
A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF AGRICULTURE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. In August and September 2009, a senate ad hoc
2 committee conducted five informational briefings to gather
3 information on the potential impacts of the anticipated
4 reduction in services for the department of agriculture's plant
5 quarantine branch and commodities branch throughout the state.

6 Nearly ninety per cent of Hawaii's consumer goods are
7 imported and ships alone bring in five hundred thousand sea
8 containers carrying twenty five million cartons - inspectors at
9 harbors and airports are the first line of defense in stopping
10 invasive species. In addition, the export value of agricultural
11 products is in excess of \$160,000,000 and the scheduled layoffs
12 of inspectors will have a severe impact on Hawaii businesses due
13 to the resulting reduction in exports.

14 California already imposes strict guidelines for
15 importation of Hawaii agricultural products, and any decline in
16 meeting those requirements may result in an embargo by the State
17 of California. Small businesses in particular are vulnerable,
18 as any additional difficulty in achieving nursery certifications



1 has a proportionately larger financial impact on smaller
2 operations.

3 The plant quarantine branch's biosecurity program is
4 responsible for controlling the introduction and interisland
5 spread of invasive species in Hawaii, which has been described
6 as the single greatest threat to Hawaii's economy, natural
7 environment, and the health and lifestyle of Hawaii's people.

8 For example, invasive pests can cause millions of dollars
9 in crop losses, the extinction of native species, the
10 destruction of native forests, the spread of diseases, and the
11 quarantine of exported agricultural crops. Plant quarantine
12 inspectors must be able to identify over one hundred fifty
13 prohibited animals, one thousand eight hundred restricted
14 animals, one thousand eight hundred conditionally approved fish,
15 six hundred general and nearly twenty-two thousand species of
16 grasses, as well as one hundred thousand hybrids of orchids that
17 require quarantine. Inspectors need a relevant academic degree
18 and three years of training, and currently, all branch staff
19 require overtime to meet inspection needs. Projected cuts will
20 reduce staff by nearly half, making adequate inspection
21 impossible, and the loss of these services will have a



1 detrimental environmental ripple effect for businesses and
2 communities throughout the state.

3 Initially, the plant quarantine branch listed seventy-two
4 general funded positions and forty special funded positions,
5 with fifty-two of the general funded positions scheduled for
6 layoffs. As a result of the briefings and increased community
7 attention, on September 24, 2009, the department of agriculture
8 announced temporary restoration of twenty-two of the plant
9 quarantine inspector positions slated for layoffs to support
10 core inspection services at ports statewide. The \$1,800,000
11 funding for the twenty-two positions includes \$600,000 earmarked
12 for the Hawaii invasive species council and \$1,200,000 from fees
13 collected in the pest inspection, quarantine, and eradication
14 fund. Income to the special fund comes from maritime and
15 airline companies that bring in cargo to Hawaii and pay 50 cents
16 per one thousand pounds of cargo for inspection, quarantine, and
17 eradication of invasive species that may be transported into the
18 state.

19 The department's commodities branch provides fee-for-
20 service certification and auditing; enforces laws regarding the
21 quality and condition of agricultural products; issues licenses
22 for dealers in farm produce; conducts feed registration,



1 sampling, and enforcement for label guarantees; and administers
2 the milk control section. The branch is also responsible for
3 seafood inspections, seed certification, federal-state
4 certification of eggs, and food safety.

5 The commodities branch is projected to lose fifty per cent
6 of its full time staff. On the island of Hawaii, the layoffs
7 will directly impact the papaya and coffee industries and
8 increase certification times from days to weeks. Statewide,
9 over one million eight hundred thousand pounds of papaya were
10 checked and over six million three hundred thousand pounds of
11 coffee certified in fiscal year 2009.

12 The informational briefings raised a number of concerns
13 regarding the potential impacts of the reduction in services for
14 the department of agriculture's plant quarantine branch and
15 commodities branch throughout the state, including the economic
16 impacts.

