

JOSH GREEN, M.D.
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WENDY GADY
EXECUTIVE DIRECTOR

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
HUI HO'OU LU AINA MAHIAI

TESTIMONY OF WENDY L. GADY
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE SENATE COMMITTEE ON
WAYS AND MEANS
February 25, 2026
10:55 a.m.
Conference Room 211 & Videoconference

SENATE BILL NO. 2595, SD1
RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION

Chairperson Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

The Agribusiness Development Corporation (ADC) **supports** S.B. 2595, SD1, which requires ADC to issue licenses at market rate, as determined by appraisal, with a targeted exception for licensees that provide agricultural products to the Department of Education or to the Food and Product Innovation Network.

ADC's core responsibility is to steward public agricultural lands in a fiscally responsible manner while supporting the long-term viability of agriculture in Hawai'i. Requiring licenses to be issued at market rate based on appraisal provides transparency, consistency, and accountability in the management of State agricultural lands. This approach ensures that public assets are managed prudently and that licensing decisions are grounded in objective, professional valuation rather than ad hoc determinations.

At the same time, the limited exception provided in this measure is both appropriate and strategic. Licensees that supply food to the Department of Education or participate in the Food and Product Innovation Network are directly

contributing to statewide food system goals, including expanding local food production, supporting value-added processing, and strengthening supply chains for institutions that serve Hawai'i's residents. Allowing flexibility for these specific licenses recognizes that their activities generate public benefits that extend beyond individual farm operations.

This structure appropriately balances fiscal stewardship with food system policy. Market-rate licensing protects the State's financial interests and promotes fairness among users, while the narrowly tailored exception supports farmers and food producers who are helping the State meet its objectives for school meals, food innovation, and local procurement. In this way, S.B. 2595, SD1, aligns land management practices with broader policy goals related to food security, workforce development, and community health.

ADC also notes that the appraisal-based framework will help reduce disputes, improve predictability for applicants, and strengthen confidence in the licensing process. Clear standards for valuation and limited, purpose-driven exceptions provide both administrative clarity and policy alignment.

For these reasons, ADC supports S.B. 2595, SD1, and appreciates the Legislature's effort to ensure that State agricultural lands are managed in a manner that is fair, transparent, and consistent with Hawai'i's food system priorities.

Thank you for the opportunity to provide testimony in support of this measure.



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February 25, 2026

HEARING BEFORE THE
SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY ON SB 2595, SD1
RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION

Conference Room 211 & Videoconference
10:55 AM

Aloha Chair Dela Cruz, Vice-Chair Moriwaki, 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 the intent of SB 2595, SD1, which requires the Agribusiness Development Corporation to lease, license, or rent its properties at market rates or higher, while providing limited exceptions for lessees who grow, raise, and harvest fresh local agricultural products for the Department of Education and for partner members of the Food and Product Innovation Network.

HFB understands and appreciates the broader policy objective of strengthening agricultural supply chains, increasing participation in Farm to School initiatives, and supporting the Food and Product Innovation Network. Expanding market pathways for Hawai'i-grown products is critical to the long-term sustainability of our agricultural sector.

At the same time, the Agribusiness Development Corporation was established with a clear agricultural development mission. ADC lands have historically provided access and opportunity for a diverse range of agricultural operations, including beginning farmers, diversified producers, nursery operations, livestock operations, specialty crop producers, and others whose products may not align directly with Department of Education procurement needs or value-added innovation networks.

Requiring leases, licenses, or rentals to be set at market rate or higher as a default standard may reduce ADC's flexibility to structure agreements that support agricultural development objectives. Hawai'i agriculture is diverse, and not all producers are positioned to participate in Regional Kitchens, DOE procurement programs, or FPIN-related initiatives. It is important that lease policies do not unintentionally disadvantage

viable agricultural operations that contribute to local food production, export markets, or other sectors of the agricultural economy.

HFB supports the concept of incentivizing participation in priority programs and strengthening alignment between public land policy and food system goals. However, we encourage consideration of approaches that preserve ADC's ability to exercise reasonable flexibility in furtherance of its development mission. Incentive-based mechanisms may provide a more balanced pathway than uniform market-rate requirements.

HFB looks forward to continued dialogue to ensure that ADC policies support a strong, diverse, and resilient agricultural sector across Hawai'i.

Thank you for the opportunity to provide testimony on this measure.



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Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Senate Ways and Means Committee,

The Hawaii Farmers Union is a 501(c)(5) agricultural advocacy nonprofit representing a network of over 2,500 family farmers and their supporters across the Hawaiian Islands. **HFU offers comments on SB2595.**

HFU supports the intent of this bill to increase the supply of local food to the Department of Education (DOE) and the Food and Product Innovation Network. However, SB2595 poses the risk of inadvertently directing state land subsidies towards larger, well-capitalized operations by exempting lessees involved in certain programs from market rate leasing conditions. This could disproportionately benefit larger entities capable of meeting the requirements to supply the Department of Education or participate in the Food and Product Innovation Network, potentially squeezing out smaller family farms that are pivotal for a resilient and diversified local food system.

To address these concerns, we propose an amendment to cap on the size or revenue of entities eligible for reduced rent rates to balance these subsidies with measures that support smaller-scale farmers and prevent consolidation of state benefits and procurement. In Section 1, amend Section 163D-4(a)(6)(C), by inserting the following language after the phrase "section 103D-102(b)(3);":

> "...provided further that to qualify for reduced rates, lessees or tenants must not exceed a threshold of gross annual agricultural revenue as defined by the board, ensuring preference for small to medium-sized farming entities."

This amendment aims to balance support between maintaining competitive advantages for larger producers capable of fulfilling DOE requirements and ensuring smaller, diversified farms receive adequate access to state-subsidized resources. By establishing clear guardrails and promoting transparency, Hawaii can move toward its local food goals and build a food system that supports a diverse range of agricultural producers.

Mahalo for the opportunity to testify.

Hunter Heavilin
Advocacy Director
Hawaii Farmers Union

SB-2595-SD-1

Submitted on: 2/23/2026 9:21:08 PM

Testimony for WAM on 2/25/2026 10:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Comments	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry

Comment 2595 SB RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION.

July 2050? Why not sooner?