S.R. NO. 19

FEB 1 3 2023

SENATE RESOLUTION

URGING THE STATE TO PURSUE AN EXEMPTION TO THE COMMERCE CLAUSE OF THE UNITED STATES CONSTITUTION FOR AGRICULTURAL PRODUCE GROWN OR RAISED IN THE STATE OF HAWAII.

WHEREAS, Hawaii imports more than eighty-five percent of its food and is considered highly vulnerable in issues of food security; and

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WHEREAS, climate change significantly increases this vulnerability with sea level rise and intensified weather patterns in the Pacific, including unpredictable seas and hurricanes; and

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WHEREAS, the Merchant Marine Act of 1920, commonly known as the Jones Act, requires that all goods that are shipped within the United States be transported by United States-flagged vessels that are primarily operated by United States citizens; and

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WHEREAS, much of Hawaii's cargo shipments require marine transportation and are therefore subject to the Jones Act; and

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WHEREAS, the requirements of the Jones Act create an artificial scarcity of available ships, thus increasing transportation costs; and

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WHEREAS, in addition to higher shipping costs, local farmers must contend with inflated costs to buy or lease land, and high water rates, as well as one of the highest costs of living in the country; and

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WHEREAS, these factors make the costs of farming in Hawaii the highest in the nation, creating an almost insurmountable hurdle for local farmers and an unfair advantage for agricultural producers based in the continental United States; and

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WHEREAS, the United States Department of Agriculture defines small farms as those having no more than five hundred acres; and

WHEREAS, the latest Hawaii Department of Agriculture surveys reveal that less than four percent of farms in Hawaii surpass that threshold, with the vast majority, ninety-six percent, being very small farms; and

WHEREAS, fifty-eight percent of the small farms in Hawaii average sixteen or less acres in size; and

WHEREAS, the average small farm in Hawaii incurs losses of almost \$10,000 annually due to the high costs of farming; and

WHEREAS, the United States Constitution was written in 1787 at the Constitutional Convention, ratified in subsequent state conventions, and took effect in 1789; and

WHEREAS, Article I, section 8, clause 3 of the United States Constitution, commonly referred to as the Commerce Clause, gives the United States Congress the power "to regulate commerce with foreign nations, and among the several states, and with the Indian tribes"; and

WHEREAS, historically, courts have interpreted the Commerce Clause to include a prohibition against states passing legislation that discriminates against or excessively burdens interstate commerce by, for example, creating an unfair advantage for their own producers over those of any other state; and

 WHEREAS, the effects of the Commerce Clause on individual states in the sector of agriculture is currently a highly contested aspect of the law, due to the dominance of a small number of national corporate producers in all states; and

WHEREAS, despite this nation's apparent desire for federal laws that prevent discrimination against interstate commerce, the United States Supreme Court has not yet addressed discrimination or undue influence on interstate commerce caused by federal law; and

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WHEREAS, despite the fact that, on July 9, 2021, President Joseph R. Biden signed Executive Order No. 14036, entitled "Executive Order on Promoting Competition in the American Economy," which, among other things, sought to create a fairer, more resilient meat and poultry industry by identifying recurring unfair, unjustly discriminatory, or deceptive practices, no federal law or executive order has yet addressed the economic disparities experienced by vegetable and fruit growers; and

WHEREAS, the intent behind the Commerce Clause was never to favor national corporate agriculture at the expense and survival of small local farms, but rather to ensure robust, diverse market competition; and

WHEREAS, at the time the United States Constitution was written, Hawaii was still an independent nation and, hence, Congress did not, nor has it currently, considered the implications of the Commerce Clause on the Hawaiian Islands with regard to current and future food security needs, the extra burden of trans-ocean and intra-state ocean shipping, and economic disparities; and

WHEREAS, an exemption from the Commerce Clause would help to restore balance and fair markets to small agricultural producers in the State of Hawaii; now, therefore,

BE IT RESOLVED by the Senate of the Thirty-second Legislature of the State of Hawaii, Regular Session of 2023, that the Governor, the Legislature of the State of Hawaii, and its representatives in Congress are urged to pursue an exemption to the Commerce Clause of the United States Constitution for agricultural produce grown in Hawaii; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to all members of Hawaii's congressional delegation, the Governor, the Attorney General, the Chairperson of the Board of Agriculture, and the Chair of the Board of Trustees of the Office of Hawaiian Affairs.

OFFERED BY: