

JAN 20 2012

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# A BILL FOR AN ACT

RELATING TO SUSTAINABILITY.

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

1       SECTION 1. The legislature finds that immediate action is  
2 needed to secure Hawaii's agricultural development and ensure  
3 its food security for future generations of Hawaii. Hawaii's  
4 agriculture has transformed from sugar and pineapple to  
5 diversified agriculture and now faces such complexities as  
6 diversified export markets, increased pest pressure, and global  
7 competition as well as concerns about sustainability, food  
8 safety, food security, and self-sufficiency.

9       Being an island state has resulted in unique problems.  
10 Dependency on imported food is a problem we have ignored at our  
11 peril. Any disruption to food supply lines, including  
12 international crises, natural disasters, or labor disputes,  
13 would leave this state with a week of food. Agriculture must be  
14 rebuilt to enable us to feed ourselves during times of  
15 emergencies, and to increase our State's economic base and  
16 economic diversity. Eighty-five per cent of the food in Hawaii  
17 is imported. Importing food costs the State about  
18 \$3,000,000,000 each year. This is money that leaves the State's



1 economy. Producing just ten per cent of that amount locally  
2 would keep \$300,000,000 circulating in Hawaii's economy,  
3 generate \$6,000,000 in taxes, and create twenty-three hundred  
4 new jobs.

5 Agriculture also impacts rural development including  
6 activities which affect the well-being of rural populations, the  
7 provision of basic needs such as food, the development of human  
8 capital, the creation of employment opportunities, and the  
9 establishment of agricultural processors and related  
10 agribusiness.

11 The legislature finds that the department of agriculture's  
12 goal to integrate programs to develop Hawaii's agriculture and  
13 ensure its food security is imperative. The legislature finds  
14 that in addressing these issues, coordination between the  
15 agricultural, transportation, and business industries, research  
16 organizations, and federal and state agencies is necessary.

17 The legislature also finds that an agricultural development  
18 and food security program must be established to encompass all  
19 aspects of agriculture, from farm-to-market. The farm-to-market  
20 concept, although linear, includes interrelationships between  
21 private and public sectors to develop and improve agriculture in



1 the State. The goals of the agricultural development and food  
2 security program are to:

- 3 (1) Position the agricultural industry to be sustainable  
4 at a level above critical mass;
- 5 (2) Increase locally grown and produced commodities in the  
6 marketplace;
- 7 (3) Expand agricultural exports both domestically and  
8 internationally and reestablish Hawaii as a global  
9 leader in agriculture and agricultural technologies;
- 10 (4) Develop sustainability and self-sufficiency in crops  
11 of interest; and
- 12 (5) Protect Hawaii's agriculture, environment, and natural  
13 resources.

14 The agricultural development and food security program will  
15 provide an overall concept, which shall be overseen by the  
16 department of agriculture, in the development of agriculture in  
17 areas including but not limited to farm inputs, labor,  
18 biosecurity, food safety, sustainability, market development,  
19 and research and development. Although it may not currently  
20 have adequate resources, the department of agriculture is the  
21 government agency best positioned to oversee the development of  
22 agriculture, with active participation from the agricultural



1 industry, transportation interests, the University of Hawaii  
2 college of tropical agriculture and human resources, public and  
3 private research entities, and federal and state agencies.

4 The concept of farm-to-market includes subsystems which are  
5 not necessarily under the department of agriculture's purview  
6 but which are critical to the development of agriculture. These  
7 subsystems include but are not limited to: farm inputs, pest  
8 management programs, food safety, distribution and biosecurity  
9 systems, industry and market development, and policy issues.

10 The purpose of this Act is to authorize the department of  
11 agriculture to develop, coordinate, and integrate and develop  
12 funding for new and existing programs, facilities, and projects  
13 to promote the development of agriculture and ensure food  
14 security within the State, by taking a holistic approach from  
15 farm-to-market. Further, this Act makes it permissible to use  
16 funds from the agricultural development and food security  
17 special fund to pay for the department's agricultural  
18 development and food security program. This Act also repeals  
19 the sunset date of the barrel tax and the environmental  
20 response, energy, and food security tax. Finally, this Act  
21 increases the amount of the environmental response, energy, and  
22 food security tax revenues deposited to the department of



1 agriculture and department of business, economic development,  
2 and tourism.

3 SECTION 2. Chapter 141, Hawaii Revised Statutes, is  
4 amended by adding a new part to be appropriately designated and  
5 to read as follows:

6 "PART . AGRICULTURAL DEVELOPMENT AND FOOD SECURITY PROGRAM

7 §141-A Agricultural development and food security program;  
8 establishment. There shall be established within the department  
9 of agriculture an agricultural development and food security  
10 program that shall:

11 (1) Provide oversight, administration, coordination,  
12 revenue development, and funding to develop Hawaii's  
13 agriculture industry from farm-to-market;

14 (2) Interface with private and public organizations and  
15 agencies to work toward the goals and objectives of  
16 the agricultural development and food security  
17 program; and

18 (3) Identify other relevant state and federal laws to  
19 ensure that the agricultural development and food  
20 security program complies with all relevant laws.



