



OFFICE OF PLANNING STATE OF HAWAII

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Ref. No. P-15759

September 28, 2017

To: Daniel Orodener, Executive Officer
State Land Use Commission

From: *Dr.* Leo R. Asuncion, Director *Leo Asuncion*

Subject: DR17-59 Petition for Declaratory Order to
Designate Important Agricultural Lands
Petitioner: Monsanto Company
Location: Kunia, Oahu, Hawaii
Petition Area: Approximately 1,550 acres

2017 SEP 29 A 7:34
LAND USE COMMISSION
STATE OF HAWAII

The Office of Planning (OP) appreciates Monsanto Company's (Petitioner) voluntary participation in the process for the designation of important agricultural lands (IAL). The designation of the most productive agricultural lands in Hawaii will help to realize the goals of sustainability and food security for the State of Hawaii.

Having reviewed the Petition and evaluated all available information pursuant to applicable IAL law, OP recommends that the Land Use Commission (Commission) approve the designation of all 1,550 acres in the Petition Area as IAL. The following is provided in support of this recommendation.

Applicable Law. The State law for IAL is found at Hawaii Revised Statutes (HRS) §§ 205-41 through 205-44. Lands being considered for IAL designation must meet the definition of IAL pursuant to HRS § 205-42(a), which provides that IAL lands:

- (1) Are capable of producing sustained high agricultural yields when treated and managed according to accepted farming methods and technology;
- (2) Contribute to the State's economic base and produce agricultural commodities for export or local consumption; or
- (3) Are needed to promote the expansion of agricultural activities and income for the future, even if currently not in production.

HRS § 205-44(c) lists eight standards and criteria for the identification of IAL which were assessed as part of OP's review. OP recognizes that lands identified as IAL need not meet every standard and criteria listed, but that "the designation of important agricultural lands shall

be made by weighing the standards and criteria with each other to meet the constitutionally mandated purposes in article XI, section 3, of the Hawaii Constitution and the objectives, policies, standards, and criteria for important agricultural lands in sections 205-42 and 205-43.” HRS § 205-44(a).

Summary of key elements of the Petition. The Petitioner is requesting that the LUC issue a declaratory order designating 1,550 acres of land at Kunia, Oahu (Petition Area) as IAL. *See* OP Exhibit 1. The Petitioner represents that if the Petition is approved, it is waiving all rights to any credits that may be earned under HRS § 205-45(h). Also, if this Petition is approved by the Commission, the Petition Area would constitute a voluntary designation of a majority of all of Petitioner’s land holdings within the State Agricultural District, such that further involuntary IAL designation of Petitioner’s land holdings would be precluded, as provided for in HRS § 205-49(a)(3)¹. Table 1 below describes the Petitioner’s approximate land holdings on Oahu, and the majority percentage sought for IAL designation.

TABLE 1			
	Petitioner’s Land Holdings	Proposed for IAL	% IAL
Oahu	2,151 acres	1,550 acres	72%

Basis of review and comments. OP’s review is based on the Petition, Petition exhibits, public data available on the proposed lands, and information gathered at the site visit for the Commission held on September 22, 2017.

Assessment of Petition lands. The following assesses the proposed IAL areas relative to the eight standards and criteria for the identification of IAL established in HRS § 205-44(c).

1. HRS §205-44(c)(1) - Land currently used for agricultural production. The Petition Area meets this criterion. According to the Petitioner, all of the Petition Area is currently in active agricultural production. Table 2 below summarizes the current uses as provided by the Petition.

¹ HRS § 205-49(a)(3) states in part, “...if the majority of landowners’ landholdings is already designated as important agricultural lands, excluding lands held in the conservation district, pursuant to section 205-45 or any other provision of this part, the commission shall not designate any additional lands of that landowner as important agricultural lands except by a petition pursuant to section 205-45.”

TABLE 2		
Agricultural Use	Acres	Percent
Crop Production	1,158	75%
Cattle Ranching	276	18%
Other (agricultural infrastructure, soil conservation, gulch)	116	7%
Total:	1,550	

Crop production is on a year-round basis with 95% of the fields planted with seed corn and the remaining 5% planted in soybeans. Approximately one-third of the fields in the Petition Area is planted at any given time. During the period between seed corn or soybean production, the fields are planted with cover crops for conservation and crop rotation purposes. Currently, the cover crops used are a combination of sunflowers, sunn hemp (legume), mustards, buckwheat, flax, clover, guar, and spring lentils. According to Monsanto representatives at the site visit held for the Commission on September 22, 2017, the seed corn produced from the Petition Area is exported.

