

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

LATE

TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON JUDICIARY

THURSDAY, FEBRUARY 27, 2020
10:30 A.M.
CONFERENCE ROOM 016

SENATE BILL NO. 3114, SD1
RELATING TO AGRICULTURAL LEASES

Chairperson Rhoads and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 3114, SD1. This measure gives preference rights for leasing an agricultural lot to lessees who have made a significant improvement on the lot, under the Department of Agriculture's agricultural park and non-agricultural park programs. The Department respectfully offers comments and reservations regarding this measure.

All references to changes for the Non-Agricultural Park administrative rules are unnecessary. The rules currently allow both the extension of leases and conversion of leases based on the Board's determination that to do so would be beneficial to the state's agricultural position.

The amendment to Chapter 166-8, HRS is vague and difficult to interpret. If the desire is to give an existing tenant a preference for retaining the lot toward the end of their lease, we recommend language similar to Chapter 4-158-8, HAR "Conversion of qualified and encumbered lands."

Thank you for the opportunity to testify on this measure.





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 27, 2020

HEARING BEFORE THE
SENATE COMMITTEE ON JUDICIARY

TESTIMONY ON SB 3114 SD1
RELATING TO AGRICULTURAL LEASES
Room 016
10:30 AM

Aloha Chair Rhoads, Vice Chair Keohokalole, and Members of the Committee:

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 3114, SD1 which gives preference rights for an agricultural park lot and a non-agricultural park land lease to lessees who have made a significant improvement to the land that furthers commercial agricultural operations.

Allowing a preference for current State agricultural lessees is *extremely important* for Hawaii's farmer-lessees who want to renew their State agricultural land leases. Many of these long-term farmers have invested substantial dollars and effort over the years of their lease to make improvements on the property in order to establish and grow their businesses.

We support language that would provide these farmers a preference to renew their leases over other applicants for the same now-improved parcel of land. This would encourage lessees to make significant investments, even near the end of their lease.

It's only fair that they be given preference to continue their farming operations on the land they have made into a successful business.

Thank you for your continued support of our local farmers who look forward to providing more of Hawaii's agricultural needs.



February 26, 2020

Ke Kōmike Ho‘okolokolo

COMMITTEE ON JUDICIARY

Kenekoa/Senator Karl Rhoads, Luna Ho‘omalua/Chair

Kenekoa/Senator Jarrett Keohokalole, Hope Luna Ho‘omalua/Vice Chair

State Capitol, 415 S. Beretania St.
Honolulu, HI 96813

Re: SB3114 SD1 Relating to Agricultural Leases

Dear Chair Rhoads, Vice Chair Keohokalole, and Committee Members

The Hawaii Aquaculture & Aquaponics Association (HAAA), with statewide membership, **strongly supports the intent of SB3114 SD1** which gives preference rights for an agricultural park lot and a non-agricultural park land lease to lessees who have made a significant improvement to the land that furthers commercial agricultural operations.

An emerging trend in modern agriculture is controlled environment production, as well as on-site cold storage and value-added processing, to address environmental sustainability and consumer demands, and to maximize the production and revenue potential of local farms. Farmers who have made such improvements to their leasehold property should be given preference at the time of leasehold expiration and renewal.

The HAAA respectfully requests your support of this measure to encourage farmers to construct and operate such agriculture-related infrastructure on HDOA-leased lands and to give them preference to extend their lease at the time of renewal. This will help support Hawaii’s goal of increased local food production and food security.

Thank you for the opportunity to testify in strong support of SB3114 SD1.

Sincerely,
Ronald P. Weidenbach
HAAA President

2029 Nuuanu Ave. #1510
Honolulu, Hawai'i 96817
February 18, 2020

Senator Karl Rhoads, Chair and Senator Jarrett Keohokalole, Vice Chair
Senate Committee on Judiciary
State Capitol, 415 S. Beretania St.
Honolulu, Hawai'i 96813

Dear Chair Rhoads, Vice Chair Keohokalole, and Members of the Committees,

I am sending this testimony in **strong support of SB 3114 SD1**, "Relating to Agricultural Leases," which would provide an essential priority in lease renewal for farmers who have made significant improvements to their leasehold lots.

I know firsthand how it feels to lose a productive farm when a lease expires. In 1983, with a business partner, I started a farm on leased land in Kahuku raising *ogo* for the local *poke* market. At the time, *ogo* was becoming harder to find nearshore in the ocean, and *poke* makers were having a hard time obtaining enough of this traditional local delicacy. We invested what little money we had in the farm and reinvested whatever income we made. We took on a limited partner and gained debt financing – first from our customers, who wanted us to increase production, and eventually from State-guaranteed bank loans. Our main investment, however, was the many years of "sweat equity" we put into the farm. We persevered, overcame many problems, paid off the loans, and built a successful business that supported us and our employees while allowing our more than 20 wholesale and retail customers to continue providing a uniquely Hawaiian product.

