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# A BILL FOR AN ACT

RELATING TO LIVESTOCK FEED.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The cost of feed for livestock production in  
2 Hawaii can constitute up to seventy per cent of total production  
3 costs, in contrast to costs for mainland producers where feed  
4 amounts to nearly fifty per cent of total production costs. In  
5 Hawaii, in 2007, there were five dairies and six egg farms of  
6 significant size, with combined gross annual revenues of  
7 \$26,400,000. Currently, there are only two dairies and four egg  
8 farms of significant size, with combined gross annual revenues  
9 of \$16,250,000. Since 2007, two dairies and four egg farms have  
10 gone out of business primarily due to the rising cost of feed  
11 for livestock animals and the resulting increases in production  
12 costs. Since October 2010, the cost of poultry feed alone has  
13 increased approximately \$60 per ton and is expected to rise even  
14 further.

15           Currently, one dairy and the four remaining egg farms are  
16 threatened by closure. Such closures would heighten the State's  
17 dependence on imported foods and threaten the State's food  
18 security and ability to achieve adequate levels of agricultural



1 self-sufficiency. Self-sufficiency is critical to Hawaii's food  
2 security and ability to respond effectively in the event of  
3 natural disasters or disruptions in transportation.

4 The closure of local dairies and poultry farms also means  
5 that individuals throughout the State will no longer have the  
6 option of selecting fresh, locally produced milk and eggs.  
7 Consumers have often expressed interest in obtaining locally  
8 produced milk, but unfortunately, Hawaii's existing dairies do  
9 not produce enough milk to meet public demand. The public has  
10 expressed a similar interest in island-fresh beef, pork,  
11 chicken, and eggs.

12 Locally produced fresh beef, milk, pork, chicken, and eggs  
13 provide essential nutrition to consumers. Because these kinds  
14 of food are perishable, imported products carry a greater risk  
15 of food spoilage and resultant food-borne illnesses because of  
16 the increase in time needed to transport these products from  
17 offshore farms to Hawaii consumers.

18 Without local livestock businesses, all beef, milk, pork,  
19 chicken, and eggs would have to be imported into the State,  
20 requiring up to ten days of shipping before being sold to  
21 consumers. An increased shipping time reduces the expected  
22 shelf life of fresh milk and eggs in particular.



1           The purpose of this Act is to improve Hawaii's food  
2 security by:

- 3           (1)   Creating a livestock feed feasibility pilot project to  
4                assess the viability of growing and processing  
5                livestock feed within the State; and  
6           (2)   Implementing a livestock feed program on department of  
7                agriculture land.

8           SECTION 2. The department of agriculture shall implement a  
9 livestock feed feasibility pilot project. The project will  
10 research the viability of and to the extent possible develop a  
11 livestock feed program to be conducted on department of  
12 agriculture land as determined by the chair of the board of  
13 agriculture.

14          SECTION 3. The department of agriculture shall assess the  
15 implementation of the pilot project implemented pursuant to  
16 section 2 of this Act and shall submit a report to the  
17 legislature no later than December 31, 2014 on:

- 18           (1)   The inputs and infrastructure required for the  
19                processing of livestock feed;  
20           (2)   The types of plants for livestock feed use;  
21           (3)   The start-up and year-to-year operational costs of a  
22                livestock feed facility;



- 1           (4) The projected revenue stream of a livestock feed
- 2           facility;
- 3           (5) Parcels of land to be used for the livestock feed
- 4           program;
- 5           (6) Prospective market for processed feed; and
- 6           (7) Whether to continue, expand, or end the livestock feed
- 7           feasibility pilot project based on the results of the
- 8           department's assessment.

9           SECTION 4. There is appropriated out of the agricultural  
10 development and food security special fund the sum of \$1,500,000  
11 or so much thereof as may be necessary for fiscal year 2012-2013  
12 for the livestock feed feasibility pilot project.

13           The sum appropriated shall be expended by the department of  
14 agriculture for the purposes of this Act.

15           SECTION 5. This Act shall take effect on July 1, 2050.



**Report Title:**

Livestock Feed Production; Pilot Program; Appropriation

**Description:**

Creates a livestock feed feasibility pilot project to investigate the viability of a livestock feed program on Department of Agriculture land. Effective July 1, 2050.  
(HB2433 HD1)

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