On portions of the Petition Area that are either too steep or otherwise unsuitable for row planted agricultural production, Petitioner leases these areas to two tenants for cattle ranching operations. One tenant, H.E. Bud Gibson, doing business as "Rocker G. Livestock" leases approximately 134 acres of the Petition Area for cattle grazing. Depending on weather and other conditions, Mr. Gibson grazes cattle for anywhere between three to six months per year and has approximately 70 cattle on the Petition Area at a given time. The other tenant, Circle "C" Ranch & Hay Co., Inc. and dB Cattle Inc., has a year-round cattle ranching operation on approximately 142 acres of the Petition Area. This operation has approximately 40 cattle on Petition Area at a given time.

The balance of the Petition Area consists of water infrastructure, roads, soil conservation measures, and gulch land.

The Petition Area has been in agricultural production since the late nineteenth century, including sugarcane from 1889 to 1995, and pineapple and vegetables from the mid-1990s to 2007. Since 2007, the Petition Area has been used as described above.

2. HRS §205-44(c)(2) - Land with soil qualities and growing conditions that support agricultural production of food, fiber, or fuel- and energy-producing crops. The Petition Area meets this criterion. Based on the Land Study Bureau (LSB) ratings, the soil productivity ratings of the Petition Area are generally favorable for agricultural production with about 75% rated "very good" or "good". Approximately 23% is rated "fair", "poor",

but mostly “very poor”. Table 3 below summarizes the productivity ratings of the Petition Area.

TABLE 3		
Productivity Rating	Total IAL	
	Acres	% of IAL
A (Very good)	849	54.7%
B (Good)	328	21.2%
C (Fair)	22	1.4%
D (Poor)	42	2.7%
E (Very Poor)	297	19.2%
Unclassified	12	0.8%
Total:	1,550	100%

OP Exhibit 2 illustrates the LSB ratings across the Petition Area. The lower quality rated lands are generally consistent with steeper land slope ratings. OP’s Exhibit 3 illustrates the land slope associated with the Petition Area. Of the 1,550-acre Petition Area, 188 acres, or 12%, is at a slope gradient equal to or greater than 20%. Steep slope gradients typically hinder machinery and labor operations due to geographic features such as ravines, gulches and steep terrain as well as soil quality. Most of the very steep gradients -- 40, 60 and 80% slopes -- are within the central portion of the Petition Area, adjacent to Honouliuli Gulch, which is carved out and excluded from the Petition Area.

3. HRS §205-44(c)(3), Land identified under agricultural productivity rating systems, such as the agricultural lands of importance to the State of Hawaii (ALISH) system adopted by the board of agriculture on January 28, 1977. The Petition Area meets this criterion. The table below summarizes the ALISH system classifications for the Petition Area. The majority of the property of 68.7%, is rated Prime, and 20.5% is rated as “Other” Important Agricultural Lands. The remaining 10.7% lands “Not in ALISH” includes essential elements for active agricultural operations, such as streams and drainage ways, water system infrastructure, roadways, and areas for soil conservation.

TABLE 4		
ALISH Rating	Acres	% of IAL
Prime	1,064	68.7%
Unique	2	0.1%
Other	318	20.5%
Not in ALISH	166	10.7%
Total:	1,550	100%

4. HRS §205-44(c)(4), Land types associated with traditional native Hawaiian agricultural uses, such as taro cultivation, or unique agricultural crops and uses, such as coffee, vineyards, aquaculture, and energy production. The Petition Area does not meet this criterion. Although the Petition Area has been in active crop production both under Petitioner's ownership and prior ownership since 1897, the Petition lands are not considered unique agricultural lands under this criterion. The Petition Area has not been associated with traditional native Hawaiian agricultural uses or unique agricultural crops and uses.
5. HRS §205-44(c)(5), Land with sufficient quantities of water to support viable agricultural production. The Petition Area meets this criterion. The majority of the Petition Area is irrigated by a plantation-era onsite irrigation system. Petitioner has a water use permit (WUP No. 828), issued in 2007 by the State Commission on Water Resource Management, that allows withdrawal of 2.636 million gallons per day (mgd) of water on a twelve month moving average basis. Based on available data, for the past four years, Petitioner's water usage has been consistently within the WUP allowance, ranging from 1.8 to 2.2 mgd.

The Petition Area is also naturally irrigated by rainfall. The Petition Area receives a mean annual rainfall of approximately 25 to 34 inches of rain according to the Rainfall Atlas of Hawaii. The portion of the Petition Area used for cattle ranching is not irrigated but weather dependent, and therefore ranching occurs there only three to six months per year. The portion of the Petition Area used for cattle ranching can be provided water through the Waiahole Ditch System under Petitioner's WUP No. 828.

