

DAVID Y. IGE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the Senate Committees on
WATER AND LAND
and
AGRICULTURE AND ENVIRONMENT**

**Friday, February 7, 2020
1:35PM
State Capitol, Room 224**

**In consideration of
SENATE BILL 2812
RELATING TO AGRICULTURAL LANDS**

Senate Bill 2812 proposes to clarify that agriculture activities in non-agricultural park lands may include the care and production of pasture lands, and to require the transfer of more than 100 specified parcels on Hawaii Island from the Department of Land and Natural Resources (Department) to the Department of Agriculture (DOA). **The Department strongly opposes this measure.**

Senate Bill 2812 would amend the definition of “agricultural activities” under Section 166-2, Hawaii Revised Statutes, to include the “care and production of livestock, pasture lands, livestock products, poultry, or poultry products, or apiary, horticultural, or floricultural products, or the planting, cultivating, and harvesting of crops or trees, including tree farms.” The bill then directs the Department to transfer **114 specified parcels totaling more than 93,000 acres** on Hawaii Island to DOA. These parcels include all the Department’s large pasture leases on the island. The attached map highlights in yellow the approximate area proposed for transfer.

Pursuant to Act 90, Session Laws of Hawaii 2003, now codified as Chapter 166E, Hawaii Revised Statutes (HRS), the Department has already transferred more than 18,000 acres of agricultural land to DOA, and additional transfers are in process – consisting of nearly all the agricultural crop land, such as former sugar cane land, held by the Department. The Department has generally excluded large-acre pasture leases from these transfers because of the high natural resource value of certain pasture lands. Some pasture lands are remnant native forests that have never been plowed and contain native and endangered plants and wildlife. They adjoin or are near forest reserves and, as a result, have great potential for reforestation, and/or are important in providing access to other public lands for management, traditional gathering, and public recreation including hunting and trails. The attached flyer entitled “Importance of Pasture Lands to DLNR’s Mission” provides

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

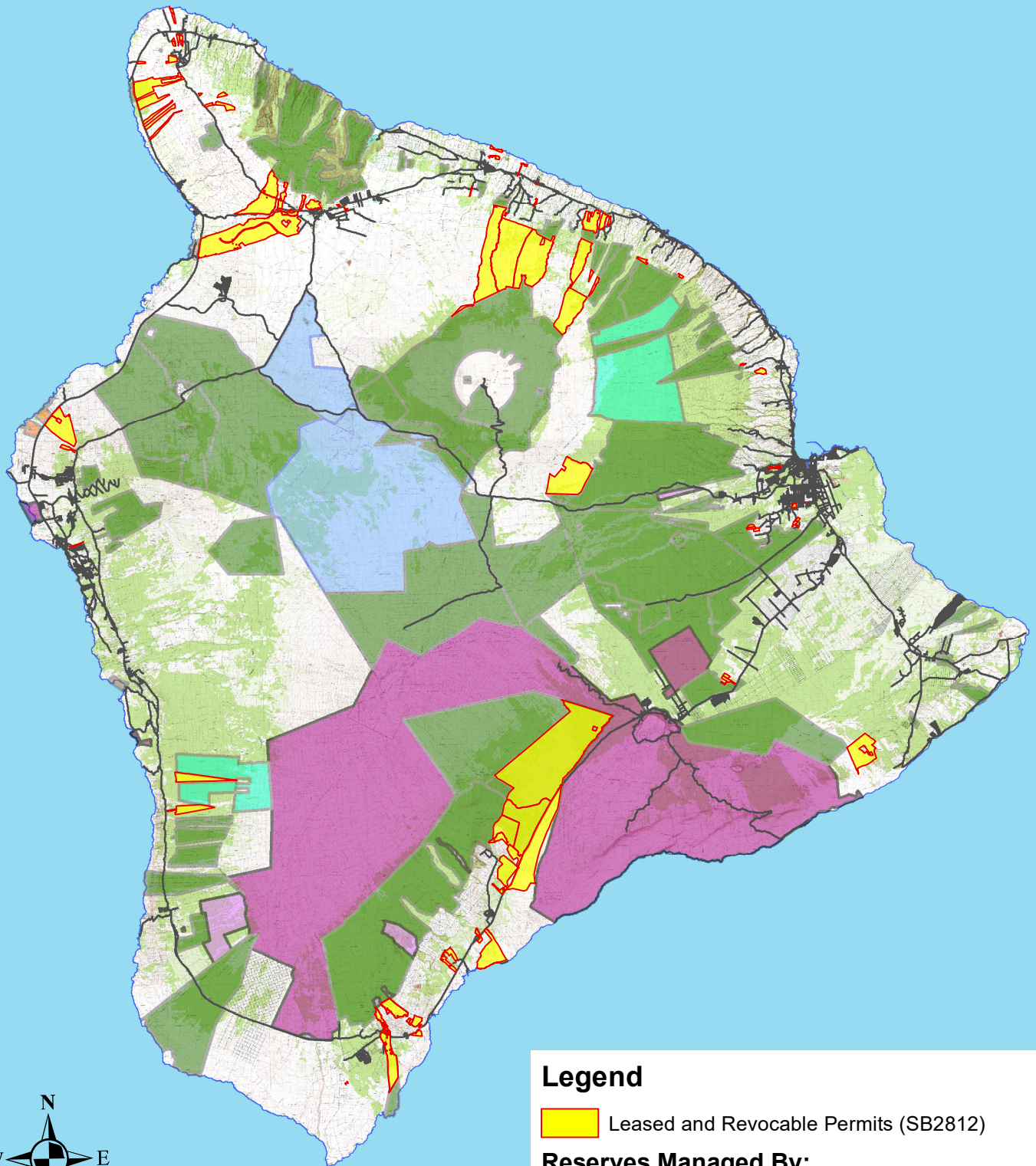
M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

additional information. The Department's pasture lessees have nevertheless requested the Department to transfer their leases to DOA for management because DOA appears to have greater flexibility under its governing statutes and rules, to amend, extend, and issue new leases by negotiation.

