

# SB 510

Requires that lands managed by the department of agriculture and the agribusiness development corporation are disposed of in a variety of sizes and to diversified tenants to support a diversified agricultural economy. Requires the department of agriculture and the agribusiness development corporation to: (1) consider the diversity of their leased or transferred lands when approving leases or transfers; and (2) submit annual reports regarding land dispositions to the legislature and to post a copy of the reports on the Internet.

DAVID Y. IGE  
Governor

SHAN S. TSUTSUI  
Lt. Governor



SCOTT E. ENRIGHT  
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER  
Deputy to the Chairperson

State of Hawaii  
DEPARTMENT OF AGRICULTURE  
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TESTIMONY OF SCOTT E. ENRIGHT  
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEES ON AGRICULTURE AND WATER AND LAND

February 2, 2015  
2:50 P.M.  
ROOM 224

SENATE BILL NO. 510  
RELATING TO AGRICULTURAL LANDS MANAGED BY THE DEPARTMENT OF  
AGRICULTURE AND THE AGRIBUSINESS DEVELOPMENT CORPORATION.

Chairpersons Ruderman and Thielen and Members of the Committees:

Thank you for the opportunity to testify on Senate Bill No. 510. The purpose of this bill is to require the Hawaii Department of Agriculture (HDOA) and Agribusiness Development Corporation (ADC) to submit to the Legislature and post on its respective website, a variety of detailed information regarding its land inventories, lease dispositions made, and sales or transfers of leased lands. This measure also requires HDOA and ADC to dispose of lands in specific size ranges and adopt land-use protocols and conditions to support specialty farm products in specified locations. The HDOA appreciates the intent of the bill but has some concerns.

Much of the requested information in section 2 is currently available in the Department's annual report, which is also available on the Department's website. Regarding the proposed section 2(4)(A), the Department does not maintain these details as the farmer is free to grow whatever they deem appropriate to provide the greatest chance at a successful crop. Additionally, the HDOA is not authorized to sell or transfer State lands. This authority is granted to the Department of Land and Natural Resources Land Division.



The Agricultural Parks program is intended to be an “incubator” program for new farming ventures and Ag Parks are typically about 150 acres in total area. The leased parcels are smaller (5-10 acres) and in a contiguous agricultural subdivision that has most of the infrastructure necessary to accomplish diversified agriculture and to allow for the lessees to assist each other during the development period – this is intentional. Forcing the size distribution will negate the entire intent of the Agricultural Parks program and potentially require the cancellation of a majority of our existing leases. Additionally, creating protocols and lease conditions regarding pesticide drift will further reduce the amount of acreage we have available for farming and we have no ability to impose or enforce conditions on private lands abutting ours. Finally, after an initial lease term of 25 to 35 years, it is the experience of the Department that the lessee has established his agricultural enterprise and is often interested in moving to the Non-Agricultural Park Lands program with long-term tenure which may be extended for up to 65-years and provides larger land opportunities.

The Non-Agricultural Park Lands program is different from the Agricultural Parks program in that it offers expansion opportunities for established agricultural operations or agribusinesses to relocate to available lands to improve location, expand and access additional markets, etc., as lot sizes are generally larger, up to 2,000 acres for a ranch, and unlike the Agricultural Parks program, the Non-Agricultural Park Lands program allows the lessee to conduct on-site commercial sales of products grown and processed on the leased parcel. This bill will require the Department to subdivide some parcels and consolidate others leading to significantly increased costs and length of time the land sits vacant. It also curbs our ability to meet market demands. Additionally, similar to the proposed change to the Agricultural Parks Program, the size requirement will require the potential cancellation of existing leases, reduce the acreage of leasable land, and we lack control of adjacent private property.

Examples of how the land programs complement each other can be seen in the success of lessees such as Kahuku Farmers Association, Hawaiian Sunshine Nursery, Green Point Nursery and Green Thumb Nursery.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE  
Governor

SHAN S. TSUTSUI  
Lt. Governor



SCOTT E. ENRIGHT  
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER  
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TESTIMONY OF JAMES J. NAKATANI  
EXECUTIVE DIRECTOR  
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE SENATE COMMITTEE ON AGRICULTURE  
& WATER AND LAND

February 2, 2015  
2:50 P.M.

SENATE BILL NO. 510  
RELATING TO AGRICULTURE

Chairpersons Ruderman and Thielen and Members of the Committees:

Thank you for the opportunity to testify on Senate Bill No. 510. This bill requires that lands managed by the Hawaii Department of Agriculture (HDOA) and the Agribusiness Development Corporation (ADC) are disposed of in a variety of sizes and to diversified tenants to support a diversified agricultural economy. Although ADC supports the development of small farms and a diversified agricultural economy, ADC has concerns that the language in this bill is overly restrictive and will hinder its operations.

ADC was established to transition land rapidly in order to respond to market demands. Contrary to HDOA's Agricultural Parks program which leases individual parcels within a contiguous subdivision, ADC issues license in order to place multiple farmers on a large parcel. A license, as oppose to a lease, provides farmers with the flexibility to rotate fields. The ability to move around the land provides additional



benefits such as reducing operating costs, reducing the pressure of pest and disease, and maintaining the proper soil conditions.

This bill may require ADC to subdivide its land resulting in additional time and costs leading to higher amounts of vacancies which does not help move agriculture forward. Although ADC agrees that small and large parcels are needed to diversify the agricultural economy, ADC believes the size of the parcels should be determined by the crop and market demand.

In regard to the reporting requirements in section 4 of the bill, most of the information is readily available on HDOA's website. With respect to section 4(4)(A), ADC is not privy and does not keep records on what our tenant's decide to grow.

While ADC supports the intent of this bill, ADC believes it will inhibit its ability to effectively manage its properties.

