

**JOSH GREEN, M.D.**  
Governor

**SYLVIA LUKE**  
Lt. Governor



**SHARON HURD**  
Chairperson, Board of Agriculture

**DEXTER KISHIDA**  
Deputy to the Chairperson

State of Hawai'i  
**DEPARTMENT OF AGRICULTURE**  
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**TESTIMONY OF SHARON HURD**  
**CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON AGRICULTURE AND FOOD SYSTEMS**

**APRIL 12, 2024**  
**10:00 AM**  
**CONFERENCE ROOM 325**

**SENATE CONCURRENT RESOLUTION 52, SD1**  
**REQUESTING THE BOARD OF AGRICULTURE TO CONDUCT A STUDY ON THE**  
**PERCENTAGES OF AGRICULTURAL LANDS BEING LEASED BY THE STATE THAT**  
**ARE SUITABLE FOR FARMING AND ACTIVELY BEING USED FOR FARMING**  
**PURPOSES AND CERTAIN DOLLAR AMOUNTS RELATING TO LEASE TRANSFERS**

Chair Gates, Vice Chair Kahaloa, and Members of the Committee:

Thank you for the opportunity to testify on Senate Concurrent Resolution 52, SD1. This measure requests the Board of Agriculture to conduct a study on the percentages of agricultural lands being leased by the state that are suitable for farming and actively being used for farming purposes and certain dollar amounts relating to lease transfers. The Department respectfully opposes this measure as the Department lacks the resources to undertake this study and it represents an unfunded mandate.

Regarding the cost of infrastructure improvements, the lessee is not required to submit these documents to the Department. It would take substantial time and effort to compile these figures and some of the data may be unobtainable due to various reasons including the passing of the original lessee. Due to the effort involved, the Department would have to hire a consultant to complete this study. We estimate the cost at \$500,000.



Additionally, “actively” being farmed includes lands intentionally left fallow. To the passer by, this may seem like “unused” land; however, fallowing is a critical process to keep lands heathy. Further, the Department understands and agrees that lessees of State agricultural lands should be allowed to make windfall profits on the value of the land when assigning a lease. However, we caution against the vilification of all leasehold transfers. The Department has always held that the way to encourage the growth of the agricultural industry is to show successful business stories. The development and eventual sale of a successful business often serve as the farmer’s retirement plan, as is the case with many other professions, such as doctors and lawyers.

The consideration amount or sale price of a successful agricultural business that leases State land may include the value of all business assets included in the assignment. The Department encourages the lessee/seller to provide a schedule of assets and values to be conveyed as part of the lease assignment. In accordance with the lease, a calculation is made to determine net profit to which a percentage is applied to calculate the amount of a premium to be paid to the State. The percentage is a sliding scale up to 50%, dependent on the number of years remaining on the lease term.

The board of Agriculture has the authority to approve a consideration amount and sale price and to approve an assignment of lease request. Past assignments have been disapproved by the Board when they felt the assignment amount was unreasonable.

Thank you for the opportunity to testify.



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April 12, 2024

HEARING BEFORE THE  
HOUSE COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

**TESTIMONY ON SCR 53, SD1**

REQUESTING THAT THE DEPARTMENT OF AGRICULTURE CONVENE AN  
ADVISORY COMMISSION TO ADDRESS CERTAIN ISSUES TO GUIDE ACTION AND  
PROGRESS IN THE AGRICULTURE, AQUACULTURE, AND FOOD SYSTEMS  
INDUSTRIES OF THE STATE

Conference Room 325 & Videoconference  
10:00 AM

Aloha Chair Gates, Vice-Chair Kahaloa, 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 SCR 53, SD1**, which requests that the Department of Agriculture convene an advisory commission to address certain issues to guide action and progress in the agriculture, aquaculture, and food systems industries of the state.

HFB supports an advisory commission that adequately represents the diversity of Hawai'i's Agriculture Industry and can provide recommendations about its findings and needs to the department that supports the industry.

Thank you for the opportunity to testify in support of this important matter.

**SCR-52-SD-1**

Submitted on: 4/9/2024 3:02:10 PM

Testimony for AGR on 4/12/2024 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jacqueline S. Ambrose	Individual	Support	Written Testimony Only

Comments:

Aloha,

Yes to:- REQUESTING THE BOARD OF AGRICULTURE TO CONDUCT A STUDY ON THE PERCENTAGES OF AGRICULTURAL LANDS BEING LEASED BY THE STATE THAT ARE SUITABLE FOR FARMING AND ACTIVELY BEING USED FOR FARMING PURPOSES AND CERTAIN DOLLAR AMOUNTS RELATING TO LEASE TRANSFERS.