The perceived need to transfer pasture leases to DOA can be relieved by providing the Department with statutory powers similar to those exercised by DOA in the management of its leases. Accordingly, the Administration has introduced a measure this Session (Senate Bill 2914 and House Bill 2358) to give the Department greater flexibility to deal with pasture leases. Positive advancement in carbon sequestration challenges, wildlife management, wildfire protection and forest health concerns can be best managed by the Department through mutually beneficial practices with ranching, wildlife protection, and native forest restoration. Mandating the transfer of these lands to DOA for pasture purposes will severely undermine the potential for reforestation and other natural resource protection uses of the land. For these reasons, the Department respectfully urges the Legislature not to pass this bill, and instead support Senate Bill 2914 and House Bill 2358 and allow the select pasture leases to remain under the Department's management.


Thank you for the opportunity to comment on this measure.




Legend


 Leased and Revocable Permits (SB2812)

Reserves Managed By:

 Div. Forestry & Wildlife, or Jointly with Other Agency

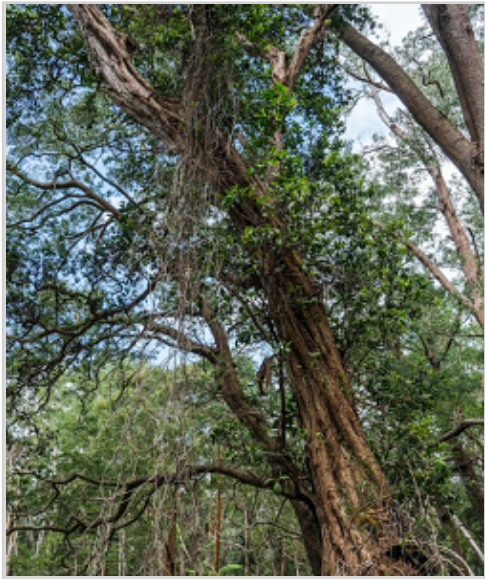
 Div. State Park

 The Nature Conservancy

 U.S. Fish & Wildlife Service

 U.S. National Park Service

 U.S. Army



SUMMARY

DESCRIPTION

EXPECTED BENEFITS





2020 LEGISLATIVE PROPOSALS

SB2812/HB2577 would transfer pasture leases to DOA because DOA appears to have greater flexibility under Chapter 166E, HRS to amend, extend, and issue new leases by negotiation. However, those goals could be achieved instead through SB2914/HB2358 to give DLNR similar statutory flexibility for negotiating pasture leases.



PASTURE LAND CONSERVATION VALUES

-  Water
-  Fire & Forest Health
-  Native Ecosystems
-  Forestry
-  Recreation

DLNR PARTNERSHIPS WITH RANCHERS

CLIMATE CHANGE AND CARBON NEUTRALITY



CONTACT PERSON

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



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

PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE SENATE COMMITTEES ON WATER AND LAND
AND AGRICULTURE AND ENVIRONMENT**

**FEBRUARY 7, 2020
1:35 P.M.
CONFERENCE ROOM 224**

**SENATE BILL NO. 2812
RELATING TO AGRICULTURAL LANDS**

Chairperson Kahele, Chairperson Gabbard and Members of the Committees:

Thank you for the opportunity to testify on Senate Bill 2812. This measure clarifies that agriculture activities in non-agricultural park lands may include the care and production of pasture lands; requires the transfer of certain lands from the Department of Land and Natural Resources to the Department of Agriculture; and requires reports to the Legislature on compliance with the land transfers.

The Department supports this bill, and respectfully offers the following comment and recommendation.

The Department appreciates this measure's intent to expedite transfers of agricultural land to the Department, however, is concerned about the suitability of all or portions of transferred parcels that may consist of or include conditions such as cliff faces, streams, shoreline areas, contaminated sites, or other issues for which the Department is ill-suited to manage and lacks the necessary resources and authority. To



ensure that such concerns can be addressed in a timely manner, the Department respectfully requests the following amendments to the measure:

Add the following item to SECTION 1 in the section stating the purpose of this Act:

“(3) Require the Department of Land and Natural Resources to accept and return to its land inventory, any parcel, or portion thereof, transferred pursuant to this bill that the Department of Agriculture has determined to be unsuitable or unnecessary for agricultural use.”

Add the following item to SECTION 3(c):

“(3) Subject to return to the Department of Land Natural Resources upon a determination by the Department of Agriculture that any parcel, or portion thereof, is unsuitable or unnecessary for agricultural use; and upon such determination, the Department of Land and Natural Resources shall withdraw and return those parcels or portions thereof into its state land inventory.”

Thank you for the opportunity to testify on this measure.



SB2812
RELATING TO AGRICULTURAL LANDS
Senate Committee on Water and Land
Senate Committee on Agriculture and Environment

February 7, 2020

1:35 p.m.

Room 224

The Office of Hawaiian Affairs (OHA) **OPPOSES** SB2812, which may significantly compromise the Department of Land and Natural Resources' (DLNR's) ability to properly protect and promote native forests, watersheds, and habitats, including the natural and cultural resources they contain, from potentially inappropriate agricultural uses on land parcels totaling 93,000 acres on Hawai'i Island.

Native Hawaiian culture, health, and identity is inextricably intertwined with the 'āina, including the plants, animals, resources, and sites that serve as the foundation of Native Hawaiian cultural practices, beliefs, and values. The DLNR, meanwhile, is the primary state agency responsible for the oversight and protection of lands and resources that in many ways constitute the 'āina, with specific divisions focused on properly protecting and managing forests and watersheds, conservation lands, native and endangered species, and cultural sites. Accordingly, ensuring that the DLNR and its divisions can and do fulfill their important responsibilities relating to the 'āina is of particular concern to OHA and its beneficiaries.

