

**Testimony of the Chairperson
of the Department of Land and Natural Resources
State of Hawaii**

**Before the U.S. Department of Agriculture
2005 Farm Bill Listening Tour**

Kona, Hawaii

November 12, 2005

Regarding "Achievement of Conservation and Environmental Goals"

Thank you for the opportunity to present testimony for the 2005 Farm Bill Listening Tour. My name is Robert Masuda, Deputy Director for the Department of Land and Natural Resources and I am presenting testimony on behalf of its Chairperson, Peter T. Young.

The Department of Land and Natural Resources is the state agency charged with protecting and managing Hawaii's unique natural and cultural resources. The Department oversees 1.2 million acres of state lands, 650,000 acres of forest reserve, 110,000 acres of natural area reserves 410,000 acres of coral reef - 80% of all coral reefs in the nation, 10 marine life conservation districts, and 160,000 acres of agricultural lands. The Department also regulates activities on approximately 2,000,000 acres of conservation district lands throughout the State and water use in 376 streams. My comments will be primarily focused on the value, importance and improvement of the Conservation Programs of the Farm Bill and how farm policy can best achieve conservation and environmental goals.

Opportunities for Agriculture Conservation Programs in Hawaii

The conservation programs in the Farm bill provide tremendous benefits to the nation's environment, wildlife resources and agricultural and rural economies. Of anywhere in the nation, Hawaii has unique opportunities to apply the agriculture conservation programs to address urgent, nationally important conservation needs to restore endangered species, protect the largest expanse of coral reefs in the nation, control invasive species, protect our agricultural production and enhance water quality.

Hawaii has the regrettable distinction of being the endangered species capital of the world with 317 federally listed threatened or endangered species: 3 mammals, 32 birds, 4 reptiles, 5 invertebrates, and 273 plants. Many of these species are found on agricultural lands and private landowners have an important role in preserving them. For example, the endangered Hawaiian goose - the nene, Hawaiian duck, and Hawaiian stilt use wetlands, riparian areas and pasture lands such as on Umi Koa Ranch and Ulupalakua Ranch on Hawaii and Maui. Agricultural lands also support populations of endangered plants.

Funding farm bill conservation programs such as Wildlife Habitat Incentive Program (WHIP), Environmental Quality Incentives Program (EQIP), Conservation Reserve Program (CRP and CREP) that cost share farmers and ranchers efforts to protect and maintain wetlands, remove

weeds and replant native vegetation in wetlands, riparian buffer zones, and degraded upper elevation pastures will help restore native habitat and native and endangered species here in Hawaii. Continuing policy and programs that encourage effective partnerships with landowners and provide stewardship incentives restores endangered species and advance conservation goals.

Protection and preservation of coral reefs and ocean resources is of paramount concern in the State of Hawaii. Farm bill programs of WHIP, CRP, CREP, EQIP support private landowner conservation activities such as reforesting riparian buffers, protecting and restoring wetlands, reforesting native hardwood forest in high priority watersheds. These actions improve water quality and quantity, filter polluted runoff out of streams, help regulate runoff to streams, recharge aquifers and protect and benefit coral reefs by decreasing sediment and nutrient flow that can bury reefs smothering them to death.

Hawaii also faces another threat, the scourge of countless invasive species that take over habitat, displacing, predating, or out-competing native wildlife. Hawaii has over 5,000 introduced non-native species and over 500 harmful invasive species. Over 100 nonnative organisms become established on the islands every year. These pests range from the fruit flies that prevent the export of Hawaiian fruits to Californian and Japanese markets to tire-puncturing long thorn kiawe (*Prosopis juliflora*) that degrades range and recreation lands. We are fighting the import of the red-imported fire ant and are engaged in a battle right now, on this island, with Miconia, an invasive tree species that threatens the forest habitat of many of Hawaii's 317 federally listed endangered species and affect agricultural production. Farm bill programs of CREP and EQIP have the potential to support control of weeds and invasive species on thousands of acres in Hawaii.

The State of Hawaii is in the process of negotiating a Conservation Reserve Enhancement Program (CREP) to enroll 20,000-30,000 acres of marginal pastureland and farmland into riparian buffer, wetlands and native hardwood forest in high priority watersheds. This would enhance water quality and quantity by restoring native vegetation to filter polluted runoff, help regulate runoff to streams, recharge aquifers and protect and benefit coral reefs by decreasing sediment and nutrient flow that can bury reef smothering it to death. Threatened and endangered species would benefit by establishment of native riparian, wetland and forest habitats on up to 30,000 acres, a sizeable percentage of the land area in a small island state.

Making Agriculture Conservation Programs More Effective in Hawaii

In Hawaii, we have learned that private landowners are willing and can help us achieve common societal conservation goals. Hawaii has some highly successful state and federally funded watershed protection programs that focus on forested watersheds and natural areas in the conservation district. What is missing is an effective companion conservation program on agriculture lands that can augment and complement these efforts. The farm bill conservation programs offer that opportunity and should be continued.

We believe there is strong producer demand to participate in USDA conservation programs and the CREP program. However, there are some inherent barriers that prevent greater participation, and we would encourage you to consider remedies in the next farm bill.

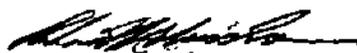
1. A major limiting factor to greater farm bill conservation program participation stems from Hawaii's unique patterns of landownership. Over 1.2 million of the 1.4 million acres of farmland in Hawaii are concentrated in just 100 large farming operations. To be effective, farm conservation programs need to work with the landowners that control over 80% of the farmland. The 2002 Farm Bill's adjusted gross income provision (AGI) bars individuals or entities with average adjusted gross income exceeding \$2.5 million (and less than 75% of that income comes from agriculture) from participating in farm bill conservation programs. The result is that many of the most significant lands are virtually impossible to enroll to address these nationally significant environmental issues.

These are real farming and ranching operations that may own real estate or other assets along the coast line that increases their total income. Their agriculture operations are real and are not making lots of money in the current market. They do not have lots of funding that can be spent on conservation efforts. We believe this situation may be unique to Hawaii. The Department encourages you to look at removing or revising the AGI provision in the next farm bill to enable other interested landowners to participate without reducing participation by small landowners.

2. The \$50,000 cap on rental and incentive payments under the CRP program also presents a barrier that prevents greater participation. Some landowners are willing to dedicate lands for conservation practices with the rental payment, but the \$50,000 cap limits the amount that they can be fairly compensated for. The \$50,000 annual payment cap appears to limit participation at between 600-1,200 acres per year. I believe some larger landowners would be interested in enrolling more lands if the cap was increased. In terms of conservation goals, management and conservation of larger blocks of habitat provides far greater benefits.
3. Another need in Hawaii is in the delivery of technical assistance. There needs to be adequate technical assistance funding provided for the very popular Conservation Reserve Program and Wetland Reserve Programs. The Department is willing to assist in delivery of these programs if technical assistance grants are made available. This would take advantage of on the ground expertise of the State natural resource management agency to help coordinate with other regional conservation efforts.

Thank you for the opportunity to provide testimony. The Department would be happy to work with your to further discuss ways to make the farm bill conservation programs and policies more effective in Hawaii.

Aloha,



Robert Masuda,
Deputy Chairperson