

TESTIMONY
SB 1345



Hawaii Cattlemen's Council, Inc.

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SENATE COMMITTEE ON WATER, LAND, AGRICULTURE AND HAWAIIAN AFFAIRS

Friday February 13, 2009 3:30 pm Room 229

SB 1345 RELATING TO AGRICULTURE

Provides for fair compensation, including an automatic lease extension, when leased public land for agricultural or pastoral uses is withdrawn, condemned, or taken for public purposes.

Chairman Hee and Members of the Committee:

My name is Alan Gottlieb, and I am the President of the Hawaii Cattlemen's Council. The Hawaii Cattlemen's Council, Inc. (HCC) is the Statewide umbrella organization comprised of the five county level Cattlemen's Associations. Our 130+ member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of approximately 25% of the State's total land mass.

The Hawaii Cattlemen's Council **strongly supports** SB 1345. As we have all watched the demise of many segments of the Hawaii livestock industry in recent years, including poultry, dairy and the struggling hog industry, Law and policy makers have been asking the beef cattle industry what we need to be sustainable. In response, in 2007, our industry worked together to create a Strategic Plan.

Overall, our industry's outlook is a positive one. The Hawaii Beef Cattle Industry has great opportunity for continued growth, which certainly works towards your mandates for bio-security for food production in Hawaii. However, our industry's condition is also fragile, especially if we begin to lose production on some of our large land tracts, many of which are leased from the State of Hawaii (DLNR, DOA and DHHHL).

Actions, such as the removal of large portions of land from a state tenant, can cause serious financial losses as noted in this bill. Uncompensated losses to a farmer or rancher or any business can drive a marginal operator out of business, threatening not only that one business, but in the case of the Hawaii beef cattle industry, the entire industry itself. Allow me to explain:

Like the Hawaii dairy industry, our industry is dependent on a critical mass to help support its infrastructure (processing plants, transportation, marketing) and like dominos, key producers in our industry can quickly fall, if too much of our lands and productivity are lost. The small ranchers are especially susceptible, because without the big ranchers helping to support that infrastructure, everyone loses. Today there are 2 dairies in Hawaii which supply less than 10% of our locally consumed milk. Just 25 years ago there were 19 dairies supplying 100% of the locally consumed milk, plus ice cream production!

We also worry about the difficulty of finding financing in the future for ranchers who are on State lands, if lenders believe that the State can withdraw the lease or part of the lease at any time, without reimbursement for improvements and other monetary losses suffered by the tenant due to the removal.

We, The Hawaii Beef Cattle Industry, would like you to understand our issues today when our industry is strong and has continued potential, rather than to come back to you in several years to tell you we're all but done.

Thank you for giving me the opportunity to testify in favor of this very important issue.

UNIFIED AFFILIATE OF THE NATIONAL CATTLEMEN'S BEEF ASSOCIATION

Hawaii Cattlemen's Association • Kauai Cattlemen's Association • Maui Cattlemen's Association

Molokai Grazier's Association • Oahu Cattlemen's Association

TESTIMONY OF:

JASON AND JERI MONIZ (K.K. RANCH)

BEFORE THE SENATE COMMITTEE ON
WATER, LAND, AGRICULTURE AND HAWAIIAN AFFAIRS
February 13, 2009

SENATE BILL NO. 1345
RELATING TO AGRICULTURE

Chairperson Hee and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 1345. We strongly support Senate Bill 1345 and the amendments it make to HRS § 171. Several livestock operations have already been subjected to significant economic damage having loss significant portions of our leases without compensation due to previous actions by the BLNR. In our case we had an easement disallowing grazing on 33% of our lease in 2001 with ten years left on the lease. This action took place as a result of mitigation actions associated with the realignment of the Saddle Road. We received no compensation for loss of infrastructure, and production losses sustained resulting from a 30% reduction we had to make to our cattle herd. In addition we continue to have to pay insurance on the entire lease and land taxes for the entire lease. The lease rent has been reduced by the portion of the lease which we can no longer graze. This taking without compensation has caused losses to us each year since 2001 as each breeding cow left in the herd now has an increased fixed cost it has to carry that has resulted in marginal to negative returns to the entire operation each year.

We believe the amendments being proposed by SB 1345 would more fairly address condemnations, withdrawals, easements or other means of taking and allow the businesses on these leases to remain solvent.

Thank you for your concerns and assistance with these proposed changes to HRS § 171.

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