

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

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Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
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**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

**APRIL 1, 2022
10:30 A.M.**

CONFERENCE ROOM 211 & VIA VIDEOCONFERENCE

**HOUSE BILL NO. 1705 HD1
RELATING TO AGRICULTURAL PARK LEASES**

Chairperson Dela Cruz and Members of the Committee:

Thank you for the opportunity to testify on House Bill 1705, HD1, which allows the Department of Agriculture (HDOA) to extend the lease of any lessee who holds a lease with a remaining term of fifteen years or less, provided that the land covered by the lease is twenty-five acres or less and located in a county with a population of less than five hundred thousand. The Department respectfully opposes this measure.

HDOA appreciates the plight of lessees nearing the termination dates of their lease, however, we must also consider the public policy against allowing individual private interests to exclusively occupy, use, and benefit from public lands for durations exceeding statutory limits or indefinitely, to provide other members of the public a fair and equal opportunity to seek and enjoy that public benefit. Maximizing the opportunity to lease public lands under favorable conditions to the greatest number of applicants supports the growth of new farmers and incentivizes established farming operations with proven agricultural capabilities and economic viability to scale up and expand their operations on to other properties as part of their business growth strategy. HDOA understands and appreciates the intent of this bill to support and encourage the ongoing



viability of agricultural operations, often referred to as “legacy farms,” to continue without disruption to maximize the uninterrupted local production of agricultural goods and food. Unfortunately, there is a pressing need to increase the number of farmers statewide to realistically achieve the level of farming necessary to meet the State’s goals for food security and sustainability. The single most insurmountable hurdle for most new and beginning farmers seeking to start a farm is the lack of available, appropriately sized, and reasonably priced agricultural lands suitable for farming. Our lands are among the most affordable in the State for agricultural use, making it ideal for incubator and start-up operations.

Without a clear maximum term established by statute, the lease extension provided by the bill could potentially allow lessees to effectively remain on the land indefinitely, through consecutive extensions and preclude others from the same opportunity to lease public lands. There is nothing preventing a current lessee from applying for a new lease for either the same or other available parcel upon expiration of the current one. The HDOA maintains a list of interested farmers seeking to lease Department managed state lands and this list is culled every two years. There are currently 243 people on this list, which indicates the high level of interest in our lands. Potential lessees in this program know upfront that their use of the land cannot exceed fifty-five years. By requiring a business plan for new leases, we encourage lessees to rely on sound business practices to plan ahead for the anticipated and known eventual termination and seek alternate lands if continuation or expansion of their farming operations is contemplated, or desired.

Thank you for the opportunity to testify.



March 30, 2022

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Senate Committee on Ways and Means

Testimony in Support of the Intent of HB 1705, H.D. 1, Relating to Agricultural Park Leases (Allows the Department of Agriculture [DOA] to extend the agricultural park lease of any lessee who holds a lease with a remaining term of fifteen years or less; provided that the land covered by the lease is twenty-five acres or less and located in a county with a population of less than five hundred thousand.)

Friday, April 1, 2022, 10:30 a.m.; Conference Room 211 & Videoconference

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. LURF's mission 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 express its **support of the intent of HB 1705, H.D. 1** and of the various agricultural stakeholder groups who defend the goals of viable agricultural operations and the conservation and protection of agriculture in Hawaii.

HB 1705, H.D. 1. The purpose of this bill is to allow the DOA to extend the lease of any lessee who holds a lease with a remaining term of fifteen years or less; provided that the land covered by the lease is twenty-five acres or less and located in a county with a population of less than five hundred thousand.

LURF's Position. LURF members include property owners, farmers and ranchers who own, maintain, and engage in agricultural enterprises, and who consider efforts to protect and support agriculture significant to the continued conduct of their operations and to help sustain and preserve farming and ranching businesses into the future. Agricultural production in Hawaii is reliant upon and furthered by the leasing of public lands, which makes it feasible for agricultural stakeholders to successfully fulfill the food production needs of the State.

