



February 10, 2016

The Honorable Cliff Tsuji, Chair  
House Committee on Agriculture  
House of Representatives  
Hawaii State Legislature  
Honolulu, HI

VIA ELECTRONIC MAIL

RE: HB 1999 Qualified Feed Developer Grants; Livestock Revitalization Program;  
Local Feed Source Survey; Appropriations

Dear Chairman Tsuji:

Regarding HB 1999, the American Feed Industry Association supports this bill and urges its passage by the Committee and Legislature.

AFIA is the world's largest organization devoted exclusively to representing the business, legislative and regulatory interests of the U.S. animal feed industry and its suppliers. AFIA membership includes more than 600 domestic and international companies and state, regional and national associations. Member companies are livestock feed and pet food manufacturers, integrators, pharmaceutical companies, ingredient suppliers, equipment manufacturers and companies which supply other products, services and supplies to feed manufacturers. Some of these companies supply feed and ingredients to Hawaii

The last commercial feed mill left Hawaii in the 1990s and since that time feed has been shipped from the mainland by several firms. AFIA supported bills to develop a feed mill at the Oceanic Institute on several occasions and believes HB 1999 will assist in further developing a feed industry in the State. As this bill notes, the major costs of livestock production are feed costs. In Hawaii, this is exacerbated by the high costs of shipping feed from the mainland to the State. This bill will assist in lowering those costs by encouraging feed industry development, and thereby, lowering the costs of meat, milk, eggs and fish in the State. AFIA supports this bill.

Thank you for your consideration of AFIA's comments.

Sincerely,

Richard Sellers, PAS, Dipl., ACAS  
Sr. Vice President for Public Policy & Education

*Our Industry. Our Passion. Our Voice.*



February 10, 2016

Representative Clift Tsuji, Chair  
Representative Richard H.K. Onishi, Vice Chair  
House Committee on Agriculture

**Testimony in Support of HB 1999, Relating to Agriculture (Establishes Within the Livestock Revitalization Program, a Grant Program for Qualified Feed Developers; Appropriates Funds for the Feed Developer Grant Program, Reimbursements to Qualified Producers for Feed Costs, and a Survey of Local Feed Ingredient Sources).**

**Thursday, February 11, 2016, 9:00 a.m., in Conference Room 312**

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. One of LURF's missions is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources and public health and safety.

LURF appreciates the opportunity to provide testimony in support of HB 1999, and to offer comments.

**HB 1999.** As an advocate for the various agricultural stakeholder groups who defend the goals of viable agricultural operations and the conservation and protection of agriculture, including important agricultural lands in Hawaii, LURF supports this measure which seeks to help revitalize the State's livestock industries by establishing within the Livestock Revitalization Program, a grant program for qualified feed developers, as well as appropriating funds for the Feed Developer Grant Program; reimbursing qualified producers for feed costs; reimbursing qualified feed developers for the costs of development of feed for sale to qualified producers; and a survey of local feed ingredient sources.

**LURF's Position.** LURF members include private property owners, farmers and ranchers who own, maintain, and engage in agricultural enterprises, and who consider such measures critical to the conduct of their operations and to help sustain their businesses. These land owners and agricultural stakeholders believe HB 1999 and the ensuing establishment of such a grant program will greatly assist

with feed costs which have been a contributing factor to the decline of the State's livestock industry.

As this Committee may already be aware, Hawaii's livestock industry faces numerous challenges, one if not the greatest being the unsustainable availability and cost of feed for livestock production. Most local dairies and egg and poultry farms have already gone out of business or are currently threatened with closure due to rising production (mainly feed) costs. This measure will assist in continuing to make locally produced milk, eggs, beef, pork, poultry and other products available to Hawaii residents, and will help revitalize the State's declining livestock industry.

Decreased or limited livestock production increases the State's reliance on the importation of food and threatens the State's food security. As potential issues relating to public health, and food safety and security continue to be a significant concern, LURF and its members appreciate this measure being taken to assist agricultural stakeholders.

For the reasons stated above, LURF is **in support of HB 1999**, and respectfully urges your favorable consideration of this bill.

Thank you for the opportunity to present testimony regarding this measure.

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 08, 2016 2:39 PM  
**To:** AGRtestimony  
**Cc:** begoniabarry@gmail.com  
**Subject:** Submitted testimony for HB1999 on Feb 11, 2016 09:00AM

**HB1999**

Submitted on: 2/8/2016

Testimony for AGR on Feb 11, 2016 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Barry	Individual	Support	No

Comments: Aloha, I support this bill as long as the feed that is being grown is non GE feed. Mahalo,

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Email: [communications@ulupono.com](mailto:communications@ulupono.com)

HOUSE COMMITTEE ON AGRICULTURE  
Thursday, February 11, 2016 — 9:00 a.m. — Room 312

**Ulupono Initiative Strongly Supports HB 1999 with an Amendment, Relating to Agriculture**

Dear Chair Tsuji, Vice Chair Onishi, and Members of the Committee:

My name is Kyle Datta and I am General Partner of the Ulupono Initiative, a Hawai'i-based impact investment company that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally grown food; increase affordable, clean, renewable energy; and reduce waste. We believe that self-sufficiency is essential to our future prosperity, and will help shape a future where economic progress and mission-focused impact can work hand in hand.

