

**LATE**

**Ikaika O Kalani Farms**  
*Department of Hawaiian Home Lands Agricultural Pana'ewa Farm Lots*  
*1420 Auwae Road*  
*Hilo, Hawaii 96720*

February 6, 2008

SENATE COMMITTEE ON AGRICULTURE AND HAWAIIAN AFFAIRS

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

**Testimony in Support of Senate Bill 2907, 2908, 3048, 3151, & 3152**

*Hawaiian Homes Commission 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 Jerryl G. K. Mauhili. I am a third generation Kanaka Maoli Department of Hawaiian Home Lands beneficiary. I am the grandson of Hattie Kahana who had been awarded a DHHL Agricultural Lot in Keaukaha back in 1940. I am the son of Jean Mauhili who was the successor of Hattie Kahana to have received this lot located on 62 Lyman Avenue as a result of her passing in 1960. I applied for my <sup>own</sup> DHHL Agricultural Lot in 1978, and had acquired an Agricultural 5 acre parcel in 1985.

I am currently the President of Keaukaha Pana'ewa Farmer's Association. We have 241 farm lot leases located in the Pana'ewa, on Railroad Avenue, Auwae Road, Elama Road, East Palai Road, Manuia Road, Malaia Road, and Ahuna Road. Our agricultural lots range in size of 3 acre parcels to 10 acre size lots. Most of the agricultural operations have been labeled as being "Subsistent" farm operations. However, a few farm operators have found high levels of success, and have acquired as much as 30 to 40 acres with agricultural commodities.

I believe that the majority of these farm lots, have not pursued a commercial operation due to the lack of financial support, educational programs, and marketing assistance. Currently, DHHL Administration lacks the expertise of in-house staffing to assist any and all "agricultural and pastoral" inquiries. It has had to hire one paid position through the U of H Hilo CTARH Extension Program to answer this call. One agent that is paid through DHHL funding has the tiresome tasks of assisting the geographical areas that

include Pana'ewa (Hilo), Maku'u (Puna), Kau, and Puukapu (Waimea). These duties cover all agricultural commodities such as small truck farm crops, orchard crops, ornamentals, floral, Hydroponics, aqua culture, and pastoral animal husbandry.

The primary duty of this paid position, is responsible for assisting all agricultural and pastoral farm plans. This process would link the proper support agencies such as NRCS, Rural Development, USDA, and all other State of Hawaii agricultural programs. Other questions such as financial loans, grants for start up seed monies, educational programs, and marketing arrangements fall short and cannot be answered by this paid agent.

In the year 2000, an "Agricultural Task Force" was formed to analyze, and formulate ideas and clarify the responsibility of DHHL Administration in assisting the Agricultural, Pastoral, & Aquacultural programs that have been awarded. A moratorium of 3 years was placed in effect to coming up with solutions to the many unanswered questions. To date, eight years have passed, and have led to more confusion. DHHL have made statements such as; "Use your land, Or lose it!" They have considered taking agricultural lands back, so they could place "residential lots" amongst those who are attempting to farm their lands with no financial support from DHHL Administration.

The questions continue to linger, Are we "subsistent farm operations" or are expected to create commercial operations without financial support? Currently, DHHL is offering a maximum financial loan of \$50,000.00 with the stipulation that the borrower can show that he or she will generate 51% of his or her financial income. This requirement is absurd and ridiculous. No lending institution requires this stipulation! All they require, is that they can present a business plan that will enable the borrower to repay an amortized repayment schedule. This system needs to be revised so that individuals that wants to commercialize their programs can apply and receive favorable financial requests.

Currently, the State of Hawaii Agricultural Land Parks, offer land parcels with financial support. A new farmer that has the farming credentials (two years agricultural experience), can apply for nearly \$100,000.00 at the start and return to apply for expansion funds that total \$800,000.00 that will help to purchase fee simple lands and construct improvements of warehouses and etc. Another additional \$800,000.00 can be offered for operational expenditures such as seed monies and wages. When asked if DHHL Farm operations are eligible for such large amounts, the answer was "NO" ! The reason was that the State of Hawaii Agricultural Loan Division could not place any "Lien" on DHHL Lands.

