

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
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TESTIMONY OF THE DEPARTMENT OF AGRICULTURE
BEFORE THE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

FEBRUARY 3, 2020
1:15 P.M.
CONFERENCE ROOM 224

SENATE BILL NO. 2702
RELATING TO AGRICULTURE

Chairperson Gabbard and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 2702. This measure temporarily authorizes the Board of Agriculture to decide on a case-by-case basis which entities qualify for a non-agricultural park lease and establishes conditions and qualifications for a lease. It sunsets on June 30, 2025. The Department supports the intent of this bill and offers the following comment.

If the Committee is inclined to move this measure forward, the Department respectfully requests that instead, it consider supporting Senate Bill 2708, Relating to Agricultural Enterprises, which is also being heard on this agenda. Senate Bill 2708 would address the leasing challenges sought to be remedied in this measure by providing greater flexibility in determining eligibility and uses under our agricultural leases. Many of our tenants in our Agricultural Parks and Non-Agricultural Parks programs would be a far better fit in the Agricultural Enterprise Program. This program allows for outside investment capital and more flexibility in the holding of the lease. Meanwhile, the continued transfer of appropriate land assets into the existing Agricultural Park and Non-Agricultural Park Programs, allows the those programs to



continue concentrating on the growing of food to meet Hawaii's food sustainability goals.

Thank you for the opportunity to testify on this measure.

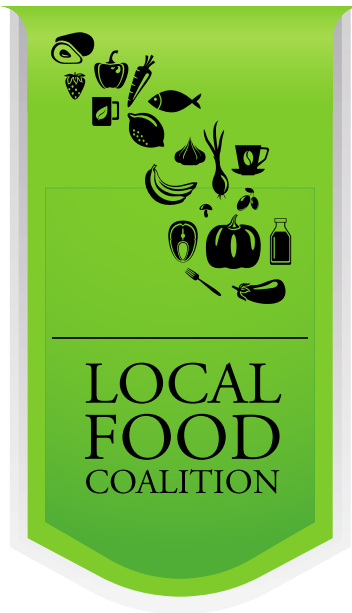
SB-2702

Submitted on: 1/28/2020 8:37:04 AM

Testimony for AEN on 2/3/2020 1:15:00 PM

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

Comments:



SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT
February 3, 2020 – 1:15 PM - Room 224

RE: SB 2702 - Relating to Agriculture – In Support

Aloha Chair Gabbard, Vice Chair Ruderman and Members of the
Committee:

Hawai'i Aquaculture &
Aquaponics Association
Hawai'i Cattlemen's Council
Hawai'i Farm Bureau
Federation
Hawai'i Farmers' Union
United
Hawai'i Food Industry
Association
Hawai'i Food
Manufacturers Association
Kohala Center
Land Use Research
Foundation of Hawai'i
Maui Farm to School
Network (Maui F2SN)
Ulupono Initiative
College of Tropical
Agriculture and Human
Resources - University of
Hawai'i at Manoa

The Local Food Coalition **supports** SB 2702 which temporarily authorizes the Board of Agriculture to decide on a case-by-case basis which entities qualify for a non-agricultural park lease and establishes conditions and qualifications for a lease and sunsets on 6/30/2025.

Modern agriculture often requires substantial investments in infrastructure such as greenhouses, processing facilities, wells, pumps and irrigation systems, and aquaculture tanks or troughs. These investments are often beyond the financial capacity of individual farmers or small farm corporations, who would need to attract investors in order to expand and improve their farms' production. Current HDOA rules for non-agricultural park lands require that at least 75% of the members of agricultural corporations, cooperatives, or partnerships be "bona fide farmers," severely limiting the ability of farms to seek outside investment. The Local Food Coalition believes this measure will address this existing investment constraint for farmers on non-agricultural park lands.

The Local Food Coalition is an organization comprising of farmers, ranchers, livestock producers, investors and other organizations working to provide Hawaii's food supply.

We respectfully request your support of SB 2702. Thank you for the opportunity to submit testimony.

John Garibaldi
808-544-8319
jgaribaldi@wik.com



EAST OAHU COUNTY FARM BUREAU
910 CALIFORNIA AVE., WAHIAWA, HI 96786

January 31, 2020

Senator Mike Gabbard, Chair
Senator Russell E. Ruderman, Vice Chair
Senate Committee on Agriculture and Environment
State Capitol, 415 S. Beretania St.
Honolulu, Hawai'i 96813

Dear Chair Gabbard, Vice Chair Ruderman, 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 the intent of SB 2702**, "Relating to Agriculture," which would enable greater investment in farming operations.

