

SCR-52

Submitted on: 3/23/2024 12:18:11 PM

Testimony for AEN on 3/27/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
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.

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 SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

**MARCH 27, 2024
1:00 PM
CONFERENCE ROOM 224**

**SENATE CONCURRENT RESOLUTION 52 AND SENATE RESOLUTION 40
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 Gabbard, Vice Chair Richards, and Members of the Committee:

Thank you for the opportunity to testify on Senate Concurrent Resolution 23 and House Resolution 13. 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.

We first wish to note that "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 healthy. Further, the Department understands and agrees that lessees of State agricultural lands should be allowed to profit 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.

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.

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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March 27, 2024

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

TESTIMONY ON SCR 52 and SR 40

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

Conference Room 224 & Videoconference
1:00 PM

Aloha Chair Gabbard, Vice-Chair Richards, 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 the intent of SCR 52 and SR 40, which request 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 State of Hawai'i is the largest landowner in Hawai'i and has the responsibility for ensuring that public land is used prudently for the benefit of all residents. The State provides a large share of lands for agricultural use and should manage these lands with the following goals:

1. Lands presently suitable for viable agricultural use should be made available for that purpose.
2. Lands not presently leased but possessing potential for agricultural production should be made available to agricultural producers.
3. Leases should be of sufficient terms to justify improvements required of the land.
4. Lease rents should take into consideration the payment ability of the agricultural use.
5. Agricultural parks should be developed where needed and feasible.
6. Leases of agricultural lands should be made only to qualified farmers and ranchers.

To meet the State's goal of doubling food production and to achieve our Farm to School and Farm to State benchmarks, it is important to identify and effectively utilize our most productive agricultural lands and protect their long-term agricultural use under the state and county land use regulatory systems. Accurate data will help optimize public and private investments in agriculture to meet Hawai'i's food and agricultural sustainability goals.

HFB requests SCR 520 and SR 40 be amended to request that HDOA, not BOA, conduct the study. The HDOA study should consider improvements and infrastructure investments that lessees have made to the leased property. The lease's consideration amount or sale price may include the value of all business assets and improvement to the leased lands included in the assignment.

Thank you for the opportunity to testify on this important matter.

SCR-52

Submitted on: 3/26/2024 11:39:14 AM

Testimony for AEN on 3/27/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

STRONG SUPPORT!

GROW MORE FOOD!

MAHALO!