
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 Hawaii's geographic
2 isolation presents unique challenges for farmers, ranchers, and
3 local food producers, particularly in the form of high
4 transportation costs. Located thousands of miles from the
5 mainland, Hawaii relies heavily on shipping for the import and
6 export of goods, significantly increasing the cost of
7 transporting agricultural inputs such as feed, fertilizer, and
8 equipment, as well as the export of locally grown and produced
9 products. According to a 2020 survey by the department of
10 agriculture, thirty-nine per cent of farmers, ranchers, and
11 allied operators identified shipping costs as a significant
12 barrier to expanding their operations, particularly on Maui,
13 Kauai, and Hawaii island. These findings illustrate the
14 persistent economic pressure transportation expenses place on
15 the State's agricultural sector.

16 The legislature further finds that the United States
17 Department of Agriculture's Reimbursement Transportation Cost



1 Payment Program has successfully supported geographically
2 disadvantaged farmers and ranchers by offsetting high
3 transportation costs and improving market competitiveness. In
4 2022, the Reimbursement Transportation Cost Payment Program
5 provided approximately \$3,000,000 in reimbursements nationwide,
6 and in fiscal year 2025, the program remains active with
7 approximately \$3,500,000 in federal funds available to support
8 eligible producers. The continued federal investment
9 demonstrates both the necessity and effectiveness of
10 transportation-cost-mitigation programs in geographically
11 isolated regions such as Hawaii.

12 The legislature additionally finds that establishing a
13 state-level program modeled on the Reimbursement Transportation
14 Cost Payment Program would further alleviate the high
15 transportation costs faced by local farmers, ranchers, and food
16 producers, enabling them to operate more sustainably and remain
17 competitive in local and export markets. According to the
18 United States Department of Agriculture's latest agricultural
19 census, Hawaii has approximately seven thousand farms. Although
20 not all farms may qualify under the United States Department of
21 Agriculture's "geographically disadvantaged" criteria, a



1 significant proportion would likely qualify at the state level.
2 A state program would complement federal assistance by expanding
3 eligibility, addressing unmet transportation needs, bolstering
4 local food security, and reducing the State's dependence on
5 imported goods. Additionally, such a program would stimulate
6 economic growth by allowing producers to reinvest savings into
7 expanding operations, creating jobs, and enhancing the
8 resilience of Hawaii's agricultural sector and rural
9 communities.

10 Accordingly, the purpose of this Act is to support the
11 agriculture industry and economic growth in Hawaii by:

- 12 (1) Establishing the Hawaii agricultural transportation
13 assistance program, to consist of a reimbursement
14 program for geographically disadvantaged farmers and
15 livestock producers to mitigate the high costs of
16 transportation for agricultural products, inputs, and
17 supplies, and a grant program to assist small-scale
18 farmers, ranchers, food hubs, and agricultural
19 producers in rural or underserved areas with
20 transportation costs directly related to the



1 production and distribution of agricultural
2 commodities;

3 (2) Establishing the Hawaii agricultural transportation
4 assistance special fund;

5 (3) Requiring the department of agriculture and
6 biosecurity to submit annual reports to the
7 legislature on the progress and outcomes of the
8 programs; and

9 (4) Appropriating funds.

10 SECTION 2. Chapter 141, Hawaii Revised Statutes, is
11 amended by adding a new part to be appropriately designated and
12 to read as follows:

13 **"PART . HAWAII AGRICULTURAL TRANSPORTATION ASSISTANCE**
14 **PROGRAM**

15 **§141-A Definitions.** As used in this part:

16 "Department" means the department of agriculture and
17 biosecurity.

18 "Eligible transportation costs" means expenses incurred for
19 the intra-island, inter-island, and out-of-state transportation
20 of agricultural products, inputs, and supplies, including but
21 not limited to:



(1) Fertilizers, seeds, and other agricultural inputs;

(2) Equipment and machinery;

(3) Livestock and feed; and

(4) Finished agricultural goods to same-island, inter-island, national, or international markets.

"Geographically disadvantaged farmer or livestock producer"

means a farmer or livestock producer located and operating in the State who:

(1) Is a producer of an eligible agricultural commodity in substantial commercial quantities; and

(2) Incurs transportation costs for the transportation of the agricultural commodity or input used to produce the agricultural commodity.

§141-B Hawaii agricultural transportation assistance

program; established. There is established in the department a Hawaii agricultural transportation assistance program, which shall consist of:

(1) The agricultural transportation reimbursement program; and

(2) The agricultural transportation grant program.



1 §141-C Agricultural transportation reimbursement program;
2 **established.** (a) There is established within the department,
3 as part of the Hawaii agricultural transportation assistance
4 program, the agricultural transportation reimbursement program,
5 which shall provide reimbursements for the eligible
6 transportation costs of geographically disadvantaged farmers or
7 livestock producers.

8 (b) Reimbursement rates for the agricultural
9 transportation reimbursement program shall be determined by the
10 department and may vary based on the type of agricultural
11 product, input, or supply transported.

12 (c) Reimbursements shall not exceed \$ for a
13 single applicant in a single year.

