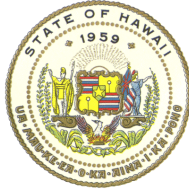


DAVID Y. IGE  
GOVERNOR OF HAWAII



**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 Committee on  
WAYS AND MEANS**

**Wednesday, February 23, 2022  
10:05 AM**

**State Capitol, Conference Room 211, Via Videoconference**

**In consideration of  
SENATE BILL 2947  
RELATING TO AGRICULTURAL ENTERPRISES**

Senate Bill 2947 proposes to: 1) authorize the Department of Agriculture (DOA) to plan, design, construct, operate, manage, maintain, repair, demolish, and remove infrastructure on any lands under the jurisdiction of DOA, to support and promote agriculture; and 2) establish the Agricultural Enterprise Program. **The Department of Land and Natural Resources (Department) offers the following comments on this measure.**

The Department requests confirmation that the land transfer provision of this bill does not mandate the transfer of any of the Department's lands, whether agricultural, commercial or industrial, to DOA if requested by the agency. The bill's land transfer provision at Section -4 is modeled after the one in Act 90, Session Laws of Hawaii 2003 (Act 90), now codified at Chapter 166E, Hawaii Revised Statutes (HRS). Senate Bill 2947 authorizes DOA to accept the transfer of any lands from the Department that will support an agricultural purpose and to operate or manage those resources. Similar to Act 90, any such transfer requires the mutual agreement of both the Board of Land and Natural Resources (BLNR) and the Board of Agriculture (BOA).

Despite the permissive nature of the transfer language used in Section 166E-3, HRS, cattle ranchers and others have taken the position that the BLNR should be mandated to transfer agricultural lands to BOA if requested by BOA, even if the Department desires to retain the lands for natural and cultural resource protection, renewable energy or carbon sequestration or forest restoration or recreation, or revenue generation purposes. The Department is concerned that if Senate Bill 2947 becomes law, it could similarly be wielded to mandate the transfer of not only agricultural lands, but even commercial and industrial lands that currently generate revenues to fund the Department's operations. DOA would only need to claim that a parcel of industrial land is needed for agricultural enterprise purposes and the Department would be

**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

required to transfer it.<sup>1</sup> The loss of the revenues from these lands would be devastating to the Department. Beyond the potential loss in revenue, the Department does not support a proposed transfer of land that conflicts with any strategic planning efforts undertaken by the Department. The Department invests significant staff and monetary resources in these efforts, and would sacrifice any benefits for its efforts and expense if the lands were transferred.<sup>2</sup>

Pursuant to Act 90, the Department has already transferred more than 19,000 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 which are remnant native forests which have never been plowed, with native and endangered plants and wildlife, their proximity to forest reserves, their potential for reforestation, and/or their importance in providing access to other public lands for management, hunting or public recreation purposes. In other words, the Department's remaining agricultural lands have either been transferred or will be transferred to DOA by mutual agreement under Act 90, or will be retained by the Department. There is no third category of agricultural lands that could be transferred to DOA under this bill.

Thank you for the opportunity to comment on this measure.

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<sup>1</sup> In furtherance of the Governor's initiative on food security through enhanced local food production, the Department transferred industrial lands to DOA in the past pursuant to Act 90 with the mutual agreement of BLNR and BOA. Approximately 110 acres of industrially zoned property at Ewa, Oahu were transferred to DOA in 2019 by Governor's Executive Order No. 4584. DOA uses the land for feedlot purposes to support slaughterhouse operations on adjoining land.

<sup>2</sup> Such activities include strategic planning, environmental review, obtaining regulatory entitlements and provision of infrastructure.

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 COMMITTEE ON  
WAYS AND MEANS

FEBRAURY 23, 2022

10:05 A.M.

CONFERENCE ROOM 211 & VIA VIDEOCONFERENCE

SENATE BILL NO. 2947  
RELATING TO AGRICULTURAL ENTERPRISES

Chairperson Dela Cruz and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 2947 relating to agricultural enterprises. This bill authorizes the Department of Agriculture to plan, design, construct, operate, manage, maintain, repair, demolish, and remove infrastructure on any lands under the jurisdiction of the department, to support and promote agriculture by establishing the Agricultural Enterprise Program. The Department **strongly supports** this measure.

This bill is intended to allow agricultural enterprises on lands under the jurisdiction of the Department. The Department's Ag Park program and the Non-Ag Park program focus on actual, physical farming activity on the land. Limited ancillary activity is allowed only under very narrow conditions and circumstances. Moreover, strict eligibility requirements as a bonafide farmer must be met to hold any long-term lease under both programs. However, the agricultural industry must adapt to rapid



developments in technology and methodology in agriculture and aquaculture in order to attain the food sustainability goals of the State. The Department needs flexibility in its disposition of public lands to support those changing conditions by allowing and encouraging the use of innovative agricultural models to optimize productivity, supporting and promoting agriculture through farmers markets, food hubs and processing facilities, animal feed mills, etc., and enabling or providing agricultural educational training. The business of agriculture is far broader than simply the growing of an organism. This program recognizes that the business of agriculture is just as important to the growth of agriculture as the production of the crop itself.

