

Hawaii's Agricultural Partnership

SENATE COMMITTEE ON WAYS AND MEANS

Monday March 25, 2013 9:10 a.m. Room 211

HB 487 HD 2 SD1 RELATING TO AGRICULTURE

Expands livestock feed subsidy to include feed for goats, sheep, lambs, fish and crustaceans. Creates a subsidy for qualified feed developers.

Chair Ige, Vice Chair Kidani and Members of the Committees

4 Ag Hawaii supports HB 487 HD2 SD1

Hawaii's Livestock Farmers continue to endure the effects of a prolonged and devastating drought - as one rancher put it "a drought of almost biblical proportions". Coupled with the ongoing drought on the mainland, which has devastated this year's grain harvests resulting in rapidly escalating grain & livestock feed prices, imported feeds have skyrocketed. Hawaii's Family Owned Farmers need your help to meet these increasing costs and to be able to produce local products to help Hawaii's Food Security.

Furthermore, HD 2 adds a subsidy for a Livestock Feed Development, which we strongly support. Grants, tax credits and subsidies cannot go on forever, and developing our own local feed sources are an integral part of making Hawaii's livestock industries more self sufficient.

4 Ag Hawaii is a non-profit 501[c] [3] corporation established as a public-private partnership focused on goals that include: promoting the agricultural economic welfare of Hawai'i and its counties; conducting agricultural economic; educational & media programs, and fostering statewide interest for responsible agricultural economic development of our islands.

Thank you for the opportunity to provide testimony on this matter.



Hawaii Cattlemen's Council, Inc.

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SENATE COMMITTEE ON WAYS AND MEANS Monday March 25, 2013 9:10 a.m. Room 211

HB 487 HD 2 SD1 RELATING TO AGRICULTURE

Expands livestock feed subsidy to include feed for goats, sheep, lambs, fish and crustaceans. Creates a subsidy for qualified feed developers. Appropriates funds. Effective July 1, 2050

Chair Ige, Vice Chair Kidani and Members of the Committees:

My name is Alan Gottlieb, and I am the Government Affairs Chairperson of the Hawaii Cattlemen's Council. The Hawaii Cattlemen's Council, Inc. (HCC) is the Statewide umbrella organization comprised of the five county level Cattlemen's Associations. Our 130+ member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of approximately 25% of the State's total land mass.

The Hawaii Cattlemen's Council strongly supports HB 487 HD 2 SD 1.

Subsidies are often a dirty word. One might argue that farmers get used to subsidies and then expect them year after year. However, this year is particularly urgent for our Hawaii Livestock Producers. In particular, a devastating drought has decimated this year's grain harvests in at least four Midwestern states resulting in rapid increases in grain and livestock feed prices. Livestock producers dependent on such imported feeds are experiencing significant feed price increases and such increases are projected by the USDA Farm Service Agency to continue for the rest of 2013 until the next successful grain harvest. In the meantime, farmers and ranchers can expect to pay premium prices for imported grains and feeds. In order for Hawaii's livestock producers to meet these much higher-than-normal feed costs, a feed subsidy is needed.

Furthermore, HD 2 adds a subsidy for a Livestock Feed Development, which we strongly support. Grants, tax credits and subsidies cannot go on forever, and developing our own local feed sources are an integral part of making Hawaii's livestock industries more self sufficient.

There are a number of projects locally to develop local feed sources from by-products from energy and/or bio-fuel, and to grow feed locally. There is hope for the future with these local sources, IF the livestock industry is still around to benefit from them. Without subsidies in the short term, we are afraid we will continue to lose livestock farms, like we have seen in the Chicken, Egg and Dairy industries in Hawaii.

As section 1 of this bills states: "With financial support, the livestock industry will be able to continue to make investments in modern equipment, expand and improve herds and flocks, and develop new markets and products. This financial support will serve a public purpose by enabling the livestock industry to stabilize its operations, thereby contributing to food security and increasing the competitiveness of the local livestock industry with mainland suppliers."

We appreciate this opportunity to provide testimony on this matter.

Submitted on: 3/22/2013 Testimony for WAM on Mar 25, 2013 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Alex Franco	Hawaii Cattlemen's Council	Support	No

Comments:

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Submitted on: 3/23/2013 Testimony for WAM on Mar 25, 2013 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Calvin Wong	Wong's Meat Market, Ltd.	Support	No

Comments:

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March 25, 2013

HEARING BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY ON HB 487, HD2, SD1 RELATING TO AGRICULTURE

Room 211 9:10 AM

Chair Nishihara, Vice Chair Kouchi, and Members of the Committee:

I am Dean Okimoto, President of the Hawaii Farm Bureau Federation (HFBF). Organized since 1948, the HFBF is comprised of 1,950 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interest of our diverse agricultural community.

