

Measure Title:	RELATING TO AGRICULTURE.	
Report Title:	Agriculture; Agricultural Lands; Farming; Livestock; Land Use; Zoning; Subdivision	
Description:	Restricts any subdivision, including by condominium property regime, of parcels of agricultural lands one hundred acres or greater in size. Require the owner to make and implement a farm plan prior to the construction o any homes on the resulting legal lots of record.	
Companion:		
Package:	None	
Current Referral:	WLA/HOU, CPH	
Introducer(s):	L. THIELEN, GREEN, IHARA, RIVIERE, RUDERMAN, SHIMABUKURO, Gabbard, Harimoto, Kidani, Kim	



SB2350 RELATING TO AGRICULTURE

Senate Committee on Commerce, Consumer Protection, and Health

February 26, 2016	10:30 a.m.	Room 229
	10.50 4.111.	R0011 223

The Office of Hawaiian Affairs (OHA) offers the following <u>COMMENTS</u> on SB2350, which seeks to prevent the irrevocable loss of agricultural land, by imposing restrictions on the subdivision of land greater than one hundred acres within the state agricultural district.

The intent of this bill, to prevent the irrevocable loss of agricultural land, is clearly an issue of statewide concern. A recent report from the Department of Agriculture (DOA) highlights the need to proactively preserve Hawai'i's dwindling agricultural land base.¹ DOA reports that between 1980 and 2015, there was a loss of almost 200,000 acres of land in active crop use and a loss of more than 300,000 acres of pasture land.² Such a loss of agricultural land for agricultural uses may have already impacted land prices, local farmers and food production, and the state's economy, as discussed below. **The continued loss of agricultural land threatens the future of agriculture in Hawai'i, and undermines the state's sustainability efforts.**

Farming in Hawai'i depends on farmers having access to affordable land.³ However, the acquisition of agricultural land by developers and speculators for primarily residential uses significantly increases the cost of agricultural land in general, often beyond what bona fide farmers can afford. As the DOA recently stated, "[p]roductive farm areas . . . are undercut by increased real estate prices and by new owners without agricultural intentions."⁴ By preventing new, non-agricultural producing land owners from creating subdivisions or CPRs on large parcels, this bill may help to deter developers and speculators from acquiring land for the express purpose of holding land for later residential use. In turn, more agricultural land may remain available and affordable for agricultural producers.

Notably, by helping to prevent large tracts of agricultural land from being used for non-agricultural purposes, this bill furthers Hawai'i's local food production goals. The Legislature, the counties, and OHA have all endorsed the Aloha+ Challenge commitment

¹ HAWAI'I DEPARTMENT OF AGRICULTURE (DOA), STATEWIDE AGRICULTURAL LAND USE BASELINE 2015 (2016), *available at* http://hdoa.hawaii.gov/wp-content/uploads/2016/02/StateAgLandUseBaseline2015.pdf. ² *Id.* at 4.

³ According to DOA, "[t]he sale of agricultural lands at prices that exceed the farmers' ability to farm economically is one of the strongest forces working against sustained agriculture in Hawai'i." *Id.* at 19. ⁴ *Id.* at 6.

to double local food production by 2030.⁵ Local food production is clearly dependent on a viable land base on which agricultural producers can grow food. Removing the incentive to acquire agricultural lands for non-agricultural purposes will help keep our agricultural lands in agriculture, and further ensure that agricultural lands and leases remain affordable for local food producers.

In addition, increasing local food production in Hawai'i may have a substantial impact on Hawai'i's economy. According to 2008 estimates, if we replaced just 10% of our imported food with locally produced food, the economy-wide impact would be "\$188 million in sales, \$47 million in earnings, \$6 million in state tax revenues, and more than 2,300 jobs."⁶ By helping to protect and promote bona fide agricultural uses of our agricultural lands, this measure may represent an important step towards realizing the significant economic benefits of local food production.

Lastly, while OHA appreciates this bill's potential to help protect Hawai'i's agricultural land base, OHA notes that there may be other significant barriers to the conservation and protection of our agricultural lands. These barriers include the inadequate enforcement of uses within the agricultural district, and the continued development of luxury "gentleman" estates only superficially associated with agriculture. Accordingly, OHA urges the legislature to continue exploring ways to address these barriers, and ensure that our agricultural lands remain available for bona fide agricultural uses.

Mahalo for the opportunity to testify on this measure.

⁵ "Local Food: At least double local food production – 20 to 30 percent of food consumed is grown locally." The Aloha+ Challenge: A Culture of Sustainability, Declaration of Commitment.

