom coordination, janitorial and grounds keeping contract administration, vehicle fuel and repair invoice processing, etc., to the restored Secretary positions on the islands of Hawaii, Maui and Kauai.
3. Re-distribute all IT duties among the remaining Information Technology Specialist and the restored IT Specialist position.
4. Train all administrative staff on new assigned duties

ACT 100, SLH 1999
ACTION PLAN
Fiscal Year 2013 Update

- 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 2014. Funding was available for only Reservoir 155.
 6. On-going efforts to manage aquatic weed growth in the open ditches using 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 or revocable permits 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 2013.
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, negotiate a remedial action work plan to mitigate arsenic and dioxin soil pollution on the back-up generator site during the summer of 2013.
7. In conjunction with the HDOA and the KAA, refurbish and install three back-up generators by July 2013.
8. On-going discussions with Waiaka Hog Farmers to negotiate revocable permits or licenses with hog farmers.

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. Convert revocable permits to long-term licenses for current tenants, upon the evaluation of their Request for Lands applications and pending board approval by December 2012. The ADC plans to offer long-term licenses (20 years) beginning May 2013.
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`ahoaka and Field 21 reservoirs.

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

1. On-going efforts to work with DLNR on the easement/right of way to the various water source tunnels from DLNR to ADC.

Objective: Support the preservation of agriculture 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. Investigate the possibility of drawing water from the Wahiawa Irrigation System, to irrigate upper parcels of the Galbraith Agricultural Lands.
4. Negotiate long term licenses with farmers.

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

Objective: Evaluate alternative uses of the Kauai Tropical Fruit Disinfestation Facility.

1. On-going discussions with the University of Hawaii, Kauai Farmers Development Corporation and Kauai County.

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

1. Negotiate the terms and conditions of a purchase agreement with Castle & Cooke (owners) for processing facility in Whitmore

Village, TMK 7-1-002-009:0000 (24 acres).

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 animal feed and plant fertilizer.

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

ACT 100, SLH 1999
ACTION PLAN
Fiscal Year 2013 Update

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 diminished 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 matching marketing funds program (MMFP), the National Organic Certification Cost Share Program (NOCCSP) for processors and handlers, the Agricultural Management Assistance Organic Certification Cost Share Program (AMAOCCSP), Specialty Crop Block Grant Program (SCBGP), Federal-State Marketing Improvement Program (FSMIP), and wind down others (such as the grant-in-aid program to HFBF and the Livestock Feed Reimbursement Program).

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.
 - b. Work with other agencies to determine metrics to gauge market conditions.
2. Develop New Export Markets
 - a. Support promotion of papaya to Japan after approval of Rainbow Papaya into Japan December 2011.
 - b. Support promotion of papaya into Korea due to implementation of Korea Free Trade Agreement that includes lowering of tariffs for papaya imports into Korea.
 - c. Monitor progress of review of deregulation of papayas into China scheduled for 2013.
 - d. Conduct a logistics workshop statewide to help small-scale producers meet with supply chain providers to help new to export companies.
 - e. Support the newly organized Hawaii Floriculture and Nursery Association export initiatives.
3. Farm To School
 - a. Work with Hawaii Association of Independent Schools and the Department of Education on school garden programs.
 - 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. "Buy Local, It Matters" campaign with action to "EAT LOCAL".
 - b. Create Farmers Supermarket model working with county and community based agencies that includes production, processing and sales.
5. Import Replacement
 - a. Create programs and activities targeting consumers to shift to local production – such as seedling giveaways of fruit trees and vegetables – with the goal of shifting to purchasing and consuming local 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 Halal Certification in preparation for visitors from Middle East whose Muslim faith follow the Halal traditions.
 - b. Conduct training/informational sessions with USDA 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 2013 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 others.
2. Coordinate or participate with producers in at least two Mainland trade shows and retail store promotions. These may include the Society of American Florists Expo; the Tropical Plant Industry Expo; the Super Floral Expo; 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 Japan Food and Beverage Exhibition (FoodEx) 2013, Tokyo Gift Show, Gulfood (Dubai), and/or Grocery Innovation Trade Show in Canada. Provide option to facilitate freight consolidation to

lower trade show material freight costs and improve logistic control.

4. Maintain 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 (RFP) 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. For example, the expected return on investment (ROI) for tradeshow is on average, 12 to 1.
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 2013 is four trade associations.
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 development of a statewide ag-tourism association which will 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 50 participants statewide by June 30, 2013.
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: 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.
3. Extend participation in the buy local concept with partners to local retailers to utilize point-of-purchase displays to educate consumers about buying local.
4. 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. This will likely have to be scaled back until the restoration of the 6 state statisticians, RIFed last year.

1. Collect, compile and publish crop and livestock reports in fiscal year 2013.
2. Release published crop and livestock reports to 50,000 users annually in the next five years.
3. Meet scheduled release time and date of statistical reports pre-specified to data users 99 percent of the time.
4. Fulfill the number of requests for information, 99 percent of the time.
5. Publish the Statistics of Hawaii Agriculture 2011 by February 2014.

