

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE
KA 'OIHANA MAHI'AI
1428 South King Street
Honolulu, Hawai'i 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

**TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE HOUSE COMMITTEE ON WATER AND LAND

**TUESDAY, FEBRUARY 14, 2023
8:30 AM
CONFERENCE ROOM 430**

**HOUSE BILL NO. 307, HD1
RELATING TO AGRICULTURAL PARK LEASES**

Chairperson Ichiyama and Members of the Committee:

Thank you for the opportunity to testify on House Bill 307 HD1. This bill allows the Department of Agriculture to extend the agricultural park lease of any lessee who holds a lease with a remaining term of fifteen years or less; provided that the land covered by the lease is twenty-five acres or less and located in a county with a population of less than five hundred thousand. The Department supports agricultural production on agricultural park lands and offers comments.

HDOA appreciates the plight of lessees nearing the termination dates of their lease, however, it is our understanding that there is a public policy against allowing individual private interests to exclusively occupy, use, and benefit from public lands for the durations exceeding statutory limits or indefinitely. We understand the intent of this policy is to provide other members of the public without a State lease, a fair and equal opportunity to seek and enjoy that public benefit. Maximizing the opportunity to lease public lands under favorable conditions to the greatest number of applicants supports the growth of new farmers and incentivizes established farming operations with proven agricultural capabilities and economic viability to scale up and expand their operations on to other properties as part of their business growth strategy. HDOA appreciates the intent of this bill to support and



encourage the ongoing viability of agricultural operations, often referred to as “legacy farms,” to continue without disruption to maximize the uninterrupted local production of agricultural goods and food and operations that if approved to extend their lease, based on a plan to continue successful agriculture businesses, will pay the increased lease rents, should they be assessed. Concurrently, there is a pressing need to increase the number of farmers statewide to realistically achieve the level of farming necessary to meet the State’s goals for food security and sustainability. The single most insurmountable hurdle for most new and beginning farmers seeking to start a farm is the lack of available, appropriately sized, and reasonably priced agricultural lands suitable for farming. Our lands are among the most affordable in the State for agricultural use, making it ideal for an incubator and start-up operations.

Without a clear maximum term established by statute, the lease extension provided by the bill could potentially allow lessees to effectively remain on the land indefinitely, through consecutive extensions and preclude others from the same opportunity to lease public lands. There is nothing preventing a current lessee from applying for a new lease for either the same or other available parcel upon expiration of the current one. The HDOA maintains a list of interested farmers seeking to lease Department managed state lands and this list is culled every two years. There are currently 243 people on this list, which indicates the high level of interest in our lands. Potential lessees in this program know upfront that their use of the land cannot exceed fifty-five years. By requiring a business plan for new leases, we encourage lessees to rely on sound business practices to plan for the anticipated and known eventual termination and seek alternate lands if continuation or expansion of their farming operations is contemplated, or desired.

As long as this request does not impact other items and initiatives included in the administration’s budget, the Department is requesting \$18 million to fund the Kunia Agricultural Parks project. With the number of prospective farmers currently on the waitlist, the Department is compelled to mention that the need for additional park lands would be addressed through the request to fund the Kunia Agricultural Parks project which is a priority for the Department and would result in 24 farm lots and housing for 24 farming families/operators.

If this body desires a change to the public lease policy, we respectfully request that the change and intent be included in this bill's preamble.

Thank you for the opportunity to testify on this measure.



February 9, 2023

Representative Linda Ichiyama, Chair
Representative Mahina Poepoe, Vice Chair
House Committee on Water & Land

Testimony in Support of HB 307, H.D. 1, Relating to Agricultural Park Leases (Authorizes the Department of Agriculture [DOA] to extend the lease of any lessee who holds a lease with a remaining term of 15 years or less; provided that the land covered by the lease is 25 acres or less and located in a county with a population of less than 500,000. Effective 7/1/3000.)

**Tuesday, February 14, 2023, 8:30 a.m.; State Capitol Conference Room 430
Via Videoconference**

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers, and utility companies. LURF's mission is to advocate for reasonable, rational, and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

LURF appreciates the opportunity to express its **support of HB 307, H.D. 1** and of the various agricultural stakeholder groups who defend the goals of viable agricultural operations and the conservation and protection of agriculture in Hawaii.

