

DAVID Y. IGE  
GOVERNOR OF HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

**Testimony of  
SUZANNE D. CASE  
Chairperson**

**Before the House Committee on  
CONSUMER PROTECTION & COMMERCE**

**Wednesday, February 17, 2021  
2:00 PM**

**State Capitol, Via Videoconference, Conference Room 329**

**In consideration of  
HOUSE BILL 1014, HOUSE DRAFT 1  
RELATING TO AUTHORIZING THE DEPARTMENT OF LAND AND NATURAL  
RESOURCES TO LEASE PASTURE LANDS ON TERMS THAT PROMOTE  
COLLABORATIVE BENEFICIAL USE FOR FORESTRY, WILDLIFE,  
RECREATIONAL, AND FOOD PRODUCTION PURPOSES**

House Bill 1014, House Draft 1 proposes to authorize the Board of Land and Natural Resources (Board) to amend and extend existing pasture leases and to issue new pasture leases by negotiation in furtherance of public purposes the Department of Land and Natural Resources (Department) is responsible for promoting. The bill also proposes to give priority the Department to use land that was transferred for productive agricultural uses, subject to certain conditions and require a third-party advisory committee to be established before the disposition or transfer of any disputed lands. **The Department strongly supports the original draft of this Administration measure and offers the following comments on House Draft 1.**

Act 90, Session Laws of Hawaii (SLH) 2003, codified into law as Chapter 166E, Hawaii Revised Statutes (HRS), provides for transfer of agricultural lands to Hawaii Department of Agriculture (DOA). The Department has transferred more than 19,000 acres to DOA over the years. However, pasture lands are not classified the same as agricultural lands under the Department's public lands statute and are a critical part of the Department's forest protection and restoration, traditional gathering, and hunting and trails and other recreation responsibilities. The attached maps show the proximity of large tracts of pasture lands to forest reserves on Hawaii Island, and provide details on native ecosystems, potential for restoration and occurrence of endangered species. The Department is retaining these lands and is willing to support extending and amending the pasture leases with the Department under collaborative management terms compatible with both grazing and public trust natural and cultural resource protection and enhancement.

The Hawaii State Constitution, Article XI, Section 1, requires that "(f)or the benefit of present and future generations, the State and its political subdivisions shall conserve and protect Hawaii's natural beauty and all natural resources, including land, water, air, minerals and energy sources,

**SUZANNE D. CASE**  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

**ROBERT K. MASUDA**  
FIRST DEPUTY

**M. KALEO MANUEL**  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

and shall promote the development and utilization of these resources in a manner consistent with their conservation and in furtherance of the self-sufficiency of the State.” The Department strongly believes the original version this measure is a reasonable compromise that successfully fulfills the State’s constitutional obligations. Therefore, the Department respectfully requests that the amendments included in House Draft 1 be deleted.

This original bill proposes to provide incentives for the Department and ranchers to work together on mutually beneficial terms to promote public priorities by providing the Department with statutory powers similar to those exercised by DOA in the management of its leases. The original bill proposes to authorize the Department to issue new pasture leases by direct negotiation with terms up to 65 years that include use restrictions on high resource value portions of the lease premises and allow the Department to factor use restrictions as well as the value of any land conservation and stewardship services lessees are required to perform under their leases into the determination of an appropriate rent to charge. The original bill also proposes to give the Department the authority to amend existing leases to place use restrictions on high resource value portions of the lease premises and allow the Department to factor use restrictions and land conservation and stewardship services performed by lessees into determining an appropriate rent.

It is of the utmost imperative that the pasture lands at issue remain under the management of the Department. There are significant resource values on these lands that require active management by the Department to ensure their continued sustainability. Pursuant to Chapter 166E, HRS, under DOA management, these lands would be used solely for pasture purposes without regard to native forest restoration. DOA lacks the staffing and expertise to incorporate resource management activities into their land management practices. Furthermore, use of these lands exclusively for pasture purposes would result in a significant detrimental impact to our environment. Without DLNR management, these lands could be grazed without restriction, clear-cut and plowed, and public access could be blocked, threatening public trust natural and cultural values.

According to the United States Geological Survey, the impact of deforestation in Hawaii is severe. Hawaii’s native wet and mesic forests store an average of 124 metric tons of carbon per acre. There are around 800,000 acres of native wet and mesic forest in Hawaii. Hawaii’s invasive wet and mesic grasslands store an average of 70 metric tons of carbon per acre. There are around 300,000 acres of invasive wet and mesic grasslands in Hawaii. When Hawaii’s native forests are converted to grasslands, they lose about half of their stored carbon - a loss of 54 metric tons of carbon per acre. Reforesting grasslands is the largest carbon sequestration opportunity for Hawaii to reach the goal of carbon neutrality by 2045 (Act 15, SLH 2018). The Department is inventorying lands that are not used for pasture, and planning combination grazing and reforestation projects. The Department also offers voluntary incentive programs for ranchers to reforest lands and is developing standards for carbon credit projects that could further diversify revenues for ranchers.

