

NEIL ABERCROMBIE
Governor



State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512

RUSSELL S. KOKUBUN
Chairperson, Board of Agriculture

JAMES J. NAKATANI
Deputy to the Chairperson

TESTIMONY OF RUSSELL S. KOKUBUN
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEES ON WATER, LAND, AND HOUSING AND
AGRICULTURE

THURSDAY, FEBRUARY 10, 2011
10:15 A.M.
CONFERENCE ROOM 225

SENATE BILL NO. 736
RELATING TO LAND USE

Chairs Dela Cruz and Nishihara and Members of the Committees:

Thank you for the opportunity to testify on Senate Bill 736. The Department of Agriculture supports the intent of this measure and offers comments.

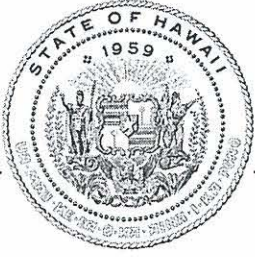
Senate Bill 736 seeks to establish a task force under the Department of Business, Economic Development, and Tourism to study the issue of classification of agricultural lands, including Important Agricultural Lands (IAL), and make recommendations for statutory amendments and administrative rule changes to promote and protect IAL for food production. The task force is to report to the Legislature on its findings and recommendations 20 days prior to the 2012 Session. We defer to the Department of Business and Economic Development with respect to their ability to provide resources to assist the task force.

The Department of Agriculture has always sought to ensure that agricultural lands and related resources, and all agricultural activities, including cattle grazing, would not be adversely affected by proposals to advance renewable energy production.



As for biofuel production, while it is a permissible use along with the other basic agricultural activities of vegetable, flowers, fruit, and livestock (Section 205-4.5(a)(1), HRS), we remain vigilant to ensure that biofuel production not be given unfair advantage or preference over other agricultural production or accessing agricultural lands and irrigation water.

Thank you, again, for this opportunity to testify on this measure.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

NEIL ABERCROMBIE
GOVERNOR

RICHARD C. LIM
INTERIM DIRECTOR

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Statement of
RICHARD C. LIM
Interim Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON WATER, LAND, AND HOUSING
AND
SENATE COMMITTEE ON AGRICULTURE

Saturday, February 12, 2011
2:45 PM
State Capitol, Conference Room 225

in consideration of
SB 736
RELATING TO LAND USE.

Chairs Dela Cruz and Nishihara, Vice Chairs Solomon and Kahele, and Members of the Senate Committees on Water, Land, and Housing and Agriculture.

We support the intent of the bill but cannot support the measure at this time. SB 736 would establish a temporary, advisory task force to study the classification of agricultural lands, and make recommendations for amendments to protect agricultural lands for food production vs. use for biofuel production. The task force would be placed under the Department of Business, Economic Development, and Tourism (DBEDT) for administrative purposes, and would report to the 2012 Legislature.

DBEDT supports the protection of important agricultural lands in order to enhance food security and increase agricultural revenues for the State. However, we do not have the staff or fiscal resources to support a new task force at this time. Thank you for the opportunity to testify.



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February 11, 2011

To: Senate Committee on Agriculture
Senate Committee on Water, Land & Housing
Re: Hearings on February 12th, 2:45 pm, Rm 225
Subject: Testimony Regarding SB 736

Aloha Committee Chair and Committee Members,

I am an organic farmer on the North Shore of Oahu and President of the Hawaii Center for Organic Farming. Please accept my testimony on the subject Bill.

In the case of SB 736: Create a Task Force to Protect Important Ag Lands for Food Production. I am strong supporter of this Bill as it is the only one that has made the connection between the Hawai'i 2050 Sustainability Plan goal to improve our food security and the actual use of our important Ag lands. However, I must draw your attention to the inconsistent wording of the Bill that specifies only "bio-fuels" as a use that may diminish our local food production. Consider the following that also diminish our local food production:

- all nursery and landscape operations;
- the entire GMO corn seed industry;
- all exporters: pineapple, mac nuts, sugar cane, cattle, etc. and;
- horses that have no Ag function whatsoever.

