



HAWAI'I AGRICULTURE PLAN 2025

January 2026



DRAFT

Prepared by the Board of Directors of the Agribusiness Development Corporation and posted at dbedt.hawaii.gov/adc/plan2025 on [adoption date].

A Message from the Chair of the Board

On behalf of the Board of Directors of the Hawai'i Agribusiness Development Corporation, I am honored to present the 2025 Hawai'i Agribusiness Plan, prepared in fulfillment of HRS §163D-5. This plan reflects the Board's reasserted leadership and direct accountability for the agency's mission, performance, and results. In response to past findings, the Board has taken ownership of ADC's strategic direction, strengthening governance, setting clear priorities, and ensuring that the corporation operates with transparency, integrity, and measurable impact. Working in close partnership with the Governor, the Legislature, and our community stakeholders, the Board is committed to restoring public trust and positioning ADC as a model of responsible development and collaboration.

The 2025 Plan is more than a statutory requirement. It is a blueprint for action and a statement of accountability. Each initiative is tied to specific goals, metrics, and timelines to ensure that every investment delivers measurable results for Hawai'i's farmers, ranchers, and agricultural communities. Through this process, ADC will demonstrate responsible stewardship of public lands, water systems, and resources while advancing a resilient and diversified agricultural economy.

This plan also marks a new chapter in ADC's evolution from an agency once defined by projects to one defined by partnerships. We are committed to collaboration rather than control, to convening rather than commanding. By aligning State, County, Federal, and community efforts, ADC seeks to build the infrastructure, systems, and trust necessary for a more self-reliant Hawai'i.

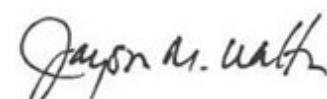
As we move forward, the Board will continue to meet across the islands to hear directly from the communities we serve. We will engage with producers, observe operations firsthand, and ensure that this plan remains responsive to on-the-ground realities.

The Board of Directors firmly believes that accountability, transparency, and collaboration together form the foundation of sustainable progress. Through shared purpose and responsible leadership, we can strengthen Hawai'i's agricultural future and fulfill the promise of food security, economic opportunity, and resilience for generations to come. The Board extends its gratitude to the Governor, the Legislature, and Hawai'i's agricultural community for their continued partnership in this shared endeavor.

Approved by the Board of Directors

Hawai'i Agribusiness Development Corporation

[Insert Date of Board Adoption]



Jayson M. Watts

Chair, Board of Directors
County of Maui Member



Board of Directors

The 11-member Board of Directors consists of one representative from each of the counties of O'ahu, Hawai'i, Kaua'i and Maui; four at-large members; the Chairperson of the Board of Agriculture & Biosecurity (or Chair's designee); Chairperson of the Department of Land & Natural Resources (or Chair's designee); and the Director of the Department of Business, Economic Development and Tourism (or Chair's designee).



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City and County of Honolulu
Member



Dean Okimoto
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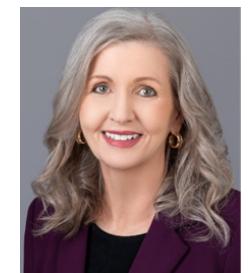
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Dane Wicker
Designee, Department of Business,
Economic Development & Tourism
(Ex-Officio)

A Message from the Executive Director

Dear Partners, Stakeholders, and Community Members,

It is with great pride and purpose that we present to you the Agribusiness Development Corporation's Strategic Plan for the coming years. This document is more than a roadmap; it is a reaffirmation of our commitment to Hawai'i's agricultural future and the well-being of generations yet to come.

There is a Japanese proverb that says, "A society grows great when old men plant trees in whose shade they know they shall never sit." This sentiment lies at the heart of our work at ADC. The projects we undertake today, the lands we steward, the infrastructure we build, and the support we provide to members of our communities working across the agricultural sector, are part of a long-term vision. We may not see all the fruits of these efforts in our own time, but we know that our actions are essential to creating a more resilient, sustainable, and food-secure Hawai'i. This vision is made possible not only by our partners and stakeholders, but also by the unwavering dedication of our staff. Their expertise, creativity, and daily contributions shape every initiative outlined in this Strategic Plan. From field crews managing lands and water systems, to administrative and technical teams designing programs, conducting research, and building partnerships, our staff demonstrate a profound desire to implement this plan with integrity and purpose.

On behalf of the Agribusiness Development Corporation, I would like to formally acknowledge and express sincere appreciation to each of our staff for their exceptional contributions to the milestone and century-scale projects currently underway. These projects, complex in scope, unprecedented in scale, and foundational to Hawai'i's long-term agricultural resilience, require sustained commitment, technical expertise, and deep collaboration across multiple teams and partners. Your collective efforts demonstrate the highest standards of public service and are testimony to your professionalism, perseverance, and dedication to ADC's mission.

Agribusiness development is not quick work. It is measured not just in quarters or fiscal years, but in harvest cycles, in restored lands, in revitalized rural communities, and in the lives of future farmers who will benefit from the foundation we are building now.

This Strategic Plan reflects that long view. It outlines key priorities and actionable steps to advance sustainable agriculture, optimize land and water resources, strengthen local food systems, and support economic development across the state. It is rooted in collaboration, with farmers, ranchers, lawmakers, community leaders, and other partners, because only together can we cultivate lasting change.

As you read through this plan, I invite you to see it not just as a set of strategies, but as an expression of trust in the future, an investment in the trees we plant today for a canopy of prosperity and resilience that will shelter Hawai'i's people for generations to come.

With deep appreciation, steadfast commitment, and humility for the opportunity to serve,

Mahalo,



Wendy L. Gady
Executive Director



Executive Summary

The Hawai'i Agribusiness Plan 2025 provides a comprehensive framework for strengthening the State's agricultural sector and ensuring that lands, water systems, and infrastructure entrusted to the Agribusiness Development Corporation (ADC) are mobilized for long-term food security and economic benefit. The plan fulfills the mandate of Hawai'i Revised Statutes (HRS) §163D-5, as amended in 2022, requiring ADC to define goals, objectives, policies, and priority guidelines for agribusiness development, with measurable outcomes over one-, five-, and ten-year horizons.

This plan provides a revision to the *Hawai'i Agribusiness Plan* of July 2023. Act 219, Session Laws of Hawai'i 2022, took effect on July 1, 2022, and amended Chapter 163D to require ADC to update its agribusiness plan by July 1, 2023, and every five years thereafter. Following the unexpected passing of longtime Executive Director James Nakatani, a provisional plan was submitted in 2023 to maintain compliance. The present 2025 plan replaces that interim document with a more detailed and actionable update, reflecting new statutory directives, stakeholder input, and operational realities.

Established in 1994, ADC was tasked with converting former plantation lands and infrastructure into diversified agricultural uses to advance Hawai'i's economic self-sufficiency. Today, ADC manages over twenty-three thousand acres of agricultural land, multiple irrigation and distribution systems, and emerging value-added processing and innovation facilities that support small and mid-sized producers. The 2025 plan builds on this foundation by defining targeted strategies to strengthen land management, modernize water infrastructure, expand agricultural support services, and accelerate value-added product development. In addition to the three strategic priorities outlined in the 2023 plan, the 2025 plan introduces two new priorities that expand ADC's focus on institutional capacity and partnerships, innovation, and sustainability.

The plan is organized around five strategic priorities:

1. **Land Use, Acquisition, and Infrastructure Development.** Improve land management policies, expand acreage under cultivation, and address agricultural tenant needs.
2. **Irrigation and Water Resource Management.** Modernize irrigation systems, enhance water security, and support multi-use distribution infrastructure.
3. **Food System Development and Market Expansion.** Develop statewide food and product innovation infrastructure to strengthen local food systems and institutional procurement.
4. **Organizational Capacity and Partnerships.** Expand ADC's institutional capabilities and strengthen collaboration across sectors: within Department of Business, Economic Development and Tourism (DBEDT), with other state and county agencies, as well as with non-governmental, educational, and community partners engaged in agricultural development.
5. **Sustainability, Innovation, and Climate Resilience.** Advance sustainable and regenerative agricultural practices through technology adoption, clean energy integration, and resource innovation.

Each strategic priority is supported by clearly defined one-, five-, and ten-year objectives and measurable outcomes that prioritize local food production from ADC's leases or licenses. These objectives include annual performance goals and measures by which the corporation's progress will be evaluated each year. In accordance with HRS §163D-5, the plan also establishes metrics, timeframes, and budget expectations to guide implementation, resource allocation, and accountability. Consistent with the purpose of HRS §163D-1, these efforts position ADC to provide the leadership and coordination necessary to convert Hawai'i's agricultural assets into diversified, productive uses that yield economic, environmental, and social benefits for the people of Hawai'i, while expanding opportunities for farmers, ranchers, producers, and communities across the islands. Upon adoption, the Board will incorporate this Plan and progress against its annual goals in ADC's annual report to the Governor and the Legislature pursuant to HRS §163D-19.





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List of Acronyms

ADC	Agribusiness Development Corporation
COAFH	Central O'ahu Agriculture and Food Hub
CWRM	Commission on Water Resource Management
DBEDT	Department of Business, Economic Development and Tourism
DCR	Department of Corrections and Rehabilitation
DHHL	Department of Hawaiian Home Lands
DLE	Hawai'i Department of Law Enforcement
DLNR	Department of Land and Natural Resources
DOH	Department of Health
EFS	Electronic Financial Systems
EKIS	East Kaua'i Irrigation System
EPMF	Entrepreneur Product Manufacturing Facility
FPIN	Food and Product Innovation Network
GIS	Geospatial Information Systems
HDAB	Hawai'i Department of Agriculture and Biosecurity
HHFDC	Hawai'i Housing Finance and Development Corporation
HIDOD	Hawai'i Department of Defense
HIDOE	Hawai'i Department of Education
HPP	High Pressure Processing
HRS	Hawai'i Revised Statutes
IAL	Important Agricultural Lands
IP	Intellectual Property
KAА	Kekaha Agriculture Association
KAP	Kekaha Agriculture Processing Facility
LCC	University of Hawai'i Leeward Community College
LFPA	Local Food Purchase Assistance
MGD	million gallons per day
OHA	Office of Hawaiian Affairs
P3s	Public-Private Partnerships
PIG	Permitted Interaction Group
PSD*	Department of Public Safety
ROE	Right of Entry
SPRBs	Special Purpose Revenue Bonds
UH	University of Hawai'i
USDA	United States Department of Agriculture
WVAPDC	Wahiawā Value-Added Product Development Center

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*PSD was redesignated as DCR in January 2024

Introduction



Agribusiness Development Corporation

The Agribusiness Development Corporation (ADC) is a public corporation and instrumentality of the State of Hawai'i, established by the Legislature in 1994 under Hawai'i Revised Statutes (HRS) Chapter 163D, and is administratively attached to the Department of Business, Economic Development and Tourism (DBEDT). ADC was created to convert and enhance land and water assets released from plantation agriculture and to foster a diversified, market-responsive agricultural economy that delivers economic, environmental, and social benefits to Hawai'i. Its statutory purposes include increasing local production for in-state consumption, reducing reliance on imports, and advancing competitive exports where viable.

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

To carry out these purposes, ADC is authorized to acquire and manage agricultural lands and water systems; develop, modernize, and operate critical infrastructure (including irrigation, drainage, processing, and distribution assets); coordinate public- and private-sector initiatives; and provide financing and market-oriented services that support diversified and value-added production. Recent amendments further emphasize statewide, open-access facilities for food and product innovation, strengthening processing, manufacturing, and commercialization pathways for Hawai'i-made goods.

This Hawai'i Agribusiness Plan 2025 fulfills §163D-5 by presenting: (1) an inventory of ADC-controlled agricultural lands with suitable, reliable water; (2) an inventory of agricultural infrastructure and accessory facilities; (3) strategies for federal, state, county, and community stakeholders to advance industry development; and (4) one-, five-, and ten-year objectives and measurable outcomes that prioritize local food production from ADC leases and licenses, with annual performance goals and evaluation. The plan also specifies metrics, timeframes, and budget expectations to guide implementation and enable adaptive management over the planning horizon.



Hawai'i Revised Statutes, Chapter 163D

Chapter 163D of the Hawai'i Revised Statutes established the ADC as a public corporation to administer an "aggressive and dynamic" agribusiness development program. The chapter's purpose is to create the vehicle and processes needed to make optimal use of Hawai'i's agricultural land, water, and related assets for the economic, environmental, and social benefit of the people of Hawai'i.

Recent session laws broadened the implementation framework within Chapter 163D. Act 237 (2025) adds a new section establishing a statewide Food and Product Innovation Network within ADC, and amends §163D-4 to assign ADC formal oversight of that network. Act 239 (2025) establishes a Statewide Interagency Food Systems Coordination Team and an Interagency Food Systems Working Group within ADC to align multi-agency planning and implementation. Together, these 2025 amendments reinforce ADC's role in value-added manufacturing, commercialization, and cross-agency coordination to strengthen Hawai'i's food system.

Hawai'i Agribusiness Plan (§163D-5)

(a) *The corporation shall prepare and post on its website the Hawaii agribusiness plan, which shall define and establish goals, objectives, policies, and priority guidelines for its agribusiness development strategy. The plan shall include but not be limited to:*

- (1) *An inventory of agricultural lands with suitable adequate water resources that are or will become available; provided that the inventory of agricultural lands under this paragraph shall be agricultural lands within the purview of the corporation that can be used to meet present and future agricultural production needs*
- (2) *An inventory of available agricultural infrastructure, such as irrigation systems, drainage systems, processing facilities, and other accessory facilities, that are controlled by the corporation; and*
- (3) *Strategies for federal, state, county, and community stakeholder actions that will promote the development and enhancement of Hawaii's agricultural industries.*

(b) *The Hawaii agribusiness plan goals shall have specific one-year, five-year, and ten-year objectives and measurable outcomes that prioritize local food production from the corporation's leases or licenses. The objectives and outcomes shall include annual performance goals and measures that the corporation shall be evaluated on annually.*

(c) *The Hawaii agribusiness plan shall also include metrics, timeframes, and budget expectations as part of the corporation's agribusiness development strategy.*

(d) *The corporation shall update the Hawaii agribusiness plan no later than July 1, 2023, and every five years thereafter, and shall incorporate the plan in its annual report to the governor and the legislature as provided in section 163D-19.*

Statutory Alignment with Statewide Agricultural Policy

Hawai'i's recent legislative actions provide a clear policy framework for advancing the goals of the Hawai'i Agribusiness Plan 2025. Collectively, Acts 151 (2019), 175 (2021), 176 (2021), 237 (2025), and 239 (2025) strengthen the statutory foundation for agricultural diversification, food-system coordination, and innovation. These measures define statewide production targets, institutional procurement benchmarks, and interagency structures that directly inform ADC's strategic direction.

Act 151 establishes the overarching goal of doubling local food production by 2030, emphasizing the importance of long-term investment in agricultural lands and water resources. Acts 175 and 176 reinforce this objective through procurement requirements that expand markets for local producers and value-added enterprises. Acts 237 and 239 further elevate ADC's role by designating the corporation as a central coordinating and innovation entity within Hawai'i's food-system infrastructure. Together, these Acts create a coherent legislative framework that aligns with ADC's five strategic priorities: land management, water resource development, market expansion, organizational capacity, and sustainability. This framework provides the statutory basis for implementing measurable outcomes across one-year, five-year, and ten-year objectives.

A subsequent table consolidates Hawai'i's major climate, energy, food system, and sustainability mandates into a single timeline to clarify the statutory targets that directly influence agricultural land use, infrastructure planning, and agency operations. Spanning greenhouse gas reduction requirements, renewable energy standards, local food procurement mandates, water reuse obligations, and integrated land-use planning reforms, these policies establish binding milestones from 2020 through 2050. Together, they frame the regulatory environment within which ADC must plan land allocation, water and energy infrastructure investments, and tenant support strategies, while balancing agricultural viability with statewide commitments to climate resilience, food security, and long-term sustainability.

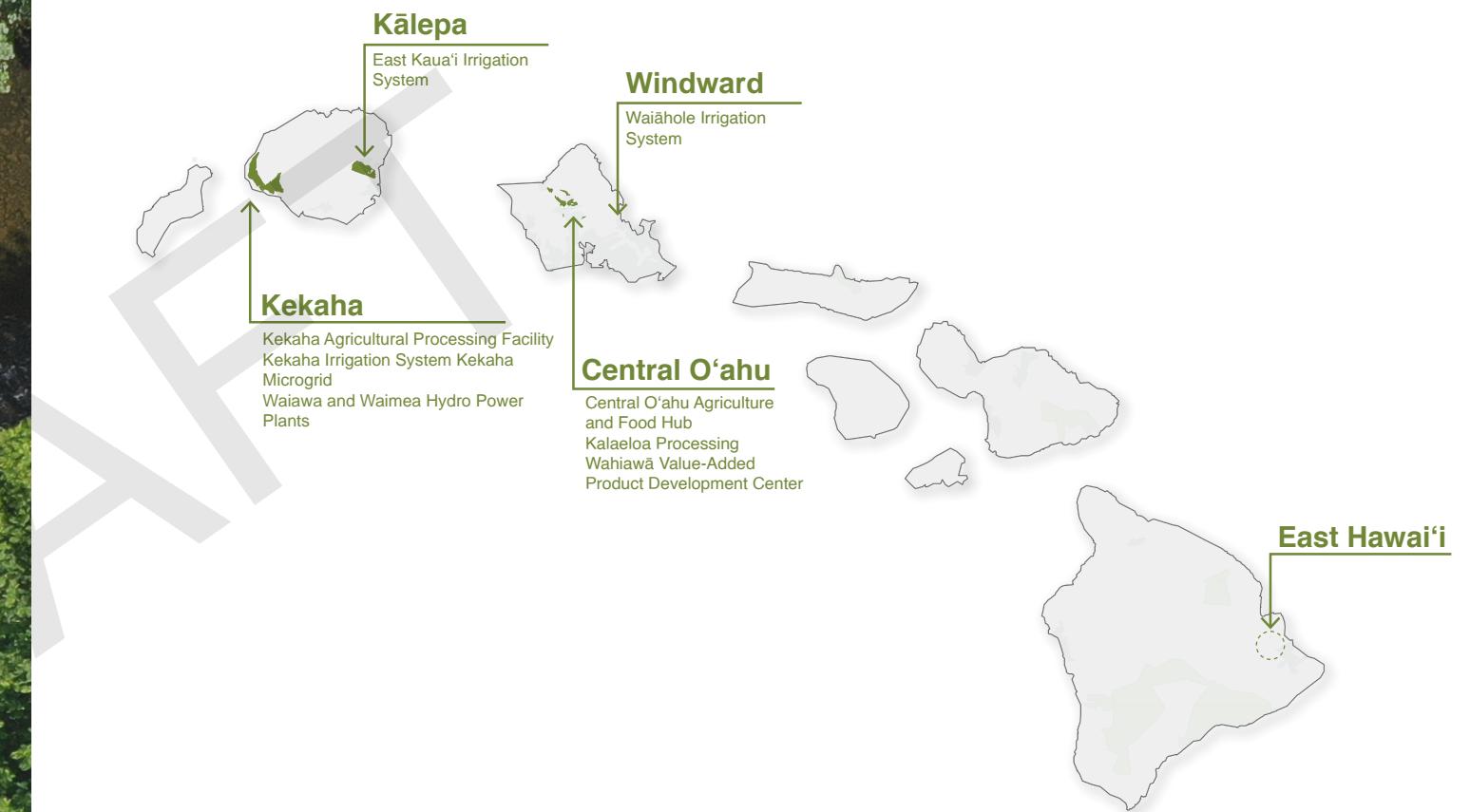
Strategic Priority	Relevant Act(s) Linkage and Implications for ADC Strategy
Land Use, Acquisition, and Development	<p>151 (2019) Act 151 set the statewide mandate to double local food production by 2030, requiring strategic expansion and optimization of agricultural lands. ADC's role in acquiring, developing, and licensing former plantation lands directly supports this goal. The Act's requirement for updated baseline data on agricultural lands also informs ADC's inventory, valuation, and redevelopment planning across its 22,000-plus acres.</p> <p>239 (2025) By establishing the Statewide Interagency Food Systems Coordination Team within ADC, Act 239 elevates ADC's responsibility to ensure that its land policies advance cross-sector food-system goals and align with interagency planning. This includes incorporating food access, equity, and climate considerations into land use decisions and acquisitions.</p>
	<p>151 (2019) The mandate to double food production requires corresponding investments in water infrastructure, reinforcing ADC's role in modernizing irrigation systems (Kekaha, East Kaua'i, Waiāhole, etc.). The Act's focus on long-term production capacity legitimizes ADC's capital planning for reservoir rehabilitation, water efficiency, and renewable energy integration.</p> <p>239 (2025) Act 239's interagency coordination provisions require ADC to engage with Hawai'i Department of Land and Natural Resources, Hawai'i Department of Agriculture and Biosecurity, and the Commission on Water Resource Management to align water resource policy, distribution, and infrastructure investments with statewide food-system priorities.</p>
Food System Development and Market Expansion	<p>175 (2021) Transfers the Farm-to-School Program to the Hawai'i Department of Education (HDOE) and establishes a 30% local-food procurement target by 2030. ADC's aggregation, cold storage, and processing infrastructure (e.g., Wahiawā Value-Added Center, FPIN hubs) can enable producers on ADC lands to supply institutional markets, especially HDOE.</p> <p>176 (2021) Sets escalating state procurement benchmarks for locally grown and value-added products (10% by 2025 → 50% by 2050). This legislative demand strengthens ADC's role in value-chain infrastructure, aggregation, and logistics, aligning its market-expansion investments with institutional procurement opportunities.</p> <p>237 (2025) Establishes the Food and Product Innovation Network (FPIN) within ADC to scale up value-added manufacturing and product commercialization statewide. This Act operationalizes ADC's statutory authority for agribusiness development and innovation, directly advancing the goal of food-system diversification and market growth.</p>
	<p>237 (2025) Provides funding (2 FTE and operating funds) for ADC to manage the FPIN, strengthening organizational capacity in product innovation, business development, and facility coordination. The network's structure (primary and partner members) also institutionalizes multi-agency and public-private partnerships across islands.</p> <p>239 (2025) Formalizes ADC's leadership role in interagency coordination, requiring collaboration among state departments, counties, community groups, and private partners to achieve food-system outcomes. This Act transforms ADC's partnerships from project-based cooperation to a statutory governance framework.</p>
	<p>151 (2019) The 2030 production goal inherently advances food security and climate resilience by reducing import dependence. ADC's investment in renewable-powered irrigation systems, diversified cropping, and efficient land use supports these outcomes.</p> <p>237 (2025) FPIN emphasizes innovation, sustainability, and commercialization of "Made in Hawai'i" products, fostering circular economies and renewable resource use within the agricultural value chain.</p> <p>239 (2025) Integrates sustainability and resilience metrics into the interagency food-system framework, requiring ADC to monitor progress and align its infrastructure and land-management practices with climate adaptation goals across state agencies.</p>

Hawai'i's Climate & Sustainability Statutory Mandates		Land Use, Acquisition, and Development	Irrigation and Water Resource Management	Food System Development and Market Expansion	Organizational Capacity and Partnerships	Sustainability, Innovation, and Climate Resilience
2020						
	HRS §342B-71	Statewide Green House Gas (GHG) Emissions Limit Reduces statewide greenhouse gas emissions at/below 1990 levels.	○	○	○	○
	HRS §269-92	Statewide Renewable Portfolio Standard Requires utilities to achieve 30% renewable energy.	○	○	○	○
2022						
	HRS §342B-36	Statewide Cool Ban Ends all coal burning within the state.	○	○	○	○
2025						
	HRS §27-8	Farm-to-State: Local Food Purchasing Department of Health (DOH), Department of Public Safety (PSD), Department of Defense (HIDOD), and University of Hawai'i (UH) must purchase 10% of their food from local sources.	○	○	●	○
2030						
	HRS §225P-5	Statewide GHG Emissions Limit Reduces statewide GHG emissions to 50% below 2005 levels.	○	○	○	○
	HRS §269-92	Statewide Renewable Portfolio Standard Requires utilities to achieve 40% renewable energy.	○	○	○	○
	HRS §269-96	Statewide Energy Efficiency Portfolio Requires reduction of 4,300 GwH of electricity use.	○	○	○	○
	Act 74, SLH 2021	State Fleet Zero Emission Vehicle (ZEV) Transition Requires all light-duty passenger vehicles in the state fleet must be zero-emision.	○	○	○	○
	Act 151, SLH 2019	Double Local Food Production Double local food production and increase local food exports.	○	○	●	○
	HRS §302A-405.6	Farm-to-School HIDOE must purchase 30% of their food from local sources.	○	○	●	○
	HRS §27-8	Farm-to-School: Local Food Purchasing DOH, PSD, HIDOD, and UH must purchase 18% of their food from local sources.	○	○	●	○

Hawai'i's Climate & Sustainability Statutory Mandates		Land Use, Acquisition, and Development	Irrigation and Water Resource Management	Food System Development and Market Expansion	Organizational Capacity and Partnerships	Sustainability, Innovation, and Climate Resilience
2035						
HRS §302A-1510	HDOE Net-Zero Energy All public schools must generate as much renewable energy as they consume.	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>
HRS §304A-119	UH Net-Zero Energy All University of Hawai'i campuses must generate as much renewable energy as they consume.	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>
Act 74, SLH 2021	State Fleet ZEV Transition Requires all light-duty motor vehicles in the state fleet must be zero-emission.	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>
HRS §27-8	Farm-to-State: Local Food Purchasing DOH, PSD, DOD, and UH must purchase 26% of their food from local sources.	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>
2040						
HRS §269-92	Statewide Renewable Portfolio Standard Requires utilities to achieve 70% renewable energy.	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>
HRS §27-8	Farm-to-State: Local Food Purchasing DOE, DOH, PSD, DOD, and UH must purchase 34% of their food from local sources.	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>
2045						
HRS §269-92	Statewide Renewable Portfolio Standard Requires utilities to achieve 100% renewable energy.	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>
HRS §225P-5	Zero Emission Clean Economy The state must sequester more carbon than it emits.	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>
Act 74, SLH 2025	Statewide Energy Efficiency Portfolio Requires reduction of 6,000 GwH of electricity use.	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>
HRS §174C-31(g)(6)	Reclaimed Water in State and County Facilities 100% use of reclaimed water except for potable/drinkable uses.	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>
HRS §27-8	Farm-to-State: Local Food Purchasing DOE, DOH, PSD, DOD, and UH must purchase 42% of their food from local sources.	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>
2050						
HRS §27-8	Farm-to-State: Local Food Purchasing DOE, DOH, PSD, DOD, and UH must purchase 50% of their food from local sources.	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>
HRS §342D-72	All Cesspools Converted Statewide All cesspools must be upgraded, converted, or connected to sewage systems.	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>	<input type="circle"/>

Inventory Analysis

ADC Kālepa Lands



Agricultural Lands

Agricultural lands are among Hawai'i's most vital and limited resources, essential to achieving the State's goals for food security, economic diversification, and sustainability. The Hawai'i State Plan, established under HRS Chapter 226, is the overarching long-range policy framework that sets forth statewide goals, objectives, policies, and priorities for growth and development while protecting environment and culture. Within this framework, the preservation and productive use of prime agricultural lands is a matter of statewide concern.

Achieving the State's agricultural and economic objectives relies heavily on the strategic management of public lands. ADC administers more than 22,800 acres of land on the islands of Kaua'i, O'ahu, and Hawai'i, encompassing former plantation properties and infrastructure that form the backbone of Hawai'i's agricultural production system. Of these lands, 16,300 are farmable with the remainder being gulches, ravines, ditches, and roadways. Licenses have been issued for over 11,200 acres and an additional 2,000 are in process (pending licenses and rights of entry). Statewide, this equates to an 81% occupancy rate of farmable lands.



ADC Kekaha Lands

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Current ADC Landholdings (Approximate Acres)

Total Landholdings	Active Licenses	Occupancy
22,800	11,200	81%
Total Farmable Land	Pending Licenses/ROEs	
16,300	2,000	

Landholdings by Island (in acres)

Island	Total	Farmable	Licensed	ROE
Kaua'i	18,976.69	12,881.48	9,245.80	685.26
O'ahu	3,854.65	3,460.43	2,017.67	1,316.21
Hawai'i	1.53	0	0	0
TOTAL	22,832.87	16,343.54	11,263.47	2,003.00

Pending Acquisitions (in acres)

Kaua'i	O'ahu	Hawai'i	Total
1,115.15	434.34	0	1,549.49

A full inventory of agricultural lands with suitable water resources that are or will become available can be found in Appendices G and H.

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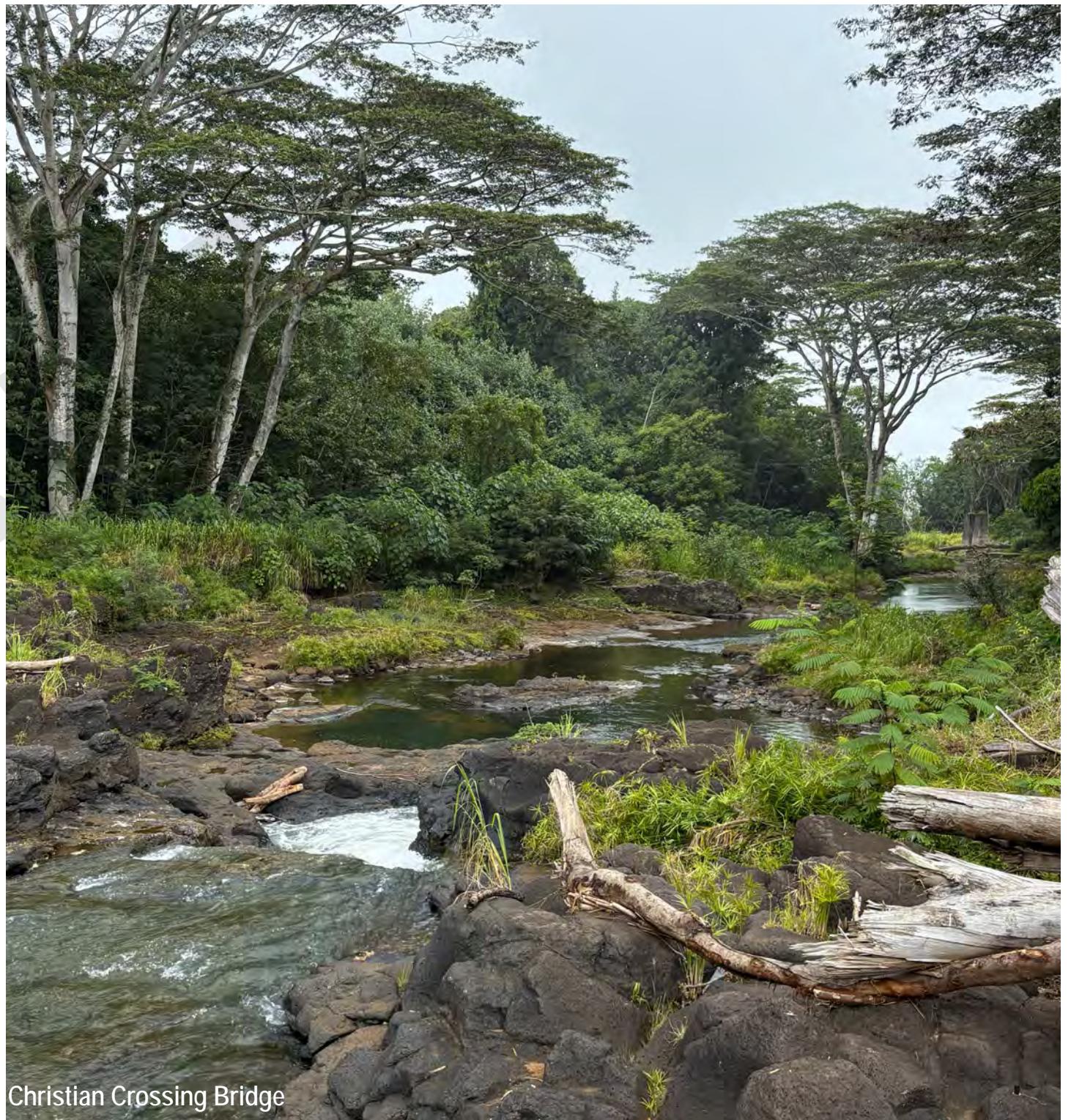
Agricultural Infrastructure

In addition to agricultural lands on Kaua'i and O'ahu, the ADC also manages the Waiāhole Water System. The ADC continues to work with its farmers to improve and maintain critical infrastructure necessary to support agricultural operations. In addition to ongoing maintenance of existing infrastructure, the ADC is also developing new infrastructure and improving water storage capacity by constructing reservoirs and storage ponds to ensure farmers have a consistent and affordable supply of irrigation water.