OHA expresses great concern that this measure may significantly compromise the DLNR's and its divisions' abilities to fulfill their kuleana, with regards to native forests, watersheds, critical habitats, and natural and cultural resources and sites found on and adjacent to the land parcels that would be transferred to the DOA. It is OHA's understanding that this measure proposes to transfer over 100 parcels of "pasture" lands comprising approximately 93,000 acres from the DLNR to the DOA. It is also OHA's understanding that, despite their relatively non-descriptive categorization as "pasture" lands, these 93,000 acres of land may in fact play critical roles in the protection and maintenance of the 'āina, such as by serving as "buffer" zones between native forests and watersheds and more intensive human uses; hosting undeveloped and unique native ecosystems themselves; and providing critical habitat to endangered and other native species. **Accordingly, OHA understands that the transfer of these lands from the DLNR, which has the responsibility, institutional memory, and expertise to balance the many important roles of these "pasture" lands, to the DOA, which does not, could compromise lands, resources, and sites that are of particular significance to the Native Hawaiian community.**

OHA recognizes and appreciates that the DLNR has put forth alternative measures, SB2914 and HB2358, that seek to address some the lease flexibility concerns apparently underlying this measure, while also ensuring that “pasture” lease extensions and conditions take into account the various roles that these lands may play in promoting and maintaining the integrity of the ‘āina. OHA notes that the Board of Trustees **oppose** these measures, due primarily to the extremely long-term, 99-year lease terms that they would authorize for public, public land trust, and “ceded” lands. As OHA has consistently noted on other measures, such long-term, multigenerational leases may tie the hands of future generations in ensuring the best use of public land trust lands and “ceded” lands, and may lead to a sense of entitlement on the part of lessees that can lead and has in the past led to the alienation of “ceded” lands. Should these alternative measures be amended to remove such long-term lease provisions, OHA’s Administration would consider recommending to the Board of Trustees a change in the agency’s position, so as to provide DLNR with the flexibility they need while also maintaining their important oversight.

Accordingly, OHA urges the Committees to **HOLD** SB2812. Mahalo nui for the opportunity to testify on this measure.

SB-2812

Submitted on: 2/4/2020 10:31:24 AM

Testimony for WTL on 2/7/2020 1:35:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jimmy Gomes	Testifying for Ulupalakua Ranch	Support	No

Comments:

SB-2812

Submitted on: 2/4/2020 2:04:11 PM

Testimony for WTL on 2/7/2020 1:35:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ronald Weidenbach	Testifying for Hawaii Aquaculture & Aquaponics Association	Support	No

Comments:

Ranching is agriculture. The care of pasture land for ranching is therefore agriculture. The HAAA strongly supports this measure!



Hawai'i Aquaculture &
Aquaponics Association
Hawai'i Cattlemen's Council
Hawai'i Farm Bureau
Federation
Hawai'i Farmers' Union
United
Hawai'i Food Industry
Association
Hawai'i Food
Manufacturers Association
Kohala Center
Land Use Research
Foundation of Hawai'i
Maui Farm to School
Network (Maui F2SN)
Ulu pono Initiative
College of Tropical
Agriculture and Human
Resources - University of
Hawai'i at Manoa

SENATE COMMITTEE ON WATER AND LAND
AND
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT
February 7, 2020 – 1:35 PM - Room 224

RE: SB 2812 - Relating to Agricultural Lands – In Support

Aloha Chairs Kahele and Gabbard, Vice Chairs Keith-Agaran and Ruderman
and Members of the Committees:

The Local Food Coalition **supports** SB 2812 which clarifies that agriculture activities in non-agricultural park lands may include the care and protection of pasture lands and requires the transfer of certain lands from the Department of Land and Natural Resources (DLNR) to the Department of Agriculture (DOA).

Act 90 was passed in 2003 with the intent to transfer agricultural leases from DLNR to DOA. Today, there are still leases that DLNR has not transferred. This legislation will enforce Act 90 by a certain deadline, and ensure that all active agricultural leases are transferred to the HDOA, and specify that pasture leases are agricultural leases and should be transferred.

The Local Food Coalition is an organization comprising of farmers, ranchers, livestock producers, investors and other organizations working to provide Hawaii's food supply.

We respectfully request your support of SB 2812. Thank you for the opportunity to submit testimony.

John Garibaldi
808-544-8319
jgaribaldi@wik.com



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 7, 2020

HEARING BEFORE THE
SENATE COMMITTEE ON WATER AND LAND
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

TESTIMONY ON SB 2812
RELATING TO AGRICULTURAL LANDS

Room 224
1:35 PM

Aloha Chairs Kahele and Gabbard, Vice Chairs Keith-Agaran and Ruderman, and Members of the Committees:

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

The Hawaii Farm Bureau supports SB 2812, which clarifies that agriculture activities in non-agricultural park lands may include the care and production of pasture lands, requires the transfer of certain lands from the Department of Land and Natural Resources to the Department of Agriculture, requires reports to the Legislature on compliance with the land transfers.

Act 90 SLH 2003 has not been fully implemented to fulfill the intent of transferring land in agricultural use from the Department of Land and Natural Resources to the Department of Agriculture. The intent of Act 90 was to ensure the long-term use of agricultural lands by transferring them to HDOA, which is more equipped to manage agricultural lands.

The success of ranchers and farmers is a key component in the State's goal to double local food production. Farmers and ranchers need long-term leases in order to prudently invest in infrastructure improvement on the leased land. HDOA rules are set up to encourage agriculture and make it practical to do so. Lands for lease under HDOA are appraised on their agricultural value. DLNR's rules are to get the "Highest and Best use" for the lands and are often appraised at much higher values which tend to be unaffordable to farmers and ranchers.

