



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Agriculture and Environment
And

Senate Committee on Water and Land
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SB 3011 – RELATING TO AGRICULTURAL LEASES

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

Thank you for the opportunity to provide testimony in support of the general intent of this bill, but expressing some concerns as with its companion bill HB 1993 HD1.

The University notes that agricultural land is not easily available to new farmers. The main issue outlined by SB 3011 is real, and there is a need to address how and why agricultural land in Hawai'i is leased; and how best to promote agricultural activity in the state.

It should also be noted that the problems of placing new farmers on farmland extends beyond the leasing statutes outlined here. They include the lack of capital required to get started, the lack of appropriate infrastructure for significant agricultural activity; and the degree farm size, and how we define farm size, can add to agriculture's share of the Gross State Product.

It should also be noted that given the Governor's and the legislature's desire for greater food security in Hawai'i, it's clear that this will be accomplished by bringing current and new farms into the >\$250 million to >\$350 million in sales category, not by promoting a larger number of farms <\$50 million in sales.

SB 3011, by noting that land leases by the Hawai'i Department of Agriculture (HDOA) is for the purpose of agricultural activity, and that it is expected the land should remain productive, does partially address the issue of getting state land into production. The following comments are suggestions to incorporate.

Section 1, page 1, lines 11-14. The idea of productive land versus unproductive land is first addressed. What is the guide to determine productive and unproductive land? The example of using agricultural land as a place to live and not a place to farm is explanatory. However, the language relating to the land not being farmed with an intensity or using methods that are not highly productive is not clear what the standard or goal is meant to be. This statement is confusing.

Section 1, page 2, lines 2-4. It's unclear as the highest bidder could be the farmer best able to use the land for production.

Section 3, page 3, line 17. Does the term "new leases" also apply to leases nearing expiration and possibly up for renewal; or just leases that are reopened with no expectation of renewal? The language appears to include those that could be renewed by existing lessees. Does this not recognize the work that the farmer has done during the previous lease?

Section 3, page 4, line 2. It is unclear what "prevailing market rate" is referenced from or tied to. Could this be clarified?

Section 3, Page 8, lines 3-5. The idea of "comparable productivity to new leases being issued" is confusing. In other words, does this mean if there is a problem, the farmer can't change management to something that better suits their needs if it does not meet some predetermined level of productivity? If a crop or approach is changed, how can this be met in a reasonable way? Again, how is productivity measured? Can the valuation of ecosystem services be part of the productivity calculation? Farming has to change as conditions and markets change. Is this allowable under these conditions? The idea of comparable productivity is also mentioned in other parts of the bill that should also be addressed.

In summary, we support SB 3011 in its intent, but express concerns about some concepts. We strongly support the idea that agricultural land should be put into use. Since this affects HDOA, we defer to their testimony on how this might help or hinder their leasing operation.