Robust agricultural infrastructure is fundamental to the success and scalability of Hawai'i's food system. Reliable irrigation, water storage, roads, energy access, and processing and distribution facilities are key enablers of commercial agriculture. The Hawai'i State Constitution, Article XI, Section 3, mandates the State to "conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency and assure the availability of agriculturally suitable lands." This directive is reinforced through strategic plans such as the 2020 Hawai'i Statewide Agricultural Functional Plan, which prioritizes infrastructure investments to support land and water development, food processing, and access to markets. The ADC's mission, authorized by HRS §163D, includes planning and implementing infrastructure systems that enable efficient agricultural production on public and private lands. By addressing infrastructure gaps, especially in water access and storage, the ADC is laying the groundwork for sustainable, long-term agricultural growth and resilience across the islands.

System	Island	Approx. Miles of Infrastructure	# of Reservoirs	Approx. Acres Served	Year Entered Portfolio
East Kaua'i Irrigation System	Kaua'i	10	2	2	2026*
Kekaha Irrigation System	Kaua'i	30	3	3	2002/2009
Waiāhole Irrigation System	O'ahu	26	2	5,600	1999
Wahiawā Irrigation System	O'ahu	30	1 (Lake Wilson)	17,000	Target FY26

*currently in due diligence



Current ADC Infrastructure Assets

Asset	Service Area	Type	Ownership	Condition	Rehab Timeline
Mana Reservoir	Kekaha	Irrigation	Set Aside	Poor	Year 5
Kekaha Ditch System	Kekaha	Irrigation	Set Aside	Fair	Year 5
Kokee Ditch System	Kekaha	Irrigation	Set Aside	Poor	Year 10
Reservoir 21	Kekaha	Irrigation	Set Aside	Poor	Year 5
Reservoir 105	Kekaha	Irrigation	Set Aside	Poor	Year 10
Reservoir 116	Kekaha	Irrigation	Set Aside	Poor	Year 10
Reservoir 117	Kekaha	Irrigation	Set Aside	Poor	Year 10
Reservoir 120	Kekaha	Irrigation	Set Aside	Poor	Year 10
Reservoir 123	Kekaha	Irrigation	Set Aside	Poor	Year 10
Reservoir 125	Kekaha	Irrigation	Set Aside	Poor	Year 10
Reservoir 127	Kekaha	Irrigation	Set Aside	Poor	Year 10
Reservoir 130	Kekaha	Irrigation	Set Aside	Poor	Year 10
Waiawa Reservoir	Kekaha	Irrigation	Set Aside	Poor	Year 10
Kekaha Micro Grid	Kekaha	Electrical	Set Aside	Fair	Year 10

Asset	Service Area	Type	Ownership	Condition	Rehab Timeline
Waiawa Hydro Power Plant	Kekaha	Electrical	Set Aside	Poor	Year 1
Waimea Hydro Power Plant	Kekaha	Electrical	Set Aside	Fair	Year 10
Kekaha Agribusiness & Processing Building	Kekaha	Processing	Set Aside	Fair	Year 1
Fuel Storage Station	Kekaha	Storage	Set Aside	Fair	Year 5
East Kauai Water System (pending)	Kalepa	Irrigation	Set Aside	Poor	Year 10
Lower Aahoaka Reservoir	Kalepa	Irrigation	Set Aside	Poor	Year 10
Upper Aahoaka Reservoir	Kalepa	Irrigation	Set Aside	Poor	Year 1
Equipment Building	Kalepa	Storage	Set Aside	Fair	Year 10
3 MG Reservoir	O'ahu	Irrigation	Fee	Good	Year 10
10 MG Reservoir	O'ahu	Irrigation	Fee	Good	Year 10
Galbraith Water System	O'ahu	Irrigation	Fee	Fair	Year 1
Nakatani Reservoir	O'ahu	Irrigation	Easement	Good	Year 10
No. 1 Jeft Reservoir	O'ahu	Irrigation	Fee	Good	Year 10
No. 2 Jeft Reservoir	O'ahu	Irrigation	Fee	Good	Year 10
Reservoir 155	O'ahu	Irrigation	Fee	Fair	Year 1
Reservoir 255	O'ahu	Irrigation	Fee	Fair	Year 1
Waiāhole Water System	O'ahu	Irrigation	Fee	Fair	Year 1
Wahiawā Irrigation System (pending)	O'ahu	Irrigation	Fee	Poor	Year 5
Well No. 24	O'ahu	Irrigation	Easement	Poor	Year 10
Well No. 25	O'ahu	Irrigation	Easement	Fair	Year 10
Well No. 26	O'ahu	Irrigation	Easement	Poor	Year 10
Kalaeloa Processing Building	O'ahu	Processing	Set Aside	Good	Year 10
Value-Add Campus (Wahiawā)	O'ahu	Processing	Fee	Good	Year 10
Whitmore Ag Campus	O'ahu	Processing	Fee	Poor	Year 1

Kaua'i

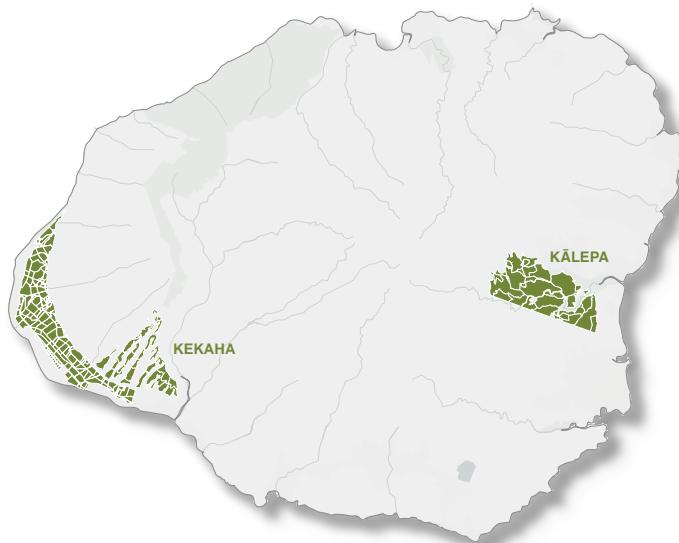
ADC's largest concentration of agricultural lands, nearly 20,000 acres, is located on the island of Kaua'i in the regions of Kekaha and Kalepa, which together form the foundation of the agency's island-wide agricultural portfolio. Both areas were transferred to ADC from the State of Hawai'i Department of Land and Natural Resources (DLNR) through Governor's Executive Orders, ensuring that the lands remain dedicated to agricultural production and rural economic development.

Kekaha

Following the closure of sugar operations in 2002, approximately 28,000 acres of former plantation lands on the Mānā Plain, a region historically known for its fertile soils and engineered irrigation systems, reverted back to the State of Hawai'i. The following year, 12,600 acres of land and infrastructure in Kekaha was officially transferred to ADC's management for agricultural and related purposes. The portfolio included agricultural land, pump stations, hydroelectric plants, and an extensive irrigation and drainage network originally built to support sugarcane cultivation.

It is important to note that lands are part of the State's ceded lands trust and carry trust obligations established under both federal and state law. This includes revenue-sharing obligations with the Department of Hawaiian Home Lands (DHHL) and the Office of Hawaiian Affairs (OHA).

Today, ADC manages and operates these lands to support diversified farms, ranching operations, and small agribusinesses. The area benefits from one of the most comprehensive surface-water systems in Hawai'i, providing reliable irrigation for year-round production. ADC works in close collaboration with the Kekaha Agriculture Association (KAA), which manages approximately 60 miles of ditches, 40 miles of roads, and 40 miles of power-distribution lines. Together, ADC and KAA are enclosing and pressurizing the system to reduce runoff, improve efficiency, and ensure long-term reliability.



ADC's management of irrigation infrastructure in Kekaha also occurs within the framework of the Waimea Watershed Agreement, a voluntary, community-based agreement among landowners, water users, and public agencies to collaboratively steward water resources in the Waimea River watershed. The agreement establishes shared principles for balancing agricultural production, ecological flows, and downstream community needs, reinforcing coordinated and conflict-reducing approaches to long-term water management in West Kaua'i (Appendix E).

Kekaha Irrigation System

The Kekaha Irrigation System comprises the Kōke'e and Kekaha Ditch Systems, two interconnected water conveyance networks constructed in the early 1900s to divert water from the Waimea River watershed to the dry but fertile Mānā Plain. The combined system historically conveyed over 100 million gallons per day (MGD) through a network of tunnels, flumes, and siphons that supplied

former plantation lands, and later, diversified agriculture. The system also includes two hydroelectric power plants, Waiawa and Waimea, which together have a generating capacity of approximately 1.6 megawatts of renewable power.

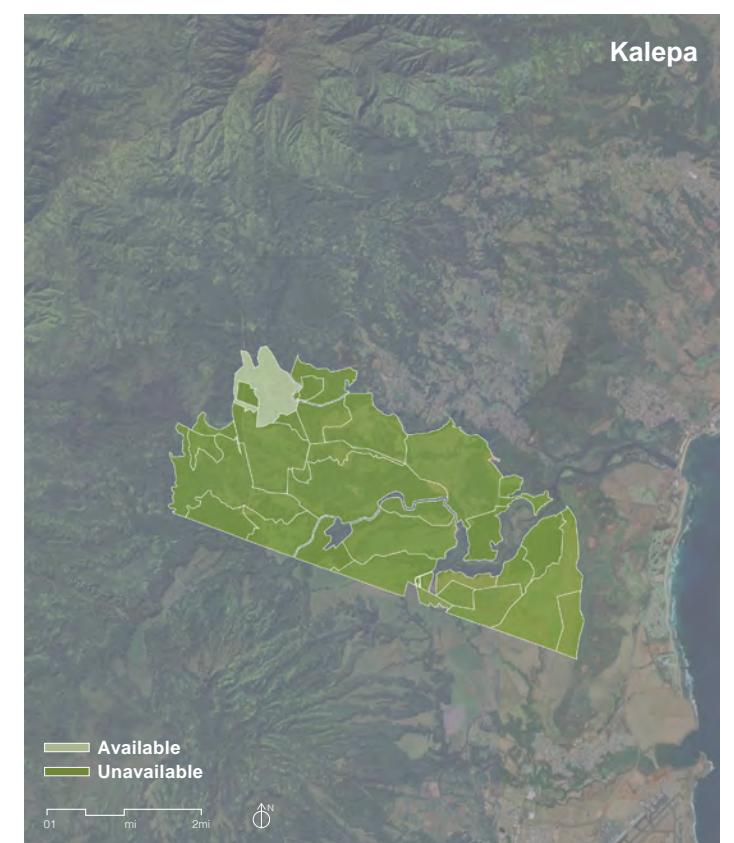
Under ADC's stewardship, the system now supports diversified crop production, pasture irrigation, and renewable-energy projects while providing essential flood-control functions for the surrounding area. Modernization priorities include upgrading reservoirs, automating water monitoring, and integrating micro-hydro and solar technologies to enhance sustainability and operational resilience. The system's dual function of irrigation and drainage make it a critical component of Kaua'i's agricultural infrastructure and public-safety network.

Kalepa

On Kaua'i's east side, ADC oversees approximately 6,200 acres of land and infrastructure within the Kalepa region, located between Kapa'a and Līhu'e. These lands were transferred from DLNR to ADC in 2010 through executive order, following the closure of Līhu'e Plantation. The transfer included the East Kaua'i Irrigation System (EKIS), which historically delivered up to 140 MGD of surface water to more than 12,000 acres of sugarcane fields across the Kapa'a and Kalepa areas. However, that transfer is still pending.

Current tenants include ranchers, small farmers, and a renewable-bioenergy producer, reflecting ADC's emphasis on diversified agriculture. The agency issues long-term licenses to stabilize tenure and encourage investment in infrastructure improvements. ADC also partners with the Kalepa Koalition, a group of 14 parcel holders responsible for maintaining shared roads, security gates, and drainage facilities within the agricultural complex.

Ongoing initiatives include rehabilitation of the EKIS, sediment and reservoir maintenance, and digital flow monitoring to enhance water delivery efficiency. These efforts improve farm productivity, strengthen climate resilience, and preserve agricultural employment across East Kaua'i's rural communities.



O‘ahu

ADC's agricultural landholdings on O‘ahu are concentrated in Central O‘ahu and encompass a little over 3,800 acres. These lands support a mix of small and mid-scale farming operations and serve as the geographic hub for several of ADC's major value-added, processing, and distribution initiatives.

Central O‘ahu

In 2012, the Trust for Public Land purchased 1,732 acres of land from the Galbraith Estate, near Wahiawā, and transferred the land to two Hawai‘i public agencies. The ADC received approximately 1,250 acres and the OHA received the 500 acres surrounding Kūkaniloko, the royal birthing site. In 2013, ADC purchased an additional 24 acres from Castle & Cooke, and in 2015, 257 acres from Dole Food Company. Around that time, ADC embarked on the Whitmore Project, a long-term agricultural revitalization initiative to rebuild Central O‘ahu's farming economy through coordinated land acquisition, infrastructure redevelopment, and value-added processing capacity. A core operational component of the project is the Central O‘ahu Agriculture and Food Hub (COAFH) located in Whitmore Village, Wahiawā. This 34-acre agricultural park is being redeveloped to serve as an aggregation hub consolidating postharvest handling, cold storage, value-added production, logistics, and distributions services to support local farmers, producers, and entrepreneurs. The state's first commercial high-pressure processing facility is currently being constructed and will offer non-thermal services that enhance food safety, extend product shelf-life, and reduce food waste. This is a critical technology to support shelf-life stability required for export markets. The COAFH will also support institutional partners such as the Hawai‘i State Department of Education (HIDOE), currently constructing the state's first regional kitchen, a centralized meal-production facility to prepare, process, and distribute school meals for multiple campuses within a specific geographic region.

In 2024, the University of Hawai‘i Leeward Community College (LCC) opened the Wahiawā Value-Added Product Development Center (WVAPDC). Situated on a commercial parcel owned by the ADC, the 33,000 square foot facility is designed to expand Hawai‘i's capacity to develop, test, and commercialize value-added agricultural products. The facility provides shared-use manufacturing space, specialized equipment, and technical assistance to support farmers, food entrepreneurs, and emerging agribusinesses.



It also provides a pathway to formal education through certificates and degrees. Together, these programs and resources play a critical role in transforming innovative ideas into market-ready products.

Windward O‘ahu

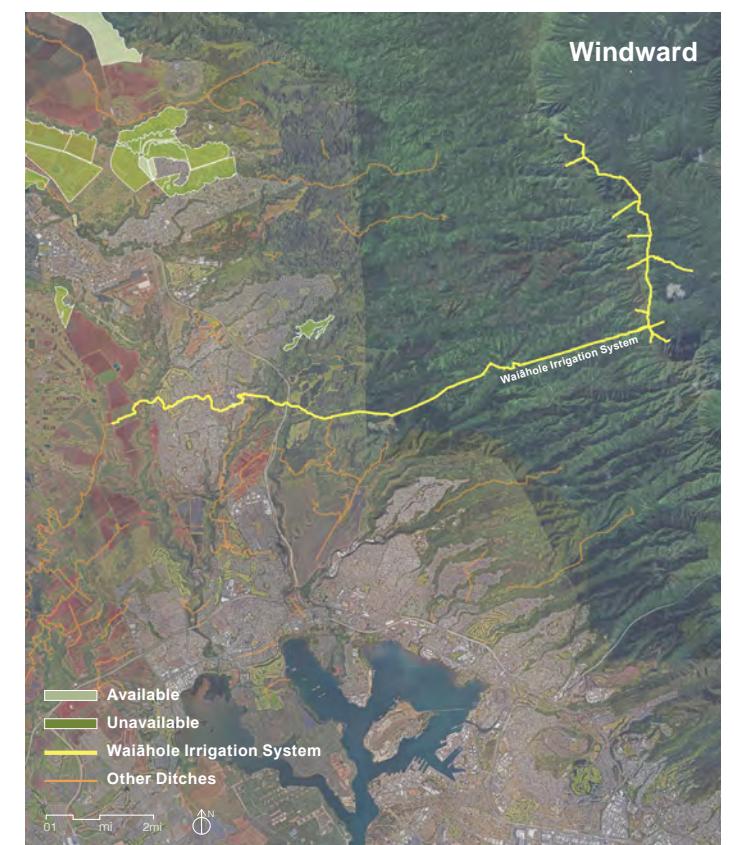
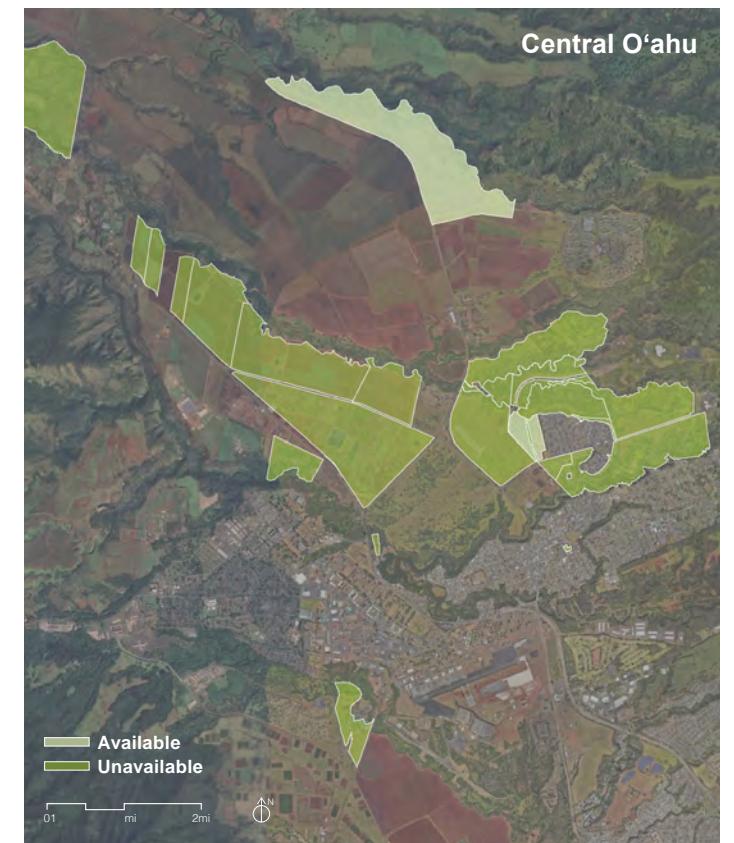
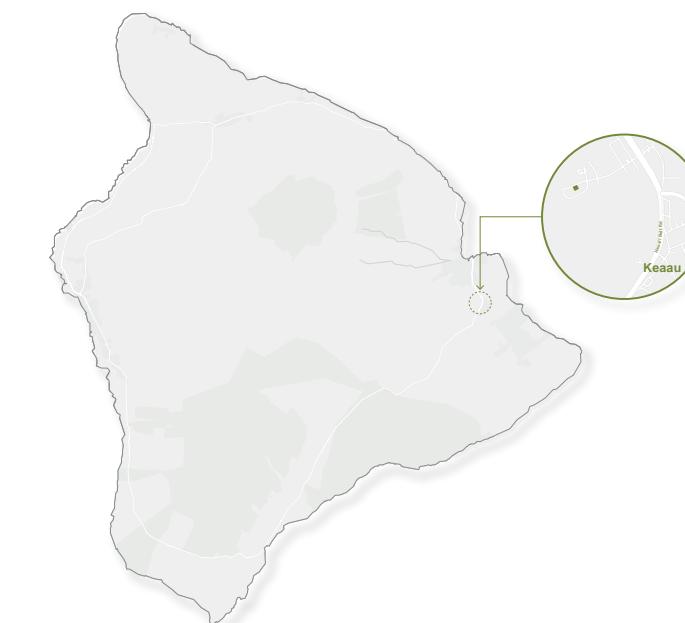
The Wāiahole Irrigation System is a historic agricultural water infrastructure that plays a key role in sustaining diversified farming across Central and Leeward O‘ahu. It was originally constructed in the early 1900s to service sugar plantations. It draws water from Windward O‘ahu sources and conveys it westward through a 26-mile tunnel and open-ditch system into Central O‘ahu. Today, it delivers approximately 8 to 12 MGD to farmland in areas including Kunia, Mililani, and Waipahu. This gravity-fed, non-potable water supply is essential to maintaining viable commercial agriculture, reducing groundwater extraction, and preserving agricultural land use in one of O‘ahu's most productive farming regions. In addition to its economic value, the Wāiahole system provides critical environmental and public safety benefits. By keeping agricultural lands in active production, the system helps suppress invasive species and reduces fire risk in Central O‘ahu. Idle, overgrown lands quickly accumulate fire-prone vegetation, increasing the intensity and spread of wildfires, as seen in recent devastating events across the state. Active irrigation suppresses vegetation fuel loads, creates firebreaks, and

provides reliable water sources for suppression efforts. Furthermore, as a gravity-fed surface water system, Wāiahole reduces reliance on aquifers and wells, helping to preserve finite groundwater resources, particularly in the Waipahu-Waiawa and Pearl Harbor aquifer sectors, which supply much of O‘ahu's drinking water. Together, the agricultural lands, associated water infrastructure, and agricultural processing facilities provide the foundation for expanding local food production and supporting institutional procurement, thus enabling the development of value-added enterprises across O‘ahu.

Hawai‘i Island

East Hawai‘i

Located south of Hilo in Kea‘au, ADC owns a 1.53 acre industrial lot in the Shipman Industrial Park. It is currently vacant but being evaluated as a strategic site for agribusiness processing, distribution and/or value-added manufacturing.



Strategic Framework



In accordance with HRS §163D-5, this section defines and establishes the foundational elements of the Hawai‘i Agribusiness Plan which include goals, objectives, policies, and priority guidelines for agribusiness development. It also sets forth the structure by which the ADC will identify measurable outcomes, metrics, timeframes, and budget expectations to guide implementation. These components ensure that the plan’s one-, five-, and ten-year objectives prioritize local food production from ADC’s licenses and that progress is evaluated annually as part of ADC’s statutory reporting to the Governor and the Legislature.

- **Goals:** Broad, long-term aspirations that describe the desired direction or intended statewide impact of the agribusiness strategy.
- **Objectives:** Specific, actionable, and time-bound steps that advance progress toward each goal.
- **Measurable Outcomes:** Quantifiable indicators used to assess the effectiveness of objectives and track progress toward goals.

The five strategic priorities that follow (land, water, food system, partnerships, sustainability) serve as the priority guidelines and policies referenced in the statute.



Land Use, Acquisition, and Infrastructure Development

Goal 1
Implement Efficient Land and Crop Management Systems

Goal 2
Increase Acreage Under Active Cultivation

Goal 3
Modernize and Expand Critical Agricultural Infrastructure

The Land Use, Acquisition, and Development strategy provides a long-term framework for managing Hawai'i's agricultural lands, infrastructure, and related assets to strengthen statewide food production and ensure sustainable use of public resources. This section focuses on modernizing the systems that support agricultural activity, from digital mapping and asset management to land licensing, infrastructure investment, and workforce housing development. By integrating geospatial information systems (GIS) and digital inventories, land and crop management will become more transparent, efficient, and responsive to changing environmental and economic conditions.

The strategy emphasizes the activation of underutilized lands and the expansion of acreage dedicated to diversified food production through improved planning, coordinated partnerships, and adaptive management. Modernization of irrigation networks, roads, and processing facilities is

prioritized to address deferred maintenance and align capital improvements with agricultural productivity goals. The creation of ag-industrial and processing park sites across the islands will help expand value-added capacity, enhance market access, and reduce logistical barriers for producers.

Recognizing that land productivity depends on a stable and skilled workforce, the strategy also includes measures to assess and develop agricultural housing statewide. Establishing financing mechanisms and partnerships will support the construction of new workforce units and create opportunities for rural revitalization. Together, these initiatives aim to increase the productive use of agricultural lands, strengthen regional infrastructure, and support a resilient, data-informed agricultural landscape capable of meeting Hawai'i's long-term food security and economic diversification objectives.



Land Use, Acquisition, and Infrastructure Development

Goal 1: Implement Efficient Land and Crop Management Systems

Objective 1.1

Deploy and maintain an integrated GIS and asset-management platform for all ADC-controlled lands.

Objective 1.2

Create and maintain a digital inventory of agricultural infrastructure inclusive of irrigation, drainage, and processing facilities, with condition ratings and geospatial data.

Objective 1.3

Deploy and maintain a digital compliance reporting system for all licensees.

Objective 1.4

Utilize performance data to inform adaptive management, capital investment, and policy decisions that expand food production capacity statewide.

Goal 2: Increase Acreage Under Active Cultivation

Objective 2.1

Issue new long-term licenses for diversified food production.

Objective 2.2

Acquire or develop farmable acres statewide.

Objective 2.3

Complete conservation plans for all vacant ADC parcels.



Land Use, Acquisition, and Infrastructure Development

Goal 3: Modernize and Expand Critical Agricultural Infrastructure

Objective 3.1

Develop a comprehensive infrastructure improvement plan identifying capital priorities and funding sources.

Objective 3.2

Complete priority irrigation, road, and facility rehabilitation projects on ADC-managed parcels.

Objective 3.3

Establish ag-industrial or processing park sites to support value-added and distribution functions.

Objective 3.4

Provide Agricultural Workforce Housing.

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Measurable Outcomes

1 YEAR

- Map and enter 100% of all ADC-controlled lands and assets into the GIS system, ensuring a complete digital inventory for land management and planning.
- Complete a statewide assessment of all ADC-controlled infrastructure to determine condition and investment needs.
- Issue 10 new long-term licenses totaling 1,000 acres to diversified crop producers.
- Identify at least 1,000 acres of high-priority parcels suitable for acquisition based on soil quality and infrastructure availability.
- Complete a baseline assessment for all vacant ADC parcels to determine readiness for agricultural use.
- Prepare conservation plans for at least 20% of vacant parcels to support resource stewardship and accelerate future land disposition.
- Rank and publish the top 10 infrastructure projects using criteria of safety, productivity impact, and food-system value.
- Initiate construction or rehabilitation on at least three high-priority sites that directly support food production, including irrigation, drainage, or access road improvements.
- Identify regulatory and financing barriers to agricultural workforce housing development.

5 YEAR

- Maintain GIS and asset inventory with less than a 3% data gap, ensuring accuracy in land oversight.
- By Year 3, ADC will implement a fully online/automated compliance reporting system for all licensees.
- By Year 5, establish baseline compliance rate for licensees, with at least 90% submitting annual reports.
- Develop and publish an annual performance dashboard on ADC's website in compliance with §163D-5(b).
- Issue new long-term licenses totaling 5,000 acres to diversified crop producers.
- Acquire $\geq 1,500$ new acres and develop for cultivation with necessary utilities.
- Prepare conservation plans for at least 50% of vacant parcels to support resource stewardship and accelerate future land disposition.
- Annual CIP request process aligned with condition ratings and food-system needs.
- Initiate at least 10 priority rehabilitation projects statewide.
- Initiate at least one fully functional agricultural industrial park and two shared-use processing facilities.
- Establish partnership agreements with HHFDC, USDA Rural Development, or equivalent for workforce housing development.
- Complete a needs assessment identifying number, type, and location of required housing units around ADC lands to develop a Workforce Housing Development Plan.

10 YEAR

- Continuous operation of a transparent, public-facing land and water data system that informs legislative and budgetary decisions.
- Acquire 5,000 new acres and develop for cultivation with necessary utilities.
- Prepare conservation plans for all vacant parcels to support resource stewardship and accelerate future land disposition.
- Complete ten priority rehabilitation projects statewide.
- Construct and operationalize at least one fully functional agricultural industrial park and two shared-use processing facilities.
- Initiate two pilot workforce housing projects (20–30 units each).

Spotlight

Grove Farm Acquisition and Development

The acquisition of 1,040 acres of Grove Farm lands on Kaua'i represents a major advancement in restoring former plantation lands to productive agricultural use. Situated in the island's historic plantation corridor, the site includes fertile soils, two operational reservoirs, and plantation-era ditch alignments that can be modernized and integrated into ADC's East Kaua'i Irrigation System. This action secures critical water assets, prevents land fragmentation, and ensures long-term agricultural use for community benefit.

The initiative fulfills ADC's statutory mandate to acquire and manage former plantation resources for diversified agriculture and economic revitalization. It provides a foundation for food production, water conservation, and regional enterprise growth. The property's location near Kaua'i's transportation routes enables efficient distribution, while its size and topography accommodate diversified cropping, livestock grazing, and small-scale processing. The reservoirs add drought resilience and will be upgraded with digital monitoring systems, dam safety improvements, and renewable microgrid technologies to promote energy independence and water-use efficiency.

The Grove Farm project also links agriculture with education and workforce development. ADC will work with the Department of Corrections and Rehabilitation (DCR) to create vocational programs in irrigation, cultivation, and food processing for incarcerated individuals, with pathways to post-release employment. A complementary partnership with HIDOE will explore a centralized food hub and school meal procurement facility to increase the use of locally grown produce in public institutions. These coordinated efforts strengthen the connection between agricultural revitalization, education, and local food supply chains.

Together, these efforts demonstrate how strategic land management and community partnership can transform former plantation assets into productive, resilient, and inclusive agricultural landscapes, supporting local farmers, advancing food self-sufficiency, and reinforcing Hawai'i's transition toward a diversified agricultural economy.



Irrigation and Water Resource Management

Goal 1
Modernize, Scale, and Secure Agricultural Water Systems

Goal 2
Institutionalize Shared Water Infrastructure and Governance

Goal 3
Expand Water Access and Efficiency for Local Food Production

The Irrigation and Water Resource Management strategy establishes a comprehensive framework to modernize, expand, and safeguard Hawai'i's agricultural water systems in support of long-term food security and climate resilience. It focuses on upgrading aging irrigation infrastructure, acquiring new water sources, and developing systems that are more adaptive to drought, flooding, and wildfire risks. Modern water infrastructure that integrates wells, reservoirs, pipelines, and digital monitoring will ensure that agricultural lands remain viable and that water delivery systems operate efficiently and equitably across islands and production areas.

This strategy also emphasizes collaborative governance and shared responsibility for water infrastructure. By formalizing maintenance frameworks, standardizing water-use agreements, and adopting transparent data-reporting

systems, it promotes coordinated management among farmers, state agencies, and local partners. Initiatives for water conservation, reuse, and financial sustainability are designed to extend the lifespan of existing systems while lowering operational costs and reducing environmental impacts.

Expanding water access for diversified agriculture remains central to this approach. Through improved irrigation efficiency, renewable energy integration, and resource recovery, the strategy aims to increase the acreage devoted to local food production and reduce vulnerability to climate variability. Data-driven performance monitoring will guide future investments, enabling adaptive management and evidence-based decision-making. Collectively, these efforts establish a resilient, efficient, and sustainable foundation for managing Hawai'i's most critical agricultural resource, wai.



Goal 1: Modernize, Scale, and Secure Agricultural Water Systems

Objective 1.1

Rehabilitate and upgrade critical irrigation infrastructure.

Objective 1.2

Acquire new wells and surface-water sources to expand agricultural supply.

Objective 1.3

Develop climate and fire resilient infrastructure.

Goal 2: Institutionalize Shared Water Infrastructure and Governance

Objective 2.1

Establish shared water-use and maintenance frameworks.

Objective 2.2

Integrate digital monitoring and transparent data reporting.

Objective 2.3

Develop water-conservation and reuse initiatives.

Objective 2.4

Implement financial sustainability models for irrigation systems.



Goal 3: Expand Water Access and Efficiency for Local Food Production

Objective 3.1

Increase irrigated acreage devoted to local food production.

Objective 3.2

Improve water-use efficiency among tenants.

Objective 3.3

Integrate renewable energy and resource recovery into irrigation operations.

Objective 3.4

Establish data-driven performance monitoring to guide adaptive management.

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Measurable Outcomes

1 YEAR

- Acquire at least one water system on O'ahu that supports irrigation for diversified food crops, increasing reliable water access for agricultural producers.
- Acquire at least one water system on Kaua'i that irrigates diversified food crops, expanding the agency's reach and improving agricultural water reliability.
- Develop, finalize, and prepare for statewide implementation a standardized policy and process for shared water agreements.
- Execute a feasibility study evaluating the viability of a potential energy project to support agricultural water system efficiency or resilience.

10 YEAR

- Acquire at least one water system on a neighbor island currently not served by ADC, expanding agricultural water access beyond existing service areas.
- Implement an approved water conservation strategy across 100% of ADC-managed water systems to improve efficiency and reduce waste.
- Install satellite-reading water meters on at least two ADC-managed water systems to enable remote monitoring and improved water management.
- real-time instream water-reading equipment on every ADC-managed water system, ensuring continuous, remotely reported flow and usage data.

5 YEAR

- Complete the necessary upgrades to the Wahiawā Dam to meet all applicable dam safety regulations and compliance standards.
- Execute the O'ahu R1 Water Infrastructure Plan, including implementation of identified projects, permitting steps, and resource investments.
- Draft and publish a plan to expand the Waiāhole Ditch footprint to include unirrigated lands in Central O'ahu, supported by feasibility analysis and land-use data.



