

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Acting Chairperson
Board of Agriculture

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

TESTIMONY OF THE DEPARTMENT OF AGRICULTURE
BEFORE THE SENATE COMMITTEE ON WAYS & MEANS

FEBRUARY 25, 2018
9:55 A.M.
CONFERENCE ROOM 211

SENATE BILL NO. 1167
RELATING TO AGRICULTURE ENTERPRISES

Chairperson Dela Cruz and Members of the Committee:

Thank for the opportunity to testify on Senate Bill 1167 relating to agricultural enterprises. This bill establishes a new agricultural enterprise program within the Hawaii Department of Agriculture (Department), establishes positions, and makes an appropriation. The Department strongly supports this measure.

This bill is intended to allow agricultural enterprises on lands under the jurisdiction of the Department. The Department's Ag Park program and the Non-Ag Park program focus on actual, physical farming activity on the land. Limited ancillary activity is allowed only under very narrow conditions and circumstances. Moreover, strict eligibility requirements as a bonafide farmer must be met to hold any long-term lease under both programs. However, the agricultural industry must adapt to rapid developments in technology and methodology in agriculture and aquaculture in order to attain the food sustainability goals of the State. The Department needs flexibility in its disposition of public lands to support those changing conditions by allowing and encouraging the use of innovative agricultural models to optimize productivity, supporting and promoting agriculture through farmers markets, food hubs and processing facilities, animal feed mills, etc., and enabling or providing agricultural educational training. The business of agriculture is far broader than simply the growing



Page 2

of an organism. This program recognizes that the business of agriculture is just as important to the growth of agriculture as the production of the crop itself.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



JAMES J. NAKATANI
Executive Director

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION

235 S. Beretania Street, Room 205
Honolulu, HI 96813
Phone: (808) 586-0186 Fax: (808) 586-0189

TESTIMONY OF JAMES J. NAKATANI
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE COMMITTEES ON WAYS AND MEANS
Monday, February 25, 2019
9:55 a.m.

SENATE BILL NO. 1167
RELATING TO AGRICULTURAL ENTERPRISES

Chairperson Dela Cruz and Members of the Committee:

My name is James Nakatani, Executive Director of the Agribusiness Development Corporation (“ADC”). The ADC will provide comments on Senate Bill No. 1167, which establishes a new agricultural enterprise program within the department of agriculture to plan, design, construct, operate, manage, maintain, repair, demolish, and remove infrastructure on any lands under the jurisdiction of the department, to support and promote agriculture. It also creates three new positions to implement the program, establishes the agricultural enterprise special fund and makes an appropriation.

Agricultural enterprise development is foundational to increasing production and diversifying agriculture. Properly built and maintained agriculture hubs and other infrastructure, such as irrigation systems, roads and reservoirs, can open entirely new geographic areas, sustain existing operations and provide production opportunities for many companies. These type of projects would not be financed by any one private operation.

However, the proposed bill may duplicate one of ADC's core functions - which is to develop commercial agribusiness.

Thank you for the opportunity to testify, and for your consideration of this bill.

SB-1167

Submitted on: 2/22/2019 2:49:21 PM

Testimony for WAM on 2/25/2019 9:55:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
HERBERT M. "TIM" RICHARDS, III	Testifying for Hawaii County Council	Support	No

Comments:



O`ahu County Committee on Legislative Priorities

COMMITTEE WAYS AND MEANS
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

DATE: Monday, February 25, 2019

TIME: 9:55 a.m.

PLACE: Conference Room 221
State Capitol

RE: SB 1167 Relating to Agricultural Enterprises

To the Honorable Donovan M. Dela Cruz, Chair; the Honorable Gilbert S.C. Keith-Agaran, Vice Chair; and Members of the Committee on Ways and Means:

I am Melodie Aduja, Chair of the O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i. Mahalo for this opportunity to submit testimony on SB 1167. The O`ahu County Committee on Legislative Priorities ("OCCLP") hereby submits its testimony in **SUPPORT of SB 1167, relating to Minimum Wage.**

SB 1167 provides and establishes the agricultural enterprise program within the department of agriculture to allow the department or a lessee to plan, design, construct, operate, manage, maintain, repair, demolish, and remove facilities on any lands over which the department has jurisdiction, to support and promote agriculture, and to accept the transfer of any lands that will support an agricultural resources.

DPH believes that agriculture in our state must be preserved and its future strengthened. Sufficient prime agricultural lands must be maintained for the health, economic well-being and sustenance of the people. We believe in an integrated approach to agricultural innovation and sustainability. We encourage the responsible development of ocean resources and aquaculture to achieve sustainability in our State, of our marine resources and ensure and improve the health of our reef and marine life.

This approach includes, but is not limited to, the adoption of the Native Hawaiian concept of ahupua`a, an integrated approach to land management. This could also include development

of economic, land and ocean use policies that foster sustainable crops both for local consumption and for export, policies to foster agriculture-related infrastructure at shipping points, and increased inspection to protect against invasive species and to encourage reduced holding times. We need to ensure food safety, strive towards food security and strive to set the highest standards for food quality and nutrition.

We will promote ethical and safe production of livestock, dairy products, poultry and eggs.

