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**TESTIMONY OF SANDRA LEE KUNIMOTO  
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**BEFORE THE HOUSE COMMITTEE ON AGRICULTURE  
WEDNESDAY, FEBRUARY 4, 2009, 9:00 A.M.  
ROOM 312**

**HOUSE BILL NO. 889  
RELATING TO AGRICULTURAL PARKS**

Chairperson Tsuji and Members of the Committee:

Thank you for the opportunity to comment on House Bill No. 889. The purpose of this bill is to authorize farmers' markets as a permitted activity in state agricultural parks. The department strongly opposes this bill and asks that it be held.

This bill proposes to allow unregulated retail activity to take place on agricultural park (ag park) lands. The ag park program already contains provisions for regulated retail activity, which is consistent with the purpose and operation of ag parks. The primary purpose of the ag park program is to provide manageable sized lots for new farmers, displaced farmers, and other qualified farmers to farm and produce agricultural and aquacultural commodities that will contribute to the State's economy. The State ag park program is intended to be an "incubator" for new and displaced farmers to establish and operate diversified agricultural operations that contribute to the State's economy through job creation and delivery of agricultural commodities to the market. The program encourages farmers to share resources, expertise, and community values,

and create purchasing power through bulk purchasing. It tries to provide the necessary infrastructure and utilities to allow the farmer to successfully develop a new agricultural operation.

It is vitally important to recognize that ag parks have controlled access. Theft is a significant concern among the tenants. In addition, the infrastructure was not constructed for traffic densities that the farmers' market will attract. An increase in public activity will disrupt the daily operations of the ag park. Facilities, like roads, are paid for by lease rent collected from the farmers. Accommodation of the increased activity will likely lead to an increase in rent.

In 1999, Act 277 amended the ag park program statutes to include commercial activity (§4-166-3.5). This amendment authorized the department of agriculture to allow agriculture-related commercial activities to be conducted by lessees of the ag park. The applicable section states, "The department may allow, in each of its existing and future agricultural parks, the disposition of no more than two lots within an agricultural park for the processing, marketing, and displaying of agricultural crops or commodities, which shall include any product created through values-added processes as defined by rules adopted by the board. The department shall allow agricultural-based commercial venture operations that may sell to the general public; provided that any such lots shall be leased and operated by an agricultural park lessee in good standing with the department." There are strict prohibitions on retail activity off of individual farm lots as well as restrictions on residences, subleasing, and other actions that easily lead to "fake

farming" through alternative income. The department does not have the resources necessary to police a farmers' market.

We will shortly begin the amendments to the ag park rules as required by the statute. In order to ensure that farming remains the primary activity in the ag park, the rules will require to ensure that the retail activity that occurs off of the approved lots must have a direct tie to a farmer in the ag park. It will also set income limits from retail activity not to exceed a percentage of the overall farm income. Retail sales must remain secondary to the primary function of the ag park, which is to grow crops to encourage the growth of diversified agriculture. Finally, as a side note, this provision of the ag park program was codified on July 6, 1999 and to this day, no one has taken advantage of this provision.

There are ample opportunities for farmers to sell their goods at various existing farmers' markets outside of state ag parks. These farmers' markets are supported by the Hawaii Farm Bureau Federation, community groups, and farmers in their respective areas and tend to be extremely popular. We believe the existing provisions for retail activity on ag park land provide a bridge between the available farmers' markets and the ability to sell their products locally in a regulated environment that first and foremost emphasizes farming.