



1 process to identify, assess, and validate available local feed  
2 ingredients.

3 The purpose of this part is to:

- 4 (1) Make a housekeeping amendment to harmonize a qualified
- 5 feed developer grant program requirement and a
- 6 qualified producer grant program requirement;
- 7 (2) Appropriate funds to reimburse qualified producers of
- 8 certain products for their cost of feed; and
- 9 (3) Appropriate funds to reimburse feed developers and
- 10 researchers for the costs of feed development and
- 11 research.

12 SECTION 2. Section 155D-2.5, Hawaii Revised Statutes, is  
13 amended by amending subsection (b) to read as follows:

14 "(b) Documentation of animal feed development costs, as  
15 requested by the department, shall be filed for feed sold to  
16 qualified producers within the immediately preceding fiscal  
17 quarter of the filing [~~and shall be effective for feed~~  
18 ~~development costs incurred after July 1, 2016~~]."

19 SECTION 3. There is appropriated out of the general  
20 revenues of the State of Hawaii the sum of \$ or so much  
21 thereof as may be necessary for fiscal year 2017-2018 for the



1 livestock revitalization program of the department of  
2 agriculture that shall be allocated as follows:

3 (1) \$ to reimburse qualified producers of milk,  
4 pork, eggs, poultry, beef, sheep, lamb, goats, and  
5 seafood, for the cost of feed for beef cattle, dairy  
6 cows or milking goats, goats raised for meat, sheep,  
7 hogs, fish, crustaceans, and poultry; and

8 (2) \$ to reimburse qualified feed developers and  
9 researchers for the costs of development and research  
10 of feed for sale to qualified producers; provided that  
11 of the sum appropriated, the department of agriculture  
12 may expend up to \$ to administer and operate  
13 the qualified feed developer grant program pursuant to  
14 section 155D-2.5, Hawaii Revised Statutes, including  
15 support services and general administrative overhead.

16 The sum appropriated shall be expended by the department of  
17 agriculture for the purposes of this part.

18 PART II

19 SECTION 4. The legislature finds that over the last  
20 several decades, the State and the private sector have searched  
21 for ways to reduce or eliminate food and solid waste products,



1 as well as construction waste and recycling materials. The  
2 agribusiness development corporation is currently involved in a  
3 public-private partnership to develop a zero waste conversion  
4 process on the island of Hawaii converting papaya waste into  
5 fuel and animal feed. The zero waste process utilizes every  
6 stage of the papaya plant, from seed to fruit, to reduce the  
7 amount of food waste that is delivered to landfills while  
8 producing renewable bioenergy fuel.

9 The legislature further finds that livestock feed costs for  
10 feed shipped to Hawaii for local agriculturalists and  
11 aquaculturalists often exceed sixty per cent of overall  
12 livestock production costs in Hawaii. The agribusiness  
13 development corporation seeks to broaden its waste-reduction and  
14 recycling projects by partnering with a viable and qualified  
15 entity to establish a livestock feed mill operation using waste  
16 materials, such as unusable macadamia nut fruit and shells, and  
17 converting those otherwise unusable parts and byproducts into  
18 aquaculture and livestock feed. This process has shown great  
19 promise in farm trials. The agribusiness development  
20 corporation will assist with the development of the plans and  
21 design of the operation, and will purchase the equipment to



1 convert and process the waste materials. The project partner  
2 will be required to have adequate warehouse space to house the  
3 equipment and be required to provide the labor for the  
4 manufacture and sale of the resulting product.

5 The purpose of this part is to further the State's goals of  
6 reducing waste, reducing livestock production costs, and  
7 producing livestock feed within the State to enable agriculture  
8 and aquaculture operations in the State to thrive by funding the  
9 planning, designing, and construction of a livestock feed mill.

10 SECTION 5. The director of finance is authorized to issue  
11 general obligation bonds in the sum of \$ or so much  
12 thereof as may be necessary and the same sum or so much thereof  
13 as may be necessary is appropriated for fiscal year 2017-2018  
14 for the purpose of planning, designing, and purchasing a  
15 livestock feed mill.

16 SECTION 6. The appropriation made for the capital  
17 improvement project authorized by this Act shall not lapse at  
18 the end of the fiscal biennium for which the appropriation is  
19 made; provided that all moneys from the appropriation  
20 unencumbered as of June 30, 2020, shall lapse as of that date.





**Report Title:**

Department of Agriculture; Qualified Feed Developer Grants;  
Livestock Revitalization Program; Appropriation; GO Bonds

**Description:**

Makes housekeeping amendment to the Livestock Revitalization Program. Appropriates funds to the Department of Agriculture for the feed developer grant program and reimbursements to qualified producers for feed costs. Authorizes GO bonds for the planning, designing, and purchasing of a livestock feed mill.  
(SB612 HD1)

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