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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, including those that  
9 manage livestock and produce essential commodities and those  
10 engaged in floriculture and nursery production, receive support  
11 to offset the high costs of transporting goods to market and to  
12 obtain necessary supplies by establishing a local agriculture  
13 transportation cost reimbursement program.

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

17 **"§141- Local agriculture transportation cost**  
18 **reimbursement program; rules.** (a) There is established within  
19 the department of agriculture a local agriculture transportation  
20 cost reimbursement program to reimburse eligible agricultural



1 producers for a portion of the producer's costs to transport  
2 agricultural commodities.

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

5 (1) Be an owner of livestock or a producer of agricultural  
6 commodities in the State, a cooperative aggregator or  
7 food hub, or a start-up or small-scale farmer  
8 demonstrating commercial intent that earns below the  
9 threshold of gross receipts under paragraph (3);

10 (2) Incur costs for transporting in a covered motor  
11 vehicle or through air cargo, parcel, or water cargo  
12 carrier services:

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

15 (B) Supplies for the use of the agricultural  
16 producer; and

17 (3) Provide to the department of agriculture proof that  
18 the agricultural producer has annual gross receipts  
19 totaling \$ \_\_\_\_\_ or more.

20 (c) The total amount of reimbursement payments disbursed  
21 pursuant to this section shall not exceed \$ \_\_\_\_\_ in any



year; provided that no single producer shall receive more than \$25,000 or fifty per cent of their eligible transportation costs per fiscal year, whichever is less; provided further that no single cooperative aggregator or food hub shall receive more than \$50,000 or fifty per cent of their eligible transportation costs per fiscal year, whichever is less.

(d) The department shall submit an annual report to the legislature no later than twenty days prior to the convening of each regular session. The report shall include:

(1) The total number of producers reimbursed;

(2) The total amount of funds disbursed; and

(3) Any recommendations for improvements or modifications to the program.

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

(f) For purposes of this section:

"Agricultural commodity" has the same meaning as in section 145-21, including nursery production.

"Covered motor vehicle" means a motor vehicle:

(1) Registered and owned by an owner of livestock or a

producer of agricultural commodities in the State; and



1        (2) Used for the transport of livestock, livestock  
2                    products, agricultural commodities, and supplies  
3                    within the State."

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

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

13        SECTION 4. There is appropriated out of the general  
14 revenues of the State of Hawaii the sum of \$                    or so  
15 much thereof as may be necessary for fiscal year 2025-2026 and  
16 the same sum or so much thereof as may be necessary for fiscal  
17 year 2026-2027 to establish and fund one full-time equivalent  
18 (1.0 FTE) position within the department of agriculture to  
19 administer the local agriculture transportation cost  
20 reimbursement program established pursuant to this Act.



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

3       SECTION 5.   New statutory material is underscored.

4       SECTION 6.   This Act shall take effect on July 1, 2050.



**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. Appropriates funds. Effective 7/1/2050. (SD1)

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