LURF supports the intent of HB 1705, H.D. 1 because the measure makes a significant effort to advance and facilitate the leasing of agricultural lands. LURF believes, however, that the provision in this measure limiting its application to leased lands of 25-acres or less should be deleted and the restriction amended to instead allow extensions to all lessees that are in good standing.

LURF therefore respectfully proposes that this Committee consider the following amendment to this bill:

(d) Notwithstanding any law to the contrary, if any lessee holds a lease with a remaining term of 15 years or less, the department may extend the term of the lease for an additional thirty years; provided that the land covered by the lease is:

(1) ~~Twenty-five acres or less~~ In good standing; and

(2) Located in a county with a population of less than five hundred thousand.

By recognizing the significance of all agricultural lessees that safeguard their leased lands and uphold their leases in good standing, and by identifying the need to assist the local agriculture industry and implement measures which help to support the viability and maintenance of agriculture in the State, the intent of this bill significantly helps to promote economically viable agriculture, increased food production, and food self-sufficiency in Hawaii.

For the reasons stated above, LURF **supports the intent of HB 1705, H.D. 1**, and respectfully urges your favorable consideration of this measure and any necessary amendments thereto consistent with these comments.

Thank you for the opportunity to present testimony regarding this matter.



THE SENATE
THE THIRTY-FIRST LEGISLATURE
REGULAR SESSION OF 2022

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

Friday, April 1, 2022 10:30 A.M.
Conference Room 211 & Videoconference

HB1705 HD1: RELATING TO AGRICULTURAL LEASES: Allows the department of agriculture to extend the lease of any lessee who holds a lease with a remaining term of fifteen years or less; provided that the land covered by the lease is twenty-five acres or less and located in a county with a population of less than five hundred thousand.

My name is Eric S. Tanouye and I am the President for the Hawaii Floriculture and Nursery Association. HFNA is a statewide umbrella organization with approximately 300 members. Our membership is made up with breeders, hybridizers, propagators, growers, shippers, wholesalers, retailers, educators, and the allied industry, which supports our efforts in agriculture.

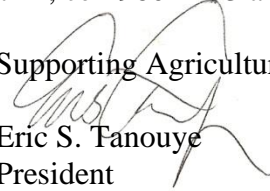
The Hawaii Floriculture and Nursery Association (HFNA) **SUPPORTS HB 1705 HD1**

It is important for Nurserymen and women to have the peace of mind that is associated with a renewal of their lease, so that they may continue to farm. We believe the Department of Agriculture has the relevant knowledge to understand what leases for small farms should be extended.

We ask that you support our industry and agriculture, so that we may continue to bring the beauty of Hawaii to others through flowers and ornamentals.

If you have any questions at this time, I would be happy to discuss them and can be reached by phone at 808-959-3535 ext 22, cell 960-1433 and email eric@greenpointnursery.com.

Supporting Agriculture and Hawaii,


Eric S. Tanouye
President
Hawaii Floriculture and Nursery Association



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

April 1, 2022

HEARING BEFORE THE
SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY ON HB 1705, HD1
RELATING TO AGRICULTURAL PARK LEASES

Conference Room 211 & Videoconference
10:30 AM

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, and Members of the Committee:

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

The Hawai'i Farm Bureau supports HB 1705, HD1, which allows the department of agriculture to extend the lease of any lessee who holds a lease with a remaining term of fifteen years or less; provided that the land covered by the lease is twenty-five acres or less and located in a county with a population of less than five hundred thousand.

The success of farmers is critical to the State's goal to double local food production. HDOA leases are structured to advance agriculture and make it practical for producers to succeed and provide our communities with what they need. HDOA's long-term leases make it possible for farmers and ranchers to prudently invest in operational and infrastructure improvements on the leased land.

Faced with the uncertainty of continued tenancy, lessees have little incentive to make major investments in improvements to their infrastructures and ensure the long-term maintenance of their facilities. As a result, the infrastructure on these small farms could deteriorate

This measure will help to enable small family farm operations on HDOA leased lands to be extended their leases as they near expiration. This would enable many of our small farmers and a new generation of farmers to obtain financing to invest in their operations, by making improvements to their lands and developing plans to improve their agricultural productivity.

