

Federal Funding Cuts Impacting Hawai'i's Food System

Amanda Shaw, Director of Food Systems October 16, 2025





Oʻahu Resource & Conservation Development Council (<u>Oʻahu RC&D</u>) and Oʻahu Agriculture and Conservation Association (<u>OACA</u>) have integrated into a single organization:

Agriculture Stewardship Hawai'i.

Hawaii Statewide Food Systems Coordination (HSFSC) Initiative supported by philanthropic partners and Governor Josh Green.



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Part 2, More Than Just Money at Stake September 2025

About the Report

Initial research and analysis completed John Boyse, a former national and local USDA FSA and HDAB staffer.

Materials were analyzed as of August 13, 2025.

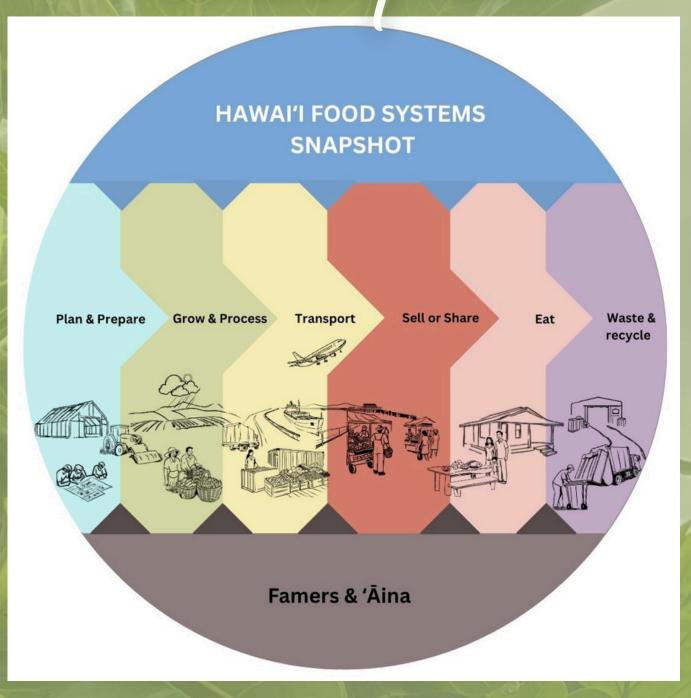
Additional resources:

<u>Civil Eats Food Policy Tracker</u>

<u>National Sustainable Agriculture Coalition</u>

<u>Farm Bureau Analysis</u>

Food Systems = Production to Consumption



Federal cuts are constricting Hawai'i's food systems at multiple points, from food access programs to changes in farmer programs.

Direct Federal Funding That Could Be Lost

March 2025

First Report found potential **cuts totaling \$88M**OR

~13% Hawai'i's agricultural economy

August 2025

Second Report Finds **cuts totaling between \$64.7 - \$175M**OR

~25% of Hawai'i's ag economy*

Current Federal Shutdown

SNAP, WIC, USDA Farm loans & Staffing

*Based on the last data available showing \$.7B in agricultural cash receipts https://economic-impact-of-ag.uada.edu/hawaii/

Findings

- In March 2025, some farmers indicated that agricultural production was being scaled back
- Cuts also make achieving the state's goals of increasing local production, institutional purchasing and addressing food insecurity difficult
- changes to USDA priorities may create greater competition for fewer resources for Hawai'i's farmers
- discontinuation of policies with payment factor increases could mean that between 4-5,000 farmers in Hawai'i could receive fewer farm bill dollars than in previous years
- direct scale of funding impact difficult to assess because some programs saw a net increase - do not guarantee benefits to Hawai'i farmers given they do not grow Title 1 commodities.
- ongoing loss of USDA staff 18% fewer USDA staff - expected to further reduce agency staffing by 20-30% nationally