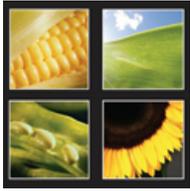
HB 307, H.D. 1. The purpose of this bill is to allow the DOA to extend the agricultural park lease of any lessee who holds a lease with a remaining term of 15 years or less; provided that the land covered by the lease is 25 acres or less and located in a county with a population of less than 500,000.

LURF's Position. LURF members include property owners, farmers and ranchers who own, maintain, and engage in agricultural enterprises, and who consider efforts to protect and support agriculture significant to the continued conduct of their operations and to help sustain and preserve farming and ranching businesses into the future. Agricultural production in Hawaii is reliant upon and furthered by the leasing of public lands, which makes it feasible for agricultural stakeholders to successfully fulfill the food production needs of the State.

LURF supports HB 307, H.D. 1 because the measure makes a significant effort to advance and facilitate the leasing of agricultural lands. By recognizing the significance of agricultural lessees, identifying the need to assist the local agriculture industry, and implementing measures which help to support the viability and maintenance of agriculture in the State, this bill significantly helps to promote economically viable agriculture, increased food production, and food self-sufficiency in Hawaii.

For the reasons stated above, LURF **supports HB 307, H.D. 1**, and respectfully urges your favorable consideration of this measure.

Thank you for the opportunity to present testimony regarding this matter.



HAWAII CROP IMPROVEMENT ASSOCIATION

In Support of HB307 HD1
Relating to Agricultural Park Leases

House Committee on Water & Land

Date: Tuesday, February 14, 2023
Time: 8:30 AM
Place: Conference Room 430

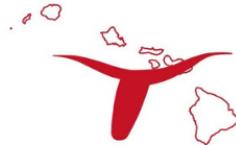
Aloha Chair Ichiyama, Vice Chair Poepoe, and Members of the Committee:

The Hawaii Crop Improvement Association (HCIA) appreciates the opportunity to provide testimony **in support of HB307, HD1** which allows the Department of Agriculture to extend the agricultural park lease of any lessee who holds a lease with a remaining term of 15 years or less, provided that the land covered by the lease is 25 acres or less and located in a county with a population of less than 500,000.

Many agricultural park lessees have the desire to invest capital into infrastructure and operational improvements, but the uncertainty of whether their lease term will be extended as it nears its expiration is a disincentive for them to finance these enhancements. Additionally, much of the uncertainty impacts our most experienced, successful local farmers and those are potential losses our industry cannot afford to incur.

Mahalo for the opportunity to testify in support and we urge you to pass this measure.

The Hawaii Crop Improvement Association is a Hawaii-based non-profit organization that promotes modern agriculture to help farmers and communities succeed. Through education, collaboration, and advocacy, we work to ensure a safe and sustainable food supply, support responsible farming practices, and build a healthy economy.



Hawaii Cattlemen's Council, Inc.

COMMITTEE ON WATER & LAND
Rep. Linda Ichiyama, Chair
Rep. Mahina Poepoe, Vice Chair

HB307 HD1
RELATING TO AGRICULTURAL PARK LEASES

Tuesday, February 14, 2023, 8:30 AM
Conference Room 430 & Videoconference

Chair Ichiyama, Vice Chair Poepoe, and Members of the Committee,

The Hawaii Cattlemen's Council (HCC) is the Statewide umbrella organization comprised of the four county-level Cattlemen's Associations. Our member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of over 750 thousand acres of land in Hawaii, or 20% of the State's total land mass. We represent the interests of Hawaii's cattle producers.

The Hawaii Cattlemen's Council **supports HB307 HD1** which requires the department of agriculture to extend the agricultural park lease of any lessee who holds a lease with a remaining term of fifteen years or less; provided that the land covered by the lease is twenty-five acres or less and located in a county with a population of less than five hundred thousand.

