
A BILL FOR AN ACT

RELATING TO COFFEE LEAF RUST.

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

1 SECTION 1. The legislature finds that coffee is one of the
2 largest agricultural crops in the State and is a highly valued
3 commodity in Hawaii's economy. In recent years, the coffee
4 berry borer, a small beetle, has infested coffee crops in the
5 Kona and Kau regions of Hawaii island, and more recently has
6 been detected on Oahu, Maui, Kauai, and Lanai. In 2020, coffee
7 leaf rust was discovered for the first time on Maui and Hawaii
8 island. These two pests threaten the viability of the State's
9 coffee industry.

10 The legislature further finds that Act 105, Session Laws of
11 Hawaii 2014 (Act 105), appropriated funds for the development
12 and implementation of a pesticide subsidy program to assist
13 coffee growers with offsetting the cost of purchasing pesticides
14 containing *Beauveria bassiana* and was implemented at the end of
15 2016. Act 152, Session Laws of Hawaii 2015, established a
16 pesticide subsidy program manager position as a full-time,



1 temporary position exempt from chapters 76 and 89, Hawaii
2 Revised Statutes.

3 The legislature additionally finds that the sunset dates of
4 the pesticide subsidy program and pesticide subsidy program
5 manager position, including the exemption from chapters 76 and
6 89, Hawaii Revised Statutes, were subsequently extended to
7 June 30, 2023, and June 30, 2024, respectively.

8 The legislature also finds that tree health is a vital
9 component in fighting the infestation and spread of coffee leaf
10 rust. According to the Kona Coffee Farmers Association, the
11 cost of fertilizer for the maintenance of coffee tree health is
12 equal to the cost of pesticides used to control coffee leaf rust
13 on organic farms. However, the subsidy program originally
14 created by Act 105 does not currently cover the cost of
15 fertilizer, which prevents coffee farmers from applying for and
16 receiving financial assistance for fertilizers that strengthen
17 coffee tree immunity.

18 The purpose of this Act is to assist coffee farmers in
19 responding to coffee leaf rust by amending the subsidy program
20 under Act 105 to include fertilizers.



1 SECTION 2. Act 105, Session Laws of Hawaii 2014, as
2 amended by section 1 of Act 152, Session Laws of Hawaii 2015, as
3 amended by section 2 of Act 65, Session Laws of Hawaii 2017, as
4 amended by section 2 of Act 32, Session Laws of Hawaii 2018, as
5 amended by section 43 of Act 111, Session Laws of Hawaii 2019,
6 as amended by section 2 of Act 138, Session Laws of Hawaii 2021,
7 is amended as follows:

8 "SECTION 3. (a) There is established in the department of
9 agriculture a pesticide and fertilizer subsidy program to be
10 administered by the department beginning on July 1, 2014, and
11 ending on June 30, 2023. The department shall grant subsidies
12 to coffee growers to assist the coffee growers in offsetting the
13 costs of purchasing any pesticide or fertilizer that is listed
14 by the department pursuant to subsection (f).

15 (b) Applications for subsidies by coffee growers shall be
16 submitted on a form furnished by the department and shall be
17 filed with accompanying documentation of the costs of purchasing
18 the pesticide[+] or fertilizer; provided that:

19 (1) The applicant shall indemnify and hold harmless the
20 State and its officers, agents, and employees from all



1 claims arising out of or resulting from the pesticide
2 or fertilizer purchased; and

3 (2) The department may request that an applicant provide
4 necessary information for the purposes of verifying
5 the size or sale weight, as applicable, and amount of
6 the pesticide or fertilizer purchased.

7 (c) Documentation of pesticide or fertilizer costs, as
8 requested by the department, shall be filed for pesticides or
9 fertilizers purchased within the immediately preceding fiscal
10 year of filing and shall be effective for pesticide or
11 fertilizer costs incurred after June 30, 2014, and before
12 July 1, 2023.

