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Governor

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DEPARTMENT OF AGRICULTURE
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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

MARCH 25, 2015
11:30 A.M.
CONFERENCE ROOM 312

SENATE BILL NO. 382 SD 2
RELATING TO AGRICULTURE

Chairperson Tsuji and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 382 SD 2, relating to Agriculture. This bill proposes to establish a grant for qualified feed developers. The department supports this bill and requests amendments.

The Department would like to be able to include feed mills as being able to apply for this grant as well as they will play a vital role in creating a locally sourced livestock feed. As such we would request the following amendments.

In section 2 of the bill in the new proposed section 155D, adding two new subsections to read as follows:

"(4) The applicant for the planning and construction of a feed mill shall provide proof of a completion bond and a payment bond adequate to cover the completion of the planned feed mill, as determined by the department;

(5) Any grant for the planning and construction of a feed mill:

(A) shall not exceed \$750,000 per project; and

(B) shall be disbursed as a dollar-for-dollar match to other funding pledged to or deposited with the feed mill developer, solely for the planning and construction of the feed mill;"

The Department would also request that a new subsection be added in Section 4 of the bill to read as follows:

"(3) \$ to assist feed developers in the planning and construction of feed mills situated in the state of Hawaii; provided that funds shall be disbursed as a dollar-for-dollar match to other funding pledged to or deposited with the feed mill developer, solely for the planning and construction of the feed mill."



Thank you for the opportunity to testify on this measure



March 23, 2015

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

**Testimony Supporting the Intent of SB 382, SD2, Relating to Agriculture
(Establishes Within the Livestock Revitalization Program of the Department of
Agriculture [DOA], a Program to Provide Grants to Qualified Feed Developers).**

Wednesday, March 25, 2015, 11:30 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 **supporting the intent of SB 382, SD2**, and to offer comments.

SB 382, SD2. 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 DOA's Livestock Revitalization Program, a program to provide grants to qualified feed developers.

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 SB 382, SD2 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.

While amendments to this bill have been made in this SD2 requiring the DOA to further define terms contained in the measure, LURF is concerned that the language contained in this version of the bill may still be somewhat unclear, particularly requirements and criteria relating to allowable grant and subsidy amounts, and may therefore be confusing to applicants and administratively challenging for the DOA.

For the reasons stated above, LURF is generally **in support of SB 382, SD2**, and respectfully urges your favorable consideration of this bill, however, asks that the language of the present version be reviewed and considered by this Committee to ensure clarity and to avoid any confusion.

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



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March 25, 2015

HEARING BEFORE THE
HOUSE COMMITTEE ON AGRICULTURE

TESTIMONY ON SB 382 SD 2
RELATING TO AGRICULTURE

Room 312
11:30 AM

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

I am Christopher Manfredi, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,932 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 SB 382 SD 2, which established the livestock revitalization program, a grant program 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 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.

SB 382 SD 2 will help 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.



Email: communications@uluponoinitiative.com

HOUSE COMMITTEE ON AGRICULTURE
Wednesday, March 25, 2015 — 11:30 a.m. — Room 312

Ulupono Initiative Strongly Supports SB 382 SD 2 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 firm 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 renewable energy, and reduce/recycle waste. Ulupono invests in projects that have the potential to create large-scale, innovative change.

Ulupono strongly supports SB 382 SD 2, which provides grants to qualified feed developers via the Department of Agriculture's Livestock Revitalization Program. 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 our people – our ranchers, aquaculture 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 Hawai'i Pacific University, the University of Hawai'i and other 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 4, line 12, the words "or manufacturing or researching feed for qualified producers", after the words "feed crops." This would allow organizations such as the Oceanic Institute to qualify for these funds to research feed, which would then be used to develop that feed.

We believe that working together 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.

Investing in a Sustainable Hawai'i



Respectfully,

Kyle Datta
General Partner

onishi3 - Timothy

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 24, 2015 10:17 PM
To: AGRtestimony
Cc: amybrinker@mac.com
Subject: *Submitted testimony for SB382 on Mar 25, 2015 11:30AM*

LATE

SB382

Submitted on: 3/24/2015

Testimony for AGR on Mar 25, 2015 11:30AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Amy Brinker	Individual	Support	No

Comments:

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onishi3 - Timothy

From: mailinglist@capitol.hawaii.gov
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To: AGRtestimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for SB382 on Mar 25, 2015 11:30AM*

SB382

Submitted on: 3/24/2015

Testimony for AGR on Mar 25, 2015 11:30AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

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To: AGRtestimony
Cc: dale.hicattlemens@hawaii.rr.com
Subject: *Submitted testimony for SB382 on Mar 25, 2015 11:30AM*

SB382

Submitted on: 3/24/2015

Testimony for AGR on Mar 25, 2015 11:30AM in Conference Room 312

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

Comments:

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