Recognizing the importance of the ocean as a life-sustaining resource, we must protect its ecological balance while promoting the cultivation of ocean resources as a step toward greater self-sufficiency.

Fresh water free of pollutants shall be available to all. To ensure wise use and equitable distribution of our precious water, we must stress water conservation and alternative patterns of water treatment and consumption such as the use of recycled water for irrigation, water storage reservoirs, and the use of rain barrels by the public.

As an island state, securing affordable food for all is a priority. We support healthy, sustainable, and diversified local food production, and “Buy Local” strategies to assure greater food security and food safety.

We recognize the essential link between the availability of adequate and affordable water and low-cost electrical power as essential components of viable agricultural businesses.

We support land use planning and infrastructure development to support sustainable diversified agriculture, including low cost inter-island transportation of agricultural products.

We likewise support publicly funded research and development for agricultural diversification and value-added products.

We support the designation of Important Agricultural Lands as a step towards preserving high-grade productive lands for current and future needs.

We support adequate resources to address the various invasive species on this island beginning at point of entry.

We promote solid waste policies that divert green waste and food scraps for making invasive species-free compost and enhanced mulch available to our farmers, landscapers, and residents.

To support the development of new generations of farmers, we support increased availability of training in agriculture and related business requirements at centers of education around the state. We support making available incentives and low-cost loans to enable new farmers to establish farming operations.

Small farmers are the backbone of Hawai'i's agricultural future. We support the establishment of agricultural parks and clustered farming lots to allow small farmers to share required utilities and utilize fertile land efficiently. We support the establishment of community-supported food hubs for drying, canning, freezing, and distribution of agricultural crops and produce.

We support the development of agricultural land trusts to keep land in farming in perpetuity and to keep land costs down. *Democratic Party of Hawai'i Platform (2018), p. 9, ln. 5-55, p. 10, ln. 1-8.*

For the foregoing reasons, i.e., that agriculture must be preserved and its future strengthened and that sufficient prime agricultural lands must be maintained for the health, economic well-being and sustenance, OCCLP supports with amendments SB 1167 and urges its passage out of the Committee on Ways and Means .

Mahalo nui loa
Me ka `oia`i`o

/s/ Melodie Aduja

Melodie Aduja

Chair, O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i

Ph. (808) 258-8889

Email: legislativepriorities@gmail.com

SB-1167

Submitted on: 2/22/2019 4:13:11 PM

Testimony for WAM on 2/25/2019 9:55:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
William W. Steiner	Testifying for Pacific Agricultural Land Management Systems	Support	No

Comments:

Thank you Chairman and committee members for taking my comments on SB1167. I am in favor of this bill for two reasons; first I own an agricultural company that does land management and this bill could prove useful to our operations. Second I previously served and retired at Dean of the College of Agriculture, Forestry and Natural Resource Managemen (CAFNRM) at UH Hilo (2005-2012). In the latter position I noted that many of our graduating agriculture students could not get started in their chosen profession because land was often not available to them at a reasonable price. Just out of Univeristy also meant they often could not borrow the funding to lease land and get started because of lack of a credit history. I believe this bill may help correct that situation and help young farmers get a good start in their profession, which is critical to the future of Agriculture in Hawaii. Thank you for your time and consideration.

William W.M. Steiner, Ph.D.

CEO Pacific Agricultural Land Management Systems, and

General Manager, Hawaii Oil Seed Producers LLC

DAVID Y. IGE
GOVERNOR

JOSH GREEN M.D.
LIEUTENANT GOVERNOR



LINDA CHU TAKAYAMA
DIRECTOR

DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

**STATE OF HAWAII
DEPARTMENT OF TAXATION**

830 PUNCHBOWL STREET, ROOM 221

HONOLULU, HAWAII 96813

<http://tax.hawaii.gov/>

Phone: (808) 587-1540 / Fax: (808) 587-1560

Email: Tax.Directors.Office@hawaii.gov

To: The Honorable Donovan M. Dela Cruz, Chair
and Members of the Senate Committee on Ways and Means

Date: Monday, February 25, 2019
Time: 9:55 A.M.
Place: Conference Room 211, State Capitol

From: Linda Chu Takayama, Director
Department of Taxation

Re: S.B. 1167, Relating to Agricultural Enterprises

The Department of Taxation supports S.B. 1167, an Administration measure, defers to the Department of Agriculture on the merits of the bill, and offers the following comments for the Committee's consideration.

S.B. 1167, among other things, requires the lessee or permittee of agricultural enterprise lands and agricultural enterprises at the time of transfer to have fully paid their State taxes. The bill is effective July 1, 2019.

The Department of Taxation will be able to issue a tax clearance to the lessee or permittee of the agricultural enterprise lands and agricultural enterprises as an evidence of their compliance with State taxes.

Thank you for the opportunity to provide testimony in support of this measure.

LATE

SB-1167

Submitted on: 2/25/2019 6:32:23 AM

Testimony for WAM on 2/25/2019 9:55:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Miyamoto	Testifying for Hawaii Farm Bureau	Support	No

Comments:

LATE

SB-1167

Submitted on: 2/25/2019 8:21:36 AM

Testimony for WAM on 2/25/2019 9:55:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dylan P. Armstrong	Individual	Support	No

Comments: