

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 SENATE COMMITTEES ON  
ECONOMIC DEVELOPMENT AND TOURISM & AGRICULTURE AND ENVIRONMENT  
February 9, 2026  
3:05 p.m.  
Conference Room 224 & Videoconference

SENATE BILL NO. 2595  
RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION

Chairpersons DeCoite and Gabbard, Vice Chairs Wakai and Richards, and  
Members of the Committees:

The Agribusiness Development Corporation (ADC) **supports** S.B. 2595, 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 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 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.



**HAWAII COMMUNITY  
DEVELOPMENT AUTHORITY**

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JOSH GREEN, M.D.  
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STERLING HIGA  
CHAIRPERSON

CRAIG K. NAKAMOTO  
EXECUTIVE DIRECTOR

Statement of  
**CRAIG K. NAKAMOTO**  
**Executive Director**  
Hawai'i Community Development Authority  
before the  
**COMMITTEES ON AGRICULTURE AND ENVIRONMENT &  
ECONOMIC DEVELOPMENT AND TOURISM**

Monday, February 9, 2026  
3:05 p.m.  
State Capitol, Conference Room 224 & Videoconference

In consideration of  
**SB 2595**  
**RELATING TO AGRIBUSINESS DEVELOPMENT CORPORATION.**

Chairperson Gabbard, Chairperson DeCoite, Vice Chairperson Richards, Vice Chairperson Wakai and members of the Committees. The Hawai'i Community Development Authority (HCDA) **supports SB 2595**, which requires the Agribusiness Development Corporation (ADC) to charge at least market rents, with prescribed exceptions. The HCDA is assisting the ADC, as a project manager, on the development of the Central Oahu Agriculture and Food Hub, located in Wahiawa, Oahu, Hawaii (COAFH). The COAFH is located on land owned or to-be-owned by ADC. We also respectfully offer **comments**.

Rent imposed should be a function of land use. Workforce housing at the COAFH is being proposed. Workforce housing is housing that is affordable for people at a certain income level. In our experience, to make workforce housing feasible, the cost of land (or ground rent) must be at a nominal level. To charge otherwise, may make the workforce housing project infeasible. In another example, again at the COAFH, vendors could be procured to host agriculture-related events open to the public. Accepting a lower than market rent or license fee in this situation may be offset by non-financial gains, such as goodwill for ADC, or publicity for agriculture or agribusiness.

A flexible leasing policy may be advantageous to agribusiness, the community, and ADC.

Thank you for the opportunity to provide testimony in support.



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Aloha Chairs DeCoite & Gabbard, Vice Chairs Wakai & Richards, and Committee Members,

The Hawai'i 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.**

SB2595 brings forward important changes to the management of the Agribusiness Development Corporation's (ADC) assets, urging a necessary evaluation of the impacts on Hawaii's agricultural landscape.

The proposal to lease, license, or rent properties at market rates aligns with the state's economic goals but also raises concerns about the fairness and accessibility of these resources to diverse producers. Exemptions for suppliers to the Department of Education and members of the Food and Product Innovation Network are well-intentioned to prioritize local produce in schools and foster innovation, yet without careful implementation, may inadvertently favor larger operations, leaving small farmers at a disadvantage.

To ensure that these changes truly benefit Hawaii's agricultural community, implementing stringent public accountability measures and advocating for transparency is essential.

A regular public report detailing lease and license distributions, emphasizing how they support a range of farming operations, will bolster community trust and ensure that opportunities are equitable. Moreover, the introduction of caps on acreage or facilities under single-entity control is crucial. Such measures will prevent the potential monopolization by major players, which could otherwise limit the scope of small and family-run farms thriving.

In fostering a system that promotes equitable growth, ADC can not only bolster economic development but ensure state programs support a diversity of farming operations.

Mahalo for the opportunity to testify.

Hunter Heavilin  
Advocacy Director  
Hawai'i Farmers Union

**SB-2595**

Submitted on: 2/6/2026 2:28:57 PM

Testimony for EDT on 2/9/2026 3:05:00 PM

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

Comments:

SUPPORT