



WAI'ANAE COMMUNITY RE-DEVELOPMENT CORPORATION

MA'O Organic Farms

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DATE: March 14, 2022

TO: Senate Committee on Indian Affairs
Chair, Senator Brian Schatz and Committee Members

RE: Oversight Hearing "Buy Native American: Federal Support for Native Business
Capacity Building and Success"

FROM: Wai'anae Community Re-Development Corp, DBA MA'O Organic Farms
Wai'anae, O'ahu, Hawai'i

Dear Committee Members:

This week, 44 high school juniors and seniors from the Wai'anae region are spending Spring Break on our farm. From 7am - 1pm, they are immersing themselves in the basics of growing row crops, helping to fulfill produce orders bound for markets and tables all over Oahu, and working with our education staff to learn about Ola - holistic health and well being in a Hawaiian cultural context - while also planning for their transition to college and working alongside 60+ other college and recent college-graduate farmers. For most, the paid Spring Break internship is not only a chance to make a little extra money, it is the first entry into life at MA'O (MA'O is an acronym for Mala 'Ai 'Ōpio, the youth food garden, or the garden that feeds youth, where every year, college-aged youth from our community defy the odds and expectations of Native Hawaiian and Pacific Islanders from the Wai'anae region to run one of Hawai'i's largest certified organic farms while also engaged in full-time college degree programs at Leeward Community College and the University of Hawai'i at West O'ahu.

MA'O is embedded in and primarily serves the community of Wai'anae, which is one of the poorest and most food insecure regions of Hawai'i. Much of the community struggles with the impacts of intergenerational poverty, including preventable diseases, homelessness, and hunger. The region's socio-economic disparities disproportionately impact native Hawaiians, who make up 58% of the community, compared with 21% of the state's population.

The region's poverty is entrenched in the relationship between low educational attainment and low income. With 16% of the region's adult population lacking a high school diploma, and 88%

lacking a Bachelor's degree, well-paying jobs are out of reach for the majority. Wai'anae's per capita income is \$17,800, compared to the state's \$29,500. Coupled with an unemployment rate triple that of the state's, these low wages relegate a quarter of the community to living under the 100% federal poverty level.

The inverse of Wai'anae's deficits is the tremendous opportunity MA'O provides: to empower and educate Wai'anae youth to lead the community to a healthy and prosperous future through the creation of a culturally rooted sustainable food system. In our 22-year history, we have:

- Grown from 5-acres of leased land to owning 286-acres, acquired through 4 separate purchases over the last 12 years.
- Served over 500 college interns and over 600 high school interns through paid workforce training internships and college tuition waivers
- Graduated over 150 youth with Associates degrees, 47 with Baccalaureate degrees, and 1 Master's degree.
- Produced over 2 million pounds cumulatively of organic fruits and vegetables for our community.
- Generated over \$8 Million cumulatively in produce sales, which are dollars re-invested in our youth workforce training and education programs.

Throughout our organization's history, federal programs have helped catalyze key stages of our growth.

- On four separate occasions, funding from the US DHHS ACF Administration for Native Americans (ANA) allowed MA'O to hire or retain education staff and develop a culturally and communally relevant workforce training program;
- A grant from the US DOE Native Hawaiian Education Program supported MA'O and our partners at Wai'anae High School and Wai'anae Intermediate School to strengthen our farm-to-school programming;
- A past loan from the USDA contributed to the purchase of an 8-acre parcel bordering our existing farm, growing our operations that allowed more internships and job opportunities to be created;
- A current grant from USDA Natural Resource Conservation Service which allowed us to promote a farm manager into a program coordinator position who will expand our summer college-level internship program across to five (5) other O'ahu farms engaged in traditional Native Hawaiian, climate-smart food production practices; and,
- A current grant from the US Department of Commerce Economic Development Agency provides key funding for a new food safety-certified post-harvest wash/pack and training facility (breaking ground in a few weeks) that will allow MA'O to expand its operations and internship/workforce opportunities.

