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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 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 program to  
14 ensure that certain local agricultural producers, including  
15 those that manage livestock and produce essential commodities  
16 and those engaged in floriculture and nursery production,  
17 receive support to offset the high costs of transporting goods  
18 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 program; rules. (a) There is established within  
3 the department of agriculture and biosecurity a local  
4 agriculture transportation cost reimbursement 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 \$ \_\_\_\_\_ or more or,  
4       if the agricultural producer is a start-up or small-  
5       scale farmer, provide to the department proof of  
6       commercial intent.

7       (c) The total amount of reimbursement payments disbursed  
8       pursuant to this section shall not exceed \$ \_\_\_\_\_ in any  
9       year. No single producer shall receive more than \$25,000 or  
10       fifty per cent of their eligible transportation costs per fiscal  
11       year, whichever is less, and no single cooperative aggregator or  
12       food hub shall receive more than \$50,000 or fifty per cent of  
13       their eligible transportation costs per fiscal year, whichever  
14       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 \$                    or so  
20 much thereof as may be necessary for fiscal year 2026-2027 for  
21 the department of agriculture and biosecurity to fund and



1 administer the local agriculture transportation cost  
2 reimbursement 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 \$ or so  
7 much 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 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, 2050.



**Report Title:**

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

**Description:**

Establishes a Local Agriculture Transportation Cost Reimbursement 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. 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.*

