



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2025**

ON THE FOLLOWING MEASURE:

H.B. NO. 685, RELATING TO AGRICULTURAL DEVELOPMENT.

BEFORE THE:

HOUSE COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

DATE: Wednesday, February 12, 2025 **TIME:** 9:30 a.m.

LOCATION: State Capitol, Room 325

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Ian Robertson, Deputy Attorney General

Chair Kahaloa and Members of the Committee:

The Department of the Attorney General provides the following comments.

The purpose of this bill is to authorize the issuance of general obligation bonds to the Agribusiness Development Corporation for the purchase of a land parcel in Ka'ū for agricultural development.

This bill does not indicate the owner of the land to be acquired. Accordingly, the authorization to acquire land in this bill does not appear to satisfy section 163D-31(b)(3), Hawaii Revised Statutes (HRS). Therefore, the bill may not provide adequate authority for the Agribusiness Development Corporation to complete the acquisition.

Regarding acquisitions of land by the Agribusiness Development Corporation, section 163D-31(b), HRS, states (emphasis added):

(b) The acquisition shall be authorized by a bill enacted into law and shall contain:

- (1) A statement of the value of the interest in land as a resource to the State;
- (2) A description of the specific parcel of land or agricultural easement proposed to be acquired;
- (3) ***The name of the owner of the property***; and
- (4) The estimated costs of acquiring the interest in the land.

To validly authorize the acquisition of this property, we recommend that this bill be amended to name the owner of the land to be acquired.

We respectfully ask the Committee to consider our comments.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

WENDY GADY
EXECUTIVE DIRECTOR

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
HUI HO'OULU AINA MAHIAI

TESTIMONY OF WENDY L. GADY
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE HOUSE COMMITTEE ON AGRICULTURE AND FOOD SYSTEMS
February 12, 2025
9:30 a.m.
Conference Room 325 & Videoconference

HOUSE BILL NO. 685
RELATING TO AGRICULTURAL DEVELOPMENT

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

Thank you for the opportunity to testify in **support** of House Bill No. 685, which authorizes the issuance of general obligation bonds to the Agribusiness Development Corporation for the purchase of a land parcel in Ka'ū for agricultural development. This initiative represents a vital opportunity to leverage the unique agricultural attributes of Ka'ū, ensuring its potential is realized in ways that benefit both local farmers and the broader community across Hawai'i.

The Uniqueness of Ka'ū for Agricultural Production

Ka'ū is recognized as one of the most distinctive regions for agriculture in Hawai'i due to its unparalleled combination of factors, including climate, soil quality, and cultural heritage:

1. Ideal Climate Conditions:

Ka'ū's microclimates are uniquely suited to a diverse range of crops,

including coffee, macadamia nuts, and specialty fruits. Its moderate temperatures, consistent rainfall, and ample sunshine create an optimal growing environment for both traditional and innovative agricultural practices.

2. High-Quality Agricultural Land:

The fertile, well-drained soils in Ka'ū are among the most productive in the state. These soils support a variety of high-value crops and allow for sustainable farming practices that prioritize soil health and long-term productivity.

3. Cultural and Historical Significance:

Agriculture has long been a cornerstone of life in Ka'ū, reflecting centuries of traditional knowledge and stewardship of the land. Preserving and expanding agricultural use in this area is critical to maintaining this cultural heritage.

4. Opportunities for Expansion:

Compared to other regions in Hawai'i, Ka'ū offers larger, more contiguous parcels of land suitable for commercial agriculture. This makes it an ideal location for establishing new operations or scaling up existing ones.

Benefits of Land Acquisition for Agricultural Development

The purchase of this land by the ADC for agricultural development will deliver significant benefits to the state and its residents:

1. Increased Food Security:

Expanding agricultural activity in Ka'ū will bolster local food production, reducing Hawai'i's dependence on imported goods and enhancing the state's resilience to external disruptions.

2. Economic Development:

Investing in Ka'ū's agricultural potential will create jobs, support local farmers, and stimulate economic activity in the region. This, in turn, will contribute to the broader economic stability of Hawai'i.

3. Sustainability and Environmental Stewardship:

By promoting responsible agricultural practices on this land, the state can prioritize sustainability, including soil conservation, water management, and carbon sequestration, aligning with Hawai'i's climate goals.

