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# A BILL FOR AN ACT

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RELATING TO SUSTAINABLE AGRICULTURE.

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

1       SECTION 1. The legislature finds that the use of cover  
2 crops, green manure, and compost increases agricultural  
3 productivity and aligns with the State's integrated  
4 sustainability goals. Plants used for this purpose, including  
5 grasses, legumes, and forbs, add nutrients to the soil, act as  
6 windbreaks, assist with water retention, provide habitats for  
7 beneficial insects, and help prevent soil erosion.

8       The legislature further finds that it is in the interest of  
9 the State to incentivize the use of management practices that  
10 enhance the quality and sustainability of Hawaii's agricultural  
11 lands.

12       Accordingly, the purpose of this Act is to establish and  
13 appropriate moneys for a cover crop reimbursement pilot program  
14 to reimburse farming operations in the State for the costs of  
15 acquiring cover crop seeds, green manure, or compost.

16       SECTION 2. (a) The department of agriculture shall  
17 establish and implement a three-year cover crop reimbursement



1 pilot program to reimburse farming operations in the State for  
2 the costs of acquiring cover crop seeds, green manure, or  
3 compost.

4 (b) Each application for cost reimbursement shall be  
5 submitted on a form furnished by the department of agriculture  
6 and shall be accompanied by documentation of the costs of items  
7 purchased, pursuant to subsection (c); provided that:

8 (1) The applicant shall indemnify and hold harmless the  
9 State and its officers, agents, and employees from all  
10 claims arising out of or resulting from the cover crop  
11 seeds, green manure, or compost purchased; and

12 (2) The department of agriculture may request that the  
13 applicant provide additional information for the  
14 purposes of verifying the volume of cover crop seeds,  
15 green manure, or compost purchased.

16 (c) Applications for reimbursement under the cover crop  
17 reimbursement pilot program shall be filed for cover crop seeds,  
18 green manure, and compost purchased within the fiscal year  
19 immediately preceding the filing and shall be effective for  
20 costs of the purchases incurred after June 30, 2022, and before  
21 July 1, 2025. Each application shall include a certification



1 that the amount for which the applicant seeks reimbursement has  
2 not been nor will be reimbursed by any other governmental cover  
3 crop incentive program, including the United States Department  
4 of Agriculture, Natural Resources Conservation Service's  
5 environmental quality incentives program and the conservation  
6 stewardship program.

7 (d) If an application is approved, funds shall be  
8 disbursed upon approval by the department of agriculture on an  
9 annual basis to the farmer or rancher for up to seventy-five per  
10 cent of the costs incurred for cover crop seeds, green manure,  
11 or compost purchased after June 30, 2022, and before July 1,  
12 2025.

13 (e) The department of agriculture shall convene a review  
14 panel comprising knowledgeable representatives from the  
15 department of agriculture, University of Hawaii at Manoa college  
16 of tropical agriculture and human resources, and industry  
17 organizations. The panel shall screen and rate applicants on  
18 the quality and appropriate use of their cover crops and green  
19 manure and their composting practices. The department shall  
20 aggregate the total reimbursement applications pursuant to this  
21 section and distribute the available moneys based on a ranking



1 scale as determined by the review panel; provided that a higher-  
2 ranked applicant shall receive a higher rate of reimbursement  
3 than a lower-ranked applicant.

4 (f) There is established within the department of  
5 agriculture a cover crop reimbursement pilot program manager  
6 position, which shall be a full-time temporary position exempt  
7 from the requirements of chapters 76 and 89, Hawaii Revised  
8 Statutes. The cover crop reimbursement pilot program manager  
9 shall receive a salary not exceeding \$50,000 per year. The  
10 cover crop reimbursement pilot program manager shall possess a  
11 requisite level of knowledge and expertise in the area of  
12 program management necessary to carry out the duties of the  
13 position. The cover crop reimbursement pilot program manager  
14 shall:

15 (1) Facilitate the division and distribution of available  
16 costs for reimbursement; and

17 (2) Manage the day-to-day coordination of the cover crop  
18 reimbursement pilot program.

19 (g) Any action taken by the department of agriculture  
20 pursuant to this section shall be exempt from the rulemaking  
21 requirements of chapter 91, Hawaii Revised Statutes.



1 (h) The department of agriculture shall submit an interim  
2 report of its findings and recommendations relating to  
3 activities conducted pursuant to this Act, including any  
4 proposed legislation, to the legislature no later than twenty  
5 days prior to the convening of the regular session of 2025 and a  
6 final report no later than twenty days prior to the convening of  
7 the regular session of 2026. The report shall include the  
8 department's recommendation on whether the pilot program should  
9 be extended, with or without modifications.

10 (i) As used in this section:

11 "Compost" means a product of a composting process.

12 "Compostable materials" includes pre- and post-consumer  
13 food waste, waste from animal food processing operations, green  
14 waste, crop residues, and waste from vegetable food processing  
15 operations and similar materials.

16 "Composting process" means a process in which organic  
17 compostable materials are biologically decomposed under  
18 controlled conditions to produce a stable humus-like mulch or  
19 soil amendment, and includes:

20 (1) The receipt of materials;

21 (2) Primary processing;



1 (3) Decomposition activities; and

2 (4) Final processing for sale and marketing.

3 "Cover crop" and "green manure" mean the plants listed in  
4 the cover crop and green manure database maintained by the  
5 University of Hawaii at Manoa college of tropical agriculture  
6 and human resources, except bermuda grass and other invasive or  
7 fast-growing grasses.

8 "Farming operation" has the same meaning as in section  
9 165-2, Hawaii Revised Statutes.

10 SECTION 3. There is appropriated out of the general  
11 revenues of the State of Hawaii the sum of \$ or so  
12 much thereof as may be necessary for fiscal year 2022-2023 for  
13 the department of agriculture to establish, implement, and  
14 administer a cover crop reimbursement pilot program; provided  
15 that up to \$ may be used for the pilot program's  
16 administrative costs.

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

19 SECTION 4. This Act shall take effect on July 1, 2050.



**Report Title:**

Sustainable Agriculture; HDOA; Cover Crop Reimbursement Pilot Program; Appropriation

**Description:**

Establishes a cover crop reimbursement pilot program to provide up to 75% cost reimbursement to farming operations in the State for the acquisition of cover crop seeds, green manure, or compost. Requires the convening of a review panel to screen and rate applicants on the quality of their cover crop and green manure and composting practices. Establishes a cover crop reimbursement pilot program manager position within the Department of Agriculture to administer the program. Requires reports to the Legislature. Appropriates moneys. Effective 7/1/2050. (SD1)

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