The Department notes that the definition of “agricultural enterprise lands” in the measure may require clarification to avoid conflict with definitions in HRS Chapter 166E. To that end, the Department recommends the following:

- 1) Amending the definition of “agricultural enterprise lands” in section 1 of this bill as follows:

“Agricultural enterprise lands” means agricultural lands that are ~~[not]~~ designated as agricultural ~~[parks or non-agricultural park]~~ enterprise lands pursuant to this chapter ~~[166 or 166E, respectively]~~.”

- 2) Inserting a new section in this measure as follows:

SECTION XX. Section 166E-2, Hawaii Revised Statutes, is amended by amending the definition of “non-agricultural park lands” to read:

““Non-agricultural park lands” means lands that are ~~[not]~~ designated as ~~[agricultural parks]~~ non-agricultural park lands pursuant to this chapter ~~[166]~~.”

Thank you for the opportunity to testify on this measure.



Email: [communications@uluPono.com](mailto:communications@uluPono.com)

SENATE COMMITTEE ON WAYS & MEANS  
Wednesday, February 23, 2022 — 10:05 a.m.

**UluPono Initiative supports SB 2947, Relating to Agricultural Enterprises.**

Dear Chair Dela Cruz 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 supports SB 2947**, which authorizes the Department of Agriculture (DOA) to plan, design, construct, operate, manage, maintain, repair, demolish, and remove infrastructure on any lands under the jurisdiction of the department, to support and promote agriculture and establishes the Agricultural Enterprise Program.

UluPono supports the DOA's Enterprise Program, which provides additional infrastructure and services that directly support local producers' post-harvest opportunities. Agricultural infrastructure such as the Kalaeloa harvesting facility, Honalo Marshalling yard, and the Kamuela Vacuum Cooling Plant are extremely important in providing crucial markets to agriculturalists statewide. The DOA's management of such a program is important to support the State's goals on food production and resiliency. We recommend this committee utilize SB 1025 as the preferred vehicle moving forward as that version has a special fund to support the program's sustainability.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata  
Director of Government Affairs

*Investing in a Sustainable Hawai'i*



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)  
Ulupono Initiative  
College of Tropical  
Agriculture and Human  
Resources - University of  
Hawai'i at Manoa

SENATE COMMITTEE ON WAYS AND MEANS  
February 23, 2022 – 10:05 a.m. – Via Videoconference

**RE: SB 2947 - Relating to Agricultural Enterprises –  
Support**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of  
the Committee:

The Local Food Coalition **supports** SB 2947, which authorizes the  
Department of Agriculture (DOA) to plan, design, construct,  
operate, manage, maintain, repair, demolish, and remove  
infrastructure on any lands under the jurisdiction of the  
department, to support and promote agriculture; and establishes  
the Agricultural Enterprise Program.

Hawaii's agriculture industry needs assistance in becoming  
modernized. These types of operations are extremely costly and not  
within the budgets for new or expanding small and medium sized  
farms. Outside investment or partnerships could work for our  
farmers but current DOA rules significantly limit these  
opportunities.

While we support this measure, we prefer SB 1025, which the  
Senate Committee on Agriculture and Environment also passed. SB  
1025 is similar, however, it also establishes the Agricultural  
Enterprise Program special fund.

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](mailto:kmatsuyoshi@wik.com)

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

SB2947, Agricultural Enterprises  
Senate WAM Decision Making Hearing  
Wednesday, February 23, 2022  
10:05am

Testimony By: Larry Jefts  
Position: Support

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate WAM Committee:

I am Larry Jefts, owner and operator of Larry Jefts Farms, LLC. We have more than 42 years of Hawaii farm experience on Molokai and Oahu. Our family farms grow about 1 million pounds weekly of import replacement produce. I am a volunteer director, serving as Chair of the West Oahu Soil and Water Conservation District (SWCD). I have been an officer of the Hawaii Farm Bureau for many years.

SB2947 establishes the Agricultural Enterprise Program and authorizes the HDOA greater flexibility to increase agricultural production growth on State lands. The pandemic has highlighted the need for support of Hawaii's diversified agriculture industry, to include all types of farm and ranch production.

Agriculture is much more than growing food. A successful farm or ranch must use modern technology to keep pace with processing, storage, value-added processing, distribution, and other infrastructure. The cost of these needed infrastructures is beyond the reach of many smaller-scale agriculturists.