In fact, of all of the "permitted" Ag uses in the LUO, bio-fuel production is an absolute necessity to reducing our dependence on fuel imports and should rank second only to local food production. The problem is that there are far too many approved Ag uses; no definition of a "farm" and no definition of "commercial use". The solution is to amend Bill 736 to review ALL of the Ag uses and PRIORITIZE them with the mandate that "local food for local consumption" be the highest priority. Mahalo.

Al Santoro, Farmer

From: Windward Ahupua`a Alliance
To: WLH Testimony
Subject: GM 517 WILLIAM JOHNSON AILA, JR. - DLNR CHAIR
Date: Friday, February 11, 2011 3:36:57 PM

COMMITTEE ON WATER, LAND AND HOUSING

Senator Donovan M. Dela Cruz, Chair
Senator Malama Solomon, Vice Chair

COMMITTEE ON AGRICULTURE

Senator Clarence K. Nishihara, Chair
Senator Gilbert Kahele, Vice Chair

2:45 pm
Saturday, February 12, 2011
Conference Room 225

SB 736 - RELATING TO LAND USE

Creates a temporary task force to study agricultural land classification, considering existing land use laws, and appropriate uses for appropriate agricultural lands. Reports to the legislature.

STRONGLY SUPPORT

As the co-founder of the **Windward Ahupua`a Alliance** back in 2002, one of the principal tasks that I set for the organization is the educate and inform residents, visitors, businesses, policy-makers at all three levels of government, and the media about using **SMART GROWTH** principles which promote sustainability.

SMART GROWTH is generally associated with planning that concentrates growth in urban centers & avoid sprawl by advocating for compact, transit-oriented, walkable, bicycle-friendly communities. However, it quickly became apparent that using these planning principles would also profoundly impact how we use our agricultural lands as well as how we preserve and enhance our natural and cultural resources.

This awareness quickly became economically and environmentally important given **WAA's** work on a wide range of climate change issues. We realized that we also need to address renewable energy issues which includes identifying the which ones would work best - solar, wind, **OTEC**, wave, and a diverse range of biofuels - because of our overweening dependency upon fossil fuels just to survive.

We use over a barrel a week **per resident** just to drive our cars, turn on our bathroom lights, watch tv, bring in food to put on our tables, and over seven million visitors.

We have to become self-sufficient by reducing our dependency on foreign oil for three major reasons: greenhouse gas emissions, food & fuel security, and foreign wars.

However, and this is why this bill is so important in helping us reach these goals, we need to evaluate where we can put these windmills and grow these biofuels without taking away important agricultural lands which need to be available for growing our

food.

To do that, we need to update our information about what lands we have available and what their designations are . We need to know if biofuels can be grown cheaply and effectively on **Class B & C** lands. Can cattle and other livestock be grown there? Can we grow trees on these "lesser" lands to help reduce the impacts carbon emissions? Perhaps some of these lands can be re-designated as "rural" or "country" in order to expand economic opportunities without "growing" housing.

To accomplish this, we need to bring together a group of people with training and experience in these areas to not just identify what can be grown where but also to encourage - but not force - agricultural landowners and long-term tenants to utilize their lands in the best ways possible. The task force would also come up with legislative and administrative proposals which would make it easier for folks to do good and do well at the same time.

Funding for this task force should come from the "barrel tax" - two cents for barrel would be more than enough to do its work.

As I said in an earlier testimony, I know that a lot of other bills coming before the **2011 Legislature** request the establishment of task forces and working groups. But this is not a bad thing. These are great ways to get needed research done using community volunteers and experts from both the public & private sectors without expending large sums of money and burdening already-stressed-out state employees to do all the work themselves.

Again, we strongly support this bill and urge that it be passed.

Shannon Wood, **President & Co-Founder**
Windward Ahupua`a Alliance

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**SB 736
RELATING TO LAND USE**

**PAUL T. OSHIRO
MANAGER – GOVERNMENT RELATIONS
ALEXANDER & BALDWIN, INC.**

FEBRUARY 12, 2011

Chair Dela Cruz, Chair Nishihara, and Members of the Senate Committees on Water,
Land & Housing and Agriculture:

I am Paul Oshiro, testifying on behalf of Alexander & Baldwin, Inc. (A&B),
Hawaiian Commercial & Sugar Company (a division of A&B) and Kauai Coffee
Company (a subsidiary of A&B), on SB 736, "A BILL FOR AN ACT RELATING TO
LAND USE."