Thank you for this opportunity to testify on this important subject.

SB-2812

Submitted on: 2/4/2020 11:31:41 PM

Testimony for WTL on 2/7/2020 1:35:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
William G. Jacintho	Testifying for Maui Cattlemen's Association	Support	No

Comments:

Strongly Supports SB2812

Testimony of The Nature Conservancy of Hawai'i
Opposes SB2812/HB2577 Relating to Agricultural Lands
Senate Committees on Water and Land and Agriculture and Environment
Friday, February 7, 2020, 1:35 PM, Room 224

The Nature Conservancy of Hawai'i is a non-profit organization dedicated to the preservation of the lands and waters upon which all life depends. The Conservancy has helped protect more than 200,000 acres of natural lands in Hawai'i and Palmyra Atoll. We manage 40,000 acres in 13 nature preserves and work in over 30 coastal communities to help protect the near-shore reefs, waters and fisheries of the main Hawaiian Islands. We forge partnership with government, private parties and communities to protect forests and coral reefs for their ecological values and the many benefits they provide to people.

The Nature Conservancy opposes the transfer of pasture leases from DLNR to DOA.

SB2812 RELATING TO AGRICULTURAL LANDS. Clarifies that agriculture activities in non-agricultural park lands may include the care and production of pasture lands. Requires the transfer of certain lands from the Department of Land and Natural Resources to the Department of Agriculture. Requires reports to the Legislature on compliance with the land transfers. Appropriates funds.

Pasture lands are a part of DLNR's mission to steward diverse lands for public trust. The pasture lands under their management are comprised of remnant native forest but allow for grazing. These are lands that have never been plowed nor have the native forests been clear cut. They also contain remnant forests which are critical to Hawai'i's water security, provide habitat for Hawai'i's unique and vulnerable plant and animal species, offer a buffer to slow the spread of invasive species into more pristine native forest, as well as provide access for management, recreation and traditional gathering. Acknowledging that the current revocable lease situation is challenging for ranchers, The Nature Conservancy supports the highest and best use of these lands and believes DLNR's oversight of them provides more land use options for the people of Hawai'i, today and for multiple generations in the future.

Under SB2812/HB2577 the pasture leases would transfer from DLNR to DOA due to their leasing flexibility under Chapter 166E. However, this flexibility could also be afforded to DLNR through SB2914/HB2358, which would present DLNR with the similar flexibility to negotiate pasture leases.

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HAWAII CROP IMPROVEMENT ASSOCIATION

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TESTIMONY FROM THE HAWAII CROP IMPROVEMENT ASSOCIATION

In Support of SB2812
Relating to the Agricultural Lands

Senate Committee on Water and Land
Senate Committee on Agriculture and Environment
Friday, 02-07-20 at 1:35PM
Senate conference room 224

Chair Kahele, Chair Gabbard, Vice-Chair Keith-Agaran, Vice-Chair Ruderman, and members of the committee:

The Hawaii Crop Improvement Association (HCIA) is in support of SB2812, which would clarify that agriculture activities in non-agricultural park lands may include the care and production of pasture lands and require the transfer of certain lands from the Department of Land and Natural Resources to the Hawaii Department of Agriculture (HDOA).

It has been 16 years since the passage of Act 90, yet there has been little progress in transferring the land. The intent of Act 90 was to ensure the long-term use of agricultural lands by transferring them to HDOA, which is more equipped to manage agricultural lands.

The success of ranchers and farmers is key to meeting the State's sustainability goal to double local food production. Ranchers need long-term leases to invest in infrastructure improvements on leased land. This measure will help reinforce the original intent of the legislature regarding the appropriate allocation of land in agricultural use.

Please support SB2812 to make agriculture more sustainable for our farmers and ranchers. Mahalo for your time and consideration.

Respectfully,

Emmanuel Zibakalam
Program Director, Hawaii Crop Improvement Association

The Hawaii Crop Improvement Association is a Hawaii-based non-profit organization that promotes modern agriculture to help farmers and communities succeed. Through



HAWAII CROP IMPROVEMENT ASSOCIATION

education, collaboration, and advocacy, we work to ensure a safe and sustainable food supply, support responsible farming practices, and build a healthy economy.

SB-2812

Submitted on: 2/5/2020 4:51:45 AM

Testimony for WTL on 2/7/2020 1:35:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Alan Gottlieb	Testifying for Ponoholo Ranch Limited	Support	Yes

Comments:

We support this bill as it provides a timeline to accomplish the transfer of agricultural leases from the Department of Land and Natural Resources (DLNR) to Hawaii Department of Agriculture (HDOA) and specifies that pasture lands are agricultural as per legislative intent from 2003, **17 years ago**.

We firmly believe that Act 90 refers to pasture leases. Act 90 clearly defines agricultural activities as, “the care and production of livestock, livestock products, poultry, or poultry products, or apiary, horticultural, or floricultural products, or the planting, cultivating, and harvesting of crops or trees.” The care and production of livestock requires pasture, and this bill clarifies that.

Act 90 was passed in 2003 for the purpose of ensuring the long-term productive use of public agricultural lands by allowing these lands to be transferred to and managed by the department of agriculture. The delay in transferring agricultural lands hinders the ability for ranchers to do long-term planning.

Agricultural leases administered by HDOA will be better tailored to agricultural operations and the management of those natural resources for agricultural purposes and sustainability. It will aid in increasing local food production for the following reasons:

- HDOA’s mission is for agricultural production and to gain greater self-sufficiency in food, whereas DLNR’s mission is to manage Hawaii’s natural, cultural, and historic resources.
- Lands under DLNR go to public auction for lease disposal and aim to generate the highest lease rents possible. Consistent with HDOA’s mission, the terms and conditions of their leases including rent structure are viable for ag uses and encourage good stewardship of said resources for agricultural sustainability.
- Long lease terms under HDOA allow ranches to invest in improvements to the land and gives them confidence based on sufficient tenure to grow their operation.