The Agricultural Enterprise Program supports smaller-scale farmers and ranchers access to these business infrastructures that they would otherwise not have the means for investment. It allows outside investment or partnerships to support these efforts, which are not within current HDOA rules.

Your support is urged for SB2947. It is a needed mechanism to provide Hawaii with increased food production and import foods replacement.

Thank you for the opportunity to provide testimony.



P.O. Box 253, Kunia, Hawai'i 96759  
Phone: (808) 848-2074; Fax: (808) 848-1921  
e-mail [info@hfbf.org](mailto:info@hfbf.org); [www.hfbf.org](http://www.hfbf.org)

February 23, 2022

HEARING BEFORE THE  
SENATE COMMITTEE ON WAYS AND MEANS

**TESTIMONY ON SB 2947**  
RELATING TO AGRICULTURAL ENTERPRISES

Room 211 & Videoconference  
10:05 AM

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, 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 supports SB 2947**, which establishes the Agricultural Enterprise Program that authorizes HDOA to plan, design, construct, operate, manage, maintain, repair, demolish, and remove infrastructure on any lands under the jurisdiction of the department, to support and promote agriculture.

This much-needed program would boost Hawai'i's agricultural production and success to the levels our state needs to become more self-sufficient. Through the Agricultural Enterprise Program, HDOA will be better able to support and promote agriculture through increased management and control of the lands under its jurisdiction.

Hawai'i's agriculture needs assistance in becoming modernized. Controlled environment production, on-site processing, cold storage, and value-added processing will promote environmental sustainability and meet consumer demands. These types of operations are extremely costly and not within the budgets for new or expanding small and medium-sized farms. Outside investment or partnerships could work for our farmers but current HDOA rules significantly limit these opportunities.

Please support Hawai'i's efforts to retain and grow its agricultural industry to provide our communities with the food and other agriculture-related products they need.

Thank you for the opportunity to support this important measure.



February 18, 2022

Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice-Chair  
Senate Committee on Ways and Means

**Testimony in Support of SB 2947, Relating to Agricultural Enterprises (Authorizes the Department of Agriculture [DOA] to plan, design, construct, operate, manage, maintain, repair, demolish and remove infrastructure on any lands under the jurisdiction of the DOA, to support and promote agriculture; establishes the Agricultural Enterprise Program.)**

**Wednesday, February 23, 2022, 10:05 a.m., in Conference Room 211 & 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. One of LURF's missions 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 provide testimony in **support of SB 2947**, and to offer comments.

**SB 2947.** The purpose and intent of this bill is to authorize the DOA or its lessees to plan, design, construct, operate, manage, maintain, repair, demolish and remove infrastructure or improvements on any lands over which the DOA has jurisdiction where the activity is necessary to support and promote agriculture; to accept from the Department of Land and Natural Resources the transfer of any lands that will serve an agricultural purpose; and to efficiently operate or manage those resources. This measure is also intended to promote and support diversified agriculture and increase agricultural self-sufficiency by establishing an agricultural enterprise program within the DOA, which is found by the Legislature to be in the State's best interests and helps to meet State constitutional requirements.

**LURF's Position.** LURF members include private property owners, farmers and ranchers who own, maintain, and engage in agricultural enterprises, and who consider programs and incentives such as that proposed by this bill critical to the conduct of their operations and to help sustain their businesses. These landowners and agricultural stakeholders believe SB 2947 will greatly assist with launching such incentives and with the unaffordable costs which must be incurred in connection with agricultural enterprises, projects, and activities. Creation of the Agricultural Enterprises Program will also expressly allow for ancillary and other activities that support the economic viability and success of the local agricultural industry.

As this Committee is aware, the unsustainable costs which have already been cast upon agricultural stakeholders over the past years by various safety and security standards, programs and regulations, as well as the enactment of onerous regulations relating to water systems, infrastructure, and growing and processing machinery and facilities, are now greatly exacerbated by the COVID-19 pandemic, proving to be overwhelming, if not devastating to the agricultural industry as well as the State's long-term objective of sustainable agriculture.

The purpose of this bill is consistent with the underlying intent and objectives of the Important Agricultural Lands (IAL) laws (Hawaii Revised Statutes, 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."

LURF therefore appreciates the objective of SB 2947, which is to support diversified agriculture; provide needed assistance to agriculture-related operations; and to expand Hawaii's agricultural industry. Passage of the long-awaited IAL legislation would be meaningless without implementation of such measures. By recognizing the significance of, and need to assist the local agriculture industry, and implement incentives and measures which help to support the growth and maintenance of agriculture in the State, this bill significantly helps to promote economically viable agriculture and food self-sufficiency in Hawaii.