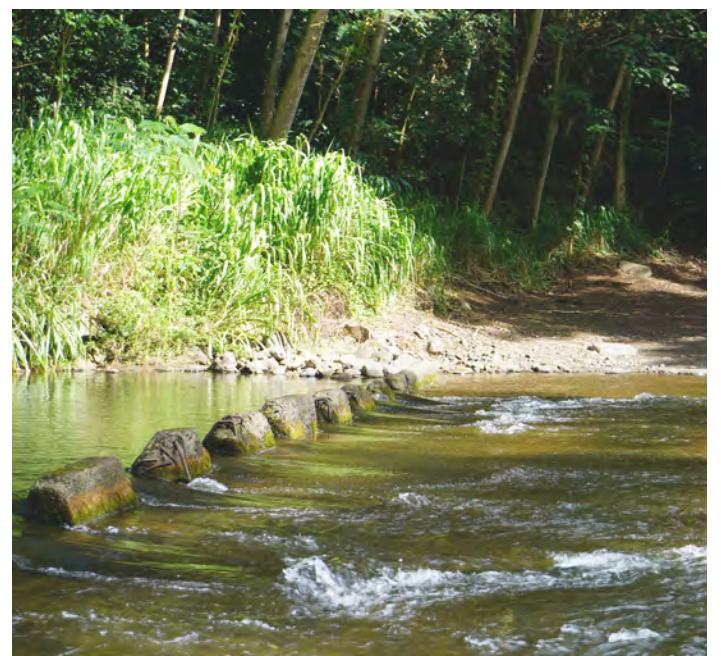
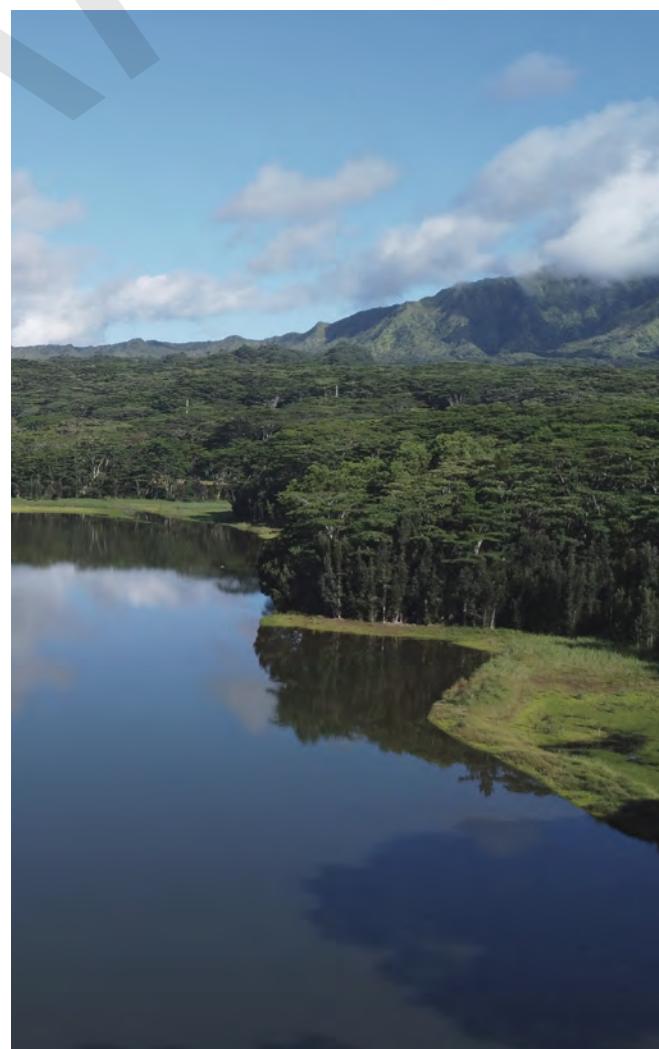
Spotlight

East Kaua'i Irrigation System Acquisition

The ADC's acquisition of the East Kaua'i Irrigation System (EKIS) marks a critical step toward revitalizing agriculture and sustainable land use across more than 5,000 acres of adjacent state-owned agricultural lands on Kaua'i. These lands support a diverse range of producers, including small and disadvantaged farmers who rely on reliable irrigation to sustain and grow their operations. Current crops include taro, sweet potato, tropical fruits, vegetables, and forage crops, with significant potential to increase productivity by opening an additional 500 acres of unirrigated lands. Maintaining these lands in active production not only enhances food security and economic development but also helps reduce wildfire fuel loads, control invasive species, and provide accessible water sources for fire suppression - an increasingly critical benefit amid growing wildfire risks across Hawai'i.

The system also serves the DHHL, whose homestead communities have a constitutional right to water under Article XII, Section 1 of the Hawai'i State Constitution. Ensuring equitable and prioritized water delivery to DHHL lands is integral to ADC's management responsibilities. Utilizing surface water from EKIS further helps reduce pressure on groundwater aquifers, protecting vital drinking water resources and supporting long-term water sustainability on Kaua'i.

Economically, each acre of agricultural land in Hawai'i contributes significantly to the local economy, generating an average of approximately \$40,000 in economic output per acre annually through crop sales, associated labor, and ancillary services. By supporting over 5,000 acres of irrigated land, and adding 500 more acres, this acquisition could potentially generate over \$220 million in annual economic activity, reinforcing the agricultural sector as a key engine of Kaua'i's rural economy.



Food System Development and Market Expansion

Goal 1

Develop Food and Product Innovation Infrastructure to Improve Statewide Food Security

Goal 2

Strengthen Institutional Procurement and Market Alignment

Goal 3

Expand Value-Added and Protein Processing Capacity

Goal 4

Enhance Business Capacity and Workforce Development

The Food System Development and Market Expansion strategy focuses on building the physical, institutional, and human infrastructure necessary to strengthen Hawai'i's food economy and reduce dependence on imported products. It establishes a coordinated framework for developing innovation hubs, modernizing processing and distribution systems, and expanding local market access for farmers and producers. Central to this approach is the Hawai'i Food and Product Innovation Network (FPIN), a statewide system of open-access facilities designed to accelerate product development, scale value-added production, and integrate renewable energy and resource-efficient operations. Through the expansion of the COAFH and the creation of new regional facilities on neighbor islands, the strategy enhances capacity for aggregation, cold storage, and processing, enabling producers to reach both institutional and consumer markets more effectively.

This framework also advances market coordination and institutional procurement to align production with statewide

food security goals. By developing a producer database, implementing market forecasting tools, and strengthening cooperative marketing and branding, the strategy seeks to create stable, predictable demand for Hawai'i-grown products. Feasibility studies and modernization of processing facilities will expand the state's capacity for protein and value-added product development, while digital traceability systems will enhance transparency and food safety across the supply chain.

Equally important is the development of a skilled and inclusive agricultural workforce. The strategy promotes entrepreneurship, financing, and technical assistance programs to empower small and mid-size producers and strengthen the agribusiness and food manufacturing workforce pipeline. Together, these initiatives form an integrated system that connects production, processing, and distribution ultimately supporting innovation, economic diversification, and the long-term resilience of Hawai'i's food system.



Food System Development and Market Expansion

Goal 1: Develop Food and Product Innovation Infrastructure to Improve Statewide Food Security

Objective 1.1

Establish and operationalize the FPIN.

Objective 1.2

Advance the Central O'ahu Agriculture and Food Hub.

Objective 1.3

Develop additional FPIN and value-added facilities on neighbor islands.

Objective 1.4

Create a business incubation and technical assistance program for small and mid-size producers.

Objective 1.5

Integrate renewable energy and resource efficiency in all FPIN facilities.

Goal 2: Strengthen Institutional Procurement and Market Alignment

Objective 2.1

Expand HIDOE and institutional procurement of local food.

Objective 2.2

Develop a statewide producer database and aggregation logistics system.

Objective 2.3

Implement market forecasting and crop planning tools.

Objective 2.4

Support cooperative marketing and brand development.



Goal 3: Expand Value-Added and Protein Processing Capacity

Objective 3.1

Conduct feasibility studies for small-animal and livestock processing facilities statewide.

Objective 3.2

Modernize existing ADC processing facilities.

Objective 3.3

Develop a statewide distribution and cold-storage network.

Objective 3.4

Integrate data-driven quality control and traceability systems.

Goal 4: Enhance Business Capacity and Workforce Development

Objective 4.1

Develop an agribusiness and food-manufacturing workforce pipeline.

Objective 4.2

Expand entrepreneurship and financing programs for farmers and value-added producers.

Objective 4.3

Promote equity and inclusion in food-system participation.



Food System Development and Market Expansion

Measurable Outcomes

1 YEAR

- Identify and document a suitable site on Kaua'i for a Food and Product Innovation location, including land suitability analysis and site requirements.
- Map all commodities currently grown and potentially growable on ADC lands in Central O'ahu, using soil, water, and climate suitability data.
- Purchase land on O'ahu suitable for developing a small animal slaughterhouse that meets permitting and zoning requirements.
- Purchase land on Kaua'i for a Food and Product Innovation location, supported by site analysis and acquisition documentation.

10 YEAR

- Develop necessary infrastructure on Kaua'i to support an EPMF facility, including utilities, permitting, and site preparation.
- Develop microgrid systems on O'ahu and Kaua'i designed to support food and product innovation facilities, ensuring reliable, renewable power.
- Build and launch an online statewide producer database and aggregation logistics system to streamline procurement and market access.
- Implement a program to support marketing, branding, and market positioning for ADC tenants participating in the state procurement system.
- Develop necessary infrastructure on Maui to support an EPMF facility, including utilities, permitting, and site preparation.
- Develop necessary infrastructure on Hawai'i Island to support an EPMF facility, including utilities, permitting, and site preparation.

5 YEAR

- License land in COFAH to at least one new food manufacturing company, completing the license agreement and site readiness requirements.
- Identify all ADC tenants interested in selling to state institutions, maintaining an updated list and interest profiles.
- Beginning in Year 2 and annually thereafter, ADC will host at least one meeting between ADC farmers and Hawai'i DOE procurement staff to coordinate meal plan needs and explore contract-growing opportunities.
- Complete construction of a small animal slaughterhouse on O'ahu, meeting all regulatory, food safety, and operational requirements.
- Construct a high-pressure processing (HPP) packaging facility on O'ahu to support food safety and value-added product development.
- Contract professional services to design the Entrepreneur Product Manufacturing Facility (EPMF) on O'ahu equipped to support start-up and small-scale food and product producers.

Spotlight

Hawai‘i Food and Product Innovation Network

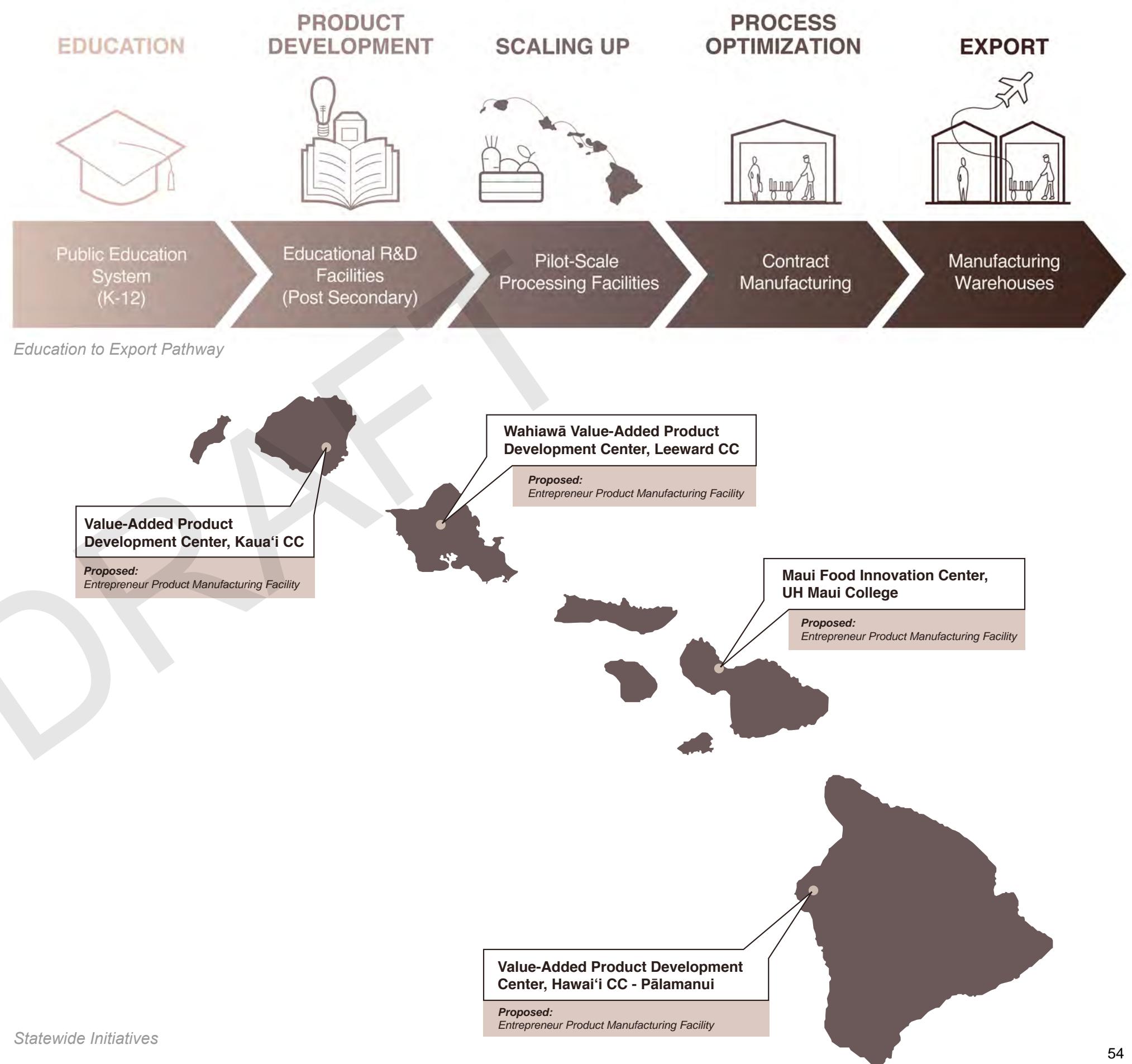
In 2025, the Hawai‘i State Legislature established the FPIN within ADC to scale up value-added manufacturing and product commercialization and to further Hawai‘i’s agricultural, food security, and economic diversification goals.

The FPIN will include a network of statewide, open-access food and product innovation facilities designed to help businesses to scale efficiently and sustainably. These facilities will offer technical expertise, advanced production and manufacturing equipment, workforce training, and commercialization support. Access to shared, fee-for-service manufacturing, cold storage, and lease spaces will allow businesses to expand operations without the need for significant upfront capital investments, lowering barriers to entry while enabling local producers to create value-added products, increase production capacity, and reach larger markets.

Hawai‘i’s emerging FPIN is designed to create a sustainable and resilient agricultural economy by establishing a seamless pathway from education to commercialization to export. This pathway begins with the integration of agriculture, food systems, and sustainability into the public education curricula at the K-12 and adult education levels, helping to build early awareness and interest in agricultural careers. Postsecondary institutions then provide applied, hands-on learning through food and product development centers that include test and production kitchens, technical assistance, and industry-aligned certificates and degrees in areas such as Ag Tech, Food Science, and value-added manufacturing.

As businesses progress beyond early-stage development, FPIN supports the transition to commercial-scale operations through pilot-scale processing facilities, contract manufacturing partnerships, and warehouse and production lease spaces. These assets provide the infrastructure, regulatory support, and operational expertise needed to scale production, improve consistency and quality, and meet market and export requirements. By linking education, workforce development, and infrastructure, FPIN helps de-risk growth and accelerates the success of Hawai‘i-based enterprises.

The Central O‘ahu-based EPMF serves as the initial pilot-scale processing facility for the statewide FPIN. It is intended to provide next-phase support for farmers, entrepreneurs and agribusinesses emerging from the WVAPDC. Future EPMFs are envisioned in close association with postsecondary institutions on Kaua‘i, Maui, and Hawai‘i Island, creating a distributed yet coordinated network that supports regional strengths while advancing a unified statewide strategy.



Spotlight

Central O'ahu Agriculture and Food Hub

The COAFH represents a strategic investment in Hawai'i's agricultural resilience, value-added production capacity, and food system infrastructure. Located in the heart of Central O'ahu, the hub is envisioned as a multi-functional complex that supports agricultural producers, food entrepreneurs, and agribusinesses by addressing persistent gaps in aggregation, processing, and distribution. By co-locating complementary facilities and services, the hub strengthens regional supply chains while advancing statewide goals for food security, economic development, and sustainable use of agricultural lands.

At its core, the hub serves as a centralized point for aggregation and post-harvest handling, enabling small and mid-sized producers to efficiently move products from farm to market. Shared infrastructure such as cold storage, manufacturing facilities, tenant lease spaces, and greenhouses reduce barriers to entry for farmers and food businesses that lack access to capital-intensive facilities. These shared assets help producers retain more value locally, improve product quality and consistency, and better meet food safety, regulatory, and buyer requirements.

Several key facilities currently under development anchor the hub and demonstrate its phased, strategic approach. These include a HIDOE Regional Kitchen to support local food procurement for public school meals, as well as an HPP Facility that will expand preservation options and shelf-life for locally produced foods. The envisioned EPMF would provide flexible, scalable manufacturing space for small and emerging agribusinesses to transition from pilot-scale production to commercial markets. Together, these facilities provide critical backbone infrastructure that supports both institutional markets and value-added production, while increasing demand for Hawai'i-grown agricultural products.

In addition to production and processing infrastructure, the COAFH integrates supportive uses such as workforce housing to help address labor availability and long-term workforce stability in the agricultural sector. By pairing essential facilities with housing and operational support, the COAFH reflects ADC's commitment to building an integrated, resilient, and inclusive agribusiness ecosystem. Through coordinated infrastructure investment, cross-sector partnerships, and phased development, the hub is positioned to deliver long-term benefits for farmers, food producers, and communities statewide.



Organizational Capacity and Partnerships

Goal 1

Adapt Organizational Structure to Support the Updated Strategic Plan

Goal 2

Integrate Performance Tracking and Transparency

Goal 3

Deepen Strategic Partnerships

Goal 4

Build Financial Resilience and Funding Partnerships

The Organizational Capacity and Partnerships strategy strengthens the institutional foundation needed to implement the agribusiness development priorities outlined in this plan. It focuses on aligning internal systems, staffing, and processes with updated statutory mandates and emerging operational needs, ensuring that the organization functions efficiently and transparently. Key actions include restructuring internal divisions, modernizing administrative procedures, and upgrading technology systems to improve data management and interdepartmental coordination. A comprehensive onboarding and professional development program will cultivate expertise across disciplines, ranging from land management and infrastructure development to value-added production and finance, while the Annual Impact Report will communicate measurable outcomes to stakeholders and the public.

Enhancing organizational performance and accountability is central to this approach. A unified performance management framework, supported by a public online data dashboard and performance-based budgeting, will improve transparency, guide decision-making, and institutionalize a culture of continuous improvement. These systems will ensure that operations remain data-driven, adaptable, and

responsive to changing economic, environmental, and legislative conditions.

The strategy also emphasizes partnership development as a means of scaling impact and leveraging shared resources. Strengthened coordination with DBEDT, the University of Hawai'i System, and other research and agricultural institutions will promote innovation and statewide collaboration. Formal interagency mechanisms will align agricultural development with broader food-system planning, while engagement with community organizations and industry partners will help ensure that initiatives remain grounded in local priorities.

Finally, building financial resilience is a core priority. Diversifying funding sources, developing blended finance models, and establishing an Agricultural Investment Partnership Framework will support long-term stability and enable continued investment in infrastructure, innovation, and farmer support. Together, these initiatives position the organization to operate with greater efficiency, transparency, and strategic alignment, ensuring sustained leadership in advancing Hawai'i's agricultural development goals.



Organizational Capacity and Partnerships

Goal 1: Adapt Organizational Structure to Support the Updated Strategic Plan

Objective 1.1

Update ADC's internal structure, staffing, and processes to reflect new statutory mandates and operational priorities.

Objective 1.2

Develop a comprehensive onboarding and professional development program.

Objective 1.3

Upgrade technology and record-keeping systems.

Objective 1.4

Design and publish an annual "ADC Impact Report."

Goal 2: Integrate Performance Tracking and Transparency

Objective 2.1

Develop a unified performance management framework.

Objective 2.2

Create a publicly accessible online data dashboard.

Objective 2.3

Institutionalize continuous improvement practices.

Objective 2.4

Implement performance-based budgeting.



Organizational Capacity and Partnerships

Goal 3: Deepen Strategic Partnerships

Objective 3.1

Strengthen coordination within DBEDT.

Objective 3.2

Formalize partnerships with key agricultural and research institutions.

Objective 3.3

Develop interagency coordination mechanisms for statewide food-system planning.

Objective 3.4

Engage community and industry partners.

Goal 4: Build Financial Resilience and Funding Partnerships

Objective 4.1

Diversify funding sources and develop blended finance models.

Objective 4.2

Establish transparent financial management and reporting systems.

Objective 4.3

Create an Agricultural Investment Partnership Framework.

DRAFT



Organizational Capacity and Partnerships

Measurable Outcomes

1 YEAR

- Complete a full review and redescribe 100% of ADC staff positions and titles, aligning duties with agency needs and the updated Strategic Plan.
- Draft a new organizational chart that fully supports the ADC Board of Directors' updated Strategic Plan and reflects revised roles, reporting lines, and functional areas.
- Design a new annual budget development process that explicitly incorporates Strategic Plan priorities and includes documented steps, timelines, and accountability measures.
- Hold monthly Board of Directors meetings in all four counties (Hawai'i, Maui, O'ahu, and Kaua'i) to strengthen statewide engagement and transparency.
- Complete and present the Subsidiary Permitted Interaction Group (PIG) report outlining recommendations for financial sustainability and partnership strategies.

10 YEAR

- Create a public-facing, continuously updated dashboard displaying all ADC projects, available lands, and business development tools, ensuring transparency and public engagement.
- Develop and implement a formal framework to evaluate and support development of new crops and varieties adapted to limited water availability and climate-change conditions.
- Design and launch an Agricultural Investment Partnership Framework that outlines investment structures, partner roles, project criteria, and pathways for private-public collaboration.

5 YEAR

- Design, publish, and distribute an annual "ADC Impact Report" that summarizes achievements, partnerships, land outcomes, financial impacts, and statewide contributions.
- Design and implement a standardized onboarding process for all positions that includes individualized professional development plans and organizational leadership training.
- Design and adopt a comprehensive system for measuring organizational performance and impact, including KPIs, data collection processes, and annual reporting.
- Develop a formal framework for planning and executing joint projects with DBEDT departments and attached agencies, including criteria, workflows, and shared governance structure.
- Create a standardized business plan framework to evaluate new opportunities and identify partners that align with ADC's mission and financial sustainability goals.

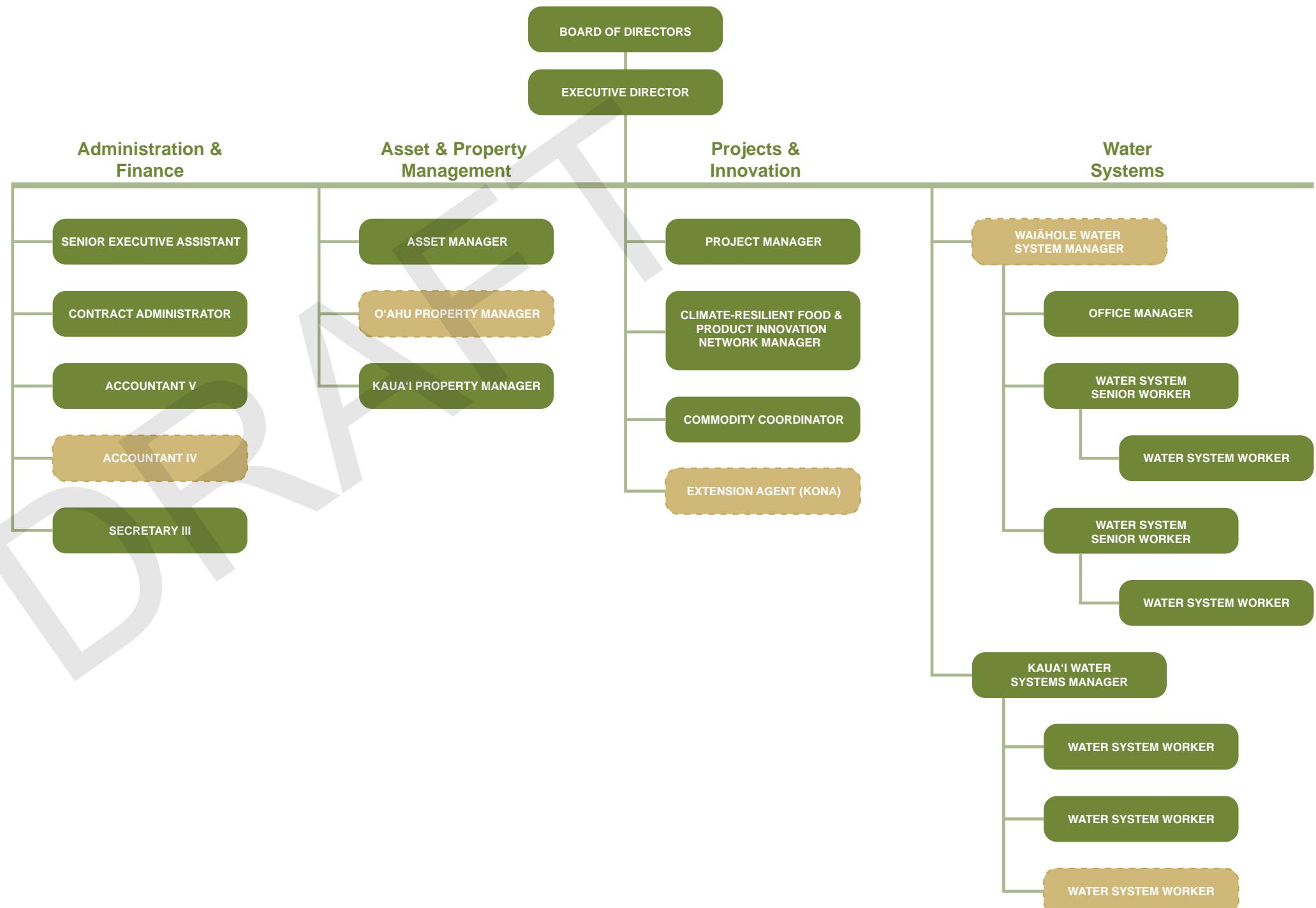
Spotlight

Statewide Hiring



Organizational Capacity and Partnerships

Filling vacant positions and staffing newly authorized roles is a top priority for ADC as it expands its operations to meet legislative mandates and strategic goals. Recent legislative sessions have provided ADC with critical new positions to support agricultural infrastructure, land and water resource management, and program development. Prioritizing the recruitment of qualified local candidates not only strengthens ADC's internal capacity but also contributes directly to Hawai'i's broader goal of sustainable job creation within the agricultural sector. These positions provide meaningful career pathways in agriculture, natural resource management, and public service, helping to grow a skilled workforce aligned with the state's vision for food security and economic diversification.



Sustainability, Innovation, and Climate Resilience

Goal 1
Advance a Climate-Resilient Agricultural Sector

Goal 2
Advance Agricultural Technology and Smart-Farming Innovation

Goal 3
Align Agricultural Practices with State Energy and Food Security Goals

Goal 4
Promote Regenerative Agriculture and Natural Resource Stewardship

The Sustainability, Innovation, and Climate Resilience strategy establishes a forward-looking framework to ensure that Hawai'i's agricultural sector remains productive, adaptive, and environmentally responsible in the face of changing climate conditions. It integrates climate adaptation, mitigation, and disaster-preparedness measures into agricultural planning and management, advancing a statewide transition toward climate-resilient food systems. Core actions include the development of a Climate Action Plan for Agriculture, expansion of fire and disaster mitigation capacity, and establishment of annual monitoring and reporting on resilience metrics. These measures aim to safeguard agricultural lands and infrastructure while supporting long-term resource security.

The strategy also prioritizes innovation as a driver of sustainability and competitiveness. By promoting precision agriculture, smart-farming technologies, and applied research partnerships, it seeks to enhance production efficiency, reduce input costs, and improve data-informed decision-making. A Smart Agriculture Innovation Grant Program will catalyze new practices and technologies suited to Hawai'i's unique conditions, while innovation metrics will be embedded into project evaluations to track progress and inform adaptive management.

Aligned with the State's broader energy and food security goals, the strategy advances the use of renewable energy, circular resource systems, and low-waste operations across agricultural facilities and lands. Investments will focus on crops and livestock that reduce import dependencies and strengthen local supply chains. Collaborative resource planning with state agencies will ensure that agricultural growth aligns with sustainable land, water, and energy management.

Finally, this strategy reinforces regenerative agriculture and natural resource stewardship as central pillars of long-term sustainability. Implementation of regenerative soil management, watershed restoration, and biodiversity protection programs will preserve ecosystem services essential to agriculture. Tenant education, conservation incentives, and measurement of environmental and social co-benefits will help embed sustainability into daily operations. Collectively, these initiatives position Hawai'i's agricultural system to thrive under changing environmental conditions while contributing to a more resilient, innovative, and regenerative island economy.



Goal 1: Advance a Climate-Resilient Agricultural Sector

Objective 1.1

Integrate climate adaptation and mitigation practices into all ADC projects.

Objective 1.2

Develop and implement a Climate Action Plan for Agriculture.

Objective 1.3

Expand fire and disaster mitigation capacity.

Objective 1.4

Establish annual monitoring and reporting on resilience metrics.

Goal 2: Advance Agricultural Technology and Smart-Farming Innovation

Objective 2.1

Promote precision agriculture and digital innovation.

Objective 2.2

Establish a Smart Agriculture Innovation Grant Program.

Objective 2.3

Develop data-sharing partnerships for applied research.

Objective 2.4

Integrate innovation metrics into ADC project evaluations.



Goal 3: Align Agricultural Practices with State Energy and Food Security Goals

Objective 3.1

Integrate renewable energy systems into ADC lands and facilities.

Objective 3.2

Support circular resource systems that minimize waste.

Objective 3.3

Prioritize investments in crops and livestock that replace high-import dependencies.

Objective 3.4

Collaborate with state agencies on integrated resource planning.

Goal 4: Promote Regenerative Agriculture and Natural Resource Stewardship

Objective 4.1

Implement regenerative soil management across ADC lands.

Objective 4.2

Support watershed restoration and biodiversity protection.

Objective 4.3

Develop tenant education and incentives for conservation.

Objective 4.4

Quantify ADC's environmental and social co-benefits.



Measurable Outcomes

1 YEAR

- Develop a planning document to identify a new water-saving reservoir project on O'ahu, to include site identification, preliminary engineering concepts, and cost estimates.
- Contract professional services to develop a business plan for a Smart Agriculture Innovation Grant Program, including program design, eligibility criteria, budget, and performance metrics.
- Identify and document at least one microgrid feasibility project on O'ahu, including evaluation criteria, technical needs, and potential partners.
- Contract professional services to establish master conservation plans for 100% of ADC lands, with documented conservation goals, best practices, and implementation timelines.

10 YEAR

- A Climate-Resilient Agriculture Hub at Mililani Tech Park to support research, innovation, and producer services.
- An operational drone program to reduce labor costs and energy consumption in agricultural operations, including training, equipment procurement, and safety protocols.
- Launch two new microgrid systems on ADC lands that reduce energy use for food manufacturing and increase energy resilience.
- Actively participate in developing a new Central O'ahu watershed restoration plan, contributing data, land access, and project recommendations.

5 YEAR

- Identify and document at least one new water-saving reservoir project on Kaua'i, including feasibility analyses, permit pathways, and projected agricultural impacts.
- Secure funding for the Smart Agriculture Innovation Grant Program, in anticipation of opening the first round of grant applications and awarding initial grants.
- Design and implement a complete waste and byproduct handling system for the small animal slaughterhouse, meeting environmental, health, and regulatory requirements.
- Ensure that 100% of tenants have approved, compliant conservation plans integrated into ADC land-management systems.



Wahiawā Irrigation System

The Wahiawā Irrigation System is a critical component of agricultural production servicing Central O'ahu. The system was originally built to support plantation operations and now supports a wide range of diversified agriculture that depends on stable and affordable irrigation water. Water is drawn from Lake Wilson, one of the largest inland reservoirs in the state, and conveyed to more than 3,000 acres of active farmland. Historical system capacity reached approximately 50 MGD, although current operation is significantly lower and averages between 6 and 10 MGD. State reporting indicates that, with full restoration and coordinated management, the system could once again support as many as 17,000 acres across Central O'ahu. Farmers in the region remain dependent on the system, and continued access to surface water is central to local food production, agricultural jobs, and economic stability.

