

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
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TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

FEBRUARY 7, 2022
1:00 P.M.
VIA VIDEOCONFERENCE

SENATE BILL NO. 1025
RELATING TO AGRICULTURE ENTERPRISES

Chairperson Gabbard and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 1025 relating to agricultural enterprises. This bill establishes a new agricultural enterprise program within the Hawaii Department of Agriculture (Department), establishes the Agricultural Enterprise Special Fund, and requires annual reporting to the Legislature. The Department **strongly supports** this measure, however, respectfully requests that it be replaced with the language from Senate Bill 2947 which deletes the creation of the Agricultural Enterprise Special Fund.

This bill is intended to allow agricultural enterprises on lands under the jurisdiction of the Department. The Department's Ag Park program and the Non-Ag Park program focus on actual, physical farming activity on the land. Limited ancillary activity is allowed only under very narrow conditions and circumstances. Moreover, strict eligibility requirements as a bonafide farmer must be met to hold any long-term lease under both programs. However, the agricultural industry must adapt to rapid developments in technology and methodology in agriculture and aquaculture in order to attain the food sustainability goals of the State. The Department needs flexibility in its



disposition of public lands to support those changing conditions by allowing and encouraging the use of innovative agricultural models to optimize productivity, supporting and promoting agriculture through farmers markets, food hubs and processing facilities, animal feed mills, etc., and enabling or providing agricultural educational training. The business of agriculture is far broader than simply the growing of an organism. This program recognizes that the business of agriculture is just as important to the growth of agriculture as the production of the crop itself.

Thank you for the opportunity to testify on this measure.



Email: communications@ulupono.com

SENATE COMMITTEE ON AGRICULTURE & ENVIRONMENT
Monday, February 7, 2022 — 1:00 p.m.

Ulupono Initiative supports SB 1025, Relating to Agricultural Enterprises.

Dear Chair Gabbard 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 the 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 supports SB 1025, which authorizes the Department of Agriculture (DOA) to plan, design, construct, operate, manage, maintain, repair, demolish, and remove infrastructure on any lands under the jurisdiction of the department, to support and promote agriculture; establishes the Agricultural Enterprise Special Fund; and requires the Board of Agriculture to annually report an accounting of non-agricultural park lessees to the Legislature.

Ulupono supports the DOA's Enterprise Program, which provides additional infrastructure and services that directly support local producers' post-harvest opportunities. Agricultural infrastructure such as the Kalaehoa harvesting facility, Honalo Marshalling yard, and the Kamuela Vacuum Cooling Plant are extremely important in providing crucial markets to agriculturalists statewide. The DOA's management of such a program is important to support the State's goals on food production and resiliency.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

Investing in a Sustainable Hawai'i



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FEBRUARY 7, 2022

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

TESTIMONY ON SB 1025
RELATING TO AGRICULTURAL ENTERPRISES

Conference Room 224 & Videoconference
1:00 PM

Aloha Chair Gabbard, Vice-Chair Nishihara, 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.

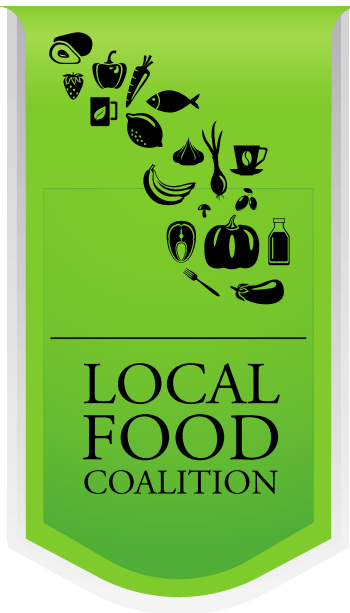
The Hawaii Farm Bureau supports SB 1025, which establishes the Agricultural Enterprise Program that authorizes HDOA to plan, design, construct, operate, manage, maintain, repair, demolish, and remove infrastructure on any lands under the jurisdiction of the department, to support and promote agriculture.

This much-needed program would boost Hawaii's agricultural production and success to the levels our state needs to become more self-sufficient. Through the Agricultural Enterprise Program, HDOA will be better able to support and promote agriculture through increased management and control of the lands under its jurisdiction.

Hawaii's agriculture needs assistance in becoming modernized. Controlled environment production, on-site processing, cold storage, and value-added processing will promote environmental sustainability and meet consumer demands. These types of operations are extremely costly and not within the budgets for new or expanding small and medium-sized farms. Outside investment or partnerships could work for our farmers but current HDOA rules significantly limit these opportunities.