In response to the amendments proposed in SECTION 2 on pages 2 through 6 of House Draft 1, the Department incorporates its response to the Hawaii Cattlemen’s Council, dated February 10<sup>th</sup>, 2021, as Exhibit A. The proposed amendments in SECTION 2, subsection (a) appear to address instances where the Department seeks to withdraw land from an existing lease for agricultural use and used instead for another public purpose in furtherance of the Department’s mission. Currently, under Section 171-37.5, HRS, the withdrawal of lands from a lease must be approved by the Board, the lease rent must be reduced to account for the withdrawn area, and other protections are afforded

to the lessee. The justification for the withdrawal and planned future use of the withdrawn area will be set forth in the staff submittal in the event a request for withdrawal is made to the Board. The fact that a lease is expiring is typically not communicated to the Board unless it is in conjunction with a request for approval enter into a new lease or other disposition for the land. In this regard, the original version of House Bill 1014 seeks to authorize the Department to extend leases and issue new long-term leases to ranchers, thereby increasing stability of the ranchers' operations.

Additionally, it is highly unlikely that the Department would be legally prohibited or practically unable from fulfilling the proposed requirements in SECTION 2, subsection (a). This would effectively preclude a withdrawal of land under an agricultural lease regardless of how compelling the alternative use would be. As an example, as to the requirement that the Department complete and obtain Board approval sufficient funding for a management plan for the alternative use prior to any withdrawal, the Department notes that its budget is determined on a biennium basis, so no long-term funding can ever be assured or proven. Instead, the Board analyzes whether there is likelihood and capacity to implement the alternative land use when determining whether to withdraw an area from a lease or allow a lease to expire without extension.

Furthermore, the "third-party committee" proposed in SECTION 2, subsection (b) of the bill would be an administrative burden to the Department, which is already facing significant budget cuts, and possibly either staff furloughs or layoffs. The Department and Hawaii Department of Agriculture, pursuant to Act 90, SLH 2003, have been successful in finding mutual agreement on those lands appropriate for transfer. Further, the committee would be subject Chapter 92, HRS and thus must hold open, sun-shined meetings, and maintain agendas, minutes and records. This would require additional staff positions including secretary/clerical, office space, equipment, supplies, travel and per diem for committee members, with estimated costs as high as \$500,000 annually. A general fund appropriation would be needed to support the proposed committee, as revenue from pasture leases are generally low and fall far short to adequately cover the costs of the proposed committee. Additionally, much of the land used for pasture leases are ceded lands, so 20% of the lease revenues is paid to the Office of Hawaiian Affairs, and an additional 30% to the Department of Hawaiian Home Lands if the lands were former sugar cane lands.

The Department also notes that the proposed committee is not attempting to be balanced or represent native Hawaiian, hunting, public access or general public interests, as it is comprised of five entities representing agricultural interests out of seven total members. Additionally, the watershed partnerships are not appropriate to be included in the committee because they are voluntary alliances of landowners and their recommendations could put them in an oppositional relationship with their members, threatening the integrity of the partnerships. Votes cast against the wishes of either the conservation or ranching interests of each partnership would serve to alienate those partners and thwart collaboration towards mutually beneficial conservation goals. As State departments have been instructed to streamline their operations and eliminate committees, rather than creating a new and lop-sided committee that reviews controversies, these matters can be referred to the existing boards that are comprised of experts representing experts in native Hawaiian culture, conservation, and agriculture.

Thank you for the opportunity to comment on this measure.

21.0210

The Department would like to respond to the suggestions by the Hawaii Cattlemen's Council (HCC) regarding amendments to HB1014. These suggestions assume that the Department continues to hold these leased lands, and HCC requests the following steps be taken if the Department wants to end the lease and take the land out of active agriculture for another purpose. **Unless otherwise noted, the responses below pertain to existing general leases.**

If at any time land transferred pursuant to this section is in productive agricultural use under the department's authority, and the department of land and natural resources seeks to alter or convert the existing use to its reserved uses or priorities, preference to the department of land and natural resources use shall be given; provided that as of the anticipated commencement of the proposed use:

**Based on this description, HCC is seeking to apply these restrictions to instances where lands are being withdrawn from pasture leases for another use. The Department notes that instead of inserting this language into Section 171-36, HRS, the appropriate place for these amendments would be Section 171-37.5, HRS, which details the procedures for withdrawal of lands from leases.**

*(1) The department of land and natural resources has completed a plan of utilization or project plan for its intended use that is approved by the board of land and natural resources;*

