

HB-1705-HD-1

Submitted on: 3/14/2022 8:11:37 AM

Testimony for AEN on 3/16/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Brian Kau	Testifying for Dept of Ag - Agricultural Resource Management Division	Comments	Remotely Via Zoom

Comments:

I will be available for questions, if necessary.

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 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

MARCH 16, 2022
1:00 P.M.
VIA VIDEOCONFERENCE

HOUSE BILL NO. 1705 HD1
RELATING TO AGRICULTURAL PARK LEASES

Chairpersons Inouye, Gabbard and Members of the Committees:

Thank you for the opportunity to testify on House Bill 1705, HD1, which allows the Department of Agriculture (HDOA) to extend the lease of any lessee who holds a lease with a remaining term of fifteen years or less, provided that the land covered by the lease is twenty-five acres or less and located in a county with a population of less than five hundred thousand. The Department respectfully opposes this measure.

HDOA appreciates the plight of lessees nearing the termination dates of their lease, however, we must also consider the public policy against allowing individual private interests to exclusively occupy, use and benefit from public lands for durations exceeding statutory limits or indefinitely, to provide other members of the public a fair and equal opportunity to seek that public benefit. Maximizing the opportunity to lease public lands under favorable conditions to the greatest number of applicants supports the growth of new farmers and incentivizes established farming operations with proven agricultural capabilities and economic viability to scale up and expand their operations



on to other properties as part of their business growth strategy. HDOA understands and appreciates the intent of this bill to support and encourage the ongoing viability of agricultural operations, often referred to as “legacy farms,” to continue without disruption to maximize the uninterrupted local production of agricultural goods and food.

Unfortunately, there is a pressing need to increase the number of farmers statewide to realistically achieve the level of farming necessary to meet the State’s goals for food security and sustainability. The single most insurmountable hurdle for most new and beginning farmers seeking to start a farm is the lack of available, appropriately sized, and affordably priced agricultural lands suitable for farming. Our lands are among the most affordable in the State for agricultural use, making it ideal for incubator and start-up operations.

Without a clear maximum term established by statute, the lease extension provided by the bill could potentially allow lessees to effectively remain on the land indefinitely, through consecutive extensions and preclude others from the same opportunity to lease public lands. There is nothing preventing a current lessee from applying for a new lease for either the same or other available parcel upon expiration of the current one. The HDOA maintains a list of interested farmers seeking to lease Department managed state lands and this list is culled every two years. There are currently 243 people on this list, which indicates the high level of interest in our lands. Potential lessees in this program know upfront that their use of the land cannot exceed fifty-five years. By requiring a business plan for new leases, we encourage lessees to rely on sound business practices to plan ahead for the anticipated and known eventual termination and seek alternate lands if continuation or expansion of their farming operations is contemplated, or desired.

Thank you for the opportunity to testify.

HB-1705-HD-1

Submitted on: 3/15/2022 12:49:40 PM

Testimony for AEN on 3/16/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Hawaii Department of Agriculture	Testifying for Hawaii Department of Agriculture	Comments	Remotely Via Zoom

Comments:

HDOA staff will be available to answer questions.



P.O. Box 253, Kunia, Hawai'i 96759
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March 16, 2022

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

TESTIMONY ON HB 1705, HD1
RELATING TO AGRICULTURAL PARK LEASES

Conference Room 229 & Videoconference
1:00 PM

Aloha Chairs Gabbard and Inouye, Vice-Chairs Nishihara and Keith-Agaran, and Members of the Committees:

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 supports HB 1705, HD1, which allows the department of agriculture to extend the lease of any lessee who holds a lease with a remaining term of fifteen years or less; provided that the land covered by the lease is twenty-five acres or less and located in a county with a population of less than five hundred thousand.

The success of farmers is critical to the State's goal to double local food production. HDOA leases are structured to advance agriculture and make it practical for producers to succeed and provide our communities with what they need. HDOA's long-term leases make it possible for farmers and ranchers to prudently invest in operational and infrastructure improvements on the leased land.

Faced with the uncertainty of continued tenancy, lessees have little incentive to make major investments in improvements to their infrastructures and ensure the long-term maintenance of their facilities. As a result, the infrastructure on these small farms could deteriorate

This measure will help to enable small family farm operations on HDOA leased lands to be extended their leases as they near expiration. This would enable many of our small farmers and a new generation of farmers to obtain financing to invest in their operations, by making improvements to their lands and developing plans to improve their agricultural productivity.

Thank you for the opportunity to comment on this measure.

HB-1705-HD-1

Submitted on: 3/14/2022 8:13:06 AM

Testimony for AEN on 3/16/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
David Shiigi	Individual	Support	Written Testimony Only

Comments:

Thank you for the opportunity to submit testimony in support of HB 1705.