HFBF is in strong support of HB 487, HD2, SD1 which provides funds to allow qualified beef cattle, dairy, hog, poultry, goat, sheep, fish, and crustacean farms to apply for funds for their farm's feed expenses and creates a subsidy for qualified feed developers.

Hawaii's livestock industry faces numerous challenges. One of their biggest challenges is the rising cost of feed for livestock production. These costs have been a contributing factor to the decline of the state's livestock industry.

In 2007, there were 5 dairies and 6 egg farms in Hawaii. Since then, 3 those dairies and 4 off those egg farms have gone out of business The remaining egg farms and another dairy are currently threatened with closure, due to rising production costs. Primarily due to feed costs.

HB 487, HD2, SD1 seeks to revitalize Hawaii's livestock industries by reimbursing qualified livestock producers up to sixty percent of their farm's feed expenses. This bill will help keep fresh, locally produced milk, eggs, beef, pork, poultry, sheep, goat, fish, and crustaceans available to the residents of Hawaii and will help to revitalize our dwindling livestock industry. A decrease or absence of livestock production increases the State's reliance on the importation of food and threatens the State's food security.

Thank you for this opportunity to provide our opinion on this important matter.

Submitted on: 3/23/2013 Testimony for WAM on Mar 25, 2013 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Harry von Holt	Ponoholo Ranch, Ltd	Support	No

Comments:

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Submitted on: 3/24/2013 Testimony for WAM on Mar 25, 2013 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Phyllis Shimabukuro- Geiser	Mikilua Poultry Farm Inc	Support	No

Comments: The public has expressed an overwhelming demand for our locally produced eggs statewide despite the higher price compared to mainland eggs. Any support from the state to keep local production of foods such as fresh eggs available to our consumers is greatly appreciated. The public values fresh locally produced eggs as a primary food source. Mahalo.

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Senate Committee on Ways and Means Monday, March 25, 2013 Conference Room 221, 9:10 a.m.

House Bill 487, HD2, SD1

RELATING TO AGRICULTURE

Robert Petricci submits these comments representing Puna Pono Alliance and myself in STRONG OPPOSITION to HB487.

Aloha

In Hawaii and similarly around the world, corporate farms, in many ways like the plantations before them did here are seeking to control our best farm lands, locking out for the most part the independent local farmers. This time it's for experimental and genetically-engineered crops. We still see contamination of our aquifers across the state from the mismanagement and chemical abuses of these lands during the plantation days.

We ask you have we learned nothing in Hawaii of the true cost to our environment and health of short term and shortsighted profit seeking? The point being unresolved issues exist beyond the damage to our small family farms HB487 presents. The undisclosed toxins these corporate giants use for increased production, raise the potential for direct and indirect impacts and expenses through the threat they present to the public health and environment. We ask that genetically-engineered crops as well as the use of toxic chemicals on feed crops be prohibited. We site the Heptaclor contamination of our cattle and milk supply as examples of the very real threat these chemicals present here.

House Bill 487 subsidizes "qualified feed developers" with public grant monies, our position is those monies would be better invested in small local farms that will keep the money they earn here, unlike the corporate giants that will blow with the economic wind and suck much of the money they make out of Hawaii and our economy when it suits their needs. Further the "qualified feed developers" remain unnamed, and their production safety and methodology is a mystery in HB487.

We believe legislation in the public interest of Hawaii's people and their protection is that which supports local farmers ahead of international corporations whose goal is to corner or dominate markets and drive small independent farms out of business. The small independent farms are the backbone of our food security future they need to be nurtured. The monopolized conglomerate farms already have unfair advantages. This legislation is detrimental to the small independent farms.

This bill is not in the public interest for animal through human consumption levels and the overall public health. (Note Section 155 D:

(3) The applicant shall indemnify and hold harmless the State and its

officers, agents, and employees from all claims arising out of or resulting from the feed sold.)

Another issue we have is the PLDC aspects of the bill. SD1 like SB 753 allows the Hawaii Department of Agriculture (HDOA) to "dispose of " by lease

to the existing Agribusiness Development Corporation (ADC), any state-owned agricultural public land not declared to be non-ag park land. We in solidarity with other groups and the public have consistently and loudly objected to "disposing of our public lands" for short term or corporate gain. We again loudly object to this assault on our lands.

Under the HRS 171-2 definition, agricultural land under ADC's control are no longer public lands:

" 'Public lands' means all lands or interest therein in the State...except:

(10) 'lands that are set aside by the governor to the agribusiness development corporation; lands leased to the agribusiness development corporation by any department or agency of the State...'"