According to the City and County of Honolulu's (C&C) IAL Study determination process, the portion of the Petition Area identified as Tax Map Key No. 9-2-004-009 was identified as without sufficient quantities of water. However, the Petition states that this tax parcel is included within WUP NO. 828, and most of this tax parcel is in fact irrigated and in active cultivation. Again, the portion of this tax parcel that is too steep for crop production is used for cattle grazing.

6. HRS §205-44(c)(6), Land whose designation as important agricultural lands is consistent with general, development, and community plans of the county. The Petition Area meets this criterion. The Petition Area is appropriately and entirely within the State Land Use Agricultural District, and is consistent with the C&C's General Plan. The majority of the Petition Area is located in the Ewa Development Plan (2013), with the northern, remainder portion located in the Central Oahu Sustainable Communities Plan (2012). All of the Petition Area is located outside of the Community Growth Boundaries of both Plans. All of the Petition Area is zoned AG-1 under the C&C's Land Use Ordinance.

Through the C&C's IAL Land Study, the City proposed that all of Petitioner's land, including both the Petition Area and the Petitioner's remainder land, be designated as IAL. Petitioner participated in the C&C's process and indicated to the City that it did not believe that all of Petitioner's Kunia Land should be designated as IAL.

7. HRS §205-44(c)(7), Land that contributes to maintaining a critical land mass important to agricultural operating productivity. The Petition Area appears to meet this criterion. The Petition Area is generally contiguous over 1,550 acres as a seemingly self-sufficient operation. Petitioner indicated that approximately 75% of the land is currently in crop production, 18% for intermittent cattle grazing, and 7% for "other" that includes agricultural infrastructure, soil conservation, and gulches.
8. HRS §205-44(c)(8), Land with or near support infrastructure conducive to agricultural productivity, such as transportation to markets, water, or power. The Petition Area meets this criterion with respect to the ongoing availability of water for irrigation and applicable utilities. Kunia Road is the major adjacent access way with proximity to roads, major markets and harbors.

Summary and Recommendation

Based on the above analysis that includes review of all available information and Petitioner's representations, and weighing the IAL standards and criteria, OP recommends that the Commission approve Petitioner's proposed IAL in its entirety. OP further recommends that a condition of approval be imposed waiving any and all rights to credits under HRS § 205-45(h), as represented by the Petitioner.

Particular areas of the Petition Area are considered less productive agricultural lands due to steep land slopes over 20% consisting of ravines and gulches (OP Exhibit 2) and areas of poor soil qualities as indicated by ALISH and LSB (Tables 2 and 3). However, based on the presence of active crop production and cattle ranching, as well as the Petitioner's representations that sufficient water supplies are available, OP believes the Property sufficiently meets most of the IAL criteria. Also, consistent with the meaning of "IAL" under HRS § 205-42(a)(2), the Petitioner's current active crop production produces agricultural commodities for export and therefore contributes to the State's economic base.

The Petition Area constitutes approximately 72% of the all the land owned by the Petitioner that lies within the State Agricultural Land Use District. Thus, under HRS § 205-49(a)(3), the Commission is barred from designating any additional land owned by the Petitioner that may be identified by the C&C for designation as IAL under Section 205-49, HRS. See Table 1 above for a summary of the Petitioner's land holdings.


Mr. Daniel Orodener
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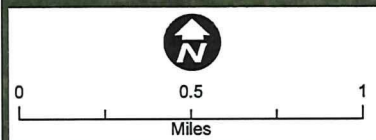
Thank you for the opportunity to comment on the Petition. If you have any questions, please contact Rodney Funakoshi of our Land Use Division at 587-2885.