The ADC Board of Directors has identified the future acquisition of these irrigation assets as a priority for ensuring long-term access to irrigation water in Central O'ahu. The system is still privately owned, and the sale to the State of Hawai'i is pending. Completion of this acquisition would allow ADC to stabilize system management, address deferred maintenance, and plan for long-term capital improvements. The system also plays an important role in climate resilience by reducing wildfire risk, supporting irrigated landscapes that limit fuel loads, and preserving local water resources. Its continued use also reduces pressure on stressed groundwater aquifers, especially with planned integration of R-1 recycled water from the Wahiawā Wastewater Treatment Plant. Protecting this system and securing the future transfer to ADC are essential for maintaining agricultural productivity, advancing local food security goals, and supporting regional resilience in Central O'ahu.



Strategies for Federal, State, County, and Community Actions



Federal Policy Recommendations

Federal policy and funding are vital to overcoming the unique challenges and maximizing the opportunities of agriculture in Hawai'i. Given the islands' geographic isolation, high input costs, and climate vulnerabilities, tailored federal support can provide the infrastructure, investment, and market access needed to grow a resilient locally and globally competitive agricultural sector. Prioritizing Hawai'i in rural development and food system grants, investing in renewable energy and water infrastructure, and expanding international trade initiatives will help build long-term capacity while positioning Hawai'i as a leader in sustainable local and export-ready agriculture. The following federal policy recommendations are designed to bring these goals within reach.

1. **Fund renewable energy and water infrastructure tailored to island needs** - Supports energy resilience and water security for island agriculture
2. **Prioritize Hawaii in United States Department of Agriculture (USDA) Rural Development and Local Food Purchase Assistance (LFPA) grants** - Directs federal resources to local production needs, bioregional-scale ag, and food security for Hawai'i-based federal forces.
3. **Support creation of a Pacific Agricultural Export Initiative** - Strengthens Hawaii's position in Pacific regional trade
4. **Strengthen trade offices focused on Asia-Pacific ag exports** - Expands international markets for Hawaii-grown products

State Policy Recommendations

State-level policy is essential to setting the conditions for a resilient and productive food system agricultural sector in Hawai'i. Through strategic investments, regulatory reform, and targeted incentives, the state can strengthen the foundation of local and multi-island food systems stakeholders helping them to and support farmers in scaling their operations. Key areas of impact include land access, infrastructure development, streamlined permitting, and stable market creation through public procurement. By aligning resources and regulations with food system goals, the state can drive long-term progress toward food security, economic resilience, and sustainable land use. The following recommendations outline priority actions to advance these outcomes.

1. **Increase funding for ADC CIP and operational budgets** - Enables the development and maintenance of critical ag infrastructure and services
2. **Invest in data collection in order to measure progress** - Ensures feedback loops necessary to know if we are making progress
3. **Expand Important Agricultural Lands (IAL) tax credits** - Incentivizes conservation and productive use of key agricultural land
4. **Streamline lease processing and ag permitting (via DBEDT/ADC)** - Cuts red tape to accelerate land access and use for agriculture
5. **Allow long-term leases on ADC lands tied to production goals** - Provides tenure stability and encourages performance-focused operations
6. **Mandate minimum % of local food procurement by public institutions** - Drives demand for Hawaii-grown food, creating stable local markets

County Policy Recommendations

County governments play a critical frontline role in shaping the daily realities of farming and food access in Hawai'i. Local policies and investments directly impact how quickly agricultural projects can move forward, how farms connect to essential infrastructure like roads and water, and how communities access locally grown food. By streamlining approvals, cost-sharing infrastructure, and supporting food distribution systems, counties can remove persistent barriers and foster stronger regional food economies. The following recommendations highlight actionable ways local governments can help build a more connected, efficient, and equitable food system from the ground up.

1. **Expedite zoning and permit approvals for ag infrastructure and processes** - Accelerates development of essential farming facilities (e.g., utility access, fencing, buildings, waste management, processing, distribution, etc.)
2. **Provide county cost-sharing for access roads and water lines** - Supports key infrastructure to connect farms to utilities and markets
3. **Support food system stakeholders such as local and regional food hubs, farmers markets, and processing kitchens** - Strengthens local regional food systems and farmer-to-consumer connections

Community Engagement and on the Ground Assessment

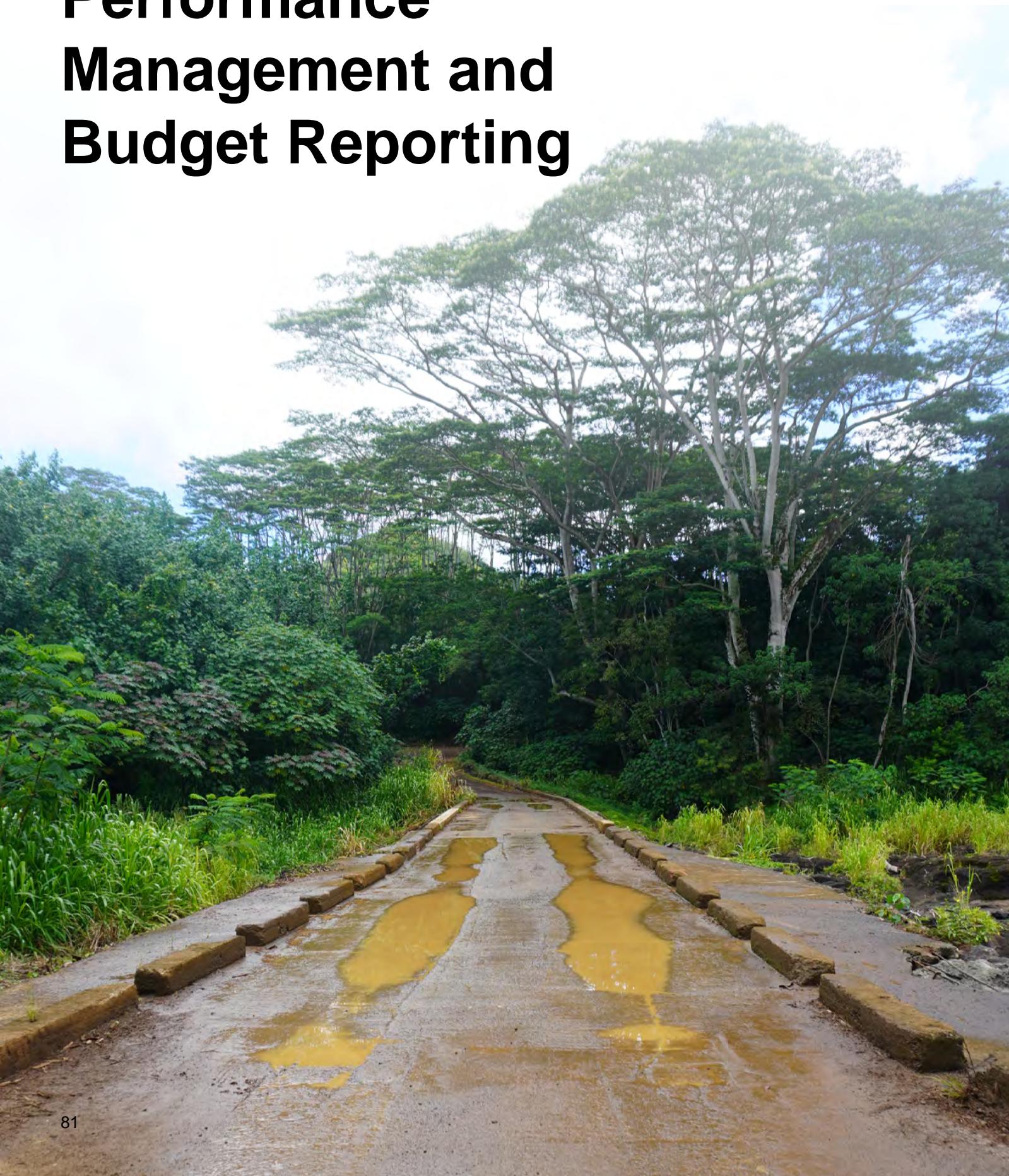
As part of the Corporation's commitment to accountability and collaboration, the Board of Directors has instituted a statewide rotation of monthly meetings across Hawai'i's major islands. This initiative strengthens the connection between policy and practice by enabling the Board to engage directly with the farmers, ranchers, and communities most affected by its decisions. Each meeting serves as a venue for open dialogue, local testimony, and coordination with county agricultural offices and community organizations, ensuring that the Corporation's work remains responsive to regional needs.

These on-island meetings allow the Board to conduct firsthand observation of agricultural operations, inspect infrastructure, and assess project sites and surrounding conditions. By connecting directly with producers and stakeholders in the field, the Board gains a clearer understanding of operational challenges, investment opportunities, and infrastructure gaps. This hands-on perspective improves the quality of decision-making and ensures that projects align with local realities, environmental considerations, and community priorities.

In tandem with this engagement, the Board is actively working to strengthen partnerships with the Department of Agriculture and Biosecurity (HDAB), and federal agencies such as the U.S. Economic Development Administration and USDA. These relationships are essential for coordinating statewide investment in irrigation systems, drought and climate resilience, agricultural workforce training, and food production infrastructure. Strengthening these partnerships will expand ADC's ability to align state, county, and federal resources toward a shared vision of agricultural sustainability.

By combining on-the-ground community assessment with measurable performance tracking, the Corporation ensures that the Hawai'i Agribusiness Plan remains a living, adaptive framework, guided by transparency, data, and local participation. The Board remains committed to ensuring that every action of the Corporation delivers tangible, lasting value for Hawai'i's agricultural future (Supporting reference documents are provided in Appendices F-G).

Performance Management and Budget Reporting



Board Oversight and Performance Metrics

To ensure accountability and continuous improvement, the Board of Directors will establish a structured framework for performance measurement and budget monitoring during the FY2026–FY2028 biennium. This framework will align with DBEDT's performance-based budgeting principles and incorporate measurable Key Performance Indicators (KPIs) across several operational areas, including:

- Timeliness and accuracy of financial reporting through the Yardi and Electronic Financial Systems (EFS);
- Revenue performance from leases, water systems, and agricultural infrastructure relative to budget projections;
- Occupancy and land utilization metrics, measuring progress in licensing, lease renewals, and tenancy expansion;
- Project delivery milestones for capital improvements, system maintenance, and infrastructure investment;
- Operational efficiency indicators, including reductions in manual processing time and reconciliation errors post-EFS integration; and
- Compliance benchmarks for procurement, audit readiness, and Sunshine Law transparency in financial reporting.

The Board will receive quarterly Yardi-based financial dashboards and forward projections, enabling data-driven governance and long-term planning. By FY2028, ADC aims to fully transition from a reactive accounting model to a proactive performance management framework, one that integrates fiscal forecasting, property management, and agricultural impact analysis into a unified strategic view.

This approach will allow the Board to not only monitor fiscal health but also assess how each investment and land decision contributes to ADC's statutory mission of advancing diversified agriculture, building economic resilience, and ensuring responsible stewardship of public resources.

Revenues and Expenses

The revenue structure continues to evolve in alignment with the expansion of licensed agricultural lands, updated license rent rates informed by current market-based appraisals, and the increasing demand for agricultural infrastructure that supports local food production. As ADC's land portfolio has expanded, so has the number of licensees, resulting in a more diverse and resilient revenue base. Recent rent adjustments, implemented to reflect fair-market value and ensure fiscal sustainability, provide a more accurate and equitable approach to agricultural land management statewide.

A critical component of ADC's financial model is the statutory revenue-sharing requirement with OHA and DHHL. Portions of revenue generated on specific classes of public trust and Hawaiian homelands are transferred to these agencies to support their missions, including beneficiary services, homestead development, and cultural and educational programming. As ADC revenues grow, these partner agencies also benefit from increased operational capacity and mission-aligned outcomes.

While revenues from income-producing assets contribute to ADC's financial stability, the Corporation also recognizes the downstream impacts when such assets transition out of revenue generation, whether through transfer, acquisition costs, or strategic repurposing for public benefit. Although these decisions may reduce direct revenue in the short term, the broader public value generated is significant.

The long-term return to the State includes:

- **Increased tax revenue** from higher crop production, business expansion, and sales of locally grown products.
- **Stronger local food systems**, resulting in greater food

availability, reduced import dependence, and enhanced food security.

- **Workforce upskilling**, as farm operators, processors, and agricultural technologists gain new technical competencies.
- **Wealth and value creation**, particularly among local producers who scale operations, improve productivity, or commercialize new products.
- **Talent development**, supporting the next generation of agricultural innovators, managers, and technical specialists.
- **Market validation and rapid iteration**, enabling growers and value-added producers to test products, stabilize operations, and respond quickly to market demands.
- **Risk mitigation** for high-impact research and development, particularly in irrigation, land preparation, and CAPEX-intensive agricultural infrastructure, by enabling shared investment and reducing barriers to entry.
- **Accelerated commercialization and market launch**, supported by ADC's technical guidance, competency development, and operational capacity.
- **Greater protections for intellectual property** created through agricultural innovation, research partnerships, and commercialization pipelines.

These broader economic, social, and innovation-driven impacts reinforce the strategic purpose of ADC's investments. The revenues detailed in this section are not only indicators of financial performance but also reflections of the value created across Hawai'i's agricultural ecosystem. As the Corporation expands its land base, modernizes infrastructure, and strengthens its operational capabilities, revenue and expense management will continue to be guided by a balance of fiscal responsibility, public benefit, and long-term agricultural resilience.

ADC Revenues by Strategy	FY 2027	FY 2031	FY 2036
Agricultural Properties	\$ 1,055,666	\$ 6,885,714	\$ 9,372,018
Water and Electrical Distribution	\$ 1,724,641	\$ 2,500,000	\$ 4,750,000
Food System Revenues	\$ --	\$ --	\$ --
Grant Revenues	\$ 125,000	\$ --	\$ --
Total Revenues	\$ 2,905,307	\$ 9,385,714	\$ 14,122,018
ADC Expenditures	FY 2027	FY 2031	FY 2036
Total Operating Costs	\$ 6,096,260	\$ 11,523,124	\$ 8,190,936
Total Capital & Investment Costs	\$ 71,700,000	\$ 51,750,000	\$ 370,000
Total Financing Costs	\$ 427,171	\$ 430,068	\$ 0
Total Expenditures*	\$ 77,796,260	\$ 63,273,124	\$ 8,560,936

**Total Expenditures are Subject to Funding.*

Future Revenue Growth

While current projections reflect baseline recurring income, future revenues are expected to increase substantially as ADC's capital investments and public-private initiatives begin to generate returns. Key growth drivers include:

- High Pressure Packaging Facility (Whitmore Village): Expected to attract regional agricultural producers seeking shelf-stable and export-ready packaging solutions, generating new rental and processing revenues beginning in the next biennium.
- Entrepreneurial Product Manufacturing Facility: Designed to support local value-added production and co-packing, this facility will expand ADC's portfolio of revenue-generating tenants and foster small business growth in Hawai'i's emerging food economy.
- Kekaha Agriculture Processing Facility (KAP): Long-term lease and operations revenues will support sustainability of the West Kaua'i agricultural hub, positioning it as a major food and fiber processing anchor for the island.
- Mililani Tech Park and Hilo Parcel: Ongoing negotiations for agricultural technology, cold storage, and research-related uses at Mililani Tech Park and Hilo parcel will generate new lease revenues and provide geographic diversification for ADC's property portfolio.
- Public-Private Partnerships (P3s): ADC is expanding partnerships with cooperatives, food manufacturers, and renewable energy firms to maximize land utilization, create shared infrastructure, and generate recurring lease and service revenues aligned with the State's economic development goals.

Collectively, these projects will elevate ADC's recurring revenue capacity beyond the current \$2.77 million baseline, diversify funding sources, and reduce reliance on legislative appropriations for operational sustainability.

Performance and Strategic Implications

- Data Integrity and Modernization: ADC staff have completed comprehensive account reconciliation and data input into Yardi, creating an accurate and transparent financial baseline that supports real-time reporting and forecasting.
- Operational Stability: The Waiāhole Water System and Kekaha operations continue to provide reliable income to support irrigation and agricultural infrastructure maintenance statewide.
- Growth Orientation: Over the FY2026–FY2028 period, the Board will oversee implementation of a performance-based budgeting framework integrating Yardi analytics, Electronic Financial System (EFS) data, and project-based KPIs to ensure strong return on investment and accountability for every public dollar.

ADC's financial outlook reflects a transition from stabilization to strategic growth. With foundational systems in place and a diversified project pipeline, including the High Pressure Packaging Facility, KAP, and Mililani and Hilo developments, ADC is positioned to generate sustained, long-term revenues while advancing its statutory mission to promote diversified agriculture, food innovation, and rural economic resilience across Hawai'i.



Funding and Capitalization Strategy

The government plays a foundational role in funding and enabling the development of a sustainable food system in Hawai'i. Through public capital improvement projects, grants, regulatory reforms, and land-use policies, state and federal agencies can provide the infrastructure, land access, and institutional support needed to catalyze agricultural growth. Partnerships with other public agencies such as HDAB and HIDOE are key to aligning procurement, workforce development, and infrastructure investment with long-term food security goals. However, public funding alone cannot meet the scale and complexity of the challenges facing Hawai'i's food system.

Philanthropy offers flexible, risk-tolerant capital that can fill critical gaps and fund innovative or early-stage solutions that government and traditional investors may be slower to support. Foundations and mission-driven organizations can play a catalytic role by investing in capacity building, community-based food projects, pilot programs, and equity-focused initiatives. Philanthropic funding is particularly valuable in supporting underserved communities, elevating Native Hawaiian agricultural practices, and funding research and education that informs policy and systems change. These contributions can de-risk broader investments and accelerate progress toward a more just and inclusive food system.

The private sector brings essential capital, expertise, and innovation to scale sustainable agriculture in Hawai'i. Businesses and investors can support the development of agribusiness ventures, food hubs, processing facilities, and new technologies that improve productivity and resilience. Importantly, private capital can help develop investable business models and subsidiaries aligned with ADC's broader mission, turning public investments into viable, revenue-generating operations. Public-private partnerships (P3s) offer a way to leverage government infrastructure investment with private sector efficiency and market reach. Together, these sectors form an interdependent funding ecosystem - each bringing strengths that, when aligned, can transform Hawai'i's food system into one that is economically viable, environmentally sustainable, and socially equitable.

A unique financing tool that ADC can deploy is the use of Special Purpose Revenue Bonds (SPRBs). SPRBs are a form of municipal revenue bond that can be authorized

by the Hawai'i State Legislature and issued by the State to finance qualifying private capital improvement projects. Unlike general obligation bonds, SPRBs are repaid solely from the revenues generated by the project they fund, not from taxpayer dollars. These bonds are sold to private investors, who receive tax-exempt or taxable interest payments, depending on the structure of the bond. For agricultural projects, SPRBs can be a powerful mechanism to support infrastructure development, facility construction, and other capital-intensive initiatives by providing access to low-cost financing while minimizing risk to the public sector.

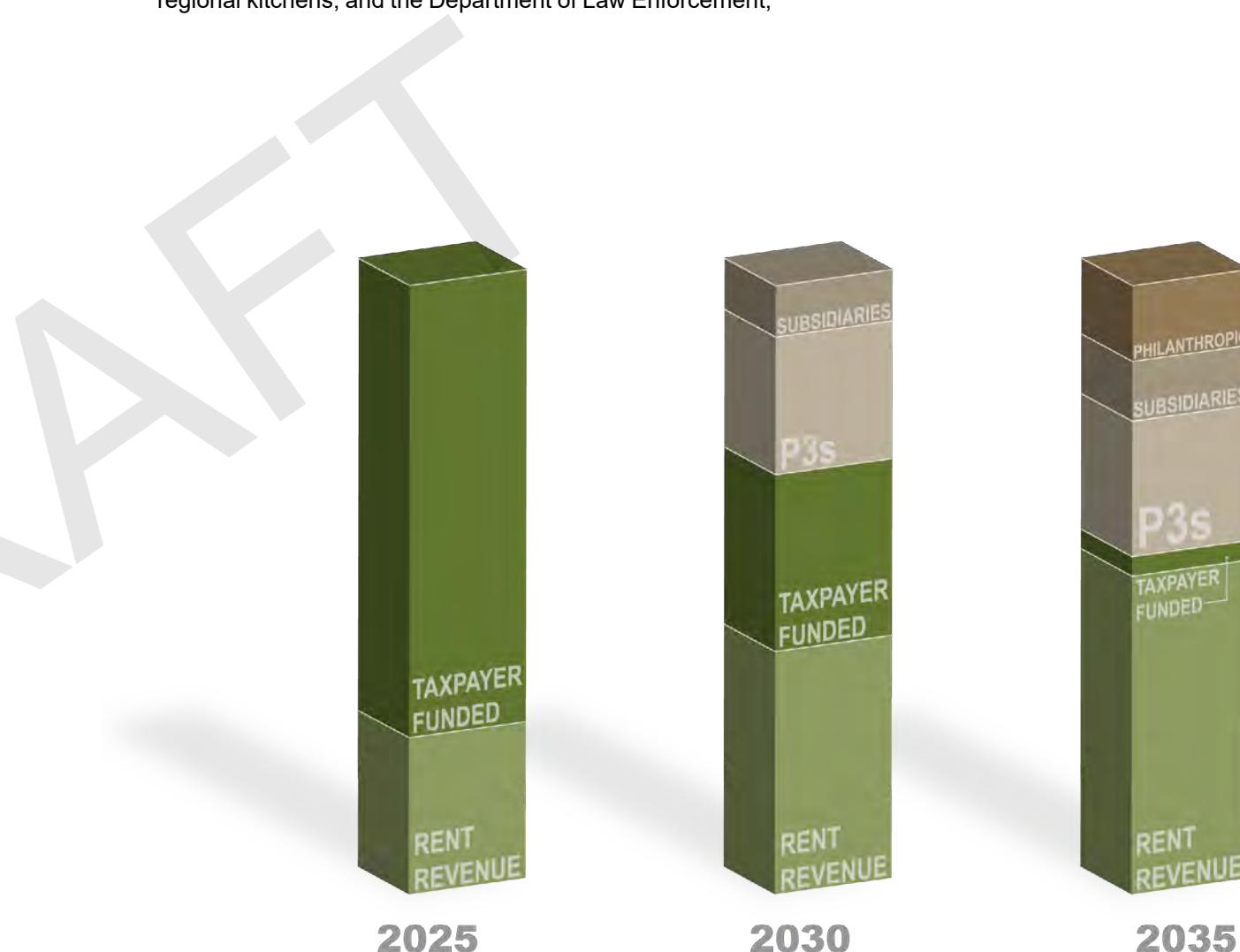
Blended finance is a powerful tool for structuring funding solutions for Hawai'i's food system by combining different types of capital with varying return expectations. This approach allows public, philanthropic, and private sector investments to work together in a way that reduces risk, increases financial viability, and mobilizes greater capital toward sustainable agricultural projects. For example, philanthropic or government funding can provide concessional capital, offering lower returns or accepting higher risk, to attract private investors who seek market-rate returns. By aligning different sources of funding, blended finance can support initiatives such as farm infrastructure development, renewable energy projects, and local food supply chains that might otherwise be too risky or difficult to finance through traditional means. This collaborative funding model enables the scaling of Hawai'i's food system while balancing financial sustainability with broader social and environmental goals.

While the use of blended capital structures is relatively nascent in Hawai'i, this approach has already shown promise in helping farmers, processors, and distributors acquire land, purchase essential equipment, construct infrastructure, and invest in skill-building for their teams. By combining different types of capital, such as public grants, low-interest loans, and private equity, these projects are able to de-risk investments and make essential funding more accessible to local agricultural businesses. The network of intermediaries working to facilitate these partnerships is steadily growing, creating a more robust ecosystem for aligning and structuring capital to support Hawai'i's agricultural sector. As these efforts expand, blended finance models are poised to play an increasingly critical role in building a resilient, sustainable food system for the state.

Enhancing State Goals With Polycapital Outcomes

The ADC has a long history of generating **polycapital outcomes** by strategically deploying multiple forms of capital, economic, social, cultural, symbolic, and human, to advance its mission and support statewide objectives. By repurposing its land and infrastructure through partnerships with state agencies and departments, including the community college system, the Department of Education's regional kitchens, and the Department of Law Enforcement,

ADC has created **multi-dimensional benefits**: building human capital through agricultural training, strengthening social and institutional networks, supporting local economic activity, and reinforcing cultural and community identity. These coordinated actions demonstrate how a single resource investment can produce **integrated, system-level gains** across multiple capitals.



Conclusion

The Hawai'i Agribusiness Plan 2025 establishes a clear and actionable framework for advancing agricultural diversification, food security, and rural economic resilience through the strategic stewardship of land, water, infrastructure, and value-added systems under ADC's authority. Grounded in statute and informed by community and stakeholder engagement, this plan affirms ADC's role as a coordinating entity responsible not only for asset management, but also for enabling conditions that allow agricultural enterprises to operate viably and at scale across the state.

The plan recognizes that land access alone is insufficient to achieve the State's agricultural objectives. Productive use of agricultural lands requires reliable water and energy distribution systems, functional common infrastructure, transparent land management processes, and pathways to processing, aggregation, and markets. Accordingly, the strategies articulated throughout this plan emphasize integrated implementation, such as linking land disposition, infrastructure investment, distribution services, and value-added capacity to measurable outcomes in local food production and economic activity.

Recent statutory amendments further heighten the importance of this integrated approach. The establishment of the Food and Product Innovation Network (FPIN) and the growing emphasis on value-added production expand ADC's mandate beyond traditional land management toward active coordination of facilities, services, and partnerships that support farmers and agribusinesses throughout the supply chain. This plan positions

ADC to fulfill that mandate by prioritizing strategic investments, clarifying internal policies, and aligning capital planning with statewide food system needs. Equally important, the plan acknowledges increasing external pressures, including climate variability, infrastructure aging, workforce constraints, and market volatility. In response, it advances a performance-based framework with defined time horizons, metrics, and evaluation mechanisms that enable adaptive management. Annual assessment of progress toward one-year, five-year, and ten-year objectives is intended to support course correction where necessary while maintaining accountability to the Legislature, stakeholders, and the public.

Successful implementation of the Hawai'i Agribusiness Plan 2025 will depend on sustained collaboration among state and county agencies, educational institutions, producers, processors, and community partners. ADC's effectiveness will be measured not only by acres licensed or facilities constructed, but by the extent to which its actions result in increased local production, improved infrastructure reliability, stronger value-added enterprises, and broader economic and social benefits for Hawai'i's people.

Through this plan, ADC affirms its commitment to providing coordinated, data-informed, and mission-driven leadership in agribusiness development. The actions outlined herein are intended to preserve and activate critical agricultural assets, support current and future producers, and strengthen Hawai'i's capacity to meet its food security and economic diversification goals over the coming decade.



Appendix A

Chapter 163-D

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CHAPTER 163D

AGRIBUSINESS DEVELOPMENT CORPORATION

Part I. General Provisions

Section

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Part II. Acquisition of Important Agricultural Lands

- [163D-31](#) Acquisitions of important agricultural lands authorized by the legislature
- [163D-32](#) Acquisitions; payment
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Note

Acquisition of the Wahiawa irrigation system. L 2023, c 218.

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[PART I. GENERAL PROVISIONS]

Revision Note

Part designation added by revisor pursuant to §23G-15.

§163D-1 Findings and purpose.

The legislature finds that the downsizing of the sugar and pineapple industries presented an unprecedented opportunity for the conversion of agriculture into a dynamic growth industry. Within the next decade, the State can use public agricultural lands to enhance the local economy, provide employment opportunities, decrease reliance on imported agricultural products, and provide more sources of locally grown food for residents. Thousands of acres of agricultural lands and fifty million gallons per day of irrigation water were released by plantations. The downsizing of the sugar and pineapple industries idled and left vacant a valuable inventory of supporting infrastructure including irrigation systems, roads, drainage systems, processing facilities, workshops, and warehouses that are still largely underutilized. The challenge to government and business is to continue to conserve and convert the arable lands and their associated production infrastructure in a timely manner into new productive uses. Aggressive and dynamic leadership can play a critically important role in promoting and developing agricultural enterprises, coordinating industry development, providing industry-wide services, providing marketing assistance, and facilitating investments and coventures in viable enterprises.

The purpose of this chapter is to create a vehicle and process to make optimal use of agricultural assets for the economic, environmental, and social benefit of the people of Hawaii. This chapter establishes a public corporation to administer an aggressive and dynamic agribusiness development program. The purposes of the corporation shall be to support the production of local agricultural products for local consumption in a manner that is economically and environmentally sustainable while continuing to develop commercial exports of locally produced agricultural products. To further these purposes, the corporation shall coordinate and administer programs to assist agricultural enterprises to facilitate the transition of agricultural infrastructure from plantation operations into other agricultural enterprises, increase local production of agricultural products for local consumption, reduce the State's reliance on imported agricultural products, and increase access to farmland and related infrastructure for small local farmers and cooperatives. [L 1994, c 264, pt of §1; am L 2022, c 219, §2]

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§163D-2 Definitions.

As used in this chapter, unless the context clearly requires otherwise:

"Agriculture" means the production for consumption within the State and exporting of plant and animal life on land and within ponds and other bodies of water for food, fiber, and raw materials for value-added products, and any agricultural enterprise or enterprises organized for the production of agricultural materials or value-added products based on detailed marketing analysis and strategies to exploit profitable potentials in local, national, and international markets, including general farming, cane growing, fruit growing, flower growing, aquaculture, growing of timber and forest products, apiary, grazing, dairying, and the production of any form of livestock or poultry, and their appurtenant services and facilities.

"Board" means the board of directors of the agribusiness development corporation.

"Coordinating entrepreneur" means a qualified person capable of organizing, operating, and assuming the risk for enterprises that may include securing land and seed capital, locating farmers, arranging right-to-till agreements, supplying materials, maintaining equipment and infrastructure, and providing for the processing and marketing of products.

"Corporation" means the agribusiness development corporation.

"Coventure" means an investment by the corporation in qualified securities of an enterprise in which a substantial investment is also being made or has been made by a professional investor to provide seed capital to an enterprise. A guarantee by the corporation of qualified securities provided by a professional investor shall be classified as a coventure. An investment made by the corporation, which is a direct investment, may later be classified as a coventure upon an investment by a professional investor.

"Direct investment" means an investment by the corporation in qualified securities of an enterprise in which no investment is being or has been made by a professional investor to provide seed capital to the enterprise.

"Enterprise" means a business with its principal place of business in Hawaii, which is, or proposes to be, engaged in agricultural crop development, development of new value-added products, enhancement of existing agricultural commodities, and the application of existing agricultural appurtenant facilities to productive uses; provided that the majority of whatever the corporation produces shall be produced for export.

"Export crops" means crops whose majority of production shall be for export outside the State or whose majority of the value-added products shall be exported.

"Fund" means the Hawaii agricultural development revolving fund.

"Private lender" includes banks, savings and loan associations, mortgage companies, and other qualified companies whose business includes the making of loans in the State.

"Professional investor" means any bank, bank holding company, savings institution, farm credit institution, trust company, insurance company, investment company registered under the federal Investment Company Act of 1940, financial services loan company, pension or profit-sharing trust or other financial institution or institutional buyer, licensee under the federal Small Business Investment Act

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of 1958, or any person, partnership, or other entity of whose resources, a substantial amount is dedicated to investing in securities or debt instruments, and whose net worth exceeds \$250,000.

"Project" means a specific undertaking, improvement, or system consisting of work or improvement, including personal property or any interest therein, acquired, constructed, reconstructed, rehabilitated, improved, altered, or repaired by the corporation.

"Project cost" means the total of all costs incurred by the corporation in carrying out all undertakings that it considers reasonable and necessary for the development of a project, including, but not limited to: studies; plans; specifications; architectural, engineering, or any other development related services; acquisition of land and any improvement thereon; site preparation and development; construction; reconstruction; rehabilitation; the necessary expenses in administering this chapter; and the cost of financing the project; and relocation costs.

"Project facilities" includes roads and streets, utility and service corridors, utility lines where applicable, water and irrigation systems, lighting systems, security systems, sanitary sewerage systems, and other community facilities where applicable.

"Qualified person" includes any individual, partnership, corporation, or public agency possessing the competence, expertise, experience, and resources, including financial, personnel, and tangible qualifications, as may be deemed desirable by the corporation in administering this chapter.

"Qualified security" means any note, stock, treasury stock bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, preorganization certificate of subscription, transferable share, investment contract, certificate of deposit for a security, certificate of interest or participation in a patent or patent application, or in royalty or other payments under such a patent or application, or, in general, any interest or instrument commonly known as a "security" or any certificate for, receipt for, or option, warrant, or right to subscribe to or purchase any of the foregoing.

"Revenue bonds" means bonds, notes, or other evidence of indebtedness of the corporation issued to finance any project facility.