**Under Section 171-37.5, HRS, the withdrawal of lands from a lease must be approved by the Board of Land and Natural Resources (Board), the lease rent must be reduced to account for the withdrawn area, and other protections are afforded to the lessee. The justification for the withdrawal and planned future use of the withdrawn area will be set forth in the staff submittal in the event a request for withdrawal is made to the Board. The fact that a lease is expiring is typically not communicated to the Board unless it is in conjunction with a request for approval enter into a new lease or other disposition for the land. In this regard, HB1014 and SB1168 seek to authorize the DLNR to extend leases and issue new long-term leases to ranchers, thereby increasing stability of the ranchers' operations.**

*(2) The department of land and natural resources has secured sufficient funding to successfully implement the plan;*

**Lands must be managed in perpetuity; however, each Department's budget is determined on a biennium basis, so no long-term funding can ever be assured or proven. Additionally, "sufficient" funding is a subjective category and not appropriate as statutory language. Instead, the Board analyzes whether there is likelihood and capacity to implement the alternative land use when determining whether to withdraw an area from a lease or allow a lease to expire without extension.**

**Similarly, there is no statutory requirement that a lessee prove it has secured sufficient funding to manage the area it is leasing.**

*(3) The department of land and natural resources shall be solely responsible for all costs for identification, mapping, designation, and subdivision of the land or any portions thereof that is required for implementation of its plan; and*

**Yes. If the Department seeks to withdraw a portion of a lease for alternative uses, the Department is currently responsible for the costs listed, so no statutory change is needed.**

(4) The department of land and natural resources has given prior written notice to the department and the occupant no later than one year prior to alteration or conversion. The occupant shall be responsible for costs of relocating its operations ordinarily associated with reconfiguring existing operations to accommodate the loss of areas removed for the department of land and natural resources use.

**Yes, this is acceptable, with the exception that a court order or emergency may prevent the prior notice. Currently, the process for withdrawing an area from the lease has multiple steps and would normally take a year or more to occur.**

(5) The department of land and natural resources shall return the land to agricultural practices if the project plan is not completed within the timeframe specified in the approved plan.

**This cannot be required because many management activities are done in perpetuity, rather than being completed in a finite period (e.g., invasive species control).**

**If the Department is delayed in the project plan, we have the option to request the Board to issue an interim revocable permit to allow for other uses, including pasture uses, while the plan is being implemented.**

(6) The Rancher shall be justly compensated by rent credit for interruptions of business operations as a result of non-ranching activities on the leased premises including but not limited to (a). managing public access (b). allowances for public hunting. These rent credits shall be determined at the time of the appraisal and may be amended on an as need basis

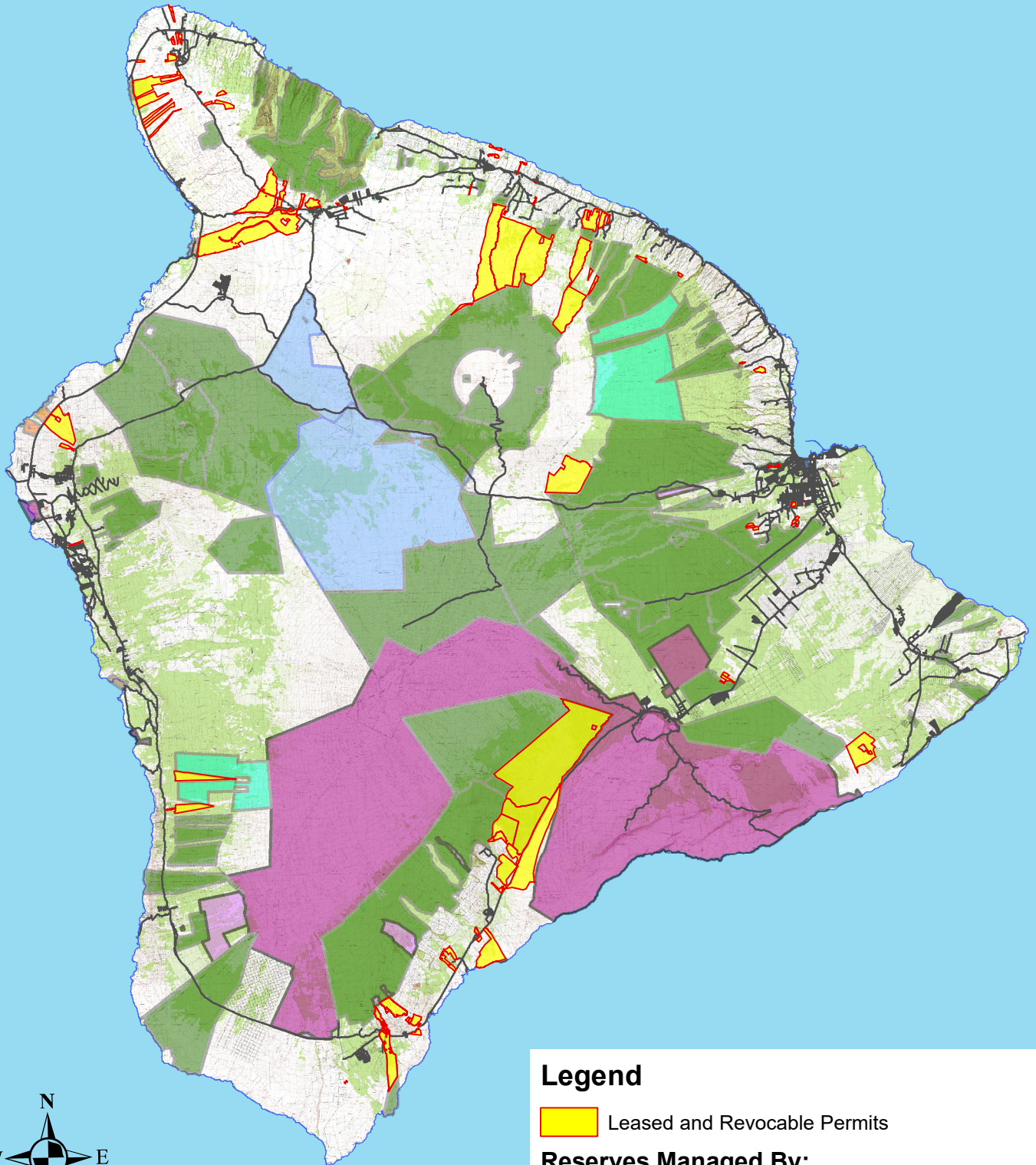
**Yes, our bills (HB1014 and SB1168) provide for this at page 11, lines 10-21. Also, see the discussion on withdrawals in response to item 1 above.**