Exhibits

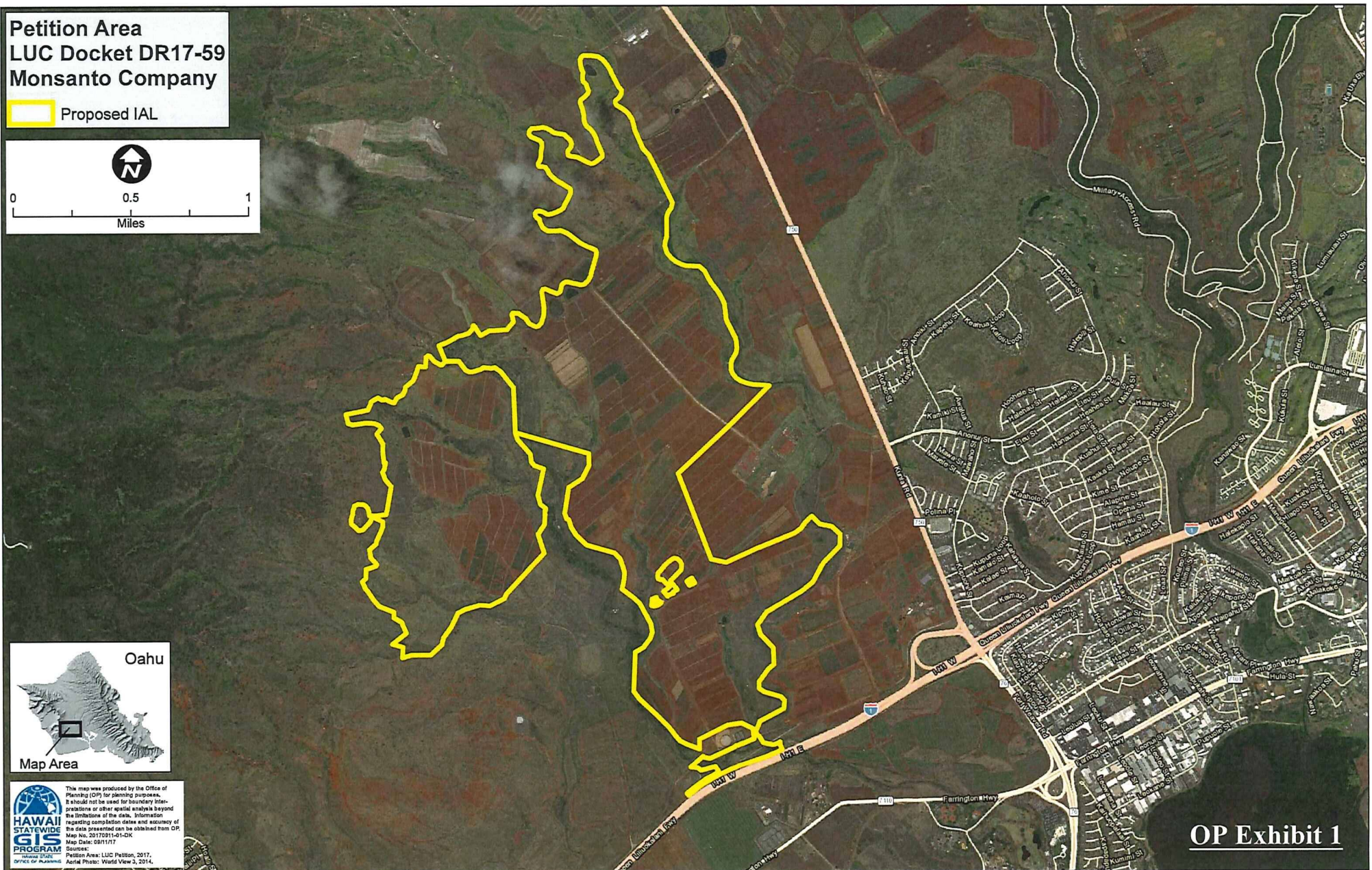
cc: Department of Agriculture
Department of Planning and Permitting, City and County of Honolulu

**Petition Area
LUC Docket DR17-59
Monsanto Company**

 Proposed IAL





This map was produced by the Office of Planning (OP) for planning purposes. It should not be used for boundary interpretations or other spatial analysis beyond the limitations of the data. Information regarding compilation date and accuracy of the data presented can be obtained from OP.
Map No. 20170911-01-DK
Map Date: 09/11/17
Sources:
Petition Area: LUC Petition, 2017,
Aerial Photo: World View 3, 2014.

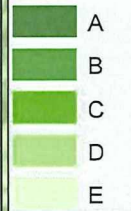


OP Exhibit 1

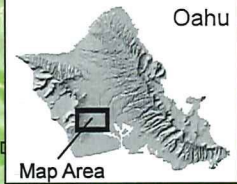
**Petition Area
LUC Docket DR17-59
Monsanto Company**

 Proposed IAL

LSB Class



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**HAWAII
STATEWIDE
GIS
PROGRAM**
HAWAII STATE
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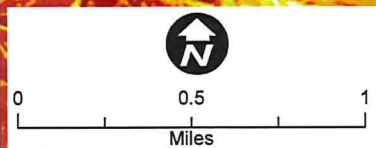
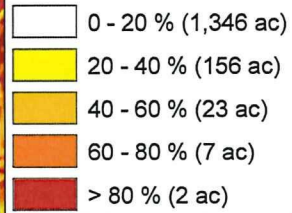
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Map No. 20170911-02-DK
Map Date: 09/11/17
Sources:
Petition Area: LUC Petition, 2017.
LSB: Land Study Bureau, 1972.