If a leaseholder is utilizing the land for the leased purpose of agriculture and on good terms, we support the opportunity to extend the lease when there are less than fifteen years remaining on the lease. Farmers and ranchers need to make costly investments to the lease in order to successfully operate their businesses. Allowing for lease extensions gives the leaseholder confidence that they'll be able to continue utilizing their investment. These investments in water systems, infrastructure, and land stewardship activities are beneficial to the leaseholder, the surrounding community, and the State. Without the ability to extend, a prudent farmer would resist making these investments in the waning years of their lease. It is imperative that we allow lands in current agricultural production to continue to produce and succeed. Protecting agricultural lands from being used for purposes other than agriculture is a key step in increasing food production, and this measure will support the continuation of agricultural operations.

We appreciate the opportunity to testify on this measure.

Nicole Galase
Hawaii Cattlemen's Council



HB-307-HD-1

Submitted on: 2/13/2023 11:24:15 AM

Testimony for WAL on 2/14/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Henry & Loraine Terada	H & L Terada Farm	Support	Written Testimony Only

Comments:

We have been cut anthurium flower farmers since 1980, starting our 3 acre Kurtistown farm with no County Water and them being awarded a 10 acre lot in Hilo at the Panaewa Agricultural Park. We have seen the difference in production at both locations, with the Agricultural Park farm being much more profitable. Unfortunately our Kurtistown farm was affected by Hurricane Iselle and we decided to abandon it. The Panaewa Agricultural Park farm provides our beautiful anthurium flowers that are shipped throught the world. Please allow this farm to continue with your support of HB 307



HOUSE OF REPRESENTATIVES
THE THIRTY-SECOND LEGISLATURE
REGULAR SESSION OF 2023

COMMITTEE ON WATER & LAND

Rep. Linda Ichiyama, Chair
Rep. Mahina Poepoe, Vice Chair

Tuesday, February 14, 2023 9:30 A.M.
Conference Room 430 & Videoconference

HB 307 HD1: RELATING TO AGRICULTURAL PARK LEASES

My name is Eric S. Tanouye and I am the President for the Hawaii Floriculture and Nursery Association. HFNA is a statewide umbrella organization with approximately 300 members. Our membership is made up with breeders, hybridizers, propagators, growers, shippers, wholesalers, retailers, educators, and the allied industry, which supports our efforts in agriculture.

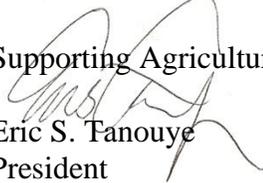
The Hawaii Floriculture and Nursery Association (HFNA) **SUPPORTS HB 307 HD1**

It is important for Nurserymen and women to have the peace of mind that is associated with an extension of their lease, so that they may continue to farm. We believe the Department of Agriculture has the relevant knowledge to understand which leases for small farms should be extended. This will extend our Family Farms being able to successfully achieve generational succession in the near future.

We ask that you support our industry and agriculture, so that we may continue to bring the beauty of Hawaii to others through flowers and ornamentals.

If you have any questions at this time, I would be happy to discuss them and can be reached by phone at 808-959-3535 ext 22, cell 960-1433 and email eric@greenpointnursery.com.

Supporting Agriculture and Hawaii,


Eric S. Tanouye
President
Hawaii Floriculture and Nursery Association



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

February 14, 2023

HEARING BEFORE THE
HOUSE COMMITTEE ON WATER & LAND

TESTIMONY ON HB 307, HD1
RELATING TO AGRICULTURAL PARK LEASES

Conference Room 430 & Videoconference
8:30 AM

Aloha Chair Ichiyama, Vice-Chair Poepoe, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports HB 307, HD1, which allows the department of agriculture to extend the lease of any lessee who holds a lease with a remaining term of fifteen years or less; provided that the land covered by the lease is twenty-five acres or less and located in a county with a population of less than five hundred thousand.

The success of farmers is critical to the State's goal to double local food production. Hawai'i Department of Agriculture (HDOA) leases are structured to advance agriculture and make it practical for producers to succeed and provide our communities with what they need. HDOA's long-term leases make it possible for farmers and ranchers to prudently invest in operational and infrastructure improvements on the leased land.

Faced with the uncertainty of continued tenancy, lessees have little incentive to make major investments in improvements to their infrastructures and ensure the long-term maintenance of their facilities. As a result, the infrastructure on these small farms could deteriorate

This measure will help to enable small family farm operations on HDOA leased lands to be extended their leases as they near expiration. This would enable many of our small farmers and a new generation of farmers to obtain financing to invest in their operations, by making improvements to their lands and developing plans to improve their agricultural productivity.

