

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



WENDY GADY
EXECUTIVE DIRECTOR

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
HUI HO'OU LU AINA MAHIAI

TESTIMONY OF WENDY L. GADY
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT
January 27, 2025
1:00 p.m.
Conference Room 224 & Videoconference

SENATE BILL NO. 496
RELATING TO AGRICULTURE

Chairperson Gabbard, Vice Chair Richards, and Members of the Committee:

Thank you for the opportunity to testify in **strong support** on Senate Bill 496, which seeks to define the terms "bona fide farmer" and "bona fide agricultural activity" in the context of Hawaii's agricultural policies. This bill is a vital step toward strengthening Hawaii's agricultural sector, protecting genuine farming operations, and ensuring state resources are allocated appropriately to promote sustainable food production.

The Importance of Defining Bona Fide Farmers and Agricultural Activities

Hawaii's agricultural landscape is critical to the state's economy, food security, and cultural identity. However, the absence of clear definitions for bona fide farmers and agricultural activities has left the system vulnerable to misuse and inefficiencies. By clearly defining these terms, SB 496 establishes the necessary framework to:

1. **Prevent Abuse of Agricultural Benefits:** Current tax incentives, land-use exemptions, and other benefits intended for farmers are sometimes exploited by individuals or entities not engaged in genuine agricultural activity. Clear definitions will ensure these resources are reserved for those truly contributing to Hawaii's food production and agricultural sustainability.
2. **Encourage Legitimate Farming Operations:** The bill provides recognition and support to legitimate farmers who dedicate their time, resources, and expertise to agricultural practices. This fosters a supportive environment that encourages continued investment in farming operations across the state.
3. **Promote Sustainable Agriculture:** By distinguishing between bona fide agricultural activities and other uses, SB 496 helps direct resources toward practices that are environmentally sustainable, culturally appropriate, and aligned with Hawaii's long-term food security goals.

The Practical Impact of SB 496

A clear definition of bona fide farmer and agricultural activity will benefit the agricultural community and Hawaii as a whole by:

Protecting Agricultural Lands: Ensuring lands zoned for agriculture are used for genuine farming purposes and not diverted to non-agricultural uses, such as gentleman's estates or other non-farming ventures.

Strengthening Food Security: Supporting farmers who produce locally grown crops and livestock, reducing Hawaii's reliance on imported food.

Boosting Economic Development: Encouraging agricultural businesses to expand operations and create jobs in rural communities.

Enhancing Public Trust: Demonstrating to taxpayers that agricultural benefits and incentives are being used appropriately and responsibly.

Conclusion

Senate Bill 496 is a crucial measure that will protect and strengthen Hawaii's agricultural sector. By defining bona fide farmers and bona fide agricultural activities, this bill ensures that the state's policies and incentives are targeted toward those who actively contribute to Hawaii's food security, economy, and sustainability.

I respectfully urge the Committee to support SB 496 and pass it into law. This legislation represents a step forward in promoting responsible agricultural practices and safeguarding the future of farming in Hawaii.

Mahalo for the opportunity to submit testimony in strong support of SB 496.

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

DEAN M. MATSUKAWA
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 AGRICULTURE AND ENVIRONMENT

MONDAY, JANUARY 27, 2025
1:00 PM
CONFERENCE ROOM 224

SENATE BILL NO. 496
RELATING TO AGRICULTURE.

Chair Gabbard, Vice Chair Richards and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 496 that requires the Board of Agriculture to define the terms "bona fide farmer" and "bona fide agricultural activity" and to place the definitions into Section 141-1 (Department of Agriculture – Duties in General). The bill requires a report to the 2026 Legislature. The Department of Agriculture (Department) appreciates the intent of the measure and offers the following comments.

The Department believes an additional benefit of creating definitions of “bona fide farmer” and “bona fide agricultural activity”, beyond those enumerated in Section 1 of the measure, is to bring focus to the State’s constitutional mandates of increasing agricultural self-sufficiency, promoting diversified agriculture, and assuring the availability of agriculturally suitable lands.