"Right-to-till agreement" means a contract with a farmer assigning the farmer to a particular parcel or parcels with conditions set to specify the crop or crops that are to be grown, when the crops are to be grown, and how the crops are to be grown.

"Seed capital" means financing that is provided for the development, refinement, and commercialization of a product or process and other working capital needs.

"Trustee" means a national or state bank or trust company, within or outside the State, that enters into a trust indenture.

"Trust indenture" means an agreement by and between the corporation and a trustee that sets forth the duties of the trustee with respect to the revenue bonds, the security thereof, and other provisions as may be deemed necessary or convenient by the corporation to secure the revenue bonds.

"Value-added" means any activity that increases, by means of processing or any other means, the value of raw agricultural materials. [L 1994, c 264, pt of §1; am L 2022, c 219, §3]

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§163D-3 Agribusiness development corporation; board of directors; established.

(a) There is established the agribusiness development corporation, which shall be a public body corporate and politic and an instrumentality and agency of the State. The corporation shall be headed by a board of directors. The corporation shall be placed within the department of business, economic development, and tourism for administrative purposes, but the corporation may later incorporate as a nonprofit corporation if this proves desirable to further its objectives; provided that reorganization as a nonprofit corporation shall not adversely affect the federal tax status of the interest on any bonds issued to finance any project or project facility.

(b) The board of directors of the corporation shall consist of eleven voting members, of whom eight shall be appointed by the governor. The terms of these eight members shall be four years; provided that, commencing on July 1, 2005, the governor shall reduce the terms of those initially appointed so as to provide, as nearly as can be, for the expiration of an equal number of terms at intervals of one year. The eight members shall be selected on the basis of their knowledge, experience, and proven expertise in small and large businesses within the agricultural industry, agricultural economics, banking, real estate, finance, promotion, marketing, local food production, and management. Of these eight members, one shall be from the city and county of Honolulu, one shall be from the county of Hawaii, one shall be from the county of Maui, one shall be from the county of Kauai, and four shall be appointed at-large. The director of business, economic development, and tourism; the chairperson of the board of agriculture; and the chairperson of the board of land and natural resources, or their designated representatives, shall be ex-officio, voting members of the board. All members shall continue in office until their respective successors have been appointed and qualified. The board shall annually elect its chairperson from among its members; provided that the chairperson shall not be an ex-officio member.

(c) The members of the board shall serve without compensation, but shall be reimbursed for actual expenses incurred in the performance of their duties.

(d) The board shall appoint an executive director, who shall serve at the pleasure of the board and shall be exempt from chapter 76. The salary of the executive director shall be set by the board.

(e) The board shall develop and document annual goals and performance measures for the executive director that allow the board to annually evaluate the executive director's work to ensure compliance by the corporation with statutory requirements and achievement of its statutory purposes.

(f) The board shall evaluate and document the evaluation of the executive director's performance annually, or more frequently upon the request of at least four board members, based on annual goals, performance measures, and other relevant criteria.

(g) The board shall document the specific authority delegated to the executive director, including but not limited to the types of access and use of corporation property that the executive director may approve without notice to or approval by the board, and the rent credits and other amendments to board-approved contract terms that the executive director may approve without notice to or approval by the board.

(h) The board, through its executive director, may appoint officers, agents, and employees; prescribe their duties and qualifications; and fix their salaries, without regard to chapter 76. [L 1994, c 264, pt of §1; am L 1998, c 111, §5 and c 176, §5; am L 1999, c 117, §§1, 3, 6(1); am L 2000, c 253, §150; am L 2001, c 213, §§2, 3; am L 2003, c 91, §§1 to 3; am L 2004, c 29, §2; am L 2022, c 219, §4]

Attorney General Opinions

Subsection (b) is constitutional, with regard to the use of the phrase "appointed and qualified" to describe when a successor's appointment terminates a holdover member's position. Att. Gen. Op. 16-3.

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§163D-4 Powers; generally.

- (a) Except as otherwise limited by this chapter, the corporation may:
 - (1) Sue and be sued;
 - (2) Have a seal and alter the same at its pleasure;
 - (3) Make and alter bylaws for its organization and internal management;
 - (4) Adopt rules under chapter 91 necessary to effectuate this chapter in connection with its projects, operations, and properties;
 - (5) Make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this chapter;
 - (6) Acquire or contract to acquire by grant or purchase any real, personal, or mixed property or any interest therein for its immediate or future use for the purposes of this chapter; own, hold, improve, and rehabilitate any real, personal, or mixed property acquired, and sell, assign, exchange, transfer, convey, lease, or otherwise dispose of, or encumber the same;
 - (7) By itself, or in partnership with qualified persons, acquire, construct, reconstruct, rehabilitate, improve, alter, or repair any infrastructure or accessory facilities in connection with any project; own, hold, sell, assign, transfer, convey, exchange, lease, or otherwise dispose of, or encumber any project;
 - (8) In cooperation with the department of agriculture, pursuant to chapter 167, or otherwise through direct investment or coventure with a professional investor or enterprise or any other person, or otherwise, to acquire, construct, operate, and maintain water facilities for conveying, distributing, and transmitting water for irrigation and agricultural uses at rates or charges determined by the corporation; provided that:
 - (A) This chapter shall not be construed to permit or allow the department of agriculture or any agribusiness development corporation to:
 - (i) Amend or modify rights or entitlements to water as provided for by article XI, section 7, of the Constitution of the State of Hawaii, or the Hawaiian Homes Commission Act, 1920, as amended, and chapter 168;
 - (ii) Diminish or abridge the traditional and customary rights of ahupua`a tenants who inhabited the Hawaiian Islands prior to 1778 under sections 1-1 and 7-1; and
 - (iii) Impair, abridge, or terminate the legal rights or interests to water and its uses, whether by lease, easement, or other means, which are possessed or held by organizations whose primary purpose is to benefit people of Hawaiian ancestry; and
 - (B) All usage of water shall be in accordance with chapter 174C and other applicable laws in the State;
 - (9) Receive, examine, and determine the acceptability of applications of qualified persons for allowances or grants for the development of new crops and agricultural products, the expansion of established agricultural enterprises, and the altering of existing agricultural enterprises;
 - (10) Coordinate its activities with any federal or state farm credit programs;
 - (11) Grant options to purchase any project or to renew any lease entered into by it in connection with any of its projects, on the terms and conditions it deems advisable;
 - (12) Provide advisory, consultative, training, and educational services, technical assistance, and advice to any person, partnership, or corporation, either public or private, in order to carry out the purposes of this chapter, and engage the services of consultants on a contractual basis for rendering professional and technical assistance and advice;

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- (13) Procure insurance against any loss in connection with its property and other assets and operations in such amounts and from such insurers as it deems desirable;
- (14) Accept gifts or grants in any form from any public agency or any other source; and
- (15) Do all things necessary or proper to carry out the purposes of this chapter.

(b) The corporation shall develop, promote, assist, and market agricultural products for local consumption, and shall promote and assist in commercial export of agricultural products. [L 1994, c 264, pt of §1; am L 1999, c 117, §2; am L 2022, c 219, §5]

§163D-5 Hawaii agribusiness plan.

(a) The corporation shall prepare and post on its website the Hawaii agribusiness plan, which shall define and establish goals, objectives, policies, and priority guidelines for its agribusiness development strategy. The plan shall include but not be limited to:

- (1) An inventory of agricultural lands with suitable adequate water resources that are or will become available; provided that the inventory of agricultural lands under this paragraph shall be agricultural lands within the purview of the corporation that can be used to meet present and future agricultural production needs;
- (2) An inventory of available agricultural infrastructure, such as irrigation systems, drainage systems, processing facilities, and other accessory facilities, that are controlled by the corporation; and
- (3) Strategies for federal, state, county, and community stakeholder actions that will promote the development and enhancement of Hawaii's agricultural industries.

(b) The Hawaii agribusiness plan goals shall have specific one-year, five-year, and ten-year objectives and measurable outcomes that prioritize local food production from the corporation's leases or licenses. The objectives and outcomes shall include annual performance goals and measures that the corporation shall be evaluated on annually.

(c) The Hawaii agribusiness plan shall also include metrics, timeframes, and budget expectations as part of the corporation's agribusiness development strategy.

(d) The corporation shall update the Hawaii agribusiness plan no later than July 1, 2023, and every five years thereafter, and shall incorporate the plan in its annual report to the governor and the legislature as provided in section 163D-19. [L 1994, c 264, pt of §1; am L 2022, c 219, §6]

§163D-6 Subsidiaries; establishment.

(a) The corporation may exercise its powers through one or more subsidiary corporations. The corporation, by resolution, may direct any of its members, officers, or employees to organize a subsidiary corporation pursuant to either chapter 414 or chapter 414D; provided that the organization of a subsidiary corporation shall not adversely affect the federal tax status of the interest on any bonds issued to finance any project or project facility. The resolution shall prescribe the purposes for which the subsidiary corporation is established. The subsidiary corporation shall remain a subsidiary of the corporation as long as more than one-half of its voting shares are owned or held by the corporation, or a majority of its directors are designated by the corporation; provided that the corporation shall not convey or otherwise dispose of any subsidiary corporation or surrender the right to designate a majority of the directors of any subsidiary corporation if the sale or surrender has an adverse affect on the federal tax status of the interest on any bonds issued to finance any project or project facility. The subsidiary corporation may be operated, maintained, and enhanced at the full discretion of the corporation or its designee.

(b) If the corporation acquires the assets of a private or other corporation, then, notwithstanding any law to the contrary:

- (1) Neither the corporation nor any subsidiary corporation vested with the assets shall be subject to chapter 91 with respect to the assets;
- (2) Employees retained to operate the assets shall not be subject to chapter 76;

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- (3) Assets constituting real property interest shall not be subject to chapter 171;
- (4) No investment, loan, or use of funds by the corporation or a subsidiary corporation vested with the assets shall be subject to chapter 42F or 103; and
- (5) Neither the corporation nor a subsidiary corporation vested with the assets shall constitute a public utility or be subject to the jurisdiction of the public utilities commission under chapter 269.

- (c) The corporation may transfer to any subsidiary corporation any moneys, any real, personal, or mixed property, or any project, in order to carry out the purposes of this chapter. Each subsidiary corporation shall have all the powers of the corporation. [L 1994, c 264, pt of §1; am L 1998, c 111, §6; am L 2000, c 253, §150; am L 2002, c 40, §4; am L 2004, c 216, §18]

§163D-7 Agricultural projects; agricultural development plans.

- (a) The corporation may develop and implement agricultural projects where large tracts of agricultural land have been or will be taken out of productive agriculture or where, through detailed analysis, opportunities exist to exploit potential local, national, and international markets.
- (b) The corporation may initiate and coordinate the preparation of business and agricultural development plans for its projects. The plans shall include a proposal for the organization of the enterprise, a marketing information and strategy, the impact on existing agricultural operations throughout the State, and a recommendation for the construction, reconstruction, rehabilitation, improvement, alteration, or repair of any infrastructure or accessory facilities in connection with any project.
- (c) The corporation may enter into cooperative agreements with coordinating entrepreneurs or public agencies when the powers, services, and capabilities of the persons or agencies are deemed necessary and appropriate for the development and implementation of the business and agricultural development plans.
- (d) The corporation may purchase, accept, and maintain permanent conservation easements, or transfer these easements to a qualified land trust in accordance with the federal Natural Resources Conservation Service farm and ranch lands protection program.
- (e) Notwithstanding any provision of this chapter to the contrary, when leasing corporation-controlled agricultural land, the corporation may contract with a financial institution chartered under chapter 412 or a federal financial institution, as defined under section 412:1-109, that transacts business in this State to provide lease management services. For the purposes of this subsection, "lease management services" includes the collection of lease rent and any other moneys owed to the corporation related to the lease of agricultural land under the corporation's control.
- (f) The agricultural planning activities of the corporation shall be coordinated with the county planning departments and the county land use plans, policies, and ordinances.
- (g) The corporation may amend the business and agricultural development plans as may be necessary.
- (h) Any undertaking by the corporation pursuant to this chapter shall be with the express written consent of the landowner or landowners directly affected. [L 1994, c 264, pt of §1; am L 2008, c 234, §2]

§163D-8 Project facility program.

- (a) The corporation may develop a project to identify necessary project facilities within a project area.
- (b) Unless and except as otherwise provided by law, whenever the corporation undertakes, or causes to be undertaken, any project facility as part of a project, the cost of providing the project facilities shall be assessed against the real property in the project area specially benefiting from the project facilities. Subject to the express written consent of the landowners directly affected, the corporation shall determine the properties that will benefit from the project facilities to be undertaken and may establish assessment areas that include the properties specially benefiting from the project

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facilities. The corporation may issue and sell bonds in such amounts as may be authorized by the legislature to provide funds to finance the project facilities. The corporation shall fix the assessments against the real property specially benefited.

(c) Unless and except as otherwise provided by law, the corporation may adopt rules pursuant to chapter 91 to establish the method of undertaking and financing project facilities in a project area.

(d) Unless and except as otherwise provided by law, bonds issued to provide funds to finance project facilities shall be secured solely by the real properties benefited or improved and the assessments thereon, or by the revenues derived from the project for which the bonds were issued, including reserve accounts and earnings thereon, insurance proceeds, and other revenues, or any combination thereof. The bonds may be additionally secured by the pledge or assignment of loans and other agreements or any note or other undertaking, obligation, or property held by the corporation. The bonds shall be issued according to and subject to the rules adopted pursuant to this section. Any other law to the contrary notwithstanding, in assessing real property for project facilities, the corporation shall assess the real property within a project area according to the special benefits conferred upon the real property by the project facilities. These methods may include assessment on a frontage basis or according to the area of real property within a project area, or any other assessment method that assesses the real property according to the special benefit conferred, or any combination thereof. No such assessment levies against real property specially benefited under this chapter shall constitute a tax on real property within the meaning of any law.

(e) The rules adopted pursuant to this section may include, but are not limited to:

- (1) The methods of establishing assessment areas within a project area;
- (2) The method of assessing real properties specially benefited;
- (3) The costs to be borne by the corporation, the county in which the project facilities are situated, and the property owners;
- (4) The procedures before the corporation relating to the creation of the assessment areas by the owners of real property therein, including provisions for petitions, bids, contracts, bonds, and notices;
- (5) Provisions relating to assessments;
- (6) Provisions relating to financing, such as bonds, the Hawaii agricultural development revolving fund, advances from available funds, special funds for the payment of bonds, the payment of principal and interest, and the sale and use of bonds;
- (7) Provisions relating to funds and the refunding of outstanding debts; and
- (8) Provisions relating to limitations on time to sue, and other related provisions.

(f) Any other provisions to the contrary notwithstanding, the corporation, at its discretion, may enter into any agreement with the county in which project facilities are located, to implement the purposes of this section.

(g) All sums collected under this section shall be deposited in the fund established by section 163D-17, except that all moneys collected on account of assessments and interests thereon for any specific project facilities financed by the issuance of bonds, shall be set apart in a separate special fund and applied solely to the payment of:

- (1) The principal and interest on these bonds;
- (2) The cost of administering, operating, and maintaining the program;
- (3) The establishment of reserves; and
- (4) Other purposes as may be authorized in the proceedings providing for the issuance of the bonds.

If any surplus remains in any special fund after the payment of the bonds chargeable against that special fund, the surplus shall be credited to and become a part of the fund. Notwithstanding any other law to the contrary, moneys in the fund may be used to make up any deficiencies in the special fund.

(h) If the project facilities to be financed through bonds by the corporation may be dedicated to the county in which the project facilities are to be located, the corporation shall ensure that the project

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facilities are designed and constructed to meet county requirements. [L 1994, c 264, pt of §1; am L 1998, c 111, §7]

§163D-8.5 REPEALED.

L 2022, c 219, §7.

§163D-9 Bonds.

(a) The corporation, with the approval of the governor, may issue, from time to time, revenue bonds in amounts not exceeding the total amount of bonds authorized to be issued by the legislature for the purpose of constructing, acquiring, remodeling, furnishing, and equipping any project facility, including the acquisition of the site thereof; acquiring agricultural lands through purchase to sustain and preserve viable agricultural enterprises within a contiguous geographic area; or acquiring agricultural lands for the protection of agricultural lands, public land banking, or the promotion of farm ownership and diversified agriculture.

(b) All revenue bonds shall be issued pursuant to part III of chapter 39, except as provided in this chapter.

(c) The revenue bonds shall be issued in the name of the corporation and not in the name of the State. The final maturity date of the revenue bonds may be any date not exceeding thirty years from the date of issuance. [L 1994, c 264, pt of §1; am L 2008, c 234, §7]

[§163D-10] Revenue bonds; payment and security.

(a) The revenue bonds shall be payable from and secured by the real properties benefited or improved and the assessments thereon, or by the revenues derived from the project facility for which the revenue bonds were issued, including revenue derived from insurance proceeds and reserve accounts, and earnings thereon.

(b) The corporation may pledge revenues derived from the project facility financed from the proceeds of the revenue bonds to the punctual payment of the principal, interest, and redemption premiums, if any, on the revenue bonds.

(c) The revenue bonds may be additionally secured by the pledge or assignment of the loans and other agreements or any note or other undertaking, obligation, or property held by the corporation to secure the loans.

(d) Any pledge made by the corporation shall create a perfected security interest in the revenues, moneys, or property so pledged and thereafter received by the corporation from and after the time that the financing statement with respect to the revenues, moneys, or property so pledged and thereafter received are filed with the bureau of conveyances. Upon this filing, the revenues, moneys, or property so pledged and thereafter received by the corporation shall immediately be subject to a lien of any such pledge without any physical delivery thereof or having claims of any kind in tort, contract, or otherwise against the corporation, irrespective of whether the parties have notice thereof. This section shall apply to any financing statement heretofore or hereafter filed with the bureau of conveyances with respect to any pledge made to secure revenue bonds issued under this chapter. [L 1994, c 264, pt of §1]

[§163D-11] Revenue bonds; interest rate, price, and sale.

(a) The revenue bonds issued pursuant to this chapter shall bear interest at such rate or rates and shall be payable on such date or dates, as the corporation shall determine.

(b) The corporation shall include the costs of undertaking the project facility for which the revenue bonds are issued in determining the principal amount of revenue bonds to be issued. In determining the cost of undertaking the project facility, the corporation may include:

(1) The cost of constructing, acquiring, remodeling, furnishing, and equipping the project facility, including the acquisition of the site thereof;

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- (2) The cost of purchasing or funding loans or other agreements entered into for the project facility;
- (3) The costs of studies and surveys;
- (4) Insurance premiums;
- (5) Underwriting fees;
- (6) Financial consultant, legal, accounting, and marketing services incurred;
- (7) Reserve account, trustee, custodian, and rating agency fees; and
- (8) Any capitalized interest.

(c) The revenue bonds may be sold at public or private sale, and for a price as may be determined by the corporation. [L 1994, c 264, pt of §1]

[§163D-12] Revenue bonds; investment of proceeds, and redemption.

Subject to any agreement with the holders of its revenue bonds, the corporation may:

- (1) Invest its moneys not required for immediate use, including proceeds from the sale of revenue bonds, in any investment in accordance with procedures prescribed in a trust indenture; and
- (2) Purchase its revenue bonds out of any fund or money of the corporation available therefor, and hold, cancel, or resell the revenue bonds. [L 1994, c 264, pt of §1]

[§163D-13] Revenue bonds; special funds.

(a) A separate special fund shall be established for each project facility financed from the proceeds of the revenue bonds secured under the same trust indenture. Each fund shall be designated "project facility revenue bond special fund" and shall bear additional designation as the corporation deems appropriate to properly identify the fund.

(b) Notwithstanding any other law to the contrary, including section [163D-17], all revenues, income, and receipts derived from the project facility for which the revenue bonds are issued shall be paid into the project facility revenue bond fund established for that project facility and applied as provided in the proceedings authorizing the issuance of the revenue bonds. [L 1994, c 264, pt of §1]

[§163D-14] Trustee; designation, duties.

(a) The corporation shall designate a trustee for each issue of revenue bonds secured under the same trust indenture.

(b) The trustee shall be authorized by the corporation to hold and administer the project facility revenue bond special fund established pursuant to section [163D-13], to receive and receipt for, hold, and administer the revenues derived by the corporation from the project facility for which the revenue bonds were issued, and to apply these revenues to the payment of the cost:

- (1) Of undertaking the project facility;
- (2) Of administering and operating the proceedings providing for the issuance of the revenue bonds;
- (3) To pay the principal or interest on these bonds;
- (4) To the establishment of reserves; and
- (5) To other purposes as may be authorized in the proceedings providing for the issuance of the revenue bonds.

(c) Notwithstanding section 39-68 to the contrary, the director of finance may appoint the trustee to serve as fiscal agent for:

- (1) The payment of the principal of and interest on the revenue bonds; and
- (2) The purchase, registration, transfer, exchange, and redemption of the bonds.

(d) The trustee shall perform additional functions with respect to the payment, purchase, registration, transfer, exchange, and redemption of the bonds, as the director of finance may deem

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necessary, advisable, or expeditious, including the holding of the revenue bonds and coupons that have been paid and the supervision of the destruction thereof in accordance with applicable law.

(e) Nothing in this chapter shall limit or be construed to limit the powers granted to the director of finance in sections 36-3, 39-13, and 39-68(a), to appoint the trustee or others as fiscal agents, paying agents, and registrars for the revenue bonds or to authorize and empower those fiscal agents, paying agents, and registrars to perform the functions referred to in those sections. [L 1994, c 264, pt of §1]

[§163D-15] Trust indenture.

(a) A trust indenture may contain covenants and provisions authorized by part III of chapter 39, and as may be deemed necessary or convenient by the corporation for the purposes of this chapter.

(b) A trust indenture may allow the corporation to pledge and assign to the trustee loans and other agreements related to the project facility, and the rights of the corporation thereunder, including the right to receive revenues thereunder and to enforce the provision thereof.

(c) A trust indenture shall also contain provisions as to:

- (1) The investment of the proceeds of the revenue bonds, the investment of any reserve for the bonds, the investment of the revenues of the project facility, and the use and application of the earnings from investments; and
- (2) The terms and conditions upon which the holders of the revenue bonds or any portion of them or any trustee thereof may institute proceedings for the foreclosure of any loan or other agreement or any note or other undertaking, obligation, or property securing the payment of the bonds and the use and application of the moneys derived from the foreclosure.

(d) A trust indenture may also contain provisions deemed necessary or desirable by the corporation to obtain or permit, by grant, interest, subsidy, or otherwise, the participation of the federal government in the financing of the costs of undertaking the project facility. [L 1994, c 264, pt of §1]

§163D-15.5 Waiahole water system revolving fund.

(a) There is established within the state treasury a revolving fund to be known as the Waiahole water system revolving fund, which shall be administered by the corporation and into which shall be deposited all revenues from assessments, tolls, appropriations made by the legislature to the fund, interest on investments attributable to the Waiahole water system, and other income, receipts, and revenues received by the corporation from the operation of the Waiahole water system. Moneys in the Waiahole water system revolving fund shall be expended by the corporation for the acquisition, planning, design, improvement, construction, equipping, furnishing, administering, operating, and maintaining of the Waiahole water system and any other purpose deemed necessary by the corporation for the purpose of acquiring and operating the Waiahole water system. The corporation may utilize contributions of money, labor, materials, and property that may be otherwise available from any person or instrumentality.

(b) No expenditure, use, or transfer of funds from the Waiahole water system revolving fund by the corporation shall be subject to chapter 42F or 103. [L 1998, c 111, §3; am L 2004, c 216, §19]

Note

Acquisition of Waiahole water system shall not affect the powers and authority of the commission on water resource management or its powers to modify water allocations. L 1998, c 111, §15.

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§163D-15.6 Commitment and preservation of agricultural leases.

(a) The agribusiness development corporation shall work toward obtaining commitments from landowners in the leeward and central districts of Oahu that their agricultural leases shall be for a duration of twenty or more years and shall not be amended or revoked to allow for a nonagricultural use of the land; provided that for lands in central Oahu acquired under Act 234, Session Laws of Hawaii 2008, the agricultural leases shall be for no more than fifty-five years.

(b) To further ensure the preservation of agriculture in the leeward and central districts of Oahu, the agribusiness development corporation shall monitor the agricultural leases of lands using the water from the Waiahole water system. In the event of any proposed amendment or revocation of any lease, the corporation shall do all things within its powers under this chapter to protect and defend the interests of the agricultural leaseholders to ensure the continuation of agricultural use for those lands. [L 1998, c 111, §16; am L 2008, c 234, §4]

[§163D-16] Use of public lands; acquisition of state lands.

(a) Notwithstanding chapter 171 to the contrary, the governor may transfer lands located within a project area to the corporation for its use.

(b) If state lands under the control and management of other public agencies are required by the corporation for its purposes, the agency having the control and management of those required lands, upon request by the corporation and with the approval of the governor, may lease the lands to the corporation upon such terms and conditions as may be agreed to by the parties.

(c) Notwithstanding subsection (b) to the contrary, no public lands shall be leased to the corporation if the lease would impair any covenant between the State or any county, or any department or board thereof, and the holders of bonds issued by the State or the county, department, or board. [L 1994, c 264, pt of §1]

§163D-17 Hawaii agricultural development revolving fund; established; use of corporation funds.

(a) There is established the Hawaii agricultural development revolving fund, to which shall be credited any state appropriations to the fund or other moneys made available to the fund, to be expended as directed by the corporation.

(b) The corporation shall hold the fund in an account or accounts separate from other funds. The corporation shall invest and reinvest the fund and the income thereof to:

- (1) Purchase qualified securities issued by enterprises for the purpose of raising seed capital; provided that the investment shall comply with the requirements of this chapter;
- (2) Make grants, loans, and provide other monetary forms of assistance necessary to carry out the purposes of this chapter; and
- (3) Purchase securities as may be lawful investments for fiduciaries in the State.

All appropriations, grants, contractual reimbursements, and other funds not designated for this purpose may be used to pay for the proper general expenses and to carry out the purposes of the corporation.

(c) The corporation shall purchase qualified securities issued by an enterprise only after:

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(1) Receiving:

- (A) An application from the enterprise containing a business plan, which is consistent with the business and agricultural development plan, including a description of the enterprise and its management, product, and market;
- (B) A statement of the amount, timing, and projected use of the capital required;
- (C) A statement of the potential economic impact of the enterprise, including the number, location, and types of jobs expected to be created; and
- (D) Any other information as the corporation shall require;

(2) Determining, based upon the application submitted, that:

- (A) The proceeds of the investment will be used only to cover the seed capital needs of the enterprise, except as authorized in this section;
- (B) The enterprise has a reasonable chance of success;
- (C) The enterprise has the reasonable potential to create employment within the State and offers employment opportunities to residents;
- (D) The coordinating entrepreneur and other founders of the enterprise have already made or are prepared to make a substantial financial and time commitment to the enterprise;
- (E) The securities to be purchased are qualified securities;
- (F) There is reasonable possibility that the corporation will recoup at least its initial investment; and
- (G) Binding commitments have been made to the corporation by the enterprise for adequate reporting of financial data to the corporation, which shall include a requirement for an annual or other periodic audit of the books of the enterprise, and for control by the corporation that it considers prudent over the management of the enterprise, in order to protect the investment of the corporation, including membership on the board of directors of the enterprise, ownership of voting stock, input in management decisions, and the right of access to the financial and other records of the enterprise; and

(3) Entering into a binding agreement with the enterprise concerning the manner of payback by the enterprise of the funds advanced, granted, loaned, or received from the corporation. The manner of payback may include the payment of dividends, returns from the public sale of corporate securities or products, royalties, and other methods of payback acceptable to the corporation. In determining the manner of payback the corporation shall establish a rate of return or rate of interest to be paid on any investment, loan, or grant of corporation funds under this section.

(d) If the corporation makes a direct investment, it shall also find that a reasonable effort has been made to find a professional investor to make an investment in the enterprise as a coventure, and that the effort was unsuccessful. The findings, when made by the corporation, shall be conclusive.

(e) The corporation shall not make investments in qualified securities issued by an enterprise in excess of the following limits:

- (1) Not more than \$500,000 shall be invested in the securities of any one enterprise, except that more than a total of \$500,000 may be invested in the securities of any one enterprise, if the corporation finds, after its initial investment, that additional investments

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in that enterprise are required to protect the initial investment of the corporation, and the other findings set forth in subsections (d) and (e) are made as to the additional investment;

(2) The corporation shall not own securities representing more than forty-nine per cent of the voting stock of any one enterprise at the time of purchase by the corporation after giving effect to the conversion of all outstanding convertible securities of the enterprise, except that in the event of severe financial difficulty of the enterprise, threatening the investment of the corporation in the enterprise, a greater percentage of those securities may be owned by the corporation; and

(3) Not more than fifty per cent of the assets of the corporation shall be invested in direct investments at any time.

(f) No investment, loan, grant, or use of corporate funds for the purposes of this chapter shall be subject to chapter 42F. [L 1994, c 264, pt of §1; am L 1997, c 190, §6; am L 1998, c 111, §8; am L 2004, c 216, §20]

[§163D-18] Exemption from taxation.

The corporation shall not be required to pay state taxes of any kind. [L 1994, c 264, pt of §1]

§163D-19 Annual report.

(a) The corporation shall submit to the governor and the legislature, no later than twenty days prior to the convening of each regular session, a complete and detailed report of its plans and activities.

(b) The following information shall be included in the annual report and shall be posted on the corporation's website:

- (1) The number of lots the corporation leased or used, by size and island;
- (2) The number of lots the corporation leased or used, by island, that contain protocols and conditions supporting specialty farm products;
- (3) The number of vacant parcels and unoccupied parcels in the leasing process, by island, including the parcel size, location, and date the parcel was last occupied by a tenant; and
- (4) A description of any lease sales or transfers approved by the corporation, including:
 - (A) A description of the type of farm products produced by the transferring lessee and the farm products to be produced by the accepting lessee on the leased lands; and
 - (B) The date and description of the transferring lessee's last lease approved by the corporation. [L 1994, c 264, pt of §1; am L 2019, c 28, §9]

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[PART II. ACQUISITION OF IMPORTANT AGRICULTURAL LANDS]

Revision Note

Part designation added by revisor pursuant to §23G-15.

Cross References

Acquisition of resource value lands, see chapter 173A.

Legacy land conservation commission, see §§173A-2.4 to 173A-2.6.

[§163D-31] Acquisitions of important agricultural lands authorized by the legislature.

- (a) The legislature may authorize the corporation to acquire agricultural lands for the protection of agricultural lands, public land banking, or the promotion of farm ownership and diversified agriculture.
- (b) The acquisition shall be authorized by a bill enacted into law and shall contain:
 - (1) A statement of the value of the interest in land as a resource to the State;
 - (2) A description of the specific parcel of land or agricultural easement proposed to be acquired;
 - (3) The name of the owner of the property; and
 - (4) The estimated costs of acquiring the interest in the land.
- (c) The landowner shall receive payment for the interest in the land in a lump sum, through an installment purchase agreement as determined pursuant to section 163D-32, or from revenues derived from the issuance of revenue bonds pursuant to section 163D-9. [L 2008, c 234, pt of §6]

[§163D-32] Acquisitions; payment.

- (a) If the landowner agrees to the sale of the interest in lands pursuant to section 163D-31, the landowner and the corporation shall agree on whether the landowner shall receive payment for the interest in a lump sum or through an installment purchase agreement pursuant to section 163D-33.
- (b) The corporation may make payments from moneys appropriated by the legislature. [L 2008, c 234, pt of §6]

[§163D-33] Installment purchase agreements; interest payment.

- (a) The legislature may authorize the corporation to negotiate installment purchase agreements for the acquisition of specific parcels of land for the protection of agricultural lands, public land banking, or the promotion of farm ownership and diversified agriculture. The installment purchase agreements shall be structured pursuant to the requirements of the Internal Revenue Code of 1986, as amended, to defer recognition of capital gain until all of the purchase price is paid. The agreement shall include provisions for the periodic payment of a portion of the purchase price with the remainder of the purchase price paid at the end of the term of the agreement. The legislature shall authorize the purchase of United States Treasury zero coupon bonds for the installment purchase agreement with a maturity date equal to the term of the agreement.