Currently, HDOA's rules require that at least 75% of the members of agricultural corporations, cooperatives, or partnerships must be "bona fide farmers" in order to qualify for non-agricultural park leases. However, modern agriculture often requires infrastructure such as greenhouses, shade houses, drip irrigation lines, aquaculture tanks, processing facilities, and equipment for seeding and harvesting. Farmers need to satisfy increased food safety requirements, to conserve water, to reduce fertilizer input, and to protect their crops from pests and diseases while minimizing pesticide use – all while maintaining or increasing yield and quality in order to compete in the marketplace. Farmers need to seek investment capital to build or improve their farms, but few if any investors would qualify as "bona fide farmers" under current rules. SB 2702 would reduce this impediment by allowing passive investment in agricultural and aquacultural operations that meet certain requirements and that are approved by the board of agriculture.

We agree with the intent of SB 2702 that the board of agriculture should decide which operations are acceptable for leases on HDOA's non-agricultural park lands. We therefore must express concerns with items B and C of the proposed legislation, which restrict the types of operations that the board may approve. In particular, item C allows leases only to those operations that "are primarily to produce food crops or products that contribute to the replacement of similar food crops or products that are imported into the State." This restriction appears to prohibit consideration of local products like taro, papayas, and ti leaves; valuable export products for which Hawai'i is known like coffee, macadamia nuts, and shrimp broodstock; and ornamental and other useful but non-food crops. We therefore respectfully request that SB 2702 be amended to allow the board of agriculture more freedom to determine which farms and which crops are suitable for HDOA leases.

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



HAWAII CROP IMPROVEMENT ASSOCIATION

Board of Directors 2018 - 2020

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Joshua Uyehara

Vice-President
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Joshua Uyehara
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Alan Takemoto

TESTIMONY FROM THE HAWAII CROP IMPROVEMENT ASSOCIATION

In Support of SB2702
RELATING TO AGRICULTURE

Senate Committee on Agriculture and Environment
Monday, 02-03-20 1:15PM
Senate conference room 224

Chair Gabbard, Vice-Chair Ruderman, and members of the committee:

The Hawaii Crop Improvement Association (HCIA) support SB2702, which temporarily authorizes the Board of Agriculture to decide on a case-by-case basis which entities qualify for a non-agricultural park lease. Establishes conditions and qualifications for a lease.

Currently, HDOA rules for non-agricultural park lands require that at least 75 percent of the members of agricultural corporations, cooperatives or partnerships be “bona fide farmers.” This severely limits the ability of farms to seek outside investment.

Given the state’s food sustainability goals, individual farmers and small farm corporations are going to need to attract investors to expand and improve their farms’ production. Substantial investments in infrastructure will be needed, such as greenhouses, processing facilities, wells, pumps and irrigation systems. Small farmers don’t have the financial resources to do it on their own.

Please support SB2702 to make agriculture more sustainable for our farmers. 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.



February 2, 2020

Senator Mike Gabbard, Chair
Senator Russell E. Ruderman, Vice Chair
Senate Committee on Agriculture and Environment
State Capitol, 415 S. Beretania St.
Honolulu, HI 96813

Re: SB2702 Relating to Agriculture

Dear Chair Gabbard, Vice Chair Ruderman, and Committee Members

The Hawaii Aquaculture & Aquaponics Association (HAAA), with statewide membership, **strongly supports the intent of SB2702** to expand opportunities for farmers to obtain investment capital and be eligible for Department of Agriculture's non-agricultural park leases.

Recent and emerging technological advances have created opportunities for innovation in agriculture that may improve efficiency, increase yields, and encourage sustainable farming practices. However, these technologies often require high investments of capital that small and mid-size farmers are often unable to access alone. By partnering with investors or establishing partnerships with others who have access to such technologies or capital, farmers may be able to invest in these technologies to establish or expand their agricultural or aquacultural businesses.

Currently, the Department of Agriculture's administrative rules on non-agricultural park lands contain provisions that require at least 75% of such partnership members, including investors, to qualify individually as bona fide farmers, and they may also be subject to a durational Hawaii residency requirement. These requirements significantly limit a farmer's ability to access capital necessary to acquire these state-of-the-art technologies which can cost up to \$2-3 million per acre. SB2702 addresses these existing investment constraints by exempting individual farmers and nonindividual concerns from the required individual qualifications of a "bona fide farmer".

In summary, 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 on non-agricultural park lands. Thank you for the opportunity to testify in strong support of SB2702.

Sincerely,

Ronald P. Weidenbach
HAAA President



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 3, 2020

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

TESTIMONY ON SB 2702
RELATING TO AGRICULTURE
Room 224

1:15 PM

Aloha Chair Gabbard, Vice Chair Ruderman, 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 strongly supports SB 2702 with amendments, which establishes the qualifications and conditions that determine the eligibility of entities and investors applying for a non-agricultural park lease. It also authorizes the Board of Agriculture to decide on a case-by-case basis which entities may qualify.

