

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 Senate Committees on  
WATER AND LAND  
and  
AGRICULTURE AND ENVIRONMENT**

**Friday, February 12, 2021  
1:15PM**

**State Capitol, Via Videoconference, Conference Room 229**

**In consideration of  
SENATE BILL 1168  
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**

Senate Bill 1168 proposes to authorize the Board of Land and Natural Resources (Board) to amend and extend existing pasture leases for public purposes 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 Department strongly supports this Administration measure.**

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 approximately 18,491 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

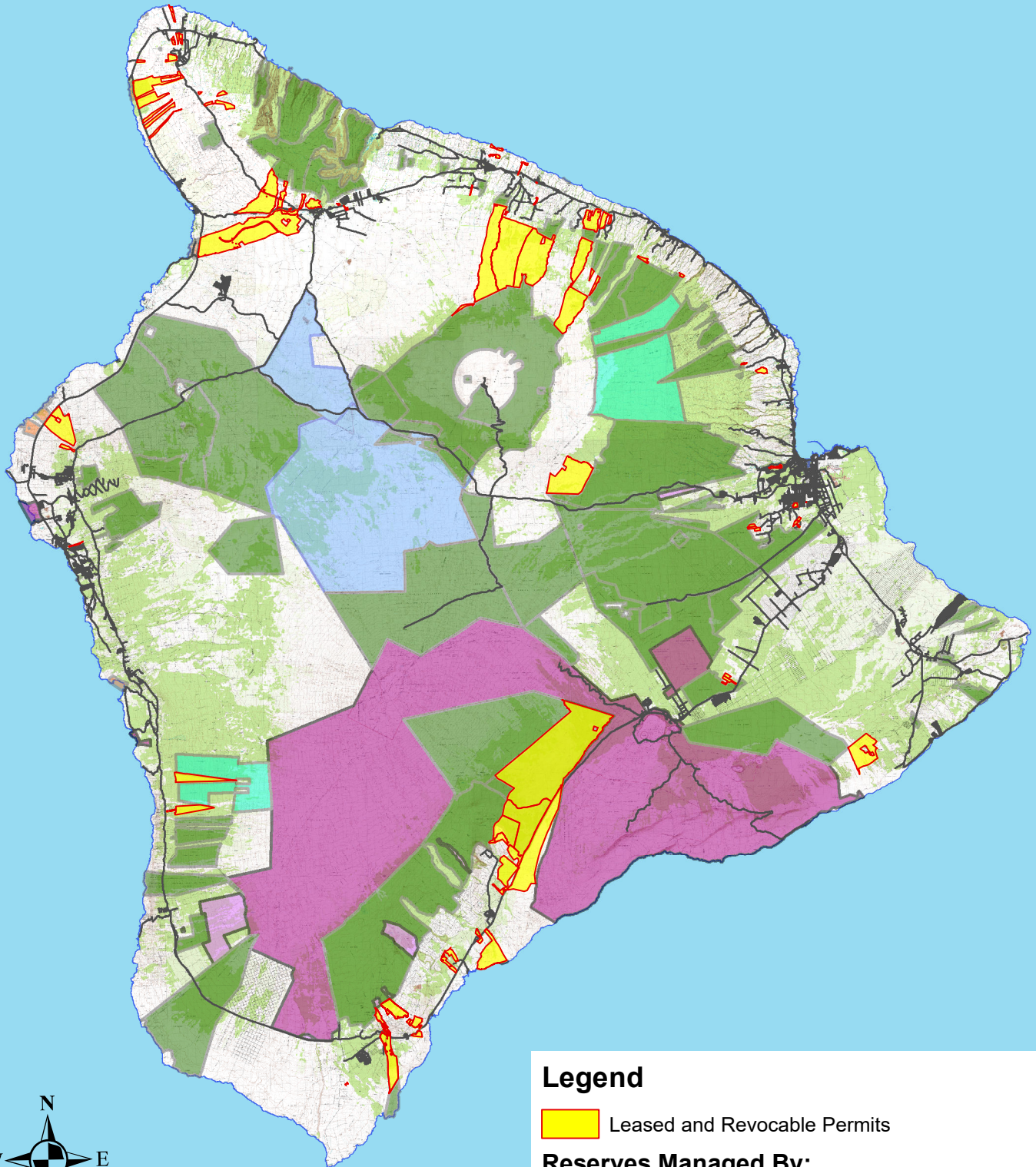
and shall promote the development and utilization of these resources in a manner consistent with their conservation and in furtherance of the self-sufficiency of the State.” The Department strongly believes this measure is a reasonable compromise that successfully fulfills the State’s constitutional obligations.