(7) The State shall indemnify any Lessee required by the Department to provide certain other activities and provide the Lessee with proof of indemnity to a degree acceptable with the level of exposure.

**By law the State cannot indemnify, but it can assume some responsibility under a lease, such as, "The Lessor shall be responsible for damage or injury caused by the Lessor's officers and employees in the course of their employment to the extent that the Lessor's liability for such damage or injury has been determined by a court or otherwise agreed to by the Lessor. The Lessor shall pay for such damage or injury to the extent permitted by law and provided that funds are appropriated, allotted or otherwise properly made available for that purpose. The Lessee acknowledges that this provision, in itself, shall not constitute or be interpreted to be any type of indemnification, defense, or hold harmless obligation of the Lessor. The Lessor's obligations under this section shall survive the expiration or earlier termination of this lease." This language is used to minimize the exposure of the lessee when the Department manages public access or hunting programs on these leased lands.**

(8) The Department may not encumber the property nor any part of its management to another entity without concurrence of the Lessee

**The Department needs more information to respond to this request. In the case of a withdrawal of land from a lease, the former lessee should not have a right to approve or disapprove future encumbrances placed on the land. If the concern is about the Department placing encumbrances on a parcel under lease during the lease term, then the Department agrees that the concurrence of the lessee is needed to place the encumbrance on the premises, unless the right to create the encumbrance was reserved to the lessor and the time the lease was issued (e.g., some pasture leases reserved access rights to the State and/or the public).**

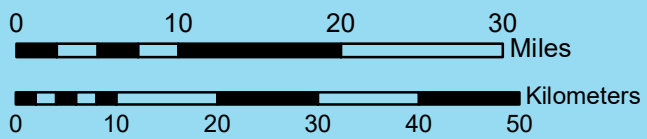
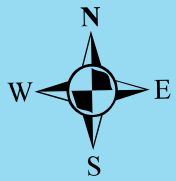


