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PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

August 3, 2018

Mr. Daniel Orodener
Executive Officer
Land Use Commission
235 South Beretania Street
Suite 406
Honolulu, Hawaii 96813

Dear Mr. Orodener:

Subject: Petition for Declaratory Order to Designate Important Agricultural Lands
Docket No. DR18-62
Kualoa Ranch, Inc.
TMK: 4-9-02: por. 1; 4-9-04: por. 2; 4-9-05: por 1; 5-1-01: por. 1; 5-1-01:
por. 16; 5-1-01: 25; 5-1-04: por 1; and 5-1-07: por. 1
761.55 acres Kualoa, Oahu

Thank you for this opportunity to comment on this important petition. The Department of Agriculture (DOA) expresses its appreciation to the petitioner for seeking Important Agricultural Land (IAL) designation for 761.55 acres of their agricultural lands in Kualoa.

We note that the petitioner is not seeking a reclassification of land pursuant to Section 205-45(b), Hawaii Revised Statutes (HRS), in conjunction with this petition to designate IAL (Petition, p. 22). The petitioner is also voluntarily waiving all rights to claim any credits pursuant to Section 205-45(h), HRS (Petition, p. 22).

This is the sixth submitted IAL petition involving agricultural lands on the island of Oahu and the fifteenth IAL petition submitted statewide. Over 133,000 acres of agricultural land has been designated as IAL by the Land Use Commission since 2009.

In summary, the Department supports the petitioner's request for IAL designation, however we do have a concern about the potential impact of a proposed increase in visitors and activities on the agricultural operations within the proposed IAL. We



understand that the petitioner has applied to amend their existing Special Use (85/SUP-2) and Conditional Use (85/CUP-15) permits. If approved, this may result in more visitors to the Ranch and usage of all-terrain-vehicles (ATV) throughout the Hakipuu, Kualoa, and Kaaawa Valley areas.

In the following, we are responding to the petitioner's statements as to how the petitioned lands meet the eight criteria used for identifying potential IAL (Section 205-44, HRS).

1. Land currently used for agricultural production. (Petition, p. 6-9)

According to the petition, the entire 761.55-acre petitioned area is currently in agricultural use or historically has been used for agricultural purposes. Presently, 740 acres is being grazed by about 500 head of cattle (300 mother cows, 200 calves) that are finished on grass, slaughtered, processed, and sold for local consumption. About 18 acres are in orchards (fruit, coffee, macadamia nut, and cacao), taro, pineapple, sugarcane, and an expanding piggery, and about 4 acres are in aquaculture.

DOA staff did additional research and discovered that, with the exception of 9.4 acres along the northwestern wall of Kaaawa Valley, the petitioned area is entirely dedicated to agricultural use pursuant to Section 8-7.3, Dedication of Lands for Agricultural Use, Revised Ordinances of Honolulu. The dedications come up for renewal in 2023. DOA uses dedication status as an indicator of current agricultural use. Furthermore, the 2015 Statewide Agricultural Land Use Baseline (Oahu Crop Summary, page 55) confirms pasture use in Kaaawa Valley, the sliver of land adjacent to Ka`o`io Point, the Kualoa plain, and the lands up to the mauka terminus of Hakipuu valley.

The pasturing of cattle is managed using intensive rotational grazing that reduces overgrazing and optimizes grass growth. The piggery is under roof and uses a Korean Natural Farming inoculated dry litter bed to accommodate composting of the manure. DOA staff met with the petitioner on May 16th and was informed that the goal is to market 500 pigs per year, along with sheep and chickens.

We were also informed by the petitioner during the May 16th meeting that the existing Special Use Permit (85/SUP-2) and Conditional Use Permit (85/CUP-15) and the visitor-oriented activities that occur within the Hakipuu, Kualoa, and Kaaawa Valley areas do not affect the cattle operation. During the site visit of June 28, 2016, DOA staff did see single-passenger ATVs operating on the main Kaaawa Valley road.

We note that about one-third (255 acres) of the petition area has slopes greater than 25 percent. DOA does not question the utility of the portions of the property in excess of 25 percent for grazing as staff did see cattle along the steep inclines along Kaaawa Valley's southeastern walls during the site visit of June 28, 2018. These steep areas are to "...promote land stewardship, soil conservation and cohesion and continuity of agricultural uses." (Petition, p. 8) The petition goes on to state that "[t]hese areas also maintain a critical land mass that is essential to the overall agricultural operation productivity and contribute toward maintaining a continuous IAL area adjacent to the Conservation District." We point out that maintaining a continuous IAL area adjacent to the Conservation District is not a consideration of the eight IAL identification criteria.