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- (b) The interest rate paid on the installment purchase agreement shall be not less than the interest rate on the zero coupon bonds at the closing of the agreement or eight per cent, whichever is higher.
- (c) The corporation shall make semi-annual interest payments on the outstanding balance of the installment purchase agreement purchase price. [L 2008, c 234, pt of §6]

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Appendix B

Hawai‘i Revised Statute 26-35

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§26-35 Administrative supervision of boards and commissions. (a) Whenever any board or commission is established or placed within or transferred to a principal department for administrative purposes or subject to the administrative control or supervision of the head of the department, the following provisions shall apply except as otherwise specifically provided by this chapter:

- (1) The head of the department shall represent the board or commission in communications with the governor and with the legislature; unless the legislature or a legislative committee requests to communicate directly with the board or commission;
- (2) The financial requirements from state funds of the board or commission shall be submitted through the head of the department and included in the budget for the department;
- (3) All rules adopted by the board or commission shall be subject to the approval of the governor;
- (4) The employment, appointment, promotion, transfer, demotion, discharge, and job descriptions of all officers and employees of or under the jurisdiction of the board or commission shall be determined by the board or commission subject to the approval of the head of the department and to applicable personnel laws;
- (5) All purchases of supplies, equipment, or furniture by the board or commission shall be subject to the approval of the head of the department;
- (6) The head of the department shall have the power to allocate the space or spaces available to the department and which are to be occupied by the board or commission;
- (7) Any quasi-judicial functions of the board or commission shall not be subject to the approval, review, or control of the head of the department; and
- (8) Except as set forth hereinabove, the head of the department shall not have the power to supervise or control the board or commission in the exercise of its functions, duties, and powers.

(b) Every board or commission established or placed within a principal department for administrative purposes or subject to the administrative control or supervision of the head of the department shall be considered an arm of the State and shall enjoy the same sovereign immunity available to the State. [L Sp 1959 2d, c 1, §6; am L 1965, c 96, §140; Supp, §14A-4; HRS §26-35; am L 2004, c 16, §1; am L 2008, c 60, §2]

Cross References

Rulemaking procedure, see chapter 91.

Appendix C

Kaua'i Landbook

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KAUA'I LANDBOOK

PARCEL INFORMATION							LICENSING STATUS				ANALYSIS			
TMK	ADDRESS	OWNER	ACRES	FIELD #	FARMABLE ACRES	IRRIGATION ACCESS	STATUS	VACANT	ROE	LICENSED	% FARMABLE	% VACANT	% ROE	% LICENSED
KALEPA														
(4)3-9-2-1		SoH, DLNR	5,720.402	A	419.000	✓	Licensed	0.00	0.000	419.000	7%	0%	0%	100%
(4)3-9-2-1		SoH, DLNR	0.000	B	61.400	✓	Licensed	0.00	0.000	61.400	#DIV/0!	0%	0%	100%
(4)3-9-2-1		SoH, DLNR	0.000	HSPA 1	2.000	✓	Licensed	0.00	0.000	2.000	#DIV/0!	0%	0%	100%
(4)3-9-2-1		SoH, DLNR	0.000	HSPA 2	2.000	✓	Licensed	0.00	0.000	2.000	0%	0%	0%	100%
(4)3-9-2-1		SoH, DLNR	0.000	HSPA 3	19.000	✓	Licensed	0.00	0.000	19.000	#DIV/0!	0%	0%	100%
(4)3-9-2-1		SoH, DLNR	0.000	C	179.000	✓	Licensed	0.00	0.000	179.000	#DIV/0!	0%	0%	100%
(4)3-9-2-1		SoH, DLNR	0.000	D	469.000	✓	Licensed	0.00	0.000	469.000	8%	0%	0%	100%
(4)3-9-2-1		SoH, DLNR	0.000	E	587.000	✓	Licensed	0.00	0.000	587.000	#DIV/0!	0%	0%	100%
(4)3-9-2-1		SoH, DLNR	0.000	F	630.000	✓	Licensed	0.00	0.000	630.000	#DIV/0!	0%	0%	100%
(4)3-9-2-1		SoH, DLNR	0.000	G	312.000	✓	Licensed	0.00	0.000	312.000	5%	0%	0%	100%
(4)3-9-2-1		SoH, DLNR	0.000	H	382.000	✓	Licensed	0.00	0.000	382.000	#DIV/0!	0%	0%	100%
(4)3-9-2-1		SoH, DLNR	0.000	I	518.000	✓	Licensed	0.00	0.000	518.000	#DIV/0!	0%	0%	100%
(4)3-9-2-1		SoH, DLNR	0.000	J	160.000	✓	Licensed	0.00	0.000	160.000	3%	0%	0%	100%
(4)3-9-2-1		SoH, DLNR	0.000	K	345.430	✓	Licensed	0.00	0.000	345.430	#DIV/0!	0%	0%	100%
(4)3-9-2-1		SoH, DLNR	0.000	L	287.000	✓	Licensed	0.00	0.000	287.000	#DIV/0!	0%	0%	100%
(4)3-9-2-1		SoH, DLNR	0.000	M	235.000	✓	Licensed	0.00	0.000	235.000	4%	0%	0%	100%
(4)3-9-2-1		SoH, DLNR	0.000	GE (A-M)	1,000.000	✓	Licensed	0.00	0.000	1,000.000	#DIV/0!	0%	0%	100%
TOTAL			5,720.40		5,607.830			0.000	0.000	5,607.830	98%	0%	0%	100%
KEKAHA														
(4)1-2-2-1 por		SoH, DLNR	12,996.770	101	71.380	✓	Licensed	0.00	0.00	71.38	1%	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	102	67.030	✓	Licensed	0.00	0.00	67.03	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	103	21.800	✓	Licensed	0.00	0.00	21.80	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	104	52.230	✓	Licensed	0.00	0.00	52.23	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	105	52.750	✓	Licensed	0.00	0.00	52.75	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	106	38.080	✓	Licensed	0.00	0.00	38.08	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	107	80.290	✓	Licensed	0.00	0.00	80.29	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	108	61.880	✓	Licensed	0.00	0.00	61.88	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	109	4.580	✓	Licensed	0.00	0.00	4.58	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	110	43.170	✓	Licensed	0.00	0.00	43.17	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	111	23.010	✓	Licensed	0.00	0.00	23.01	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	112	114.620	✓	Licensed	0.00	0.00	114.62	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	113	54.740	✓	Licensed	0.00	0.00	54.74	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	115	47.470	✓	Licensed	0.00	0.00	47.47	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	116	106.880	✓	Licensed	0.00	0.00	106.88	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	117	58.810	✓	ROE	0.00	58.81	0.00	#DIV/0!	0%	100%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	119	94.260	✓	ROE	0.00	94.26	0.00	#DIV/0!	0%	100%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	120	107.090	✓	ROE	0.00	107.09	0.00	#DIV/0!	0%	100%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	121	106.440	✓	Licensed	0.00	0.00	106.44	#DIV/0!	0%	0%	100%

KAUA'I LANDBOOK

PARCEL INFORMATION							LICENSING STATUS				ANALYSIS			
TMK	ADDRESS	OWNER	ACRES	FIELD #	FARMABLE ACRES	IRRIGATION ACCESS	STATUS	VACANT	ROE	LICENSED	% FARMABLE	% VACANT	% ROE	% LICENSED
(4)1-2-2-1 por		SoH, DLNR	0.000	123	48.340	✓	Licensed	0.00	0.00	48.34	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	125	68.310	✓	Licensed	0.00	0.00	68.31	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	127	151.470	✓	Licensed	0.00	0.00	151.47	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	128	153.920	✓	Licensed	0.00	0.00	153.92	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	130	83.710	✓	Licensed	0.00	0.00	83.71	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	201	80.760	✓		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	206	24.170	✓	Licensed	0.00	0.00	24.17	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	207	88.020	✓		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	208	59.800	✓	Licensed	0.00	0.00	59.80	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	209	73.320	✓	Licensed	0.00	0.00	73.32	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	210	34.960	✓	Licensed	0.00	0.00	34.96	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	211	33.690	✓	Licensed	0.00	0.00	33.69	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	212	88.840	✓	Vacant	88.84	0.00	0.00	#DIV/0!	100%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	213	37.150	✓	Licensed	0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	214	54.960	✓	Licensed	0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	215	85.050	✓	Licensed	0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	216	98.790	✓	Licensed	0.00	0.00	98.79	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	217	112.300	✓	Licensed	0.00	0.00	112.30	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	218	64.160	✓	ROE	0.00	64.16	0.00	#DIV/0!	0%	100%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	219	199.720	✓	ROE	0.00	199.72	0.00	#DIV/0!	0%	100%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	220	91.940	✓	ROE	0.00	91.94	0.00	#DIV/0!	0%	100%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	221	100.030	✓	Licensed	0.00	0.00	100.03	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	222	71.940	✓	Licensed	0.00	0.00	71.94	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	223	85.020	✓	Licensed	0.00	0.00	85.02	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	225	105.220	✓	Licensed	0.00	0.00	105.22	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	228	82.870	✓	Licensed	0.00	0.00	82.87	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	229	92.020	✓	Licensed	0.00	0.00	92.02	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	309	139.880	✓	Licensed	0.00	0.00	139.88	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	310	75.760	✓	Licensed	0.00	0.00	75.76	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	311	42.690	✓	Licensed	0.00	0.00	42.69	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	312	88.190	✓	Licensed	0.00	0.00	88.19	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	313	50.790	✓	Licensed	0.00	0.00	50.79	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	314	64.360	✓	Licensed	0.00	0.00	64.36	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	315	40.710	✓	Licensed	0.00	0.00	40.71	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	316	21.250	✓	Licensed	0.00	0.00	21.25	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	317	54.480	✓		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	320	101.730	✓		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	321	69.280	✓	ROE	0.00	69.28	0.00	#DIV/0!	0%	100%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	322	63.030	✓	Licensed	0.00	0.00	63.03	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	323	127.920	✓		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	324	41.880	✓	Licensed	0.00	0.00	41.88	#DIV/0!	0%	0%	100%

KAUA'I LANDBOOK

PARCEL INFORMATION							LICENSING STATUS				ANALYSIS			
TMK	ADDRESS	OWNER	ACRES	FIELD #	FARMABLE ACRES	IRRIGATION ACCESS	STATUS	VACANT	ROE	LICENSED	% FARMABLE	% VACANT	% ROE	% LICENSED
(4)1-2-2-1 por		SoH, DLNR	0.000	325	31.570	<input checked="" type="checkbox"/>	Licensed	0.00	0.00	31.57	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	326	117.770	<input checked="" type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	327	117.040	<input checked="" type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	408	15.000	<input checked="" type="checkbox"/>	Licensed	0.00	0.00	15.00	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	409	87.860	<input checked="" type="checkbox"/>	Licensed	0.00	0.00	87.86	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	414	14.760	<input checked="" type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	419	91.140	<input checked="" type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	421	63.600	<input checked="" type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	424	67.740	<input checked="" type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	425	70.660	<input checked="" type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	601	50.770	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	602	59.930	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	611	48.170	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	612	62.360	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	613	142.710	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	621	101.990	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	631	67.170	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	632	65.710	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	633	62.290	<input checked="" type="checkbox"/>	Licensed	0.00	0.00	62.29	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	635	87.730	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	641	48.260	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	642	94.160	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	643	41.990	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	644	47.580	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	645	80.250	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	646	44.410	<input checked="" type="checkbox"/>	Licensed	0.00	0.00	44.41	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	651	31.200	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	652	68.740	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	653	56.790	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	661	52.760	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	662	43.020	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	663	63.650	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	664	105.520	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	665	111.710	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	666	82.550	<input checked="" type="checkbox"/>	Licensed	0.00	0.00	82.55	#DIV/0!	0%	0%	100%
(4)1-2-2-1 por		SoH, DLNR	0.000	671	49.490	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	672	75.290	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-2-1 por		SoH, DLNR	0.000	673	31.850	<input type="checkbox"/>		0.00	0.00	0.00	#DIV/0!	0%	0%	0%
(4)1-2-16-1		SoH, DLNR	6.371	KAP 1	6.371	<input checked="" type="checkbox"/>	Licensed	0.00	0.00	6.37	100%	0%	0%	100%
(4)1-2-16-2		SoH, DLNR	13.726	KAP 2	13.726	<input checked="" type="checkbox"/>	Licensed	0.00	0.00	13.73	100%	0%	0%	100%
(4)1-2-16-3		SoH, DLNR	10.834	KAP 3	10.834	<input checked="" type="checkbox"/>	Licensed	0.00	0.00	10.83	100%	0%	0%	100%

KAUA'I LANDBOOK

PARCEL INFORMATION							LICENSING STATUS				ANALYSIS			
TMK	ADDRESS	OWNER	ACRES	FIELD #	FARMABLE ACRES	IRRIGATION ACCESS	STATUS	VACANT	ROE	LICENSED	% FARMABLE	% VACANT	% ROE	% LICENSED
(4)1-2-16-4		SoH, DLNR	10.014	KAP 4	10.014	✓	Licensed	0.00	0.00	10.01	100%	0%	0%	100%
(4)1-2-16-5		SoH, DLNR	9.954	KAP 5	9.954	✓	Licensed	0.00	0.00	9.95	100%	0%	0%	100%
(4)1-2-16-6		SoH, DLNR	8.472	KAP 6	8.472	✓	Licensed	0.00	0.00	8.47	100%	0%	0%	100%
(4)1-2-16-7		SoH, DLNR	8.495	KAP 7	8.495	✓	Licensed	0.00	0.00	8.50	100%	0%	0%	100%
(4)1-2-16-8		SoH, DLNR	8.113	KAP 8	8.113	✓	Licensed	0.00	0.00	8.11	100%	0%	0%	100%
(4)1-2-16-9		SoH, DLNR	6.045	KAP 9	6.045	✓	Licensed	0.00	0.00	6.05	100%	0%	0%	100%
(4)1-2-16-10		SoH, DLNR	5.423	KAP 10	5.423	✓	Licensed	0.00	0.00	5.42	100%	0%	0%	100%
(4)1-2-16-11		SoH, DLNR	7.603	KAP 11	7.603	✓	Licensed	0.00	0.00	7.60	100%	0%	0%	100%
(4)1-2-16-12		SoH, DLNR	5.465	KAP 12	5.465	✓	Licensed	0.00	0.00	5.47	100%	0%	0%	100%
(4)1-2-16-13		SoH, DLNR	5.976	KAP 13	5.976	✓	Licensed	0.00	0.00	5.98	100%	0%	0%	100%
(4)1-2-16-14		SoH, DLNR	7.910	KAP 14	7.910	✓	Licensed	0.00	0.00	7.91	100%	0%	0%	100%
(4)1-2-16-15		SoH, DLNR	7.845	KAP 15	7.845	✓	Licensed	0.00	0.00	7.85	100%	0%	0%	100%
(4)1-2-16-16		SoH, DLNR	7.753	KAP 16	7.753	✓	Licensed	0.00	0.00	7.75	100%	0%	0%	100%
(4)1-2-16-17		SoH, DLNR	9.447	KAP 17	9.447	✓	Licensed	0.00	0.00	9.45	100%	0%	0%	100%
(4)1-2-16-18		SoH, DLNR	9.447	KAP 18	9.447	✓	Licensed	0.00	0.00	9.45	100%	0%	0%	100%
(4)1-2-16-19		SoH, DLNR	7.585	KAP 19	7.585	✓	Licensed	0.00	0.00	7.59	100%	0%	0%	100%
(4)1-2-2-42		SoH, DLNR	5.601	Parcel A	5.601	✓	Licensed	0.00	0.00	5.60	100%	0%	0%	100%
(4)1-2-2-6		SoH, DLNR	32.929	Parcel B	32.929	✓	Licensed	0.00	0.00	32.93	100%	0%	0%	100%
(4)1-2-2-43		SoH, DLNR	17.297	Parcel C	17.297	✓	Licensed	0.00	0.00	17.30	100%	0%	0%	100%
(4)1-2-2-22		SoH, DLNR	5.195	Parcel D	5.195	✓	Licensed	0.00	0.00	5.20	100%	0%	0%	100%
(4)1-2-2-35		SoH, DLNR	42.019	Parcel E	42.019	✓	Licensed	0.00	0.00	42.02	100%	0%	0%	100%
TOTAL			13,256.29		7,273.649			88.84	685.26	3,637.97	55%	1%	9%	50%

ISLAND WIDE ANALYSIS

KALEPA	5,720.40	5,607.830		0.000	0.000	5,607.830	98%	0%	0%	100%
KEKAHA	13,256.29	7,273.649		88.840	685.260	3,637.969	55%	1%	9%	50%
KAUAI TOTAL	18,976.69	12,881.479		88.84	685.26	9,245.80	68%	1%	5%	72%

Appendix D

O'ahu Landbook

DRAFT

O'AHU LANDBOOK

PARCEL INFORMATION							LICENSING STATUS				ANALYSIS			
TMK	ADDRESS	OWNER	ACRES	FIELD #	FARMABLE ACRES	IRRIGATION ACCESS	STATUS	VACANT	ROE	LICENSED	% FARMABLE	% AVAILABLE	% ROE	% LICENSED
GALBRAITH														
(1)7-1-12-16		SoH, ADC	26.55	1	26.551	<input checked="" type="checkbox"/>	Licensed	0.000	0.000	26.551	100%	0%	0%	100%
(1)7-1-12-1 por		SoH, ADC	467.64	2	10.767	<input checked="" type="checkbox"/>	Licensed	0.000	0.000	10.767	2%	0%	0%	100%
(1)7-1-12-1 por		SoH, ADC	0.00	3	6.023	<input checked="" type="checkbox"/>	ROE	0.000	6.023	0.000	#DIV/0!	0%	100%	0%
(1)7-1-12-1 por		SoH, ADC	0.00	4	10.000	<input checked="" type="checkbox"/>	Licensed	0.000	0.000	10.000	#DIV/0!	0%	0%	100%
(1)7-1-12-1 por		SoH, ADC	0.00	5	36.026	<input checked="" type="checkbox"/>	Licensed	0.000	0.000	36.026	#DIV/0!	0%	0%	100%
(1)7-1-12-1 por		SoH, ADC	0.00	6	30.616	<input checked="" type="checkbox"/>	Licensed	0.000	0.000	30.616	#DIV/0!	0%	0%	100%
(1)7-1-12-1 por		SoH, ADC	0.00	7	24.202	<input checked="" type="checkbox"/>	Licensed	0.000	0.000	24.202	#DIV/0!	0%	0%	100%
(1)7-1-12-1 por		SoH, ADC	0.00	8	42.325	<input checked="" type="checkbox"/>	Licensed	0.000	0.000	42.325	#DIV/0!	0%	0%	100%
(1)7-1-12-1 por		SoH, ADC	0.00	9	79.991	<input checked="" type="checkbox"/>	Licensed	0.000	0.000	79.991	#DIV/0!	0%	0%	100%
(1)7-1-12-1 por		SoH, ADC	0.00	10	83.328	<input checked="" type="checkbox"/>	Licensed	0.000	0.000	83.328	#DIV/0!	0%	0%	100%
(1)7-1-12-1 por		SoH, ADC	0.00	11	62.025	<input checked="" type="checkbox"/>	Licensed	0.000	0.000	62.025	#DIV/0!	0%	0%	100%
(1)7-1-12-1 por		SoH, ADC	0.00	12	57.783	<input checked="" type="checkbox"/>	Licensed	0.000	0.000	57.783	#DIV/0!	0%	0%	100%
(1)7-1-1-5		SoH, ADC	236.23	005	221.902	<input checked="" type="checkbox"/>	Licensed	0.000	15.000	206.902	94%	0%	7%	93%
(1)7-1-1-3		SoH, ADC	145.15	003	132.648	<input checked="" type="checkbox"/>	Licensed	0.000	0.000	132.648	91%	0%	0%	100%
(1)6-5-2-10		SoH, ADC	310.86	010	308.000	<input checked="" type="checkbox"/>	Licensed	0.000	0.000	308.000	99%	0%	0%	100%
TOTAL			1,186.43		1,132.187			0.000	21.023	1,111.164	95%	0%	2%	98%
WHITMORE														
(1)7-1-2-4		SoH, ADC	257.52	004	257.000	<input type="checkbox"/>	ROE	0.000	257.000	0.000	100%	0%	100%	0%
(1)7-1-2-37		SoH, ADC	30.38	037	30.000	<input type="checkbox"/>	ROE	0.000	30.000	0.000	99%	0%	100%	0%
(1)7-1-2-44		SoH, ADC	22.39	044	22.000	<input type="checkbox"/>	ROE	0.000	22.000	0.000	98%	0%	100%	0%
(1)7-1-2-9		SoH, ADC	24.09	009	24.000	<input type="checkbox"/>	ROE	0.000	24.000	0.000	100%	0%	100%	0%
(1)6-4-4-6		SoH, ADC	3.60	006	0.000	<input type="checkbox"/>	Vacant	0.000	0.000	0.000	0%	#DIV/0!	#DIV/0!	#DIV/0!
(1)6-4-4-8		SoH, ADC	230.43	008	164.000	<input checked="" type="checkbox"/>	ROE	0.000	164.000	0.000	71%	0%	100%	0%
(1)6-5-2-1		SoH, ADC	73.44	001	73.000	<input checked="" type="checkbox"/>	Licensed	0.000	0.000	73.000	99%	0%	0%	100%
(1)7-1-1-12		SoH, ADC	31.63		30.000	<input type="checkbox"/>	Unfarmable	30.000	0.000	0.000	95%	100%	0%	0%
(1)7-1-2-23		SoH, ADC	0.29	023	0.287	<input type="checkbox"/>	ROE	0.000	0.290	0.000	100%	0%	101%	0%
(1)7-1-2-6		SoH, ADC	7.87	006	7.870	<input type="checkbox"/>	Licensed	0.000	0.000	7.870	100%	0%	0%	100%
(1)7-1-2-34		SoH, ADC	186.54	034	186.000	<input checked="" type="checkbox"/>	Licensed	0.000	0.000	186.000	100%	0%	0%	100%
(1)7-1-2-41		SoH, ADC	121.75	041	121.000	<input checked="" type="checkbox"/>	Licensed	0.000	0.000	121.000	99%	0%	0%	100%
(1)7-1-2-46		SoH, ADC	59.66	046	59.000	<input checked="" type="checkbox"/>	Licensed	0.000	0.000	59.000	99%	0%	0%	100%
(1)7-1-2-47		SoH, ADC	24.19	047	24.000	<input checked="" type="checkbox"/>	Licensed	0.000	0.000	24.000	99%	0%	0%	100%
(1)7-3-13-10		SoH, ADC	5.00	010	5.000	<input checked="" type="checkbox"/>	Vacant	5.000	0.000	0.000	100%	100%	0%	0%
(1)7-4-12-16		SoH, ADC	1.57	016	1.570	<input type="checkbox"/>	Licensed	0.000	0.000	1.570	99.87%	0.00%	0.00%	100.00%
TOTAL			1,080.35		1,004.73			35.000	497.290	472.440	93%	3%	49%	47%
PA'ALA'A UKA														
(1)6-4-3-16 por		SoH, ADC	10.00	1	9.150	<input checked="" type="checkbox"/>	ROE	0.000	9.150	0.000	92%	0%	100%	0%
(1)6-4-3-16 por		SoH, ADC	32.90	2	18.400	<input checked="" type="checkbox"/>	ROE	0.000	18.400	0.000	56%	0%	100%	0%
(1)6-4-3-16 por		SoH, ADC	36.80	3	15.000	<input checked="" type="checkbox"/>	ROE	0.000	15.000	0.000	41%	0%	100%	0%
(1)6-4-3-16 por		SoH, ADC	32.30	4	17.300	<input checked="" type="checkbox"/>	ROE	0.000	17.300	0.000	54%	0%	100%	0%
(1)6-4-3-16 por		SoH, ADC	46.40	5	11.200	<input checked="" type="checkbox"/>	ROE	0.000	11.200	0.000	24%	0%	100%	0%

O'AHU LANDBOOK

PARCEL INFORMATION							LICENSING STATUS			ANALYSIS				
TMK	ADDRESS	OWNER	ACRES	FIELD #	FARMABLE ACRES	IRRIGATION ACCESS	STATUS	VACANT	ROE	LICENSED	% FARMABLE	% AVAILABLE	% ROE	% LICENSED
(1)6-4-3-16 por		SoH, ADC	15.70	6	15.500	✓	ROE	0.000	15.500	0.000	99%	0%	100%	0%
(1)6-4-3-16 por		SoH, ADC	45.50	7	6.690	✓	ROE	0.000	6.690	0.000	15%	0%	100%	0%
(1)6-4-3-16 por		SoH, ADC	38.60	8	24.000	✓	ROE	0.000	24.000	0.000	62%	0%	100%	0%
(1)6-4-3-16 por		SoH, ADC	41.40	9	28.500	✓	ROE	0.000	28.500	0.000	69%	0%	100%	0%
(1)6-4-3-16 por		SoH, ADC	27.70	10	27.700	✓	ROE	0.000	27.700	0.000	100%	0%	100%	0%
(1)6-4-3-16 por		SoH, ADC	57.10	11	30.800	✓	ROE	0.000	30.800	0.000	54%	0%	100%	0%
(1)6-4-3-16 por		SoH, ADC	21.70	12	21.700	✓	ROE	0.000	21.700	0.000	100%	0%	100%	0%
(1)6-4-3-16 por		SoH, ADC	16.70	13	16.700	✓	ROE	0.000	16.700	0.000	100%	0%	100%	0%
(1)6-4-3-16 por		SoH, ADC	23.60	14	15.800	✓	ROE	0.000	15.800	0.000	67%	0%	100%	0%
(1)6-4-3-16 por		SoH, ADC	9.40	15	9.400	✓	ROE	0.000	9.400	0.000	100%	0%	100%	0%
(1)6-4-3-16 por		SoH, ADC	14.10	16	10.500	✓	ROE	0.000	10.500	0.000	74%	0%	100%	0%
(1)6-4-3-16 por		SoH, ADC	35.60	17	12.300	✓	ROE	0.000	12.300	0.000	35%	0%	100%	0%
(1)6-4-3-16 por		SoH, ADC	5.43	drains	0.000	□	Unfarmable	0.000	0.000	0.000	0%	#DIV/0!	#DIV/0!	#DIV/0!
(1)6-5-1-56		SoH, ADC	114.50	056	114.000	✓	ROE	0.000	114.000	0.000	100%	0%	100%	0%
(1)6-5-1-46		SoH, ADC	41.54	046	40.000	✓	Licensed	0.000	0.000	40.000	96%	0%	0%	100%
(1)6-5-2-6		SoH, ADC	42.36	006	42.000	✓	Licensed	0.000	0.000	42.000	99%	0%	0%	100%
(1)6-5-2-8		SoH, ADC	45.85	008	45.850	✓	Licensed	0.000	0.000	45.850	100%	0%	0%	100%
(1)6-5-2-31		SoH, ADC	215.63	031	215.000	✓	Licensed	0.000	0.000	215.000	100%	0%	0%	100%
(1)6-5-5-9		SoH, ADC	434.19	009	393.260	✓	ROE	0.000	393.260	0.000	91%	0%	100%	0%
TOTAL			1,405.00		1,140.750			0.000	797.900	342.850	81%	0%	70%	30%
KUNIA														
(1)9-4-12-1		SoH	14.29		14.290	✓	Licensed	0.000	0.000	14.290	100%	0%	0%	100%
(1)9-4-12-3		SoH	76.93	003	76.930	✓	Licensed	0.000	0.000	76.930	100%	0%	0%	100%
TOTAL			91.22		91.220			0.000	0.000	91.220	100%	0%	0%	100%
MILILANI														
(1)9-5-3-7		SoH, ADC	91.65	007	91.650	□	Vacant	91.650	0.000	0.000	100%	100%	0%	0%
TOTAL			91.65		91.650			91.650	0.000	0.000	100%	100%	0%	0%
WAIAHOLE														
						□	Available	0.000	0.000	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
						□	Available	0.000	0.000	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
TOTAL			0.00		0.000			0.000	0.000	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	

ISLAND WIDE ANALYSIS

GALBRAITH	1,186.43	1,132.187		0.000	21.023	1,111.164	95%	0%	2%	98%
WHITMORE	1,080.35	1,004.727		35.000	497.290	472.440	93%	3%	49%	47%
PA'ALA'A UKA	1,405.00	1,140.750		0.000	797.900	342.850	81%	0%	70%	30%
KUNIA	91.22	91.220		0.000	0.000	91.220	100%	0%	0%	100%
MILILANI	91.65	91.650		91.650	0.000	0.000	100%	100%	0%	0%

O'AHU LANDBOOK

PARCEL INFORMATION							LICENSING STATUS				ANALYSIS			
TMK	ADDRESS	OWNER	ACRES	FIELD #	FARMABLE ACRES	IRRIGATION ACCESS	STATUS	VACANT	ROE	LICENSED	% FARMABLE	% AVAILABLE	% ROE	% LICENSED
O'AHU TOTAL			3,854.65		3,460.534			126.65	1,316.21	2,017.67	90%	4%	38%	58%

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Appendix E

Waimea Watershed Agreement

DRAFT

**MEDIATION AGREEMENT
FOR THE WAIMEA WATERSHED AREA**

This Mediation Agreement is entered into this 18th day of April, 2017, by and between the parties hereto to present reasonable interim instream flow standards to the Commission on Water Resource Management (“Commission”) for its consideration in an effort to resolve disputes arising out of the diversion of water from the Waimea River and its tributaries, and to avoid protracted and time and resource consuming litigation.

W I T N E S S E T H:

WHEREAS, on July 24, 2013, Pō‘ai Wai Ola/West Kaua‘i Watershed Alliance filed a Combined Petition to Amend the Interim Instream Flow Standards for Waimea River and Its Headwaters and Tributaries, and Complaint and Petition for Declaratory Order Against Waste, which concerns the Waimea Watershed in Waimea, Island of Kaua‘i, Hawai‘i;

WHEREAS, on May 27, 2014, the Commission engaged Element Environmental, LLC to develop an inventory of the stream system, water uses, and water users of the Waimea River and its headwaters and tributaries, and to conduct an appropriate investigation of the water systems and the water resources in the area;

WHEREAS, during 2015, the Commission sought and received information on water uses from the agricultural interests and the Department of Hawaiian Home Lands (“DHHL”);

WHEREAS, in October, 2015, the Commissioners, Commission staff, and interested parties familiarized themselves with the stream system and non-stream uses by visiting the area over two days;

WHEREAS, on November 17, 2015, DHHL filed with the Commission a Petition for Reservation of Surface Water of 33.145 MGD;

WHEREAS, also during 2015, in light of the fact that similar petitions have historically taken decades to resolve, the Commission staff approached various parties having an interest in this area and its waters to consider participating in a mediation of the issues involved;

WHEREAS, in December, 2015, the Commission approved engaging a mediator to assist in reaching an agreement between the parties that would be acceptable to the Commission to resolve the issues in the Waimea watershed;

WHEREAS, at its February 16, 2016 duly-noticed meeting, the Commission approved the terms of reference for the mediation, and subsequently, the services of the Collaborative Leaders Network were engaged to conduct the mediation, led by its President, Robert Alm; and

WHEREAS, during November, 2016, a set of controlled releases of water was undertaken by the Commission staff and the parties to assist in the resolution of the issues in this matter.

NOW, THEREFORE, the parties have reached the following points of agreement for consideration and approval by the Commission to guide the Commission staff and these parties in their respective and cooperative handling of the area's water resources in the coming years, and to amend the current interim instream flow standards of the Waimea River, its headwaters and its tributaries:

1. The Waimea Watershed Agreement which is attached hereto as Exhibit A.
2. In light of this agreement, it is also agreed that:
 - A. Pō‘ai Wai Ola/West Kaua‘i Watershed Alliance’s Combined Petition to Amend the Interim Stream Flow Standards for Waimea River and Its Headwaters and Tributaries, and Complaint and Petition for Declaratory Order Against Waste (filed July 24, 2013) will be considered to be resolved.
 - B. DHHL will, within thirty days (30) of the approval of this agreement, submit a modified petition to provide for a water reservation of 6.903 MGD from the Kokee Streams, and request that the Commission consider and act on the modified petition within sixty (60) days of its filing. DHHL maintains the right to file, at later dates, additional water reservations for the Waimea Watershed.
3. The terms of this Agreement are submitted to the Commission for consideration and approval. By executing this Agreement, each party represents to the Commission its acknowledgement that, based upon the information obtained to date on stream flows, ditch flows, beneficial in-stream uses and non-stream uses, each party has weighed the importance of the present and potential uses of water, including the economic impact of restricting such uses.
4. The parties recognize and respect the intent of the Water Code, Chapter 174C, H.R.S., and the Commission, including to obtain maximum beneficial use of the waters of the State for purposes such as domestic uses, aquaculture uses, irrigation and other agricultural uses, power development, and commercial and industrial uses, as long as there is adequate provision for the protection of traditional and customary Hawaiian rights, the protection and procreation of fish and wildlife, the maintenance of proper ecological balance and scenic beauty, and the preservation and enhancement of waters of the State for municipal uses, public recreation, public water supply, agriculture, and navigation.
5. Mediation communications and confidential information protected by the Commission’s mediation rules, H.A.R. § 13-167-90, and the Uniform Mediation Act, H.R.S. ch. 658H, shall remain confidential regardless of the Commission’s decision on this Agreement.
6. This Agreement shall be effective, and interim instream flows shall be established, if at all, upon approval of its terms by the Commission.

Wherefore, the parties affix their signatures to this agreement to evidence their acknowledgement, contribution, and agreement to each of the terms set forth above.

