



State of Hawaii  
DEPARTMENT OF AGRICULTURE  
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**LATE TESTIMONY**

TESTIMONY OF RUSSELL KOKUBUN  
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEES ON AGRICULTURE AND ECONOMIC  
REVITALIZATION AND BUSINESS

February 3, 2011  
Room 312  
8:00 A.M.

HOUSE BILL NO. 2151  
RELATING TO AGRICULTURAL-BASED COMMERCIAL OPERATIONS

Chairpersons Tsuji and McKelvey and Members of the Committees:

Thank you for this opportunity to provide testimony on House Bill No. 2151 which proposes to amend references to roadside stands in Chapter 165, the Hawaii Right-to-Farm Law, and in Sections 205-2 and 4.5, the State Land Use Law with a three-tiered definition of agricultural-based commercial operations. The Department of Agriculture supports the intent of the bill but has some concerns.

The Department is agreeable to allowing roadside stands to sell agricultural products grown in Hawaii and value-added products produced using raw Hawaii agricultural materials, understanding that this would also require Department of Health (DOH) oversight. However, other proposed retail activities are more difficult to align with the Department's goal to perpetuate agriculture and therefore difficult to enforce compliance. Also, retail food establishments go beyond the purview of the Department of Agriculture and would necessitate the involvement of DOH.

Thank you for the opportunity to present testimony.





**LATE TESTIMONY**

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FEBRUARY 3, 2012

HEARING BEFORE THE  
HOUSE COMMITTEE ON AGRICULTURE  
HOUSE COMMITTEE ON ECONOMIC REVITALIZATION & BUSINESS

TESTIMONY ON HB 2151  
RELATING TO AGRICULTURAL-BASED COMMERCIAL OPERATIONS

Room 312  
8:00 AM

Chair Tsuji, Chair McKelvey and Members of the Committees:

I am Brian Miyamoto, Chief Operating Officer and Government Affairs Liaison for the Hawaii Farm Bureau Federation (HFBF). Organized since 1948, the HFBF is comprised of 1,800 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interest of our diverse agricultural community.

Hawaii Farm Bureau Federation supports with amendments HB 2151, clarifying requirements for farm stands and other farm related retail activities in the agricultural district.

Farm stands and other retail sales are significant revenue enhancing opportunities for our farmers and ranchers. The existing law has created some challenges for our existing farmers and ranchers who are conducting true farm stand operations in agricultural areas.

Many of our farmers have multiple lots on different TMKs. The existing law only allows the sale of "products grown on the premise". This limits the opportunity of the farm stand as if followed literally. They would not be able to sell all of the products they grow on all their different lots. At the same time, we have many "farm stands" selling product not grown in the County or Hawaii. We do not believe this is the intent of this amendment. Broadening the scope of the language to "raw Hawaii agricultural products" may be too broad, encouraging farm stands that are unrelated to actual agricultural activity. We therefore submit the following suggestions.

(13) Agricultural-based commercial operations, including:

- (A) An enclosed roadside stand or other structure where agricultural products and value-added products produced using agricultural materials grown in the County are displayed and sold;
- (B) Retail activities in a producer-operated enclosed structure where fresh agricultural products, value-added products produced using products made from agricultural materials grown in the County, logo items related to the County's agricultural operations, and other food items are offered for sale directly to consumers; and
- (C) Retail food establishments permitted under the rules of the department of health, title 11, chapter 12, Hawaii Administrative Rules, that prepare and serve food at retail using products grown on the premises and raw Hawaii agricultural products, and value-added products produced using Hawaii agricultural products; the final perishable product must be wholly or partially manufactured, processed, or produced within the County from raw materials that originate from inside or outside the County and at least fifty-one per cent of the wholesale value of the perishable consumer commodity are added by manufacture, processing, or production within the County.

The language in (c) is modified from the "Made in Hawaii" statute. We modified it to read "county" since it is our intent of this measure is to encourage farm and ranch viability within the county in which the farm stand is located and not to encourage sale of products solely from outside of the county.

Enforcement of these laws is usually the challenge and HFBF is especially concerned about unintended consequences of allowing other types of retail activities. We therefore suggest the following language that requires self-certification of goods sold and provides significant penalties for violation.

The owner of the farm or retail establishment shall certify that the products being displayed or sold can be evaluated to determine that the products were grown in the County and that information may be requested to verify that the agricultural product meets the minimum specifications under this Chapter. Under this provision, the producer(s) certifies under penalty of sanctions that the offered agricultural product meets the requirements of this chapter.

HFBF respectfully requests passage of this measure with the amendments as suggested. We strongly believe farm stands and other on farm retail opportunities will increase the viability of our farmers and ranchers but also realize there is great opportunity of abuse. We feel, however, with adequate self-certification requirements that do not overly burden the County of enforcement responsibilities, the intended goal of this measure can be accomplished without significant unintended consequences.

I can be reached at (808) 848-2074 if you have any questions. Thank you for the opportunity to testify.