Thank you for the opportunity to present this testimony.



## Progressive Democrats of Hawai'i

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### COMMITTEE ON AGRICULTURE

Senator Russell E. Ruderman, Chair

Senator Gil Riviere, Vice Chair

### COMMITTEE ON WATER AND LAND

Senator Laura H. Thielen, Chair

Senator Brickwood Galuteria, Vice Chair

Feb 2, 2015 2:50 pm, Room 224

TESTIMONY IN **STRONG SUPPORT OF SB 510**, RELATING TO AGRICULTURAL LANDS MANAGED BY THE DEPARTMENT OF AGRICULTURE AND THE AGRIBUSINESS DEVELOPMENT CORPORATION

Aloha Chairs Ruderman and Thielen, Vice-Chairs and Members of the Committee,

My name is **Bart Dame** and I am testifying on behalf of **Progressive Democrats of Hawaii** in strong support of this measure.

PDH agrees there is a legitimate public interest in ensuring state lands “are leased in a variety of farm sizes, provide protocols to enable farming of specialty products, and generally support diversified agriculture.”

We believe one of the biggest obstacles to small farmers is the lack of access to affordable land with leases long enough to justify building up the soil and investing in otherwise increasing the productivity of the land. Few private landowners are willing to encumber their lands with longterm leases because they feel a need to be able to sell off or develop their ag lands for more profitable returns if and when market conditions allow for residential, commercial or resort development. As a result, the price of most ag land is inflated to reflect its future market value as non-ag lands.

This is where the state can assist small farmers and mid-sized farmers by making land available at low cost. The ADC is doing this, but almost all the leases are going to large agricultural operations engaged in large-scale mono-crop industrial agriculture. The biggest tenants appear to be the transnational chemical companies developing genetically engineered seed corn.

Meanwhile, small, local farmers, including organic farmers, wanting to grow food for local consumption, are not being provided leases on ADC-controlled land. We believe the legislature should make a policy decision to remedy this by adopting a policy and plan to diversify the leases for farms of various sizes as well as types, like organic. With the proper nurturance by the state, we believe such agriculture will blossom. ADC can serve as a “greenhouse” for sustainable, small scale and organic local food production.

We believe the purpose of SB 510 and SB 593 are similar enough that they might benefit from merging the two bills.

Thank you for the opportunity to testify.

**Michael Greenough**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, February 01, 2015 8:32 PM  
**To:** AGL Testimony  
**Cc:** legechair@gmail.com  
**Subject:** Submitted testimony for SB510 on Feb 2, 2015 14:50PM

**SB510**

Submitted on: 2/1/2015

Testimony for AGL/WTL on Feb 2, 2015 14:50PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Simon Russell	Hawaii Farmers Union United	Support	No

Comments: Aloha Kakou, As an organization of primarily small holder family farmers, the access to land is always a deciding factor for our farmers. Access is always difficult, as is the ability to lease for 30 years or more. For sustainable agricultural practices (As defined buy USDA statutes) to become the norm, long term leases that are affordable are a must. A big mahalo to the authors of this bill, and a big mahalo to the ADC if they choose to support this important measure for the future of Hawaii's food security. Me ke aloha pumehana, Simon Russell HFUU Vice President and Legislative Committee Chairman (808) 269 8162

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**Michael Greenough**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, January 31, 2015 11:05 PM  
**To:** AGL Testimony  
**Cc:** 2da1wahine@gmail.com  
**Subject:** Submitted testimony for SB510 on Feb 2, 2015 14:50PM

**SB510**

Submitted on: 1/31/2015

Testimony for AGLWTL on Feb 2, 2015 14:50PM in Conference Room 224

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Sandra Herndon	Individual	Support	No

Comments: This is a long overdue step toward getting real farmers back on land to support our local food production. Thank you for bringing this forward.

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## Michael Greenough

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, January 30, 2015 9:01 PM  
**To:** AGL Testimony  
**Cc:** mblazak@gmail.com  
**Subject:** Submitted testimony for SB510 on Feb 2, 2015 14:50PM

### **SB510**

Submitted on: 1/30/2015

Testimony for AGL/WTL on Feb 2, 2015 14:50PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Megan Blazak	Individual	Support	No

Comments: Dear Chair Senator Ruderman, Chair Senator Thielen, Vice Chairs and Members of the Committees, Please support SB510 so that all of Hawaii's farmers have fair access to prime agricultural lands managed by the ADC. One of the biggest obstacles facing young farmers is lack of affordable, high quality agricultural land with water access. Because the ADC oversees a significant portion of the State's agricultural land, it is critical that ADC provide equal access to land and do not discriminately provide leases to large, industrial operations. Studies show small, diversified, biodynamic farms using organic and agroecological principles yield more food using less acreage than monocrop fields of industrial agricultural. Hawaii needs soil restoration and stewardship of it's agricultural lands. Providing equal lease opportunities to a diversity of farmers will help us make progress towards the collective goal for local, sustainable food system in Hawaii. Please support SB510. Thank you for your time. Best, Megan Blazak Hilo, HI Senate District 2

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**Michael Greenough**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, January 30, 2015 8:31 AM  
**To:** AGL Testimony  
**Cc:** nredfeather@kohalacenter.org  
**Subject:** Submitted testimony for SB510 on Feb 2, 2015 14:50PM

**SB510**

Submitted on: 1/30/2015

Testimony for AGLWTL on Feb 2, 2015 14:50PM in Conference Room 224

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Nancy Redfeather	Individual	Support	No

Comments: Outlining the use, size and focus and direction for agricultural lands administrated by HDOA or ADC seems like a practical idea to increase commitment to local food self-reliance. When farmers cannot live on their lands theft and numerous other problems abound. Creating contracts and policies that overcome this obstacle would be important to also consider.

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