⁶ College of Tropical Agriculture and Human Resources, Economic Impacts of Increasing Hawai'i's Food Self-Sufficiency 6 (2008), *available at* <u>http://hdoa.hawaii.gov/add/files/2012/12/FoodSSReport.pdf</u>.

SHAN S. TSUTSUI Lt. Governor



SCOTT E. ENRIGHT Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER Deputy to the Chairperson

State of Hawaii DEPARTMENT OF AGRICULTURE 1428 South King Street Honolulu, Hawaii 96814-2512 Phone: (808) 973-9600 FAX: (808) 973-9613

TESTIMONY OF SCOTT E. ENRIGHT CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH

February 26, 2016 10:30 A.M. CONFERENCE ROOM 229

SENATE BILL NO. 2350 RELATING TO AGRICULTURE

Chairperson Baker and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 2350 that restricts any subdivision, including by condominium property regime, of parcels of Agricultural District land one hundred acres or greater in size. Requires a qualified owner seeking subdivision to make and implement a farm plan prior to the construction of any homes on the resulting legal lots or records. The Department of Agriculture supports the intent of this measure and offers comments.

The Department of Agriculture agrees that subdivisions of and condominium property regimes on agricultural land with little, if any, agricultural activity, run counter to the efforts taken by the legislature to protect and conserve productive agricultural land. Furthermore, there have been legislative measures in the past that sought to control these divisions of agricultural land and bring them into compliance with State law requiring dwellings built on them to be used in connection with a farm or where agricultural activity provides income to the family occupying the dwelling. (Section 205-4.5(a)(4)). Senate Bill 2350 ranks as one of the more thorough, complex, and stringent measures to address the "gentlemen farm" issue.



Page 2

The concept of the farm plan (page 5, lines 10-16) has potential. As stated, the farm plan is to depict "...the agricultural purposes for which the divided lots shall be dedicated." It appears that the <u>majority</u> of the lot owners will need to comply with the farm plan that will be in effect before the lot owner takes possession of the lot. The majority of lot owners will have to achieve one of the following three conditions: \$35,000 minimum income from sales of crops within five years of subdivision approval, or 51 percent of the gross income of the lot owner is from crop sales, or majority of the lots created are dedicated to cultivation or production of crop for sale. Regardless, every potential lot purchaser will have different skill sets, perhaps none in implementing agricultural activity on a property. Some bona fide farm operations end because of issues that even the experienced farmer cannot overcome. This is a creative approach to ensuring agricultural use on the majority of the lots created.

It appears that this measure does not affect the manner in which subdivisions of agricultural land are approved by the counties. For example, on Oahu, subdivisions approvals are ministerial actions. This bill will require considerable resources from the counties to carry out the many requirements.

Thank you for the opportunity to submit our testimony.



OFFICE OF PLANNING STATE OF HAWAII

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813 Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804 DAVID Y. IGE GOVERNOR

LEO R. ASUNCION DIRECTOR OFFICE OF PLANNING

Telephone: (808) 587-2846 Fax: (808) 587-2824 Web: http://planning.hawaii.gov/

Statement of LEO R. ASUNCION Director, Office of Planning before the SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH Friday, February 26, 2016 10:30 AM State Capitol, Conference Room 229

in consideration of SB 2350 RELATING TO AGRICULTURE.

Chair Baker, Vice Chair Kidani, and Members of the Senate Committee on Commerce, Consumer Protection, and Health.

The Office of Planning (OP) has concerns about SB 2350, which would amend Hawaii

Revised Statutes (HRS) Chapter 205 to prohibit the subdivision of land greater than 100 acres unless the applicant meets proposed agricultural income or sales thresholds.

The retention of large, contiguous parcels of affordable agricultural land is critical for the long-term viability of commercial agriculture in Hawaii. OP supports the adoption of measures that would discourage the fragmentation and possible conversion of agricultural land. A range of such tools is needed to effectively protect agricultural lands from fragmentation and price inflation. OP offers the following comments regarding the bill:

• The bill may reduce access for smaller farmers and new farmers to agricultural land;

- The bill would conflict with and supersede county agricultural subdivision ordinances, such as that of Maui County, that have been adopted to manage the subdivision and fragmentation of agricultural lands; and
- Reliance on the approval of farm plans and evidence of implementation of farm plans will be difficult to implement and enforce given the absence of standards for farm plans and the need for agricultural expertise in the farm plan review process.

Thank you for the opportunity to testify on this measure.