1       **§141-B Objectives of the agricultural development and food**  
2 **security program.** The objectives of the agricultural  
3 development and food security program shall be to:

4       (1) Measure and increase agricultural sustainability and  
5       measure and improve the health of the State's  
6       agricultural industry;

7       (2) Develop and implement programs to assist farm,  
8       nursery, and ranch production;

9       (3) Coordinate, fund, and establish agricultural industry  
10      development programs;

11      (4) Develop and implement programs to increase  
12      agricultural exports both domestically and  
13      internationally and reestablish Hawaii as a global  
14      leader in agriculture and agricultural technologies;

15      (5) Develop and implement concepts and programs to expand  
16      the locally-grown share of the State's food market;

17      (6) Support and assist in development of farm-to-school  
18      programs;

19      (7) Develop and implement research and technology transfer  
20      programs for areas including varietals, treatment,  
21      pest and disease management, diagnostics, and farm  
22      inputs;



(8) Support and coordinate with other programs within the department of agriculture such as infrastructure development, biosecurity, and food safety; and

(9) Review, coordinate, update, oversee, and comment on government policies that affect the State's agricultural development and food security.

**§141-C General actions to achieve objectives.** To achieve the objectives of the agricultural development and food security program, the department of agriculture shall plan for and, within available legislative appropriations, implement the following:

(1) Work with government agencies and the agricultural industry to establish the agricultural development and food safety program;

(2) Establish, operate, or participate in establishing port facilities including temperature-controlled facilities, as appropriate, where multiple government agencies may inspect, sample, test, quarantine, disinfect, fumigate, treat, or destroy agricultural commodities;



- 1 (3) Perform inspections, sampling, testing, and  
2 certifications in an efficient, effective, and  
3 expeditious manner;
- 4 (4) Develop and implement programs for education and  
5 development for the agricultural industry to comply  
6 with rules, regulations, and laws; and
- 7 (5) Collect and analyze food safety and security data and  
8 present an annual summary to be made available to the  
9 public of corrective action, reports, and trends based  
10 on established standards and performance objectives.

11 For the purposes of this section, "agricultural  
12 commodities" means any grain, livestock, poultry, fruit, plant,  
13 timber, nursery, or any other item produced from agricultural  
14 activities, including those items listed in section 141-2(1)."

15 SECTION 3. Chapter 141, Hawaii Revised Statutes, is  
16 amended by designating sections 141-1 through 141-10 as part I  
17 and inserting a title before section 141-1 to read as follows:

18 **"PART I. GENERAL PROVISIONS"**

19 SECTION 4. Section 141-2, Hawaii Revised Statutes, is  
20 amended to read as follows:



1       **"§141-2 Rules.** Subject to chapter 91, the department of  
2 agriculture shall adopt, amend, and repeal rules not  
3 inconsistent with law, for and concerning:

4       (1) The introduction, transportation, and propagation of  
5 trees, shrubs, herbs, and other plants;

6       (2) The quarantine, inspection, fumigation, disinfection,  
7 destruction, or exclusion, either upon introduction  
8 into the State[7] or at any time or place within the  
9 State, of any nursery-stock, tree, shrub, herb, vine,  
10 cut-flower, cutting, graft, scion, bud, seed, leaf,  
11 root, or rhizome; any nut, fruit, or vegetable; any  
12 grain, cereal, or legume in the natural or raw state;  
13 any moss, hay, straw, dry-grass, or other forage; any  
14 unmanufactured log, limb, or timber; or any other  
15 plant growth or plant product unprocessed or in the  
16 raw state; any sand, soil, or earth; any live bird,  
17 reptile, insect, or other animal, in any stage of  
18 development, that is in addition to the so-called  
19 domestic animals, which are provided for in section  
20 142-2; and any box, barrel, crate, or other containers  
21 in which the articles, substances, or objects have  
22 been transported or contained, and any packing



1 material used in connection therewith, that is or may  
2 be diseased or infested with insects or likely to  
3 assist in the transmission or dissemination of any  
4 insect or plant disease injurious, harmful, or  
5 detrimental, or likely to become injurious, harmful,  
6 or detrimental to the agricultural or horticultural  
7 industries or the forests of the State, or that is or  
8 may be in itself injurious, harmful, or detrimental to  
9 the same [~~included therein may be~~] including rules  
10 governing the transportation of any of the articles,  
11 substances, or objects enumerated [~~above~~] in this  
12 [~~section~~] paragraph between different localities on  
13 any one of the islands within the State[+];

- 14 (3) The prohibition of importation into the State, from  
15 any or all foreign countries or from other parts of  
16 the United States, or the shipment from one island  
17 within the State to another island therein, or the  
18 transportation from one part or locality of any island  
19 to another part or locality of the same island, of any  
20 specific article, substance, or object or class of  
21 articles, substances, or objects, among those  
22 enumerated above in this section, that is diseased or



