DAVID Y. IGE Governor

JOSH GREEN Lt. Governor



PHYLLIS SHIMABUKURO-GEISER Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

State of Hawaii DEPARTMENT OF AGRICULTURE

1428 South King Street Honolulu, Hawaii 96814-2512 Phone: (808) 973-9600 FAX: (808) 973-9613

TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON AGRICULTURE

FEBRUARY 5, 2020 8:35 A.M. CONFERENCE ROOM 312

HOUSE BILL NO. 2030 RELATING TO AGRICULTURE

Chairperson Creagan and Members of the Committee:

Thank you for the opportunity to testify on House Bill 2030. This measure makes an appropriation to fund 1 full-time equivalent (1.0 FTE) agricultural appraiser position within the Department of Agriculture. The Department strongly supports this measure.

A Real Property Appraiser position was added to the Agricultural Resource Management Division (ARMD) in 2012 Legislative session. Unfortunately, before the required reorganization could be addressed and the position filled, the position was deleted. The ARMD has an annual need of approximately fifty (50) appraisals per year, and the number is expected to grow as additional parcels are transferred into their inventory. Appraisals are required for rental re-openings, lease conversions, new leases, revocable permits, easement valuations, etc. The Department appreciates the recognition that this position is important and necessary for us to effectively address its mission to promote diversified agriculture.

Thank you for the opportunity to testify on this measure.



<u>HB-2030</u> Submitted on: 2/3/2020 9:43:31 AM

Testimony for AGR on 2/5/2020 8:35:00 AM

Submitted By		Organization	Testifier Position	Present at Hearing
	Nicole K Galase	K Galase Hawaii Cattlemen's Council		No

Comments:

<u>HB-2030</u> Submitted on: 2/3/2020 4:16:38 PM

Testimony for AGR on 2/5/2020 8:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Warren Watanabe	Maui County Farm Bureau	Support	No

Comments:



February 3, 2020

Representative Richard P. Creagan, Chair Representative Lynn DeCoite, Vice Chair House Committee on Agriculture

Testimony in Support of HB 2030, Relating to Agricultural Appraiser; Appropriation (Makes an appropriation to fund 1 full-time equivalent agricultural appraiser position within the Department of Agriculture [DOA].)

Wednesday, February 5, 2020, 8:35 a.m., in Conference Room 312

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and utility companies. One of LURF's missions is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources and public health and safety.

LURF appreciates the opportunity to provide testimony in **support of HB 2030**, and to offer comments.

HB 2030. LURF understands that there is currently a dearth of agricultural appraisers in Hawaii and that there is presently no agricultural appraiser position within the DOA despite the Department's need to conduct approximately 50 agricultural appraisals each year, and the number is expected to increase as additional parcels continue to be transferred into the Department's charge. The retention or use of commercial appraisers is not suitable for DOA's purposes since commercial and residential land in Hawaii differ significantly from agricultural land, as do their values. The purpose and intent of this bill is therefore to appropriate funds for one full-time equivalent agricultural appraiser within the DOA.

LURF's Position. LURF members include private property owners, farmers and ranchers who own, maintain, and engage in agricultural enterprises, and whose business, operations and livelihoods rely on the determination of fair property valuations and lease rents that are appropriate for intended agricultural uses. These landowners and agricultural stakeholders believe HB 2030 will greatly

House Committee on Agriculture February 3, 2020 Page 2

assist with appraisals required in connection with, amongst other things, new leases, lease conversions, rental re-openings, permits and easements.

This measure is consistent with the underlying intent and objectives of the IAL laws (Hawaii Revised Statutes, Sections 205-41 to 52), which were enacted to fulfill the mandate in Article XI, Section 3, of the Hawaii State Constitution, "to conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency and assure the availability of agriculturally suitable lands."

LURF therefore appreciates HB 2030, which will provide the DOA with a position which will help to support diversified agriculture and provide needed assistance to agriculture-related operations. By recognizing the significance of, and need to assist the local agriculture industry, and implement measures which help to support the growth and maintenance of agriculture in the State, this bill significantly helps to promote economically viable agriculture and food self-sufficiency in Hawaii.

