

# Hawai'i Agricultural Leadership Program



The mission of the Agricultural Leadership Foundation of Hawai'i is to provide leadership development opportunities for people committed to strengthening Hawai'i's agriculture.



# **Agriculture and Economic Priorities**

Our cohort chose four priorities based on the Hawai'i Comprehensive Economic Development Strategy (CEDS) 2023-2027 and the aligning Agriculture and Food Systems Action Plan. These priorities are reinforced by personal experiences and stakeholder dialogue.



# Priority 1: Prioritize agricultural land affordability and equitable water access

#### Water Access

As the most isolated population center on earth, Hawai'i relies on its freshwater cycle. The original Hawaiian inhabitants revered water, seeing rivers and streams as the embodiment of the god Kāneikawaiola. Water in Hawai'i is a public trust resource. Water is critical to farmers and therefore critical to stewarding land and producing food.

On a federal level, there are several actions that could help Hawai'i's water access, including:

- Waiving or reducing the financial match required for applicants applying for federal funding. In Hawai'i, funding matches (often between 20-50% of the federal grant) prevent many agencies, producers and landowners from applying due to limited state budgets and private funds.
- Providing additional funding through the Bureau of Reclamation's WaterSMART program for the full development of plans, including the Hawai'i Water Plan which encompasses the Agricultural Water Use and Development Plan.

#### Land Affordability

The high cost of land poses a major barrier to farming in Hawai'i. High land prices, limited farmland, and competition with residential demand, landfills, and gentleman farms make it difficult for small-scale and new farmers to afford agricultural land.

Targeted federal funding for the following efforts would promote land affordability in Hawai'i:

- Investment in Community Land Trusts to support capacity building programs, technical assistance, supplemental funding for easement purchases, and site improvements, including for infrastructure to support production and housing.
- Investment in Hawai'i Department of Agriculture to support infrastructure development and construction on its leasehold properties. This could includes upgrades for aging Agricultural Parks, as well as other lands in its portfolio to build new road access, waterlines, and fencing to address feral animals and theft.

## Priority 2: Increase local agricultural-related facilities and access

A thriving agricultural industry in Hawai'i will depend on the development of local facilities, including processing plants, slaughterhouses, commercial kitchens, and storage and distribution centers. Expanding these agricultural-related facilities and improving access will enable agribusinesses to aggregate, process, and add value to Hawai'i-grown products. This will strengthen local agribusinesses, reduce import dependence, and keep money circulating within the local economy.

Data:

- Given that 85-90% of Hawai'i's food is imported, there is a critical need to increase local food production to increase food security and increase resiliency in the event of a natural disaster.
- Replacing just 10% of food imports would retain \$314M in Hawai'i's economy, potentially creating \$50M in earnings for farmers and up to 2,300 jobs.

Federal actions that could help increase Hawai'i's agricultural-related facilities and access include:

- Continued federal funding for capacity building and technical assistance to ensure that commercial kitchens, food hubs, distribution networks and systems will be able to grow into strong self-sustaining business models without future government subsidies.
- Increased support for rural infrastructure projects, including significant investments in valueadded facilities such as macadamia nut processing plants and slaughterhouses. These facilities will enable small farmers, ranchers, and producers to remain competitive. Furthermore, in order to meet demand, more USDA inspectors are needed across the islands, specifically for new and existing slaughterhouse facilities.

# Priority 3: Increase affordable agricultural housing

The lack of affordable agricultural housing is a major obstacle for farmers in Hawai'i. High rental costs and low financial rewards make farming less appealing to potential farmers and the lack of housing contributes to a shortage of agricultural workers across the state. Historically, providing housing for farm workers was effective in attracting and retaining long-term employees. Rising housing costs for Hawai'i residents, including agricultural producers and workers, are a result of a growing population, high demand for affordable rental units, and an increase rentals being used as vacation properties.

#### Data:

- Hawai'i's 2022 median rent was \$1,868 the highest in the U.S. and \$600 above the average.
- In 2023, the USDA reported that gross wage rate for a Hawai'i agricultural worker was \$20.83/hour which equates to \$43,326 annually. This wage barely surpasses the ALICE Survival Budget for a single adult and falls short if both adults in a family of four were earning an average agricultural worker's rate.

To address the agricultural housing shortage in Hawai'i, it is critical that:

- USDA Rural Development programs continue to receive funding for loan, cost-sharing and rehabilitation options to support both producer and agricultural worker housing.
- There is more federal support for farm workers through the Department of Housing and Urban Development. Priorities include financial and technical support for energy efficiency, compliant wastewater and drinking water systems, and possible rental assistance programs.
- There is increased federal grant funding to cover higher average costs, as well as a broader definition of rural communities that reflects the state's diverse geography beyond Census Designated Places.

## Priority 4: Expand the "Farm to State" program and accessibility and affordability programs

Local shouldn't mean expensive, but due to high input costs and lack of scale, many farmers and producers charge a premium for locally-grown or produced items. This is why "Farm to State" and accessibility and affordability programs are crucial. They aim to increase access to fresh, nutritious foods for low-income households while prioritizing local agricultural products in government and institutional procurement. A robust "Farm to State" program is essential for the economic viability of farming in the islands. Institutional procurement by the Hawai'i Department of Education and other agencies can generate significant demand, helping Hawai'i's agricultural producers achieve the scale needed to be competitive and providing consumers with greater access to local food.

Funding programs like Supplemental Nutrition Assistance Program (SNAP), DA BUX, and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) serve as economic multipliers. Through Hawai'i's DA BUX program, SNAP recipients are able to double their purchasing power for fresh, local produce. This supports low-income families and farmers, fostering a healthier, more sustainable food system. These types of programs effectively become productive subsidies for both producers and underserved community members with unmet financial and health needs.

Data:

- In 2024, Hawai'i lawmakers secured \$1.5M annually for DA BUX matched by \$1.5M in federal funds. This created a \$3M annual budget, a significant win for producers and consumers.
- USDA estimates show that every dollar in SNAP creates \$0.54 in economic activity. Roughly 170,000 Hawai'i residents drew down over \$900M in federal SNAP funds in 2022 which (with the economic multiplier) generated roughly \$1.4B investment in the local food system

We proudly acknowledge and appreciate that you, our elected officials, are actively supporting and advancing many of these proposed initiatives. We thank you for securing federal funds that invest in our local food system. Continued and expanded support for these productive subsidies will ensure broad access to nutritious, local foods, bolster Hawai'i's economy, and support our farmers.