

HC&S studying future as biofuels plantation

By Chris Hamilton

Maui News

POSTED: April 7, 2010

PUUNENE -- Within the next five years to 10 years, Hawaii's last sugar producer, Hawaiian Commercial & Sugar Co. could be out of the topsy-turvy granulated sugar business and making much-desired biofuels, company, federal and state officials announced Wednesday afternoon.

The U.S. Department of Energy, through the University of Hawaii, and the U.S. Department of Agriculture and Navy will receive \$4 million annually to help HC&S determine whether it is feasible to convert the more than 130-year-old company into an "energy farm," or a high-tech producer of renewable fuels, said HC&S General Manager Chris Benjamin at a news conference.

It would be a dramatic transformation, participants said. The move could preserve hundreds of agricultural jobs on Maui for decades to come and potentially lead to tens of millions of dollars in capital improvement investments to the aging sugar mill.

"This (funding) could help define a new future for HC&S as an alternative energy producer," Benjamin said.

His comments drew applause and a "hear, hear" from mill and field workers who attended the news conference.

HC&S employs 800 Maui residents, and financial losses and water rights' disputes have threatened the company. In January, the board of directors of Alexander & Baldwin Inc., HC&S's parent company, gave it a year's reprieve in January, if it can increase sugar production.

On Wednesday, Benjamin was careful to say, though, that the company has not abandoned the sugar business model, at least yet. Instead, HC&S and its multiple public partners -- who teamed up about two months ago -- will decide if the costly shift to creating biofuel is worth it.

The decision could result in HC&S growing sweet sorghum or tropical grasses or perhaps green sugar cane, which does not require the unpopular practice of cane burning to harvest the crop, Benjamin said.

He also said he hopes this new development will help persuade the state Water Resource Management Commission to rule in the company's favor in two ongoing cases that could result in a loss of surface water to the approximately 37,000-acre HC&S plantation on Maui.

It could also mean millions in infrastructure investment by the company -- perhaps with much more government funding -- to convert the mill into a new production facility, government officials said.

That's all part of the research process, which is expected to take about two years, Benjamin said. Converting the mill would likely take another three years, he said.

A lot of questions about the best crops to grow, right technologies to use, fuels to make and customers to find need to be answered, he said. And HC&S will need to develop a business plan, too, he said.