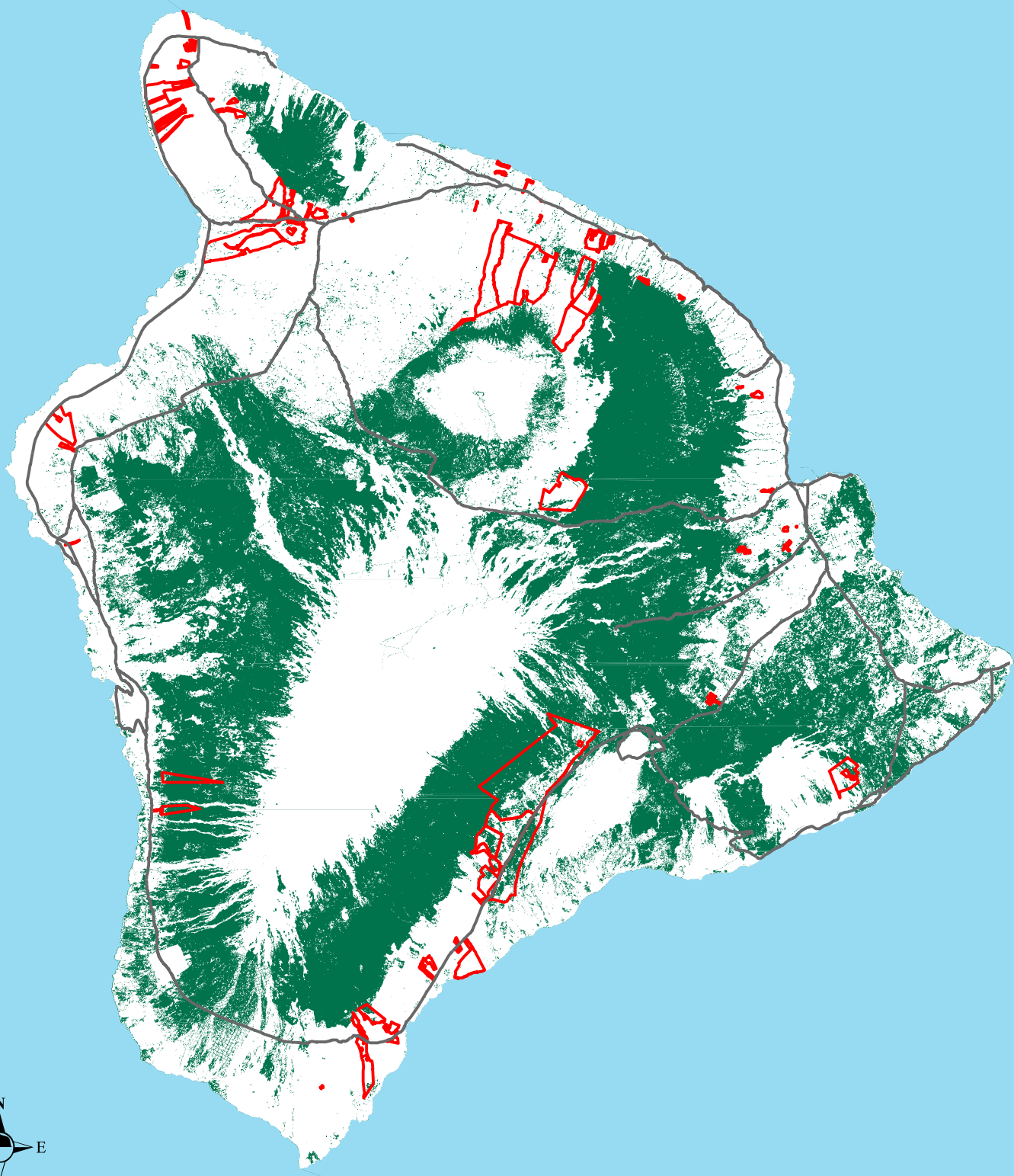
**Legend**

- Leased and Revocable Permits

**Reserves Managed By:**

- Div. Forestry & Wildlife, or Jointly with Other Agency
- Div. State Park
- The Nature Conservancy
- U.S. Fish & Wildlife Service
- U.S. National Park Service
- U.S. Army








0 2.5 5 10 15 20  
Miles

0 5 10 20 30 40  
Kilometers

### Legend

-  Leased and Revocable Permits
-  Forested Native Ecosystems
-  Major Roads

02/06/20



# Parcels with Potential for Restoration Native Ecosystems Before Human Contact



## Legend

-  Leased and Revocable Permits
-  Native Montane Wet Forest
-  Native Lowland Wet Forest
-  Native Montane Mesic Forest
-  Native Lowland Dry Mesic Forest
-  Native Subalpine Shrubland
-  Native Montane Dry Forest
-  Native Lowland Dry Forest
-  Barren or Alpine
-  Major Roads










0 2.5 5 10 15 20  
Miles

0 5 10 20 30 40  
Kilometers

# Parcels with Potential for Restoration Remaining Native Ecosystems



## Legend

-  Leased and Revocable Permits
-  Native Montane Wet Forest
-  Native Lowland Wet Forest
-  Native Montane Mesic Forest
-  Native Lowland Dry Mesic Forest
-  Native Subalpine Shrubland
-  Native Montane Dry Forest
-  Native Lowland Dry Forest
-  Barren or Alpine
-  Major Roads



0 2.5 5 10 15 20  
Miles





0 5 10 20 30 40  
Kilometers



0 2.5 5 10 15 20  
Miles

0 5 10 20 30 40  
Kilometers

### Legend

-  Leased and Revocable Permits
-  Endangered Species in Parcels
-  Critical Habitat for Endangered Species
-  Major Roads

02/06/20



## SUMMARY

## DESCRIPTION

## EXPECTED BENEFITS





## 2021 LEGISLATIVE PROPOSALS

SB693/HB469 would transfer pasture leases to DOA because DOA appears to have greater flexibility under Chapter 166E, HRS to amend, extend, and issue new leases by negotiation. However, those goals could be achieved instead through HB1014/SB1168 to give DLNR similar statutory flexibility for negotiating pasture leases.



