

Clingan, Marci

From: Alan Gottlieb <alan@prloffice.com>
Sent: Monday, August 21, 2023 5:02 PM
To: HDOA.BOARD.TESTIMONY
Subject: [EXTERNAL] Testimony Aug 22, 2023 Item IV.B.1

Via email to: HDOA.BOARD.TESTIMONY@HAWAII.GOV

August 22, 2023

Sharon Hurd
 Chairperson
 Hawaii State Board of Agriculture
 1428 S. King St.
 Honolulu, HI 96814

RE: Board of Agriculture Meeting August 22, 2023 at 9:00 a.m.

Testimony on Item IV. B. 1., Request for Approval for the Transfer of Public Lands from the Department of Land and Natural Resources to the Department of Agriculture, Pursuant to Act 90, SLH 2003, Codified as Chapter 166E, Hawaii Revised Statutes; TMK Nos.: (3) 9-8-001:003, 006 and 013; (3) 9-6-011:002; (3) 9-8-001:011 and 012; (3) 9-8-001:009 and 010; (3) 4-4-014:002, 003 and 011; Island of Hawaii

Aloha Chair Hurd and Members of the Board:

Ponoholo Ranch strongly supports the transfer of lands leased or permitted to Kapapala Ranch and KK Ranch from the DLNR to the HDOA. The past actions of both of these ranches have proven that they are responsible tenants and stewards of these lands. The ability of HDOA to provide affordable long term leases will provide them the assurances needed to increase their investments in agriculture and become even better stewards of these lands.

Ponoholo Ranch Limited operates its cattle ranch on Hawaii Island on over 10,000 acres of land, some fee simple, some leased. Some of the leased lands have been with the State of Hawaii. In fact, we have leased State of Hawaii land, managed by DLNR since our inception in 1979. Two of the leases we have held in recent years have been long term and one was a revocable permit we leased on a month-to-month basis for over 40 years.

In 2002, when one of the DLNR leases we previously held for many years came up for renewal, it was required to be put out for auction. At auction someone else bid up the price and to keep this lease, which had become an integral part of our operation and upon which we had invested many dollars on improvements, we won the auction by paying about 7 times the economic value of that land, in essence buying back the improvements WE had made over the years. Fortunately, when the rent reopened after 10 years we were able to demonstrate to DLNR the economic carrying capacity of the lease and they reduced the annual rent to a fair rate.

We have worked for many years to try to get our leases transferred to HDOA under Act 90, 2003 for the reasons the legislature passed Act 90 in the first place: to allow farmers and ranchers to work with a State Department which specialized in agriculture, and which had favorable terms to promote agriculture and sustainability in the State.

As our 20 year leases with DLNR were coming to an end in the early 2020's, we spent very little money investing in improvements on these leased DLNR lands. It made no economic sense for us to invest money in the last 10 years of the lease, only to have to buy back our OWN improvements at Auction. In fact, the way the DLNR system now works, it makes sense for the current operator to let the leased property get run down. This is contrary to the best stewardship of the land, but it is an economic reality.

We were fortunate when in early 2018 former HDOA Chair, Scott Enright, worked with DLNR to attempt to get many of the pasture leases transferred to HDOA, supporting the legislative intent of Act 90. Representatives from DLNR, including DOFAW, and HDOA spent a day at Ponoholo Ranch to see all the things the ranch was already doing production-wise, but most importantly stewardship-wise and discuss any concerns the agencies may have. The outcome of the fact-finding visit was that the lease for Ponoholo would be transferred from DLNR to HDOA per Act 90. With a long term lease instead of a month-to-month tenure, we were able to make significant investments.

We take our kuleana seriously. So do the two ranches being discussed today. Having lease terms that support investment in the land and increased productivity of the cattle makes sense for production AND for environmental sustainability. Transferring the leases from DLNR to HDOA for KK Ranch and Kapapala Ranch makes sense, just as it made sense to do so for Ponoholo Ranch several years ago.

There is NO loss for the community if ranchers succeed. It is not the environment versus food production. It truly is a win/win, a win for productivity and a win for the environment. Ranchers do every day what the State does not have the manpower or budget to do!

Alan Gottlieb
Vice President

Via email to: HDOA.BOARD.TESTIMONY@HAWAII.GOV

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Chairperson
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Aloha Chair Hurd and Members of the Board:

My name is Janet Ashman and I have worked with Hawaii farmers and ranchers for over 30 years on environmental issues and other matters of concern to our communities.

I strongly support the transfer of public lands in agriculture from the Department of Land and Natural Resources to the Department of Agriculture, per the intent of Act 90 enacted over 20 years ago.

In particular for today's agenda, I respectfully offer my firm support for the transfer of the K.K. and Kapapala Ranch lands to the Department of Agriculture. I am proud and honored to have worked with these two dedicated and hardworking ranching families over the years. The transfers will enable them to continue to care for their land and provide for their communities.