13 (d) Funds shall be disbursed upon approval on an annual
14 basis by the department to the coffee grower for up to seventy-
15 five per cent of the costs incurred for the purchase of the
16 pesticide or fertilizer before July 1, 2016, and for up to fifty
17 per cent of the costs incurred after June 30, 2016, and before
18 July 1, 2023.

19 (e) The department shall aggregate the total subsidy
20 applications pursuant to this section and divide and distribute

1 the available subsidy funds on a pro rata basis; provided that
2 ~~no~~:

3 (1) No single coffee grower shall receive subsidies that
4 are more than \$600 per year for coffee berry borer
5 control and more than \$600 per year for coffee leaf
6 rust control per acre of land in coffee production;
7 ~~provided further that no~~

8 (2) No single coffee grower shall receive subsidies that
9 are more than \$9,000 per year; ~~provided further that~~
10 ~~no~~

11 (3) No single coffee grower shall receive subsidies that
12 total more than \$6,000 per year for the period after
13 June 30, 2018, and before July 1, 2021; ~~provided~~
14 ~~further that no~~ and

15 (4) No single coffee grower shall receive subsidies that
16 total more than \$12,000 per year for the period after
17 June 30, 2021, and before July 1, 2023.

18 (f) The department shall establish a list of pesticides
19 that are registered with the United States Environmental
20 Protection Agency and are licensed with the State that contain

1 *Beauveria bassiana*, a fungus known to eradicate the coffee berry
2 borer, as an active ingredient.

3 The department shall also establish a list of pesticides
4 that are registered with the United States Environmental
5 Protection Agency; are licensed with the State; and are contact
6 and systemic fungicides that, when combined, are effective
7 against coffee leaf rust.

8 The department shall also establish a list of fertilizers
9 that are effective in strengthening coffee tree immunity against
10 coffee leaf rust.

11 (g) There is established within the department a pesticide
12 and fertilizer subsidy program manager position, which shall be
13 a full-time, temporary position exempt from chapters 76 and 89,
14 Hawaii Revised Statutes. The pesticide and fertilizer subsidy
15 program manager shall possess a requisite level of knowledge and
16 expertise in the area of program management necessary to carry
17 out the duties of the position. The pesticide and fertilizer
18 subsidy program manager shall:

19 (1) Facilitate the efficient division and distribution of
20 available subsidy funds; and



1 (2) Manage the day-to-day coordination for the pesticide
2 and fertilizer subsidy program.

3 The pesticide and fertilizer subsidy program manager shall
4 receive a salary of not more than \$50,000 per year. The
5 pesticide and fertilizer subsidy program manager position,
6 including the position's exemption from chapters 76 and 89,
7 Hawaii Revised Statutes, shall expire on June 30, 2024.

8 (h) Not later than twenty days prior to the convening of
9 the regular session of 2023, the department shall submit a
10 report of its findings and recommendations, including any
11 proposed legislation, to the legislature on the results of the
12 subsidy program and whether the program should be allowed to
13 expire or be extended, and if extended, with or without
14 modification.

15 (i) Actions taken by the department pursuant to this
16 section shall be exempt from the rulemaking requirements of
17 section 91-3, Hawaii Revised Statutes.

18 (j) As used in this Act, "department" means the department
19 of agriculture."

20 SECTION 3. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



H.B. NO. 1534

1 SECTION 4. This Act shall take effect upon its approval.

2

INTRODUCED BY:

A handwritten signature in black ink, appearing to read "Jeani Fyph", written over a horizontal line.

JAN 19 2022



H.B. NO. 1534

Report Title:

Coffee Leaf Rust; Subsidy Program; Fertilizer

Description:

Amends the subsidy program originally created by Act 105, Session Laws of Hawaii 2014, to allow coffee growers to use subsidies from the program to offset the costs of purchasing fertilizer to strengthen tree immunity against coffee leaf rust.

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