As potential issues relating to and food safety and security continue to be a significant concern, LURF and its members appreciate this measure being taken to assist agricultural stakeholders.

For the reasons stated above, LURF is in **support of HB 2030**, and respectfully urges your favorable consideration of this bill.



910 CALIFORNIA AVE., WAHIAWA, HI 96786

February 3, 2020

Representative Richard P. Creagan, Chair Representative Lynn DeCoite, Vice Chair House Committee on Agriculture State Capitol, 415 S. Beretania St. Honolulu, Hawai'i 96813

Dear Chair Creagan, Vice Chair DeCoite, and Members of the Committee,

The East O'ahu County Farm Bureau, which represents approximately 420 farmers and supporters of agriculture from Waimanalo to Kahuku, strongly supports HB 2030, "Relating to Agriculture," which would provide funds for the Agriculture Department to hire an agricultural appraiser. In the past, HDOA had an appraiser on staff, but due to budget cuts the position was lost.

HRS Sec. 166-11, regarding leases within agricultural parks, states that the board of agriculture shall "require the appraisal of the parcel to determine the fair market value." For leases of non-agricultural park land, HRS Sec. 166E-11 states that the board shall "require the appraisal of the parcel using standards of national appraiser organizations to determine the rental ..."

With no agricultural appraisers on staff and in the current absence of agricultural appraisers in Hawai'i, HDOA must instead use a commercial appraiser, whose experience is with commercial and residential properties rather than with farms. Commercial and residential properties in Hawai'i are extremely expensive, and their prices bear no relation to the value of land for agricultural production. Therefore, HDOA's appraisals are liable to result in proposed lease rents which are overly burdensome or even prohibitive for a farmer who relies on income from the farm for his or her livelihood. In order to ensure fair lease rents that are appropriate for the intended agricultural use, it is important that HDOA have access to an appraiser who is familiar with agricultural land values.

In addition, Act 151 (2019) sets goals for HDOA to increase local food production, including "developing guidance for decisions regarding land acquisition, irrigation, and agricultural infrastructure." Presumably an appraiser knowledgeable about the value of agricultural land and infrastructure would be a valuable asset to HDOA as the department attempts to achieve this goal.

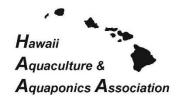
We therefore respectfully request that your committee approve the appropriation proposed by HB 2030. Thank you for the opportunity to testify on this important matter.

Sincerely,

Frederick M. Mencher for Grant Hamachi, President

East O'ahu County Farm Bureau

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February 3, 2020

Rep. Richard P. Creagan, Chair Rep. Lynn DeCoite, Vice Chair House Committee on Agriculture State Capitol, 415 S. Beretania St. Honolulu, HI 96813

Re: HB2030 Relating to Agriculture

Dear Chair Creagan, Vice Chair DeCoite, and Committee Members

The Hawaii Aquaculture & Aquaponics Association (HAAA), with statewide membership, strongly supports the intent of HB2030 which would restore an agricultural appraiser position under the Hawaii Department of Agriculture.

HDOA's former agricultural appraiser position was lost during the department's downsizing following the nation's 2008/2009 financial crisis and needs to be restored to enable the department of appropriately determine fair agricultural rents on HDOA leases and for the agricultural lands to be transferred from the Department of Land and Natural Resources. Agricultural rents are based on land quality, usable acreage, and agricultural comparables which are not in the public domain and are unfamiliar to commercial and residential appraisers.

We recommend the following amendments to this measure:

Page 1, SECTION 1, line 2 – [certified agricultural] <u>accredited rural</u> appraisers, <u>also known as farm or agricultural appraisers</u>, in Hawaii.