February 24, 2016

Senator Rosalyn H. Baker, Chair Senator Michelle N, Kidani, Vice Chair Senate Committee on Commerce, Consumer Protection, and Health

Strong Opposition to SB 2350 Relating to Agriculture. (Restricts any subdivision, including by condominium property regime, of parcels of agricultural lands one hundred acres or greater in size. Requires the owner to make and implement a farm plan prior to the construction of any homes on the resulting legal lots of record.)

CPH Hearing: Friday, February 26, 2016, 10:30 a.m., in Conf. Rm. 229

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 a utility company. One of LURF's missions is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage wellplanned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources and public health and safety.

LURF and its members strongly support the use of agricultural lands for agricultural purposes and the preservation of large tracts of parcels of agricultural lands. LURF has worked with the Hawaii Farm Bureau Federation (Hawaii Farm Bureau), the Department of Agriculture (DOA) and other agricultural stakeholders to pass the Important Agricultural Lands (IAL) laws in 2005 and 2008. The purpose of the IAL law is to provide agricultural incentive programs to promote agricultural viability, sustained growth of the agricultural industry, and the long-term use and protection of important agricultural lands for agricultural use. To date, <u>LURF members have designated more than 53,942 acres as IAL</u>; and LURF has been working with the Hawaii Farm Bureau, agricultural stakeholders, and the counties to implement county IAL incentives and the county IAL designation process.

<u>SB 2350</u>. This bill <u>prohibits</u> any subdivision, including by condominium property regime, of parcels of agricultural lands one hundred acres or greater in size; and requires the owner to make and implement a farm plan prior to the construction of any homes on the resulting legal lots of record.

The effect of this bill is to <u>unfairly and unnecessarily prohibit</u> the use of private agricultural lands for small diversified agriculture, and use by bona fide small farmers, ranchers, agricultural operators, large landowners and landowners who have already designated their lands as IAL (Agricultural Stakeholders).

LURF's Position. LURF appreciates the intent of this bill to stop "Gentlemen Farms," however, it must **strongly oppose SB 2350**, based on the following:

- This SB 2350 is <u>not necessary</u> the strict enforcement of current laws, rules and regulations and government enforcement powers can prevent non-agricultural uses on agricultural lands. The real problem is not subdivisions and CPRs - the problem is enforcement of the laws we already have. The DOA's comment to a similar bill, SB 2351, states that "...<u>without</u> <u>sufficient controls, monitoring, and enforcement</u>, CPRs have resulted in the establishment of "Gentlemen Farms..."
- The prohibitions in this measure will harm new and small bona fide farmers by severely constraining the inventory and availability of smaller, affordable agricultural lands; and will increase the cost of leasing or buying such parcels. The prohibition of subdivisions and CPRs will result in a scarcity of small agricultural lots, which will increase the prices to lease or buy such parcels, thus creating a major negative impact and harm to small bona fide farmers.
- The prohibitions in this bill will harm new and small bonafide farmers who use the subdivision and CPRs of agricultural parcels for operational, utility and financing purposes – much like the parcels in the State's agricultural parks. This measure will also unreasonably restrict new and small bona fide farmers, agricultural land owners and entities, like farmer cooperatives, from utilizing a CPR to create separate interests in the land for <u>individual farmers' operational and financing purposes</u>. The Cattlemen's Council has also indicated that subdivisions are used for collateral and loan purposes.
- The prohibitions will have negative consequences for the State's goals for agricultural self-sufficiency and diversified agriculture and the opportunity to pass-on family lands to heirs. Small farmers, new farmers and family farms all play important roles if helping the State reach its goals for self-sufficiency and diversified agriculture. Unfortunately, the prohibitions in this bill will prevent large land owners from creating smaller parcels for diversified and sustainable agriculture, small farmers, new farmers and family farms. For instance, if a large agricultural land owner wanted to diversify its operations and lease a portion of its lands to others for hemp farming, they will be restricted from subdividing and CPR'ing lands for such hemp farmers. This measure will also prohibit farm families from providing a portion of family lands to heirs.

Senate Committee on Commerce, Consumer Protection and Health February 24, 2016 Page 3

- **CPRs can actually result in larger contiguous agricultural parcels.** This bill is <u>contrary</u> to the factual evidence and ignores the fact that CPRs can actually result in larger contiguous agricultural parcels. In 2016, the DOA has commented on a similar bill (SB 2351), and stated that CPRs are an alternative to the subdivision of a parcel of land, and when applied to agricultural land, "<u>CPRs can theoretically result in larger contiguous area available for farming than under a subdivision</u>."
- CPRs can create "Agricultural Condominiums," which are important tools in the successful agricultural use of lands. This bill will prohibit the use of Agricultural Condominiums, which have proven successful in Hawaii to farm large tracts of agricultural lands. Based on the testimony of Jon Okudara on a similar bill (SB 2051), LURF understands that the CPR agricultural lands are owned by individuals; and the crops produced on their lands will be marketed and distributed by an "coordinating entrepreneur." "Coordinating entrepreneur." is defined in section 163D-3, HRS, as "a qualified person capable of organizing, operating, and assuming the risk for enterprises that may include securing land and seed capital, locating farmers, arranging right-to-till agreements, supplying materials, maintaining equipment and infrastructure, and providing for the processing and marketing of products."
- This SB 2350 is <u>not based on any reliable facts or quantified data</u> regarding the actual harm dome by subdivisions and CPRs. In 2015, the DOA commented on a similar bill (SB 1162), and recommended that "...<u>there</u> <u>should be more public discussion and consultation</u> regarding issues <u>including</u>, <u>but not limited to quantifying the actual harm done by subdivisions and CPRs...</u>"
- This measure will indiscriminately and unfairly punish large land owners with bona fide farming, ranching and other agricultural operations (many of whom are LURF members), some of whom have already voluntarily designated a total of over 110,719 acres of IAL, including some IAL parcels and farming areas which are <u>smaller than</u> <u>one hundred acres</u>. This bill violates the spirit and intent of the IAL law, by further restricting IAL landowners' rights to subdivide and CPR their lands. The IAL law specifically provides that if an agricultural landowner has voluntarily designated over fifty percent (50%) of their lands as IAL, the Land Use Commission cannot designate any further lands as IAL. The understanding is that land owners who have designated over fifty percent (50%) of their lands as IAL, are free to use the rest of their lands in whatever manner they chose, in compliance with the law.
- This bill is <u>not based on prior consultation, collaboration or</u> <u>consensus with key Agricultural Stakeholders</u> who would be most affected. The most effective agricultural laws and programs are based on consultation. collaboration and consensus with farmers, agricultural operators and large agricultural land owners. Unlike the IAL law, the Hawaii Farm Bureau,

Cattlemen's Council, some of the large agricultural farmers and operations in the state, and the large land owners, some of whom have already dedicated over fifty percent of their lands to IAL, and the counties – were not consulted regarding this bill.

In 2015, the State Department of Agriculture (DOA) commented on a similar bill (SB 1162) and recommended that <u>there should be more public discussion and</u> <u>consultation regarding issues including, but not limited to quantifying the actual harm done by subdivisions and CPRs and the involvement of the counties, who have the primary authority for granting subdivisions of agricultural lands. The Cattlemen's Council has noted the importance of collaboration and consensus in the enactment of the IAL law.</u>

If the Legislature wants to create larger scale agricultural parcels, it should ensure that the State complies with the IAL law and maps all of its agricultural lands for designation IAL (deadline: December 31, 2009, over six years ago). The State is in violation of the IAL law. Section 205-44.5, Hawaii Revised Statutes, requires the DOA and the Department of Land and Natural Resources (DLNR) to collaborate to identify public lands that should be designated as IAL and prepare maps delineating those lands, prior to December 31, 2009; and beginning January 1, 2010, the State Land Use Commission shall designate public lands as IAL. The DOA and DLNR have are in violation of the IAL law.

<u>Real Solution</u>: The State should fund DLNR and DOA to complete the identification, mapping and designation of the State's large-scale agricultural lands. With such funding, then large-scale agricultural parcels owned by the State could be preserved for bona fide agricultural operations as IAL.

• The counties have not completed identification and mapping of IAL, due to the lack of State funding. While it is true that the State law directed the counties to establish county IAL incentives, and to map and designate private lands as IAL, <u>the State has not provided sufficient funding to the counties</u> to implement their IAL mandate through the counties IAL process.

<u>Real Solution</u>: If the legislature really wants to preserve more large-scale agricultural parcels for bona fide farmers, it should **pass HB 1042**, **SD1**, which would provide funding to the counties to complete the county IAL mapping and designation process. LURF respectfully recommends that the State provide adequate funding to the counties, so that they can comply with the "State mandate" that the counties shall map and identify potential IAL.

For the reasons stated above, LURF **must strongly oppose SB 2350** and respectfully requests that this bill be <u>held</u> in your Committee.

