

JAN 22 2021

A BILL FOR AN ACT

RELATING TO AGRICULTURE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the agribusiness
2 development corporation was established in 1994, to address the
3 issues of large tracts of land becoming available due to the
4 downsizing of the sugar and pineapple industries.

5 The legislature further finds that Hawaii now faces
6 different issues in agriculture, mainly sustainable agriculture
7 and local food production. According to the agribusiness
8 development corporation's 2019 report to the legislature, the
9 corporation manages over 22,000 acres of public agricultural
10 lands with significant potential to shape the State's
11 agricultural public policy toward the goal of food self-
12 sufficiency. The lack of affordable agricultural land with
13 long-term leases is cited as a key inhibitor of the growth and
14 expansion of local agriculture.

15 The purpose of this Act is to:

16 (1) Ensure that the agribusiness development corporation
17 prioritizes food production for local consumption; and



1 (2) Ensure transparency and accountability by requiring
2 the department of agriculture and agribusiness
3 development corporation to submit reports to the
4 legislature on the department's and corporation's
5 leasing activities.

6 SECTION 2. Section 163D-1, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "~~§163D-1~~ **Findings and purpose.** The legislature
9 finds that the downsizing of the sugar and pineapple industries
10 is presenting an unprecedented opportunity for the conversion of
11 agriculture into a dynamic growth industry~~[-]~~, including local
12 food production. Within the next decade, seventy-five thousand
13 acres of agricultural lands and fifty million gallons per day of
14 irrigation water are expected to be released by plantations.
15 The downsizing of the sugar and pineapple industries will idle a
16 valuable inventory of supporting infrastructure including
17 irrigation systems, roads, drainage systems, processing
18 facilities, workshops, and warehouses. The challenge to
19 government and business is to conserve and convert the arable
20 lands and their associated production infrastructure in a timely
21 manner into new productive uses, including local food



1 production, that are based upon strategies developed from
2 detailed marketing analysis and monitoring of local, national,
3 and international opportunities. Constantly evolving economies
4 require an aggressive and dynamic leadership for the promotion
5 and development of agricultural enterprises, and centralized
6 leadership to coordinate industry development, provide industry-
7 wide services, provide marketing assistance, and facilitate
8 investments and coventures in viable enterprises.

9 The purpose of this chapter is to create a vehicle and
10 process to make optimal use of agricultural assets for the
11 economic, environmental, and social benefit of the people of
12 Hawaii. This chapter establishes a public corporation to
13 administer an aggressive and dynamic agribusiness development
14 program. The corporation shall coordinate and administer
15 programs to assist agricultural enterprises to facilitate the
16 transition of agricultural infrastructure from plantation
17 operations into other agricultural enterprises, including those
18 promoting local food production, to carry on the marketing
19 analysis to direct agricultural industry evolution, and to
20 provide the leadership for the development, financing,



1 improvement, or enhancement of agricultural enterprises and
2 local food production."

3 SECTION 3. Section 163D-2, Hawaii Revised Statutes, is
4 amended by adding two new definitions to be appropriately
5 inserted and to read as follows:

6 "Local food production" means crops, livestock, poultry,
7 and other foods that are grown and raised in Hawaii, at least in
8 part, for direct consumption by Hawaii residents and visitors.

9 "Primary business" as used in this subchapter means at
10 least fifty percent of the entity's production or harvest shall
11 be distributed for local consumption in Hawaii."

12 SECTION 4. Section 163D-5, Hawaii Revised Statutes, is
13 amended by amending subsection (a) to read as follows:

14 "(a) The corporation shall prepare the Hawaii agribusiness
15 plan which shall define and establish goals, objectives,
16 policies, and priority guidelines for its agribusiness
17 development strategy. The plan shall include but not be limited
18 to:

- 19 (1) An inventory of agricultural lands with suitable
20 adequate water resources that are or will become
21 available due to the downsizing of the sugar and