### PASTURE LAND CONSERVATION VALUES



Water



Fire & Forest Health



Native Ecosystems



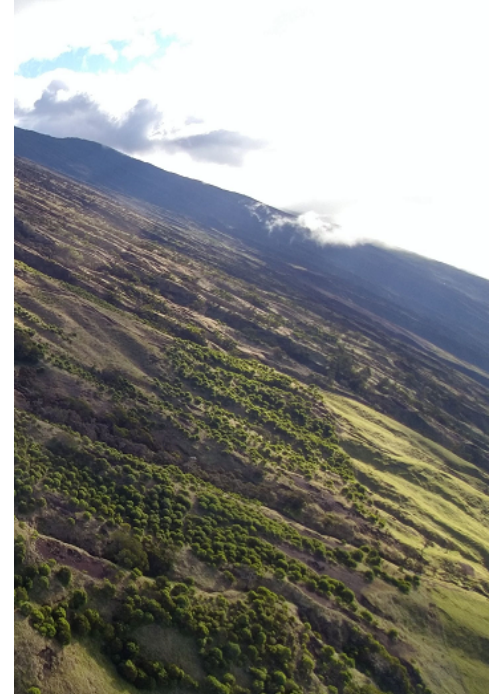
Forestry



Recreation

## DLNR PARTNERSHIPS WITH RANCHERS

## CLIMATE CHANGE AND CARBON NEUTRALITY



## CONTACT PERSON

**HB-1014-HD-1**

Submitted on: 2/16/2021 11:51:19 AM

Testimony for CPC on 2/17/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Russell Tsuji	DLNR	Comments	No

Comments:

I wish to testify on HB1014. Please allow me Zoom access. Thank you.

**HB-1014-HD-1**

Submitted on: 2/16/2021 11:52:14 AM

Testimony for CPC on 2/17/2021 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Irene Sprecher	DLNR DOFAW	Comments	No

Comments:

I wish to testify on HB1014. Please allow me Zoom access. Thank you.

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 COMMITTEE ON CONSUMER PROTECTION & COMMERCE**

**FEBRUARY 17, 2021  
2:00 P.M.  
CONFERENCE ROOM 329**

**HOUSE BILL NO. 1014, HOUSE DRAFT 1  
RELATING TO AUTHORIZING THE DEPARTMENT OF LAND AND NATURAL  
RESOURCES TO LEASE PASTURE LANDS ON TERMS THAT PROMOTE  
COLLABORATIVE BENEFICIAL USE FOR FORESTRY, WILDLIFE, RECREATIONAL,  
AND FOOD PRODUCTION PURPOSES**

Chairperson Johanson and Members of the Committee:

Thank you for the opportunity to testify on House Bill 1014 HD1. This bill authorizes the Board of Land and Natural Resources ("BLNR") to amend and extend existing pasture leases and to issue new pasture leases by negotiation in furtherance of public purposes the Department of Land and Natural Resources ("DLNR") is responsible for promoting; gives priority to the DLNR to use land that was transferred for productive agricultural uses, subject to certain conditions; and requires a third-party advisory committee to be established before the disposition or transfer of any disputed lands. The Hawaii Department of Agriculture ("Department") offers the following comments.

The Department continues to support the cattle and ranching industry through its programs promoting prudent livestock care and management practices, invasive pest control of pasture lands, and product promotion of local grass-fed beef by offering its resources and expertise regarding the livestock industry, pasture pest control





management and veterinary services. The Department believes that optimizing support for the ranching industry requires favorable land management options coupled with appropriate subject matter advice, support, and services. The Department is committed to continuing to provide the ranching industry with such assistance to offer the best opportunities for the growth in this sector.

Thank you for the opportunity to offer this testimony.



Email: [communications@ulupono.com](mailto:communications@ulupono.com)

HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE  
Wednesday, February 17, 2021 — 2:00 p.m.

**Ulupono Initiative offers comments on HB 1014 HD 1, Relating to Authorizing the DLNR to Lease Pasture Lands on Terms that Promote Collaborative Beneficial Use for Forestry, Wildlife, Recreational, and Food Production Purposes.**

Dear Chair Johanson and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food; renewable energy and clean transportation; and better management of freshwater and waste.

**Ulupono offers comments on HB 1014 HD 1**, which authorizes the Board of Land and Natural Resources to amend and extend existing pasture leases and to issue new pasture leases by negotiation in furtherance of public purposes the DLNR is responsible for promoting; gives priority to the DLNR to use land that was transferred for productive agricultural uses, subject to certain conditions; and requires a third-party advisory committee to be established before the disposition or transfer of any disputed lands.

Ulupono supports the local livestock industry and its efforts to provide fresh, healthy products for Hawai'i's consumers. With the DOA's affordable, long-term lease structure in place, local ranchers will be able to make the necessary investments into their respective operations, improving economic viability and increasing local food production for the State.

