

JAN 28 2026

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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 the State's  
2 geographic isolation presents unique challenges for farmers,  
3 ranchers, and local food producers, particularly in the form of  
4 high transportation costs. Located thousands of miles from the  
5 continental United States, the State relies heavily on shipping  
6 for the import and export of goods, significantly increasing the  
7 cost of transporting agricultural inputs such as feed,  
8 fertilizer, and equipment, as well as the export of locally  
9 grown and produced products. According to a 2021 survey by the  
10 department of agriculture and biosecurity, thirty-nine per cent  
11 of farmers, ranchers, and allied operators identified shipping  
12 costs as a significant barrier to expanding their operations,  
13 particularly on the islands of Maui, Kauai, and Hawaii. These  
14 findings illustrate the persistent economic pressure  
15 transportation expenses place on the State's agricultural  
16 sector.



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

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



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

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

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



1 costs directly related to the production and  
2 distribution of agricultural commodities;

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

7 (3) Appropriating funds to implement the program.

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

**13      §141-A Definitions.** As used in this part:

14 "Department" means the department of agriculture and  
15 biosecurity.

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

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

21 (2) Equipment and machinery;



12                   **§141-B Hawaii agricultural transportation assistance**

13    **program; established.** There is established within the

14    department the Hawaii agricultural transportation assistance

15    program, which shall consist of:

16                   (1) The agricultural transportation reimbursement program;

17                   and

18                   (2) The agricultural transportation grant program.

19        **\$141-C Agricultural transportation reimbursement program;**  
20    **established.** (a) There is established within the department,  
21    as part of the Hawaii agricultural transportation assistance



1 program, the agricultural transportation reimbursement program,  
2 which shall provide reimbursements for the eligible  
3 transportation costs of geographically disadvantaged farmers or  
4 livestock producers.

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

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

11 (d) To be eligible for reimbursement, an applicant shall:

12 (1) Be an individual, corporation, or organization  
13 domiciled in the State;  
14 (2) Provide documentation demonstrating that the costs  
15 incurred were eligible transportation costs; and  
16 (3) Provide documentation of expenses, including invoices,  
17 receipts, or any other required supporting documents.

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



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

## §141-D Agricultural transportation grant program;

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

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

18 (c) The department shall develop standards, policies, and  
19 procedures for administration of the agricultural transportation  
20 grant program.



4 (1) The name of the farmer, rancher, or agricultural  
5 producer requesting grant funds;

6 (2) The expenses necessary for the transport of raw or  
7 processed agricultural products, agricultural inputs,  
8 and equipment; and

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

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

11 (1) Has United States citizenship or lawful permanent

12 resident alien status and is a resident or domiciliary

13 of the State;

14 (2) Grows or produces raw or processed agricultural

15 products in the State;

16 (3) Complies with applicable federal, state, and county

17 statutes, rules, and ordinances;

18 (4) Complies with applicable nondiscrimination laws;

19 (5) Does not use state funds for entertainment or

20 lobbying;



## §141-E Hawaii agricultural transportation assistance

10 **special fund; established.** (a) There is established in the  
11 state treasury the Hawaii agricultural transportation assistance  
12 special fund, to be administered by the department, into which  
13 shall be deposited:



1 agricultural transportation grant program under section 141-D.

2 Expenditures may be made without appropriation or allotment.

3 **§141-F Rulemaking.** The department shall adopt rules  
4 pursuant to chapter 91 necessary to implement this part.

5 **§141-G Reports to the legislature.** Beginning with the  
6 regular session of 2027, the department shall submit a report to  
7 the legislature no later than twenty days prior to the convening  
8 of each regular session, which shall include:

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

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

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

15 (4) An evaluation of program effectiveness;

16 (5) The sources and expenditures of special fund moneys;  
17 and

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

19 SECTION 3. There is appropriated out of the general  
20 revenues of the State of Hawaii the sum of \$ or so  
21 much thereof as may be necessary for fiscal year 2026-2027 to be



1 deposited into the Hawaii agricultural transportation assistance  
2 special fund.

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

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

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

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

15

INTRODUCED BY: Mike Gabbard



# S.B. NO. 3256

**Report Title:**

DAB; Hawaii Agricultural Transportation Assistance Program; Agricultural Transportation Reimbursement Program; Agricultural Transportation Grant Program; Hawaii Agricultural Transportation Assistance Special Fund; Reports; Appropriation

**Description:**

Establishes the Hawaii Agricultural Transportation Assistance Program, to consist of a reimbursement program and a grant program within the Department of Agriculture and Biosecurity, to assist certain farmers and livestock producers with transportation costs for agricultural products, inputs, supplies, and 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.*