I represent a generation of farmers that continue to have a vested interest in protecting and supporting agriculture in Hawaii. This bill is not asking to exclusively or indefinitely occupy our leases and we are not opposed to the growth of new farmers. We welcome and support those on the waiting list. We were once on that list. Once we were assigned a lease, we had to obtain the capital to put in the necessary infrastructure. The longevity of our lease was one of the determining factors in securing the capital. We had to clear the land, install water systems, electricity, purchase equipment, establish a market and promote our product worldwide. By extending our leases, we will be able to acquire additional funding from financial institutions for any necessary improvements.

Our premise is there are more than enough public lands that are presently left vacant or unattended. Many of the leases that were awarded many years ago are still not being used for agriculture. A viable solution which would benefit our industry is to assign those lands to the potential new farmers and extend the present lessee' leases. This solution would satisfy the HDOA's "need to increase the number of farmers statewide and realistically achieve the level of farming necessary to meet the State's goals for food security and sustainability." This would be a winning solution for all stakeholders. We respectfully ask for your support of HB 1705.



March 11, 2022

Senator Lorraine R. Inouye, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Senate Committee on Water and Land

Senator Mike Gabbard, Chair
Senator Clarence K. Nishihara, Vice Chair
Senate Committee on Agriculture and Environment

Comments in Support of Proposed Amendments and the Intent of HB 1705, H.D. 1, Relating to Agricultural Park Leases (Allows the Department of Agriculture [DOA] to extend the agricultural park lease of any lessee who holds a lease with a remaining term of fifteen years or less; provided that the land covered by the lease is twenty-five acres or less and located in a county with a population of less than five hundred thousand.)

Wednesday, March 16, 2022, 1:00 p.m.; Conference Room 229 & Videoconference

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 **propose amendments** and express its **support of the intent of HB 1705, H.D. 1** and of the various agricultural stakeholder groups who defend the goals of viable agricultural operations and the conservation and protection of agriculture in Hawaii.

HB 1705, H.D. 1. The purpose of this bill is to allow the DOA to extend the lease of any lessee who holds a lease with a remaining term of fifteen years or less; provided that the land covered by the lease is twenty-five acres or less and located in a county with a population of less than five hundred thousand.

LURF's Position. LURF members include property owners, farmers and ranchers who own, maintain, and engage in agricultural enterprises, and who consider efforts to protect and support agriculture significant to the continued conduct of their operations and to help sustain and preserve farming and ranching businesses into the future. Agricultural production in Hawaii is reliant upon and furthered by the leasing of public lands, which makes it feasible for agricultural stakeholders to successfully fulfill the food production needs of the State.

LURF **supports the intent of HB 1705, H.D. 1** because the measure makes a significant effort to advance and facilitate the leasing of agricultural lands. LURF believes, however, that the provision in this measure limiting its application to leased lands of 25-acres or less **should be deleted** and the restriction **amended** to instead allow extensions to all lessees that are in good standing.

LURF therefore **proposes the following amendment** to this bill:

(d) Notwithstanding any law to the contrary, if any lessee holds a lease with a remaining term of 15 years or less, the department may extend the term of the lease for an additional thirty years; provided that the land covered by the lease is:

(1) ~~Twenty-five acres or less~~ In good standing; and

(2) Located in a county with a population of less than five hundred thousand.

By recognizing the significance of all agricultural lessees that safeguard their leased lands and uphold their leases in good standing, and by identifying the need to assist the local agriculture industry and implement measures which help to support the viability and maintenance of agriculture in the State, the intent of this bill significantly helps to promote economically viable agriculture, increased food production, and food self-sufficiency in Hawaii.

For the reasons stated above, LURF **supports the intent of HB 1705, H.D. 1**, and respectfully urges your favorable consideration of this measure **and any necessary amendments** thereto consistent with these comments.

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



Date: February 3, 2022

To: The Honorable Hawaii State Senators, State Representatives and County Council Members

From: Kurt Fujioka, General Manager

Re: Written Testimony regarding House Bill 1705

Panaewa Foliage was started 23 years ago when we bid for the lease of an abandoned nursery on 10 acres of the state lease land. We now hold leases on 3 properties in the Panaewa area and 1 lease in Pahoehoe. We started with 3 employees and now employ 22 employees.

We grow potted ornamental plants which we export to the mainland to wholesalers, who in turn sell most of them to interiorscapers for installation in hotels, shopping centers, offices, etc. The remaining plants go to garden centers where homeowners from the public buy them.

Besides employing 22 workers, our company brings in millions of dollars every year into Hawaii's economy. I feel the current lease agreement which has the lease going to auction upon expiration, is extremely unfair to the lease holders after having spent hundreds of thousands of dollars on improvements to the land.

I ask you to please support House Bill 1705 so we may continue to provide jobs and money to Hawaii's economy.

Sincerely,

Kurt Fujioka