Without a doubt, MA'O could not have achieved our impact to-date without the support of these programs. With each, we have become better at articulating our needs and our outcomes. These key investments into predominantly native Hawaiian and Pacific Islander communities are key to addressing many of the entrenched socio-economic challenges faced by our communities. The funds are directed towards systems-level interventions that simultaneously

generate individual/youth, organizational and community-level outcomes. Not only have we been able to grow the enterprise operations and strengthen the professional capacity of our staff and youth, and in many cases, we have leveraged these resources to unlock other private, public and nonprofit resources. By its nature, federal grants and resources have also given MA'O a platform from which we are able to connect with practitioners across the country and across the Pacific who are doing similar work in agriculture, food systems, youth leadership and community development.

As we look at the next 5, 10 and 20 years, we see an urgent need to work from the baseline we have established in our first 20-some years, to dramatically scale up youth leadership, expand an agroecologically-based food system and develop community-level knowledge capacity and strategies that are pono (just), sustainable and resilient. As our communities brace for the cascading impacts of the pandemic - significant learning loss, loss of employment, cost of living increases and of course overwhelming physical and mental health issues, we must stay ahead of the curve and enhance our social programming. As an agricultural enterprise, we have also been meaningfully engaged in developing our response to climate change. Our farms' ability to pivot and implement these climate adaptations efficiently will be critical in meeting the community's looming food insecurity. In the next five years alone, MA'O plans to:

- Engage 500 more high school and after-school youth in culturally informed, edu-preneurial, work based learning experiences;
- Graduate 300 more Wai'anae youth with Certificates, Associates Degrees and/or Bachelor's/Master's degrees;
- Create an additional 20 more sustaining jobs at MA'O, provide placement to alumni in culturally and communally aligned positions in community;
- Bring an additional 100-acres of fallow land into cultivation with organic row crops, fruit orchards, agroforestry for timber/fiber, as well as native and indigenous plants for cultural and ceremonial purposes;
- Deliver 6 million more pounds of certified organic, fresh fruits and vegetables to our community

The most prominent hurdles MA'O faces to scaling up are shared by many other Native Hawaiian farmers and 'āina-based (land-based) organizations (and likely faced by similarly positioned native governed organizations across the US) include:

- Food-Safety Certification and Compliance- the process is time intensive, lots of paperwork to meet national standards.
- Wrap-Around Services and Resources- there is a lack of accessible health, mental well-being, academic and family support available post-Pandemic.
- Automation & Technology- there is a lack of technology and process to achieve scale.
- Energy and Water Efficiency- there is a lack of access to products/services, the infrastructure is cost prohibitive.

- Affordable Housing- there is a need for a stable workforce, particularly for staff and families in rural and native communities

These are hurdles which require coordination, funding and partnership to overcome. MA'O and other Native Hawaiian-led organizations working in our food system are prepared to take on these challenges *in partnership with* federal agencies such as USDA, ANA and EDA. However, our community's need and our capacity to create positive outcomes is often not matched in the federal programs we see being offered.

For example, despite the fact that there are many individuals in our Hilo, Hawaii-based USDA office that are consistently responsive and supportive, just in the last 18-months, MA'O encountered the following experiences with USDA programs:

- USDA Rural Development (RD) Multi-Family Housing
 - Many strong agricultural communities throughout the State of Hawai'i do not qualify based on RD's population thresholds because Hawai'i is generally more densely populated than much of the rest of the country. The 2020 census reports that the average US population density is 93.8 persons per square mile. Whereas in the State of Hawai'i, that figure is 226.6 persons per square mile.
 - MA'O and other Native-led agricultural organizations are also often disqualified from USDA and RD programs on the basis of income. Across Honolulu county per capita income averages \$36,816 vs. \$34,103 nationwide. While this may seem like our residents are faring well, the reality is that these dollars do not go far in our high-cost-of-living State. And, disparities within communities are masked by data which does not immediately account for the poverty that many Native Hawaiian and Pacific Islander families bear while living in the same neighborhoods as more affluent families.
 - Moreover, as a "lender of last resort," RD's housing related programs set an extremely high barrier to meet. As our local banks and CDFIs have improved and expanded their understanding of the needs of Native Hawaiian led, 'āina-based organizations like MA'O, it is more possible to obtain financing. However the interest rates at which that financing is offered often makes projects infeasible, thus putting many deserving rural, indigenous-serving projects in a position of not being able to prove they cannot obtain financing in order to access RD's programs, yet not being able to afford the financing they can obtain.
- USDA High Energy Cost and Rural Energy for America Program (REAP)
 - MA'O actively seeks support to add a PV array to our new processing facility to offset the energy needs of the large walk-in chiller and automated wash machinery within. We not only seek renewable energy not only for its alignment with MA'O's 'āina-based and sustainability values (our local utility depends largely on coal-fired plants), but because such a system will make our farm operations more resilient in facing power outages caused by extreme weather

and an aging utility infrastructure. However, thresholds for utilities costs tied to USDA energy programs eligibility leave these opportunities barely out of reach. Meanwhile, the Bureau of Labor Statistics lists household electricity costs per kWh in Honolulu county as the highest among all locations reporting data. In fact, at \$.327/kWh, Honolulu's cost is more than double the national average of \$.142/kWh.