Page 1, SECTION 1, line 5, replace last word – [private] state

Page 1 SECTION 1, line 8, add before last word – rural or agricultural

Page 1, SECTION 2, line 13, add before last word – <u>rural or</u> agricultural

The HAAA respectfully requests your support of this important measure to help expand opportunities for farmers to obtain important investment capital and partnerships for their operations, and to allow farmers to construct and operate such agriculture-related infrastructure on HDOA-leased lands. Thank you for the opportunity to testify in strong support of HB2030.

Sincerely,

Ronald P. Weidenbach HAAA President

Board of Directors 2018 - 2020

TESTIMONY FROM THE HAWAII CROP IMPROVEMENT ASSOCIATION

<u>President</u> Joshua Uyehara In Support of HB2030 RELATING TO AGRICULTURE

<u>Vice-President</u> Warren Mayberry House Committee on Agriculture Wednesday, 02-05-20 8:35 am House conference room 312

Secretary
Dawn Bicoy

Chair Creagan, Vice-Chair DeCoite, and members of the committee:

<u>Treasurer</u> Laurie Yoshida The Hawaii Crop Improvement Association (HCIA) is in support of HB2030, which would provide operational funding for an agricultural appraiser within the Hawaii Department of Agriculture (HDOA).

Directors-at-Large Alan Takemoto Leslie Campaniano Michelle Starke Joshua Uyehara Warren Mayberry

Currently, there are no certified agricultural appraisers in Hawaii. When appraisals of land values for leased agricultural lands are needed, HDOA uses an outside appraiser. Many commercial appraisers lack knowledge of, or access to, agricultural rents and valuations in Hawaii, which can result in appraisals valued at far higher than typical rents on private agricultural lands.

President Emeritus
Alan Takemoto

Care must be taken to select appraisers who can recommend rents that are appropriate to the proposed agricultural activity. For this reason, we support funding a qualified agricultural appraiser within the HDOA who has statewide agricultural knowledge and access to current agricultural comparable.

Please vote in support of HB2030. Mahalo for your time and consideration.

Respectfully,

Emmanuel Zibakalam, Program Director Hawaii Crop Improvement Association

The Hawaii Crop Improvement Association is a Hawaii-based non-profit organization that promotes modern agriculture to help farmers and communities succeed. Through education, collaboration, and advocacy, we work to ensure a safe and sustainable food supply, support responsible farming practices, and build a healthy economy.



P.O. Box 253, Kunia, Hawai'i 96759 Phone: (808) 848-2074; Fax: (808) 848-1921 e-mail info@hfbf.org; www.hfbf.org

February 5, 2020

HEARING BEFORE THE HOUSE COMMITTEE ON AGRICULTURE

TESTIMONY ON HB 2030RELATING TO AGRICULTURE

Room 312 8:35 AM

Aloha Chair Creagan, Vice-Chair DeCoite, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interests of our diverse agricultural community.

The Hawaii Farm Bureau supports HB 2030, which makes an appropriation to fund 1 full-time equivalent (1.0 FTE) agricultural appraiser position within the Department of Agriculture.

An agricultural appraiser within the HDOA will assist in determining fair rent terms for leased agricultural lands, HDOA currently seeks appraisals of land value using outside appraisers. There are no certified agricultural appraisers in Hawaii, and many commercial appraisers in Hawaii lack knowledge of, or access to, agricultural rents in Hawaii. This can result in appraisals far higher than typical rents on private agricultural lands. Care must be taken to select appraisers who can recommend rents appropriate to the proposed agricultural activity. The best way to accomplish this is to house a qualified staff appraiser within HDOA that posses statewide agricultural knowledge and access to current agricultural comparables.

We suggest the following amendments:

The nationally recognized terminology for a certified agricultural appraiser is Accredited Rural Appraiser (ARA), referred to informally as farm appraiser or agricultural appraiser.

Page 1, SECTION 1, line 2 – [certified agricultural] <u>accredited rural</u> appraisers, <u>also</u> known as farm or agricultural appraisers, in Hawaii.

Page 1, SECTION 1, line 5, replace last word – [private] state

Page 1, SECTION 1, line 8, add before last word – <u>rural or</u> agricultural

Page 1, SECTION 2, line 13, add before last word – <u>rural or</u> agricultural

Thank you for this opportunity to testify on this important subject.