The petition states that the petitioner's agricultural operations are sustained "...through accessory uses that are consistent with HRS Section 205-2(d)(11) and the Honolulu Land Use Ordinance and that preserve, protect and enhance Hawaii's natural beauty and culture and promote Hawaii's natural environment, agriculture and rich natural history." (Petition, p. 8) DOA believes that the reference to "accessory uses" may be the activities and uses permitted by and related to the existing Special Use Permit (85/SUP-2) and Conditional Use Permit (85/CUP-15). As we mentioned on the second page of this letter, the petitioner is seeking to amend both permits to allow, among other things, an increase in the number of daily visitors and the usage of ATVs. Section 205-2(d)(11) refers to "Agricultural tourism conducted on a working farm, or a farming operation as defined in section 165-2, for the enjoyment, education, or involvement of visitors; provided that the agricultural tourism activity is accessory and secondary to the principal agricultural use and does not interfere with surrounding farm operations; and provided further that this paragraph shall apply only to a county that has adopted ordinances regulating agricultural tourism under section 205-5;" It is our understanding that the City has not adopted ordinances regulating agricultural tourism, therefore the petition may be technically incorrect in stating that the "accessory uses...are consistent with HRS Section 205-2(d)(11)..."

The petition did not indicate that there would be a change in the number of head in the cattle operation in the future.

DOA position on Criterion 1: This criterion is satisfactorily met; however, we are concerned about the impact of the increased number of visitors and usage of ATVs on existing and proposed agricultural activities within the Hakipuu, Kualoa, and Kaaawa Valley areas.

2. Land with soil qualities and growing conditions that support agricultural production for food, fiber or fuel and energy-producing crops. (Petition, p. 9-10)

70.1% (534 acres) of the 761.55 acres in the petition area have a Land Study Bureau (LSB) Overall Productivity Rating of "E". There are 20 acres of "B", 145 acres of "C", and 62 acres of "D" (See Petition, Exhibit D, Figure 4, Detailed Land Classification System). There are no "A" rated soils. DOA staff looked into the LSB Land Types found in the petition area and found that most of the "E" rated soils which occupy the higher sloped areas have fair crop productivity ratings for grazing. The floor of Kaaawa Valley to the makai boundary of the petitioned area has fair to good productivity potential for most crops. (Oahu, LSB maps 74, 75, 89, 90)

The petition quotes from the LSB report for Oahu that "farmers or ranchers are better informed than others regarding the agricultural quality of the lands they operate for the uses to which the lands are presently being used." We were not able to confirm the location of this quote in the "Island of Oahu, LSB Bulletin No. 11" (December 1972).

DOA position on Criterion 2: This criterion is satisfactorily met.

3. Lands 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. (Petition, p. 10)

The ALISH footprint (Petition, Exhibit D, Figure 5, Agricultural Lands of Importance to the State of Hawaii (ALISH)) is more inclusive of lower rated LSB soils ("D" and "E") than what DOA staff usually sees. Given the fact that the primary use of the petitioned area is unirrigated pasture for cattle, the dissimilarity between ALISH and LSB is not a concern for DOA. 83% of the petitioned lands are classified as ALISH "Prime" (157 acres) and "Other Important" (479 acres). Only 16% is not classified according to ALISH.

DOA position on Criterion 3: This criterion is satisfactorily met.

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. (Petition, p. 12)

Petition states there was taro cultivation in Hakipuu Valley. There was sugarcane cultivation in Kualoa from 1863 to 1871, followed by cattle ranching. Pineapple was grown in the early 1900's. From the 1970's to the present, crop cultivation includes vegetables, fruits, tropical plants, flower and nursery plants. The petition lists "unique" crops, however only taro (wetland variety) qualifies as Unique. There is one aquaculture facility (shrimp, prawns, catfish, tilapia) within the northern makai tip of Kaaawa valley (Petition, p. 13 and Exhibit D, Figure 2, Agricultural Areas).

DOA position on Criterion 4: This criterion is satisfactorily met from the perspective of historical crops and what appears to be existing small-scale taro cultivation.