This 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 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 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.


Thank you for the opportunity to comment on this measure.




**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

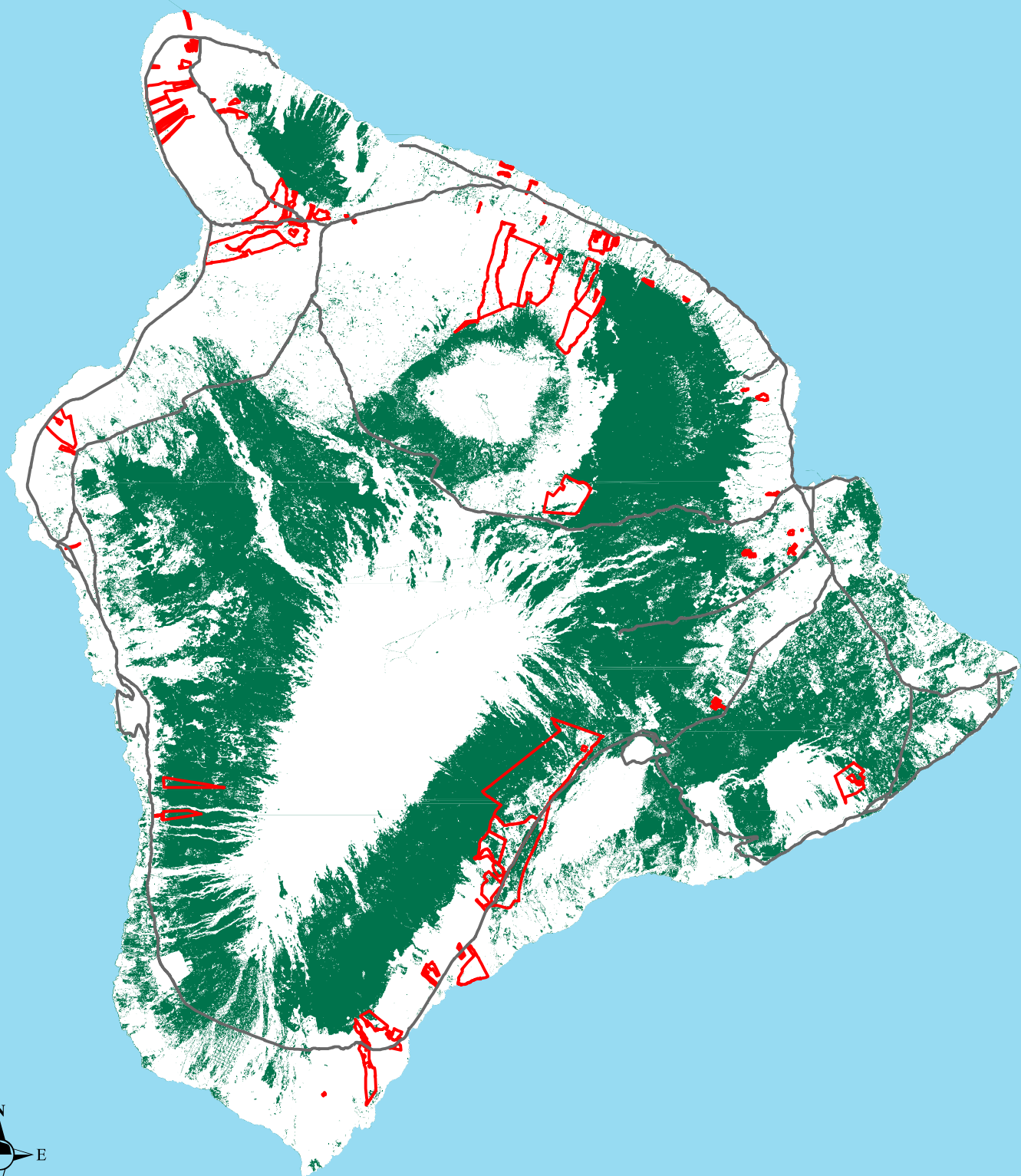
 U.S. Army



0 10 20 30 Miles

0 10 20 30 40 50 Kilometers








0 2.5 5 10 15 20  
Miles

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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

