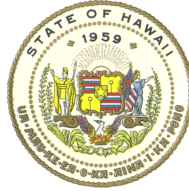


DAVID Y. IGE
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the House Committee on
FINANCE**

**Monday, February 28, 2022
12:30 AM**

State Capitol, Conference Room 308, Via Videoconference

**In consideration of
HOUSE BILL 1657, HOUSE DRAFT 1
RELATING TO LEASES**

House Bill 1657, House Draft 1, proposes to require, as a condition precedent for any valid withdrawal of lands out of pasture leases for reforestation purposes, that the Division of Forestry and Wildlife (DOFAW) of the Department of Land and Natural Resources (Department) submit a funded action plan detailing the planned reforestation process for those lands and that the withdrawal be approved by the Board of Land and Natural Resources (Board). House Draft 1 of the measure changes the effective date to July 1, 2050, to encourage further discussion. **The Department provides the following comments on this measure.**

As noted in the bill's preamble, this measure is a result of the important work of the Act 90 Working Group over the interim. In hearings before the Working Group, some testifiers expressed concern that DOFAW withdraws lands from pasture leases for reforestation purposes without a plan or funding to actually accomplish the reforestation.

The Department would like to clarify that the only occasion where lands were withdrawn from pasture leases over the objection of the lessee in recent years was for the State Department of Transportation's realignment of Saddle Road, now known as Daniel K. Inouye Highway, on Hawaii Island and in that case, withdrawals were required by the federal government and in particular the United States Fish and Wildlife Service (not DOFAW) to mitigate loss of critical habitat for the palila bird resulting from the State's realignment project. The Department does not object to presenting a funded action plan to the Board when seeking a withdrawal of land from a lease for reforestation purposes.

Thank you for the opportunity to comment on this measure.

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

HB-1657-HD-1

Submitted on: 2/27/2022 11:49:58 AM

Testimony for FIN on 2/28/2022 12:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Russell Tsuji	DLNR	Comments	Yes

Comments:

I am available for questions to DLNR. Please allow me Zoom access.

HB-1657-HD-1

Submitted on: 2/27/2022 11:53:14 AM

Testimony for FIN on 2/28/2022 12:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Ian Hirokawa	DLNR	Comments	Yes

Comments:

I am available for questions to DLNR. Please allow me Zoom access.

HB-1657-HD-1

Submitted on: 2/27/2022 12:21:37 PM

Testimony for FIN on 2/28/2022 12:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Emma Yuen	DLNR	Comments	Yes

Comments:

I am available for questions to DLNR. Please allow me Zoom access.



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February 28, 2022

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

**TESTIMONY ON HB 1657, HD1
RELATING TO LEASES**

Conference Room 309 & Videoconference
12:30 PM

Aloha Chair Luke, Vice-Chair Yamashita, and Members of the Committee:

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

The Hawai'i Farm Bureau provides comments on HB 1657, HD1, which requires as a condition precedent for any valid withdrawal of lands out of pasture leases for reforestation purposes that the division of forestry and wildlife submit a funded action plan detailing the planned reforestation process for those lands and that the withdrawal be approved by the board of land and natural resource.

HFB greatly appreciates the work of the Act 90 working Group and the efforts that have been made to accomplish the transfer of DLNR lands in agriculture production to DOA and respectfully requests the following amendments that will further clarify and facilitate the intent that State lands in agricultural use, including pasture use, will be transferred from DLNR to DOA.

- On page 3, modify lines 20 through 21 to read: (A) The division of forestry and wildlife submits a funded action plan to the board and the board of agriculture that details the planned reforestation process for those lands; and
- On page 4, modify lines 3 to read: (B) The board of land and the board of agriculture approves the withdrawal.

HFB also respectfully requests the addition of a deadline for the transfer of DLNR lands in agriculture production to DOA. Producers whose leases have not been transferred after the nearly 19 years since Act 90 continue to be in a state of limbo, without the security and stability necessary to make investments and infrastructure improvements, or even contemplate long-term plans. No business can operate this way.