This process has been enforced for at least the 23 years that I have had my DHHL Agricultural Lot. It's almost as though, DHHL Ag Lots have been "discriminated upon" and not shared with other STATE of HAWAII Ag programs. My question is: Does Native Hawaiians on DHHL Ag Lots need to enter the COURTS for justice? How do DHHL farmers compete against a \$1.7 million dollar competitor. Simple, "subsistent farming", farm when you can, and if you can! No pressure! Kala'mai!

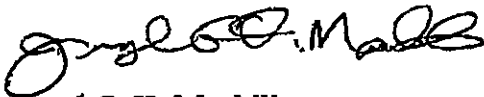
The Keaukaha Pana'ewa Farmer's Association have requested that DHHL look at this under financing problem. We the members would like to see an "across the board" equality that equals what others are entitled to! Raising the loan amounts \$200,000.00 might be too much money if not supervised properly, and yet might be too little for large commercial operations. Land clearing alone, has doubled if not tripled with fuel costs and bulldozer estimates. Alternative growing practices such as "hydro-ponic" propagation requires expensive rain sheltered building structures, and growing equipment.

Cooperative farming partnerships, seem to enable small farmers to join forces in creating sufficient volumes, consistencies, and learning to having the highest quality for mainstream marketing. We believe that DHHL farm operators can offer their crops to DHHL residential housing areas, and create discount membership savings like supermarket programs. DHHL has been called to rescue the farmers and ranchers that are in serious need for support.

I personally would like to thank DHHL Chairman Micah Kane for introducing a combination of Senate Bills to the State Legislative Body. Its long overdue! We Kanaka Maoli DHHL Beneficiaries turn our eyes to the State of Hawaii Legislatures for financially fulfilling the "Compact Agreement" (1959 Statehood) to assisting DHHL in it's rehabilitation responsibilities.

This year is special, and being a "Leap Year", DHHL Association leaders will emphasize the need and "Kuleana" for all Native Hawaiians to support their candidates of choice. Our votes will count, and we will be holding our selected officials to do their part.

Mahalo Nui Loa!



Jerryl G. K. Maubili  
Keaukaha Pana'ewa Farmers Association, President

**LATE**

**Senate Committee on Agriculture and Hawaiian Affairs**

**S.B. 3152  
Relating To The Hawaiian Homes Commission Act,  
1920, As Amended**

Testimony of Kaipo Kincaid, Executive Director,  
on behalf of Hui Kako'o 'Aina Ho'opulapula,  
a Beneficiary-Organization for Applicants of the Hawaiian Home Lands Trust

Thursday, February 7, 2008, at 2:45 pm, Conference Room 224

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Chair Jill N. Tokuda and Members of the Committee:

Hui Kako'o 'Aina Ho'opulapula supports S.B.3152.

Hui Kako'o is a membership based non-profit organization incorporated in 1994 whose purpose is to support and advocate for the interest of Applicants and eligible Applicants of the Hawaiian Home Lands Trust. They are the beneficiaries of the trust who have not yet received homestead leases or who are not in occupancy of a homestead lease.

This bill requires the Department of Hawaiian Home Lands to consult with the beneficiaries of the trust before agreeing to lower allowable loan amounts.

The Hawaiian homes commission as a fiduciary of the Hawaiian Home Lands trust has an obligation to act in the best interest of the beneficiaries. We believe this duty is best achieved when proposed action on matters of importance is done in consultation with the beneficiaries of the trust. Lowering allowable loan amounts is clearly an important matter with great impact on future homestead lessees as well as current lessees. We regret this measure can not remedy the recent past action of the department that resulted in lowering the loan-to-value ratio on home mortgage loans under the FHA 247 loan program.

Thank you for allowing me to testify on this measure.