After over twenty five years of debate, negotiation, and compromise, the IAL Law
was finally implemented in July 2008. After years of pursuing a land-use approach to
this constitutional mandate, the IAL law that was successfully passed was one premised
on the principle that the best way to preserve agricultural lands is to preserve
agricultural businesses and agricultural viability. As such, the IAL Law not only provides
the standards, criteria, and processes to identify and designate important agricultural
lands (IAL) to fulfill the intent and purpose of Article XI, Section 3 of the Hawaii State
Constitution, it also provides for a package of incentives designated to support and
encourage sustained, viable agricultural activity on IAL. With the enactment of this
comprehensive package of IAL incentives, the long awaited IAL identification and
designation process was finally started in July 2008.

The present IAL Law authorizes the identification and designation of IAL in one of two ways --- by voluntary petition by the farmer/landowner to the State Land Use Commission (LUC); or subsequently by the Counties filing a petition to designate lands as IAL pursuant to a County identification and mapping process—and provides incentives to the landowner and/or farmer to conduct agricultural activities on IAL lands. In either case, the LUC must find that the lands qualify for IAL designation pursuant to the standards, criteria, objectives, and policies set forth in the IAL Law prior to designation.

This bill establishes an Advisory Task Force on the Preservation of Important Agricultural Lands to study and make recommendations to the Legislature on issues pertaining to agricultural self-sufficiency and the preservation of important agricultural lands, whether urban or rural lands may be suitable for cultivating crops appropriate for biofuel production, and whether IAL should be used for biofuel production.

To date, the present IAL Law has resulted in the designation by the LUC of over 30,000 acres of agricultural lands as IAL from voluntary petitions for Alexander & Baldwin owned lands on Maui and Kauai. Of the above mentioned IAL, a vast majority of the lands are presently farmed by Hawaiian Commercial & Sugar Company (HC&S) for its sugar cane operations. In addition to producing raw commodity sugar and its specialty Maui Brand Sugar, HC&S also generates biomass produced renewable electricity for its sugar milling, irrigation pumping, and other internal operations and is a firm power source for Maui Electric Company (MECO), providing approximately 6% of MECO's total electricity for general community use.

Despite a current up tick in sugar prices, history has proven that commodity sugar prices will remain relatively flat, as they have over the last few decades, despite increasing production costs. Thus, HC&S has for a number of years been considering the feasibility of re-focusing a portion of its operations into the production of other bio-based products, including biofuels. HC&S is currently participating in a new Hawaii-based research and development initiative on biofuels, closely working with the University of Hawaii and various Federal agencies on energy crop development, energy conversion technologies, and long term resource requirements for biomass production. HC&S intends to consider the findings of this research and development initiative to determine the feasibility of HC&S entering into the production of biofuels to sustain its agricultural operations and the continued employment of its 800 employees.

Should the Legislature decide to establish the Task Force proposed in this bill, we would welcome the opportunity to participate as an active member of this Task Force.

Thank you for the opportunity to testify.



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February 11, 2011

TESTIMONY

RE: SB736 RELATING TO LAND USE

Chair Dela Cruz, Chair Nishihara and Members of the Committee:

Hawaii Farm Bureau Federation on behalf of our commercial farm and ranch families in Hawaii provides the following comments to SB736 creating a task force to study agricultural land classifications and uses.

Since 2003, HFBF has spent hundreds of hours in meetings along with others in the community to develop the standards and criteria for Important Agricultural Lands. Our focus has been farm and ranch viability. The **intent of IAL is to provide for increased self sufficiency** in the State. Since the closure of many plantations across the islands, other agricultural ventures have started on the lands and HFBF has consistently supported the protection of existing farms and ranches from displacement by biofuel operations.



This is not to say that existing biofuel operations should not be considered important or a use for Important Agricultural Lands. Maui's Central Valley occupied by 37,000 acres of sugarcane is partially for biofuel production ...production that is critical to Maui's energy self sufficiency. 27,000 acres of the