

SB 2907

LINDA LINGLE
GOVERNOR
STATE OF HAWAII



LATE

MICAH A. KANE
CHAIRMAN
HAWAIIAN HOMES COMMISSION

BEN HENDERSON
DEPUTY TO THE CHAIRMAN

KAULANA H. PARK
EXECUTIVE ASSISTANT

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

P.O. BOX 1879
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TESTIMONY OF MICAH A. KANE, CHAIRMAN
HAWAIIAN HOMES COMMISSION

BEFORE THE SENATE COMMITTEE ON AGRICULTURE AND HAWAIIAN AFFAIRS

ON S. B. 2907

RELATING TO THE PASTORAL AND AGRICULTURAL HOMESTEAD DIVISION OF
THE DEPARTMENT OF HAWAIIAN HOME LANDS

February 7, 2008

Chair Tokuda, Vice Chair English and Members of the Committee:

Thank you for the opportunity to testify. The Department of Hawaiian Home Lands (DHHL) supports the purpose and intent of S.B. 2907 to promote pastoral and agricultural homesteading by establishing a division for that purpose as long as its funding does not impact Department funds or the Administration's priorities as reflected in the Executive Supplemental Budget.

In 2000, the DHHL Agricultural Task Force provided recommendations on how to promote successful native Hawaiian farming at various levels. One of these recommendations related to the creation of an Agricultural Resources Division within DHHL. Other recommendations related to (1) Land Use and Lease Enforcement, (2) Farm Support Services, (3) Infrastructure, and 4) Value-Added Products and Marketing Support.

Due to the affordable housing crisis in Hawaii and because Hawaiians have the lowest rate of homeownership in the State of Hawaii, DHHL's focus has been on accelerating homeownership opportunities for native Hawaiians. We recognize there is a need for DHHL to focus on the Agricultural and Pastoral needs of our beneficiaries and appreciate your support for increasing DHHL's administrative and operational capacity to do so.

Thank you for the opportunity to testify on this measure.



COUNCIL FOR NATIVE HAWAIIAN ADVANCEMENT

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LATE

Senator Jill N. Tokuda, Chair
Senator Kalani English, Vice Chair
Committee on Agriculture and Hawaiian Affairs

Testimony of Robin Puanani Danner, President & CEO
Council for Native Hawaiian Advancement

Hearing on Thursday, February 9, 2007, at 2:30 pm, Room 224

Support for SB 2907, Relating to Establishing a Division of Agriculture within DHHL

Honorable Senator Tokuda and Honorable Senator English, Members of the Committee:

The Council for Native Hawaiian Advancement (CNHA) is a community development nonprofit with a mission of enhancing the well being of Hawaii through the cultural, economic and community development of Native Hawaiians. We achieve our mission through capacity building of community based organizations, training and technical assistance, leadership development and convening our community around topical and important policy issues.

Mahalo for the opportunity to provide testimony on SB 2907, to establish a division within the state of Hawaii, Department of Hawaiian Home Lands for agricultural and pastoral homesteading.

We strongly support this legislation and the adequate appropriation of funds within the DHHL operating budget for the following reasons:

1) Represents two of the three Priorities under the HHCA. The Hawaiian Homes Commission Act principle purposes are Residential, Agriculture and Pastoral homesteading for beneficiaries of the Act. Over the nearly 50-year history, since passage of the Admissions Act wherein the state of Hawaii become responsible for the administration of the HHCA, the agricultural and pastoral priorities have not kept pace with the advances made in the area of residential homesteading. In fact, these two priorities have been stymied by the wholesale leasing of agricultural lands to commercial interests more than 50 years ago. As these agricultural leases expire, we have an opportunity to breathe new life into two of the original purposes of the HHCA - farming and pastoral homesteading. We believe that the existence of a Division within DHHL, dedicated entirely to these two priorities is the foundation necessary to begin reaching the potential of the HHCA as was originally envisioned by the Congress in 1920 and the state of Hawaii in 1959.