Updated Table of Cancelled or Impacted Programs						
Program Umbrella	Project	Agency/Funding Source	Direct HI Funding Impacted	Status		
Partnership for Climate Smart Commodities	Lynker + various - 30+ HI farmers, 4,000+ acres	USDA	\$46,000,000.00	Terminated* ~		
	Hawaii Ulu Cooperative	USDA; The Nature Conservancy	\$6,000,000.00	Terminated >		
Regional Food Business Center	Hawaiʻi Good Food Alliance +, Regional Food Business Center	USDA AMS	\$5,000,000**	Terminated ~		
Resilient Food Systems Infrastructure Program	HDAB Infrastructure Grants	USDA AMS; HDAB	\$2,600,000.00	Awarded ~		
Local Food Purchasing Assistance Cooperative Agreement	Hawai'i Food Bank: Poi to Food Banks	USDA	\$1,100,000.00	Terminated ~		
Local Food for Schools Program	DOE Local Foods in Schools		\$1,800,000.00	Terminated >		
Emergency Food Assistance Program	Hawaiʻi Food Bank: Delivery of fresh foods to low income households	USDA Comm. Credit Corporation	\$3,200,000.00	Terminated ~		
SNAP-Ed	UH, DOH SNAP Education	USDA FNS; UH Manoa Extension	\$1,600,000.00	Terminated >		
SNAP	SNAP	USDA FNS	\$109,000,000.00	Pending ~		
REAP	REAP (IRA)	USDA RD	\$1,200,000.00	Pending ~		
Market Access Program	Market Access Program	USDA FAS	\$103,000.00	Pending ~		
Regional Ag Promotion Program	Regional Ag Promotion Program	USDA FAS		Pending ~		
GusNIP	Federal funding for DaBux SNAP for local produce	USDA NIFA	\$100,000.00	Pending ~		
Specialty Crops Research Initiative	Specialty Crops Research Initiative Grants	USDA NIFA		Pending ~		

\$64.7M in Confirmed Cuts \$175.1M Total at Risk

Impacts to Food Access

Area of Impact	Cuts/ Changes	Hawaii Impact	
Federal funding overall	Nearly 175M (25% of g GDP)	Less farmer support and local food	
SNAP Economic Impact	Reduction of 730M+ from Hawaii's economy	Lost support for 2,500 jobs and \$1.3B in economic activity	
Work Requirements	Expanded strict work requirements for able-bodied adults without depenents	Reduced eligibility and access for many people	
School Meals	Reduced funding	Less children receive free/ reduced meals	
SNAP Benefits	SNAP cut by \$300B nationally	Need for Hawai'i to pay up to \$109M annually (depending on SNAP error rate)	
Grant Programs	Potential Cuts to Grants	Da Bux grant at risk, less support for purchasing locally grown food	
SNAP-Ed Complete Elimination		End of nutrition education outreach	



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The true economic costs are higher

A recent Hawai'i Appleseed report found that cuts to SNAP alone would lead to an annual \$1.3 billion economic loss in Hawai'i



Direct Funding Impact of Hawai'i's Conservation and Farm Disaster Relief Programs