Thank you for the opportunity to comment on this measure.

HB-1705-HD-1

Submitted on: 3/30/2022 7:03:57 PM

Testimony for WAM on 4/1/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
David Shiigi	Individual	Support	Written Testimony Only

Comments:

Thank you for the opportunity to submit testimony on House Bill 1705. I represent a generation of farmers that continue to have a vested interest in protecting and supporting agriculture in Hawaii. This bill is not asking for exclusive, indefinite occupation of our leases and we are not opposed to the growth of new farmers. We we welcome and support those on the waiting list. We were once on that list. Once we were assigned a lease, we had to obtain the capital to put in the necessary infrastructure. The longevity of our lease was one of the determining factors in securing that capital. We had to clear the land, install water systems, electricity and buildings needed for our operations. We established the market and promoted our product worldwide. By extending our leases, we will be able to acquire additional funding from financial institutions for any necessary improvements. Our premise is there are more than enough public lands that are presently left vacant or unattended. Many leases that were awarded many years ago are still not being used for agriculture. A viable solution which would benefit our industry is to assign those lands to the potential new farmers. This solution would satisfy the HDOA's "need to increase the number of farmers statewide and realistically achieve the level of farming necessary to meet the State's goals for food security and sustainability." This would be a winning solution for all stakeholders. We respectfully ask for your support for HB 1705.

HB-1705-HD-1

Submitted on: 3/31/2022 8:58:10 AM

Testimony for WAM on 4/1/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Henry & Loraine Terada	Individual	Support	Written Testimony Only

Comments:

We have been cut flower farmers since 1980, starting in Kurtistown then being awarded a lot in the Panaewa Agricultural Park when it opened. The Agricultural Park provided a valuable location and water for our anthurium farm to flourish and grow. We have been farming successfully here and will continue to produce these beautiful flowers which are shipped through the world.

Please allow us to extend our lease and keep agriculture viable in our Agricultural Parks throughout Hawaii. Thank you for your support of HB 1705.

March 31, 2022

To: Hawaii State Ways and Means Committee
To: The Honorable Hawaii State Senators
The Honorable Hawaii State Representatives
The Honorable Hawaii County Council Members
FROM: Kenneth M. Delimont Jr.



RE: HB 1705 – Relating to: Extension of Agricultural Park Leases- Introduced
by Hawaii State House of Representative Chris Todd

It is funny, I received my Ag lot on 4/1/1982, April fool's day. I was told by the head of DLNR at the end of the lease we would get extensions for our leases if we wanted them. I am not sure why that has changed. Now the Department of Agriculture has taken over the Pahoia Agriculture Park. Because of Ag theft, I opted to build a house on my farm for security. Now I have to worry if HI DOA will take my farm and home from me. This is the only home I have. There's a lot of my fellow lessees in the same situation. Will the State of Hawaii opt to have a bunch of homeless Farmers?

Agricultural Products are a major component of the Hawaii 2050 Sustainability Plan. An essential part of the plan is to promote a sustainable economy through strategies that support local agriculture. Sustainable Agriculture can only sustain if the Farm continues. There are many properties in the Pahoia, Hilo, and Kona Agriculture Parks vacant. Starting new farms won't help sustainable Ag, or the States' purpose of sustainable Ag. Hawaii should be concerned for reestablished lessees in their HDOA lease program. They are expiring and will need your help for longevity.

We need your commitment to protect our agricultural industry and the legacy we established by extending our leases for another 30 years. We trust and believe that the Hawaii Department of Agriculture (HDOA) will continue to be a strong proponent for agriculture in Hawaii, as cited on their website. "HDOA ...works to support, enhance, provide and protect Hawaii's agriculture industries." Don't forget that.

We implore you as our Hawaii State Senators, Representatives and Hawaii County Council to support granting an extension to our leases. It will ensure our family owned operations will be passed onto the next generation to sustain continuity and production in Hawaii's agriculture. In addition, this new generation will strengthen and develop the industry with new and innovative ideas and technology.

