
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 participating local ranchers and farmers
9 cited shipping and transportation costs as a leading barrier to
10 the 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. Additionally, in response to the economic
15 tariffs being implemented by the Trump administration, the
16 department of transportation harbors division reported that
17 effective July 1, 2025, the tariff for wharfage and pipeline



1 toll rates will reflect a 4.1 per cent increase, further adding
2 to the strain on local producers.

3 The legislature recognizes that, to successfully scale up
4 local production, the establishment of a cost reimbursement
5 program that offsets the increased transportation costs of
6 agricultural producers is necessary to ensure growth in the
7 agricultural sector. The financial relief provided by a cost
8 reimbursement program would help strengthen local agriculture,
9 encourage greater self-sufficiency, support the State's broader
10 efforts to diversify its economy, and promote sustainable
11 agricultural practices.

12 Accordingly, the purpose of this Act is to establish a
13 local agriculture transportation cost reimbursement pilot
14 program to ensure that certain local agricultural producers,
15 including those that manage livestock and produce essential
16 commodities and those engaged in floriculture and nursery
17 production, receive support to offset the high costs of
18 transporting goods to market and to obtain necessary supplies.

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



1 "§141- Local agriculture transportation cost
2 reimbursement pilot program; rules. (a) There is established
3 within the department of agriculture and biosecurity a local
4 agriculture transportation cost reimbursement pilot program to
5 reimburse eligible agricultural producers for a portion of the
6 producer's costs to transport agricultural commodities.

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

9 (1) Be an owner of livestock or a producer of agricultural
10 commodities in the State; a cooperative aggregator or
11 food hub; or a start-up or small-scale farmer, with
12 proof of commercial intent, that earns below the
13 threshold of gross receipts under paragraph (3);

14 (2) Incur costs for transporting in a covered motor
15 vehicle or through air cargo, parcel, or water cargo
16 carrier services:

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

19 (B) Necessary supplies for the use of the
20 agricultural producer; and



1 (3) Provide to the department of agriculture and
2 biosecurity proof that the agricultural producer has
3 annual gross receipts totaling \$2,500 or more or, if
4 the agricultural producer is a start-up or small-scale
5 farmer, provide to the department proof of commercial
6 intent.

7 (c) The total amount of reimbursement payments disbursed
8 pursuant to this section shall not exceed \$2,000,000 in any
9 year. No single producer shall receive more than \$25,000 or
10 fifty per cent of the producer's eligible transportation costs
11 per fiscal year, whichever is less, and no single cooperative
12 aggregator or food hub shall receive more than \$50,000 or fifty
13 per cent of the aggregator's or food hub's eligible
14 transportation costs per fiscal year, whichever is less.

15 (d) The department of agriculture and biosecurity shall
16 submit an annual report to the legislature no later than twenty
17 days prior to the convening of each regular session. The report
18 shall include:

19 (1) The total number of producers reimbursed;

20 (2) The total amount of funds disbursed; and



1 (3) Any recommendations for improvements or modifications
2 to the program, including any proposed legislation.

3 (e) The department of agriculture and biosecurity may
4 establish rules pursuant to chapter 91 necessary to carry out
5 the purposes of this section.

6 (f) For the purposes of this section:

7 "Agricultural commodity" has the same meaning as defined in
8 section 145-21, including nursery production and honey.

9 "Covered motor vehicle" means a motor vehicle:

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

12 (2) Used for the transport of livestock, livestock
13 products, agricultural commodities, and necessary
14 supplies within the State.

15 "Necessary supplies" means chemicals, feed, fertilizer,
16 fuel, seeds, plants, supplies, equipment parts, and other inputs
17 as determined by the department of agriculture and biosecurity."

18 SECTION 3. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$1,000,000 or so much
20 thereof as may be necessary for fiscal year 2026-2027 for the
21 department of agriculture and biosecurity to fund and administer



1 the local agriculture transportation cost reimbursement pilot
2 program established pursuant to this Act.

3 The sum appropriated shall be expended by the department of
4 agriculture and biosecurity for the purposes of this Act.

5 SECTION 4. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$55,200 or so much
7 thereof as may be necessary for fiscal year 2026-2027 to
8 establish and fund one full-time equivalent (1.0 FTE) position
9 within the department of agriculture and biosecurity to
10 administer the local agriculture transportation cost
11 reimbursement pilot program established pursuant to this Act.

12 The sum appropriated shall be expended by the department of
13 agriculture and biosecurity for the purposes of this Act.

14 SECTION 5. New statutory material is underscored.

15 SECTION 6. This Act shall take effect on July 1, 2026, and
16 shall be repealed on June 30, 2029.



Report Title:

DAB; Transportation Costs; Shipping Costs; Reimbursements;
Position; Appropriations

Description:

Establishes a Local Agriculture Transportation Cost Reimbursement Pilot Program within the Department of Agriculture and Biosecurity to reimburse eligible ranchers and farmers a portion of their costs to transport livestock, livestock products, agricultural commodities, and certain necessary supplies, under certain conditions. Establishes a position to administer the Program. Appropriates funds. Sunsets 6/30/2029. (CD1)

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