PO'AI WAI OLAI/
WEST KAUAI WATERSHED ALLIANCE

STATE OF HAWAII, AGRIBUSINESS
DEVELOPMENT CORPORATION

By _____
Its

By _____
Its

STATE OF HAWAII, DEPT. OF
HAWAIIAN HOME LANDS

KEKAHA AGRICULTURE
ASSOCIATION

By _____
Its

By _____
Its

KAUAI ISLAND UTILITY
COOPERATIVE

By _____
Its

DRAFT

Wherefore, the parties affix their signatures to this agreement to evidence their acknowledgement, contribution, and agreement to each of the terms set forth above.

PŌ‘AI WAI OLA/WEST KAUA‘I
WATERSHED ALLIANCE

STATE OF HAWAI‘I, AGRIBUSINESS
DEVELOPMENT CORPORATION

By:
Its

STATE OF HAWAI‘I, DEPT OF
HAWAIIAN HOME LANDS

By:
Its

KEKAHA AGRICULTURE ASSOCIATION

By:
Its

KAUA‘I ISLAND UTILITY
COOPERATIVE

By:
Its

By:
Its

Wherefore, the parties affix their signatures to this agreement to evidence their acknowledgement, contribution, and agreement to each of the terms set forth above.

PŌ'AI WAI OLA/WEST KAUA'I
WATERSHED ALLIANCE

STATE OF HAWAI'I, AGRIBUSINESS
DEVELOPMENT CORPORATION

By: _____
Its

STATE OF HAWAI'I, DEPT OF
HAWAIIAN HOME LANDS

By: _____
Its

KEKAHA AGRICULTURE ASSOCIATION

By: Jhi Meraf
Its

KAUA'I ISLAND UTILITY
COOPERATIVE

By: _____
Its

By: _____
Its

Wherefore, the parties affix their signatures to this agreement to evidence their acknowledgement, contribution, and agreement to each of the terms set forth above.

PŌ·AI WAI OLA/WEST KAUA'I
WATERSHED ALLIANCE

STATE OF HAWAII, AGROBUSINESS
DEVELOPMENT CORPORATION

By: _____
Its _____

STATE OF HAWAII, DEPT OF
HAWAIIAN HOME LANDS

By: _____
Its _____

KEKAHA AGRICULTURE ASSOCIATION

By: _____
Its _____

KAUA'I ISLAND UTILITY
COOPERATIVE

By: John H. Upton
Its President

By: _____
Its _____

Wherefore, the parties affix their signatures to this agreement to evidence their acknowledgement, contribution, and agreement to each of the terms set forth above.

PŌ'AI WAI OLA/WEST KAUA'I
WATERSHED ALLIANCE

STATE OF HAWAII, AGRIBUSINESS
DEVELOPMENT CORPORATION

By: _____
Its

STATE OF HAWAII, DEPT OF
HAWAIIAN HOME LANDS

By: _____
Its

KEKAHA AGRICULTURE ASSOCIATION

By: _____
Its

KAUA'I ISLAND UTILITY
COOPERATIVE

By: _____
Its

By: David J. Russell
Its CEO

WAIMEA WATERSHED AGREEMENT

- A. Statement of Guiding Principles
- B. Modification of Diversions
- C. Permits and Approval
- D. IIFS Numbers
- E. Monitoring Stations
- F. Operating Protocols
- G. Infrastructure Agreements

DRAFT

A. STATEMENT OF GUIDING PRINCIPLES

The following guiding principles underlie this agreement and all phases of its execution:

1. All streams will be allowed to run from the mountain to the sea and no diversion will ever be a total diversion again.
2. Any diversion of water from a stream must be justified with no more water taken than is needed for other beneficial uses, and even then, the health of the stream must be preserved at all times. All waters not needed at any given time belong in the stream and the IIFS numbers are the minimum amounts to be provided.
3. Agriculture and renewable energy are beneficial uses of water diverted from these streams.
4. DHHL will, within thirty days (30) of the approval of this agreement, submit a modified petition to provide for a water reservation of 6.903 MGD from the Kokee Streams, and request that the Commission consider and act on the modified petition within sixty (60) days of its filing. DHHL maintains the right to file, at later dates, additional water reservations for the Waimea Watershed. The parties acknowledge DHHL's rights to water as set forth in the Hawaiian Homes Commission Act, the Hawaii Constitution, and Haw. Rev. Stat. chapter 174C, the State Water Code.
5. The ditch systems owned by the State of Hawaii's Agribusiness Development Corporation (ADC), and currently operated by the Kekaha Agriculture Association (KAA), will continue to be maintained to allow for both present and future uses.
6. Kaua'i Island Utility Cooperative (KIUC) will be allowed to complete due diligence on a set of energy projects supported by the Kokee Ditch System, and, if the energy projects are built, will receive from the Kokee ditch system a rolling average of 11 mgd to support both (1) the Puu Opae project and (2) DHHL's water needs under any water reservation the Commission may grant to DHHL (see A.4, *supra*) that are to be served by the project infrastructure, with the understanding that the KIUC project is intended to serve both energy and agricultural uses which will enable the Commission to review the water needs of both systems with the goal of reducing the diversion of water into the Kekaha Ditch system. This means that KIUC will be able to take an average of 11 mgd within each year and over the course of the life of the project, assuming the IIFSs are met first. The term "rolling average" as used in this agreement means an average to account for intra and inter annual fluctuation.
7. If KIUC does build the energy projects, it will assume substantial responsibility for much of the Kokee ditch system and related facilities as specified in this agreement.

B. MODIFICATIONS OF THE DIVERSIONS

Throughout this Agreement, all references to days are to calendar days.

All plans for the modification of any diversion shall be subject to review and approval by the Commission or its staff prior to any modification taking place. When plans are submitted to the Commission, a copy will be provided to each other party to this agreement.

KIUC will modify all diversions in the Kokee Ditch necessary to ensure the stream flow provided for in this agreement, as follows: KIUC will file with the Commission and any other pertinent regulatory agency its modification plans within one hundred thirty-five (135) days of the approval of this agreement by the Commission. Work on the modifications will begin within forty-five (45) days of approval of the modification plans or any other approval required by the modification proposal, whichever comes last.

If KIUC does not receive (1) the understandings from ADC set forth in Section C by April 30, 2017, and/or (2) the understandings from DHHL set forth in Section C within ninety (90) days of the Commission's approval of this agreement, KIUC shall have the option to withdraw from its responsibilities and obligations under this agreement. If KIUC opts to withdraw, it will notify the Commission and all the parties to this agreement. If KIUC does not exercise its option to withdraw within one-hundred (100) days after the approval of this agreement by the Commission, KIUC shall proceed with the modification plans in accordance with the paragraph immediately above.

ADC (either itself or through its licensee KAA) will modify all other diversions relating to the Kekaha Ditch system and specifically those associated with the Koaie and Waiahulu streams and the Waimea diversion necessary to ensure the stream flow provided for in this agreement, as follows: ADC (either itself or through its licensee KAA) will file with the Commission and any other pertinent regulatory agency its modification plans within forty-five (45) days of the approval of this agreement by the Commission. Work on the modifications will begin within forty-five (45) days of approval of the modification plans or any other approval required by the modification proposal, whichever comes last.

All modifications will be done in a manner that provides for water flowing over it, provides for a wetted path upstream and downstream such that adult forms can migrate upstream and larval forms can migrate downstream, and minimizes entrainment of native species to the maximum extent practicable.

If any modification requires an Environmental Assessment, an Environmental Impact Statement or other permitting or approvals, the filing of those must occur within ninety (90) days of notification by the Commission or other pertinent regulatory agency of the need for such actions.

If KIUC exercises its option to withdraw within one-hundred (100) days after the approval of this agreement by the Commission, ADC (either itself or through its licensee KAA) will be responsible for the modifications to the Kokee Ditch diversions necessary to comply with this agreement, as follows: ADC (either itself or through its licensee KAA) will file with the Commission and any other pertinent regulatory agency its modification plans for the Kokee Ditch

diversions within forty-five (45) days of KIUC's notice of withdrawal. Work on the modifications will begin within forty-five (45) days of approval of the modification plans or any other approval required by the modification proposal, whichever comes last.

C. PERMITS AND APPROVALS

In order to develop its renewable energy project(s), KIUC will need to obtain a number of permits and approvals from various governmental agencies, and compliance with the requirements of HRS Chapter 343 will be necessary prior to agency action on those permits and approvals. Nothing in this agreement obliges any government agency to grant any of those permits or approvals. Each permitting and approving agency needs to exercise its discretion without regard to this agreement. None of the signatory governmental agencies to this agreement issue the permits and approvals that KIUC will need for this project other than those provided for in this agreement.

In order to allow KIUC to move forward with its project(s), KIUC needs to know that it will have the ability to perform its due diligence (engineering, biological, and archaeological) on the project; that infrastructure for the project(s) will be available in the event that KIUC ultimately receives the permits and approvals necessary for its project(s); and the financial terms for access to and use of that infrastructure in the event that KIUC ultimately receives the permits and approvals necessary for its project(s).

If KIUC does not have in place (1) the understandings from ADC set forth below by April 30, 2017, and/or (2) the understandings from DHHL set forth below within ninety (90) days of the Commission's approval of this agreement, KIUC reserves the right to withdraw from its responsibilities and obligations under this agreement. If KIUC chooses to do so, it will notify the Commission, and all the parties to this agreement, that it is doing so and will then be relieved of all obligations under this agreement, subject to KIUC's duty to proceed with the diversion modification plans in accordance with Section B if KIUC does not exercise its option to withdraw within one-hundred (100) days after the approval of this agreement by the Commission.

It is understood that, in order to facilitate this agreement, Pō‘ai Wai Ola/West Kaua‘i Watershed Alliance will forbear from contesting or challenging ADC's or DHHL's decisions with respect to the understandings described in this section.

THE UNDERSTANDINGS ARE AS FOLLOWS:

From ADC to KIUC:

1. A license, with an option for a lease, for the following infrastructure:
 - a. The diversions on the Kokee Ditch at Waiakoali, Kawaikoi, Kauaikinana and Kokee and all the ephemeral diversions on the Kokee ditch system.
 - b. The Kokee Ditch from the diversions to the Puu Moe Divide.

- c. The Mana Reservoir.
- d. The land needed for construction of the Mana powerhouse located adjacent to the Mana Reservoir.

The license or lease shall provide for the water for KIUC under this agreement and approved by the Commission subject to approval of a water lease application by KIUC to be filed with the Board of Land and Natural Resources pursuant to Haw. Rev. Stat. § 171-58.

The financial terms of the license/leases shall be binding on KIUC and ADC if the required permits and approval are issued and the project is developed.

2. Easements as follows:

- a. The Kokee Ditch access roads for the purposes of ditch access and maintenance.
- b. The Mana Reservoir access road for the purpose of access to the Mana Reservoir, powerhouse and substation.
- c. A short-term easement for the construction of a pressurized pipeline segment on the Mana Plain with a long-term easement for maintenance of the pipeline.
- d. A short-term easement for the construction of the Puu Opae project powerhouse and substation adjacent to the Mana reservoir.
- e. A long-term easement for the Puu Opae project electrical transmission lines and pressurized pipeline.

From DHHL to KIUC:

- 1. A right of entry (“ROE”) to be issued to conduct all engineering, biological and archaeological studies necessary to support regulatory requirements for the project.
- 2. Within ninety days (90) of the approval of this agreement by the Commission, the DHHL will notify KIUC as to whether it will issue a 65-year lease for the land and infrastructure (Puu Opae Reservoir) to KIUC subject to HRS § 171-95.3, the Hawaiian Homes Commission Act, as amended, and Hawaiian Homes Commission policies, if KIUC complies with HRS Chapter 343 and receives the necessary approvals and permits for the construction of the Puu Opae project. Once approved, and subject to the above, the financial terms and conditions will be binding on KIUC and DHHL.
- 3. If the lease to KIUC described above is issued by the DHHL, it will

- a. include the provision of a rolling average of 11 mgd of water subject to approval of a water lease application by KIUC to be filed with the Board of Land and Natural Resources pursuant to Haw. Rev. Stat. § 171-58 and subject to meeting the water needs of DHHL as set forth in any water reservation the Commission may grant.
- b. grant a short-term easement for the pressurized pipeline and a buried transmission line construction and the rehabilitation of the Puu Opae Reservoir.
- c. grant a long-term easement for the maintenance of the pipeline, the buried transmission line and the access roads.
- d. will include the Puu Opae Reservoir and land adjacent to the reservoir (less than three acres) for the project powerhouse.

D. IIFS NUMBERS

Based on the submissions by the parties and the analysis by the Commission staff, the following IIFS numbers are agreed to in two phases.

Phase One will go into effect upon the approval of this agreement by the Commission. As part of Phase One, the parties agree to immediately take steps to restore flows to the maximum extent possible (e.g., by removing a board or lifting a gate) while working on the structural modifications pursuant to the deadlines set forth in Section B.

Phase Two goes into effect if and when the KIUC energy project goes into service.

PHASE ONE:

Kokee Irrigation System

1. The existing natural flow in the Kokee Stream is permitted to flow past the Kokee Ditch.
2. For the Kauaikinana, Kawaikoi, and Waiakoali streams, the IIFS below each diversion is the following:

Stream	IIFS
Kokee	natural flow
Kauaikinana	0.7 mgd
Kawaikoi	4.9 mgd
Waiakoali	1.4 mgd

Kekaha Irrigation System

1. The IIFS for the Koaie Stream below the Koaie Diversion will be 2 mgd.

2. The IIFS for the Waimea Stream below the Waiahulu Diversion will be 8 mgd.
3. The IIFS for the Waimea Stream at USGS 16031000 will be 25 mgd with a minimum flow at all times through the Kekaha Ditch of 6 mgd measured at the Hukipo Flume.

PHASE TWO:

Kokee Irrigation System

1. The existing natural flow in the Kokee Stream is permitted to flow past the Kokee Ditch except for flows greater than 1.2 mgd, in which the IIFS is 1.2 mgd.
2. For the Kauaikinana, Kawaikoi, and Waiakoali streams, for flows less than or equal to the established values listed in the table below, the IIFS below each diversion is two-thirds (66.6%) of the flow in the stream; for flows greater than the established values listed below, the IIFS below each diversion is the value given.

Stream	Established value	IIFS	IIFS if stream flow is below or equal to established value	IIFS if streamflow is above the established value
Kokee	0.2	Natural flow up to 1.2	n/a	n/a
Kauaikinana	1.2		2/3 of stream flow	0.6
Kawaikoi	6.4		2/3 of stream flow	4.0
Waiakoali	1.3		2/3 of stream flow	0.8

All water flows above these numbers may be used by KIUC in support of its project.

Kekaha Irrigation System

1. The IIFS for Koaie Stream below the Koaie Diversion will be 2 mgd.
2. The IIFS for Waimea Stream below the Waiahulu Diversion will be 8 mgd.
3. The IIFS for the Waimea Stream at USGS 16031000 will be 25 mgd with a minimum flow at all times through the Kekaha Ditch of 6 mgd measured at the Hukipo Flume subject to Commission review of its ongoing need based on the water coming to the plain through the KIUC project as provided in paragraph 10 of the Operating Protocols section, infra.

If Phase Two goes into operation, the Commission will examine the amounts being diverted at Koiae and at Waiahulu with goal of increasing the total IIFS numbers for these two streams.

E. MONITORING STATIONS

Monitoring stations will be put in place to measure the amount of water coming into the ditches and the amount of water going into the streams below the diversions on a continuous real-time basis.

KIUC, assuming that it receives the understandings called for in the Permits and Approvals section of this agreement, will install and maintain monitoring equipment at the existing flow gauging location immediately above the Puu Lua Reservoir and for the following streams:

Waiaokoali

Kawaikoi

Kauaikinana

Kokee

ADC (either itself or through its licensee KAA), if the Commission approves this agreement, will install and maintain monitoring equipment for the following streams:

Waiahulu

Koiae

Waimea at the Mauka hydroelectric plant

The information gathered by these stations shall be made available to all parties at the same time.

The Commission and the U.S. Geological Survey may install and maintain its own monitoring equipment along the streams and/or ditches in the watershed.

If the KIUC project does not receive the understandings called for in the Permits and Approvals section, the monitoring equipment will be installed and maintained by ADC (either itself or through its licensee KAA). If the KIUC project ultimately does not proceed, ADC (either itself or through its licensee KAA) will assume responsibility for the monitoring equipment.

F. OPERATING PROTOCOLS

The goal of the Waimea water systems is to preserve the life of the streams and their aquatic resources while allowing for agricultural and renewable energy uses to co-exist with the streams.

In the operation of these systems the intent is to have instantaneous daily decisions made on where the water in any given stream would go between the streams and the ditches:

1. Flow in the stream has the highest priority and water should flow at the highest possible level with diversions only as needed for other uses with the IIFS numbers being the minimum amounts to be provided.
2. Stated otherwise, when water is not presently needed for other uses such as expanded agricultural uses or future energy projects, the water must remain in the streams.
3. Current agricultural uses by ADC (and its licensees) will continue to be provided with the water needed for their operations. Each month, ADC (either itself or through its licensee KAA) will report monthly water usage volumes for agricultural and non-agricultural uses, monthly total cultivated acres, and a list of crop types. Each year, ADC (by itself or through its licensee KAA) will report annual cultivated acres by crop type.
4. Water for the kalo farmers on the Menehune Ditch will continue to be provided by one or both ditch systems.
5. Water for agricultural uses by ADC (and its licensees) and water for uses by the DHHL (and its lessees and licensees) in accordance with DHHL's rights to water as set forth in the Hawaiian Homes Commission Act, the Hawaii Constitution, and Haw. Rev. Stat. chapter 174C, the State Water Code will be provided so long as the amounts involved are reasonable in their consumption levels and in relation to the water provided to the streams. In that regard, the need to plant less water intensive crops and the importance of using efficient water delivery methods will be taken into account as well as the availability of R-1 water and well water.
6. If one or more hydro projects are developed by KIUC on the Kokee Ditch System, KIUC will receive from the Kokee ditch a rolling average of 11 mgd to support both (1) the Puu Opae project and (2) DHHL's water needs under any water reservation the Commission may grant to DHHL (see A.4, *supra*) that are to be served by the project infrastructure. This means that KIUC will be able to take an average of 11 mgd within each year and over the course of the life of the project, assuming the IIFSs are met first. In its project, KIUC will leave enough water in the ditch past the Puu Moe Divide to meet the needs of users of ditch water below that point.

7. Controlled releases and biological studies will be part of any protocol to help determine the best ongoing uses of water.
8. To the extent not otherwise provided by the above uses, the Commission may consider a request to allow a minimum flow of water to maintain the ditch systems to the extent necessary to ensure their ongoing structural integrity.
9. The Waiawa power plant will be allowed to operate in its current manner for no more than three years from the approval of this agreement after which it must be either decommissioned or repowered to operate using such waters as are reasonably related to agricultural (as opposed to energy) uses. Specifically, after three years, no more than 10 mgd can be diverted in the Kekaha Ditch at Hukipo Flume unless reasonable agricultural uses require more water and the Commission finds that such additional waters can be provided consistent with the IIFS numbers it has set.

If Phase Two goes into operation, the Commission will reexamine the amounts diverted to reduce them to take into account the energy and agricultural uses served by the KIUC project.

The execution of these protocols will be the responsibility of ADC (either itself or through its licensee KAA), and of KIUC. KIUC, if it receives the understandings provided for in the Permits and Approvals section above, may contract with other entities to carry out its responsibilities under this agreement.

If there is any dispute in the operation of the protocols, it shall be brought to the Commission for resolution.

G. INFRASTRUCTURE AGREEMENTS

PHASE ONE: CURRENT OPERATIONS

Unless and until the energy projects proposed by KIUC receive all required approvals and Phase Two is implemented, the current system will be maintained by the ADC, and its licensee KAA, and the State agencies involved in the case of the impacted dams and reservoirs, subject to the provisions of this agreement, including those pertaining to the modification of diversions and the installation of monitoring equipment.

PHASE TWO: THE ENERGY PROJECTS

If KIUC receives the understandings required in the Permits and Approvals section; finds that the project is feasible to undertake and finance; and gets the approval of the Public Utilities Commission for the energy projects, KIUC may build and/or rehabilitate one or more energy projects in the Waimea Watershed area.

If KIUC proceeds, it will assume significant responsibility for the infrastructure on the systems involved. This section sets forth the infrastructure for which KIUC (and any firms it employs) will be responsible:

1. The Ditches

KIUC will operate, upgrade, alter or repair as appropriate, and maintain:

- a. The Kokee Ditch including the ditch, flumes and tunnels, beginning at the Waiakoali Intake to the Puu Moe Divide, including the Kauhao sluice gate and the weir gate at the Divide; and any pressurized piping KIUC installs involving the ditch and the reservoirs named below including between the Divide and the Puu Opae Reservoir. (KIUC will not be responsible for the ditch from the Divide to the Kitano Reservoir.)

2. Diversions

KIUC will operate, repair and maintain the following diversions:

- a. Waiakoali
- b. Kawaikoi
- c. Kauaikinana
- d. Kokee
- e. All active ephemeral stream diversions. Kumuela 1-5, Nawaiamaka and Halemanu on the Kokee Ditch.

ADC (either itself or through its licensee KAA) will operate, repair and maintain the following diversions:

- f. Waiahulu
- g. Koaie
- h. Waimea

3. Roadways

KIUC will repair and maintain the roadways which pertain to the operations of the Kokee Ditch.

- a. The jeep roadway extending from the Kokee Highway to the Puu Lua Reservoir;

- b. The jeep road extending from the Kokee Highway to the Puu Opae Reservoir;
- c. The jeep road extending from the DHHL/DLNR gate on the Mana Plain to the Puu Opae Reservoir;
- d. Ditch maintenance roads along the Kokee Ditch;
- e. All other jeep roads and ditch trails necessary to access, maintain and operate the ditch systems that are under KIUC's control.

The assumption of responsibility for the roadways by KIUC does not change existing access rights or in any way alter their status as public or private roads.

In carrying out the operation, upgrade, repair and maintenance to the ditches, diversions and roadways as described above in this section, KIUC and ADC (and any other firm employed by the same) shall not interfere with the quiet enjoyment of the DHHL lessees and licensees.

4. Control Equipment

KIUC will operate the Puu Opae Energy Project(s), the streamflow gauging equipment on the Kokee Ditch and pertinent streams, the Puu Lua Reservoir, the Puu Opae Reservoir and the Mana Reservoir.

5. Hydroelectric Plants

KIUC will operate, repair and maintain the hydro plants developed as part of the Puu Opae energy project:

6. Dams and Reservoirs

KIUC will rehabilitate the following reservoirs pursuant to the State of Hawaii dam safety standards and undertake the operation and maintenance of each through the life of the Puu Opae project.

- a. Puu Lua Reservoir
- b. Puu Opae Reservoir
- c. Mana Reservoir

7. Pressurized Piping

KIUC will construct and maintain the following segments of pressurized pipeline:

- a. Between the Puu Moe Divide and the Puu Opae Reservoir;
- b. Between the Puu Opae and Mana Reservoirs.

8. Pumping Stations

ADC will continue to operate and maintain the Kawaiele and Nohili Pumping Stations.

9. Monitoring Stations

KIUC will operate and maintain the equipment discussed in the Monitoring Stations section above.

10. Agreements to Operate

The cost of all of KIUC's undertakings pursuant to this agreement will be negotiated directly between KIUC and the agencies involved.

11. Infrastructure Covered

Any infrastructure not covered by this agreement will be presumed to be handled by whoever is handling it today. This agreement covers only the specific infrastructure discussed in it.

Appendix F

Permitted Interaction Group Reports

DRAFT

DA: November 15, 2024

TO: ADC BOD

FR: Land Permitted Interaction Group (PIG)

RE: Final Report

Scope of PIG:

It was suggested that each group brainstorm the following: Beneficiaries, Customers, who do we need to “move” to make this business model work, Problems, Unique Value Proposition (UVP), Competitive Edge: How is our approach different from others, Key Activities/Solutions, Channels, Impact Metrics, Key Resources, Partners & Key Stakeholders, Cost Structure, Surplus, & Financial Sustainability.

Recommendations:

Recommendations for Immediate Adoption:

Strategically:

1. Recognize the need for faster action and implementation by ADC

- a. Policy Changes:
 - i. Changes in the Existing Land Management Policy & Procedure Manual (LMPPM):
 - 1. Property Disposition & Evaluation Procedures: Amend to include “Available Lands will be kept updated on the ADC Website for Expressions of Interest & Applications. Notices of Availability or Requests for Application shall be published. . .
 - a.
 - 2. Procedure for (specific area):
 - a. Add to each section:
 - i. Property Manager will review applications to assess compatibility with existing licensees, distribution (power & water), and value-added needs and discuss with area ADC BOD Member, ADC Staff and Partners as needed
 - ii. The Property Manager will keep a current list of Expressions of Interest, Applications, and Stakeholders for
 - b. Need for Additional Information/Recommendation by Staff:
 - i. Revisit the ADC's 343 Exemptions and provide a recommendation for inclusions in the LMPPM
 - ii. Review Hawaii Fire Mitigation Plan and recommend policies to better steward ADC Lands
 - iii. Suggested Changes to the LMPPM from Staff to include but not limited to:
 - 1. Property Disposition and Evaluation Procedures: Adding Executive Ordered Lands and New Land Purchases Sections

2. Application Document:

- a. Adding sections/scores for:
 - i. Currently losing license/lease (timeframe & reasons).
 - ii. Farm Visit Evaluation/criteria & points for: No animals present if produce farmer, Type of equipment, number of workers observed at the farm, If Product is lying on the ground in the field unharvested, If potable water is available, If clean boxes for packing were available, on farm toilet, farm waste disposal system, any farm refrigeration available, if GAP certified- signage, notice any burning piles/evidence
 - iii. Any Grants Awarded in the Past: Describe
 - iv. Current Conservation Plan- copy of, and who created/approved
- b. Clarify scoring criteria for:
 - i. Financials (many farmers do not provide detailed records for fear of information breach by ADC or request by public to view application & financials)
 - ii. Farm Plan
 - iii. Balance of the Application
- c. Recommendations by staff for other changes

3. Communication Plan: Before, during and after application process

4. Land Document Policies:

- a. Expand Rent Setting Policy "ADC Board may adjust rent schedules to reflect cash flow of crop type, for example, orchard crop may have lower rate as licensee establishes trees & waits for fruit."
- b. Rent Credit: change to reflect up to 3-year rent credit instead of up to 20 years
- c. Term of License: **Is 35 years ADC's maximum?**
- d. License Re-Opening:
 - i. Applicants have shared current policy limits financial backing- prefer a set rate and re-opening

5. Soil Conservation Plan: due to the shortage of conservation planners, we recommend ADC move to get a Master Conservation Plan for each area and allow Licensees up to 2 years to get a Soil Conservation Plan. Under the Master Conservation Plan Licensees are not required to have a grading & grubbing permit and can get started while awaiting an individual plan.

6. Termination of License Procedures:

- a. Change Notice of Violation for Past Due Rents letter from 60 to 45 days, and "past due letter" from 30 to 10 days

- b. Change Notice of Violation for Past due Rents & Board Hearing" letter from 90 to 60 days, and add after garnishment of bank accounts, "result in license termination"
- 7. Non-Financial Default:
 - a. Change the Notice of Violation letter from five business days to 24 hours; resolved from 30 to 10 days and closed after the 11th day window.
 - b. Change item b Notification to 3 instead of 6 days
- 8. Section 7.3 Soil Conservation Plan- extend from one year to two years
- 9. Add to 8.3 from suggestions made to Lyle & Roger)- include if licensee attended any t

2. Acknowledge ADC has Commercial Property in the Asset Portfolio

- a. Policy Changes:
 - i. Changes in the Existing Land Management Policy & Procedure Manual (LMPPM) to include Commercial Land Management Policies & Procedures
 - 1. Include Common Area Maintenance Fees Policy for Commercial Lands to enable upkeep and security
- b. Need for Additional Information/Recommendation by Staff:
 - i. Draft Commercial Property Policies & Procedures based on Best Management Practices in the industry

3. Proactively show "dynamic and aggressive leadership" in agribusiness

- a. Policy Changes:
 - i. Establish a Strategy for Land Use on ADC Lands in relationship to Agritourism, Ag Worker Housing, and Solar and assign to the Technical Standing Committee appointed by the Chair
 - ii. Expand Annual Reports by Licensees to honor the statute of "economic, environmental and social benefit for the people of Hawaii"
 - 1. Capital Improvement Projects: Implemented & Planned
 - 2. Staffing: Current number of FT and PT throughout the year (indicating economic impact & ag worker housing needs)
 - 3. Conservation Plan Update
 - 4. Training conducted, attended or planned
 - 5. Current Production Status: Gross pounds harvested & waste (potential value-add production); types of crops
 - 6. Federal or State Grants Awarded
 - 7. Sales volume and types of products sold to HDOE
 - 8. Recommendations to the ADC BOD for consideration
 - iii. Establish Common Area Maintenance Trust Accounts by Region to allow planning and saving for capital improvements, improving security, possibly renting toilets or trash removal services as a group
- b. Need for Additional Information/Recommendation by Staff:
 - i. License vs. Lease: Pros & Cons and Recommendation to BOD

- ii. Quarterly Report from Property Managers to the BOD moving forward including maps/acres licensed vs. available; executive summary of Expressions of Interest for their assigned area (County); define “unfarmable lands” and outline what/where exist; identify region’s senator and representatives
- iii. Execution of mapping report on funding & for Strategic Plan:
 - 1. Current Land Assets:
 - a. Short-Term: TMK identification, parcel size/area; address if available, flood & county zoning (ag, urban, etc.); soil type, A/B/C/D; if there is a Current Conservation Easement in place; microclimate; any CTAHR reporting of suggested crops; In Special District Designation i.e. Enterprise Zone; appraised value, if any environmental testing has been done and executive summary
 - b. Long-Term: asset in relationship to ports, HDOE Facilities or planned Regional Kitchen; irrigation & potable water sources; electricity, sewage, telecommunication lines; fire hydrants & fire code- in designated high fire zone, drainage issues, any county plans for the area, if this is ceded lands, drone mapping by ADC to verify size of property

DA: November 15, 2024

TO: ADC BOD

FR: Distribution Services Permitted Interaction Group (PIG)

RE: Final Report

Scope of PIG:

It was suggested that each group brainstorm the following: Beneficiaries, Customers, who do we need to “move” to make this business model work, Problems, Unique Value Proposition (UVP), Competitive Edge: How is our approach different from others, Key Activities/Solutions, Channels, Impact Metrics, Key Resources, Partners & Key Stakeholders, Cost Structure, Surplus, & Financial Sustainability.

Recommendations:

Recommendations for Immediate Adoption:

Strategically:

1. Recognize the strategic significance and urgency of Distribution of Water & Power as part of the ADC Statute to exist “for the economic, environmental and social benefit of the people of Hawaii”

- a. Policy Changes:
 - i. Resolve to acquire the Haleiwa-Wailua-Wahiawa Irrigation System, Spillway and Dam assets expeditiously to preserve 17,000 acres of food production in central Oahu which will lose water access for 6 months/year users are wholly dependent upon the system for water.
 - ii. Pursue debt relief of \$4.5M for paying off the Waiahole Irrigation System Revenue Bond. Currently 40% of the revenues are used for principal and interest payments, and users have already paid \$9.5M on the original \$8.5M bond- eventually paying \$14.5M through maturity. These costs are passed on to local consumers of food.
 - iii. Advocate for Capital Improvements for ADC’s Distribution Services in this next legislative session- see attached list.
 - iv. Create a Distribution Services Management Policy & Procedure Manual (DSMPPM)
 - v. Note that Fire Mitigation efforts on Oahu and Kauai used & needed ADC Distribution Services access for fighting fires. Maintenance of these assets should be recognized as both economic, environmental and social benefiting the people of Hawaii.
 - vi. Actively pursue new users, more efficient monitoring and use of existing Distribution Services customers.
 - vii. Recognize that Climate Changes are bringing both flooding and drought. Flooding necessitates the need for ADC to capture these surges through maintenance of and additional water storage facilities. Drought conditions create a need for additional efficiency and sources of water.

