

MINA' TRENTA NA LIHESLATURAN GUAHAN
2009 (FIRST) Regular Session

Bill No. 152 ^(COR) ~~(153)~~

Introduced by:

v.c. pangelinan
T.R. Muna Barnes
F.F. Blas
J.V. Espaldon

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AN ACT TO REPEAL AND REENACT SECTION 68975 ARTICLE 11, TITLE 21 GUAM CODE ANNOTATED RELATIVE TO FARMER'S COOPERATIVE ASSOCIATION OF GUAM.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. *I Liheslaturan Guahan* finds that in recent years, the agricultural industry continues to be confronted with the tremendous challenge of effectively coordinating the marketing and sales of the produce, livestock, aquaculture products, and ornamental plants being provided by our local farmers and ranchers. In order to further promote agriculture on our island, the community must allow our local farmers and ranchers to concentrate on their respective agricultural activities, thus possibly leading to increased farm and livestock production to meet existing and future community demands.

I Liheslaturan Guahan further finds that many years ago, a Farmer's Cooperative Association (Association) was created, but due to tough economic conditions it did not survive. During its existence, farmers benefited directly from the distribution and marketing services that were provided by the Association, and most importantly it enabled the local farmers to focus on their farming activities while having other individuals address the distribution and marketing of their product. The Association was granted a lease on Lot Nos. 1361-1-B-R1 and 1361-1-C New situated in the Municipality of Agana. When the Association filed for bankruptcy, its interest in the aforementioned lots was reverted to the government of Guam.

I Liheslaturan Guahan further finds that the island is immensely dependant on importation of food products. The reliance on imported food leaves our people with a fresh supply of produce for no more than ten days. Currently, one hundred per cent of the beef,

1 eighty-five per cent of fresh vegetables, and approximately eighty-five per cent of fresh fruits
2 consumed in this island are imported. While it may be impracticable or unattainable for Guam to
3 produce one hundred per cent of its food, the risks and costs to society cannot be ignored. The
4 rising cost of shipping and transportation associated with the price of oil create a highly
5 inefficient local economy. Comparatively, the production and consumption of local food keeps
6 money in our community, reduces the demand for transportation energy, reduces the rate of
7 introduction of invasive species and decreases the vulnerability to food supply disruptions caused
8 by natural disasters or worldwide economic events.

9 *I Liheslaturan Guåhan* further finds that to continue to promote and foster the growth and
10 expansion of the local agriculture industry, it must be done through rendering the necessary
11 assistance by the government. But the major responsibility continues to remain in the hands of
12 the men and women who continue to farm and ranch for their livelihood. In order to encourage
13 the youth to learn more about agriculture, the community must prove that the agriculture industry
14 is a viable industry and a very important aspect of our island's economy. Therefore, the
15 government should continue to provide assistance to the island farmers and ranchers and
16 formulate programs that will include the involvement of the children, the future farmers and
17 ranchers of Guam.

18 *I Liheslaturan Guahan* further finds that it is time for bold action to squarely address
19 Guam's food requirements. It will require the long-term commitment, dedication, and
20 investment of government, the private sector, the people of Guam and our local agricultural
21 producers to dramatically shift the course of direction towards a more agriculturally sustainable
22 society. As a community and as a people, we must decide whether we will continue to be
23 dependent on external sources for our basic needs, or whether we will build, invest, and develop
24 the capacity to become food independent. It is in the best interest of the people of Guam that we
25 build the capacity to become food self-sufficient.

26 *I Liheslaturan Guahan* further finds that in recent years, our island farmers have
27 coordinated, organized and re-established the Farmer's Cooperative Association of Guam, Inc., a
28 not-for-profit corporation and has been duly formed and registered with the Department of
29 Revenue and Taxation on November 9, 2007.

30 *I Liheslaturan Guahan* further finds that government of Guam land is available and has
31 been designated for a "Public Market" site. The Farmer's Cooperative Association of Guam,

1 Inc., a not-for-profit corporation, wishes to lease property which has been reserved for a "Public
2 Market Site," specifically Lot No. 10155-1 in the Municipality of Dededo, comprising an area of
3 6.9947 total acres. Lot 10155-1 was returned to the government of Guam under the Guam Excess
4 Lands Act pursuant to Public Law 103-339. In the parceling of the basic lot, Lot 10155-1 was
5 designated as a site for a public market. The Farmer's Cooperative Association of Guam, Inc.
6 intends to construct a facility to accommodate not only its activities but to include the relocation
7 of the existing Dededo Flea Market to this site.

8 *I Liheslaturan Guåhan* further finds that the lease of Lot No. 10155-1, which has been
9 sitting dormant for more than a dozen years, should be used for its intended purpose, which will
10 benefit the people, farmers and ranchers of Guam.

11 Therefore, it is the intent of *I Liheslaturan Guåhan* to repeal and re-enact Section 68975,
12 Article 11, 21 GCA relative to the re-establishment of the Farmer's Cooperative Association and
13 to authorize *I Maga' Lahen Guåhan* to enter into a lease agreement with the new Farmer's
14 Cooperative Association of Guam, Inc., a not-for-profit corporation for the sole purpose of the
15 creation of a "Public Market".