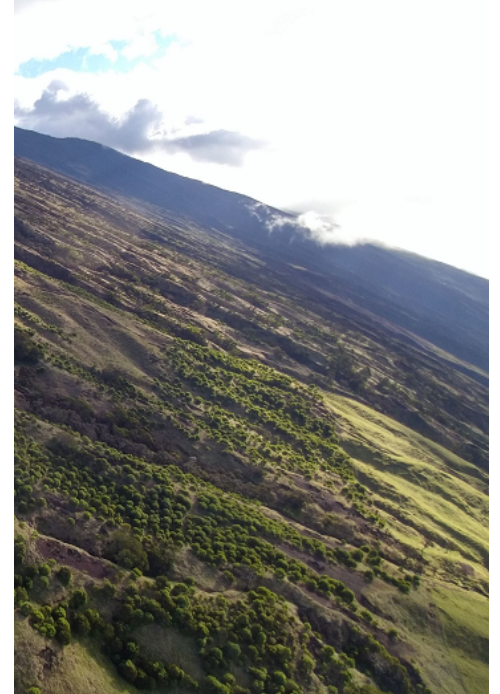
SB693/HB469 would transfer pasture leases to DOA because DOA appears to have greater flexibility under Chapter 166E, HRS to amend, extend, and issue new leases by negotiation. However, those goals could be achieved instead through HB1014/SB1168 to give DLNR similar statutory flexibility for negotiating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

**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 SENATE COMMITTEES ON WATER AND LAND  
AND  
AGRICULTURE AND ENVIRONMENT**

**FEBRUARY 12, 2021  
1:15 P.M.  
VIA VIDEOCONFERENCE**

**SENATE BILL NO. 1168  
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**

Chairpersons Inouye, Gabbard, and Members of the Committees:

Thank you for the opportunity to testify on Senate Bill 1168. This bill 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 Department of Land and Natural Resources is responsible for promoting. 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 and offering its resources and expertise regarding the livestock industry 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.



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e-mail info@hfbf.org; www.hfbf.org

February 12, 2021

HEARING BEFORE THE  
SENATE COMMITTEE ON WATER AND LAND  
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

**TESTIMONY ON SB 1168**  
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 229  
1:15 PM

Aloha Chairs Inouye and Gabbard, Vice-Chairs Keith-Agaran and Nishihara, and Members of the Committees:

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 SB 1168**, 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 WATER AND LAND

Senator Lorraine R. Inouye, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair

COMMITTEE ON AGRICULTURE AND ENVIRONMENT

Senator Mike Gabbard, Chair  
Senator Clarence K. Nishihara, Vice Chair

**SB1168**

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.

DATE: Friday, February 12, 2021  
TIME: 1:15 p.m.  
PLACE: VIA VIDEOCONFERENCE

Chairs Inouye and Gabbard, Vice Chairs Keith-Agaran and Nishihara, and Members of the Committees, The Hawaii Cattlemen's Council **provides comments on SB1168.**

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, but still stand by the urgency to transfer lands to DOA to support food production.

We respectfully ask the committee to consider the following additions, which would make the bill more supportive of agriculture and clarify that agricultural lands are appraised based on agricultural use:

1. Specify that an agricultural appraiser will be used to appraise lease rent values by adding "Lease rents for pastoral and agricultural leases shall be determined based





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

on agricultural use. The chairperson may set the lease rent for the period of the lease term..."

2. (d) 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:

(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;

(2) The department of land and natural resources has secured funding to commence the plan and the board of land and natural resources analyzes whether there is likelihood and capacity to implement the alternative land use ;

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

(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.

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

(6) The State shall indemnify any Leasee required by the Department to provide certain other activities and provide the Leasee



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

with proof of indemnity to a degree acceptable with the level of exposure.

(7) 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.

Ranchers are proponents for stewarding the land well and will continue to implement conservation practices when leases are transferred to HDOA—the health of the land allows ranchers to continue their production. With long-term leases based on agricultural production, ranchers will be even better situated to invest in long-term conservation practices. They will continue to fight invasive species, provide watershed management, and carbon sequestration, and provide all of the other eco-system services they have always provided, all at no cost to the State or the general public.

