

AGRICULTURE IMPACT ASSESSMENT

Background

Although the Petition area is identified as "Prime" agricultural lands under the Agricultural Lands of Importance to the State of Hawaii system, the property has been fallow since the cessation of pineapple cultivation on Lanai in 1992. Also, in 1992 the County of Maui, as a condition of zoning, required Castle & Cooke Resorts, LLC to donate in fee simple the 115 acre property for an affordable housing project. The action specified the location of the property adjacent to the Lower Waialua single-family site in recognition of the expansion of the boundaries of Lanai City into the agricultural district in accordance with the Lanai Community Plan.

Agricultural Use Context

Approximately 98 percent of Lanai is owned by Castle & Cooke, Inc. Other than the community gardens in Lanai City, the limited agricultural operations on Lanai are controlled by the major landowner, Castle & Cooke, Inc. The removal of the 73 acres of "Prime" agricultural lands occurred after the cessation on pineapple cultivation and did not affect the ability of Castle & Cooke, Inc. to establish a crop replacement for pineapple. The 73 acres represent 0.002 percent of the 46,639 acres designated for Agricultural use by the State Land Use Commission.

Obstacles for Agricultural Use Diversification on the Island of Lanai

The obstacle to expanding diversified agriculture on Lanai is not the lack of agricultural lands but market logistical conditions. The primary factors that limit the growth of diversified agriculture include the following:

- Hawaii suffers from high farm-labor costs, largely because the agriculture industry must compete against the visitor industry and related industries for its labor.
- Compared to many other farm areas that supply U.S. markets, the cost of shipping agricultural supplies and equipment to Hawaii is high, as is the cost of exporting products from Hawaii's remote location and to Federal regulations that require use of American-built ships and U.S. crews between U.S. ports.
- For a number of crops, consumption volumes in Hawaii are too small to support large, efficient farms (i.e. volumes are too small to realize economies of scale.)
- Trends towards crops that are certified as safe towards a single supplier of many food items favor large farms.

- Hawaii farmers must compete against highly efficient mainland and foreign farms which, in a number of cases, can deliver products to Hawaii more cheaply than it can be produced locally. This is due to economies of scale and, in comparison to Hawaii, low costs for land, labor, supplies, fertilizer, pest control, equipment, etc.

Notwithstanding, there is ongoing agricultural endeavors being undertaken on Lanai consisting of approximately 4,200 acres leased for cattle grazing and approximately 8.5 acres in town used for the Lanai Community Gardens. In addition, 10 acres are leased to a commercial farmer for the growing of fruit trees, bananas, citrus, lettuce, corn, squash and pumpkin. From an islandwide perspective, this use represents approximately 9 percent of the roughly 46,639 acres designated for Agricultural use by the State Land Use Commission.

Other Considerations

The site for the proposed affordable housing project has been recognized for housing purposes by the Lanai Community Plan. This location was deemed suitable for housing use based on its proximity to infrastructure and accessibility to urban services including schools, parks and business/commercial areas. From a site suitability standpoint, the proposed housing project will be located upwind and adjacent to the Lanai High and Elementary School=s expansion site. It will also be located adjacent to the Department of Hawaiian Homelands single-family residential housing units.

This spatial relationship to sensitive-urban uses is a key reason for designating this site for affordable housing purposes. Agricultural endeavors on this property would be problematic from a land use nuisance and health/welfare standpoint.

Conclusion

In practice, since 1992 the 115 acres, including the 73 acres of the Petition area, were removed from agriculture when the property was transferred to the County of Maui. Since the demise of pineapple cultivation on Lanai, an alternative crop has not been planted to replace the large scale pineapple operation. Agriculture on Lanai is limited to 4,200 acres of grazing land for cattle, one (1) ten-acre commercial farm and an 8.5 acre community garden. Furthermore, development of the 73 acres represents the loss of too little agricultural lands to significantly affect 1) the availability of land to farmers on Lanai or 2) the growth of diversified crops.

In view of the relatively small impact of the Project on diversified agriculture, mitigation measure for the loss of agricultural lands is not recommended.

Reference

Decision Analysts, Hawaii, Inc., Proposed Pu'unani Subdivision: Impact on Agriculture, prepared for Towne Development of Hawaii, Endurance Investors, LLC, and Association of II Wai Hui, LP, December 2006 (This report is cited as Appendix B in the Draft Environmental Impact Statement for the Proposed Pu'unani Subdivision).