Agriculture Working Group
Ag Feasibility Committee
DOA Plant Quarantine
September 2, 2003

Present: Jeff Melrose, Bill Paty, Warren Suzuki, Scott Matsuura, Ray Paul Schwind, Ruby, Edwards, Dean Uchida, Donna Wong

Landowner’s section (following outline)
- Maui Land and Pine can’t compete with South East Asia
- Large companies need
  - Research and development
  - DOA has very little money to spend on marketing
  - HARC needs to better serve ag
- Dean Hashimoto supports incubator
  - With laboratory facilities
  - HARC facilities are underutilized
  - CTAHR could do this
  - *need to have study on facilities that could handle research type facilities
  - how to ease the process for products to go to the market place

Objective – tax credit for product development
- need someone to do an assessment on where product development is occurring
  - who has facilities – HARC, DOA, CTAHR
  - who is doing this now and to what extent
  - need clearing house that connects people with appropriate sources
  - what expertise is available for post harvest processing – contact HARC, DOA, CTHR – cooperative extensions are not proactive

- Technologies for product development is important/critical
  - Through tax incentives/credits
  - Private sector
  - Commodity groups need to get together to development technology and research and work with government

- Ask Bob Wagner, American Farmland Trust, when here 10/15-17 to suggest things that will work here.

Recommendation of committee – tax incentives recommended by LURF
1. *Ag development investment [income] tax credit*, for the provision of joint venture or seed capital and direct investment in business incubators which apply existing ag facilities to future productive ag uses
2. Ag research activities [income] tax credit, for the development of new ag crops and value-added products and the enhancement of existing ag commodities.

3. Ag infrastructure renovation [income] tax credit, for the transformation of ag infrastructure [irrigation, road, utilities, drainage, and other field systems] from plantation operations into other ag enterprises.

4. Sale of unused ag net operating loss carryover, not taxable income.

5. Royalties derived from ag patents, copyrights, or trade secrets, excluded from gross, adjusted, and taxable income.

Market section (following outline)
- need cold storage facilities at airports
- need reliable transportation system
  - need to keep building capacity of ability to get product to market
  - ag has lowest transportation rates but also lowest priority
  - need to build capacity with Fed Ex and other freight handlers
  - need tax incentive for transportation

Government role (following outline)
- state leasing – state receives now $15-17 million from all state leases
- DLNR caught between public trust of making money and providing ag lifestyle
- Need policy mandating protection of public ag land
- Private lands should not be part of public policy to protect ag but are considered real estate
- State can sell junk ag land but whether can do it under OHA claims is unclear
- State doesn’t have strategic plan for ag and ag land

Next Ag Feasibility meeting Sept. 30 Ag Quarantine office 8:00 am.
- Ruby will try to get someone from DBEDT to talk on Act 221 at next meeting
- Donna will try to get Wendell Koga, Myron or Alan from the Farm Bureau get farmer’s perspective and bring ag plan.
- Donna will ask Dean Okimoto – Nalo Farms to get info on coops, associations, government regulation, state leases, and marketing.
  - Ask HARC, DOA, CTAHR, ADC re: research/support/skill dev/what is needed
  - who has facilities
  - who is doing this now and to what extent
  - need clearing house that connects people with appropriate sources
  - what expertise is available for post harvest processing – contact HARC, DOA, CTHR – cooperative extensions are not proactive