Ranchers are proponents for stewarding the land well and will continue to work in consultation with DLNR on conservation practices when leases are transferred to

HDOA. Many ranchers are award winning land stewards, participating in watershed partnerships and administering conservation plans with their local Soil and Water Conservation Districts, which are administratively affiliated with DLNR.

The transfer of lands to HDOA is critical for the success of agricultural producers, as these leases are based on agricultural value.

The transfer of these leases to HDOA is long overdue and this bill provides relief to farmers and ranchers by providing a timeline to complete the transfer of these leases. We respectfully ask this committee to support this measure and we appreciate the opportunity to testify on this critical matter for our industry.

SB-2812

Submitted on: 2/5/2020 1:11:32 PM

Testimony for WTL on 2/7/2020 1:35:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Charles Stevens	Testifying for SC Ranch Co	Support	No

Comments:

I support this Bill because it gives us reassurance that our continuend improvements and care to the land and our dedication to raising quality beef for the country will stay with us as we continue our ranching heritage.

SB-2812

Submitted on: 2/5/2020 9:36:55 PM

Testimony for WTL on 2/7/2020 1:35:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Warren Watanabe	Testifying for Maui County Farm Bureau	Support	No

Comments:

KAPAPALA RANCH

P. O. Box 537

Pahala, HI 96777

808-936-2922

Kapapala.ranch@aol.com

February 6, 2020

Chair Kahele, Vice-Chair Keith-Agaran and Members of the Senate Water and Land Committee.

We strongly support SB2812.

Act 90 was passed in order that agricultural lands continue to be managed for food production which Kapapala Ranch has done for the past 160 years. Today, the Ranch provides beef in the equivalence of 3.4 million school lunches per year. With the business platform of having a Hawaii State Department of Agriculture, HDOA, lease we are confident that we can produce more.

The DLNR Land Division leases are limiting to agricultural enterprises in that the rents are based on highest and best use and not agricultural land value.

In our last 10 year rent reopener, the DLNR proposed a 1,000% increase in lease rent which would have put anyone operating an agricultural enterprise out of business. We labored for two years through the process of mediation and binding arbitration at a total cost equal to three years of annual rent (\$104,000). In the end, the rent was settled at the rate that the Ranch's appraiser and the University of Hawaii's Extension Service recommended.

Last year, the DLNR and DOFAW staff outlined their vision for the Ranch. Kapapala Ranch would be included in a single 'landscape scale conservation' area. The proposal would diminish the Ranch to 1/5 of its current capacity. This area would encompass Hawaii Volcano's National Park at Kilauea and fan the eastern flank of Mauna Loa from the summit continuing south to the Kahuku Unit of HVNP and back north over the Ka'u and Kapapala Forest Reserves. They emphasized the importance of being 'big, protected, and connected'.

In my time here, there have been three major fires around the Ranch, two in the National Park at the Mauna Loa Strip and one in the Kapapala Forest Reserve. Each fire blazed over several thousand acres. The Ranch in each case provided a buffer from the fires spreading from one conservation area to another. In the most recent fire of August 2018, the Ranch also provided water for the fire crews from DOFAW and HVNP to fill their pump trucks. The Ranch's bulldozer on the fifth day was actually able to stop the front of the fire.

As a viable ranching enterprise we have built, repaired and maintain an elaborate water system which has nearly 100 mile of pipelines covering 34,000 acres (equal in size to Kahoolawe) with three reservoirs

storing a total of 10,000,000 gallons of water. Our reservoirs also provide water habitat to the threatened Nene goose while the miles of pipelines delivering water also enhance game bird and other wildlife populations.

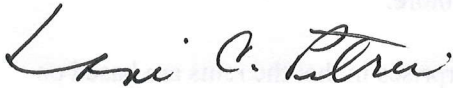
The Ranch willingly gave up 1,250 acres of pasture that was better suited for native forest to DOFAW back in 1990. In the past 30 years there has been less than a few trees harvested and only two to three acres cultivated to native forest. Yet, they have asked us in the last two years to give up a lot more acreage for the purpose of planting Koa.

The Ranch also manages public access to the Forest Reserves through three entry points. Currently there about 300 requests per month which our answering service handles and another 25 per month handled directly by us. Along with public access to the Reserves, we also open the Ranch during Game Bird Season for three months for the hunting public.

It is vital for our business to have a lease such as those provided to agricultural producers through the HDOA.

Respectfully submitted,

KAPAPALA RANCH



Lani C. Petrie
Partner



East Maui Watershed
Partnership

East Moloka'i Watershed
Partnership

Kaua'i Watershed Alliance

Kohala Watershed
Partnership

Ko'olau Mountain
Watershed Partnership

Leeward Haleakala Watershed
Restoration Partnership

Mauna Kea Watershed Alliance

Three Mountain Alliance

Wai'anae Mountains
Watershed Partnership

West Maui Mountains
Watershed Partnership

url www.hawp.org

February 6, 2020

Testimony from the Hawai'i Association of Watershed Partnerships **Opposing SB2812 Relating to Agricultural Lands**

Senate Committees on Water and Land, and Agriculture and
Environment

Friday, February 7, 2020 1:35 PM, Room 224

The Hawai'i Association of Watershed Partnerships (HAWP) **opposes SB2812**, which would transfer specified leased pasture lands on Hawai'i Island from the Department of Land and Natural Resources (DLNR) to the Department of Agriculture (DoA). These lands include remnant native forest areas, which provide habitat for some of our most vulnerable native plant and animal species. A portion of these areas also fall within high groundwater recharge zones, and as such, the future management of these areas will play an important role in the achievement of sustainable freshwater supplies.