Hawai'i's food producers are also land stewards who are an important part of Hawai'i's goals of greater self-sufficiency and conservation efforts. Enabling their continued work is in the best interest of the public. They should not be trapped in decades of debate about which agency controls their existence when it is the mission of one agency, DOA, to foster agriculture in Hawai'i. Supporting agriculture and conserving natural resources are not mutually exclusive. Producers should not be forced into waiting additional years while DLNR works to adjust its priorities, policies, and rules to expand its mission to support food production.

Thank you for taking our concerns into consideration and for your continued support of Hawai'i agriculture.



Email: communications@ulupono.com

HOUSE COMMITTEE ON FINANCE
Monday, February 28, 2022 — 12:30 p.m.

Ulupono Initiative offers comments on HB 1657 HD 1, Relating to Leases.

Dear Chair Luke and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food; renewable energy and clean transportation; and better management of freshwater and waste.

Ulupono offers comments on HB 1657 HD 1, which requires as a condition precedent for any valid withdrawal of lands out of pasture leases for reforestation purposes that the Division of Forestry and Wildlife (DOFAW) submit a funded action plan detailing the planned reforestation process for those lands and that the withdrawal be approved by the Board of Land and Natural Resources (BLNR).

Ulupono appreciates the efforts of the Working Group established by Act 139, SLH 2021, which was established to find potential remedies to fulfill the purposes of Act 90, SLH 2003. We recognize the importance of this group's task in helping the State address the appropriate management of active agricultural leases.

This bill specifically addresses pasture leases under the Department of Land and Natural Resources (DLNR) and the ability of the department to remove active agricultural leased pasture land out of production and into reforestation. We appreciate this measure seeking to require approval of a funded action plan prior to any withdrawn pasture lease. However, we have a few recommendations for this committee to consider:

- For clarity and transparency, a list of requirements should be outlined in the DOFAW's funded action plan to support the important approval process.
- As the Act 90 Working Group promoted inter-departmental collaboration, this measure should require DOFAW's funded action plan to include approval from both the BLNR and the Board of Agriculture.

Investing in a Sustainable Hawai'i

UluPono supports the local livestock industry and its efforts to provide fresh, healthy products for Hawai'i's consumers. We still believe that DOA's affordable, long-term leases allow local ranchers to immediately take advantage of existing, appropriate lease structures that incentivize long-term investments into their respective operations, improving the economic viability, and increasing local food production for the State. Although this bill seeks to balance two competing interests, there is no need to recreate an existing structure within DLNR to manage agricultural lands.

Recently, the pandemic, along with devastating natural disasters and shipping supply issues, have heightened local food insecurity in our communities. With many leaders across our state saying that local agriculture can play an important role in our economic and social recovery, one theme around local food production rises to the top: the time to act is now. Local producers, like our ranchers, are a critical component of Hawai'i's food security. The local ranching community deserves our State's support by managing crucial, food-producing pasture leases within the DOA, a department whose mission and expertise to manage agricultural activities and related natural resources, including pastureland production, promotes local food production and directly supports State sustainability goals.

Thank you for the opportunity to testify on this measure.

Respectfully,

Micah Munekata
Director of Government Affairs



COMMITTEE ON FINANCE
Rep. Sylvia Luke, Chair
Rep. Kyle T. Yamashita, Vice Chair

HB1657 HD1
Relating to Leases

Monday, February 28 2022, 12:30 PM
VIA VIDEOCONFERENCE

Chair Luke, Vice Chair Yamashita, and Members of the Committee,

The Hawaii Cattlemen's Council (HCC) is the Statewide umbrella organization comprised of the five county level Cattlemen's Associations. Our 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 over 750 thousand acres of land in Hawaii, or 20% of the State's total land mass. We represent the interests of Hawaii's cattle producers.

The Hawaii Cattlemen's Council **offers comments on HB1657 HD1** to require as a condition precedent for any valid withdrawal of lands out of pasture leases for reforestation purposes that the division of forestry and wildlife submit a funded action plan detailing the planned reforestation process for those lands and that the withdrawal be approved by the board of land and natural resources.