Creating the requested definitions will likely require the development of standards and criteria to determine what constitutes a qualifying level of performance or achievement for each term. We believe the definitions may need to be broad so as not to inadvertently exclude farmers that are part-time, full-time, existing, new, recovering from natural/other disasters, corporate, partnership, sole-proprietor, value-added, aquaculture/aquaponic, crop, livestock, forestry, apiary, floriculture, nursery, research, and so forth. If gross income from sales of agricultural products is used in the definition of “bona fide farmer” or “bona fide agricultural activity”, the same situation arises as



every agricultural activity such as truck crop farming, aquaculture, shade house nursery, and livestock grazing has very different gross incomes per acre.

Further, the Board of Agriculture needs to be mindful that if it is intended that the counties are required to use the definition or definitions in their respective zoning and property tax ordinances and agricultural water rate rules, they may balk at complex definitions.

Thank you for the opportunity to present our testimony.



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January 27, 2025

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

TESTIMONY ON SB 496
RELATING TO AGRICULTURE

Conference Room 224 & Videoconference
1:00 PM

Aloha Chair Gabbard, Vice-Chair Richards, and Members of the Committees:

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 496, which requires the Board of Agriculture to define the terms "bona fide farmer" and "bona fide agricultural activity" and requires a report to the Legislature.

This issue has come before the Legislature and County Councils across the state. From the 1950s through the 1970s, when "agriculture" and "bona fide agriculture" were first coined into law, there was a general agreement on the definition of the term, even as the latter was not articulated in statute. Who and what farmers and ranchers were was understood and agreed on. It is a gray area today, and the State and Counties regularly face questions about its definition. Times have changed and the definition of agriculture and a bona fide agricultural operation have come to mean different things to different people.

There are policies and programs specifically intended for agriculture. They are meant to support the agriculture sector and are intended for bona fide agriculture producers. A clear definition will assist policymakers and implementers of programs and policies in carrying out their tasks and ensure that the intent of the various policies and programs is met.

HFB looks forward to participating in the discussion that will define "bona fide farmer" and "bona fide agricultural activity."

Thank you for this opportunity to provide our input on this measure.



Officers

Kaipo Kekona
State President

Anabella Bruch
Vice-President

Maureen Datta
Secretary

Reba Lopez
Treasurer

Aloha Chair Gabbard, Vice Chair Richards, and Members of the Senate Agriculture and Environment Committee,

Chapter Presidents

Clarence Baber
Kohala, Hawaii

Tony Vera
East Hawaii

Puna, Hawaii

Andrea Drayer
Ka'u, Hawaii

Maureen Datta
Kona, Hawaii

Fawn Helekahi-Burns
Hana, Maui

Mason Scharer
Haleakala, Maui

Kaiea Medeiros
Mauna Kahalawai,
Maui

Kaipo Kekona
Lahaina, Maui

Kilia Avelino-Purdy
Molokai

Negus Manna
Lana'i

India Clark
North Shore, Oahu

Christian Zuckerman
Wai'anae, Oahu

Ted Radovich
Waimanalo, Oahu

Vincent Kimura
Honolulu, Oahu

Natalie Urminska
Kauai

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 SB496.**

Creating a consistent framework for supporting agriculture in Hawaii will help direct resources more efficiently to individuals and entities that are genuinely contributing to the agricultural.

However, it is crucial that the development of these definitions does not inadvertently exclude or marginalize traditional and customary agricultural practices that may not fit a purely commercial framework. Hawaii's rich agricultural history includes a wide array of traditional farming methods that contribute significantly to the state's cultural heritage and food security. These practices often do not yield high commercial income, may not be the primary occupation of the practitioners, and might operate on smaller scales. Therefore, as the Board of Agriculture embarks on defining these critical terms, it is imperative to ensure that diverse agricultural practices, including those rooted in Hawaiian tradition and subsistence, are recognized and supported. Embracing an inclusive definition will safeguard the multiplicity of agricultural activities in Hawaii, fostering a holistic and equitable agricultural policy that respects and uplifts both modern and traditional practices.

Mahalo for the opportunity to testify.

Kaipo Kekona, President HFUU/HFUF



Testimony of Nathan Trump

Island Harvest Inc.