17 For example, agriculture is a \$4,720,000,000 industry in
18 Hawaii and accounts for thirty-eight thousand jobs or five per
19 cent of the statewide total. The proposed layoffs affect not
20 only growers, but have a substantial "trickle down" effect on
21 other related industries, such as packaging, fertilizer
22 producers, etc. Larger agribusinesses may be able to pay for



1 private inspectors, but small farmers will not be able to afford
2 this alternative.

3 In addition, aquaculture is one of the fastest growing
4 industry segments - valued at \$34,700,000 in 2008 - and cuts in
5 inspector services will impact both imports and exports.
6 Seafood inspections account for nearly the same volume as
7 florals, and play a vital role in the stability of the
8 restaurant industry. Hawaii's seed industry - valued at
9 \$250,000,000 in annual spending and currently the leading
10 commodity in the agricultural industry - faces a possible
11 shutdown if inspectors are not available to process research
12 imports and exports.

13 The purpose of this Act is to direct the legislative
14 reference bureau to analyze and report on, as a result of the
15 reduction in services of the department of agriculture's plant
16 quarantine branch and commodities branch:

- 17 (1) The economic impacts on businesses and communities;
18 and
19 (2) The environmental impacts on businesses and
20 communities.

21 SECTION 2. (a) The legislative reference bureau shall
22 analyze the economic and environmental impacts on businesses and



1 communities, as a result of the reduction in services of the
2 department of agriculture's plant quarantine branch and
3 commodities branch throughout the state, including:

- 4 (1) The number and types of inspections, certification and
5 auditing, registration and enforcement, and other
6 services directly affected by the layoffs;
- 7 (2) The estimated annual dollar value of the loss to
8 businesses and other entities;
- 9 (3) The estimated dollar value of the impact on other
10 businesses and other providers of secondary goods and
11 services;
- 12 (4) Other economic impacts, such as higher unemployment
13 and reduced levels of services;
- 14 (5) The adequacy of the workforce prior to the current
15 reductions;
- 16 (6) The impact on smaller areas, such as the island of
17 Kauai where the department is scheduled to lose the
18 only office person, leaving farmers without a point of
19 contact to schedule and coordinate inspections and
20 other services and obtain information;
- 21 (7) Layoffs of aquaculture branch staff, and the resulting
22 impacts on the industry;



- 1 (8) The shortage of entomologists on each island, and the
2 impacts on timely responses;
- 3 (9) A review of the pest inspection, quarantine, and
4 eradication fund and compliance by cargo carriers that
5 are required to pay into the fund;
- 6 (10) A review of the impact of using \$600,000 earmarked for
7 the Hawaii invasive species council to fund inspector
8 services, particularly the consequences for "on the
9 ground" eradication and management programs of
10 invasive species; and
- 11 (11) Other environmental and financial impacts,
12 particularly on communities and businesses that
13 previously relied on these services.
- 14 (b) The legislative reference bureau shall consult with,
15 at minimum, the department of agriculture; the department of
16 business, economic development; and tourism; the Hawaii invasive
17 species council; the counties; and other government and private
18 sector agencies as deemed appropriate by the legislative
19 reference bureau; and legislators.
- 20 (c) The legislative reference bureau shall submit a report
21 of its findings, recommendations, and any proposed legislation



1 to the legislature no later than twenty days prior to the
2 convening of the regular session of 2011.

3 SECTION 3. This Act shall take effect on January 20, 2020.



Report Title:

Legislative Reference Bureau; Department of Agriculture's Plant Quarantine Branch and Commodities Branch; Layoffs

Description:

Directs the Legislative Reference Bureau to analyze and report on the economic and environmental impacts on businesses and communities, as a result of the reduction in services of the Department of Agriculture's Plant Quarantine Branch and Commodities Branch statewide. Effective January 20, 2020.
(HB2411 HD1)

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