- 1 pineapple industries that can be used to meet present
2 and future agricultural production needs;
- 3 (2) An inventory of agricultural infrastructure that will
4 be abandoned by sugar and pineapple industries such as
5 irrigation systems, drainage systems, processing
6 facilities, and other accessory facilities;
- 7 (3) An analysis of imported agricultural products and the
8 potential for increasing local production to replace
9 imported products in a manner that complements
10 existing local producers and increases Hawaii's
11 agricultural self-sufficiency;
- 12 (4) Alternatives in the establishment of sound financial
13 programs to promote the development of diversified
14 agriculture;
- 15 (5) Feasible strategies for the promotion, marketing, and
16 distribution of Hawaii agricultural products in local,
17 national, and international markets;
- 18 (6) Programs to promote and facilitate the absorbing of
19 displaced agricultural workers into alternative
20 agricultural enterprises;



- 1 (7) Strategies to insure the provision of adequate air and
2 surface transportation services and supporting
3 facilities to support the agricultural industry in
4 meeting local, national, and international market
5 needs;
- 6 (8) Proposals to improve the gathering of data and the
7 timely presentation of information on market demands
8 and trends that can be used to plan future harvests
9 and production; and
- 10 (9) Strategies for federal and state legislative actions
11 that will promote the development and enhancement of
12 Hawaii's agricultural industries[-], and in particular
13 local food production."

14 SECTION 5. Section 163D-15.6, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "**§163D-15.6 Commitment and preservation of agricultural**
17 **leases.** (a) The [~~agribusiness development~~] corporation shall
18 work toward obtaining commitments from landowners in the leeward
19 and central districts of Oahu that their agricultural leases
20 shall be for a duration of twenty or more years and shall not be
21 amended or revoked to allow for a nonagricultural use of the



1 land; provided that for lands in central Oahu acquired under Act
2 234, Session Laws of Hawaii 2008, the agricultural leases shall
3 be for no more than fifty-five years.

4 (b) To further ensure the preservation of agriculture in
5 the leeward and central districts of Oahu, the [~~agribusiness~~
6 ~~development~~] corporation shall monitor the agricultural leases
7 of lands using the water from the Waiahole water system. In the
8 event of any proposed amendment or revocation of any lease, the
9 corporation shall do all things within its powers under this
10 chapter to protect and defend the interests of the agricultural
11 leaseholders to ensure the continuation of agricultural use for
12 those lands.

13 (c) Beginning January 1, 2022, the department of
14 agriculture and corporation shall annually lease or license at
15 least fifty per cent of land eligible for lease or license or
16 lease or license renewal, to agricultural operations whose
17 primary business is food or crop production for local
18 consumption."

19 SECTION 6. Chapter 141, Hawaii Revised Statutes, is
20 amended by adding a new section to be appropriately designated
21 and to read as follows:



1 "141- Reporting requirements; leased lands. (a) The
2 department of agriculture shall submit an annual report to the
3 legislature, and post the report on its website, no later than
4 twenty days prior to the convening of each regular session. The
5 report shall contain the following information regarding its
6 leased lands:

- 7 (1) The number of lots leased by size and island;
- 8 (2) The number of lots leased that contain protocols and
9 conditions supporting specialty farm products by
10 island;
- 11 (3) The number of vacant parcels and unoccupied parcels in
12 the leasing process by island, including the parcel
13 size, location, and date the parcel was last occupied
14 by a tenant; and
- 15 (4) A description of any lease sales or transfers by
16 lessees approved by the board of agriculture,
17 including:
 - 18 (A) A description of the type of farm products
19 produced by the transferring lessee and the farm
20 products to be produced by the accepting lessee
21 on the leased lands; and



1 (B) The date and description of the transferring
2 lessee's last lease approved by the board of
3 agriculture."

4 SECTION 7. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 8. This Act shall take effect upon its approval.

7

INTRODUCED BY: 



S.B. NO. 335

Report Title:

Department of Agriculture; Agribusiness Development Corporation; Diversified Agriculture; Leased Lands; Reporting Requirements; Local Food Production; Enterprise

Description:

Requires the Department of Agriculture and Agribusiness Development Corporation to annually lease at least fifty per cent of land leased or up for lease renewal to operations whose primary business is local food production beginning 1/1/2022. Requires the Department of Agriculture and Agribusiness Development Corporation to submit reports to the legislature on leasing activities.

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