While we support the DLNR's mission to preserve natural resources and maintain watershed protection, Ulupono believes that all active agricultural pasture leases should be transferred to the DOA as per the intent of Act 90, SLH 2003. The DOA's mission and expertise to manage agricultural activities, including pastureland production, through a favorable lease structure, promotes local food production. As such, it may not be necessary to pass this measure because a more feasible path forward exists in HB 469, which seeks to uphold the 2003 law that will enable the transfer of active agricultural production pasture leases to the more appropriate DOA. Hawai'i's ranchers are responsible stewards of the land who utilize conservation practices to maintain the integrity of all leased pasture lands.

Thank you for this opportunity to testify.

Respectfully,

Micah Munekata  
Director of Government Affairs

*Investing in a Sustainable Hawai'i*



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 17, 2021

HEARING BEFORE THE  
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

**TESTIMONY ON HB 1014, HD1**  
RELATING TO AUTHORIZING THE DEPARTMENT OF LAND AND NATURAL  
RESOURCES TO LEASE PASTURE LANDS ON TERMS THAT PROMOTE  
COLLABORATIVE BENEFICIAL USE FOR FORESTRY, WILDLIFE, RECREATIONAL,  
AND FOOD PRODUCTION PURPOSES

Conference Room 329  
2:00 PM

Aloha Chair Johanson, Vice-Chair Kitagawa, and Members of the Committee:

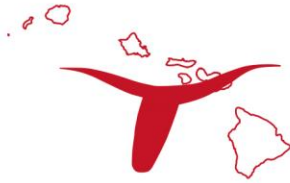
I am Brian Miyamoto, Executive Director of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural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

**The Hawaii Farm Bureau respectfully offers the following comments on HB 1014, HD1**, which would provide DLNR the discretion to modify lease terms for the pasture lands it manages.

The bill attempts to address the serious long-standing concerns of State pasture lessees under DLNR who provide economic diversity, further the State's goal of doubling food production, provide beneficial environmental stewardship and conservation services, and in general, act in the public interest.

**We agree with the concerns expressed in the testimony of the Hawaii Cattlemen's Council and respectfully suggest that the amendments the Council propose be adopted.** Without these amendments, the situation that was supposed to be resolved by Act 90, nearly 18 years ago, will continue, since the current bill allows the department broad discretion in its decision-making regarding pasture leases. Agriculture producers need the stability and security of long-term, appropriate lease terms in order to make investments to continue production and to provide conservation and other public services.

Thank you for taking our concerns into consideration and for your continued support of Hawaii agriculture.



**Hawaii Cattlemen's Council, Inc.**

COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Rep. Aaron Ling Johanson, Chair

Rep. Lisa Kitagawa, Vice Chair

**HB1014 HD1**

DATE: Wednesday, February 17, 2021

TIME: 2:00 p.m.

PLACE: VIA VIDEOCONFERENCE

Chair Johanson, Vice Chair Kitagawa, and Members of the Committee,

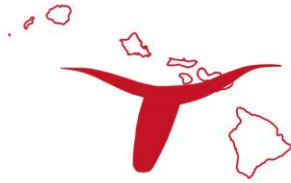
The Hawaii Cattlemen's Council **provides comments on HB1014 HD1.**

It is apparent, more so now than ever, that Hawaii needs to diversify its economy and support agriculture, an essential business. Ranchers need agriculture-appropriate lease terms and management to make prudent business decisions. Act 90 was passed in 2003 for the purpose of ensuring the long-term productive use of public agricultural lands by allowing these lands to be transferred to and managed by the department of agriculture. The need to transfer lands is not "perceived," but a real need in order to support agriculture. Agriculture has always been a vital part of Hawaii's well-being, and our current situation unfolding due to COVID-19 highlights that importance even more.

We understand the efforts of this bill to provide the same lease terms as the DOA does, but is it necessary to make these changes when the DOA already currently has the ability and expertise to manage agricultural lands? Ranchers are supportive of conservation efforts and contribute to the work that DLNR does to meet its mission, but the expertise of managing agriculture lies with the Department of Agriculture.

The Hawaii Cattlemen's Council urges that Act 90, 2003 be implemented to its full extent. We would consider this bill if it indeed gave ranchers the same terms they would receive under management of the Department of Agriculture and if protections were in place to give ranchers the confidence to plan into the future. However, as written, it prioritizes the mission of the DLNR over food production. This is because the mission of DLNR is to enhance, protect, conserve and manage Hawaii's unique and limited natural, cultural and historic resources, whereas DOA's mission is to promote agricultural production, and gain greater self-sufficiency in food.