2) **Dedicated Talent and Resources.** The establishment of a full division within DHHL, funded properly in the annual operating budget, creates fertile ground for the best ideas and for programs to be fostered and developed that advance agricultural and pastoral programming across the state. With this level of presence, amidst other divisions that focus entirely on the needs of residential homesteading and even commercial revenue generation to sustain the trust, a division dedicated entirely to agriculture and pastoral priorities is a critical and vital need that will bring needed balance to the trust in its land management approaches. The time for dedicated talent and resources to these two areas of priorities is long overdue.

3) **Provides Sustainability Opportunities for the Entire State.** As our state faces critical sustainability choices today, that will impact future generations, the agricultural and pastoral priorities contained in the HHCA, are an opportunity not just for the beneficiaries, but for the entire state. If we can pilot our best agricultural and pastoral ideas within the parameters of the HHCA on Hawaiian Home Lands for which they were set-a-side, we have a tremendous opportunity to replicate the best practices we achieve, in the rest of the state. In short, making agriculture and pastoral homesteading a priority inside DHHL, and directing adequate resources and talent to these areas, meets our obligation under the HHCA and also presents a pathway to contributing to the sustainability challenges of the rest of our state.

In closing, I'd like to reference the original resolution proposed by the Hawaiian Homes Commission in 1998, establishing an Agricultural Task Force and enclosed for your convenience. The content of this resolution further articulates and validates the intent of SB 2907, and indeed the Task Force was formed and issued a report of findings available by contacting the Planning Division at DHHL. Ten years later, the issues and opportunities remain open and we believe can only be furthered by establishing a strong Agricultural and Pastoral Homesteading Division at DHHL. It is time to seize the moment and embrace the values and priorities of agricultural and pastoral homesteading.

Please accept this testimony in support of this legislation and our gratitude for its introduction.

Enclosure: 1998 Hawaiian Homes Commission Resolution Establishing an Agricultural Task Force

Proposed Resolution Authorizing a Hawaiian Homes Agricultural Task Force
July 1998

WHEREAS the Department of Hawaiian Home Lands, pursuant to Section 207(a) of the Hawaiian Homes Commission Act, has awarded a total of 1,043 agricultural leases to date; and

WHEREAS less than 5% of these agricultural leaseholds are currently in farm production by Hawaiian Homesteaders; and

WHEREAS the standard DHHL agricultural lease requires the lessee to farm at least two-thirds of the leasehold; and

WHEREAS non-Native Hawaiian agricultural ventures have in the past established highly successful farming businesses on DHHL lands as third-party lessees; and

WHEREAS in 1996 the Supreme Court of Hawai'i ruled in Bush v. Watson that such third-party leases to non-Native Hawaiians were void because they violated the Hawaiian Homes Commission Act; and

WHEREAS there is a substantial potential market for Hawai'i-grown produce, as evidenced by the fact that the state currently imports over 60% of all produce consumed in Hawai'i; and

WHEREAS Section 219.1 of the Hawaiian Homes Commission Act authorizes the Department "to carry on any activities it deems necessary to assist the lessees in obtaining maximum utilization of the leased lands, including taking any steps necessary to develop these lands for their highest and best use commensurate with the purposes for which the land is being leased . . . and assisting the lessees in all phases of farming, ranching, and aquaculture operations and the marketing of their agricultural or aquacultural produce and livestock"; and

WHEREAS the Department currently provides no assistance to Homestead farmers other than a single, contracted University of Hawai'i Cooperative Extension position on each of the islands of Hawai'i, Kaua'i and Moloka'i; and

WHEREAS there are a number of successful Hawaiian Homestead farmers throughout the state whose expertise has not yet been sought in any formal way by the Department;

NOW THEREFORE BE IT RESOLVED:

THAT the Department of Hawaiian Home Lands shall convene an Agricultural Task Force composed of active commercial Hawaiian Homestead farmers, appropriate DHHL staff, at least one Hawaiian Homes Commissioner, and the University of Hawai'i Cooperative Extension agents who serve our Homestead farmers in their respective communities; and

THAT the purpose of the Agricultural Task Force shall be to create a strategic plan for successful farming of Hawaiian Home Lands agricultural lots; and

THAT this Task Force shall be constituted and convened no later than November 1, 1998.