Healthy watersheds are essential to Hawaii's clear-flowing streams and vibrant nearshore coral reefs. Our watersheds foster important relationships that connect our high mountain forests to our lowland and coastal waters that are so integral to Hawaiian life. DLNR is best positioned to enhance these fundamental ecological relationships on lands that are critical to overall watershed function.

Moreover, DLNR is developing a carbon offset program that would give lessees an option for land management in the future that may provide alternative revenue sources to supplement current income scenarios. By maintaining land under DLNR, not only would we preserve the overlying mission of sustainable land practices that enhance key ecosystem services, but we would also foster future collaborations that generate innovative income opportunities through forest products.

We appreciate the opportunity to comment on SB2812. If there are questions, please feel free to contact HAWP's Outreach and Education Specialist, Shelley Gustafson, at (808) 425-2237, shelley.gustafson@hawaii.edu or any of our 10 Watershed Partnership coordinators located across the islands: <http://hawp.org/contact-us/>.

Protecting and sustaining the forest, the water and the people of Hawai'i.

SB-2812

Submitted on: 2/5/2020 3:52:49 PM

Testimony for WTL on 2/7/2020 1:35:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Tony t Brun	Testifying for Circle5ranch	Support	No

Comments:

Aloha,

My name is Tony t Brun. I've been ranching on Kauai for about twenty years. We currently have two state leases, one with DLNR and the other with HDOA. The HDOA lease just got recently transferred and it took approximately five years to get it transferred. Along with thousands of dollars in attorney and appraisals fees, with countless hours on the phone and pages of emails. Per act 90 we needed to stay compliant with our lease. Approximately three years into the mediation process the land administrator came over for a site visit, that day he stated "where getting transferred to HDOA". As my uncle would say "lose money". a lot of money. We will be credited for the rental Payments that we made but what about the unnecessary attorney and appraisal fees. We saved these moneys for along time just to see it disappear in three years. We where fortunate to save these moneys for future investments on the ranch but unfortunately it went in the wrong direction. As for other farmers and Ranchers that didn't save moneys for these unforeseen expenses, now the lands that once was farmed or grassed is over grown with invasive species and nonedible proteins.

I strongly support this bill. We need to transfer our ranchers and farmers from DLNR to HDOA so they can continue to provide fresh food for our local community's. By Giving these working operations small or large a chance to plan and implement proven practices for long term goals is essential for a sustainable Hawai'i then we'll leave behind a concrete layout for our future farmers and ranchers .

Thank you for giving me the opportunity to voice my concerns.

mahalo,

Tony T Brun



Hawaii Cattlemen's Council, Inc.

COMMITTEE ON WATER AND LAND

Senator Kaiali'i Kahele, Chair

Senator Gilbert S.C. Keith-Agaran, Vice Chair

COMMITTEE ON AGRICULTURE AND ENVIRONMENT

Senator Mike Gabbard, Chair

Senator Russell E. Ruderman, Vice Chair

SB 2812

Clarifies that agriculture activities in non-agricultural park lands may include the care and production of pasture lands. Requires the transfer of certain lands from the Department of Land and Natural Resources to the Department of Agriculture. Requires reports to the Legislature on compliance with the land transfers. Appropriates funds.

Friday, February 7, 2020, 1:35 pm
Conference Room 224, State Capitol
415 South Beretania Street

Chair Kahele, Vice Chair Keith-Agaran, and Members of the Committee on Water and Land,
Chair Gabbard, Vice Chair Ruderman, and Members of the Committee on Agriculture and Environment,

My name is Nicole Galase and I am the Managing Director for the Hawaii Cattlemen's Council. We are writing to **strongly support SB812** relating to agricultural lands.

HCC is committed to supporting our civic leaders to promote a coherent state-wide policy for sustainable development. Using the 17 United Nations Sustainable Development Goals as a framework, we advocate policy that; increases local food production to promote food security, protects agricultural lands, promotes carbon neutrality, models sustainable land use, protects our watersheds, supports long-term stable employment that embraces technology and innovation, contributes to the health and well-being of the community, and encourages public, private and civic partnerships.

We support this bill as it provides a timeline to accomplish the transfer of agricultural leases from the Department of Land and Natural Resources (DLNR) to Hawaii Department of Agriculture (HDOA) and specifies that pasture lands are agricultural.

We firmly believe that Act 90 refers to pasture leases. Act 90 clearly defines agricultural activities as, "the care and production of livestock, livestock products, poultry, or poultry products, or apiary, horticultural, or floricultural products, or the planting, cultivating, and harvesting of crops or trees." The care and production of livestock requires pasture, and this bill clarifies that.

Act 90 was passed in 2003 for the purpose of ensuring the long-term productive use of public agricultural lands by allowing these lands to be transferred to and managed by the department of agriculture. The delay in transferring agricultural lands hinders the ability for ranchers to do long-term planning.





Agricultural leases administered by HDOA will be better tailored to agricultural operations and the management of those natural resources for agricultural purposes and sustainability. It will aid in increasing local food production for the following reasons:

- HDOA's mission is for agricultural production and to gain greater self-sufficiency in food, whereas DLNR's mission is to manage Hawaii's natural, cultural, and historic resources.
- Lands under DLNR go to public auction for lease disposal and aim to generate the highest lease rents possible. Consistent with HDOA's mission, the terms and conditions of their leases including rent structure are viable for ag uses and encourage good stewardship of said resources for agricultural sustainability.
- Long lease terms under HDOA allow ranches to invest in improvements to the land and gives them confidence based on sufficient tenure to grow their operation.

