

**HB 2301
RELATING TO AGRICULTURE**

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

FEBRUARY 3, 2012

Chair Tsuji and Members of the House Committee on Agriculture:

I am Paul Oshiro, testifying on behalf of Alexander & Baldwin, Inc. (A&B) on HB 2301, "A BILL FOR AN ACT RELATING TO AGRICULTURE." While we support the general intent of this bill, we respectfully oppose Section 2, Subpart 4 of this bill regarding "Prohibitions".

The general intent of this bill is to establish food sustainability standards to promote local food production. While we support this laudable initiative, we respectfully oppose Section 2, Subpart 4 of this bill which prohibits all State or County discretionary approvals to reclassify lands out of the agricultural or conservation districts if the Department of Agriculture determines after December 31, 2019, that a particular year did not achieve the required food sustainability standards. We believe that this provision, if subsequently implemented, may have a negative impact on the future sustainability of agriculture in this State. Farming is a difficult business and for many farmers—large and small—farming may not be their only source of income. For A&B, our other lines of businesses have helped to enable us to keep our agricultural entities in operation despite years of limited profits and—at times—large financial losses. A recent example would be A&B's ability to keep Hawaiian Commercial & Sugar

Company's doors open in 2008 and 2009 despite losses totaling some \$45 MM. If a farmer were prohibited from utilizing some of his agricultural lands for other purposes, he may not have the resources needed to derive revenue or secure the financing needed to keep his agricultural operation in business. Thus, this bill, with the apparent intent of helping agriculture, may result instead in significant harm to farmers, including the future sustainability of HC&S' sugar cane operations, along with the approximately 800 Maui residents that our agricultural operations employ.

Based on the aforementioned, we respectfully request that Section 2, Subpart 4 relating to "Prohibitions" be deleted from this bill. Thank you for the opportunity to testify.

The Pacific Resource
PARTNERSHIP



Testimony of C. Mike Kido
External Affairs
The Pacific Resource Partnership

House Committee on Agriculture
Representative Clift Tsuji, Chair
Representative Mark Hashem, Vice Chair

House Committee on Economic Revitalization & Business
Representative Angus McKelvey, Chair
Representative Isaac Choy, Vice Chair

Friday, February 3, 2012
8:00 a.m.
Conference Room 312

HB 2301 - Relating to Agriculture which requires the Department of Agriculture (DOA) to develop food sustainability standard to promote local food production

Chair Tsuji, Chair McKelvey and Members of the Committees:

My name is C. Mike Kido, External Affairs of the Pacific Resource Partnership (PRP), a labor-management consortium representing over 240 signatory contractors and the Hawaii Regional Council of Carpenters (formerly the Hawaii Carpenters Union).

PRP **opposes** the current form of **HB 2301** - Relating to Agriculture which requires the Department of Agriculture (DOA) to develop food sustainability standard to promote local food production.

PRP supports HB 2430 version that was proposed by the Department of Agriculture and the Governor's package [DM, 2/1/12 passed with amendments].

HB 2430 authorizes the Department of Agriculture to develop, coordinate, fund and integrate new and existing programs, facilities and projects in order to promote the development of agriculture and food security within Hawaii. The measure emphasizes cooperation and cohesive industry strategies and planning encompassing all aspects of agriculture from farms to markets; the existing and future programs will develop and improve agriculture in Hawaii.

Thank you for allowing us to comment and we kindly request HB 2301 to be held in this committee.

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Hawaii Reserves, Inc.
A LAND MANAGEMENT COMPANY

February 2, 2012

Via E-Mail: AGRtestimony@Capitol.hawaii.gov

House Committee on Agriculture

Rep. Clift Tsuji, Chair

Rep. Mark J. Hashem, Vice Chair

Re: H.B.2301 (Re: Agriculture)

Testimony In Opposition

Hearing: Friday, February 3, 2012, 8:00 a.m., Conf. Rm. 312

Chair Tsuji, Vice Chair Hashem and Committee Members:

Aloha, and thank you for the opportunity to testify in opposition to House Bill 2301 on behalf of Hawaii Reserves, Inc., a land management company located in Laie, Oahu. We manage and own approximately 7,000 acres currently in agricultural, residential and commercial uses.

While this bill may be well-intentioned – and we agree that an increase in food sustainability is an important goal – it would threaten worthy *community sustainability* projects that could provide much needed affordable housing in Hawaii. It also is somewhat duplicative of existing IAL laws and does not focus on the challenges facing our ag industry, and it ignores current land use processes already in place.

First, this bill will threaten worthy projects that would provide much needed affordable housing – community sustainability. For example, our company and community have been exploring ways to facilitate an affordable housing project in a “sustainable affordable development” on land that is currently classified as agricultural (the land would first need to be reclassified for residential use). Sustainable affordable development projects require that 30% of the units must be affordable to persons in the county’s median income range, and the sales price of at least 51% of the residential lots must be no higher than 80% of the fair market value of the lots in fee (HRS 516-1). If passed this bill could stop the creation of much needed affordable housing and economic development in our community and others in the state. While food sustainability may be a concern, housing affordability and economic sustainability is a much greater concern for local residents.

Second, this bill is somewhat duplicative of existing Important Agricultural Lands (IAL) laws and does not focus on some of the challenges facing our local ag industry. This bill ignores the process initiated by the relatively recent passage of the IAL bills. At a time when farmers and landowners need incentives to compete in a global agricultural market, this bill does not address the challenges facing our local ag industry. Our county and state enjoy an overabundance of unused agricultural lands subsequent to the decline in the pineapple and

Testimony in Opposition to H.B. 2301

February 2, 2012

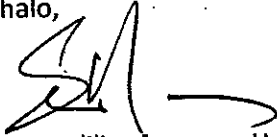
Page 2 of 2

sugar cane industries, but our farmers are struggling financially. What we've observed is not farmers in search of more agricultural land to farm, but rather an excess of vacant ag land waiting to be farmed. Based on our experience with our own farm business that ultimately folded – and as a landowner currently leasing to farmers – some of the real issues are how to help farmers and landowners make productive use of abundant agricultural lands, and how to strengthen our local farm industry to better compete in the global marketplace.

Third, this bill ignores current, comprehensive and careful planning processes already in place. This bill in essence is a land use moratorium bill, however, the process to rezone land in our state is lengthy, involves a number of public hearings, and requires approval by both the State Land Use Commission and the applicable City/County Council. A well-devised system of checks and balances is already in place to ensure that agricultural land is not "upzoned" without much needed public input and adequate time for careful deliberation.

For these reasons and others we request that you hold H.B. 2301. We respectfully urge this committee to instead focus on more appropriate solutions, such as H.B. 2430.

Mahalo,



Steve Keali'iwahamana Hoag, Esq.
Vice President, Administration