**LATE TESTIMONY**

FEBRUARY 3, 2012

HEARING BEFORE THE  
HOUSE COMMITTEE ON AGRICULTURE  
HOUSE COMMITTEE ON ECONOMIC REVITALIZATION & BUSINESS

TESTIMONY ON HB 2151  
RELATING TO AGRICULTURAL-BASED COMMERCIAL OPERATIONS

Room 312  
8:00 AM

Chair Tsuji, Chair McKelvey and Members of the Committees:

Maui County Farm Bureau, representing over 200 commercial farm families and organizations on Maui **strongly supports with HFBF amendments, HB2151**, clarifying farm stands and other retail operations in the agricultural district.

We have a very successful farm stand operation in Upcountry Maui. The farmer grows strawberries, onions, cabbage, pumpkins, sweet corn and other vegetables. His farmstand located across Rice Park is popular with local residents and tourists. During the fall, his pumpkin patch is a favorite spot for locals. He helps area farmers by marketing their produce so they don't have to have their own farmstands.



Overlooking the Central Valley and other agricultural areas, visitors get to appreciate Maui's agricultural diversity. Yet he has a problem.

The farmstand is located on one of his farms. However, he also farms in two other locations that are located in different elevations allowing him to grow strawberries year round significantly providing a popular fruit that has traditionally been imported. We do not believe the law intended to make operations such as this illegal. This measure will recognize this one farmer-multiple farm situation. This situation is not uncommon across the state and will help with farm and ranch viability.

At the same time, we believe the measure is intended to help expand agriculture in each County and not provide a loophole for non-agricultural entities to take advantage of this provision. Therefore, we are in strong support of the HFBF amendments including the requirement for self certification.

Thank you for this opportunity to comment on this important matter.

**LATE TESTIMONY**

Testimony of  
**Kylie Matsuda**  
Managing Director  
Kahuku Farms

on

**H.B. 2151**

**Relating to Agricultural-based Commercial Operations**

House Committee on Agriculture  
House Committee on Economic Revitalization & Business

Friday, February 3, 2012

8:00 a.m.

Conference Room 312

Kahuku Farms, Matsuda-Fukuyama Farms, and Kahuku Farmers strongly supports H.B. 2151, which will allow agricultural-based commercial operations on agricultural lands. These entities are owned and managed by the Matsuda and Fukuyama families.

Together, our farms operate on more than 300 acres located in Kahuku, Kawaihoa, and Haleiwa. We employ about 40 people from the community and specialize in growing long eggplant, luau leaf, papayas, apple bananas, and have recently ventured into growing vanilla, cacao, lilikoi, mangos, and many other tropical fruit crops. We are food safety certified and have also invested in a certified commercial kitchen at our farm in Kahuku.

Our produce is sold at farmer's markets, super market chains and to wholesalers here in Hawaii. We also produce value added products in our farm commercial kitchen such as Lilikoi Jelly, Mango Tea, Pineapple Papaya Jam, and promote them at the Farmers' Markets at Kapiolani Community College, Waialua, and the Royal Hawaiian Shopping Center.

However, our primary retail market for our value added products are sold at our farm Country Store in Kahuku. People from all around the community have come to enjoy our fresh produce, long eggplant panini sandwiches, papaya and banana smoothies, lilikoi sorbet, vanilla ice cream, and grilled banana bread all created from fresh ingredients grown on the farm.

My dad, Melvin Matsuda, myself, and over a hundred other leaders in agriculture have had an amazing opportunity to be a part of The Agricultural Leadership Program Of Hawaii. This program has enlightened and engaged us to other ways of farming in Hawaii and abroad. Marketing, land, water, labor, housing, energy, natural resources, strategic planning, and agri-tourism are some of the topics that we explored. It is through this leadership program that we have learned to think out of the box.

In 2005, Kahuku Farms was born because we felt the desire to open our farm to the public to educate all who were interested in learning about what it is we do as farmers and where their food comes from.

H.B. 2151, will help to make it easier for agricultural operators to start commercial operations providing another direct sales outlet for their agricultural products. The current law allows roadside stands to sell products only grown on their premises and is limited to 500 square feet. With this regulation, we are prohibited to sell products from our other farm sites in Haleiwa and Kawaihoa because it is not grown at our farm in Kahuku. My grandfather is a second generation cattle rancher from Mokuleia. It would be great to promote my grandpa's grass fed beef at our country store.

We have invested heavily in our retail store in Kahuku and have experienced that current regulations make it extremely difficult to turn a profit. Our agri-tourism venture which started over 6 years ago has suffered extreme financial challenges and the permitting process and regulations had delayed our opening for a very long time. We have exhausted our financial budget and are asking you to help us through this new and exciting agricultural evolution.

H.B. 2151 will allow agricultural operators to expand the market for their products, increase their profits and sustain their agricultural operations.

Thank you very much for allowing me to present this testimony.



Kylie Matsuda  
Managing Director, Kahuku Farms