

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

DEXTER KISHIDA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE
KA 'OIHANA MAHI'AI
1428 South King Street
Honolulu, Hawai'i 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON FINANCE

APRIL 2, 2024

2:30 P.M.

CONFERENCE ROOM 308

RELATING TO AGRICULTURE

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 2413, SD2, HD1. This bill requires the Board of Agriculture to submit a report on the percentage of agricultural lands that are suitable for farming and actively farmed and certain dollar amounts relating to lease transfers between lessees and qualified farmers. The Department respectfully opposes this measure as it reflects 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 not 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.



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.



Food+ Policy Internship 2024

food@purplemaia.org

March 30 2024

To: **FIN**

Subject: **SB2413 SD2 HD1 with Amendments**

Aloha no,

Honorable Members of the Finance Committee,

My name is Joseph Ramos, and I am writing to express my support for **Senate Bill 2413, Senate Draft 2, House Draft 1**, with amendments. This bill, which addresses the oversight and management of state agricultural lands, is a critical step towards ensuring the responsible stewardship of our natural resources and the promotion of agricultural sustainability in Hawaii.

SB2413 seeks to address the misuse and misallocation of state agricultural leases by requiring the Board of Agriculture to submit a comprehensive report to the legislature. This report will provide essential data on the percentages of agricultural lands that are suitable for farming and actively being used for agricultural purposes, as well as the dollar amounts relating to lease transfers between lessees.

The findings from this report will be invaluable in assessing the effectiveness of current lease arrangements and identifying areas for improvement. By understanding the extent to which state agricultural lands are being utilized for their intended purpose, policymakers can make informed decisions to maximize the benefits to the state and support the achievement of our economic and food production goals.

The Food+ Policy internship develops student advocates who learn work skills while increasing civic engagement to become emerging leaders. We focus on good food systems policy because we see the importance and potential of the food system in combating climate change and increasing the health, equity, and resiliency of Hawai'i communities.

In 2024, the cohort of interns are undergrads and graduate students from throughout the UH System. They are a mix of traditional and nontraditional students, including parents and veterans, who have backgrounds in education, farming, public health, nutrition, and Hawaiian culture.



Food+ Policy Internship 2024

food@purplemaia.org

Furthermore, SB2413 addresses concerns regarding the unintended transfer of wealth from the state to individual lessees through lease transfers in high-demand locations. By requiring transparency and accountability in lease transactions, this bill aims to ensure that state resources are utilized in a manner that benefits the public interest rather than facilitating private profit.

In light of recent environmental challenges such as the catastrophic Lahaina Wildfires of 2023, it is more important than ever to prioritize the responsible management of our agricultural lands. SB2413 with amendments represents a proactive approach to reducing the risk of future disasters by promoting sustainable land use practices and protecting our valuable natural resources.

In addition to supporting the original intent of the bill, I urge the Finance Committee to consider amendments that embrace Native Hawaiian knowledge and practices. By incorporating traditional farming practices and indigenous knowledge into the reporting process, we can ensure a more holistic and culturally informed approach to land management.

I also encourage the committee to prioritize community engagement and collaboration with independent, community-based centers focused on self-reliant food systems. By working closely with current practitioners and upholding the rights of Native Hawaiians to access and steward the land, we can create a more equitable and sustainable agricultural system for all.

In conclusion, I urge the Finance Committee to **support SB2413 with amendments** and recognize its significance in safeguarding the long-term health and resilience of Hawaii's agricultural sector. Thank you for considering my testimony, and I am available to provide any further information or assistance needed.

The Food+ Policy internship develops student advocates who learn work skills while increasing civic engagement to become emerging leaders. We focus on good food systems policy because we see the importance and potential of the food system in combating climate change and increasing the health, equity, and resiliency of Hawai'i communities.

In 2024, the cohort of interns are undergrads and graduate students from throughout the UH System. They are a mix of traditional and nontraditional students, including parents and veterans, who have backgrounds in education, farming, public health, nutrition, and Hawaiian culture.



Food+ Policy Internship 2024

food@purplemaia.org

Mahalo for your attention to this critical matter.

Malama Pono
Joseph Ramos

The Food+ Policy internship develops student advocates who learn work skills while increasing civic engagement to become emerging leaders. We focus on good food systems policy because we see the importance and potential of the food system in combating climate change and increasing the health, equity, and resiliency of Hawai'i communities.

In 2024, the cohort of interns are undergrads and graduate students from throughout the UH System. They are a mix of traditional and nontraditional students, including parents and veterans, who have backgrounds in education, farming, public health, nutrition, and Hawaiian culture.

SB-2413-HD-1

Submitted on: 4/1/2024 8:44:22 AM

Testimony for FIN on 4/2/2024 2:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

GOOD IDEA. SHOULD BE DONE ON A REGULAR SCHEDULE.

MAHALO!