Ranchers are proponents for stewarding the land well and will continue to work in consultation with DLNR on conservation practices when leases are transferred to HDOA. The transfer of lands to HDOA is critical for the success of agricultural producers, as these leases are based on agricultural value.

The transfer of these leases to HDOA is long overdue and this bill provides relief to farmers and ranchers by providing a timeline to complete the transfer of these leases. We respectfully ask this committee to support this measure and we appreciate the opportunity to testify on this critical matter for our industry.



SB-2812

Submitted on: 2/6/2020 9:13:09 PM

Testimony for WTL on 2/7/2020 1:35:00 PM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Brendan Balthazar	Testifying for Maui Cattlemens Assn.	Support	No

Comments:

It is a shame that a law (act 90) passed 17 years ago has taken this much time to be compliant. It just shows that people who have their own agendas have so much political power and connections to prevent this law from being done. Pasture is ag and it should be under the department of ag. Not natural resources. That department has demonstrated that they have very little knowledge of what ag is. Under their rule a lot of prime pasture and ag land was put into trees and forest only to be lost for any kind of food production. This administration keeps chanting sustainability and wanting to double the production of food. This can't be done if you keep taking food producing ag land away. DOFA is the main problem. They take land away from farmers and ranchers and never maintain it they don't have the funding nor the personnel to take care of it. Just look at any place they took in the last 15 years and see what shape it is in. Here on Maui our PoliPoli forest was a beautiful place with lots of open space and areas where there were forest with well maintained trails. The open areas were some of the only public bird hunting areas on Maui. Now the whole mountain is covered with wattle, eucalyptus, and invasive trees and vines. You're lucky if you can see a sparrow much less pheasants which were quite plentiful. You can't even walk through most of that area. I worked for the forestry when I was a kid during the summer and I am very familiar with the area. Lots of hiking trails were lost to lack of maintenance. Some of the roads that we would drive on are now 2 to 3' wide trails. When I asked forestry employees why? I always get the same answer no money, no employees, no equipment. Yet they keep trying to earmark more and more productive land that produces food. It is time to look back and see what happened to a lot of lands that was and still are in the hands of DLNR and right the wrong. Make them hand over these productive lands and put them where they need to be, under the department of ag.

Thanks

Brendan Balthazar

Diamond B Ranch



**Conservation Council
for Hawai'i**

Hawai'i's voice for wildlife

Kō Hawai'i / leo no nā holoholona lōhiu



**Submitted to the Senate Committee on Water and Land
Submitted to the Senate Committee on Agriculture and Environment
Hearing: February 7, 2020, 1:35pm
Conference Room 224
SB2812: Relating to Agricultural Lands**

Conservation Council for Hawaii (CCH) opposes Senate Bill 2812 relating the transfer of Agricultural lands from the Department of Land and Natural Resources to the Department of Agricultural. Our forested lands are important to the overall health of our diverse ecosystems here in Hawai'i, maintaining healthy watersheds, protecting native flora and fauna, and native species are imperative to maintaining balance. Transferring of forest lands to the Department of Agricultural would negatively impact our delicate ecosystems by opening up the opportunity for grading and plowing to accommodate for production crops which would increase erosion, destroy forests that are important in carbon reduction, and endanger native species.

With our water resources already limited here in the islands, ensuring that our watersheds are protected and maintained so that our aquifers can be replenished is not negotiable. CCH supports Department of Land and Natural Resources maintaining the lands stated in SB 2812, their game management plans, Forest Stewardship plans, and partnerships with ranchers and private landowners to preserve watershed has proven beneficial and CCH would like to see this work continued.

Thank you for the opportunity to submit testimony in opposition of bill SB2812.

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Treasurer: Sunshine Woodford | Directors: Robin Kaye, Steven Lee Montgomery

National Wildlife Representatives: Les Welsh, Rachel Sprague

Executive Director: Moana Bjur | Operations and Events Director: Jonnetta Peters



SB-2812

Submitted on: 2/4/2020 3:10:16 PM

Testimony for WTL on 2/7/2020 1:35:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
J Ashman	Individual	Support	No

Comments:

Very strong support!

What a travesty; this 17-year old law should have been implemented many years ago.

Some of Hawaii's best farmers and ranchers are going to be dead by the time their leases are transferred and fairly managed by the state.

Thank you.

SB-2812

Submitted on: 2/5/2020 5:32:35 AM

Testimony for WTL on 2/7/2020 1:35:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Taylor Kellerman	Individual	Support	No

Comments:

If the state of Hawaii is going to succeed with its goal of doubling local food production, having agricultural lands transfer out of DLNR hands and into DOA is an imperative first step. Leaving affected producers in limbo creates an ambiguity whereas there is no initiative for infrastructure investment, and long term planning. Mahalo

SB-2812

Submitted on: 2/6/2020 2:01:39 PM

Testimony for WTL on 2/7/2020 1:35:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Fernandes	Individual	Support	No

Comments:

Aloha All pasture and agriculture leases on all Islands should be transfered to the DOA.
Mahalo Mike Fernandes

SB-2812

Submitted on: 2/4/2020 7:46:12 PM

Testimony for WTL on 2/7/2020 1:35:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Vanessa Stevens	Individual	Support	No

Comments:

SB-2812

Submitted on: 2/4/2020 3:42:46 PM

Testimony for WTL on 2/7/2020 1:35:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Theresa M Thompson	Individual	Support	No

Comments:



February 5, 2020

Representative Ryan I. Yamane, Chair
Representative Chris Todd, Vice Chair
House Committee on Water, Land & Hawaiian Affairs

Support of HB 2277, Relating to the Important Agricultural Land Qualified Agricultural Cost Tax Credit (Extends through the 2030 tax year, the time the Department of Agriculture may certify important agricultural lands qualified agricultural costs.)