4. Preservation of Agricultural Land:

Acquiring this land for agricultural use ensures that it remains protected from urbanization or other incompatible developments, safeguarding it for future generations of farmers.

Recommendations for Implementation

To maximize the impact of this investment, I recommend that the ADC:

• **Engage Local Farmers and Stakeholders:**

Work closely with the Ka'ū community, including farmers, ranchers, and residents, to ensure the development aligns with local needs and priorities.

- **Prioritize Diversified Agriculture:**

Encourage a mix of crops and farming techniques to enhance resilience, reduce risk, and support Hawai'i's food sovereignty goals.

- **Incorporate Value-Added Opportunities:**

Promote infrastructure and resources that support value-added agricultural products, such as processing facilities and direct-to-market opportunities.

- **Provide Support for Small Farmers:**

Ensure that small-scale and beginning farmers have access to resources and opportunities associated with this development, fostering inclusivity and equity.

Conclusion

The issuance of general obligation bonds to enable the ADC to acquire land in Ka'ū represents a strategic and forward-thinking investment in Hawai'i's agricultural future. Ka'ū's unique attributes make it an unparalleled asset for agricultural production, and its potential must be harnessed to benefit farmers, communities, and the state as a whole.

I urge you to support this initiative to secure Ka'ū's role as a cornerstone of Hawai'i's agricultural sustainability and food security efforts. We support this bill provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget. Thank you for your consideration and commitment to advancing Hawai'i's agricultural sector.



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February 12, 2025

HEARING BEFORE THE
HOUSE COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

TESTIMONY ON HB 685
RELATING TO AGRICULTURAL DEVELOPMENT

Conference Room 325 & Videoconference
9:30 AM

Aloha Chair Kahaloa, Vice-Chair Kusch, 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 HB 685, which authorizes the issuance of general obligation bonds to the Agribusiness Development Corporation (ADC) to purchase a land parcel in Ka'u for agricultural development. While we support the intent of this measure to expand agricultural opportunities for ADC, we encourage ADC to broaden its scope to consider potential land acquisitions in both Maui County and Hawaii Island and to ensure that adequate water resources are available before purchasing any land for agricultural development.

The agricultural industry established the Agribusiness Development Corporation as sugar and pineapple downsized. It was created to help transition Hawaii's agricultural industry from plantation agriculture to smaller, diversified agricultural operations. Over the past decade, ADC has made significant progress in transitioning Hawaii's agricultural sector by managing key state agricultural lands, developing irrigation systems, and supporting diversified agriculture on Oahu and Kauai. Expanding ADC's role to additional lands is a logical next step, but due diligence must be done to ensure successful outcomes.

While Ka'u offers potential for agricultural development, Maui County and other areas of Hawaii Island also have significant agricultural potential. Purchasing land in Ka'u is step in the right direction for expanding agricultural opportunities in Hawaii. However, ensuring water access, considering multiple locations, and prioritizing infrastructure development are essential to the success of ADC's expansion.

Thank you for this opportunity to testify in support of this measure.



RE: SUPPORT for HB685
RELATING TO AGRICULTURAL PROTECTION

Aloha Chair, Vice Chair, and Committee Members,

The Synergistic Hawai'i Agriculture Council (SHAC) stands in **strong support** of this Bill to acquire agricultural land in the Ka'u District. Our consortium represents 1,500 coffee macadamia, papaya, and floriculture agribusinesses. SHAC's growers, processors, and shippers stretch across the State.

Since transitioning from mainly sugar plantations in the 1990s, Ka'u has successfully diversified its agricultural output. Today, it is known for award-winning coffee farms, macadamia orchards, and grazing pastures for cattle. As a nonprofit that serves Hawaii's coffee and macadamia industries, SHAC sees the potential for further diversification and growth of agriculture in this region.

We particularly appreciate how this initiative will:

- * Protect prime agricultural land
- * Support local farmers in creating new operations or expanding current ones
- * Strengthen Hawaii's agricultural self-sufficiency
- * Enhance the region's agricultural infrastructure

The Ka'u District's fertile soil and proven agricultural track record make this investment both timely and wise. We urge the legislature to support this important initiative.

