

LINDA LINGLE
Governor



SANDRA LEE KUNIMOTO
Chairperson, Board of Agriculture

DUANE K. OKAMOTO
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 Fax: (808) 973-9613

TESTIMONY OF SANDRA LEE KUNIMOTO
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON AGRICULTURE
FRIDAY, FEBRUARY 6, 2009
9:00 A.M.
ROOM 312

HOUSE BILL NO. 1351
RELATING TO PRIVATE AGRICULTURAL PARKS.

Chairperson Tsuji and Members of the Committee:

Thank you for the opportunity to comment on House Bill No. 1351. The purpose of this bill is to create a definition of a private agricultural park for the specific purpose of allowing power generation by any means to take place in an agriculturally zoned district. It requires that these private agricultural parks register with the Department of Agriculture and that they have access to Important Agricultural Lands (IAL) incentives without IAL designation of agricultural land. The department strongly opposes this bill as we feel it circumvents the purpose and intent of incentives for IAL. Land must be designated IAL to have access to these incentives or there is no assurance that they will stay in agriculture for the long term as the law intended.

These private agricultural parks are being proposed for the explicit purpose of sharing power generation and cold water transportation costs without regulation or oversight by the PUC or any state or county agency.

Labeling tracts of land as an agricultural park and creating a new section under HDOA's statutes just to avoid regulation and oversight is inappropriate. In addition, it is

not clear what level of agriculture activity is expected in exchange for being exempted from regulation or oversight.

Finally, if the only oversight is by DOH for public health and safety, who will review and approve the buildings? Are they also exempt from chapter 343? If they are exempt from all county ordinances and regulation, they essentially have free reign to do anything they want, as long as they claim it's related to power generation or cold water movement.

The goal of reducing agricultural production costs by integrating energy production is a good one and we applaud the concept. However, we question whether the method proposed by this bill to circumvent regulating process and oversight is the best way to achieve it.

Hawi Agricultural and Energy Corporation
H.M. Richards **P.O. Box 1656** **S.P. Bowles**
President **Kamuela, Hawaii 96743** **Vice President**
882-4646 **Telephone (808) 889-5966** **885-5941**
e-mail iresources@hawaiiintel.com

To: Clift Tsuji

From: Steve Bowles

Subject: Testimony in favor of HB 1351 Relating to Agricultural Parks
Hearing on February 6, 2009

I am writing in strong support of HB1351, allowing the creation of private and nonprofit agricultural parks registered with the State Department of Agriculture.

My career in Hawaii spans life as a working cowboy for Parker Ranch to aquaculture ventures to a modestly high tech sod farm start-up and 365KW hydropower operation in North Kohala. As a veteran hydrologist who has worked on water projects statewide, I constantly encounter the issue of water and its costs – primarily energy – for agriculture. For that reason, I have undertaken much work and volunteer time during the past two years to restore irrigation flow of the Kohala Ditch. A year-round, gravity-fed irrigation system is an invaluable asset for commercial farming. The State and Federal governments along with AT&T, Surety corporation, KSBE and numerous others have committed some \$5,000,000 to this restoration effort along with many hours of donated time by volunteer community members.

Now, thanks to a \$5,000,000 charitable initiative by Mr. Michael Saalfeld, some 500 acres of prime ag lands in Hawi have been purchased and committed to the establishment of a nonprofit agricultural park. My daughter and her husband operate a successful sod farm on that property. They employ 5 workers.

We are now working with Lance Caspary of Kohala Crayfish to build a new pond for his crayfish. Since the October 2006 earthquake, he has managed to keep broodstock alive while we have worked to restore the Kohala Ditch.

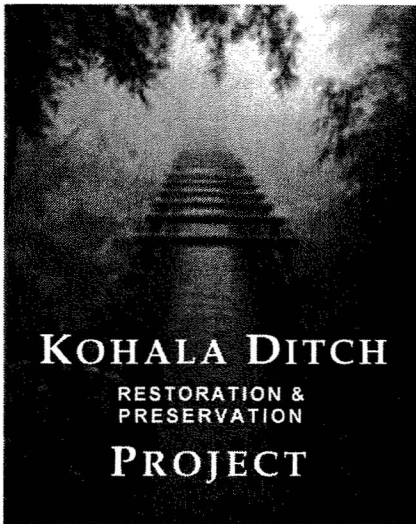
It is my hope that the hydropower produced on that property can assist other farmers and eventual processing operations. Collaboratively, we are exploring ways to develop greenchop forage to provide feed for Ed Boteilho's dairy cattle there as well.