We oppose (along with the majority of residents) the proposal that land under ADC control would be "exempt from all statutes, ordinances, charter provisions, and rules of any governmental agency relating to planning, zoning, construction standards, development and improvement of land, and the construction of buildings..." (See: HRS 166E-10. Non-agricultural park land development). This measure additionally exempts non-agricultural park lands "disposed of" to the ADC from established qualifications in accordance with HRS 166E-8(b)(2) and (5)

While this proposal provides that the ADC cannot sell non-ag park lands leased from the HDOA; and the existing statute stipulates that all non-ag park land and facilities "disposed of" to the ADC must be for agricultural and aquacultural purposes, and that

these must comply with state and fed environmental quality control only, the SD1, as

with the PLDC:

a) serves to endorse state-agency/state-development-corporation and public/private partnerships, as well as development project/public facilities districts and imposed assessments, etc.; and

b) appears to further endorse private interests benefiting from taxexempt free public land developed with public money for whollyexempted globalized big ag to exploit Hawaii's fragile and finite Islands for national and international markets at the high cost and high risk of Hawaii's own sustainability for Hawaii's own people.

Please remove Part II and improve Part I to define qualified feed producers as local agricultural businesses producing certified safe crops. The health of Hawaii's people and sustainability of clean agricultural lands within these fragile and finite islands is clearly a cumulative cost consideration

Thank you for your consideration Robert Petricci

President Puna Pono Alliance



THE SENATE THE TWENTY-SEVENTH LEGISLATURE REGULAR SESSION OF 2013

COMMITTEE ON WAYS AND MEANS

DATE: Monday, March 25, 2013 TIME: 9:00 a.m. PLACE: Conference Room 211 State Capitol 415 South Beretania Street

RE: Testimony in strong support of SB 487 HD2 SD1 RELATING TO AGRICULTURE

Expands livestock feed subsidies to include sheep, lamb, fish and crustaceans. Creates a subsidy for qualified feed developers. Appropriates funds.

Chair Ige, Vice Chair Kidani, and Members of the Committee:

The Hawaii Aquaculture and Aquaponics Association representing aquaculture and aquaponics producers and researchers statewide <u>strongly supports SB 487 HD2 SD1</u>, with one amendment to address and <u>unintended oversight</u>, i.e., although fish are crustaceans are included throughout this bill, in the critical <u>Section 4 (d) (1) defining the application of the feed subsidy to specific commodities fish and crustaceans</u> were inadvertently omitted. Please amend as follows:

"(1) Sixty per cent of the feed costs incurred for production of poultry, <u>fish</u>, and crustacean products;"

Farmed fish and crustaceans are most similar to poultry in terms of feed contributions to total production costs, i.e., feed is typically the highest production cost, so this grouping is most appropriate.

A devastating drought has decimated the grain harvests in at least four Midwestern states this past year, resulting in rapid increases in grain and livestock feed prices locally and nationwide. Aquaculture and other livestock producers dependent on such imported feeds are experiencing significant feed price increases and such increases are projected by the USDA Farm Service Agency to continue for the rest of 2013 and until the next successful grain harvest. In the meantime, farmers and ranchers can expect to pay much higher than normal prices for imported grains and feeds. In order for Hawaii's aquaculture and livestock producers to meet these essential feed costs, a feed subsidy is critically needed.

As section 1 of this bills states: "With financial support, the livestock industry will be able to continue to make investments in modern equipment, expand and improve herds and flocks, and develop new markets and products. This financial support will serve a public purpose by enabling the livestock industry to stabilize its operations, thereby contributing to food security and increasing the competitiveness of the local livestock industry with mainland suppliers."

This bill also creates a subsidy for qualified feed developers to help reach a long-term solution to this issue by developing local livestock and aquaculture feed using locally available feed sources, anticipated in many cases to be by-products from other farming sectors providing an additional income source for these commodities as well. In short this bill addresses a current livestock feeds crisis while seeking a long-term solution to this matter. As such the HAAA strongly support this measure and appreciates the opportunity to provide heartfelt testimony.

Ron Weidenbach HAAA President

Submitted on: 3/24/2013 Testimony for WAM on Mar 25, 2013 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Avi Okin	Individual	Oppose	No

Comments: This is a surrender to ag business and potentially turn valuable agricultural lands to large ag industries which, I believe, do not have the best intersted of Hawaii at heart. They will potentially expanded GMO feed and development which does not bode well for our sustainability and safety.

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Submitted on: 3/23/2013 Testimony for WAM on Mar 25, 2013 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
caroline avery	Individual	Oppose	No

Comments:

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Submitted on: 3/25/2013 Testimony for WAM on Mar 25, 2013 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Courtney Bruch	Individual	Oppose	No

Comments:

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Submitted on: 3/23/2013 Testimony for WAM on Mar 25, 2013 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Deborah Imonti	Individual	Oppose	No

Comments:

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Submitted on: 3/23/2013 Testimony for WAM on Mar 25, 2013 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Erin Mc Iver	Individual	Support	No

Comments: Please support this bill. As a cattle rancher I can say it would be difficult to exist with out help from our goverment both federal and state. We need to support all different areas of farming and ranching. It is not cheap or easy to operate a ranch or a farm here in Hawaii.