5. Lands with sufficient quantities of water to support viable agricultural production. (Petition, p. 13-14)

The petition states there is sufficient water supply to support "viable" agricultural production. Irrigation needs within Kaaawa Valley are met by Board of Water Supply sources at agricultural water rates. There are also two existing wells (one on standby) in the valley with a third well planned for future agricultural needs. Hakipuu water is sourced from a stream and stored in a tank for distribution to and use by livestock. There is no discussion of irrigation water needs of the diversified agricultural area of the northern makai corner of Kaaawa valley.

The mean annual rainfall of 51 (makai) to 78 inches (mauka) and its distribution appears sufficient to maintain pasture grasses.

DOA position on Criterion 5: This criterion is satisfactorily met.

6. Land whose designation as Important Agricultural Land is consistent with general, development, and community plans of the County. (Petition, p. 15-20)

The petitioned area is entirely within the State Agricultural District. The petition states that "Current uses on the Property are consistent with the uses permitted within the State Agricultural District." (Petition, p. 15) In the prior paragraph, the following activities and uses that are permitted on Agricultural District land are listed - agricultural tourism and open area recreation facilities. On page 3 of this letter, we explained why the reference to agricultural tourism may be technically incorrect.

The area is split between the Koolauloa and Koolaupoko Sustainable Communities Plans. Both plans designate their respective portions of the petitioned area as agriculture. The Koolaupoko plan also designates two feeder streams and Kaaawa stream in Kaaawa Valley as Preservation.

With respect to the City's identification of potential IAL, we compared the mapped footprints of the petitioned area to the City's potential IAL and found that there is more consistency than inconsistency (Petition, Exhibit D, Figure 12, City and County of Honolulu Important Agricultural Lands Overlay). As for the areas that the petitioner has excluded from their petition but is included in the City's potential IAL map, we believe it is the petitioner's prerogative to do so pursuant to Section 205-45 (petition by farmer or landowner). As for the inclusion of lands that were not identified as potential IAL by the City but are included in the petitioned area (Hakipuu), we generally concur with the assertion in the petition that the petitioner has full familiarity with its lands and its utility. Also, the use of these lands for cattle grazing according to the 2015 Statewide Agricultural Land Use Baseline (see reference on page 2 of this letter) would lend support to IAL designation. Further, DOA staff did see cattle in the lower Hakipuu section during the site visit of June 28, 2018.

DOA position on Criterion 6: This criterion is satisfactorily met.

7. Land that contributes to maintaining a critical land mass important to agricultural operating productivity. (Petition, p. 20-21)

The Petition cites the long history of agricultural activity in the petitioned area as the reason for meeting this criterion. The Kualoa area has an agricultural use history of over 150 years and the Ranch continues to utilize and maintain their lands from Hakipuu Valley to Makaua Gulch as a stand-alone economic unit that appears to be separate from adjacent land uses along either side of their property.

DOA position on Criterion 7: This criterion is satisfactorily met.

8. Land with or near support infrastructure conducive to agricultural productivity, such as transportation to markets, water, or power. (Petition, p. 21)

Existing infrastructure includes groundwater wells (and a proposed well), a water tank, streams, composting facility and internal roadways. Kamehameha Highway is the major thoroughfare. Other infrastructure includes aquaculture ponds, fixed and electric

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fencing, gates, berms and windbreaks. DOA staff also noticed cattle corrals, chutes, and pig pens during the June 28, 2018 site visit.

DOA position on Criterion 8: This criterion is satisfactorily met.


Overall Comments and Recommendations:

The Department supports the petitioner's request for IAL designation of 761.55 acres of agricultural land in the Hakipuu Valley, Kualoa, and Kaaawa Valley areas. These areas possess characteristics that meet all 8 of the IAL identification criteria.

We believe this is the first petition for IAL designation that involves activities that are linked to an existing Special Use Permit. We are concerned about the potential impact of an increase in the number of visitors and activities on the agricultural operations within the proposed IAL. However, we recognize that the petitioner has successfully integrated their agricultural activities and their existing Special Use Permit activities to date.

Should you have any questions, please contact Earl Yamamoto at 973-9466, or email at earl.j.yamamoto@hawaii.gov.

Sincerely,



Scott E. Enright, Chairperson
Board of Agriculture

c: Mr. Leo Asuncion, Director, Office of Planning
Ms. Kathy K. Sokugawa, Acting Director,
City Department of Planning and Permitting
Ms. Dawn Apuna, Deputy Attorney General