

JAN 17 2014

S.B. NO. 2293

A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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, whereas feed costs for mainland producers amount to
4 nearly fifty per cent of total production costs. In 2007, there
5 were five dairies and six egg farms of significant size in
6 Hawaii, with combined gross annual revenues of \$26,400,000.
7 Currently, there are only two dairies and four egg farms of
8 significant size, with combined gross annual revenues of
9 \$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 increase 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. These closures 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 its 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 children and adults throughout the State will no longer
6 have the option of selecting fresh, locally produced milk and
7 eggs. Consumers have often expressed interest in obtaining
8 locally produced milk but, unfortunately, the dairies do not
9 produce enough milk to meet consumer demand. The public has
10 expressed a similar interest in island-fresh beef, pork, sheep,
11 lamb, chicken, eggs, and seafood.

12 Locally produced fresh beef, milk, pork, lamb, chicken,
13 eggs, and seafood provide essential nutrition to consumers.
14 Transport times from offshore farms to Hawaii consumers create a
15 greater risk of food spoilage and resultant food-borne illnesses
16 due to the highly perishable nature of these products. Without
17 these local agricultural businesses, all beef, milk, pork, lamb,
18 chicken, and eggs would have to be imported into the State,
19 requiring up to ten days of shipping before being sold to
20 consumers. This increased shipping time reduces the expected
21 shelf life of fresh milk and eggs in particular.



1 The purpose of this Act is to provide moneys to allow
2 qualified beef cattle, dairy, hog, poultry, goat, sheep, fish,
3 and crustacean farms to apply for and receive a reimbursement
4 for a percentage of each farm's feed expenses. With financial
5 support, the livestock industry will be able to continue to make
6 investments in modern equipment, expand and improve herds and
7 flocks, and develop new markets and products. This financial
8 support will serve a public purpose by enabling the livestock
9 industry to stabilize its operations, thereby contributing to
10 food security and increasing the competitiveness of the local
11 livestock industry with mainland suppliers.

12 SECTION 2. There is appropriated out of the general
13 revenues of the State of Hawaii the sum of \$1,500,000 or so much
14 thereof as may be necessary for fiscal year 2014-2015 for the
15 agricultural development division of the department of
16 agriculture to:

- 17 (1) Reimburse qualified producers of milk, pork, eggs,
18 poultry, beef, lamb, goats, and seafood, for the cost
19 of feed for beef cattle, dairy cows or milking goats,
20 goats raised for meat, sheep, hogs, fish, crustaceans,
21 and poultry; and



S.B. NO. 2293

(2) Provide funding for the administrative costs of the livestock revitalization program.

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

SECTION 3. The appropriation made for the purpose authorized under section 2 shall not lapse at the end of the fiscal year for which the appropriations are made; provided that any balance of any appropriation that is not encumbered as of June 30, 2016, shall lapse as of that date.

SECTION 4. This Act shall take effect on July 1, 2014.

INTRODUCED BY: Clarence K. Smith

Transmitted to
Mr. H.



S.B. NO. 2293

Report Title:

Agriculture; Livestock Industry; Appropriation

Description:

Appropriates monies to reimburse qualified producers for a percentage of each farm's feed expenses. Provides monies for the administrative costs of the livestock revitalization program.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