We know there is precedent for redefining eligibility for USDA programs, and believe that this is necessary to create greater impact for a wide array of Native Hawaiian-led organizations in our state's food system.

- Reinststate the 2005 waiver Section 278-1-A-B-6 that allows any community out of urban HNL to qualify for RD programs, while also expanding it to all islands in the State (not just Honolulu County, island of Oahu) *see attached for copy of 2005 waiver*.
- Allow Hawai'i USDA program applicants to use Department of Hawaiian Home Lands (DHHL) subdivision boundaries to help define location eligibility to better target programs to communities with high concentrations of Native Hawaiians.
- Expand the Substantially Underserved Trust Area (SUTA) program to all USDA programs and specifically recognize proximity to DHHL lands as eligibility for SUTA

In terms of our broader experience with other programs such as ANA or EDA, the same general points of friction pose a challenge to MA'O to make the best use of the program resources and are likely barriers to many other Native Hawaiian-led organizations even attempting to access these programs at all:

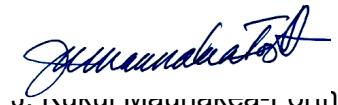
- Reporting burden. For small Community Based Organizations (CBO) like MA'O, there is often a misalignment of the RFP expectations for reporting with the reality of time and resources available for reporting. In the past, we have worked to incorporate the program narrative reporting into our workflow, however, financial reporting is still burdensome. Since the pandemic, many of the reports have transitioned into online reporting, however, the access to the portals, the outreach/access to technical assistance, and the obsolete/duplicative processes are still areas they are working on.
- Scarce/scant resources to meet the RFP proposal criteria. To be competitive, 'āina based organizations need access to technical assistance during the proposal writing process. ANA has an excellent model of TA/TTA Centers that are based throughout the US that other agencies could note. Virtual meetings have helped with access to TA but not necessarily with the quality of services to build/develop a competitive proposal.
- Staff turnover, understaffing. When we are lucky enough to receive program funding, staff turnover and understaffing at the federal agency often leaves us with inconsistent guidance on program administration or reporting. We often have to contend with long wait times for guidance and approvals, hampering our ability to deliver outcomes effectively and efficiently, and to meet the deadlines of the grants or loans themselves.

MA'O and our Native Hawaiian colleagues working in food systems across the State recognize

there is always more we can do to improve our ability to qualify for these federal programs and to work collaboratively with federal agencies. We will continue to evolve and progress in our ability to be good stewards of these public resources, and- we humbly ask for your continued involvement, guidance, assistance, support and partnership in order to serve our native communities with excellence.

On behalf of MA'O youth and staff, and many other 'āina based, Native Hawaiian Organizations, mahalo for your care and consideration of our testimony.

Aloha,

A handwritten signature in blue ink, appearing to read "J. Kunal Maunakea-Fernald".

J. Kunal Maunakea-Fernald
Executive Director



**United States Department of Agriculture
Rural Development**
Hawaii State Office – Western Pacific Region

F Y I

November 16, 2005


TO: File

SUBJECT: Eligible Rural Areas in the City and County of Honolulu
Community Facilities Program

A discussion to clarify the agency's interpretation of the provisions of Section 768 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005, was conducted this morning between Chad Parker of the National Office, and State Office staff (Steve Chapman, Alton Kimura, and Ted Matsuo).

Chad confirmed the provisions of Gilbert Gonzalez's memorandum dated February 15, 2005, which states the Secretary designates that all areas within the County of Honolulu, Hawaii, except for the Honolulu Census Designated Place, shall be considered a rural area or eligible rural community for all Community Programs loans and grants. There are no limits on the population amounts in these CDPs.

This designation is effective until the next decennial Census in 2010.

