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# A BILL FOR AN ACT

RELATING TO AGRICULTURE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the Hawaii livestock  
2 industry consistently identifies the cost of feed as the most  
3 expensive component in operational costs. This concern is in  
4 line with the national and global effort to reduce feed costs by  
5 replacing high-cost ingredients with lower-cost alternatives.  
6 Hawaii's situation is exacerbated by the lack of local feed  
7 mills, which necessitates the importation of livestock feed.  
8 Years of research and local workshops to encourage and support  
9 the development of locally produced feed have not improved the  
10 deficient feed stock situation in the State.

11           The legislature further finds that the department of  
12 agriculture is committed to reducing the cost of production for  
13 the State's livestock and aquaculture industries by reducing the  
14 cost of feed. Hawaii has the potential ingredients for the  
15 development and production of local feedstock. The department  
16 of agriculture has initiated a feed development process to  
17 identify, assess, and validate available local feed ingredients.

18           The purpose of this Act is to:



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

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

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

15           SECTION 3. There is appropriated out of the general  
16 revenues of the State of Hawaii the sum of \$2,000,000 or so much  
17 thereof as may be necessary for fiscal year 2017-2018 for the  
18 livestock revitalization program of the department of  
19 agriculture that shall be allocated as follows:

- 20           (1) \$1,000,000 to reimburse qualified producers of milk,  
21           pork, eggs, poultry, beef, sheep, lamb, goats, and



1 seafood, for the cost of feed for beef cattle, dairy  
2 cows or milking goats, goats raised for meat, sheep,  
3 hogs, fish, crustaceans, and poultry; and  
4 (2) \$1,000,000 to reimburse qualified feed developers for  
5 the costs of development of feed for sale to qualified  
6 producers; provided that from the sum appropriated,  
7 the department of agriculture may expend up to \$15,000  
8 to administer and operate the qualified feed developer  
9 grant program pursuant to section 155D-2.5, Hawaii  
10 Revised Statutes, including support services and  
11 general administrative overhead.

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

14 SECTION 4. Statutory material to be repealed is bracketed  
15 and stricken.

16 SECTION 5. This Act shall take effect on July 1, 2017.



**Report Title:**

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

**Description:**

Repeals language requiring documentation of animal feed development costs to be effective for feed development costs incurred after July 1, 2016. Appropriates funds to the Department of Agriculture for the feed developer grant program and reimbursements to qualified producers for feed costs. (SD1)

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