
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 Program (RTCP) has successfully supported geographically
4 disadvantaged farmers and ranchers by offsetting high
5 transportation costs and improving market competitiveness. In
6 2022, RTCP provided approximately \$3,000,000 in reimbursements
7 nationwide, and in fiscal year 2025, the program remains active
8 with approximately \$3,500,000 in federal funds available to
9 support eligible producers. The continued federal investment
10 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 RTCP would further alleviate the
15 high transportation costs faced by local farmers, ranchers, and
16 food producers, enabling them to operate more sustainably and
17 remain competitive in local and export markets. According to
18 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 program; 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:

11 "PART . HAWAII AGRICULTURAL TRANSPORTATION ASSISTANCE
12 PROGRAM

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;



1 (3) Livestock and feed; and

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

4 "Geographically disadvantaged farmer or livestock producer"
5 means a farmer or livestock producer located and operating in
6 the State who:

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

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

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.

4 **§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.



1 (d) Requests for grants shall be submitted to the
2 department in accordance with administrative rules adopted by
3 the department. Each request shall, at a minimum, state:

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;



- 1 (6) Allows access for monitoring, evaluation, and
- 2 auditing;
- 3 (7) Satisfies any other standards required by the source
- 4 of funding; and
- 5 (8) Meets all standards in rules adopted by the
- 6 department.
- 7 (f) The department shall prepare any forms necessary to
- 8 meet the requirements of this section.

9 **§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:

- 14 (1) Appropriations made by the legislature;
- 15 (2) Federal funds received for purposes aligned with this
- 16 part;
- 17 (3) Private contributions, grants, or donations;
- 18 (4) All interest earned or accrued on moneys deposited
- 19 into the fund; and
- 20 (5) Any other revenues received.



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

5 **§141-F Rulemaking.** The department shall adopt rules
6 pursuant to chapter 91 necessary to implement this part.

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

- 11 (1) The number of program participants and the amount of
12 reimbursements and grants;
- 13 (2) A breakdown of inter-island and out-of-state
14 transportation costs;
- 15 (3) An assessment of program impacts on agricultural
16 productivity and competitiveness;
- 17 (4) An evaluation of program effectiveness;
- 18 (5) The sources and expenditures of special fund moneys;
19 and
- 20 (6) Findings, recommendations, and proposed legislation."



1 SECTION 3. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$ or so
3 much thereof as may be necessary for fiscal year 2026-2027 to be
4 deposited into the Hawaii agricultural transportation assistance
5 special fund.

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

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

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

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



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. 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.