**Sovereign Councils
of the**



**Hawaiian Homelands
Assembly**

89-188 Farrington Highway
Wai'anae, Hawai'i 96792
Phone & Fax: (808) 696-2955

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Rev. N. Tasha Kama
Executive Officer
Maui

Appointed

G. Pikake Pelekai
Executive Director

Senate Hearing

February 7, 2008

2:45 pm – Room 224

**To: Senate Committee on Agriculture and Hawaiian
Affairs: Chair, Senator Jill Tokuda,
V. Chair. Kalani English**

**From: Mike Kahikina, Executive Assistant to the
Chairman for Government Affairs
Sovereign Councils of the Hawaiian Homelands
Assembly (SCHHA)**

The SCHHA is in Support of SB 2907

The requirement of a Division for Agricultural and Pastoral responsibilities within the Department of Hawaiian Home Lands has been long in coming. Agricultural and Pastoral responsibilities by the DHHL are two-thirds of its entire Kuleana with Residential being the other third.

Of the three sections these two divisions also carry the responsibilities for water resources and water-rights, and the only truly designated economic development base-structure that is required and yet no division exists within the Department.

It is for these reasons that the members of the SCHHA ask your support of SB 2907

WAIMEA HAWAIIAN HOMESTEADERS' ASSOCIATION, INC.

P. O. Box 6753

Kamuela, Hawaii 96743

February 6, 2008

M KANANI KAPUNIAI
Pu'ukapu-Pastoral '90+
Director- **President**

N DUKE KAPUNIAI
Honokaia
Director - **Vice-President**

SHARON MEDEIROS
Puu Pulehu
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Director

BETTY LAU
Kuhio Village
Director

JOSEPH KEALOHA
Pu'ukapu-Agricultural'85+
Director

FRED LAU
Kuhio Village
Director

TO: Senator Jill N Tokuda, Chair
Senator J. Kalani English, Vice Chair
Committee on Agriculture & Hawaiian Affairs

FROM: M Kapuniai, President

RE: **SB 2907 RELATING TO THE PASTORAL AND AGRICULTURAL HOMESTEADING DIVISION OF THE DEPARTMENT OF HAWAIIAN HOME LANDS**

Date/Time: Thursday, February 7, 2008 @ 2:45 p.m.
Place: Conference Room 224
State Capital, 415 So Beretania St

We provide testimony to **SUPPORT WITH AMENDMENTS.**

ADD to SECTION 2.

(a) Page 2 Line 4

"perpetuates the homesteading of Hawaiian home lands, with experienced beneficiary consultation; provided . . ."

(b) Page 3 Line 5, before SECTION 3.

ADD (3) Develop a water system to support every farm and pastoral homesteading project, existing and new;

The HHC, with staff recommendation, continues to award projects without a water system (1952, 1986, 1991, 2007)

ADD (4) May staff the new division with experienced beneficiaries, exempt of the Civil Service process.

We believe these amendments are necessary to:

- 1) Enhance the maximization of the use of trust lands for beneficiary use,
- 2) Ensure beneficiary success, and
- 3) Enhance the "rehabilitation program" the Hawaiian Homes Commission Act was intended to be

We also believe that requiring a dedicated division towards developing agricultural homesteading projects within the department of Hawaiian home lands will allow for greater related expertise which will then provide concerted and efficient planning by and for beneficiary stewardship of trust lands.

We strongly urge the committee's serious consideration on supporting SB2907 with the recommended amendments.

We appreciate the opportunity to participate! Thank you!

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Puakala Farms
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February 5, 2008

SENATE COMMITTEE ON AGRICULTURE AND HAWAIIAN AFFAIRS

Senator Jill N. Tokuda, Chair
Senator J. Kalani English, Vice Chair

SENATE COMMITTEE ON INTERGOVERNMENTAL AND MILITARY AFFAIRS

Senator Lorraine R. Inouye, Chair
Senator Shan S. Tsutsui, Vice Chair

Testimony in Support of Senate Bill 2907

Hawaiian Homes Act of 1920

Section 8. That the said commission is hereby authorized to employ an agricultural expert or experts upon such terms and for such salary as may be determined by the commission.

It shall be the duty of the said agricultural experts to assist and advise the Hawaiian colonies established pursuant to the provisions of this Act in the best method of diversified farming and stock raising, and in all matters which will tend to successfully accomplish the purposes of this Act.