- viii. Establish Trust Accounts for the Common Area Maintenance of these systems.
- ix. Proactive action through the addition of a System Engineer and Environmental Compliance staff position is critical and should be sought in this next legislative session.
- x. Potential for adding a Constitutional Right to Land & Water to Farm.
- xi. Recognize the need for more comprehensive regional water strategies- for drinking, farming, other uses
- xii. ADC currently complies with ongoing Environmental Monitoring through (lawsuits).
- xiii. Department of Hawaiian Home Lands is a potential strategic partner for jointly pursuing or maintaining Distribution Services for food production.
- xiv. Department of Land and Natural Resources is a potential strategic partner for grants to maintain dams and reservoirs.
- b. Need for Additional Information/Recommendation by Staff:
 - i. Draft a DSMPPM for ADC BOD review, feedback & strategic implementation. Include but not limited to: Operation, Maintenance and Management of each asset; identify cross-training and development of associated ADC staff; Process for Evaluation of Potential Assets for Acquisition and Energy Generation; Process for Evaluation of Potential Acquisitions; Best Management Practices during the Acquisition or Transfer; Policy regarding collection for services rendered (other suggestions?)
 - ii. Draft recommendations from ADC Staff of potential distribution services acquisitions for food (and energy?) production, including any assets that are potential for decommissioning across the state & would impact food production.
 - iii. Review Hawaii Fire Mitigation Plan and recommend policies to better steward ADC Lands

2. Actively protect the need for water in food production.

- a. Policy Changes:
 - i. Proactively plan for better Management and Maintenance of the current systems.
 - ii. Design a comprehensive plan for each Distribution Services Asset- requiring ADC BOD to advocate for a Systems Engineer Position or Funding to Develop this plan.
 - iii. Work with a variety of stakeholders to look for Reuse Water Opportunities: existing with the WWTP of Wahiawa, Schofield and Lihue.
 - iv. Sugar and Pineapple had irrigation systems in place with fields and distribution lines that are still being used. Identify and support the digitization of the Sugar and Pineapple systems for access on the ADC Website.
 - v. Request in land applications projected water usage by month for strategic planning.

- vi. Request in the annual report from licensees' additional needs for water and power distribution.
- vii. Recognize the Talent Shortage in Distribution Services and strategically plan to address starting with a Salary Survey. Talent stability means consistent Distribution, and consistent Distribution Services increase food production.
- b. Need for Additional Information/Recommendation by Staff:
 - i. Draft a comprehensive Capital Improvement Plan for the Distribution Services of ADC.
 - ii. Provide a report of the gap in food production due to insufficient water in ADC Lands or Distribution Service areas.
 - iii. Conduct a Salary Survey for Distribution Services staffing.

3. **Proactively show "dynamic and aggressive leadership" in agribusiness around Distribution Services**

- a. Policy Changes:
 - i. Advocate for Economic Impact Studies for the Haleiwa-Wailua-Wahiawa System (last done in 2007); Waiahole System (last done in 2006); East Kauai Irrigation System; and Kekaha Systems
 - ii. Establish Common Area Maintenance Trust Accounts by Region to allow planning and saving for capital improvements, and execution of routine maintenance
 - iii. Demonstrate the need for data in monitoring use and efficiency using technology.
- b. Need for Additional Information/Recommendation by Staff:
 - i. Execution of mapping report using Strategic Plan funding for:
 - 1. Current Distribution Services Assets:
 - a. Short-Term: size/area served; type of water being distributed through the asset, address if available, flood & county zoning (ag, urban, etc.); soil type, A/B/C/D served; appraised value, if any environmental testing has been done and executive summary, executive summary highlights from last economic impact study; past 5 years CIP
 - b. Long-Term: projected 5-year CIP Schedule; potential fire mitigation use-- fire hydrants, fire code, designated high fire zone, drainage issues, any county plans for the area, pictures of the asset and staff working on it
 - ii. Identify Distribution Services monitoring technology for inclusion in future grant and CIP requests.

January 29, 2025

FINAL REPORT OF THE VALUE-ADD PERMITTED INTERACTION GROUP

TO: Lyle Tabata, Chair and the Board of Directors of the Agribusiness Development Corporation

FROM: Jayson Watts, Chair and Members of the *Jayson M. Watts*
Value-Add Permitted Interaction Group

RE: Final Report of the Value-Add Permitted Interaction Group

Executive Summary

The Agribusiness Development Corporation (ADC) has a statutory mandate under Hawaii Revised Statutes (HRS) Chapter 163D to create value-added opportunities in the agricultural sector for the economic, environmental, and social benefit of Hawaii's people. This includes fostering agricultural innovation, increasing local food production, addressing systemic food system challenges, providing support services for farmers, and developing infrastructure that supports long-term sustainability.

To fulfill this mission, ADC plays a critical role in land acquisition, infrastructure development, farmer support services, and the establishment of shared facilities essential for agricultural growth. By securing and managing land for affordable agricultural use, ADC ensures that farmers have the necessary resources to cultivate and expand their operations. Additionally, ADC's investment in infrastructure—such as cold storage, preprocessing facilities, and logistics hubs—helps resolve supply chain inefficiencies. Shared facilities further enable small and mid-sized farmers to access advanced technologies and services, fostering collaboration and innovation. These efforts empower farmers to process, package, and market their products more effectively, enhancing profitability and strengthening Hawaii's agricultural sector.

Strengthening Existing Commitments, The Importance of Data, Statistics, and Business Training in Agriculture

Data, statistics, and business training are essential tools for modern agriculture, enabling farmers to make informed decisions, optimize resources, and achieve long-term sustainability. Access to these resources can enhance productivity, resilience, and financial stability for those farming on ADC lands. By leveraging insights on past yields, market trends, and environmental factors, farmers can make strategic choices about crop selection, resource allocation, and risk management—ensuring their operations remain profitable and adaptable.

In addition to improving financial and operational planning, these tools support environmental stewardship and efficiency. Precision agriculture technologies, combined with data insights, allow farmers to minimize costs while reducing their environmental impact through optimized use of water, fertilizers, and other inputs. Business training further equips farmers with essential

skills such as budgeting, expense tracking, and securing funding, strengthening their ability to scale operations and navigate market fluctuations.

As ADC pursues value-added opportunities to elevate agricultural production, fostering an environment where farmers can succeed is paramount. By expanding access to data-driven decision-making, business development resources, and cutting-edge technologies, ADC can empower its farmers to improve efficiency, enhance product value, and contribute to a stronger local food system. When farmers have the tools to grow their businesses and maximize the value of their products, ADC advances its broader mission of strengthening Hawaii's agricultural industry and promoting long-term sustainability.

ADC has demonstrated its commitment to value-added agriculture through initiatives such as the Central Oahu Agriculture and Food Hub and the Wahiawa Value-Added Product Development Center. These projects address supply chain challenges and support small and mid-size farmers by providing preprocessing technologies, food safety training, and essential logistics services. Expanding these efforts is critical. The nearly 4,000 acres of agricultural land managed by ADC in Central Oahu should be prioritized for farmers committed to supplying the HIDOE with fresh, locally grown produce for student meals. HIDOE also needs to increase its efforts and the support services it provides to ADC farmers who want to supply Hawaii schools.

To further strengthen these initiatives, ADC should:

1. **Establish a Statewide Food and Product Innovation Network (FPIN)** – Connect businesses to manufacturing equipment, expert guidance, and certifications for both local and export markets to facilitate value-added production and economic diversification.
2. **Expand Training and Business Development Resources** – Offer courses in entrepreneurship, marketing, and business management to help farmers and agribusinesses capitalize on market opportunities and innovate product offerings.
3. **Enhance Preprocessing Services** – Provide essential post-harvest treatments such as cleaning, grading, and processing to meet specialized equipment requirements, reduce losses, and improve product quality. ADC should also prepare farmers to meet FPIN facility needs, including advanced technologies like high-pressure processing.
4. **Increase Cold Storage Capacity** – Develop statewide cold storage solutions to prevent spoilage, allow better market timing, and aggregate produce from multiple farmers to meet institutional volume requirements.
5. **Provide Distribution Services** - For individual farmers, distributing products can be cost-prohibitive due to high transportation and logistics costs. Many small and mid-size farmers cannot afford their own hauling vehicles and equipment. Providing distribution services will allow local farmers with limited resources to supply FPIN facilities.
6. **Integrate Packaging Services** – Equip ADC hubs with specialized packaging technology to improve shelf life, transportation efficiency, and marketability for processed and semi-processed goods.

7. **Strengthen Collaboration with Partner Organizations** – Align preprocessing, packaging, and distribution services with the needs of Hawaii’s regional economies and county-specific agricultural priorities.
8. **Expand Food Safety Training** – Offer accessible, affordable training programs for small and mid-size farmers, focusing on USDA standards such as Harmonized GAP Plus+ and GroupGAP certifications. Multilingual resources should be developed to support Hawaii’s diverse agricultural workforce.
9. **Engage HIDOE to Strengthen Local Procurement** – Advocate for policies that incentivize HIDOE to work with ADC farmers to grow produce specifically for Hawaii schools, ensuring a steady supply of fresh, local food for students.
10. **Develop a Regional Aggregate Facility System** – Establish a network of aggregate facilities to support small and mid-size farmers by centralizing collection, preprocessing, storage, and distribution services. These facilities will enable farmers to efficiently supply both value-added markets and institutional buyers, including HIDOE’s regional kitchens.

Integrating these systems into ADC’s infrastructure and the FPIN will enhance market access, improve farmer profitability, and strengthen Hawaii’s local food security. By building on these successes and incorporating additional resources, ADC can further support local farmers while expanding the state’s food production and processing capacity. These initiatives will boost the economic viability of local agriculture while advancing long-term food security and sustainability across Hawai‘i.

Aligning Goals with Food Security and Economic Diversification

ADC’s initiatives play a vital role in reducing Hawaii’s dependence on imported foods and strengthening local food systems. By scaling food production and fostering value-added opportunities, ADC advances Hawaii’s food security goals and economic diversification. Key actions include:

1. **Developing Regional Innovation Hubs** within the FPIN to integrate resources for product development, manufacturing, and marketing, helping farmers transition from small-scale trials to full-scale commercialization.
2. **Providing Low-Risk Commercial Production Opportunities** through shared-use facilities equipped with advanced technologies that meet industry standards for both local and export markets.
3. **Expanding Workforce Development Programs** to train agricultural workers in value-added production processes, ensuring they are equipped for an evolving market.
4. **Enhancing Export Potential** by offering compliance programs and certifications that enable farmers to meet offshore market requirements.

5. **Supporting Small and Mid-Size Farmers** with affordable food safety training, helping them meet regulatory requirements and gain access to institutional markets such as schools and retail chains.
6. **Improving Distribution Services** to connect farmers with larger markets, address transportation challenges, and aggregate produce for high-volume demands. This includes logistical support to facilitate delivery to FPIN facilities and institutional buyers.
7. **Leveraging FPIN Resources** to provide businesses with specialized equipment, process optimization guidance, and entrepreneurial support, fostering innovation and growth.

By expanding access to these resources, ADC strengthens local agriculture, drives economic growth, and ensures a sustainable, secure food supply for Hawaii's residents.

Recommendations

1) Immediate Action Items

- a) **Whitmore Lease and Hawaii State Department of Education (HDOE) MOA** – Finalize the lease and agreement with HDOE to enhance centralized processing and meal delivery, streamlining logistics, and ensuring consistent supply chains for institutional food programs. Design incentives for HDOE to work with ADC farmers and increase local food content in school meals.
- b) **Expansion of Critical Support Services** – Enhance ADC farmers' access to distribution, preprocessing, cold storage, packaging, and food safety training. These services will strengthen the agricultural value chain, improving farmer profitability and marketability.
- c) **Small Animal Slaughterhouse Feasibility** – Conduct feasibility studies for small animal slaughterhouses on Maui, Hawai'i Island, Kauai, and Oahu. Assess market demand, infrastructure, environmental impact, and long-term sustainability. If viable, secure funding and establish facilities to reduce import dependence and support local livestock producers.
- d) **Land Acquisition for Expansion** – Initiate land acquisition processes on Maui, Molokai, and Hawaii Island to expand ADC's reach, increasing farming capacity and ensuring access to affordable agricultural land for small and mid-sized farmers.

2) Mid-Term Goals

- a) **Statewide Mapping of Agricultural Assets** – Conduct a comprehensive assessment of existing and potential value-added infrastructure, including FPIN facilities, slaughterhouses, cold storage, and distribution centers. Use data to identify investment gaps and optimize resource allocation.
- b) **Legislative Advocacy for Neighbor Island Projects** – Engage lawmakers and stakeholders to secure funding for capital improvement projects focused on land and infrastructure expansion, fostering public-private collaboration to address island-specific agricultural needs.

3) Expansion to Neighbor Islands

- a) **Land Portfolio Expansion** – Extend ADC’s agricultural land holdings to Maui, Molokai, and Hawaii Island, prioritizing affordability and accessibility for small and mid-size farmers.
- b) **County-Specific Processing Hubs** – Establish value-added processing hubs on Maui, Molokai, and Hawaii Island, modeled after successful initiatives like the Central Oahu Agriculture and Food Hub but tailored to each island’s unique agricultural strengths.

4) Long-Term Vision

- a) **Island-Specific Value-Added Production Hubs** – Develop integrated processing, distribution, and food safety training centers on all major islands, enabling farmers to leverage advanced technologies and expand market opportunities.
- b) **Investment in Innovation and Market Trends** – Regularly assess emerging agricultural technologies and industry trends to ensure Hawaii’s competitiveness in value-added agriculture, focusing on efficiency, sustainability, and farmer profitability.
- c) **Diversification of Protein Production** – Support aquaculture and small animal farming through investments in feed mills, processing facilities, and workforce training to strengthen food security and reduce import dependency.

5) Community and Legislative Engagement

- a) **Local Stakeholder Engagement** – Encourage board members with constituency seats to take an active role in island-specific collaborations with cooperatives, community organizations, and farmers. By serving as liaisons, they help ensure that ADC initiatives align with the unique agricultural needs of their respective islands.
- b) **Legislative Advocacy Strategy** – Actively involve board members with constituency seats to participate in legislative advocacy for their respective islands, focusing on securing funding for agricultural and infrastructure projects that address island-specific challenges.
- c) **Accountability and Reporting** – Require board members leading engagement efforts to provide regular updates to the full board, detailing community feedback, project progress, and challenges. This structured reporting ensures transparency and informed decision-making.
- d) **Strengthening Partnerships** – Encourage board members to build relationships with state and county agencies, private stakeholders, and agricultural cooperatives to align priorities, secure additional resources, and leverage funding opportunities for their respective islands.
- e) **University of Hawaii Collaboration** – ADC should actively engage with the University of Hawaii System to support food innovation centers within community colleges and collaborate on joint projects. This engagement will ensure financial sustainability, proper resource utilization, and alignment with agricultural and workforce development needs across the state.

f) Economic Impact Analysis with the University of Hawaii Economic Research Office (UHERO) – ADC should collaborate with UHERO to conduct economic impact analyses, leveraging UHERO’s expertise to gather data and insights specific to each island’s agricultural sector and the overall state economy. This partnership will help ADC make informed, data-driven decisions that maximize economic benefits statewide.

Conclusion

The ADC plays a critical role in strengthening Hawaii’s agricultural sector through strategic land management, infrastructure investments, and value-added opportunities. Its statutory mandate to foster agricultural innovation and economic resilience remains central to ensuring local food security and long-term sustainability.

ADC's initiatives—such as the statewide FPIN, expanded preprocessing and cold storage capabilities, and enhanced food safety training—are designed to address supply chain inefficiencies and support the scalability of small and mid-sized farmers. By integrating data-driven decision-making, workforce development, and business training, ADC is equipping farmers with the tools needed to compete in an evolving market while advancing the state's self-sufficiency goals.

The corporation’s commitment to regional expansion—including land acquisition, county-specific processing hubs, and feasibility studies for small animal slaughterhouses—ensures that agricultural growth is inclusive and tailored to each island’s unique needs. Institutional procurement partnerships, particularly with the HIDOE, provide a direct pathway to increasing the supply of fresh, locally grown food for schools, bolstering both food security and economic diversification.

Moving forward, ADC must remain proactive in legislative advocacy, community engagement, and public-private collaboration to secure the necessary resources and funding for these initiatives. Strengthening partnerships with state and county agencies, industry stakeholders, and the University of Hawaii System, especially the Community Colleges, will be crucial to expanding innovation in value-added agriculture.

By implementing these strategic recommendations, ADC will enhance local food production, improve farmer profitability, and ensure that Hawaii’s agricultural sector remains resilient in the face of evolving economic and environmental challenges. The execution of these priorities will not only strengthen Hawaii’s food systems but also lay the foundation for a sustainable, diversified, and prosperous agricultural future for the state.

Appendix G

2024 Hawai'i Agriculture Conference Notes

DRAFT

2024 Hawaii Agriculture Conference (transcription from post it notes)

FOOD RESILIENCY & SECURITY

1. Policy capping the maximum of imported produce
2. Funding for farmers; security measures & long term shelf life; USDA-FSA
3. Working on rotation of crops for food, fuel, and feed
4. Need cost-effective transportation including inter-island
5. Need assistance; expansion of production to fulfill demand (ramp up in the field)
6. Agriculture theft enforcement
7. Farm + UH partnerships; Research on production data of different types of varieties across various climates around the state; what's best type of avocado, mango, citrus, and make info public
8. Fund native Hawaiian practitioners land management work
9. Education; leveraging knowledge for future farmers/farm system leaders; creating job pathways
10. No tax on food
11. 10 year ag strategic plan needed e.g. farm to plate Vermont; [REDACTED]
[REDACTED]
12. [REDACTED]; I am testing different feed crops in conjunction with vegetable crops as cover cropping like alfalfa with an eye towards producing larger scale to help my fellow ranchers on Big Island, also care for chickens
13. Increase DA BUX funding

FOOD

1. Ag Producer? We need Land (Long-term), Capital – Non-loan Equity? Board?
1. What are WE Doing? (GO FARM HAWAII)Training farmers up with technical training + Business Training. How can ADC Help us or “Bonafide” farmers have access to Land w/ Infrastructure?
2. [REDACTED], I'm working on creating a Sustainable Relationship between CCH and Hawaii Food Banks.

3. Commitment to purchasing % local food for govt institutions
4. Farmer resiliency = Food resiliency, Make Tourism (Visitor Green Fee), Subsidize healthcare for Hawaii's farmers!!!
5. "Food resiliency" can include export crops that "feed" the community through incoming \$ and higher incomes to growers + workers
6. [REDACTED], Comprehensive Economic Development Strategy (CEDS) Oahu + Statewide, Agriculture + Food Systems Action Plan
7. [REDACTED], Aquaculture-aquaponics, DOA tenant
8. Agricultural Innovation Park + Food Systems, Campus "Ho'olaho", Includes Food Innovation Center, Food Bank Facility and Community Food Center plus -on, Hawaii Island.
9. Health Integration of Ag tech – as an adaptation to climate change – i.e. aquaponics
10. Working on R+D, Technical support, Testing, Crop Nutrient Density, Soil Testing
11. Help Small Farms w/ training and irrigation, 1pm ECT
12. Develop Equipment Cups to help Small Farms, Access Equipment
13. [REDACTED] Working on growing more Hawaiian Starches/staple. Need more trees and more heads on the 'aina.
14. [REDACTED] Food sovereignty through the planting indigenous trees & having indigenous food access. Food access & affordability through various programs, SNAP, double bucks, food as medicine programs. Food access through senior/children food distribution
15. [REDACTED], Kalo to Kula Program: Focus is to get Kalo Products into school lunches and exposing our youth to eating more Kalo.
16. Lower Costs of food production so foods are more accessible.
17. What are you/we considering to be commodity crops – we need to look at this + amend and add traditional/culturally relevant crops!
18. How can beginner farmers or non-traditional farmers get access?
19. [REDACTED], My #1 Concern, Resiliency of Centralized DOE kitchen. I'm worried about what happens if a school is cut off due to an emergency...then how do they get food? What

happens to cafeteria workers? We are ignoring their potential to enter the food industry/system?

20. [REDACTED] #1 working on: 2024 Hawaii Food System Summit, Policy: Universal Free, School Meal, SNAP Cliff, Addressed: Capacities how to build capacities so farmers can focus on growing.
21. Need productive, Protecting ag land from energy projects
22. Food and nutrition access and affordability, Stimulus programs for residences to purchase local foods, Maui County Lanai Locally Grown Food Stimulus
23. [REDACTED], Expanding Hawaii based lettuce production to reduce, CA Imports, CA Imports
24. [REDACTED] Increasing Cacao & chocolate production on Oahu to elevate Grown & Made in Hawaii,
25. [REDACTED] Expand ORDC's focus, Beyond conservation toward regenerative ag priorities as well
26. [REDACTED] Policy recommendation – funding farm to foodbank Statewide institutional purchasing
27. #2 concern w/ Centralized kitchen, [REDACTED], Food borne illnesses – is there a plan if something happens @ Central Kitchen
28. The Food Basket, Hilo, HI, [REDACTED] Project Ho'olako, Agriculture Innovation Park + Food Systems Campus Production, Processing, Distribution (1 site)Goal: Island Sustainability
29. Ways to incentivize local food procurement

NEW MARKETS

1. [REDACTED],
 1. Scaling medium-sized farm to become a food hub
 2. Support for food hub -> Institutional buying - Policy Need
 3. Address + lower barriers to large purchasing - Institutional
2. [REDACTED], Value added products from vertically farmed products, Oahu
3. Customer/consumer education on different taste/characteristics and seasonality of various varieties or cultivars, similar to types of apples @ grocery store

4. [REDACTED], Export sales of coffee macs floriculture, Through FAS USDA funding, Building Markets
5. Aquaculture Innovation Center
6. Multi-function commercial kitchens, processing facilities, food hubs etc., To meet procurement needs (farm-to-school, etc.), As well as community product development + education
7. Subsidies and/or supported, Transport and markets for produce
8. Needs to be addressed, Creating infrastructure for value add creations, Making Access Open to Community
9. Maui Ag Producer, Need regional processing + storage
10. [REDACTED] Direct to consumer, Market w/ a regional Hub impact
11. Working on: Providing food safety training for farmers + underserved farmers, *need translators to connect non-English speakers to larger markets
12. [REDACTED] Continued Support for Aggregation and Quality Control
13. Maybe not on ADC, but the support from others like going through quarantine + shipping (HDOA)
14. Increased access to food safety coaching/training, Build capacity of orgs like NSEVP - Oahu
15. Oahu, Cost to ship goods, Interisland is going up 35%, Need to subsidize Ag Related Good Cost for Shipping
16. [REDACTED]
 1. Oahu – All islands
 2. Community engagement across islands
 3. Freight Costs for Farming Amendments
 4. Costs of Freight Shipping between Interisland
17. Working On: Oil Seed Crops for Food, Fuel + Feed
 1. Policy: Need money to restore ag land to productive fields + irrigation infrastructure and Systems approach to field to product
18. New Market – Local + Export
 1. Working on the business acumen + capability of ag producers + value added product to succeed. (People, profit, planet))
 2. We provide training, business advising + because for small businesses in Hawaii

19. [REDACTED], HISBDC, New Market – Policy + Needs, Policy recommendation continue collaboration + organization of resources to reduce duplication of effort + funding needs

20. Innovation Facilities on every island

21. The Food Basket – Big Island – [REDACTED]

1. What are we working on?

Food System Campus that will support our food bank distribution

2. Policy Recommendations

Invest in food Hubs (Farm Link, Maui Hub)

3. Needs to be addressed

Ag Expo for institutional buyers to meet food hubs, producers/Food hubs to meet producers

22. Diversify uses for limu – Big Island, Clarify import rules for other states for new ag products – Big Island

23. Need to address the Jones Act at the U.S. Capitol if Hawaii farmers want to export to foreign markets?

24. [REDACTED] Develop a brand for export to Japan based off the Wagyu brand called “Hagyū”. Lifting up the local grass fed Hawaiian beef and elevating it by refining and beef marketing the geography, feed, processing and cuts. Work with ranchers and processors in a co-op style environment.

25. Organize locally grown, Veggie + fruit festivals for tastings + competition of crop quality, “blue ribbon” (local crop)

26. Kauai needs access to export facilities like the other islands

27. Value Added Financing for farmers + processors, USDA-FSA

28. [REDACTED],

We are expanding our Farmers Market Locations & expanding our programs to the markets.

Allowing affordable access to local foods/produce as well as supporting our producers through SNAP, prescription produce program, food solo programs. We are also distributing food at all Waianae Coast Schools & to our Elderlies through our Food Pantry Sites.

29. Recommendations/needs?

Funding for distribution programs to purchase more local resources (meals. Produce) to pantry sites, schools.

30. Oahu, Highlight quality, Difference between local grown produce with imports, Testimonials from chefs
31. New market , Local / Export information in other common languages, (mandarin, Thai, Lao, etc.), Make into accessible to all
- 32. "Hawaii grown" marketing/resources**

INFRASTRUCTURE

1. [REDACTED], Agricultural Leadership Program Cohort XVIII, Interested in slaughterhouses
2. Policy: [REDACTED], Reduced freight/shipping chargers for Ag for inter-island shipping
3. FIX OLD PLANTATION IRRIGATION SYSTEMS (KAUAI)
4. Needs to be addressed, Waste water facility maintenance
5. [REDACTED], Planning + Policy, Oahu Comprehensive Economic Development Strategy (CEDS), Agriculture + Food Systems Action Plan, 2023-2027
6. [REDACTED], Facilities – New Markets Tax Credits, Oahu Economic Development Board + Punnawai O Puuhonua CDE, Community facilities for low income communities funding through CAFI fund (federal)
7. Alternative farming Methods – Hydroponics and Newer ag technology for communities that lack water
8. [REDACTED], Developing energy generation facility hydroelectric on river subject to high season water flow. Energy use to be shared with community ag and for ag operations including terraced "loi" style kalo and shrimp. Looking for best practice to replicate. Hawai'i island.
9. KAA is problematic – KAUAI
10. [REDACTED]
11. Water management – might lose water access at Kilohana Plantation (This is where my farm is located). Grove Farm selling off land around us with no plans for future water management of irrigated water that passes through the land for sale.

12. Working on Value add, Making a facility for development, Technical assistance would help
13. [REDACTED], Trying to obtain long-term lease – Oahu, Update statues + rules to be more supportive of small to mid-sized farms. Currently HRS/rules seem out of date + plantation-based
14. Need to bring more land back into production, large tracts, with irrigation, Need mechanized irrigation to reduce labor + cost, One-time expenses, buy high
15. How about vertical farming? Can vertical farming play an important role in Hawaii?
16. How do small-scale farmers acquire land with reliable water sources and facilities?
17. [REDACTED] Waste recycling w/ anaerobic digestion produce biogas for energy + digestate for fertilizer
18. Public-Private Partnership, And Incentives -> tax abatements for food supply chain resilience improvements
19. [REDACTED], Expanding ORDC's focus to incorporate Regenerative Ag principles & practices
20. [REDACTED], Processing Center, Parking, dehydrating
21. Secure Reservoirs & water systems to meet dam safety standards. Water is key to farmers viability
22. [REDACTED] Need to build small processing facility and distribute county water throughout our farm.
23. [REDACTED], Small animal mobile Slaughterhouse (Lamb)
24. [REDACTED], Food Safety Certified Aggregation Facility – All Islands
25. Consider Equipment Coup Hubs to enable small farmers to Access tractors & equipment
26. Simplifying requirements + Farmers to access ADC Lands
27. [REDACTED], Road, Trail, Irrigation & infrastructure
28. Water testing & helping farmers with it, but is very expensive

29. Provide legal support to counter frivolous lawsuits from Earthjustice that hobble Agriculture
30. [REDACTED] Feed Mill for aquaculture + small livestock
31. [REDACTED], Small animal livestock processing facility
32. Access to clean water or funding for water testing
33. Very simple one but farmers need restrooms & hand washing on all ag. land
34. Aquaculture Innovation Center
35. [REDACTED], Food Hub Infrastructure
Cold Storage + Kitchen Facility
36. FSA Funding for Land Water + Facilities for Farmers Working also with DHHL
37. Maybe not on ADC, but the support from others like going through quarantine + shipping (HDOA)
38. [REDACTED]
[REDACTED] Need more fencing and infrastructure for livestock.
39. [REDACTED], All Islands, Oahu
PTMAPP – GISTod for Best Management Practices
Needs a place to be housed
40. Infrastructure for Small livestock & poultry processing
41. Grant Program for Resilience Infrastructure Improvements for food supply chain for businesses and farmers.
42. Exemptions for Resilience Improvement for food supply chain & from all permit and zoning requirements necessary for installation of improvements.
Self-certification.
43. Streamline DOH processes for wastewater, esp. approvals for innovative/alternative disposal like composting toilets etc. – to support housing + facilities in rural areas w/o server.

AG WORKER HOUSING

1. Mixed use development – housing preference for food systems workers from Hawaii
2. [REDACTED]; shell cabin structure for work trade types or off shore interns

3. Scaling medium-sized farms w/n/2 tenant farmers
4. Policy for affordable housing for ag workers
5. Establish parameters for ag worker housing on ag lands, [REDACTED]
[REDACTED]
6. Work with large landowners to incentivize the development of housing
7. Subsidized/expedited housing for working farms to support labor
8. Zoning, allow container homes on ag lands for farmers
9. Who is qualified for housing? How do you see this issue in the future? Will it be enough?
10. Ag worker housing subsidies
11. I dislike the idea of ag housing tied to your place of employment; a voucher would allow an employee more agency, otherwise it feels like plantation era thinking; [REDACTED]
12. Working with farmers on understanding CCH land use ordinances updates (includes housing for farm workers, Oahu-Alex)
13. Aquaculture innovation center
14. How do you assume that ag housing will benefit ag workers who are born and raised in Hawaii? Or are ag workers being brought in from elsewhere?
15. Allow ag workers to live on ag land, Oahu
16. Aquaculture – aquaponics, Oahu [REDACTED]
17. [REDACTED], Concern: encouraging farmers housing on ag land while discouraging fake farms/gentlemen farms; regulations???
18. Ag housing in East Hawaii for agricultural innovation park and food system campuses on ag land
19. Ag producer Maui; need farm worker housing on leased land
20. Oahu; subsidize ag worker housing and pay
21. Expand allowable unpermitted structures; Oahu Hawaii
22. USDA funds for ag worker housing
23. Farmers being able to stay in ag workforce housing after they retire; [REDACTED]
[REDACTED] Oahu

24. Mandatory mixed use when building infrastructure that can include housing
25. Incentive to have ag housing; we need to have accessible plot sizes – min. 100+ acres is not accessible to the majority of Hawaii's small holder farmers; small farms + houses; Kauai
26. Allow housing on State ag lands; Big Island
27. Make tourist (visitor green fee) to subsidize ag worker housing
28. ADV's on current farms; Big Island KS land included
29. The cost of water + wage water
30. Elon Musk; Tesla's \$10,000 container housing? Can it help with housing issues?
31. Funding opportunities for farmers to build housing for their workers; FSA-USDA
32. Permitting prefabricated housing; expedited permitting; Oahu, Hawaii
33. Separating what worker housing means vs. expanding structures on leases; policy
34. Need immigration laborers.

WHAT DID WE MISS?

1. Labor and the integration of AG technology
2. Affordable and reliable interisland shipping services
3. Health care subsidized by tourism (Hawaii visitor green fees!)
4. Lanai & Molokai axis deer overpopulation and deer meat for consumption
5. Plastic waste created by value added products
6. Encouraging climate-smart ag practices
7. Building farmer housing capacity
8. Investment in successful farms [REDACTED] Food safety certification, Access to commercial and institutional markets, Oahu – statewide
9. Agrivoltaics' role in ag production & energy [REDACTED]
[REDACTED]
10. Other opportunities to connect – will there be other brainstorming sessions / opportunities? Who can we refer people to?

11. Are ADC's landholding legal to sell? Re: Hawaiian Land Trust & Hawaiian Kingdom
12. I was the GM of the 3rd largest agency in Waikiki for 6 years. Marketing is a key point that is missed with the "Made in Hawaii" brand. The NZ team said they market to the world. It should be part of HTA's Kuleana. Clear consistent messaging not branding and telling these not in compliance to stop using the branding if not compliant.
[REDACTED]
13. Big Island, Identifying offshore areas for aquaculture development? NELHA on every island.
14. How do ADC communicate with farmers (besides this conference)? Does it go through other organizations as well? (such as Co-Hort or food hub or Farm Bureau)
15. Access to capital for Ag. (\$57M for tech, \$0 for Ag)
16. Increasing the amount of people – youth, adult, and young adult – interested in pursuing careers in the agricultural industry.
[REDACTED]
[REDACTED]
17. We can work with the people we have. How do we increase that amount of people?
18. Is ADC transparent to their stakeholders and the public regarding their ties to the military & how their projects further drive Hawa militarization?
19. Address – Labor, Labor, Labor, Labor
20. Aquaculture Innovation Center
21. What does ADC need from us? Action items, Leave us with a call to action!
22. State should prioritize state / public partnerships
23. Wahiawa Value Added center prices – it is so cheap & its important that people know how easy it is and the amount of money that went into it.
24. All islands – Community engagement with food producers – farmers, ranchers
25. DLNR blocks innovation and restricts growing on their properties – Buy them out
26. How economic development protects the commons?
27. More recognition & support for controlled environment vertical farming. Oahu
[REDACTED]
28. Help with product branding and Graphic design [REDACTED] Oahu

29. Innovation to increase farm economics with respect to coming climate impact -

Hawaii Island [REDACTED]

DRAFT

NAMES AND CONTACT INFO PROVIDED ON POST-ITS

