



THE HOUSE
THE TWENTY-SIXTH LEGISLATURE
REGULAR SESSION OF 2012

COMMITTEE ON AGRICULTURE

Representative Clift Tsuji, Chair
Representative Mark J. Hashem, Vice Chair

DATE: Wednesday, February 1, 2012
TIME: 8:00 a.m.
PLACE: Conference Room 312
State Capitol
415 South Beretania Street

RE: Testimony in support of HB 2433 RELATING TO LIVESTOCK FEED, with comments and requested amendments

Dear Chair Tsuji, Vice Chair Hashem, and Committee Members:

The Hawaii Aquaculture and Aquaponics Association (HAAA), representing Hawaii's aquaculture and aquaponics industry statewide, supports HB 2433 with amendments.

HB2433, as written, requests a livestock feed feasibility pilot project to assess the viability of growing and producing livestock feed within the State, and implement a livestock feed program on HDOA land, but mentioning only dairy and poultry feeds. The HAAA supports the concept of a livestock feed feasibility pilot project IF expanded to include all major terrestrial and aquatic commercial feed needs in the State.

The listed value of the remaining dairy and poultry farms total approximately \$16M while the 2010 value of the aquaculture industry, which is also heavily dependent on imported feed stocks, was \$30M. Furthermore, the beef cattle industry currently airships most of its calves to the mainland for feeding and growth to market size, but with the availability of a more affordable local feed, the opportunity and demand for local feed-grown beef may also expand.

The bottomline for the feasibility of a local feed industry will likely be dependent on identifying multiple uses of locally-produced feeds. To limit the study to only a small portion of the potential terrestrial and aquatic feed market, when demand exists for both aquatic and broader terrestrial feeds, could be the difference in the ultimate economic viability of the proposed project or failure.

The HAAA therefore urges expansion of the study under HB2433 to include all potential terrestrial and aquatic feeds by Hawaii's agricultural and aquacultural sectors.

Thank you for the opportunity to comment.

A handwritten signature in black ink, reading "Ronald P. Weidenbach". The signature is written in a cursive style with a large initial 'R'.

Ronald P. Weidenbach
HAAA President



Hawaii Cattlemen's Council, Inc.

P O Box 437199 Kamuela HI 96743
Phone (808) 885-5599 • Fax (808) 887-1607
e-mail: HCattlemens@hawaii.rr.com

COMMITTEE ON AGRICULTURE

Wednesday February 1, 2012 8:00 a.m. Room 312

HB 2433 RELATING TO LIVESTOCK FEED

Chairman Tsuji, Vice Chair Hashem and Members of the Committee:

My name is Alan Gottlieb, and I am a rancher and the Government Affairs Chair for the Hawaii Cattlemen's Council. The Hawaii Cattlemen's Council, Inc. (HCC) is the Statewide umbrella organization comprised of the five county level Cattlemen's Associations. Our 130+ member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of approximately 25% of the State's total land mass.

The Hawaii Cattlemen's Council **strongly supports** HB 2433.

After grain feeding cattle in Hawaii for the local beef market, though the 1960's, 1970's and 1980's, often at an economic loss, many Hawaii cattlemen began shipping their young calves to the Mainland and Canada in the 1990's, following the old adage that it's cheaper to ship the cattle to the feed than the feed to the cattle. That's because it takes about 7 lbs of grain to put on one lb of meat. Through the 1990's and up to the mid-2000's, Hawaii Cattlemen earned more money feeding their cattle on the Mainland and Canada than they ever had in Hawaii, keeping many of them in business, where they might have otherwise gone broke. Over the years there had been many studies and trials to develop local grains, bi-product feeds or other rations to finish cattle in Hawaii, but the economics of those trials could never compete with the cost to finish cattle on the Mainland, even after transportation costs and hassles. Today, the economics have changed! Oil, which previously traded in the \$20 per barrel range, now trades above \$100 per barrel making trucking, ocean shipping and almost every other input more expensive, and corn has gone from \$2 per bushel to almost \$6 per bushel. These huge increases are due to our Government's energy policies and subsidies, which may soon spark a global food crisis.

In the 1980's our local beef cattle herd only supplied about 25% of the local consumption, when all Hawaii cattle were fed and sold as beef in Hawaii. At that time, our local beef was often incorrectly perceived as lower quality than Mainland Beef and marketing local beef was often a real challenge. Today, demand for high quality, locally produced beef is very strong, with support from Hawaii chefs and markets, diet trends like natural, organic and 100 mile, and we could likely easily market all of our cattle in Hawaii, if we had some means of adding weight to the cattle beyond what existing cow herds can sustain on their existing lands. These supplemental feeds can add weight faster than typical grazing can do, can be done in large numbers in limited space, and higher quality feeds in the last portion of the feeding process adds quality and consistency to the finished beef product.

With the existing economics of corn and oil, which are unlikely to lower drastically in the foreseeable future, it is time to seriously look at the feasibility for growing feed in Hawaii for all Hawaii livestock and aquaculture. Furthermore, we have today in Hawaii a huge seed corn industry, which has the talent, equipment and human resources to grow grain efficiently and economically. This bill will be a great jump start in keeping more cattle in Hawaii, and expansion of other livestock industries in Hawaii.

Thank you for giving me the opportunity to testify in favor of this very important issue.

MONSANTO CO.
94-520 KUNIA ROAD
KUNIA, HAWAII 96759

TESTIMONY BEFORE THE
HOUSE COMMITTEE ON AGRICULTURE

February 1, 2012

TESTIMONY ON SB 2433
RELATING TO LIVESTOCK FEED

Aloha Chair Tsuji and members of the committee:

My name is Alan Takemoto, Community Affairs Manager for Monsanto Hawaii. Thank you for allowing us to testify in support of SB 2433 which creates a livestock feed feasibility pilot project to investigate the viability of a livestock feed program.

We support the effort to revitalize the livestock industry and taking the necessary steps to assess the economic aspects of developing a local feed stock program for Hawaii. We believe that a strong livestock sector will help strengthen our overall diversified agricultural industry and provide a local source of meat, eggs, and milk for Hawaii's consumers. This economical study and pilot project is a critical step in assessing whether we can further expand it to a commercial level for our existing and future livestock producers.

This feed stock program will require a multitude of partnerships from both private and public sector organizations. We look forward to participating and assisting in this initiative.

We urge your favorable consideration. Thank you.

hashem1 - Julie

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, January 28, 2012 1:09 PM
To: AGRtestimony
Cc: kupo.aina@gmail.com
Subject: Testimony for HB2433 on 2/1/2012 8:00:00 AM

Testimony for AGR 2/1/2012 8:00:00 AM HB2433

Conference room: 312
Testifier position: Support
Testifier will be present: No
Submitted by: Mika Ashley-Hollinger
Organization: Individual
E-mail: kupo.aina@gmail.com
Submitted on: 1/28/2012

Comments:

This is a very important Bill that will also enhance Bill HB2703. Hawai'i and it's people have the right to grow their own food...not import it. No Farms No Food