1 infested with insects or likely to assist in the  
2 transmission or dissemination of any insect or plant  
3 disease injurious, harmful, or detrimental or likely  
4 to be injurious, harmful, or detrimental to the  
5 agricultural or horticultural industries, or the  
6 forests of the State, or that is or may be in itself  
7 injurious, harmful, or detrimental to the same;

8 (4) The preparation by cargo carriers of manifests of  
9 cargo transported into the State or between islands of  
10 the State and the submission of the manifests to the  
11 department~~[,and]~~ of agriculture;

12 (5) The manner in which agricultural product promotion and  
13 research activities may be undertaken, after  
14 coordinating with the agribusiness development  
15 corporation~~[,]~~; and

16 (6) The implementation and promotion of the agricultural  
17 development and food security program.

18 All rules adopted under this section shall have the force  
19 and effect of law."

20 SECTION 5. Section 141-10, Hawaii Revised Statutes, is  
21 amended by amending subsection (c) to read as follows:



"(c) Subject to legislative appropriation, moneys in the special fund may be expended for the following purposes:

- (1) The awarding of grants to farmers for agricultural production or processing activity;
- (2) The acquisition of real property for agricultural production or processing activity;
- (3) The improvement of real property, dams, reservoirs, irrigation systems, and transportation networks necessary to promote agricultural production or processing activity, including investigative studies to identify and assess necessary improvements to dams, reservoirs, irrigation systems, and transportation networks;
- (4) The purchase of equipment necessary for agricultural production or processing activity;
- (5) The conduct of research on and testing of agricultural products and markets;
- (6) The funding of agricultural inspector positions within the department of agriculture;
- (7) The promotion and marketing of agricultural products grown or raised in the State;
- (8) Water quality testing and improvement; ~~and~~



1        (9) The funding of the agricultural development and food  
2        security program established under section 141-A; and

3        [~~9~~] (10) Any other activity intended to increase  
4        agricultural production or processing that may lead to  
5        reduced importation of food, fodder, or feed from  
6        outside the State."

7        SECTION 6. Section 243-3.5, Hawaii Revised Statutes, is  
8        amended by amending subsection (a) to read as follows:

9        "(a) In addition to any other taxes provided by law,  
10       subject to the exemptions set forth in section 243-7, there is  
11       hereby imposed a state environmental response, energy, and food  
12       security tax on each barrel or fractional part of a barrel of  
13       petroleum product sold by a distributor to any retail dealer or  
14       end user of petroleum product, other than a refiner. The tax  
15       shall be \$1.05 on each barrel or fractional part of a barrel of  
16       petroleum product that is not aviation fuel; provided that of  
17       the tax collected pursuant to this subsection:

18       (1) 5 cents of the tax on each barrel shall be deposited  
19       into the environmental response revolving fund  
20       established under section 128D-2;



(2) ~~[15]~~ 25 cents of the tax on each barrel shall be deposited into the energy security special fund established under section 201-12.8;

(3) ~~[10]~~ 30 cents of the tax on each barrel shall be deposited into the energy systems development special fund established under section 304A-2169; and

(4) ~~[15]~~ 45 cents of the tax on each barrel shall be deposited into the agricultural development and food security special fund established under section 141-10.

The tax imposed by this subsection shall be paid by the distributor of the petroleum product."

SECTION 7. Act 253, Session Laws of Hawaii 2007, is amended by amending section 8 to read as follows:

"SECTION 8. This Act shall take effect on July 1, 2007; provided that sections ~~[304A-C,]~~ 304A-D~~[,]~~ and 304A-E, Hawaii Revised Statutes, shall be repealed on June 30, 2012."

SECTION 8. Act 73, Session Laws of Hawaii 2010, is amended by amending section 14 to read as follows:

"SECTION 14. This Act shall take effect on July 1, 2010~~[+]~~ provided that sections ~~2, 3, 4, and 7, of this Act shall be repealed on June 30, 2015, and sections 128D-2, 201-12.8 and~~



~~243-3.5, Hawaii Revised Statutes, shall be reenacted in the form in which they read on June 30, 2010]."~~

SECTION 9. There is appropriated out of the agricultural development and food security special fund the sum of \$4,000,000 or so much thereof as may be necessary for fiscal year 2012-2013 to establish the agricultural development and food security program.

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

SECTION 10. In codifying the new sections added by section 2 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 11. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 12. This Act shall take effect on June 30, 2012.

INTRODUCED BY:

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**Report Title:**

Department of Agriculture; Agricultural Development and Food Security Program; Appropriation

**Description:**

Creates an agricultural development and food security program from the agricultural development and food security special fund. Repeals the sunset date of the energy security special fund. Increases barrel tax allotment to energy security special fund, energy systems development special fund, and agricultural development and food security special fund. Makes an appropriation for the agricultural development and food security program.

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