Not so long ago, Hawaii agriculture was dominated by corporate sugar growers. They organized as a cartel and marshaled astonishing resources to drive plantation agriculture. Those days of King Cane are over. Now, frankly, it is much harder to assemble all the pieces – water, fertilizer, cheap energy, farm worker housing, etc. – that make agriculture thrive. Today, where we have opportunities to amass parcels with a coherent agricultural purpose, we must build a firewall around them. HB1351 takes steps to do that.

HB1351 is an agricultural "ground truth" bill. It recognizes that farmers collaboratively and collectively need on-site cheap energy and non-potable water. They need to be able to produce and distribute energy and water. Moreover, they need to organize those resources to their benefit without undue government regulation. This is an important first step to organize entrepreneurial farm activity with an intelligent game plan which will include an educational component. Within private agricultural parks, farmers also need to obtain the benefits of state incentive and protection programs pursuant to section HRS §205-46 and any priority permit processing procedures extended to important agricultural lands pursuant to §205-46.5.

Companion bills HB 1348, HB 213, HB 722 and HB 1821 are also submitted to bolster the sustainability of agriculture in this time of severe economic hardship. HB 1351 creates a model which can be used in many communities around our state.

This year, the Legislature can send an important signal to Hawaii's hard-working farmers. It can give them a green light to go forward. Please take that step. Thank you.



A project to restore and preserve the historic Kohala Ditch to provide water security for farms, ranches, dairies, aquaculture ventures, recreation and ecological stewardship throughout the 21st century; and to sustain the community traditions of the people of North Kohala.

Steering Committee

Ed Boteilho
Stephen P. Bowles
Marc Kinoshita
Kirk Eubank
Bill Shontell
Ted Matsuda
Herbert M. "Monty" Richards, Jr.
Shiro Takata
Lance Caspary

Community Partners

USDA Rural Development Office
State of Hawaii Civil Defense
North Kohala Community Resource Center
Surety Kohala Corporation
AT&T Foundation
Kamehameha Schools

Staff

Rory Flynn

THE KOHALA DITCH PROJECT

65-1230 Mamalahoa Hwy., Suite A21, Kamuela, HI 96743
Tel: 808-885-0441 • Cell 808.895.0211

February 4, 2009

TO: Rep. Clift Tsuji, Chair, and Members of the Committee on Agriculture
FROM: Rory Flynn, Kohala Ditch Project Steering Committee
RE: Support for House Bill 1351, Relating to Private Agricultural Parks

Aloha! I am pleased to voice strong support for HB 1351. In my 31 years in Hawaii, I have agonized over the slow (though steady) growth of diversified agriculture in the islands. While I grew up on a farm on the mainland, I've come to better appreciate our distance from mainland markets, shipping costs for island commodity crops, the vicissitudes of our weather, the high cost of land and fertilizer, and many other factors that inhibit agricultural success.

One of the most important impediments is a land use regime that disconnects land, water, energy and the cooperative synergy of elements fundamental to agricultural productivity and market competitiveness. HB1351 takes a big leap forward by marrying these elements into a practical, cohesive whole.

In North Kohala, a very forward-looking gentleman named Michael Saalfeld recently purchased 500 acres adjoined by state lands leased to ranchers and the Cloverleaf Dairy. Mr. Saalfeld intends to create a nonprofit agricultural park to make affordable long-term leases of prime ag land available to credible agricultural producers. An aquaculture enterprise is already taking shape there. Mr. Saalfeld has shared his charitable vision with Board of Agriculture Chair Sandra Kunimoto and CTAHR Dean Andrew Hashimoto. They have visited the site and see its broad potential. The Hawi area site offers the potential to marry wind and hydropower, irrigation water supplied by the soon-to-be restored Kohala Ditch, and Class A&B soils – all under a hospitable nonprofit management umbrella.

HB1351 creates a pathway to integrate land, water and energy across contiguous parcels and thereby allow lands to function as a true agricultural profit center. If we take the causes of food security and sustainability seriously, we're going to do more of this. Our present land use regime is weighted to a real estate paradigm with controls to thwart development. But our agricultural district needs to be more than a bulwark against development. It needs to spur real agriculture and competitive opportunities for farmers. HB1351 does that. It marries key infrastructure needs with an understanding of their vital importance to agriculture.

