

STAND. COM. REP. NO. 2541

Honolulu, Hawaii

FEB 16 2024

RE: S.B. No. 3261

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 3261 entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a Local Agriculture Transportation Cost Reimbursement Program to reimburse eligible ranchers and farmers a portion of their costs to transport livestock, livestock products, agricultural commodities, and certain supplies under certain circumstances; and
- (2) Appropriate an unspecified amount of funds for the Department of Agriculture to fund and administer the Local Agriculture Transportation Cost Reimbursement Program.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Food Industry Association; Hawaii Cattlemen's Council, Inc.; and Hawaii Food+ Policy.

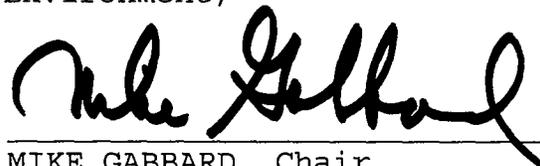
Your Committee finds that because Hawaii is an island state, any increase in the cost of interisland transportation creates a barrier to market for many local ranchers and farmers. Your Committee recognizes that shipping and transportation costs are a



leading barrier to expansion for many local ranchers and farmers as well. According to testimony received by your Committee, when an interisland cargo carrier increased its shipping rate by forty-six percent in 2020, many agricultural producers, particularly those on neighbor islands, could no longer afford to ship their products to other islands, resulting in lost sales and market share. The Local Agriculture Transportation Cost Reimbursement Program proposed in this measure will offset high shipping and transportation costs for local food producers; make locally grown food more competitive with imported products and more available and accessible to consumers and manufacturers on other islands; and incentivize more agricultural production in the State.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3261 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Agriculture and
Environment,



MIKE GABBARD, Chair