Mahalo nui loa for supporting this bill!

Suzanne Shriener
Administrator

IN support of HB685

To: House Agriculture Committee

Aloha to Committee Chair Mrs. Kahaloa, Vice Chair Mr. Kusch, and to all members of the committee.

My name is Ralph Gaston, and I submit this testimony today in support of House bill 685 I want to use a bit of my story here in Hawaii to explain why this bill is important for our community - and for all of Hawai'i.

Growing up in Baltimore, I never imagined I would visit Hawai'i, let alone make a home here. But in 2011, my wife Joan and I made the move to help our mother, Lorie, with the family coffee company.

Rusty's Hawaiian is named for our late father, Rusty Obra, who founded the company in 1999 - and the Ka'u Coffee Growers cooperative in 2003. Papa Rusty's dream was to see Ka'u become well known for its coffee, similar to the status that Kona coffees had achieved.

I think that was a success. But it's what I learned after living in Ka'u that brings me here today.

See, it's one thing to settle in, get into a company, and get to the business of sales - roasting coffee, finding buyers, setting up packaging, distribution, and so on. But that means nothing if we are not truly part of the community.

So for a guy who grew up on the east coast in a big city, that meant joining the Farm Bureau for a few years. Volunteering time to help the Ka'u Coffee Festival, and Hawaii Coffee Association, and also the Synergistic Hawaii Agriculture Council.

Most importantly, it meant meeting my fellow farmers, and coffee growers, and those who have made Pahala home for many decades. It's the community that lives and shares the magic of Ka'u together, all the ups and downs. When we had a big windstorm years ago, and Albizia trees blocked the road up to Cloud's Rest...we all got our gloves and chainsaws, and cleared that road together.

All through the year, we share our bounty together. Maybe its smoked pork from a weekend hunt. Or fresh lilikoi and mango from a backyard tree. Or avocados, or the holiday season when I make pies for all my neighbors. But every interaction, every graduation party or holiday party or just a community gathering, show more and more how special Ka'u is - and how important the saying of the locals really is:

We have to keep Ka'u....Ka'u.

I've been here for almost 14 years now, and I can't imagine leaving Ka'u. I truly enjoy living in one of this state's most beautiful and bountiful areas. And I want to do my part so that those who grew up here, and raised their kids here...I want to help those kids keep their ties to Hawai'i. To have their chance to remain connected to this special land. That is the least I can do for a community that has welcomed my wife and I with open arms.

This is why I think projects like this one, with the ADC, are so important. the Ka'u District is home to very productive farmland, ideal for growing the foods that we need to be more self sustainable as a state here in Hawaii. As we have seen with recent events, disruptions to the food supply can happen suddenly and leave Hawai'i in a tough position. The less Hawai'i has to rely on those container ships to feed our people, the safer we all are.

This is land that produced high quality fruits and vegetables when run by Ellis Hester for over a generation. And it would be ideal again for farmers - local farmers - to have access to these lands to plant the crops that can feed Hawaii for generations to come.

That is why I support House Bill 685.

Mahalo for your time and consideration.

-Ralph Gaston
Rusty's Hawaiian, Isla Custom Coffees



Testimony of Nathan Trump
General Manager, Island Harvest
February 12, 2025

RE: HB685 RELATING TO AGRIBUSINESS DEVELOPMENT

Aloha Chair Kahaloo, Vice Chair Kusch, and the members of the House Committee on Agriculture and Food Systems,

I am writing in support of House Bill 685 RELATING TO AGRIBUSINESS DEVELOPMENT.

This bill will increase opportunities for agribusiness development in the Ka'u district where agricultural skill and natural resources are abundant but access to agricultural land is limited. Allocating funds to the Agribusiness Development Corporation to purchase land in this region has the potential to unlock rural agribusiness, allowing for increased local food production and employment opportunities

Blessed with some of the most fertile soil on Hawai'i Island, the Ka'u District is a cornerstone of local agriculture. Since the end of its vast sugarcane plantations in the 1990s, the region has evolved into a thriving mosaic of diverse enterprises — from small family farms to larger operations. The parcel proposed for purchase is well suited for agricultural production; it is adjacent to coffee farms, a macadamia nut orchard, and a former vegetable farm. ADC's acquisition of this parcel would protect a legacy of farming excellence, grow the economic resilience of Ka'u, and secure a vital resource for Hawaii's agricultural future.