Adoption of HB1351 will demonstrate that we want to make ag lands productive and welcome to enterprising entrepreneurs. Imua!

Sincerely,

Rory Flynn, Steering Committee Facilitator
The Kohala Ditch Project

wooley1-Christopher

From:
Sent: Thursday, February 05, 2009 10:56 AM
To: AGRtestimony
Subject: Testimony in Support of HB1351, re Private Agricultural Parks

February 5, 2009

NOTICE OF HEARING

DATE: Friday, February 06, 2009
TIME: 9:00am
PLACE: Conference Room 312 State Capitol
415 South Beretania Street

TO: Rep. Clift Tsuji, Chair, and Members of the Committee on Agriculture

Email: AGRtestimony@capitol.hawaii.gov

FROM: Whitney Harvey

RE: Support for House Bill 1351, Relating to Private Agricultural Parks

My support for House Bill 1351 begins with a personal passion for local cuisine. For the last 5 years I have been a cook at a resort on the Kona-Kohala coast. It was there that I began realizing the instability of our food market. I would venture to say that over half of our food products were imported from the mainland and overseas.

I grew up on Oahu, and my family supported the local farmers there. I have continued this here in Waimea, and try to support local vendors as often as I can.

Michael Saalfeld has purchased 500 acres of land in Kohala that will create a 2,000 acre agricultural park when combined with adjacent state lands. This park will integrate many aspects of local agriculture, and provide opportunities for farmers to succeed here on the island. The park will also serve as an example for sustainable agriculture, utilizing the Kohala Ditch water, and natural energy sources. To develop a park like this will incite the market for food production, while enabling new businesses to have a chance to thrive.

I believe that HB 1351 will allow this park to flourish to its full potential. I want to see agriculture in Hawaii succeed, and I believe that this bill will allow just that in the Kohala community.

Sincerely,

Whitney Harvey

TESTIMONY IN SUPPORT OF HB 1351
RELATING TO PRIVATE AGRICULTURAL PARKS
HEARING OF THE HOUSE COMMITTEE ON AGRICULTURE
FRIDAY, FEBRUARY 6, 2009 AT 9AM, CONFERENCE ROOM 312

Aloha Chair Tsuji, Vice Chair Wooley and Committee members.

My name is David Tarnas, and I live in Kamuela, Hawaii, and work as a planning consultant and project manager on various agricultural projects on this island. I am writing in support of HB 1351 Relating to Private Agricultural Parks. This important measure promotes the agricultural economy by providing a policy framework to establish innovative private agricultural parks with private and public lands.

My suggested amendments are only to strengthen the measure. The business model for a private agricultural park is to secure agreements with participants to be producers, processors, or even purveyors of power and water for agricultural purposes. This could be done as tenants or sub-lessees of the agricultural park owner, or it could be done as members in a cooperative. But, a private agricultural park does not necessarily have to be an agricultural cooperative. So, I've suggested some changes to make this clearer in the bill. I also suggest one change relating to the power producer, since such a producer would be operating within the boundaries of the agricultural park and would therefore be considered a "participant." And I also suggest making two changes to indicate that, in addition to irrigation, water could also be used for "other agricultural and aquacultural purposes." My suggestions for revisions are keyed to page and line numbers as shown in the original signed version of HB 1351. These recommended revisions to HB 1351 include:

- Page 1, Line 3, change "agriculturalist" to "agriculturalists"
- Page 1, Line 6, delete the word "cooperative"
- Page 1, line 9, after "irrigation," add the words, "and other agricultural and aquacultural uses."
- Page 2, line 5, change "members" to "participants"
- Page 2, line 10, change "members" to "participants"
- Page 2, line 20, change "members" to "participants"
- Page 3, line 3, change "members" to "participants"
- Page 3, line 4, change "members" to "participants"
- Page 3, lines 10-12. Delete the words "...whether by a member or members or through an agreement between a member or members and a nonmember independent energy producer..."
- Page 3, line 13, change "member" to "participant"
- Page 3, line 18, change "member" to "participant"
- Page 4, line 2, add "agricultural purposes including" before the word "...irrigation purposes..."
- Page 4, line 2, change "member" to "participant"

Mahalo for your consideration.

David Tarnas, P.O. Box 6882, Kamuela, HI 96743

Page 1