14 (d) To be eligible for reimbursement, the applicant shall:

15 (1) Be an individual, corporation, or organization
16 domiciled in the State;

17 (2) Provide documentation demonstrating that the costs
18 incurred were eligible transportation costs; and

19 (3) Provide documentation of expenses, including invoices,
20 receipts, or any other required supporting documents.



1 (e) The department shall prepare any forms necessary to
2 meet the requirements of this section.

3 (f) The department shall publish on its website the
4 reimbursement rate schedule as well as any forms required by the
5 department for application for reimbursement.

6 **§141-D Agricultural transportation grant program;**
7 **established.** (a) There is established within the department,
8 as part of the Hawaii agricultural transportation assistance
9 program, the agricultural transportation grant program, which
10 shall provide grants to assist small-scale farmers, ranchers,
11 food hubs, and agricultural producers in rural or underserved
12 areas with transportation costs directly related to the
13 production and distribution of agricultural commodities.

14 (b) The program shall provide grants to subsidize
15 transportation costs for the movement of raw or processed
16 agricultural products, agricultural inputs, and agricultural
17 equipment within the State or to and from markets, ports, or
18 other destinations necessary for the applicant's agricultural
19 operations.



1 (c) The department shall develop standards, policies, and
2 procedures for administration of the agricultural transportation
3 grant program.

4 (d) Requests for grants shall be submitted to the
5 department in accordance with administrative rules adopted by
6 the department. Each request shall, at minimum, state:

7 (1) The name of the farmer, rancher, food hub, or
8 agricultural producer requesting grant funds;

9 (2) The expenses necessary for the transport of raw or
10 processed agricultural products, agricultural inputs,
11 and equipment; and

12 (3) The size and location of the agricultural operation.

13 (e) Each applicant shall provide proof that the applicant:

14 (1) Has United States citizenship or lawful permanent
15 resident alien status and is a resident or domiciliary
16 of the State;

17 (2) Grows or produces raw or processed agricultural
18 products in the State;

19 (3) Complies with applicable federal, state, and county
20 statutes, rules, and ordinances;

21 (4) Complies with applicable nondiscrimination laws;



- 1 (5) Does not use state funds for entertainment or
2 lobbying;
3 (6) Allows access for monitoring, evaluation, and
4 auditing;
5 (7) Satisfies any other standards required by the source
6 of funding; and
7 (8) Meets all standards in rules adopted by the
8 department.
9 (f) The department shall prepare any forms necessary to
10 meet the requirements of this section.

11 **§141-E Hawaii agricultural transportation assistance**
12 **special fund; established.** (a) There is established within the
13 state treasury a Hawaii agricultural transportation assistance
14 special fund, to be administered by the department, into which
15 shall be deposited:

- 16 (1) Appropriations made by the legislature;
17 (2) Federal funds received for purposes aligned with this
18 part;
19 (3) Private contributions, grants, or donations; and
20 (4) Any other revenues received.



(b) Moneys in the fund shall be used for the agricultural transportation reimbursement program under section 141-C and the agricultural transportation grant program under section 141-D. Expenditures may be made without appropriation or allotment.

§141-F Rulemaking. The department shall adopt rules pursuant to chapter 91 necessary to implement this part.

§141-G Report to the legislature. The department shall submit a report to the legislature no later than twenty days prior to the convening of each regular session, including:

(1) The number of program participants and amount of reimbursements and grants;

(2) A breakdown of inter-island and out-of-state transportation costs;

(3) An assessment of program impacts on agricultural productivity and competitiveness;

(4) An evaluation of program effectiveness;

(5) The sources and expenditures of Hawaii agricultural transportation assistance special fund moneys; and

(6) Findings, recommendations, and proposed legislation."

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so



1 much thereof as may be necessary for fiscal year 2026-2027 to be
2 deposited into the Hawaii agricultural transportation assistance
3 special fund, established pursuant to section 141-E, Hawaii
4 Revised Statutes.


5 SECTION 4. There is appropriated out of the Hawaii
6 agricultural transportation assistance special fund the sum
7 of or so much thereof as may be necessary for fiscal
8 year 2026-2027 for the purposes of the fund.

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

11 SECTION 5. In codifying the new sections added by section
12 2 of this Act, the revisor of statutes shall substitute
13 appropriate section numbers for the letters used in designating
14 the new sections in this Act.

15 SECTION 6. This Act shall take effect on July 1, 2026.

16 INTRODUCED BY: _____


JAN 28 2026

H.B. NO. 2496

Report Title:

Hawaii Agricultural Transportation Assistance Program;
Reimbursement Program; Grant Program; New Special Fund; Report;
Appropriation

Description:

Establishes the Hawaii Agricultural Transportation Assistance Program, to consist of a reimbursement program for geographically disadvantaged farmers and livestock producers to mitigate the high costs of transportation for agricultural products, inputs, and supplies, and a grant program to assist small-scale farmers, ranchers, food hubs, and agricultural producers in rural or underserved areas with transportation costs directly related to the production and distribution of agricultural commodities. Establishes the Hawaii Agricultural Transportation Assistance Special Fund. Requires reports to the Legislature. Appropriates funds.

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