We respectfully ask that the committee consider the suggested amendments to SB1168. We appreciate the opportunity to testify on this critical matter for our industry.

Nicole Galase  
Hawaii Cattlemen's Council  
Managing Director



# Environmental Caucus

## The Democratic Party of Hawaii

February 10, 2021

Re: **Bill #SB1168**

Relating to 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: Friday 02-12-2021 at 1:15pm, Room 229 and Videoconference

Position: **Support**

Aloha Chairs Inouye and Gabbard, Vice-Chairs Keith-Agaran and Nishihara and members of the Water and Land Committee, and Agriculture and Environment Committee

The Department of Land and Natural Resources leases more than 100,000 acres of State Land for agricultural purposes. The large majority of this is in active pasture and grazing use. The cattlemen lessees have expressed repeatedly over years of occupying these lands that the lease terms do not allow adequate confidence in the continuity of their utilization of these lands to allow for greater investment in upgrades of their operations, thus limiting their ability to maximize production. They further have proposed that these lease terms do not adequately reflect the degree of stewardship which they have invested into these lands.

DLNR has been constrained by statutory authority in what lease terms may be offered on these State Lands. SB1168 seeks to reduce those constraints on lease regulations to allow the Department of Land and Natural Resources more flexibility in promoting the highest and best use of these State Lands. In many cases, this best use is agricultural through establishment of grazing lands and pasture.

The Agriculture and Environment Committee of the Hawaii State Democratic Party concurs that the added flexibility provided by SB1168 is in the best interest of both the lessee ranching operations and the State of Hawaii in promoting the best use of its lands. This committee recognizes that finding the correct balance in land use from a host of competing perspectives and values is often difficult. In a changing environment with



# Environmental Caucus

## The Democratic Party of Hawaii

the emergence of new challenges, for instance climate change and the demand for more carbon sequestration through reforestation, or the demand for greater food sourcing from within our islands, that difficulty is compounded. This committee believes that the Department of Land and Natural Resources has the breadth and depth of perspective to make it the agency most suited to make these complex decisions regarding land utilization. This bill gives it greater flexibility of guidelines in doing so. This committee supports Senate Bill 1168.

Mahalo for your consideration,

Jeff McKnight

Co-Chair ECDPH Food Security and Agriculture Committee  
Vice Chair, Environmental Caucus of the Democratic Party of Hawai'i

Tawn Keeney

Member Food Security and Agriculture Committee



**Conservation  
Council for  
Hawai'i**

**Hawai'i's voice for wildlife  
Kō Hawai'i o nā holoholona lōhiu**

**Submitted to the Senate Committee on Water and Land and Agriculture and Environment**

**Hearing: Friday, February 12, 2021 1:15pm**

**Hawaii State Capitol Room 229, Video Conference**

**SB 1168: 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**

Conservation Council For Hawaii **strongly supports SB 1168.**

The Department of Land and Natural Resources (DLNR) is the best agency to manage non-agricultural lands that can protect our watershed, native flora and fauna, and native species. Opportunity to reforest and combat climate change through carbon sequestration is abundant with many of the non-agricultural lands in their inventory. DLNR would be better able to manage lands currently leased and potential future lease agreements for agricultural, farm, and ranching purposes through bill **SB 1168**. Given the same flexibility as DOA to negotiate lease terms, provides a platform for DLNR to work with lessees, as well as providing best practices for land management on such lands for forest restoration, hunting for game management, public access for recreation and protection of habitats for our native species to flourish in.

Thank you for the opportunity to offer testimony to strongly support SB 1168.





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

SENATE COMMITTEES ON WATER & LAND AND AGRICULTURE & ENVIRONMENT  
Friday, February 12, 2021 — 1:15 p.m.

**Ulupono Initiative offers comments on SB 1168, 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 Inouye, Chair Gabbard, and Members of the Committees:

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 SB 1168**, 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.

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*

**SB-1168**

Submitted on: 2/11/2021 9:49:06 AM

Testimony for WTL on 2/12/2021 1:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Rae Okawa	Individual	Support	No

Comments:

I support SB1168. I believe that the Department of Land and Natural Resources should stay involved in the management of non-agricultural park lands. Mahalo for the opportunity to testify.