Like many of my fellow Lessees I am very fortunate to have a next generation in my family to continue my Farm. My son was born and raised within this agricultural business. His son and daughter are here also and would like to be a part of the future out here. It is sad this bill has not passed yet and would be a calamity of epic proportions if our lease were not extended for another 30 years as proposed by Representative Chris Todd in HB 1705. The state has more to lose than gain by not extending leases. We would appreciate sending your support for HB 1705.

Mahalo Ken Delimont

Senators:

Lorraine Inouye seninouye@capitol.hawaii.gov

Dru Kanuha senkanuha@capitol.hawaii.gov

House Representatives:

Mark Nakashima repnakashima@capitol.hawaii.gov

Richard Onishi reponishi@capitol.hawaii.gov

Greggor Ilagan repilagan@capitol.hawaii.gov

LATE

HB-1705-HD-1

Submitted on: 3/31/2022 3:29:47 PM
Testimony for WAM on 4/1/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Hugh Willocks	Individual	Support	Written Testimony Only

Comments:

March 31, 2022

TO: The Honorable Hawaii State Senators
The Honorable Hawaii State Representatives
The Honorable Hawaii County Council Members

Dear Senators / Representatives / Council Members,

I am reaching out to you in regard to the lease extensions for Department of Agriculture land. As it stands, I currently have 15 years left on my lease (General Lease No. S-4763, Lot 16). I inherited this land from my father, who inherited it from his father. The farm has been with my family since 1982 and given the opportunity I will pass it on to my children. My son has already started the process of taking on the business and planting new crops since moving back to Hilo after completing his Bachelor's Degree at the University of Northern Colorado.

Traditionally we have always produced tree crops (i.e. macadamia nuts, lychee, avocados, etc.) on this land, but are considering other crops. The issue currently present is that without an extension to the lease, it is not economically feasible to invest more capital into our farm. As the COVID-19 Pandemic has decimated tourism in the state, our current crops had become unprofitable. Though the vaccines have been released and tourism is returning, variants pose a continued threat to our states agriculture that cannot be ignored. In order to address these problems with long term solutions, large investments must be made.

The Hawaii 2050 Sustainability Plan discusses increasing Hawaii's food security, sustainability, as well as a diversified economy. Failure to extend leases would act directly against these goals, as multiple local family farms will be forced to cease operations.

If extensions to Department of Agriculture leased lands are granted it would become economically feasible to make the necessary investments. Being that tree crops can take 5-10 years to mature to the point of producing fruit and greenhouses can cost tens of thousands of dollars, the time left on many of the existing leases are not enough for family farms. This year alone we have expanded our operations to include an additional 500 trees however as mentioned above these trees will take at least 5-7years before they become harvestable. An extension of 30 years would allow our farm to continue to plant new crops, diversify into different crops, maintain/expand our agricultural infrastructure, and continue our family operation in service to the state of Hawaii and its sustainability goals.

I appreciate you taking the time to hear my concerns.

Thank you,

Hugh Willocks, Ono Nut Farms, (808) 936 - 7939

LATE

Honorable Chair Donovan M. Dela Cruz

Honorable Vice Chair Gilbert S.C. Keith-Agaran

Honorable Members of the Senate Committee on Ways and Means

We are writing in support of HB 1705 HD1. HB 1705 HD1 provides for small farmers to continue access to agricultural lands in Hawaii, by allowing the Department of Agriculture to extend agricultural leases with remaining terms of 15 years or less.

This mitigates a significant barrier to agricultural production by continuing access to affordable farming land available through the leases. HB1705 HD1 would support the younger farming generation (20-30 years old) and the older generation (40-50 years old) to continue in farming and support the long term agricultural food production goals of the State.

We must support our local farmers. Their agricultural product helps to diversify the economic base, to enhance the agricultural/tourism sector, and to provide fresh, local food supply should there be food supply chain disruptions.

Thank you for your consideration. Mahalo!

William and Marcia Sakai

Hilo, Hawaii