We advocate for the perpetuation of productive agricultural lands, and while this adds a level of protection by ensuring that any lands withdrawn from pasture require a funded action plan that is approved by the Board of Land and Natural Resources, we should be avoiding the removal of productive agricultural lands for reforestation. Forests are important, but the number of acres in pasture has been on the decline, which will have a direct negative impact on local beef production. When lands are removed from pasture, it is difficult to return it to working, productive status again in the future. Maintaining our productive agricultural lands is paramount to increasing food production, and reforestation projects should happen on lands that are not in agricultural production. We also believe that a funded plan should be submitted to, and approved by, both the Board of Land and Natural Resources as well as the Board of Agriculture. If land is being taken out of pasture, the Board of Agriculture should approve or deny any plan that may have a negative effect on food production. We respectfully request that Page 4, line 3 is amended to read:

(B) The board and board of agriculture approves the withdrawal.

We appreciate the Act 90 Working Group's efforts to seek solutions to this issue – leaseholders have been waiting 19 years for the transfer of their agricultural leases to the Department of Agriculture, and



one of the key reasons lands should be transferred is that the Department of Agriculture prioritizes agricultural production. This measure could be a possible step towards protecting agricultural lands from being taken out of production without a practical and funded plan.

Nicole Galase
Hawaii Cattlemen's Council



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

HOUSE COMMITTEE ON FINANCE
February 28, 2022 – 12:30 p.m. – Via Videoconference

RE: HB 1657 HD1 – Relating to Leases – Comments

Aloha Chair Luke, Vice Chair Yamashita, and Members of the Committee:

The Local Food Coalition **offers comments** on HB 1657 HD1, which requires as a condition precedent for any valid withdrawal of lands out of pasture leases for restoration purposes that the Division of Forestry and Wildlife (DOFAW) submit a funded action plan detailing the planned reforestation process for those lands and that the withdrawal be approved by the Board of Land and Natural Resources (BLNR).

We appreciate the work of the Act 90 Working Group during the interim to identify the challenges and potential remedies to transfer lands intended under Act 90, SLH 2003.

Farmers and ranchers need long-term leases in order to reasonably invest in infrastructure improvements on the leased land. Lands in active agricultural production should be transferred to the DOA, so that long-term planning can be implemented. The success of farmers and ranchers is a key component in the State's goal to double local food production. While forests are important, the number of pasture acres has been on the decline, which negatively impacts our local ranchers.

If the committee decides to move this measure forward, we would like to request that it considers adding language requiring that the funded action plan require approval from both the BLNR and the Board of Agriculture.

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

Thank you for the opportunity to submit testimony.

Kendall Matsuyoshi
808-544-8345
kmatsuyoshi@wik.com

HB-1657-HD-1

Submitted on: 2/28/2022 7:41:59 AM

Testimony for FIN on 2/28/2022 12:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Lani Petrie	Kapapala Ranch	Oppose	No

Comments:

I oppose HB1657. As a stand alone bill separated from HB1658, HB1659, and HB1660 it lacks context. It would be like putting effort into a jigsaw puzzle that may not have all its pieces. Also, with the vetting process facing these four bills you may be left trying to put together a puzzle with pieces from another puzzle.

As written this bill says that reforestation is more important than food production. This bill has no provisions for objective decision making and goal setting management decisions. Where's the incentive for a rancher to keep spending money on invasive weed control or climate smart management of sequestering carbon into our soils.

1,250 acres was withdrawn from Kapapala Ranch in 1990 for the purpose of reforesting koa. There is little to show for 32 years of DOFAW's management of the area.

I am an advocate for resource management planning between the lessee and lessor whereby goals can be set based on the resource and what it can provide to the community.

HB-1657-HD-1

Submitted on: 2/27/2022 2:06:33 PM

Testimony for FIN on 2/28/2022 12:30:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
J Ashman	Individual	Comments	No

Comments:

If we are serious about food production, we should not be taking active and productive agricultural lands out of agriculture.

If, in rare circumstances, an agricultural lease, including a pasture lease, is proposed to be withdrawn for reforestation or other purposes, not only should there be a funded action plan, but the withdrawal and plan should be reasonable and necessary. And importantly, the Board of Agriculture, whose mission it is to ensure the success of agriculture in Hawaii, should review and approve of the withdrawal, in addition to the BLNR.

Page 4, line 3 should be amended as follows:

(B) The board and the board of agriculture approve the withdrawal.

Thank you.