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



SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION & HEALTH SENATOR ROSALYN BAKER, CHAIR SENATOR MICHELLE KIDANI, VICE CHAIR

DATE:Friday, February 26, 2016TIME:10:30 amPLACE:Conference Room 229

SB 2350 – RELATING TO AGRICULTURE.

Restricts any subdivision, including by condominium property regime, of parcels of agricultural lands one hundred acres or greater in size. Requires the owner to make and implement a farm plan prior to the construction of any homes on the resulting legal lots of record.

Chair Baker and Vice Chair Kidani and Members of the Committee:

My name is Dale Sandlin, and I am Managing Director of the Hawaii Cattlemen's Council. The Hawaii Cattlemen's Council, Inc. (HCC) is the Statewide umbrella organization comprised of the five county level Cattlemen's Associations. Our 140+ 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 approximately 25% of the State's total land mass.

The Hawaii Cattlemen's Council <u>strongly opposes</u> SB 2350. We assume that your intent is to curb Gentlemen Farms from displacing bona-fide agricultural lands, but that goal could be reached and should be reached through Important Agricultural Lands (IAL) laws enacted by this legislature, but for which the Counties have failed to institute incentives, and the State has failed to designate which of its lands would be designated IAL.

We realize this bill has some very specific criteria to separate the fake farmers from bona-fide agricultural operations, but <u>the criteria in this bill will hurt ranchers</u> who have lower gross income per acre of land than any other agricultural commodity.

These are some of the specific issues we see:

Page 4 – 205

- (1) \$35,000 is a problem. If a calf is worth \$800, and a rancher has land that supports 1 cow to 3 acres, it would take 132 acres to meet the \$35K threshold
- (2) 51% of owner's Annual gross income must be from Ag What if owner has vast holding... Is that counted, or only income from the land being subdivided?



Page 5 - (b) 1 - all the new lots have to have 35K of income within 5 years?

Example – Rancher has 375 acre Ranch, 3 cows to the acre. He has 5 kids and wants to subdivide for the 5 kids. Each gets 75 acres, and at 1 cow to 3 acres, would get 25 calves x \$800 each = \$20,000

The kids also work real jobs, so have wages of \$40,000. Their ag income is only 33%

The kids can't meet criteria (1) or criteria (2). Maybe they can meet criteria 3 if the majority of them ranch?? What if only two of them have the skill to ranch?

And in (c) on page 6, the kids can't build a house for 5 years, unless they meet one of the criteria in 1-3 above. So even the kids who ranch can't build a home on their ranch.

For the most part, our members are landowner/ranchers and not developers. We are more interested in managing our herds versus subdividing our pastures. However, and of utmost importance, is the preservation of the value of our land holdings. While we may not necessarily be interested in subdividing our property, the intrinsic value of being able to subdivide creates a value that many of our operations depend on for collateral and loan purposes. Furthermore, many of our ranchers are family owned and multi-generational; the enactment of SB 2350 may inhibit the rancher from helping their children build and finance their homes on family lands.

We respectfully ask this committee to oppose SB 2350. Thank you for giving us the opportunity to testify on this important matter.

From:	mailinglist@capitol.hawaii.gov
To:	CPH Testimony
Cc:	malamaopuna@yahoo.com
Subject:	Submitted testimony for SB2350 on Feb 26, 2016 10:30AM
Date:	Wednesday, February 24, 2016 11:57:36 AM

<u>SB2350</u>

Submitted on: 2/24/2016 Testimony for CPH on Feb 26, 2016 10:30AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Rene Siracusa	Malama O Puna	Support	No

Comments: Malama O Puna is a nonprofit environmental organization that has been active in the Puna District (in one form or another) since 1990. We have seen large parcels of Ag land lost to development. With a current population growth rate of 24%, it won't be long before we lack sufficient Ag land to provide food for our rapidly growing population - despite the size of our island. The trend flies in the face of our State's dedication to Food Sustainability. This bill will encourage more agricultural production, because once land is converted to housing it can never be returned to agricultural productivity. It is critical that these lots of 100 acres or more be kept in Ag. Please support this bill. Mahalo, Rene Siracusa, President

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From:	mailinglist@capitol.hawaii.gov
To:	<u>CPH Testimony</u>
Cc:	afrancokaupo@gmail.com
Subject:	Submitted testimony for SB2350 on Feb 26, 2016 10:30AM
Date:	Thursday, February 25, 2016 5:04:56 AM

<u>SB2350</u>

Submitted on: 2/25/2016 Testimony for CPH on Feb 26, 2016 10:30AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Alex Franco	Maui Cattle Company	Oppose	No

Comments: This bill although intended to help agriculture will hurt the small cattle rancher as smaller properties are not able to meet income requirements and also hurt their ability to pass it on to their children. Thank You Alex Franco

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Ponoholo Ranch Limited

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SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION & HEALTH SENATOR ROSALYN BAKER, CHAIR SENATOR MICHELLE KIDANI, VICE CHAIR

DATE: Friday, February 26, 2016 TIME: 10:30 am PLACE: Conference Room 229

SB 2350 – RELATING TO AGRICULTURE.