This bill is *essential* for Hawaii's farmers who lease agricultural land under the Department of Agriculture non-ag park program. In order to meet our State goal to increase food production and become more self-sufficient, farmers must improve efficiency and increase yields, and accomplish this in an environmentally-friendly manner.

In many cases, this requires huge investments of capital that our small and medium-size local farmers just don't have – costs can be in the millions of dollars per acre. This bill would allow Hawaii's farmers to establish and grow their farms by partnering with those who have access to the necessary technologies and funds.

We respectfully ask that the bill be amended, as it is described in the legislative summary, to allow the experts at the Department and the Board of Agriculture the discretion to decide, on a case-by-case basis, the details of who a local farmer can partner with, and under what conditions, in order to best meet Hawaii's food and other crop production needs, as well as increase Hawaii's agricultural exports. We would be pleased to work with you to ensure the language mirrors the intent of the bill.

Thank you for your continued support of our local farmers who look forward to providing more of Hawaii's agricultural needs.

**LARRY JEFTS FARMS, LLC
PO BOX 27
KUNIA, HAWAII 96759
(808) 688-2892**

SB2702, Relating to Agriculture
Senate AEN Hearing
Monday, February 3, 2020
1:15 pm
Conference Room 224

Testimony by: Larry Jefts
Position: Support

Chair Gabbard, and Members of the Senate AEN Committee:

I am Larry Jefts, owner and operator of Larry Jefts Farms, LLC, which is part of our family-run business of farms on Oahu and Molokai, under the administrative umbrella of Sugarland Growers, Inc. We have more than 35 years of Hawaii farm experience on Molokai and Oahu. I am a volunteer director for the West Oahu Soil and Water Conservation District (SWCD).

This bill authorizes the Board of Agriculture to decide on a case-by-case basis which entities qualify for a non-agricultural park lease. For many farmers this means the opportunity to obtain investment capital for their operations and be eligible for non— agricultural park leases. In order to grow Hawaii's agriculture production, the experts at the Department and Board of Agriculture should have the flexibility to decide and specify conditions for the local farmer to be successful.

Thank you for consideration of this testimony.

SB-2702

Submitted on: 1/27/2020 8:06:26 PM

Testimony for AEN on 2/3/2020 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Benton Kealii Pang, Ph.D.	Individual	Oppose	No

Comments:

SB-2702

Submitted on: 2/2/2020 4:18:25 PM

Testimony for AEN on 2/3/2020 1:15:00 PM

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

Comments:

Please pass this bill with suggested clarifying amendments. Some of Hawaii's dedicated and productive farmers have been waiting for years to expand and upgrade their farms so that they can remain competitive and stay in business. Local investors don't have the capital and expertise to partner with these farmers but outside investments are available. Our laws need to be clarified to allow farmers to use these opportunities that will benefit them, and our communities. Thank you.

gabbard2 - Sydney

From: Paul Bienfang <bienfang888@gmail.com>
Sent: Saturday, February 1, 2020 11:39 PM
To: AEN Testimony
Subject: I support SB2702

Follow Up Flag: Follow up
Flag Status: Completed

Dear Chairman Gabbard,

Aloha Chair Gabbard, Vice-Chair Ruderman, and members of the committee,

I support SB2702, which temporarily authorizes the Board of Agriculture to decide on a case-by-case basis which entities qualify for a non-agricultural park lease.

This measure will support modern agriculture, which often requires substantial investments in infrastructure such as greenhouses, processing facilities, wells, pumps and irrigation systems, and aquaculture tanks or troughs. These investments are often beyond the financial capacity of individual farmers or small farm corporations, who would need to attract investors in order to expand and improve their farms' production. The current Hawaii Department of Agriculture rules for non-agricultural parklands requires that at least 75% of the members of agricultural corporations, cooperatives, or partnerships be "bona fide farmers," severely limiting the ability of farms to seek outside investment.

Thank you for this opportunity to submit testimony.

Mahalo!

Sincerely,

Paul Bienfang
President
Analytical Services LLC
3586 Kumu PI
Honolulu, HI 96822
bienfang888@gmail.com

Multiple Testifier list for SB 2702

Domingo Loero
Stephanie Iona
Corey Barth
Richard Ogoshi
Margaret Bukatz
Sandi Kato-Klutke
Beth Webb
Alan Tada
Randy Cabral
Randall Francisco
Susan Cabral
Marlene Jarvis
Alvin Tsuruda
Glenn Toyama
Clyde Fukuyama
Stephanie Whalen
Harriet Delapena
James Tavares
Donald Sommer
Kim Kawahara
Paul Bienfang
Alan Gottlieb
James Gomes
Peter Boucher (LATE)