As issues relating to and food safety and security continue to be a significant concern, LURF and its members appreciate this measure being taken to assist agricultural stakeholders.

For the reasons stated above, LURF is in **support of SB 2947** and respectfully urges your favorable consideration of this bill.



# HAWAII CROP IMPROVEMENT ASSOCIATION

In Support of SB2947  
Relating to Agricultural Enterprises

Senate Committee on Ways and Means

Date: Wednesday, February 23, 2022  
Time: 10:05 a.m.  
Place: Videoconference

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the committee:

Thank you for allowing the Hawaii Crop Improvement Association the opportunity to provide testimony in support of SB2947, which authorizes the Department of Agriculture to plan, design, construct, operate, manage, maintain, repair, demolish, and remove infrastructure on any lands under the jurisdiction of the department, to support and promote agriculture; and establishes the Agricultural Enterprise Program.

The success of farmers is integral to meeting the State's food sustainability goals. As it is, many farmers don't have access to processing, packing, storage, and distribution, nor do they have the financial resources to construct these facilities.

The proposed Agricultural Enterprise Program will help farmers optimize productivity, support and promote agriculture through farmers markets, food hubs, and processing facilities, and enable agricultural educational training. These types of operations are extremely costly and not within the budgets for most local farmers. Outside investment, and/or partnerships, could work for farmers but current Hawaii Department of Agriculture rules limit these opportunities.

We respectfully request your support for SB2947 to make agriculture more sustainable for Hawaii's farmers. If you have any questions, please contact me at your convenience. Mahalo for your time and consideration.

Sincerely,

Pono Chong  
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 education,*



## HAWAII CROP IMPROVEMENT ASSOCIATION

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



COMMITTEE ON WAYS AND MEANS  
Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair

**SB2947**  
RELATING TO THE AGRICULTURAL ENTERPRISES

Wednesday, February 23, 2022, 10:05 AM  
VIA VIDEOCONFERENCE

Chair Dela Cruz, Vice Chair Keith-Agaran, 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 **supports SB2947** to authorize the Department of Agriculture to plan, design, construct, operate, manage, maintain, repair, demolish, and remove infrastructure on any lands under the jurisdiction of the department, to support and promote agriculture.

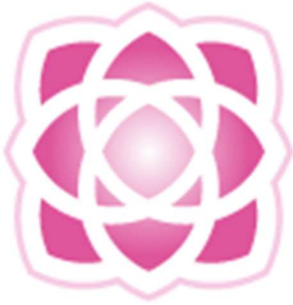
We support the proposed Agricultural Enterprise Program, which would allow the Department of Agriculture to better support agriculture through better suited management and control of the land in its jurisdiction. Ranchers and farmers do not have the ability to expand on their own without access to cold storage and processing facilities, and this limits their output. Gaining access to these opportunities is essential to Hawaii making progress towards local food goals, as they are otherwise to cost-prohibitive for an operation to purchase and maintain on their own. This measure would allow the Department of Agriculture to help grow the agricultural industry.

We appreciate the opportunity to testify on this measure.

Nicole Galase  
Hawaii Cattlemen's Council  
Managing Director



**LATE**



**MAUI**  
CHAMBER OF COMMERCE  
**VOICE OF BUSINESS**

**HEARING BEFORE THE SENATE COMMITTEE ON  
WAYS AND MEANS  
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 211  
WEDNESDAY, FEBRUARY 23, 2022 AT 10:00 A.M.**

To The Honorable Senator Donovan M. Dela Cruz, Chair  
The Honorable Senator Gilbert S.C. Keith-Agaran, Vice Chair  
Members of the committee on Ways and Means

**SUPPORTING SB2947 RELATING TO AGRICULTURAL ENTERPRISES**

The Maui Chamber of Commerce supports SB2947 which authorizes the Department of Agriculture to plan, design, construct, operate, manage, maintain, repair, demolish, and remove infrastructure on any lands under the jurisdiction of the department, to support and promote agriculture. And establishes the Agricultural Enterprise Program.

The Chamber supports efforts to increase local agriculture and local agricultural production. Agricultural Enterprises will assist in achieving more local ag production.

We have a concern about the following language starting on page 14 line 12:

*(2) Require the payment of a premium, computed as twenty-five per cent of the annual lease rent; provided that the premium to be added to the annual lease rent for each year of the lease shall be equal to the number of years the lessee has occupied the land; provided further that the premium period shall not exceed seven years; and*

*(3) Recover from the lessee the costs of expenditures required by the department to convert the parcel into leasehold.*

Our concern is that any additional premium charged to a lessee may affect the already slim margins with which agricultural businesses have to work.

For this reason, we request that SB2947 be passed on to the WAM committee with amendments to address the concerns mentioned above.

Sincerely,

Pamela Tumpap  
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.