

JAN 17 2025

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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 increasing local  
2 agricultural production is essential to the long-term  
3 sustainability and food security of the State. However, local  
4 agricultural producers face significant economic challenges,  
5 particularly with the high costs of transporting agricultural  
6 products and necessary supplies across the State. In a recent  
7 survey report on Hawaii commercial agricultural expansion,  
8 thirty-nine per cent of local ranchers and farmers cited  
9 shipping and transportation costs as a leading barrier to the  
10 expansion of their agricultural production. These  
11 transportation costs place undue strain and financial burdens on  
12 farmers and ranchers, limiting their ability to compete in local  
13 markets and reducing the overall productivity of Hawaii's  
14 agricultural sector.

15           The legislature recognizes that, to successfully scale up  
16 local production, the establishment of a cost reimbursement  
17 program that offsets the increased transportation costs of



1 agricultural producers is necessary to ensure growth in the  
2 agricultural sector. The financial relief provided by a cost  
3 reimbursement program would help strengthen local agriculture,  
4 encourage greater self-sufficiency, support the State's broader  
5 efforts to diversify its economy, and promote sustainable  
6 agricultural practices.

7 Accordingly, the purpose of this Act is to ensure that  
8 certain local agricultural producers, particularly those that  
9 manage livestock and produce essential commodities, receive  
10 support to offset the high costs of transporting goods to market  
11 and to obtain necessary supplies by establishing a local  
12 agriculture transportation cost reimbursement program.

13 SECTION 2. Chapter 141, Hawaii Revised Statutes, is  
14 amended by adding a new section to be appropriately designated  
15 and to read as follows:

16 **"§141- Local agriculture transportation cost**  
17 **reimbursement program; rules.** (a) There is established within  
18 the department of agriculture a local agriculture transportation  
19 cost reimbursement program to reimburse eligible agricultural  
20 producers for a portion of the producer's costs to transport  
21 agricultural commodities.



1        (b) To be eligible to receive reimbursement payments  
2 pursuant to this section, an agricultural producer shall:

3        (1) Be an owner of livestock or a producer of agricultural  
4 commodities in the State;

5        (2) Incur costs for transporting in a covered motor  
6 vehicle or through air cargo, parcel, or water cargo  
7 carrier services:

8            (A) Livestock, livestock products, or agricultural  
9 commodities to market within the State; or

10          (B) Supplies for the use of the agricultural  
11 producer; and

12        (3) Provide to the department of agriculture proof that  
13 the agricultural producer has annual gross receipts  
14 totaling \$                    or more.

15        (c) The total amount of reimbursement payments disbursed  
16 pursuant to this section shall not exceed \$                    in any  
17 year.

18        (d) The department may establish rules pursuant to  
19 chapter 91 necessary to carry out the purposes of this section.

20        (e) For purposes of this section:



1       "Agricultural commodity" has the same meaning as in section  
2 145-21.

3       "Covered motor vehicle" means a motor vehicle:

4       (1) Registered and owned by an owner of livestock or a  
5       producer of agricultural commodities in the State; and

6       (2) Used for the transport of livestock, livestock  
7       products, agricultural commodities, and supplies  
8       within the State."

9       SECTION 3. There is appropriated out of the general  
10 revenues of the State of Hawaii the sum of \$                    or so  
11 much thereof as may be necessary for fiscal year 2025-2026 and  
12 the same sum or so much thereof as may be necessary for fiscal  
13 year 2026-2027 for the department of agriculture to fund and  
14 administer the local agriculture transportation cost  
15 reimbursement program established pursuant to this Act.

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

18       SECTION 4. There is appropriated out of the general  
19 revenues of the State of Hawaii the sum of \$                    or so  
20 much thereof as may be necessary for fiscal year 2025-2026 and  
21 the same sum or so much thereof as may be necessary for fiscal



1 year 2026-2027 to establish and fund one full-time equivalent  
2 (1.0 FTE) position within the department of agriculture to  
3 administer the reimbursement local agriculture transportation  
4 cost reimbursement program established pursuant to this Act.

5 The sums appropriated shall be expended by the department  
6 of agriculture for the purposes of this Act.

7 SECTION 5. New statutory material is underscored.

8 SECTION 6. This Act shall take effect on July 1, 2025.

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INTRODUCED BY: Heath M. Ruesch *HR*



# S.B. NO. 504

**Report Title:**

DOA; Transportation Costs; Shipping Costs; Reimbursements;  
Position; Appropriations

**Description:**

Establishes a Local Agriculture Transportation Cost Reimbursement Program within the Department of Agriculture to reimburse eligible ranchers and farmers a portion of their costs to transport livestock, livestock products, agricultural commodities, and certain supplies, under certain conditions. Establishes a position to administer the Program. Makes appropriations.

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