Friday, February 7, 2020, at 9:30 a.m., in Conference Room 325

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 2277** and of the various agricultural stakeholder groups who defend the goals of viable agricultural operations and the conservation and protection of agriculture, including important agricultural lands (IAL) in Hawaii.

HB 2277. The purpose of this bill is to extend the period of time during which the Department of Agriculture (DOA) may certify important agricultural land qualified agricultural cost tax credits from 2021 through the 2030 tax year, to allow landowners and farmers to claim the tax credit in the event their agricultural lands are identified as potential important agricultural lands and designated as such by the Land Use Commission (LUC).

LURF's Position. LURF members include farmers and ranchers who own, maintain, and engage in agricultural enterprises, and who consider incentives such as the subject tax credits very helpful, if not critical to the agriculture industry and conduct of their operations. The tax credits assist qualified landowners and farmers by offsetting costs related to establishing and sustaining viable agricultural operations and help to sustain

agricultural businesses, promote local food production, and increase the State's ability to achieve its food self-sufficiency goals.

The purpose of this bill is consistent with the underlying intent and objectives of the IAL laws (Hawaii Revised Statutes [HRS], Sections 205-41 to 52), which were enacted to fulfill the mandate in Article XI, Section 3, of the Hawaii State Constitution, "to conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency and assure the availability of agriculturally suitable lands." The IAL laws established a new paradigm which avoids requirements and mandates, and instead focuses on promoting agricultural viability by providing incentives for farmers and landowners to designate lands as IAL, and to build necessary infrastructure. This bill is thus an effort to expand the existing IAL program by continuing incentives for landowners to preserve and maintain IAL.

As noted in HRS Section 205-41, the intent of Act 183 (2005) was to develop 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 in Hawaii concurrently with the process of identifying important agricultural lands as required under the Act. Such incentives and programs are expressly identified in HRS 205-41, and specifically include assistance in identifying federal, state and private grant resources for agricultural business planning and operations; as well as incentives such as tax credits that promote investment in agricultural businesses or value-added agricultural development, and other agricultural financing mechanisms.

The DOA, however, will currently cease certifying tax credits for tax years beginning after 2021. Moreover, the counties have not provided IAL incentives to date. The proposed extension will allow landowners and farmers to claim the tax credit should their lands be identified as potential important agricultural lands by the LUC. Passage of the long-awaited IAL legislation would be meaningless without incentives such as the subject measure which help sustain agricultural enterprises and encourage cooperation with, and support of the business and economic communities. By recognizing the significance of, and need to assist the local agriculture industry, and to uphold incentives which help to support the growth and maintenance of agriculture in the State, this measure significantly helps to promote economically viable agriculture and food self-sufficiency in Hawaii.

For the reasons set forth above, LURF is **in support of HB 2277**, and respectfully urges your favorable consideration of this bill.

SB-2812

Submitted on: 2/4/2020 5:46:46 PM

Testimony for WTL on 2/7/2020 1:35:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Woody Child	Individual	Support	No

Comments:

SB-2812

Submitted on: 2/5/2020 7:55:46 AM

Testimony for WTL on 2/7/2020 1:35:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Gregory FRIEL	Individual	Support	No

Comments:

LATE



SIERRA CLUB OF HAWAI'I

SENATE COMMITTEE ON WATER AND LAND

SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

February 7, 2020 1:35 PM Room 224

In **OPPOSITION** to **SB2812**: Relating to Agricultural Lands

Aloha Chairs Kahele and Gabbard, and members of the joint committee,

On behalf of our 20,000 members and supporters, the Sierra Club of Hawai'i **STRONGLY OPPOSES SB2812** to transfer nearly *one hundred thousand acres* of public watershed lands from the Department of Land and Natural Resources to the Department of Agriculture.

Not agricultural lands

The 93 thousand acres of land at issue in this bill are crucial watershed lands that have been used on a temporary basis for ranching activities and hunting. It is incorrect to refer to these as agricultural lands, as the title of this bill does.

It is appropriate for the agency responsible for managing the state's watersheds for healthy forests, robust drinking water supplies, and native species habitat should be responsible for managing these high-value lands. The Department of Land and Natural Resources is that agency, not the Department of Agriculture.

Fix DLNR's leasing, licensing, and permitting process

The real issue behind this bill is the challenge ranchers face in securing the proper land dispositions from DLNR. We understand this problem. The Club continues to be a consistent critic of the DLNR's handling of public land dispositions, in particular the improper use of revocable permits like those ranchers are currently using for access to these public lands.

The proper solution here is to fix DLNR's process for handling land and water dispositions, not to transfer specific pieces of property away from the very agency that should be managing them. The Club is committed to helping in this process. The committee should review SB915(2019) for guidance on ways to improve DLNR's land disposition process in a way that protects public trust resources and state interests in the long-term health of public watershed lands, while also reducing the hurdles for small-scale, low-impact uses of public lands (such as ranching and pasture lands).

Act 90, SLH 2003 was a mistake that should not be repeated

The 2003 Legislature should have never identified specific tax map key numbers for transfer from one agency to another. That is special legislation, which is prohibited by the state's constitution. It is also bad policymaking.

The Legislature should focus on establishing general policy direction and providing the funding necessary to implement those policies. It is the task of the agencies to actually implement those policies, employing their relative expertise in each subject matter area.

In this situation, the real purpose of these lands is watershed protection and management. This is the source of our future water, this is the home for Hawai'i's native species. That makes these lands the responsibility of the Department of Land and Natural Resources, not the Department of Agriculture.

For these reasons, we urge this committee to **HOLD** this bill. Thank you very much for this opportunity to provide testimony in **opposition to SB2812**.

Mahalo,

A handwritten signature in black ink, appearing to read 'M. Townsend'.

Marti Townsend
Chapter Director