
A BILL FOR AN ACT

RELATING TO AGRICULTURE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the agribusiness
2 development corporation was established in 1994, to address the
3 issues of large tracts of land becoming available due to the
4 downsizing of the sugar and pineapple industries.

5 The legislature further finds that Hawaii now faces
6 different issues in agriculture, mainly sustainable agriculture
7 and local food production. According to the agribusiness
8 development corporation's 2019 report to the legislature, the
9 corporation manages over 22,000 acres of public agricultural
10 lands with significant potential to shape the State's
11 agricultural public policy toward the goal of food self-
12 sufficiency. The lack of affordable agricultural land with
13 long-term leases is cited as a key inhibitor of the growth and
14 expansion of local agriculture.

15 The purpose of this Act is to:

16 (1) Ensure that the agribusiness development corporation
17 prioritizes food production for local consumption; and



1 (2) Ensure transparency and accountability by requiring
2 the department of agriculture and agribusiness
3 development corporation to submit reports to the
4 legislature on the department's and corporation's
5 leasing activities.

6 SECTION 2. Section 163D-1, Hawaii Revised Statutes, is
7 amended to read as follows:

8 " ~~[§163D-1]~~ **Findings and purpose.** The legislature
9 finds that the downsizing of the sugar and pineapple industries
10 is presenting an unprecedented opportunity for the conversion of
11 agriculture into a dynamic growth industry~~[-]~~, including local
12 food production. Within the next decade, seventy-five thousand
13 acres of agricultural lands and fifty million gallons per day of
14 irrigation water are expected to be released by plantations.
15 The downsizing of the sugar and pineapple industries will idle a
16 valuable inventory of supporting infrastructure including
17 irrigation systems, roads, drainage systems, processing
18 facilities, workshops, and warehouses. The challenge to
19 government and business is to conserve and convert the arable
20 lands and their associated production infrastructure in a timely
21 manner into new productive uses, including local food



1 production, that are based upon strategies developed from
2 detailed marketing analysis and monitoring of local, national,
3 and international opportunities. Constantly evolving economies
4 require an aggressive and dynamic leadership for the promotion
5 and development of agricultural enterprises, and centralized
6 leadership to coordinate industry development, provide industry-
7 wide services, provide marketing assistance, and facilitate
8 investments and coventures in viable enterprises.

9 The purpose of this chapter is to create a vehicle and
10 process to make optimal use of agricultural assets for the
11 economic, environmental, and social benefit of the people of
12 Hawaii. This chapter establishes a public corporation to
13 administer an aggressive and dynamic agribusiness development
14 program. The corporation shall coordinate and administer
15 programs to assist agricultural enterprises to facilitate the
16 transition of agricultural infrastructure from plantation
17 operations into other agricultural enterprises, including those
18 promoting local food production, to carry on the marketing
19 analysis to direct agricultural industry evolution, and to
20 provide the leadership for the development, financing,



1 improvement, or enhancement of agricultural enterprises[-] and
2 local food production."

3 SECTION 3. Section 163D-2, Hawaii Revised Statutes, is
4 amended by adding two new definitions to be appropriately
5 inserted and to read as follows:

6 "Local food production" means crops, livestock, poultry,
7 and other foods that are grown and raised in Hawaii, at least in
8 part, for direct consumption by Hawaii residents and visitors.

9 "Primary business" as used in this subchapter means at
10 least fifty percent of the entity's production or harvest shall
11 be distributed for local consumption in Hawaii."

12 SECTION 4. Section 163D-3, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "**§163D-3 Agribusiness development corporation; board of**
15 **directors; established.** (a) There is established the
16 agribusiness development corporation, which shall be a public
17 body corporate and politic and an instrumentality and agency of
18 the State. The corporation shall be headed by a board of
19 directors. The corporation shall be placed within the
20 department of agriculture for administrative purposes, but the
21 corporation may later incorporate as a nonprofit corporation if



1 this proves desirable to further its objectives; provided that
2 such reorganization as a nonprofit corporation shall not
3 adversely affect the federal tax status of the interest on any
4 bonds issued to finance any project or project facility.

5 (b) The board of directors of the corporation shall
6 consist of eleven voting members, of whom eight shall be
7 appointed by the governor. The terms of these eight members
8 shall be four years; provided that, commencing on July 1, 2005,
9 the governor shall reduce the terms of those initially appointed
10 so as to provide, as nearly as can be, for the expiration of an
11 equal number of terms at intervals of one year.

12 The eight members shall be selected on the basis of their
13 knowledge, experience, and proven expertise in small and large
14 businesses within the agricultural industry, agricultural
15 economics, banking, real estate, finance, promotion, marketing,
16 and management.

17 Of these eight members:

18 (1) ~~[one]~~ One shall be from the city and county of
19 Honolulu~~[7]~~i;

20 (2) ~~[one]~~ One shall be from the county of Hawaii~~[7]~~i;

21 (3) ~~[one]~~ One shall be from the county of Maui~~[7]~~i;



- 1 (4) [~~one~~] One shall be from the county of Kauai[~~7~~];
- 2 (5) Two shall be representatives of local farmers' or
- 3 ranchers' associations, one each to be nominated by
- 4 the chairs of the house of representatives and senate
- 5 committees on agriculture; and
- 6 (6) [~~four~~] Two shall be appointed at-large.

7 The director of business, economic development, and tourism; the

8 chairperson of the board of agriculture; and the chairperson of

9 the board of land and natural resources, or their designated

10 representatives, shall be ex-officio, voting members of the

11 board. All members shall continue in office until their

12 respective successors have been appointed and qualified. The

13 board shall annually elect its chairperson from among its

14 members; provided that the chairperson shall not be an ex-

15 officio member.