**Ulupono strongly supports HB 1999**, which provides grants to qualified feed developers via the Department of Agriculture's Livestock Revitalization Program, because it aligns with our goal of providing more locally produced food.

Feed costs for livestock production in Hawai'i can comprise 70 percent of production cost, and our concern is that we need to keep our livestock producers in business. We anticipate through grass-fed initiatives and feed research, that the agricultural sector will be able to affordably produce its own feed within a few years. We cannot afford to lose local food producers like ranchers, aquaculture farmers, and poultry farmers. While the industry works to create more homegrown feed, the subsidy is needed to help sustain the industry.

Furthermore, after conducting an analysis on the provisions for this bill, we believe it will help feed development research by universities, as well as for businesses that raise animals that are currently under development.

However, the language as written makes it unclear whether these funds could be used for "feed research." We propose on page 5, line 6, the words "researching and/or", after the words "cultivating feed crops or." Since there are no local feed mill operations in Hawai'i at the present time, we feel that funds appropriated under this bill should be allowed for identifying, assessing, and validating local feed ingredients rather than only subsidizing feeds.

*Investing in a Sustainable Hawai'i*

As Hawai'i's local food issues become more complex and challenging, organizations need additional resources and support to address and overcome them. We appreciate this committee's efforts to look at policies that support local food production.

We believe that by collaborating we can help produce more local food, support an economically strong homegrown agriculture industry, which strengthens our community with fresh, healthy food. Thank you for this opportunity to testify.

Respectfully,

Kyle Datta  
General Partner

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, February 10, 2016 5:41 PM  
**To:** AGRtestimony  
**Cc:** dale@hicattle.org  
**Subject:** \*Submitted testimony for HB1999 on Feb 11, 2016 09:00AM\*

**HB1999**

Submitted on: 2/10/2016

Testimony for AGR on Feb 11, 2016 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Dale Sandlin	Hawaii Cattlemens Council	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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DAVID Y. IGE  
Governor

SHAN S. TSUTSUI  
Lt. Governor



State of Hawaii  
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SCOTT E. ENRIGHT  
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER  
Deputy to the Chairperson

TESTIMONY OF SCOTT E. ENRIGHT  
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON AGRICULTURE

February 11, 2016  
9:00 A.M.  
CONFERENCE ROOM 312

HOUSE BILL NO. 1999  
RELATING TO AGRICULTURE

Chairperson Tsuji and Members of the Committee:

Thank for the opportunity to testify on House Bill No. 1999 relating to agriculture. The bill proposes to 1) establish a grant program for qualified feed developers within the Livestock Revitalization Program, 2) appropriate fund for feed developers and reimbursements to qualified producers for feed costs and 3) conduct a survey of local feed ingredient sources. The department supports this bill provided that it does not impact the priorities established in the Department's executive budget and offers comments.

The bill includes language for documentation of animal feed development costs requested by the department. However, for consistency, existing language in section 155-D (a) (5) (b), Hawaii Revised Statutes, relating to the documentation for animal feed reimbursement costs requested by the department should also be amended to read as follows:

"(b) Documentation of animal feed costs, as requested by the department, shall be filed for feed purchased within the immediate preceding fiscal quarter of filing and shall be effective for feed costs incurred after [~~July 1, 2013~~] July 1, 2016."





In addition, section 155-D (a) (5) (c), Hawaii Revised Statutes, should also be amended to read:

“(c) The applicant shall submit a quarterly financial statement of farm revenues and expenses along with other supporting documents as deemed necessary by the department, and filed with the documentation of feed costs. An annual financial statement shall be filed with the department within ninety days following the close of the business’ fiscal year after [~~June 28, 2013~~], June 30, 2016 for final reconciliation of any reimbursement paid during the previous three quarters within the fiscal year. The financial statement shall be certified as accurate by the applicant and the preparer of the financial statement on forms prepared by the department.”

Thank you for the opportunity to testify on this measure.



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February 11, 2016

HEARING BEFORE THE  
HOUSE COMMITTEE ON AGRICULTURE

TESTIMONY ON HB 1999  
RELATING TO AGRICULTURE

Room 312  
9:00 AM

Aloha Chair Tsuji, Vice Chair Onishi, and Members of the Committee:

I am Randy Cabral, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,900 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.

**HFB is in strong support of HB 1999**, which establishes within the Livestock Revitalization Program a grant program for qualified feed developers. It also appropriates funds for the Feed Developer Grant Program, reimbursements to Qualified Producers for feed costs, and a survey of local feed ingredient sources.

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 of 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 the cost of feed.

HB 1999 will help to keep fresh, locally produced milk, eggs, beef, pork, poultry, sheep, lamb, 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 the opportunity to comment on this measure.