Please support Hawaii's efforts to retain and grow its agricultural industry to provide our communities with the food and other agriculture-related products they need.

Thank you for the opportunity to support this important measure.



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

SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT
February 7, 2022 – 1:00 p.m. – Via Videoconference

**RE: SB 1025 - Relating to Agricultural Enterprises –
In Support**

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

The Local Food Coalition **supports** SB 1025, which authorizes the Department of Agriculture (DOA) to plan, design, construct, operate, manage, maintain, repair, demolish, and remove infrastructure on any lands under the jurisdiction of the department, to support and promote agriculture; establishes the agricultural enterprise program; establishes the Agricultural Enterprise Special Fund; and requires the Board of Agriculture to annually report an accounting of non-agricultural park lessees to the Legislature.

The agricultural enterprise program would allow DOA or a lessee to plan, design, develop and manage designated agricultural enterprise lands and agricultural enterprises that support or promote agricultural or aquacultural activities. Hawaii's agriculture industry needs assistance in becoming modernized. These types of operations are extremely costly and not within the budgets for new or expanding small and medium sized farms. Outside investment or partnerships could help our farmers but current DOA rules significantly limit these opportunities.

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 1025. Thank you for the opportunity to submit testimony.

Kendall Matsuyoshi
808-544-8345
kmatsuyoshi@wik.com



February 3, 2022

Senator Mike Gabbard, Chair
Senator Clarence Nishihara, Vice Chair
Senate Committee on Agriculture and Environment

Testimony in Support of SB 1025, Relating to Agricultural Enterprises (Authorizes the Department of Agriculture [DOA] to plan, design, construct, operate, manage, maintain, repair, demolish and remove infrastructure on any lands under the jurisdiction of the DOA, to support and promote agriculture; establishes the Agricultural Enterprise Program and the Agricultural Enterprise Special Fund; and requires the Board of Agriculture to annually report an accounting of non-agricultural park lessees to the Legislature; effective 7/1/2021.)

Monday, February 7, at 1:00 p.m.; Conference Room 224 & 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. 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 SB 1025**, and to offer comments.

SB 1025. The underlying purpose and intent of this bill is to establish an agricultural enterprise program on all lands managed by the DOA (DOA Lands) in recognition of the fact that the business of agriculture is equally significant as the production of crops and organisms, and to allow ancillary and other related activities supportive of local agriculture, without the restrictive conditions which exist under the Agriculture Park (AG Park) and Non-agricultural Park (Non-Ag Park) programs that focus only on growing organisms.

LURF's Position. LURF members include private property owners, farmers and ranchers who own, maintain, and engage in agricultural enterprises, and who consider programs and incentives such as that proposed by this bill critical to the conduct of their operations and to help sustain their businesses. These landowners and agricultural stakeholders believe SB 1025 will greatly assist with launching such incentives and with the unaffordable costs which must be incurred in connection with agricultural enterprises, projects, and activities.

Establishment of the Agricultural Enterprise Program will expressly allow for ancillary and other activities that support the economic viability and success of the local agricultural industry, and thereby permit the DOA to utilize DOA Lands for all purposes that promote agricultural diversification, production, and self-sufficiency, and support all facets of the business of agriculture.

As this Committee is aware, the unsustainable costs which have already been cast upon agricultural stakeholders over the past years by various safety and security standards, programs and regulations, as well as the enactment of onerous regulations relating to water systems, infrastructure, and growing and processing machinery and facilities, are now greatly exacerbated by the COVID-19 pandemic, proving to be overwhelming, if not devastating to the agricultural industry as well as the State's long-term objective of sustainable agriculture.

The purpose of this bill is consistent with the underlying intent and objectives of the Important Agricultural Lands (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 lauds the objective of SB 1025, which is to support diversified agriculture; provide needed assistance to agriculture-related operations; and to expand Hawaii's agricultural industry. Passage of the long-awaited IAL legislation would be meaningless without implementation of such measures. By recognizing the significance of, and need to assist the local agriculture industry, and implement incentives and 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 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 SB 1025** and respectfully urges your favorable consideration of this bill.