We respectfully ask that this bill be **amended to clearly specify that food production is included as a public purpose responsibility for the department to promote, agricultural values and an agricultural appraiser will be used to set lease rents for agricultural lands including pasture lands, upon lease reopeners and upon negotiations for lease extensions, and the board should set lease rents rather than the chairperson.** If these amendments are not appropriate in this bill, then we suggest that the state focus on ensuring that Act 90, 2003 is fully implemented without any further delay, as these agricultural lease holders need agricultural terms to successfully run their operations.



**Hawaii Cattlemen's Council, Inc.**

We respectfully suggest the following:

1. Include food production as a public purpose on page 14, section (g); and page 21, section (c ).
2. Specify that an agricultural appraiser will be used to appraise lease rent values by adding appropriate language on page 16 and page 22.
3. Change "the chairperson" to "the board" where applicable.

We appreciate the opportunity to testify on this critical matter for our industry.

Nicole Galase  
Managing Director

**HB-1014-HD-1**

Submitted on: 2/16/2021 1:55:36 PM

Testimony for CPC on 2/17/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Climate Protectors Hawaii	Climate Protectors Hawaii	Comments	No

Comments:

To: The Honorable Aaron Ling Johanson, Chair,

The Honorable Lisa Kitagawa, Vice Chair, and Members of the

House Committee on Consumer Protection and Commerce

From: CLIMATE PROTECTORS HAWAI'I (by Ted Bohlen)

Re: Hearing HB1014 RELATING TO AUTHORIZING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO LEASE PASTURE LANDS ON TERMS THAT PROMOTE COLLABORATIVE BENEFICIAL USE FOR FORESTRY, WILDLIFE, RECREATIONAL, AND FOOD PRODUCTION PURPOSES.

**Hearing Date: Wednesday, February 17, 2021, 2:00 pm, videoconference**

**Position: SUPPORT INTENT BUT COMMENT**

Aloha Chair Johanson, Vice Chair Kitagawa, and Consumer Protection and Commerce Committee members:

The Climate Protectors Coalition is a group focused on reversing the climate crisis. As a tropical island State, Hawaii will be among the first places harmed by the global climate crisis, with more intense storms, loss of protective coral reefs, and rising sea levels destroying our shorelines. We must do all we can to reduce our carbon footprint and become at least carbon neutral as soon as possible. The planet faces an existential climate crisis and we must act now! Scientists have made clear that we are part of the last generation that can stop or at least mitigate the devastating impacts of climate change. If we are to solve the climate crisis, it will require **all of us** working together. Hawaii can and should be a leader in showing the world the way forward towards a safe and sustainable climate and future. The sooner we inspire others to take action and lead by example, the better off the future will be for our children.

One important way to combat the climate crisis is to restore forest lands, which have greater ability than pasture lands to sequester atmospheric carbon (and produce less

methane than some pasture uses.) The Climate Protectors Hawaii support the intent of HB1014 HD1 making DLNR responsible for overseeing pasture lands, provided DLNR recognizes the importance of restoring forest lands to combat the climate crisis. DLNR, as the land agency, is in the best position to determine which lands should best be used for growing crops and which should be restored as forests.

Mahalo for this opportunity to comment on HB1014 HD1.

Climate Protectors Hawaii (by Ted Bohlen)

KAPAPALA RANCH  
P. O. Box 537  
Pahala, HI 96777  
[Kapapala.ranch@aol.com](mailto:Kapapala.ranch@aol.com)  
[lanipetrie@aol.com](mailto:lanipetrie@aol.com)

House Committee on Commerce and Consumer Protection

February 17, 2021  
2:00 PM Video Conference

Chair Aaron Ling Johanson, Vice Chair Lisa Kitagawa and Members of the House Committee on Commerce and Consumer Affairs.

Thank you for the opportunity to testify on HB1014 HD1. **I oppose this bill as it is currently written as it makes no compensation for the capital improvements made by Ranchers that have been operating State pasture leases for years.**

Kapapala Ranch has operated this land for the last 161 years. My family has been the owner-operator of the Ranch for the past 43 years. There have been many major capital investments made on the property that include tangible assets such as reservoirs, pipelines, and watering facilities. When we came here in 1977 there was no reliable water system for this 34,000 acre parcel. Today the Ranch has 10,000,000 gallons of water storage and over 110 miles of distribution pipelines.

The less tangible, yet equally expensive, investments are in weed control, soil amendments, and forage planting and management. The Ranch has given up using mechanical and chemical means for weed control and now uses biological control with goat dozers. Very intensive, highly managed by electric fences, and full-time herders are used to manage our weed control program. This is a very costly but highly effective land management tool. If these lands which we've invested in for food production are removed for other public purposes, we should be rightfully compensated.

HB1014, as written, makes no compensation to the Rancher for the loss of capital assets and improvements to the land which have been hard earned and we behold dearly.

I oppose HB1014 HD1 until this issue can be resolved.

Respectfully submitted,

KAPAPALA RANCH

Lani C. Petrie