Thank you for the opportunity to comment on this measure.

HB-307-HD-1

Submitted on: 2/13/2023 7:10:36 AM

Testimony for WAL on 2/14/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ken Delimont	Individual	Support	Written Testimony Only

Comments:

Aloha, My name is Ken Delimont. I am a leasee in the Pahoia Ag Park. Leasees should have the opportunity to extend their leases. It is in the State's best interest to help existing farmers to perpetuate agriculture in our state. Without extensions on leases many farms will stop operations. There will be no reason for leasees to pass their farms to daughters, sons, and grandchildren. Dept. of Ag says I can bid on a new lease when my lease expires. Why should I have to bid on what I have created. There is a **WAY** for this state to promote sustainability in agriculture, and you have the **MEANS** to accomplish this task by passing HB 307 sustaining and extending leases. Mahalo

HB-307-HD-1

Submitted on: 2/13/2023 8:15:39 AM

Testimony for WAL on 2/14/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Douglass S. Adams	Research and Development, County of Hawaii	Support	Written Testimony Only

Comments:

Chair Ichiyama, Vice Chair Poepoe, and Members of the Committee on Water and Land:

Thank you for the opportunity to testify in SUPPORT of HB 307 HD1, which allows the department of agriculture to extend the agricultural park lease of any lessee who holds a lease with a remaining term of fifteen years or less; provided that the land covered by the lease is twenty-five acres or less and located in a county with a population of less than five hundred thousand.

The County of Hawaii supports the flexibility that this bill provides the department of agriculture as it manages agricultural park leases, especially for those small farmers on Hawaii Island whose efforts are vital to a food secure economy in Hawaii.

We encourage the Committee to move this bill forward with a POSITIVE recommendation for passage by the House.

very respectfully

Douglass S Adams

Director, Dept of Research & Development

County of Hawaii

HB-307-HD-1

Submitted on: 2/13/2023 8:25:37 AM

Testimony for WAL on 2/14/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
J Ashman	Individual	Support	Written Testimony Only

Comments:

STRONG SUPPORT.

Thank you for hearing this important measure.

If we are truly interested in increasing food security, measures like this one should be enacted.

Farmers need long-term leases to be able to invest in infrastructure improvements on leased land. This bill will allow farmers to obtain financing to invest in their operations and make infrastructure improvements to increase their productivity.

Thank you.

HB-307-HD-1

Submitted on: 2/13/2023 9:47:52 AM

Testimony for WAL on 2/14/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
David Shiigi	Individual	Comments	Written Testimony Only

Comments:

Thank you for the opportunity to submit testimony in support of HB 307. It will enable lessees like myself to obtain additional needed financing to invest in making improvements and to continue agricultural productivity with markets we have established. Dept. of Ag. cannot ignore the facts that what is critical to agriculture is the loss of established farmers. Placing new farmers on lease lands will possibly lead to cuts in production. Many of them may not have the resources or business acumen to be successful as compared to the established farmer. The established farmers are willing and able to continue supporting agriculture as long as we have the assurances that our leases will be extended. The State should concentrate on those large acres of fallow lands throughout the State and make every effort to turn them into agriculture producing enterprises. They should work to expand not replace farmers. Replacing established farmers will hinder growth of the industry. Please extend our lease so we can continue to supply Hawaii with agricultural products both locally and abroad. Keep Hawaii sustainable by approving HB 307.

Thank you,

David and Sherlette Shiigi

February 13, 2023

House of Representatives
32nd Legislature
Regular session of 2023

Committee on Water and Land
HB 307 HD1: Relating to Agricultural Park Leases

Aloha, I am Aaron Ueno, President of Kawasaki Nursery, Inc. As a lessee in the Panaewa Agricultural Park I ask for your support for HB 307 HD1.

Kawasaki Nursery is one of the few remaining farms that produces wholesale cut anthuriums. Over the years we have made investments for farm operations. If the lease ends nursery operations would cease and the assets would be lost.

Sincerely,

Aaron Ueno
President Kawasaki Nursery
Cell: 808-959-3380