OP Exhibit 2

**Petition Area
LUC Docket DR17-59
Monsanto Company**

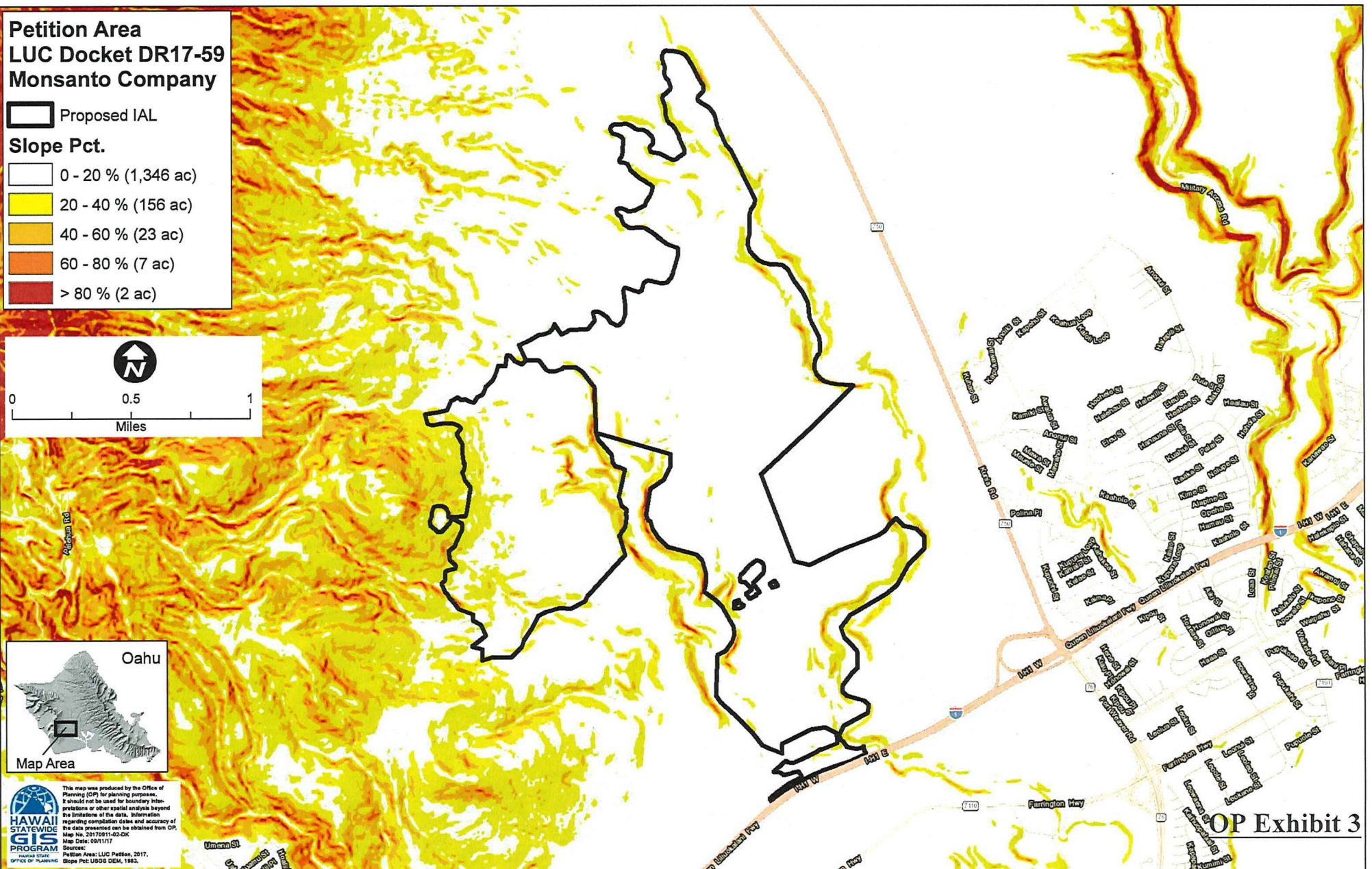
 Proposed IAL

Slope Pct.



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Map Date: 09/11/17
Sources:
Petition Area: LUC Petition, 2017.
Slope Pct: USGS DEM, 1983.

HAWAII STATEWIDE GIS PROGRAM
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OP Exhibit 3