

DAVID Y. IGE
GOVERNOR



BONNIE KAHAKUI
ACTING ADMINISTRATOR

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TESTIMONY
OF
BONNIE KAHAKUI, ACTING ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE
ON
GOVERNMENT REFORM
FEBRUARY 3, 2021, 8:30 A.M.

HOUSE BILL 531
RELATING TO AGRICULTURAL LANDS

Chair McKelvey, Vice-Chair Wildberger, and members of the committee, thank you for the opportunity to submit testimony on HB531. The State Procurement Office (SPO) understands the intent, but opposes the placement of this language in Chapter 103D, Hawaii Revised Statutes (HRS), Hawaii Public Procurement Code.

The bill's language in its entirety in Section 1 does not belong in Chapter 103D, HRS. The Hawaii Public Procurement Code should be used for general policy guidance. As defined in §103D-104 Definitions, "Goods" means "all property, including but not limited to equipment, equipment leases, materials, supplies, printing, insurance, and processes, including computer systems and software, excluding land or a permanent interest in land, leases of real property, and office rentals."

These specifications are definite to a subject-specific chapter, such as the chapter governing "Land Use Commission," and should be placed there. Those specifications are specific to land use and should be placed in Chapter 205, HRS, Land Use Commission, Part III: Important Agricultural Lands.

The SPO recommends that the language from Section 1 of HB531 be placed in Chapter 205, HRS, instead of Chapter 103D, HRS.

Thank you.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Government Reform
Wednesday, February 3, 2021 at 8:30 a.m.

By
Nicholas Comerford, Dean
College of Tropical Agriculture and Human Resources
University of Hawai'i at Mānoa

HB 531 – RELATING TO AGRICULTURAL LANDS

Chair McKelvey, Vice Chair Wildberger, and members of the House Committee on Government Reform:

Thank you for the opportunity to provide testimony regarding HB 531. Unfortunately, we cannot support and oppose the role that the College of Tropical Agriculture and Human Resources (CTAHR) is being given in the language of this bill. The following tasks are identified for CTAHR:

1. “identify available state agricultural land that may be leased to the contractor to grow the produce”
2. “transmit to the purchasing agency and the department of agriculture a recommendation.”

While we can see, and support, that the intent of the bill is to assist individuals to find appropriate farm land, CTAHR does not have the manpower for these activities. In addition, these activities are not the mission of CTAHR which is defined as:

The College of Tropical Agriculture and Human Resources creates and delivers knowledge that supports and strengthens families, agricultural and food systems, and the natural environment. We educate and serve the people of Hawai'i and those from around the world with integrity and excellence.

CTAHR's role is one of education and research. Education is accomplished via our undergraduate and graduate degree programs. It is further accomplished through our Hawai'i Cooperative Extension Service. Research is accomplished as a major part of the Hawai'i Agriculture Experiment Stations.

In addition, the pandemic has caused a significant decrease in CTAHR's manpower. The legislature swept 26 positions and we currently have over 25 positions frozen. This represents a 19% decrease in capacity.

Due to the tasks being assigned, considering our mission, and due to our manpower issues, we regrettably testify in opposition to the role that CTAHR is given in HB 531.

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS ATTA
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TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE COMMITTEE ON GOVERNMENT REFORM

February 3, 2021

8:30 A.M.

CONFERENCE ROOM 309

HOUSE BILL NO. 531
RELATING TO AGRICULTURAL LANDS

Chairperson McKelvey and Members of the Committee:

Thank you for the opportunity to testify on House Bill 531. This bill requires a state contract for the purchase of produce to include an option to lease an appropriate amount of state agricultural lands under the control of the department of agriculture of sufficient area and quality to produce crops being procured. The Hawaii Department of Agriculture ("Department") opposes this bill and respectfully asks that it be deferred or held.

The requirements for leasing lands under the jurisdiction of the Department are clearly prescribed by statutes and rules to ensure that only qualified applicants are eligible to lease lands in its inventory. Ordinarily, a competitive, non-public auction, procurement system is required for issuance of a lease to ensure that all qualified and eligible applicants have a fair and equal opportunity to use agricultural public lands as well as encouraging sound business planning and well thought out marketing strategies.



Applicants are given the freedom to freely market to wholesalers, consumers, consolidators, restaurants, farmers markets, or any interested party, both private and public, as may be appropriate to achieve their business objectives. While this measure continues to allow the competitive procurement of produce, it circumvents fair and competitive access to the Department's land inventory without establishing clear criteria for qualifications and eligibility. Mandating a lease option with a procurement contract creates a preference and priority for a successful bidder in the Department's leasing program to the detriment of farmers who may not wish to contract with a state agency but are still be able to make major contributions to the local economy..

The "notwithstanding any other law to the contrary..." language on page 3 allows any or all of our eligibility requirements to be disregarded in the leasing process. Currently, only bonafide farmers or farming entities can apply for and hold our leases. This eligibility requirement ensures the land is being used by experienced farmers, and not just any business or individual that wins a bid to provide produce that may know nothing about operating a farm.

Under this measure, it is conceivable that a "contractor" who wins multiple consecutive contracts could accumulate and monopolize the use of significant tracts of public land as each subsequent contract provides an additional opportunity to lease, without demonstrating a distinct need for additional acreage.

The Department's land leasing programs ordinarily have minimum lease terms of 15 years. The longer term allows a farmer to invest in and make improvement to the land and provides long term stability. A "contractor" who is only awarded a single season contract could gain a windfall in the form of a valuable long-term lease after fulfilling a short-term contract.

In summary, the Department respectfully opposes this measure for the reason stated above. Thank you for the opportunity to testify on this measure.



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February 3, 2021

HEARING BEFORE THE
HOUSE COMMITTEE ON GOVERNMENT REFORM

TESTIMONY ON HB 531
RELATING TO AGRICULTURAL LANDS

Conference Room 309
8:30 AM

Aloha Chair McKelvey, Vice Chair Wildberger, 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 the intent of HB 531, which requires a state contract for the purchase of produce to include an option to lease an appropriate amount of state agricultural lands under the control of the department of agriculture of sufficient area and quality to produce the crops being procured and establishes a process for the college of tropical agriculture and human resources of the university of Hawaii to identify appropriate land to be leased.

HFB strongly supports the increased use of locally grown agricultural products, fruits, vegetables, meats, dairy, and poultry products in our schools and other public institutions. We also advocate for public policies and incentives that provide for viable farming and ranching activities on agricultural lands thereby retaining agricultural lands for future generations. Lands capable of supporting viable agricultural activities should be protected and kept in agriculture for agricultural production.

We support the retention of agricultural lands in blocks of contiguous, intact, and functional land units large enough to allow **flexibility** in agricultural production and management and discourage the fragmentation of agricultural lands to non-agricultural uses. Lands zoned for agriculture should be used primarily for productive agricultural purposes, including family farming.

HFB appreciates the intent of this measure to provide an option for farmers that supply produce to state institutions to lease HDOA agricultural lands. We defer to HDOA and CTAHR as to their ability to implement this program. We suggest amending the definition

of "State agricultural lands" to include all state lands. Currently, the definition only includes HDOA lands. We would also suggest including aquaponics and hydroponics in the definition of "Produce". As currently written, only produce grown in soil qualifies for this program.

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