

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
KA 'OIHANA MAHI'AI
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TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

FEBRUARY 23, 2024
10:30 AM
CONFERENCE ROOM 211

SENATE BILL NO. 2413, SD1
RELATING TO AGRICULTURE

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 2413, SD1. This bill requires the Board of Agriculture to submit a report on the percentage of agricultural lands that are suitable for farming and actively farmed and certain dollar amounts relating to lease transfers between lessees and qualified farmers. The Department respectfully opposes this measure.

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 not 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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Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Ways and Means Committee,

The Hawaii Farmers Union is a 501(c)(5) agricultural advocacy nonprofit representing a network of over 2,500 family farmers and their supporters across the Hawaiian Islands. **HFUU supports SB2413.**

Understanding the extent of agricultural lands suitable for farming and the current level of active cultivation is vital for the future of our state's food security. As Hawaii faces continued pressure from urbanization and development, it is crucial that we safeguard our agricultural lands. By identifying areas that are suitable for farming but may not be actively cultivated, we can work towards strategies such as providing incentives to farmers, promoting sustainable farming practices, and protecting agriculture from encroachment by other sectors.

Towards that end, we recommend the inclusion of a definition of lands suitable for farming to aid the Board of Agriculture in completing this assessment.

Numerous approaches have been used in agricultural land assessment in Hawaii, including the Land Study Bureau's Overall Master Productivity Rating, the Land Evaluation and Site Assessment (LESA) study, and others. A current report to the 2024 legislature DC256, the OPSD Soil Study Final Interim Report pursuant to Act 189, SLH 2022 contains further detail on the various systems used in the islands (https://www.capitol.hawaii.gov/session/measure/_indiv.aspx?billtype=DC&billnumber=256&year=2024).

As this bill is focused on agricultural suitability potential use, consideration of the long term parcel viability is warranted. An approach that considers multiple important factors is the American Farmland Trust's Productivity, Versatility, and Resiliency (PVR) assessment methodology. The PVR approach can be reviewed in full at https://farmlandinfo.org/wp-content/uploads/sites/2/2020/05/AFT_FUT_PVR_Fact_Sheet.pdf.

Mahalo for the opportunity to testify.

Kaipo Kekona, President HFUU/HFUF



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February 23, 2024

HEARING BEFORE THE
SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY ON SB 2413, SD1
RELATING TO AGRICULTURE

Conference Room 211 & Videoconference
10:30 AM

Aloha Chair Dela Cruz, Vice-Chair Moriwaki, 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 SB 2413, SD1, which requires the Board of Agriculture to submit a report on the percentage of agricultural lands that are suitable for farming and actively farmed and certain dollar amounts relating to lease transfers between lessees.

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 term 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.

The DOA report should consider improvements and infrastructure investments that lessees have made to the leased property.

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



Hawaii Cattlemen's Council, Inc.

COMMITTEE ON WAYS AND MEANS
Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

SB2413 SD1
RELATING TO AGRICULTURE

Friday, February 23, 2024, 10:30am
Conference Room 211 & Videoconference

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

The Hawaii Cattlemen's Council **supports SB2413 SD1** which requires the Board of Agriculture to submit a report on the percentage of agricultural lands that are suitable for farming and actively farmed and certain dollar amounts relating to lease transfers between lessees.

The DOA's State Ag Land Use Baseline Reports from 2015 and 2020 report decreases in agricultural land use, including pasture. The reasons for this include conversion to other uses, or inability to continue in agriculture successfully as a business. Our goal is to ensure that agricultural lands stay in agricultural production.

As we have unfortunately witnessed, land that is *not* managed is dangerous fuel for devastating fires. Lands that are well-managed and in use for agriculture provide ecosystem services such as fire fuel reduction and increased soil health. They also have people on the land who know it well, and potentially even water systems that can help the community beyond the scope of the agricultural use (such as fighting fires). Importantly, the business managing the land produces food on and brings in income to continue managing it.

We need more food production and more land management in the state. Evaluating the agricultural land use potential of state-owned lands will help get appropriate management on these parcels. Understanding what is available is a great first step in connecting land stewards with land.

Thank you for the opportunity to testify on this matter. The Hawaii Cattlemen's Council (HCC) is the Statewide umbrella organization comprised of the four 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.

Nicole Galase
Hawaii Cattlemen's Council
Managing Director





Food+ Policy Internship 2024

food@purplemaia.org

DATE: February 21st 2024

Subject: Testimony in Support of **SB2413** with Amendments

Aloha Chair Donovan M. Dela Cruz, Vice Chair Sharon Y. Moriwaki, and Members of the WAM Committee,

On Behalf of Food+ Policy and Purple Mai'a, I am writing to express my support for **SB2413**, which mandates the Department of Agriculture to submit a report on the state of leased agriculture. I appreciate the efforts to gather essential information on leased lands, but I urge the committee to consider amendments that embrace Native Hawaiian knowledge and practices, ensuring a more holistic and culturally informed approach.

I acknowledge the bill's intent to assess agricultural lands, but I believe that "what is pono" should extend beyond mere considerations of land suitability and active farming. Specifically, I propose amendments that encompass the following key elements:

Traditional Farming Practices:

- Recognize and support traditional Native Hawaiian farming practices, acknowledging their importance in preserving cultural heritage and sustainable land use.

Indigenous Knowledge:

- Emphasize the incorporation of indigenous knowledge into the assessment and management of leased agricultural lands. Traditional practices hold valuable insights for sustainable farming.

Engagement of Current Practitioners:

- Actively involve current practitioners of traditional Hawaiian farming methods in the decision-making processes. Their expertise is crucial for upholding the integrity of the space and knowledge considered in the bill.

The Food+ Policy internship develops student advocates who learn work skills while increasing civic engagement to become emerging leaders. We focus on good food systems policy because we see the importance and potential of the food system in combating climate change and increasing the health, equity, and resiliency of Hawai'i communities.

In 2023, the cohort of interns are undergraduate and graduate students from throughout the UH System. They are a mix of traditional and nontraditional students, including parents and veterans, who have backgrounds in education, farming, public health, nutrition, and Hawaiian culture.



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Cultural Impact Assessment:

- Integrate a cultural impact assessment into the report, ensuring that the cultural significance of agricultural lands to the Native Hawaiian community is acknowledged and preserved.

Community Engagement:

- Enhance community engagement by conducting meaningful consultations with Native Hawaiian communities. This inclusive approach will provide valuable insights and ensure that the perspectives of indigenous communities are considered in the decision-making process.

Priority Access for Native Hawaiians:

- Prioritize access to agricultural leases for Native Hawaiians, aligning with the constitutional mandate to protect Native Hawaiian rights and interests.

Collaboration with Community-Based Centers:

- Encourage collaboration with independent, community-based centers focused on self-reliant food systems. These centers play a vital role in promoting sustainable agriculture and community resilience.

I firmly believe that these amendments will strengthen **SB2413**, aligning it more closely with the principles of sustainability, cultural preservation, and community empowerment. There exists a dedicated community of farmers in Hawaii who have steadfastly maintained agricultural lands for the betterment of our food systems and the people of Hawaii.

Mahalo nui loa for your attention to these matters, and I trust that with these amendments, **SB2413** can contribute significantly to the well-being of our agricultural lands and the communities they serve.

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Mahalo Nui,

Hawaii Food+ Policy Team
#fixourfoodsystem

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