January 27th, 2025

RE: SB496 RELATING TO LABELING OF MACADAMIA NUTS

Aloha Chair Gabbard, Vice Chair Richards, and members of the Senate Committee on Agriculture and Environment,

My name is Nathan Trump, and I am writing on behalf of Island Harvest to support Senate Bill 496 RELATING TO AGRICULTURE. Island Harvest is a 500-acre organic macadamia nut farm located in Kapaau on the Big Island. In addition to macadamia nuts, we grow breadfruit, limes, and raise sheep. As a farming company, we support the effort to establish comprehensive definitions of “bona fide agricultural activity” and “bona fide farmers.”

Hawaii needs a solid foundation to build out programs and plans to support agriculture. Definitions of agriculture and farming will be helpful and necessary to ensure the state prioritizes efforts that make a positive impact on the farms and businesses that contribute to Hawaii’s food security and economic resiliency.

Mahalo,

A handwritten signature in black ink, appearing to read "Nathan Trump", written in a cursive style.

Nathan Trump

General Manager

Island Harvest Inc.



Hawaii Cattlemen's Council, Inc.

COMMITTEE ON AGRICULTURE AND ENVIRONMENT

Senator Mike Gabbard, Chair

Senator Herbert M. "Tim" Richards, III, Vice Chair

SB496

RELATING TO AGRICULTURE

Monday, January 27, 2025, 1:00PM
Conference Room 224 & Videoconference

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

The Hawaii Cattlemen's Council **supports SB496** which requires the Board of Agriculture to define the terms "bona fide farmer" and "bona fide agricultural activity".

It is important to clearly define a bonafide farmer and bonafide agricultural activity to allow for fair access to funding, programs, and benefits. Farming and ranching is a difficult endeavor, and with limited resources available we need to ensure that the support goes to appropriate entities that are truly producing agriculture. There are many factors to consider, and it's appropriate for the board of agriculture to have clear parameters on what bonafide agricultural activities are.

We appreciate the opportunity to testify on this measure. 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



SB-496

Submitted on: 1/26/2025 12:49:45 PM

Testimony for AEN on 1/27/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
J Ashman	Individual	Support	Written Testimony Only

Comments:

I support SB 496 that would require the Board of Agriculture to define the terms "bona fide farmer" and "bona fide agricultural activity" and would require a report to the Legislature on its draft definitions.

Definitions for these terms have been needed for a long time. Because the definition would impact policy and result in many important consequences, including funding programs, tax liability, and land use ramifications, there has not been agreement on who is a "real" farmer for these purposes. It would be helpful for this issue to be fully discussed by the BOA, and a recommendation to be made to the Legislature to resolve the matter.

Thank you.

SB-496

Submitted on: 1/26/2025 7:29:59 PM

Testimony for AEN on 1/27/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ken Kajihara	Individual	Support	Written Testimony Only

Comments:

I am a retired agriculture teacher and an agriculture advocate. I join the bill's introducers in support of this measure.

SB-496

Submitted on: 1/26/2025 9:33:23 PM

Testimony for AEN on 1/27/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
David Fuertes	Individual	Support	Written Testimony Only

Comments:

SB 496 Written Testimony

Relating to Agriculture by David Fuertes

I am a former DOE teacher at Kohala High School for the Past 35 years and presently the Executive Director for an Aina' Base 501c3 non-profit organization called Kahua Pa'a Mua writing in

support SB 496 . Presently, it seems each county has their own definition of "bona fide farmer" and "bona fide agricultural activity".

A unified definition will bring Clarity to Identifying those that should benefit as producing farmers.

As we know, the average farmer in Hawai'i is 61 years old with many being over 70's with no heirs to take over their farms. I do believe any food production is of benefit and should not require

a tax incentive limited to only financial criteria.

Many food producers do not qualify with the Definition of "bona fide farmers" when production criteria is a baseline income of \$1,000 according to Hawai'i county.

They are sustaining their families and, in some cases, donate to communities by free food distribution beyond the county's so-called bracket of "bona fide farmer."

By a personal small scale crop and animal production, we encourage small backyard gardens which share food for family, neighbors, and feeding our kupunas

by their donations to the local food hub. This concept I believe is food resilience in our community.

Sincerely,

David Fuertes