Aloha Legislators,

My name is Glenn Teves. I'm a Hoolehua Homestead farmer and have farmed all my life, first on Oahu, then on Molokai for the last twenty years. Although I'm also a County Extension Agent employed by University of Hawaii, College of Tropical Agriculture and Human Resources for the last 26 years, I represent myself in testifying in support of this bill. In 1981, I was the first extension agent hired by UH under contract to the Department of Hawaiian Home Lands to provide technical assistance to Hawaiian Home Lands farmers on the island of Molokai.

This position is funded through a contract between DHHL and UH-CTAHR. I worked in this position for 6 years under a year-to-year contract, then sought job security and was hired to a tenured extension agent position in 1987 where I still work with homestead farmers. The present HHL extension agent is Kali Arce and she works out of our office in Hoolehua. Agricultural technical assistance to homesteaders is a start, but in and of itself, is insufficient to help homestead farmers succeed. A whole infrastructure of services is required to help homestead farmers move forward, and DHHL has a fiduciary responsibility to provide this.

A Hawaiian Homes agricultural department is overdue by 80 years, but its better late than never. With over 200,000 acres of land statewide and hundreds of agricultural leases awarded to native Hawaiian families, you would think DHHL would have an agricultural division. This need for an agricultural department was identified as a priority by an agricultural task force convened by DHHL. The task force was composed of homesteaders involved in agriculture on their island, with participation from all the neighbor islands except Lanai. I was fortunate to serve on this task force as a support and technical staff.

On Molokai, only 5% of those awarded agricultural lots are actively farming them. There are many issues related to the issue of non-farming, including motivation, education, funding, and support services, but I believe through a concerted effort with DHHL taking the lead, this could be substantially increased. This may seem like a small number, but this is more than the 2% national average of the population involved in farming.

There are policy issues that come up at the Hawaiian Homes Commission meetings where agricultural expertise could assist commissioners make the right decisions. An example is in upcountry Maui, where DHHL saved the best agricultural lands for housing in Waiohuli, and set aside the rocky lands for agricultural lots in Keokea. This was a bad decision, especially when these Kula volcanic ash soils are among the most productive in the state. These kinds of decisions make it more difficult, but not impossible, to succeed in agriculture.

Hawaiian Homes has some of the best agricultural lands in the state, but at the same time, the Hawaiian Homes Commission could also utilize this department to make timely decisions on the future of agriculture and also housing development. There is more to it than developing housing, and this is to develop viable communities. Agriculture can provide the economic engine for some of these rural communities.

Other examples of excellent DHHL farm lands include Waimea and Kamalomalo'o on Kauai, Waimea on the Big Island, Hoolehua on Molokai, and most recently Hamakua on the Big Island. If we continue to see the kinds of land speculation in Hawaii, Hawaiian Home Lands may be the only lands left in agriculture. This would be OK with me since we could control the food supply, but it wouldn't be a good idea for Hawaii as a whole where decentralizing our food supply is critical to our survival in the event of a catastrophe.

There are many agricultural challenges that DHHL must assist homesteaders in their farming operations. The fact that awardees don't own the land is problematic. As a result, they cannot use the land as collateral and have a difficult time securing loans, such as agricultural production credit and farm infrastructure loans. Education programs linked to loans are a good strategy to increase success. By using the carrot of loans, you can make homesteaders attend courses in farm management, farm science and production, and value-added processing, for example.

There are clusters of farm production existing on Hawaiian Home Lands who could benefit from shared infrastructure. One success story is on Molokai, where in 1976, Hoolehua homesteaders started the Hikiola Cooperative, a supply cooperative to bring in much-needed farm supplies. This cooperative has been a godsend; they extend credit to farmers and order any supplies they may require in their operations. A new initiative presently taking shape is a shared farm equipment program. This operation will help start-up farms tremendously. Instead of purchasing over \$50,000 in tractors and farm implements, homesteads can have access to these services at cost without this major capital outlay.

These are just examples of initiatives that can help kick-start agriculture in some of these homestead agricultural communities, but there must be coordination and active involvement by the Department of Hawaiian Home Lands. On Molokai, extension agents established a Business Center to assist farmers in developing business plans. We have helped them to fine tune these plans, but these kinds of services give homesteaders a better chance at succeeding.