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Submitted on: 3/21/2013 Testimony for WAM on Mar 25, 2013 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
JAMES ROBELLO	Individual	Support	No

Comments: I support this measure. It will help livestock producers.

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Submitted on: 3/23/2013 Testimony for WAM on Mar 25, 2013 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
janice palma-glenie	Individual	Oppose	No

Comments: our state can't afford corporate subsidies when our schools and lands are on the chopping block. please oppose this bill. mahalo.

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Submitted on: 3/23/2013 Testimony for WAM on Mar 25, 2013 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Julia Horn	Individual	Oppose	No

Comments:

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Submitted on: 3/23/2013

Testimony for WAM on Mar 25, 2013 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Lisa Andrews	Individual	Oppose	No

Comments: DOA should not be able to negotiate leases. No way. I smell a Biotec rat.

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Senate Committee on Ways and Means Monday, March 25, 2013 Conference Room 221 9:10 a.m.

House Bill 487, HD2, SD1 RELATING TO AGRICULTURE

Comments in STRONG OPPOSITION by MS Matson

Part I of House Bill 487 subsidizes "qualified feed developers" with public grant monies not to exceed 10% profit. Such "qualified feed developers" are undefined, as is their production safety and methodology.

Legislation in the public interest of Hawaii's people and their protection should place conscientious and dedicated local grain farmers over national conglomerates, which consume vast acreages of Hawaii's fertile land for experimental genetically-engineered crops covered with undisclosed toxins for increased production volume at the direct and indirect expense of and threat to the public health. Genetically-engineered crops as well as the use of toxic chemicals on feed crops should be prohibited via House Bill 487. The productive food chain demands this in the public interest for animal through human consumption levels and the overall public health. (Note Section 155 D: (3) The applicant shall indemnify and hold harmless the State and its officers, agents, and employees from all claims arising out of or resulting from the feed sold.)

Part II of House Bill 487, SD1, is yet another dangerous, open-ended pursuit to transparently slip the PLDC nose under the agricultural tent. The proposed SD1 mirrors SB 753 to allow the Hawaii Department of Agriculture (HDOA) to "dispose of " by lease to the existing Agribusiness Development Corporation (ADC), any state-owned agricultural *public* land not declared to be non-ag park land.

As with the PLDC, under the HRS 171-2 definition, agricultural land under ADC's control is no longer *public* land:

" 'Public lands' means all lands or interest therein in the State means all lands or interest therein in the State classed as government or crown lands... *except:* (10) 'lands that are set aside by the governor to the agribusiness development corporation; lands leased to the agribusiness development corporation by any department or agency of the State..."

As with the PLDC, land under ADC control is also "exempt from all statutes, ordinances, charter provisions, and rules of any governmental agency relating to planning, zoning, construction standards, development and improvement of land, and the construction of buildings..." (See: HRS 166E-10. Non-agricultural park land development). This measure additionally exempts non-agricultural park lands "disposed of" to the ADC from established qualifications in accordance with HRS 166E-8(b)(2) and (5).

While this proposal provides that the ADC cannot sell non-ag park lands leased from the HDOA; and the existing statute stipulates that all non-ag park land and facilities "disposed of" to the ADC must be for agricultural and aquacultural purposes, and that these must comply with state and fed environmental quality control only, the SD1, *as with the PLDC:*

a) serves to endorse state-agency/state-development-corporation and public/private partnerships, as well as development project/public facilities districts and imposed assessments, etc.; and

b) appears to further endorse private interests benefiting from taxexempt free *public* land developed with public money for whollyexempted globalized big ag to exploit Hawaii's fragile and finite Islands for national and international markets at the high cost and high risk of Hawaii's own sustainability for Hawaii's own people.

Please remove Part II and improve Part I to define qualified feed producers as local agricultural businesses producing certified safe crops. The health of Hawaii's people and sustainability of clean agricultural lands within these fragile and finite Islands is clearly a cumulative cost consideration.

Submitted on: 3/23/2013 Testimony for WAM on Mar 25, 2013 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Shannon Rudolph	Individual	Oppose	No

Comments:

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Submitted on: 3/23/2013 Testimony for WAM on Mar 25, 2013 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
sherrian witt	Individual	Support	No

Comments:

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Submitted on: 3/23/2013 Testimony for WAM on Mar 25, 2013 09:10AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Toni Withington	Individual	Oppose	No

Comments: We do not need the taxpayers subsidising feed for animals when we have children with hunger issues. Get the government out of subsidizing commercial activity. Vote NO.

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Submitted By	Organization	Testifier Position	Present at Hearing
Wayne Shimokawa	Individual	Support	No

Comments:

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