Program	Agency	OBBB Impact	HI Implications
EQIP - Environmental Quality Incentives Program	USDA - NRCS	 Authorized through 2031 Inflation Reduction Act funding folded into Farm Bill baseline, stripping from new initiatives Diluted funding power to address climate- specific targets 	 Competition for funds may become more intense as Hawai'i may have to compete nationally Potential reduction nationwide in funding for irrigation upgrades, invasives management, and soil health initiatives at smaller scales
CSP - Conservation Stewardship Program	USDA - NRCS	 Authorized through 2031 Inflation Reduction Act funding folded into Farm Bill baseline No new enhancements to conservation practice standards, like including indigenous ecological knowledge as eligible conservation practice 	 Limits conservation practice development from including indigenous or traditional ecological practices (i.e. lo'i kalo restoration work) Fewer incentives to implement long-term land stewardship practices
ACEP - Ag. Conservation Enhancement Program	USDA - NRCS	 Authorized through 2031 Blanket funding increases for Farm Bill initiatives 	Hawai'i will now likely have to compete nationally for ACEP funds, meaning lower approval odds
RCPP - Regional Conservation Partnerships Program	USDA - NRCS from Commodity Credit Corp.	 Reallocation IRA funds to baseline Farm Bill Initiatives Cancellation of private forestry climate- smart practices 	 Increases competition for Hawai'i's farmers Dependent on state allocations of funds and priorities
CRP/CREP - Conservation Reserve Program & Conservation Reserve Enhancement Program	USDA - FSA	 Does NOT reauthorize CRP/CREP beyond existing extension (2025) Does NOT adjust the acreage cap for CRP enrollment, meaning additional enrollment if extended will be highly competitive nationwide. 	 No opportunity for ranchers to enroll in CRP Grasslands in HI No opportunity to pursue conservation work through CREP funding agreements
LIP - Livestock Indemnity Program	USDA - FSA	 Regional prices can be used for livestock death loss reimbursement Unborn/fetal livestock losses now eligible for reimbursement 	 Documentation needed to support regional price increases for all classes of livestock Ranchers may be required to keep more detailed pregnancy records to qualify for unborn livestock losses
TAP - Tree Assistance Program	USDA - FSA	 Cost-share rate increases from 50% to 65% Stands no longer have to experience 15% total death loss to be eligible for payment Payment accounts for normal mortality, meaning states will have the power to set normal mortality rates for each crop type for TAP 	 Increased accessibility to TAP funds More substantial reimbursement for damages and death losses No need to meet 15% stand death loss
LFP - Livestock Forage Disaster Program	USDA - FSA	 Changes minimum requirements for the drought status designation, triggering drought payments earlier than before. One month's worth of payments after 4 weeks of qualifying drought. Two month's worth of payments after 7 out of the previous 8 weeks of qualifying drought. 	Faster deployment of payments to producers will help ranchers mitigate economic impacts of drought-related forage losses.
FCIC Crop Insurance	USDA - RMA	 Beginning farmers will see an increase in premium subsidies, meaning total cost to obtain crop insurance policies decreases for Beginning Farmers. Premium subsidy increases also will apply to Whole Farm Revenue plans. This does not eliminate the requirement to submit 3 consecutive years' worth of tax records (Schedule F) as a beginning farmer (5 years for non-beginners) (USDA Risk Management Agency). 	 Beginning farmers will see lower premium costs for up to 10 years after starting a farming operation, but Whole Farm Revenue plans will not be accessible to them until filing three years' worth of Schedule F tax returns. Zero Whole Farm Revenue policies were sold for the 2024 insurance year.

Further Reflections

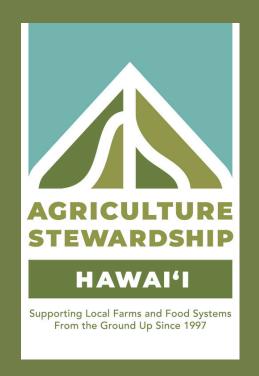
- Potential for further impacts during federal shutdown
- Could continue analysis using a <u>fiscal multiplier</u> for federal funding cuts - for example, at <u>.5</u>, a \$175 could reduce total economic activity by roughly \$90 million.
- Food access and farming programs are inextricable:
 - Farmers, grocers and retailers across the country rely on **SNAP benefits to sustain their businesses.**
 - Nationally, rural, farming counties have the highest rates of food insecurity (Investigate Midwest of U.S. Census Bureau and Feeding America data.)
 - Food workers use SNAP at a rate more than <u>50</u>
 <u>percent higher</u> than the average US worker and suffer food insecurity at almost twice the national rate, according to the <u>Food Chain Workers Alliance</u>.
 - Especially farmworkers (<u>Frontiers</u>, <u>NIH</u>).
 - Women, immigrants, and workers of color are particularly affected
 - Food system workers from production to processing, distribution, retail, & service = more workers than any other area of the economy, 28 million nationally (<u>Food Chain Workers Alliance</u>)

Efforts to Fill the Gaps

- Addressing rising food insecurity through support to food banks, SNAP incentive programs and expanding food access
- Farmer support programs aimed at resilient infrastructure, local farm disaster relief fund and addressing other gaps
- Support local capacity to build a thriving food system - requires strong data and systems level coordination
- Consider novel revenue generation models
- Pursue opportunites such as Food as
 Medicine and institutional purchasing

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