In the past, DHHL would give out agricultural loans even when they had no one in the Loan Department with an agricultural background. They would balk and stall in awarding these loans, and when they finally did award them, they didn't monitor and provide financial management assistance to these awardees. As a result, many loans faltered, but I believe this is due to the lack of oversight on these loans. Some services may be contracted, many of the policy decisions and directions to assist homestead farmers can only come from DHHL.

In closing, I hope you will look favorably on this bill. I believe this will make the difference between success and failure in many homestead farm operations and stimulate increased agricultural production on Hawaiian Home Lands. Mahalo for this opportunity to provide testimony.

ATTN: Senate Committee on Agriculture and Hawaiian Affairs

Dear Senator Tokuda and Senator English,

Please pass SB 2907 to require a dedicated division within the Department of Hawaiian Home Lands to pursue and advance the priorities of agricultural and pastoral homesteading as defined under the 1920 Hawaiian Homes Commission Act.

Improving Hawai'i's food security by increasing the growing of food locally is critical to the future of our local people and our island.

Faced with an ever-changing, dangerous world with numerous threats to our mostly-imported food supply, we must invest in agriculture and local food production. There has never been a more significant time when these activities are needed more in Hawaii.

--

Me ka ha`aha`a,
KipuKai

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testimony

From: Joseph Carrillo [jcarrillo77@yahoo.com]
Sent: Tuesday, February 05, 2008 3:19 PM
To: testimony
Subject: SB 2907 / Attn: Senate Committee on Ag & Hwn Affairs

ATTN: Senate Committee on Agriculture and Hawaiian Affairs

Dear Senator Tokuda and Senator English,

Please pass SB 2907 to require a dedicated division within the Department of Hawaiian Home Lands to pursue and advance the priorities of agricultural and pastoral homesteading as defined under the 1920 Hawaiian Homes Commission Act.

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Faced with an ever-changing, dangerous world with numerous threats to our mostly-imported food supply, we must invest in agriculture and local food production. There has never been a more significant time when these activities are needed more in Hawaii.

--

Mahalo,

Joseph P. Carrillo
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Testimony on SB2907
Related to Pastoral and Agricultural Homesteading Division
on the DHHL

Alton S. Arakaki
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I am strongly in support of the formation of the Agricultural Homesteading Division of DHHL. For the last 25 years I have been the UH/CTAHR Extension Agent on Molokai. More than 50% of my farmer clientele are HHL homesteaders. While DHHL has been providing funds to CTAHR to provide services to their agriculture homesteaders, homesteaders have acknowledged that there is a greater need for DHHL to participate in addressing the needs of homesteading agriculture community. In the 2002 DHHL Agriculture Task Force Report, farming homesteaders identified the need for DHHL to for an Agriculture Division to provide more focus on implementing the original purpose and intent of the HHL Act.

In light of the continued loss of prime agriculture lands to urban development and continued legislative attempt to accelerate the taking of agriculture land for rural uses (HB2833) it has become increasing important for DHHL to play a more active role in agriculture communities in Hawaii. Competitive agriculture lands, if they are not already scheduled for redistricting for urban use, are on short-term leases or just too expensive for farmers to farm on, \$500,000 per acre. The conversion of our agriculture lands from being a resource, as defined by Article XI of our State Constitution, to becoming a commodity of trade is the biggest threat agriculture land. You can change agriculture land into a commodity without redistricting. This land tenure conditions are too unstable for our agriculture industry to stand on.

In the next 100 years, DHHL may be the only place where there will be diversified agriculture activities. In the short term the Division will be able to assist in building production capacity of their land assets and help improve the management capabilities of their homesteaders. In the long term, DHHL can play a major role in stabilizing our diversified agriculture industry in the State and positioning our farmers to be competitive in the global market place. DHHL land tenure conditions, water right and agriculture land locations in the State can be interwoven into developing a very competitive agriculture production system. However the production system will not be able to develop without DHHL leadership, commitment and focus. An Agriculture Homesteading Division will be the beginnings of DHHL attempt to give their agriculture assets and farming community some focus and attention.