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

SB1025, Agricultural Enterprises
Senate AEN Hearing
Monday, February 7, 2022
1:00 pm

Testimony By: Larry Jefts
Position: Support

Chair Gabbard, Vice Chair Nishihara, and Members of the Senate AEN Committee:

I am Larry Jefts, owner and operator of Larry Jefts Farms, LLC. We have more than 42 years of Hawaii farm experience on Molokai and Oahu. Our family farms grow about 1 million pounds weekly of import replacement produce. I am a volunteer director, serving as Chair of the West Oahu Soil and Water Conservation District (SWCD). I have been an officer of the Hawaii Farm Bureau for many years.

SB1025 establishes the Agricultural Enterprise Program and authorizes the HDOA greater flexibility to increase agricultural production growth on State lands. The pandemic has highlighted the need for support of Hawaii's diversified agriculture industry, to include all types of farm and ranch production.

Agriculture is much more than growing food. A successful farm or ranch must use modern technology to keep pace with processing, storage, value-added processing, distribution, and other infrastructure. The cost of these needed infrastructures is beyond the reach of many smaller-scale agriculturists.

The Agricultural Enterprise Program supports smaller-scale farmers and ranchers access to these business infrastructures that they would otherwise not have the means for investment. It allows outside investment or partnerships to support these efforts, which are not within current HDOA rules.

Your support is urged for SB1025. It is a needed mechanism to provide Hawaii with increased food production and import foods replacement.

Thank you for the opportunity to provide testimony.

SB-1025

Submitted on: 2/4/2022 5:19:14 PM

Testimony for AEN on 2/7/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Ronald Weidenbach	Testifying for Hawaii Aquaculture & Aquaponics Association	Support	No

Comments: The HAAA strongly supports this measure which will facilitate sustainable, integrated, agricultural development and provide the BOA authority to assess applicant needs and requests on a case-by-case basis to help enhance the opportunities for project success and increased local food and agricultural production.



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

February 5, 2022

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

Dear Chair Gabbard, Vice Chair Nishihara, 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 SB 1025**, "Relating to Agricultural Enterprises," which would establish an agricultural enterprise program under HDOA.

Modern agriculture often requires infrastructure such as greenhouses, shade houses, drip irrigation lines, aquaculture tanks, and processing, packing, and storage facilities. 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, especially new farmers or small-to-medium-size operations, often cannot afford to pay for all the needed facilities. Compounding the problem, current HDOA rules restrict the percentage ownership that outside investors can hold in a farm leasing HDOA lands, making it difficult for farmers to raise funds to build and improve their farms.

SB 1025 would establish an agricultural enterprise program allowing HDOA and/or its lessees to build and maintain agricultural infrastructure on designated lands. Under this program, HDOA could enhance its lands' productive capacity by installing needed facilities, including processing, packing, storage, and distribution facilities that can serve many farms. In addition, the enterprise leases would be subject to different rules than current HDOA leases, allowing for greater private investment in the farms themselves. The enterprise program would strongly encourage the development of new farms and improvements to existing farms on the subject lands. We therefore respectfully urge your committee to support passage of SB 1025.

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



COMMITTEE ON AGRICULTURE AND ENVIRONMENT
Senator Mike Gabbard, Chair
Senator Clarence K. Nishihara, Vice Chair

SB1025
RELATING TO THE DEPARTMENT OF AGRICULTURE

Monday, February 7, 2022, 1:00 PM
VIA VIDEOCONFERENCE

Chair Gabbard, Vice Chair Nishihara, and Members of the Committee,

The Hawaii Cattlemen's Council (HCC) is the Statewide umbrella organization comprised of the five county level Cattlemen's Associations. Our member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of over 750 thousand acres of land in Hawaii, or 20% of the State's total land mass. We represent the interests of Hawaii's cattle producers.

The Hawaii Cattlemen's Council **supports SB1025** to establish authorize the Department of Agriculture to plan, design, construct, operate, manage, maintain, repair, demolish, and remove infrastructure on any lands under the jurisdiction of the department, to support and promote agriculture.

We support the proposed Agricultural Enterprise Program, which would allow the Department of Agriculture to better support agriculture through better suited management and control of the land in its jurisdiction. Ranchers and farmers do not have the ability to expand on their own without access to cold storage and processing facilities, and this limits their output. Gaining access to these opportunities is essential to Hawaii making progress towards local food goals, as they are otherwise to cost-prohibitive for an operation to purchase and maintain on their own. This measure would allow the Department of Agriculture to help grow the agricultural industry.

We appreciate the opportunity to testify on this measure.

Nicole Galase
Hawaii Cattlemen's Council
Managing Director