16 **Section 2. Section 68975, Article 11, 21 GCA is hereby repealed and re-enacted to**
17 **read as follows:**

18 **§68975.1. Farmer's Cooperative Association of Guam, Inc.**

19 *I Maga' Lahen Guåhan* is hereby authorized to lease to the Farmer's Cooperative
20 Association ("Association") of Guam, Inc., a not-for-profit corporation the following tract of
21 government-owned land:

22 (a) Lot No. 10155-1 (6.9947sq meters), Municipality of Dededo or other suitable
23 property.

24 *I Maga' Lahen Guåhan* shall execute all instruments necessary to carry out the provisions
25 of subsections (a) through (e) of this Section. The provisions of Section 3 of P.L. 12-61, as
26 amended, shall not apply to the land lease authorized in this Section.

1 (b) The Government shall lease to the Association for the sum of One Dollar (\$1.00) per
2 annum lots cited in subsection (a) for ten (10) years after which time shall be re-negotiated. The
3 Association may subject the property and its improvements to the leasehold mortgage.

4 (c) The use of the leasehold shall be limited to those activities consistent with the
5 mission of the Association.

6 (d) Notwithstanding any other laws to the contrary, the lease by the government of Guam
7 to the Association of Lot 10155-1, containing an area of 6.9947 total acres in the Municipality of
8 Dededo and improvements thereon, shall be valid upon execution by the Governor and the duly
9 authorized representative of the Association. The lease shall require the concurrence of *I*
10 *Liheslaturan Guahan*.

11 **§68976.2. Government Support for the Establishment of a Farmer's Cooperative**
12 **Association of Guam.** To maximize the opportunities for success of the Association *I*
13 *Liheslaturan Guahan* directs the Association to seek the technical expertise available in our local
14 community as part of the authorization to lease and designates the University of Guam's College
15 of Natural and Applied Sciences as the lead government entity in providing the necessary
16 support for the establishment of the Association, which will be directed and administered by the
17 island's local farmers. The University of Guam's College of Natural and Applied Sciences shall
18 coordinate the services among all pertinent government entities that will support the successful
19 establishment and long-term operation of the Association that will concentrate on the marketing
20 of local agricultural products and in the provision of other necessary services to our island
21 farmers.

22 (a) The Association shall seek support from the College of Natural and Applied Sciences
23 of the University of Guam for the following services:

- 24 • Render professional and technical advice in ways to enhance farming activities on Guam;
- 25 • Provide periodic and current information on its research activities which it deems may be
26 beneficial to the association;
- 27 • Share any other support that may assist the Association in its operation and marketing
28 activities;
- 29 • Marketing expertise and guidance;

- 1 • Advice on enhanced business practices, ways to identify and capitalize on existing and
2 potential agricultural markets, both local and off-island;
- 3 • And other services it provides that may be beneficial to the Association.

4 (b) The Association shall seek support from the School of Business and Public
5 Administration more specifically the Small Business Development Center of the University of
6 Guam for the following services:

- 7 • Business professional services and technical guidance in the administration and operation
8 of the Association and its activities;
- 9 • Marketing expertise and guidance;
- 10 • Advice on enhanced business practices, ways to identify and capitalize on existing and
11 potential agricultural markets, both local and off-island;
- 12 • And other services it provides that maybe beneficial to the Association.

13 All efforts shall be coordinated by the College of Natural and Applied Sciences as not to
14 duplicate the University of Guam's services.

15 (c) The Association shall seek support from the Department of Agriculture for the
16 following services:

- 17 • Professional and technical expertise and advice to the association in its farming activities;
- 18 • Conduct periodic assessments of the market demands and conditions for certain
19 agricultural products and share such information with the association and its members;
- 20 • Provide logistical support, i.e. farming equipment services, etc., if available to the
21 Association and its members;
- 22 • Make accessible and available its farmers loan program to the Association and its
23 members, in conformance with established guidelines and requirements;
- 24 • Provide business, marketing and distribution expertise to the association;
- 25 • And other services it provides that may be beneficial to the association.

26 (d) The Association shall seek support from the Guam Economic Development and
27 Commerce Authority for the following services:

- 28 • Direct application and use of the agency's Qualifying Certificate Program, in accordance
29 with established program rules and guidelines;
- 30 • Assistance with appropriate agency business and agricultural loan programs;
- 31 • And other services it provides that may be beneficial to the Association.

1 These entities shall provide such services and general assistance at no cost, as it applies to
2 respective programs, thus enabling the successful establishment of the Association for the benefit
3 of our local farmers and the growth of the island's traditional industry.

4 Nothing herein shall limit the rights of the Association from seeking assistance and
5 technical expertise from any other organizations in the furtherance of it goals and objectives.

6 **Section 4. Severability.** *If* any provision of this Law or its application to any person
7 or circumstance is found to be invalid or contrary to law, such invalidity shall *not* affect other
8 provisions or applications of this Law which can be given effect without the invalid provisions or
9 application, and to this end the provisions of this Law are severable.

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