In October 2019 our lease expired. Our landlord, a large private estate, had other priorities for the land and would not renew the lease or sell the parcel to us, so we had to close the farm and leave. 27 years of daily labor, hundreds of thousands of dollars of investment, and the livelihoods of five people vanished overnight. Ours was a private lease, not with the Department of Agriculture, but the principle is the same – if a State lease expires and a farmer is forced to bid on the open market for renewal, he or she faces the risk of losing the farm and all the investment of time, money, and labor that went into the business. As SB 3114 SD1 notes, this risk is a major disincentive to investment by lessees in improving their farms.

If Hawai'i is to decrease its reliance on imported food, we must provide incentives, not disincentives, for investment in agriculture. Farmers and ranchers must have confidence that they will reap the benefits of their hard work and investment. Therefore, I urge your committee to pass SB 3114 SD1.

Thank you for the opportunity to testify in support of this important measure.

Sincerely,



Frederick M. Mencher

SB-3114-SD-1

Submitted on: 2/26/2020 10:20:42 AM

Testimony for JDC on 2/27/2020 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kalani	Individual	Support	No

Comments:

Productive and successful farmers who have made significant improvements on their leased State ag land **should be given preference over every other applicant when it comes time for renewal of the lease.**

Why else would a farmer invest in the time and money on property that isn't his and could be leased to someone else (even someone inexperienced or unqualified) when his initial term runs out?

That would be completely unfair. Please pass this bill. Thank you.



Meadow Gold Dairies



**Written Testimony By: Glenn Muranaka
SB3114sd1, Relating to Agricultural Leases
Sen JDC Decision Making Hearing – 10:30am
Thursday, February 27, 2020 – Room 016**

Position: Support

Chair Rhoads, Vice Chair Keohokalole and Members of the Senate JDC Committee:

My name is Glenn Muranaka, President and General Manager of Meadow Gold Dairies. Our company has been in Hawaii since 1897—123 years, providing Hawaii consumers with a variety of milk products and juices. Meadow Gold's long history has not come without effort. We continually adapt to our customers' and consumers' ever-changing needs, and we constantly evolve along with our industry, our community and our market. Over the years, this has required that we struggle, tighten our belts, innovate and work extremely hard, making us a better company in the process. The foundation of this work rests with the 305 employees that are committed to providing superior quality products.

Support is expressed for the preference right of lessees who self-finance significant improvements to agricultural park lots and other agricultural lands. Lessees who invest their own funds for significant improvements are serious about agricultural production. We should encourage and support such lessees as it will improve agricultural productivity and promote agriculture in Hawaii.

Thank you for the opportunity to submit testimony. If you have any questions, please contact me at 944-5911.

**LARRY JEFTS FARMS, LLC
PO BOX 27
KUNIA, HAWAII 96759
(808) 688-2892**

SB3114sd1, Relating to Agricultural Leases
Senate JDC Decision Making Hearing
Thursday, February 27, 2020
10:30 am
Conference Room 016

Testimony by: Larry Jeffs
Position: Support

Chair Rhoads, Vice Chair Keohokalole and Members of the Senate JDC Committee:

I am Larry Jeffs, owner and operator of Larry Jeffs Farms, LLC, which is part of our family-run business of farms on Oahu and Molokai, under the administrative umbrella of Sugarland Growers, Inc. We have more than 35 years of Hawaii farm experience on Molokai and Oahu. I am a volunteer director for the West Oahu Soil and Water Conservation District (SWCD).

This bill would give commercial agricultural producers who make significant improvements to their agricultural lots a preference for non-agricultural park or agricultural park lot leases. It's a consideration that encourages efficiencies, supports the producers and helps Hawaii grow more food for its people.

Thank you for the opportunity to submit testimony.



THE SENATE
THE THIRTIETH LEGISLATURE
REGULAR SESSION OF 2020

[COMMITTEE ON JUDICIARY](#)

Senator Karl Rhoads, Chair
Senator Jarrett Keohokalole, Hope Luna Vice Chair

Thursday, February 27, 2020 10:30 a.m.
Conference Room 016
State Capitol
415 South Beretania Street

Re: SB3114 SD1: RELATING TO AGRICULTURAL LEASES

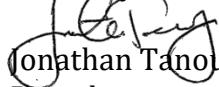
My name is Jon Tanouye and I am the current President of the Orchid Growers of Hawaii (OGOH).