 Ted K. Matsuo

Ted K. Matsuo
CP Program Director

cc: Chad Parker (fax only)



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<http://www.rurdev.usda.gov>

Committed to the future of rural communities

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1 SEC. 766. Funds made available under section 1240I
 2 and section 1241(a) of the Food Security Act of 1985 in
 3 fiscal years 2002, 2003, 2004, and 2005 shall remain
 4 available until expended to cover obligations made in fiscal
 5 years 2002, 2003, 2004, and 2005, respectively. ~~Provided,~~

6 ~~That unobligated funds that are available at the end of~~
 7 ~~each fiscal year are returned to the Treasury.~~

and are
 not available
 for new
 obligations.

8 SEC. 767. There is hereby appropriated \$1,500,000,
 9 to remain available until expended, for the Denali Com-
 10 mission to address deficiencies in solid waste disposal sites
 11 which threaten to contaminate rural drinking water sup-
 12 plies.

13 SEC. 768. Notwithstanding any other provision of
 14 law—

15 (1)(A) the Alaska Department of Community
 16 and Economic Development shall be eligible to re-
 17 ceive a water and waste disposal grant under section
 18 306(a) of the Consolidated Farm and Rural Devel-
 19 opment Act (7 U.S.C. 1926(a)) in an amount that
 20 is equal to not more than 75 percent of the total
 21 cost of providing water and sewer service to the pro-
 22 posed hospital in the Matanuska-Susitna Borough,
 23 Alaska; and

24 (B) the Alaska Department of Community and
 25 Economic Development shall be allowed to pass the

1 grant funds through to the local government entity
 2 that will provide water and sewer service to the hos-
 3 pital;

4 (2) or any percentage of cost limitation in cur-
 5 rent law or regulations, the construction projects
 6 known as the Tri-Valley Community Center addition
 7 in Healy, Alaska; the Cold Climate Housing Re-
 8 search Center in Fairbanks, Alaska; and the Univer-
 9 sity of Alaska-Fairbanks Allied Health Learning
 10 Center skill labs/classrooms shall be eligible to re-
 11 ceive Community Facilities grants in amounts that
 12 are equal to not more than 75 percent of the total
 13 facility costs: *Provided*, That for the purposes of this
 14 section, the Cold Climate Housing Research Center
 15 is designated an "essential community facility" for
 16 rural Alaska;

17 (3) the Secretary shall consider the City of
 18 Guymon, Oklahoma; the City of Shawnee, Okla-
 19 homa; the Village of New Miami, Ohio; and the City
 20 of Altus, Oklahoma, to be eligible for loans and
 21 grants provided through the Rural Housing Insur-
 22 ance Fund until receipt of the decennial Census in
 23 the year 2010;

24 (4) the City of Great Falls, Montana, shall be
 25 considered a rural area for purposes of eligibility for

aragraph)

(the
city of
Vicksburg,
Mississippi)

Insert

87A

5)

87 A

(4) grants made under section 306(a)(19) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(19)) using funds made available under this Act for the cities of Ellisville and Waynesboro, Mississippi, shall be made without a non-Federal cost share requirement;

1 business and industry guaranteed loans under sec-
2 tion 310B(a)(1) of the Consolidated Farm and
3 Rural Development Act (7 U.S.C. 1932(a)(1)) until
4 receipt of the decennial Census in the year 2010;

5 (5) the Secretary may consider the Piedmont
6 Municipal Power Agency of South Carolina eligible
7 to participate in programs administered by the
8 Rural Utilities Service until receipt of the decennial
9 Census in the year 2010; and

10 (6) until receipt of the decennial Census for the
11 year 2010, for all activities under programs of the
12 Rural Development Mission Area within the County
13 of Honolulu, Hawaii, the Secretary may designate
14 any portion of the county as a rural area or eligible
15 rural community that the Secretary determines is
16 not urban in character: *Provided*, That the Secretary
17 shall not include in any such rural area or eligible
18 rural community any area included in the Honolulu
19 Census Designated Place as determined by the Sec-
20 retary of Commerce.

21 SEC. 769. Section 501 of the Agricultural Trade De-
22 velopment and Assistance Act of 1954 (7 U.S.C. 1737)
23 is amended—

24 (1) in subsection (b)(1), by inserting "and
25 Doug Bereuter" after "John Ogonowski"; and