

**JOSH GREEN, M.D.**  
Governor

**SYLVIA LUKE**  
Lt. Governor



**SHARON HURD**  
Chairperson, Board of Agriculture

**DEXTER KISHIDA**  
Deputy to the Chairperson

**RECEIVED**  
**Date & Time**  
Mar 19, 2024, 10:31 am

State of Hawai'i  
**DEPARTMENT OF AGRICULTURE**  
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Phone: (808) 973-9600 FAX: (808) 973-9613

**LATE**

**TESTIMONY OF SHARON HURD**  
**CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON AGRICULTURE AND FOOD SYSTEMS**

**MARCH 20, 2024**  
**10:15 AM**  
**CONFERENCE ROOM 325**

**HOUSE CONCURRENT RESOLUTION 23 AND HOUSE RESOLUTION 13**  
**REQUESTING THE BOARD OF AGRICULTURE TO CONDUCT A STUDY ON THE**  
**PERCENTAGES OF AGRICULTURAL LANDS BEING LEASED BY THE STATE THAT**  
**ARE SUITABLE FOR FARMING AND ACTIVELY BEING USED FOR FARMING**  
**PURPOSES AND CERTAIN DOLLAR AMOUNTS RELATING TO LEASE TRANSFERS**

Chair Gates, Vice Chair Kahaloa and Members of the Committee:

Thank you for the opportunity to testify on House Concurrent Resolution 23 and House Resolution 13. This measure requests the Board of Agriculture to conduct a study on the percentages of agricultural lands being leased by the state that are suitable for farming and actively being used for farming purposes and certain dollar amounts relating to lease transfers. The Department respectfully opposes this measure as the Department lacks the resources to undertake this study and it represents an unfunded mandate.

We first wish to note that "actively" being farmed includes lands intentionally left fallow. To the passer by, this may seem like "unused" land; however, fallowing is a critical process to keep lands healthy. Further, the Department understands and agrees that lessees of State agricultural lands should be allowed to make windfall profits on the value of the land when assigning a lease. However, we caution against the vilification of all leasehold transfers. The Department has always held that the way to encourage the



growth of the agricultural industry is to show successful business stories. The development and eventual sale of a successful business often serve as the farmer's retirement plan, as is the case with many other professions, such as doctors and lawyers.

Regarding the cost of infrastructure improvements, the lessee is not required to submit these documents to the Department. It would take substantial time and effort to compile these figures and some of the data may be unobtainable due to various reasons including the passing of the original lessee.

The consideration amount or sale price of a successful agricultural business that leases State land may include the value of all business assets included in the assignment. The Department encourages the lessee/seller to provide a schedule of assets and values to be conveyed as part of the lease assignment. In accordance with the lease, a calculation is made to determine net profit to which a percentage is applied to calculate the amount of a premium to be paid to the State. The percentage is a sliding scale up to 50%, dependent on the number of years remaining on the lease term.

The board of Agriculture has the authority to approve a consideration amount and sale price and to approve an assignment of lease request. Past assignments have been disapproved by the Board when they felt the assignment amount was unreasonable.

Thank you for the opportunity to testify.

**HCR-23**

Submitted on: 3/18/2024 2:44:30 PM

Testimony for AGR on 3/20/2024 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jacqueline S. Ambrose	Individual	Support	Written Testimony Only

Comments:

Aloha,

Yes to; REQUESTING THE BOARD OF AGRICULTURE TO CONDUCT A STUDY ON THE PERCENTAGES OF AGRICULTURAL LANDS BEING LEASED BY THE STATE THAT ARE SUITABLE FOR FARMING AND ACTIVELY BEING USED FOR FARMING PURPOSES AND CERTAIN DOLLAR AMOUNTS RELATING TO LEASE TRANSFERS

**LATE**

**RECEIVED  
Date & Time**

Mar 19, 2024, 10:31 am

**HCR-23**

Submitted on: 3/19/2024 9:43:56 AM

Testimony for AGR on 3/20/2024 10:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

INFORMATION THAT WE GOTTA KNOW. MAY LEAD TO MORE FARMING LAND.

MAHALO!