Thank you for your consideration of my testimony.

Janet Ashman



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Submitted via email to: HDOA.BOARD.TESTIMONY@HAWAII.GOV

August 21, 2023

Sharon Hurd
 Chairperson
 Hawaii State Board of Agriculture
 1428 S. King St.
 Honolulu, HI 96814

**RE: Board of Agriculture Meeting August 22, 2023, 9:00 a.m.
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Aloha Chair Hurd and Members of the Board:

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.

HFB offers its **strong support** on this agenda item to transfer the public lands identified in this agenda item from the Department of Land and Natural Resources (DLNR) to the Department of Agriculture (DOA).

The intent of Act 90, Session Laws of Hawaii 2003, was to transfer *agricultural* lands from the DLNR to the DOA, the agency whose mission it is to support *agriculture*. DOA is the agency that is equipped to manage agricultural lands and leases to ensure that farming remains viable on these lands. Since that date twenty years ago, only approximately nineteen thousand acres have been transferred to DOA, with the vast majority of these lands still awaiting transfer.

These lands need the everyday support of caretakers on the ground, observing changes and following through with action to manage, for example, feral ungulates and other invasive species, fire prevention, soil health, watershed management, and exotic disease monitoring and suppression. Agricultural leaseholders are in the best position to do this. After all, conservation and stewardship are what these ag lessees and revocable permit holders have already been

doing, many of them for decades, with little or no DLNR oversight or assistance. They know that their success is predicated upon their careful stewardship of the land and other natural resources.

Farmers and ranchers must have long-term leases to prudently invest in infrastructure improvement on the leased land. While the DOA laws and regulations are specifically structured to make it practical for farmers to do this, DLNR is unable to provide lease terms that help farmers.

The families of Kapāpala Ranch and K.K. Ranch have both been recognized by BLNR Chairperson Dawn Chang, and many others, as being good stewards of the land. These families toil every day at the back-breaking work to maintain their successful ranching businesses and dutifully provide ecosystem services, while awaiting this long-promised opportunity for a stable, supportive long-term lease.

HFB respectfully encourages you to approve the transfer of these lands and to assure that the lease terms align with our State's goals of self-sufficiency, sustainability, and food security for Hawai'i 's future, including consideration of any concerns from the ranchers themselves.

Thank you for your support of Hawaii's producers.



August 21, 2023

Sharon Hurd, Chairperson
Hawaii State Department of Agriculture, Agricultural Resource Management Division
1428 S King Street
Honolulu, HI 96814

Dear Chairperson Hurd and Members of the Board of Agriculture:

I am writing to you as Patrick Haddad, the CEO of not only Coffees of Hawaii, but also Hawaiian King Candies, and Island Princess Hawaii. Our company Coffees of Hawaii is located in Kualapu'u, Molokai.

As a proud member of the limited local commercial farming community on Molokai, I humbly ask the board to reconsider the water rate increase proposed under Administrative Rule Changes, Chapter 4-157.

The proposed escalation in rates has stirred profound concerns within our tight-knit community and, if implemented, will undoubtedly cast a heavy burden on our operations. Coffees of Hawaii stands as the solitary commercial coffee grower on Molokai, representing one of the largest coffee plantations under singular ownership in Hawaii. Our distinctiveness lies in our unwavering commitment to cultivating a product that is 100% Hawaiian grown, fostering local employment, self-sufficiency, and prioritizing sustainability.

At the heart of Coffees of Hawaii's ethos lies a resolute mission: to provide products that are 100% Made in Hawaii. Our devotion to vertical integration, where cultivation aligns with distribution, reflects our pursuit of delivering excellence not only to our community but across the world.

It is essential to remind you that the Molokai Irrigation System is the sole lifeline for agricultural water on our island. Regrettably, this looming increase in water rates threatens to jeopardize our community. This augmented financial strain comes amid a backdrop of surging electricity costs, fertilizer expenses, and mandated increments in employee minimum wages.

Beyond these economic hardships, our agricultural pursuits confront additional challenges such as the relentless onslaught of coffee leaf rust and the ongoing measures to prevent the invasive coffee borer beetle onto our plantation. Moreover, the persistent damage caused by the wild

deer ravaging our water lines necessitates continuous repair efforts.

Unfortunately, with all of the rising costs and this impending increase we find ourselves at a crossroads of our continued presence in Hawaii. The prospect of relocating our company or facing closure not only places the livelihoods of numerous locals in jeopardy but also puts our community's well-being at risk. This contemplation extends beyond ourselves. It inadvertently signals the potential of other local agricultural businesses across the state, as they are also compelled to relocate or even more dishearteningly, shutter their operations.

It is our heartfelt plea for the board to reconsider the proposed water rate increase and consider the concerns of small local farmers. We are humbly asking for your support in safeguarding the vitality of our local agriculture.

Sincerely,

Patrick Haddad