16 (c) The members of the board shall serve without

17 compensation, but shall be reimbursed for actual expenses

18 incurred in the performance of their duties.

19 (d) The board shall appoint an executive director, who

20 shall serve at the pleasure of the board and shall be exempt



1 from chapter 76. The salary of the executive director shall be
2 set by the board.

3 (e) The board, through its executive director, may appoint
4 officers, agents, and employees; prescribe their duties and
5 qualifications; and fix their salaries, without regard to
6 chapter 76.

7 (f) Meetings of the board shall be subject to the
8 requirements set forth in part I of chapter 92."

9 SECTION 5. Section 163D-5, Hawaii Revised Statutes, is
10 amended by amending subsection (a) to read as follows:

11 "(a) The corporation shall prepare the Hawaii agribusiness
12 plan which shall define and establish goals, objectives,
13 policies, and priority guidelines for its agribusiness
14 development strategy. The plan shall include but not be limited
15 to:

16 (1) An inventory of agricultural lands with suitable
17 adequate water resources that are or will become
18 available due to the downsizing of the sugar and
19 pineapple industries that can be used to meet present
20 and future agricultural production needs;



- 1 (2) An inventory of agricultural infrastructure that will
2 be abandoned by sugar and pineapple industries such as
3 irrigation systems, drainage systems, processing
4 facilities, and other accessory facilities;
- 5 (3) An analysis of imported agricultural products and the
6 potential for increasing local production to replace
7 imported products in a manner that complements
8 existing local producers and increases Hawaii's
9 agricultural self-sufficiency;
- 10 (4) Alternatives in the establishment of sound financial
11 programs to promote the development of diversified
12 agriculture;
- 13 (5) Feasible strategies for the promotion, marketing, and
14 distribution of Hawaii agricultural products in local,
15 national, and international markets;
- 16 (6) Programs to promote and facilitate the absorbing of
17 displaced agricultural workers into alternative
18 agricultural enterprises;
- 19 (7) Strategies to insure the provision of adequate air and
20 surface transportation services and supporting
21 facilities to support the agricultural industry in



1 meeting local, national, and international market
2 needs;

3 (8) Proposals to improve the gathering of data and the
4 timely presentation of information on market demands
5 and trends that can be used to plan future harvests
6 and production; and

7 (9) Strategies for federal and state legislative actions
8 that will promote the development and enhancement of
9 Hawaii's agricultural industries~~[-]~~, and in particular
10 local food production."

11 SECTION 6. Section 163D-15.6, Hawaii Revised Statutes, is
12 amended to read as follows:

13 **"§163D-15.6 Commitment and preservation of agricultural**
14 **leases.** (a) The [~~agribusiness development~~] corporation shall
15 work toward obtaining commitments from landowners in the leeward
16 and central districts of Oahu that their agricultural leases
17 shall be for a duration of twenty or more years and shall not be
18 amended or revoked to allow for a nonagricultural use of the
19 land; provided that for lands in central Oahu acquired under Act
20 234, Session Laws of Hawaii 2008, the agricultural leases shall
21 be for no more than fifty-five years.



1 (b) To further ensure the preservation of agriculture in
2 the leeward and central districts of Oahu, the [~~agribusiness~~
3 ~~development~~] corporation shall monitor the agricultural leases
4 of lands using the water from the Waiahole water system. In the
5 event of any proposed amendment or revocation of any lease, the
6 corporation shall do all things within its powers under this
7 chapter to protect and defend the interests of the agricultural
8 leaseholders to ensure the continuation of agricultural use for
9 those lands.

10 (c) Beginning January 1, 2022, the department of
11 agriculture and corporation shall annually lease or license at
12 least fifty per cent of land eligible for lease or license or
13 lease or license renewal, to agricultural operations whose
14 primary business is food or crop production for local
15 consumption, or for purposes that support food or crop
16 production for local consumption."

17 SECTION 7. Chapter 141, Hawaii Revised Statutes, is
18 amended by adding a new section to be appropriately designated
19 and to read as follows:

20 "141- Reporting requirements; leased lands. (a) The
21 department of agriculture shall submit an annual report to the



1 legislature, and post the report on its website, no later than
2 twenty days prior to the convening of each regular session. The
3 report shall contain the following information regarding its
4 leased lands:

5 (1) The number of lots leased by size and island;

6 (2) The number of lots leased that contain protocols and
7 conditions supporting specialty farm products by
8 island;

9 (3) The number of vacant parcels and unoccupied parcels in
10 the leasing process by island, including the parcel
11 size, location, and date the parcel was last occupied
12 by a tenant; and

13 (4) A description of any lease sales or transfers by
14 lessees approved by the board of agriculture,
15 including:

16 (A) A description of the type of farm products
17 produced by the transferring lessee and the farm
18 products to be produced by the accepting lessee
19 on the leased lands; and



1 (B) The date and description of the transferring
2 lessee's last lease approved by the board of
3 agriculture."

4 SECTION 8. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 9. This Act shall take effect upon its approval.



Report Title:

Department of Agriculture; Agribusiness Development Corporation;
Diversified Agriculture; Leased Lands; Reporting Requirements;
Local Food Production; Enterprise

Description:

Requires the department of agriculture and agribusiness development corporation to annually lease at least fifty per cent of land leased or up for lease renewal to operations whose primary business is, or supports, local food production beginning 1/1/2022. Requires the department of agriculture and agribusiness development corporation to submit reports to the legislature on leasing activities. (SD1)

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