OGOH Supports SB3114 SD1

We believe it will strengthen our industry if a diversified agriculture farmer in an ag park or non-agriculture park, who has shown a strong commitment to their business, to have the option to stay on an ag park or non-agriculture park lease lands.

If you have any other questions you may contact me to discuss and I can be reached by phone at 808-959-3535 and email jon@greenpointnursery.com.

Sincerely,


Jonathan Tanouye
President

Orchid Growers of Hawaii (OGOH)



Hawaii Floriculture and Nursery Association

THE SENATE

THE THIRTIETH LEGISLATURE
REGULAR SESSION OF 2020

COMMITTEE ON JUDICIARY

Senator Karl Rhoads, Chair

Senator Jarrett Keohokalole, Hope Luna Vice Chair

Thursday, February 27, 2020 10:30 a.m.

Conference Room 016

State Capitol

415 South Beretania Street

Re: SB3114 SD1: RELATING TO AGRICULTURAL LEASES: Gives preference rights for an agricultural park lot and a non-agricultural park land lease to lessees who have made a significant improvement to the land that furthers commercial agricultural operations. Adds the same preferences for a non-agricultural park land lease as those for an agricultural park lot lease. Requires the department of agriculture to define "agricultural improvement" in administrative rules.

My name is Eric S. Tanouye and I am the President for the Hawaii Floriculture and Nursery Association. HFNA is a statewide umbrella organization with approximately 300 members. Our membership is made up with breeders, hybridizers, propagators, growers, shippers, wholesalers, retailers, educators, and the allied industry, which supports our efforts in agriculture.

The Hawaii Floriculture and Nursery Association (HFNA) **STRONGLY SUPPORTS Senate Bill 3114 SD1**

It is important if Nurserymen and women make improvements and efforts of improvement to their lease lands that they have the opportunity to be able to have new leases. In the current climate of diversified ag a farmer in an ag park or non-agriculture park and has a bonafide business and experience should be allowed to stay on agriculture park land or non-agriculture park land to stay in business and to expand and diversify.

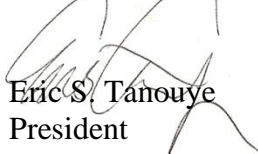
We ask that you support our industry and agriculture, so that we may continue to bring the beauty of Hawaii to others through flowers and ornamentals.



Hawaii Floriculture and Nursery Association

If you have any questions at this time, I would be happy to discuss them and can be reached by phone at 808-959-3535 ext 22, cell 960-1433 and email eric@greenpointnursery.com.

Supporting Agriculture and Hawaii,



Eric S. Tanouye
President
Hawaii Floriculture and Nursery Association



THE SENATE
THE THIRTIETH LEGISLATURE
REGULAR SESSION OF 2020

[COMMITTEE ON JUDICIARY](#)

Senator Karl Rhoads, Chair

Senator Jarrett Keohokalole, Hope Luna Vice Chair

Thursday, February 27, 2020 10:30 a.m.
Conference Room 016
State Capitol
415 South Beretania Street

Re: SB3114 SD1: RELATING TO AGRICULTURAL LEASES

My name is Thong Teng Neo and am the current President of the Hawaii Tropical Flower Council (HTFC). HTFC is a statewide association of commodity organizations, i.e.: anthurium, orchid, protea, tropic flowers and foliage, blooming and foliage plants. The Hawai'i Tropical Flower Council directs promotion and supports research of Hawaii's tropical flower industry. Each of the state's major flower commodity groups (anthuriums, orchids, proteas, tropic flowers and foliage, blooming and foliage plants) is represented on the council's board of directors. HTFC serves as a non-profit Hawaii Corporation to promote for its commodity groups and other producers of tropical horticulture grown in the State of Hawaii.

HTFC Supports SB3114 SD1

We believe it is important to give the opportunity to diversified ag farmers in an agriculture park or non-agriculture park lands to have the option to stay on a lease of agriculture park or non-agriculture park lands, when they have shown a serious commitment to the agriculture and their business.

Thank you for taking the time to read this testimony and if you have any questions, I can be reached at neo@greenpointnursery.com or 808 959 3535 ext. 2615.

Sincerely,

Thong Teng Neo
President
Hawaii Tropical Flower Council

HTFC ■ P.O. Box 4400 ■ Hilo, HI 96720 ■ www.hawaiitropicalflowercouncil.org