Thank you for taking the time to consider this bill and my testimony.

Mahalo,

Nathan Trump
General Manager
Island Harvest

HB-685

Submitted on: 2/11/2025 8:44:45 AM

Testimony for AGR on 2/12/2025 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
JOHN L. AH SAN	United Ka'u Farmers Cooperative	Support	Written Testimony Only

Comments:

February 11, 2025

Representative Kirstin Kahaloa, Chair
Representative Matthias Kusch, Vice Chair
House Committee on Agriculture & Food Systems
Hawaii State Capitol
415 South Beretania Street, Honolulu, HI 96813

Dear Chair Kahaloa, Vice Chair Kusch, and Committee members,

I write to you on behalf of the United Ka'u Farmers Cooperative (UKFC), an organization committed to advancing scientific research in coffee cultivation and sustainable agricultural practices. We strongly support HB 685, the bill to purchase land in Ka'u for an agriculture park.

We are very familiar with the agricultural potential of the proposed parcel, as one of our members operates an award-winning coffee farm immediately adjacent to it. With the support of a 2019 Specialty Crop Block Grant, we have extensively documented the growing conditions of this coffee farm, including soil composition and weather data. The area is ideal for coffee production and other agricultural enterprises.

We strongly support this acquisition because it will:

- * Protect land with proven exceptional growing conditions
- * Provide opportunities for new farmers to benefit from our research findings
- * Expand opportunities for agricultural research and development
- * Strengthen Ka'u's position as a leading agricultural region in Hawaii

In short, the parcel under consideration represents exactly the type of versatile, high-potential agricultural land that must be protected for future generations. We strongly urge the legislature to support this project for Ka'u's agricultural future.

Sincerely,
John Ah San
President
United Ka'u Farmers Cooperative

HB-685

Submitted on: 2/11/2025 9:08:50 AM

Testimony for AGR on 2/12/2025 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Lori-Kim S. Ah San	Ka'u Ocean Vista Coffee Estate	Support	Written Testimony Only

Comments:

February 11, 2025

Representative Kirstin Kahaloa, Chair
Representative Matthias Kusch, Vice Chair
House Committee on Agriculture & Food Systems
Hawaii State Capitol
415 South Beretania Street, Honolulu, HI 96813

Dear Chair Kahaloa, Vice Chair Kusch, and Committee members,

I am writing to express my strong support for the proposed legislation (HB 685) to acquire agricultural land in Pahala. As part of a farming family who has worked the soil in Ka'u for the past 28 years, I have a deep personal understanding of both the challenges and opportunities that farming presents in our community.

When my dad started growing coffee in Pahala in 1996, the town was still finding its way after the closure of the local sugar mill. Today, I look across our district and see thriving farms, award-winning coffee operations, and a renewed sense of purpose in our agricultural community.

The proposed land acquisition would build on this success and secure our agricultural future. What makes this project particularly valuable is its focus on long-term agricultural security. As longtime farmers, my family understands how crucial land security is for agricultural success. This acquisition would provide new farmers with the confidence to make the substantial investments required for successful farming operations, knowing their efforts won't be lost to land use changes or lease uncertainties.

The parcel's location adjacent to existing coffee farms and macadamia orchards makes it ideal for agricultural development. Its proven versatility – having supported both tree crops and cattle grazing – opens up numerous possibilities for diversified agriculture. This variety is exactly what our community needs to build a resilient local food system and create new economic opportunities.

Every new farm operation brings:

- * Additional jobs for local residents
- * Increased business for our local suppliers and services
- * New opportunities for our young people to stay in the community
- * Greater food security through local production
- * Enhanced economic stability for our rural town

Most importantly, this agricultural park would ensure that farming remains a viable path for future generations in Pahala. Our children and grandchildren need access to agricultural land to continue the farming tradition we've built here in Ka'u.

I strongly urge the legislature to support this vital investment in our community's future. This project will have lasting positive impacts for generations to come.

Sincerely,
Lori-Kim S. Ah San
Ka'u Ocean Vista Coffee Estate
Pahala, Hawaii