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February 22, 2013

HEARING BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY ON SB 5 RELATING TO PUBLIC LANDS

Room 211 9:00 AM

Chair Ige, Vice Chair Kidani, and Members of the Committee:

I am Dean Okimoto, President of the Hawaii Farm Bureau Federation (HFBF). Organized since 1948, the HFBF is comprised of 1,950 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interest of our diverse agricultural community

HFBF strongly supports of SB 5 which provides fair compensation to lessees for breeding livestock when a withdrawal or taking of leased land renders the land unusable for the lessee's original intended purposes.

When the State restricts the intended use of leased pastoral lands, the current law only requires the lessees to receive a rental rate reduction. However, a rental rate reduction does not provide fair compensation for the value of breeding stock, which must be disposed of for less than market value. For example, when DLNR restricted agricultural use to widen a highway, existing breeding cattle had to be removed and sent to slaughter for much less than their value as breeding stock, without direct compensation.

Premature and unexpected loss of leases severely impact the viability of our farmers and ranchers. Investments in infrastructure, supplies and labor are lost. Continuation of farming or ranching will require further investments that may challenge a farmer or rancher carrying loans that were used for existing infrastructure and supplies.

We respectfully request your strong support of this measure.



Email: communications@uluponoinitiative.com

SENATE COMMITTEE ON WAYS AND MEANS Friday, February 22, 2013 — 9 a.m. — Room 211

Ulupono Initiative Supports the intent of SB 5, Relating to Public Lands

Chair Ige, Vice Chair Kidani, and Members of the Committee:

My name is Kyle Datta and I am General Partner of the Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally grown food, increase renewable energy, and reduce/recycle waste.

As an investor in agriculture, Ulupono believes it is important that fair compensation be provided by the State of Hawai'i to reflect the value of the land's agricultural use when the State withdraws lands from lease or places an easement on a lease.

SB 5 provides several means of compensation when the State withdraws, condemns, or takes public land leased for intensive agricultural or pastoral uses, which renders the land unusable for the original purposes of the lease. The current law only allows rental rate reduction that does not consider lost value, which could include breeding animals sold for slaughter because the lease was ended with as little as six months notice. The bill also would reimburse a lessee for costs associated with property taxes or insurance on lands where an easement has been placed by the State.

Ulupono has joined with a diverse group of organizations who have come together for the first time as the Local Food Coalition to support proposals designed to help grow more local food. The coalition brings together farmers, ranchers, livestock producers, investors and other organizations. The idea is that putting more local food on local plates can best be accomplished by bringing people and organizations together who can work on the entire food value chain in a systematic way.

We believe that by working together, we can help produce more local food, and support an economically strong homegrown agriculture industry that strengthens our community with fresh, healthy food. Thank you for the opportunity to testify.

Respectfully,

Kyle Datta General Partner

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