

Honolulu, Hawaii

FEB 10 2025

RE: S.B. No. 504
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 504 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 (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; and
- (2) Appropriate funds:
 - (A) For the Department of Agriculture to fund and administer the Program; and
 - (B) To establish and fund one full-time equivalent (1.0 FTE) position within the Department of Agriculture to administer the Program.

Your Committee received testimony in support of this measure from the Department of Agriculture; Office of the Mayor of the County of Maui; Hawai'i Farmers Union United; Hawaii Cattlemen's



Council, Inc.; Hawai'i Farm Bureau; Hawaii Food Industry Association; PonoHolo Ranch Limited; Kealia Ranch; Chamber of Commerce Hawaii; and five individuals.

Your Committee received testimony in opposition to this measure from Animal Rights Hawai'i.

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 impediment to expansion for many local ranchers and farmers. The Program proposed in this measure will offset high shipping and transportation costs for local food producers, incentivize more agricultural production in the State, and make locally grown food more competitive with imported products and more available and accessible to consumers and manufacturers on other islands.

Your Committee has amended this measure by:

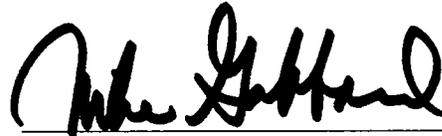
- (1) Expanding the eligibility of the Program to include cooperative aggregators, food hubs, and beginning or small-scale farmers that demonstrate commercial intent but earning below a certain threshold;
- (2) Establishing the following caps on reimbursement payments:
 - (A) For a single producer: \$25,000 or fifty percent of their eligible transportation costs per fiscal year, whichever is less; and
 - (B) For a single cooperative aggregator or food hub: \$50,000 or fifty percent of their eligible transportation costs per fiscal year, whichever is less;
- (3) Amending the definition of "agricultural commodity" to include floriculture and nursery production to expand eligibility for the Program;



- (4) Requiring the Department of Agriculture to submit annual reports to the Legislature before the convening of each Regular Session;
- (5) Updating section 1 to reflect its updated purpose;
- (6) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 504, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 504, S.D. 1, 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