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Chair Baker and Vice Chair Kidani and Members of the Committee:

My name is Alan Gottlieb, and I am The Vice President of Ponoholo Ranch, a working cattle ranch on the Big Island of Hawaii. We steward over 10,000 acres of land

Ponoholo Ranch Limited strongly opposes SB 2350.

We assume that your intent is to curb Gentlemen Farms from displacing bona-fide agricultural lands, but that goal could be reached and should be reached through Important Agricultural Lands (IAL) laws enacted by this legislature, but for which the Counties have failed to institute incentives, and the State has failed to designate which of its lands would be designated IAL.

We realize this bill has some very specific criteria to separate the fake farmers from bona-fide agricultural operations, but **the criteria in this bill will hurt ranchers** who have lower gross income per acre of land than any other agricultural commodity.

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The kids also work real jobs, so have wages of \$40,000. Their ag income is only 33% The kids can't meet criteria (1) or criteria (2). Maybe they can meet criteria 3 if the majority of them ranch?? What if only two of them have the skill to ranch? And in (c) on page 6, the kids can't build a house for 5 years, unless they meet one of the criteria in 1-3 above. So even the kids who ranch can't build a home on their ranch.

For the most part, our members are landowner/ranchers and not developers. We are more interested in managing our herds versus subdividing our pastures. However, and of utmost importance, is the preservation of the value of our land holdings. While we may not necessarily be interested in subdividing our property, the intrinsic value of being able to subdivide creates a value that many of our operations depend on for collateral and loan purposes. Furthermore, many of our ranchers are family owned and multi-generational; the enactment of SB 2350 may inhibit the rancher from helping their children build and finance their homes on family lands.

We respectfully ask this committee to oppose SB 2350. Thank you for giving us the opportunity to testify on this important matter.

From:	William Jacintho
To:	CPH Testimony
Subject:	SB2350
Date:	Thursday, February 25, 2016 12:36:49 AM

My name is William Jacintho. I am the President of the Maui Cattlemen's Association. We are having some problems with SB2350.

We oppose the bill as written. It sounds like the intent is to keep Gentlemen Farms from acting like true farmers, and we support that whole heart'dly. This bill makes it hard for small farm families to make the required income, especially Ranchers, who's cattle sales are very small per acre. I've been through this time and time again here on Maui with our Council issues, and these numbers keep hurting the little guys, who together provide a good portion of the local farm produce. I'd like to encourage more small farmers to do so, but with bills like these, it just kills us. I would also recommend the committee use the data from the Hawaii Agriculture State Statistics office, as to how many Ag Producers this \$35,000 income requirement will boot out.

The other negative factor with the bill is having 51% of the income come from farm sales. Wow, that's tough again for small farmers, because many of us can't sustain ourselves unless one spouse works another job to make ends meet. Farming is tough. I've been in it all my life and lived around so many of them all my life. The income is not coming in gold buckets.

We have a big problem with Gents getting by with cheating the system, and we do not like that at all. We need to put our heads together and come up with solutions that don't hurt the non intended victims.

I'm part of the Maui Ag Working Group, and we're a group of small true farmers, trying to work with government to provide solutions that work, but not many seem to get the full picture.

Please defer the bill until we can truthfully get together to provide language that works. The Ag Working Group feels we need bona-fide inspectors to go out and check on these cheats. They can be caught if the right person is looking for the right things.

Thank you for the opportunity to testify.

William Jacintho

From:	mailinglist@capitol.hawaii.gov
To:	CPH Testimony
Cc:	gregf@haleakalaranch.com
Subject:	*Submitted testimony for SB2350 on Feb 26, 2016 10:30AM*
Date:	Thursday, February 25, 2016 7:03:35 AM

<u>SB2350</u>

Submitted on: 2/25/2016 Testimony for CPH on Feb 26, 2016 10:30AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Gregory Friel	Individual	Oppose	No

Comments:

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