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 2013.
3. Continue alternate data release procedures on an ongoing basis: – e.g. e-mail, websites, and compact disks.
4. Publish *Statistics of Hawaii Agriculture 2012* in compact disk.

ACT 100, SLH 1999
ACTION PLAN
2013 Update

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 30-35 loans annually with a dollar amount of \$4,500,000 or as much as is available in State funds. The Division is experiencing strong demand for loans and has seen an increase in requests for participation loans from private lenders. The Division will give the highest priority to making loans and continue its outreach efforts to inform prospective borrowers about the program.

1. Work with reduced staffing in order to adjust workloads 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 commercial lenders.
3. Increase farm income through direct loans or loans made in cooperation with commercial 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 has been experiencing increased delinquencies due to the downturn in the State's economy. Increased monitoring of accounts and working with the delinquent borrowers have helped to mitigate the severity of the problem. The program is a lender of last resort and collection efforts need to be balanced with the need to assist the industry through this difficult period.

1. The Division's goal is to keep delinquencies under 20% of the total loan volume.
2. Continues 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 850 servicing contacts with borrowers will be maintained.
4. Increase use of forbearance agreements for delinquent borrowers to help establish regular payments, ensure close monitoring of the account and periodic reviews of the borrower's financial condition.

- 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.

ACT 100, SLH 1999
ACTION PLAN
Fiscal Year 2013 Update

Division/Branch: Animal Industry/Livestock 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: 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 2013 and 2014 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 2: 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 July 2013.
2. Complete submittal to the Board by September 2013.
3. Hold public hearings on the amendments following Board and Governor's approval by December 2013.
4. Implement amended chapter 4-22 by February 2014.

Goal 3: Prevent Foreign Animal Diseases (FADs) from entering Hawaii

Objective: Strengthen measures in place to prevent the introduction of FADs into Hawaii.

1. Apply for USDA Swine Health Activities and Avian Influenza grants to fund activities for CY 2013 by March 30, 2013.
2. In CY 2013 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 dead bird and sick birds to collect samples for avian influenza virus testing.
4. Continue to conduct surveillance testing and investigate diseases events in livestock and poultry to rule out FADs.

- 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. Adopt Trichomoniasis rules to prevent the introduction and spread, control outbreaks and eradicate infections from cattle herds.
 2. Adopt 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 2013.
 2. Continue animal disease traceability activities through CY 2013.
 3. Identify manual procedures used in animal disease investigation that may be enhanced through use of technological equipment.
- 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. Review cost-effectiveness of test methodology and equipment for disease surveillance and diagnosis.
 3. Apply for Federal cooperative agreement funds, if applicable, to support laboratory activities by March 2013.
 4. Conduct surveillance for high impact disease agents such as Avian Influenza virus and Classical Swine Fever virus, 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.

ACT 100, SLH 1999
ACTION PLAN
Fiscal Year 2013 Update

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.

ACT 100, SLH 1999
ACTION PLAN
Fiscal Year 2013 Update

- 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 2015.
1. Select vendor to design enhancements for interface by late 2014 if funds available.
 2. Purchase hardware by early-2014 if funds available.
 3. Vendor to install and validate enhancement by late 2015.
- 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. Review rules and identify areas (if any) to amend with respect to program.

- Goal 3: Provide additional program revenue to offset operational expenditures and lower user fees.
- Objective: Continue to pursue lease of underutilized property at the Animal Quarantine Station.
1. Complete property appraisals, complete lease document review thru Attorney General's office to lease underutilized property by early 2013.
 2. Obtain Board of Agriculture approval, execute and lease property in 2013.
- Goal 4: Improve emergency response capabilities, including hurricanes.
- Objective: Conduct structural modifications where feasible.
1. Implement mitigation strategies identified by structural study by mid-late 2013 (currently in progress.)

ACT 100, SLH 1999
ACTION PLAN
Fiscal Year 2013 Update

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 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 inspect more high- and moderate- risk commodities.
6. Develop Pest Management programs into our certified nurseries and provide pest management outreach to flower and fruit producers.
7. Develop an import replacement program to reduce the amount of imported commodities that are considered to be high-risk hosts of introduced invasive species by supporting local production of these types of 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. Establish an 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. The first year will involve the scoping of existing facilities in other states and countries, corresponding and working with program managers in those programs and investigate funding opportunities. The direction the program takes after the first year will depend on findings from the first year, the overall goal, however, is to double or triple the biocontrol capacity of the HDOA in four years. Completion Date: 2016

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 initiatives that seek to establish 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 initiatives to establish trade agreements with new trading partners, e.g., Peoples Republic of China. 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 2013.

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.
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.

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.

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

ACT 100, SLH 1999
ACTION PLAN
Fiscal Year 2013 Update

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 2013

1. Complete hiring of Commodities Branch vacant positions restored by the legislature.
2. Create and fill additional positions to restore Division personnel count.
3. Rewrite job descriptions to provide statewide coverage.
4. Upgrade current computer program to enhance efficiency.

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.