<u>HB-2030</u> Submitted on: 2/3/2020 11:19:33 PM

Testimony for AGR on 2/5/2020 8:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
J Ashman	Individual	Support	No

Comments:

Testifier List HB2030

- 1. Alan Tada
- 2. Alvin Tsuruda
- 3. Amy Martens
- 4. Barry Kim
- 5. Bart Lofton
- 6. Brandon Kimura
- 7. Carolynn Lum
- 8. Christian Mathias
- 9. Christina Brammer
- 10. Clarence Nakatsukasa
- 11. Dana Christiansen
- 12. Dansio vaana
- 13. Dawn Bicoy
- 14. Donald Lau
- 15. Elton Mow
- 16. Glenn Toyama
- 17. Gregory Friel
- 18. Guy Galimba
- 19. James Gomes
- 20. Jill Coombs
- 21. John Gibloin
- 22. John Gordines
- 23. Joni Kimiya
- 24. Judy Liu
- 25. Justin Cadiz

- 26. Ken Miranda
- 27. Kylie Matsuda-Lum
- 28. Leslie Tadios
- 29. Lewis Dubois
- 30. Lisa Taniguchi
- 31. Luly Unemori
- 32. Mario Gaggero
- 33. Mark Phillipson
- 34. Martha Peterson
- 35. Michelle Gorham
- 36. Michelle Starke
- 37. Norman Sadoyama
- 38. Phil becker
- 39. Phillipe Visintainer
- 40. Randall Francisco
- 41. Randy Cabral
- 42. Robert Paull
- 43. Ron Kauhaahaa
- 44. Roy Asao
- 45. Sandi Kato-Klutke
- 46. Stacie sasagawa
- 47. Stephenie Iona
- 48. Stephen Takamiyashiro
- 49. Steve Stefanko
- 50. Susan Cabral
- 51. Wayne Suga

decoite2 - Aurielle

From: Carol Reimann < creimann4@gmail.com>
Sent: Monday, February 3, 2020 11:30 AM

To: AGRtestimony **Subject:** I support HB2030

Dear Chairman Creagan,

Aloha Chair Creagan, Vice-Chair DeCoite, and members of the committee,

I support HB2030 to make an appropriation to fund 1 full-time equivalent (1.0 FTE) agricultural appraiser position within the Department of Agriculture.

There are no certified agricultural appraisers in Hawaii, and many commercial appraisers in Hawaii lack knowledge of, or access to, agricultural rents in Hawaii. This can result in appraisals far higher than typical rents on private agricultural lands. Care must be taken to select appraisers who can recommend rents appropriate to the proposed agricultural activity. The best way to accomplish this may be to hire a qualified staff appraiser with statewide agricultural knowledge.

Thank you for the opportunity to submit testimony.

Mahalo!

Sincerely,

Carol Reimann 234 W Hawaii St Kahului, HI 96732 creimann4@gmail.com

AGRtestimony

From: Adam Killermann <apkajar@gmail.com>
Sent: Wednesday, February 5, 2020 6:32 AM

To: AGRtestimony **Subject:** I support HB2030

IA.

Dear Chairman Creagan,

Aloha Chair Creagan, Vice-Chair DeCoite, and members of the committee,

I support HB2030, which makes an appropriation to fund 1 full-time equivalent (1.0 FTE) agricultural appraiser position within the Department of Agriculture.

There are no certified agricultural appraisers in Hawaii, and many commercial appraisers in Hawaii lack knowledge of, or access to, agricultural rents in Hawaii. This can result in appraisals far higher than typical rents on private agricultural lands. Care must be taken to select appraisers who can recommend rents appropriate to the proposed agricultural activity. The best way to accomplish this may be to hire a qualified staff appraiser with statewide agricultural knowledge.

Thank you for the opportunity to submit testimony.

Mahalo!

Sincerely,

Adam Killermann President Ajar Inc PO Box 738 Kalaheo, HI 96741 apkajar@gmail.com