

WRITTEN ONLY

TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
SENATE BILL NO. 2695, S.D. 2, H.D. 1

March 29, 2012

RELATING TO LIVESTOCK FEED

Senate Bill No. 2695, S.D. 2, H.D. 1, creates a livestock feed feasibility pilot project to investigate the viability of producing and processing livestock feed in Hawaii; authorizes the issuance of general obligation bonds for the pilot project with a dollar-for-dollar match from the Agricultural Development and Food Security Special Fund; and allocates a portion of the funds to be used as matching funds for a federal construction grant to build a pilot-scale feed mill in the State.

While the Department of Budget and Finance does not take any position on the policy of establishing the livestock feed feasibility pilot project, as a matter of general policy, the department cannot support the use of tax-exempt general obligation bond for noncapital expenditures and believes such purpose is actually not allowable. Funding operating costs such as research and feasibility studies may not qualify for tax-exempt bond financing and would therefore create federal tax exemption issues for the State.



**Hawaii Farm Bureau**  
F E D E R A T I O N

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March 29, 2012

HEARING BEFORE THE  
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON SB 2695, SD2  
RELATING TO LIVESTOCK FEED

Room 308  
10:00 AM

Chair Oshiro, Vice Chair Lee, and Members of the Committee:

I am Brian Miyamoto, Chief Operating Officer and Government Affairs Liaison for the Hawaii Farm Bureau Federation (HFBF). Organized since 1948, the HFBF is comprised of 1,800 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interest of our diverse agricultural community.

HFBF strongly supports SB 2695, SD2, HD1, which creates a livestock feed feasibility pilot project to investigate the viability of a livestock feed program on Department of Agriculture land.

Hawaii's livestock industry faces numerous challenges. One of their biggest challenges is the rising cost of feed for livestock production. These costs have been a contributing factor to the decline of the state's livestock industry.

In 2007, there were 5 dairies and 6 egg farms in Hawaii. Since then, 2 of those dairies and 4 off those egg farms have gone out of business. The remaining egg farms and dairies are currently threatened with closure, due to rising production costs. This is primarily due to feed costs.

If we want to keep fresh, locally produced milk, eggs, beef, pork and chicken available to the residents of Hawaii, we need to help revitalize our dwindling livestock industry. A decrease or absence of livestock production increases the State's reliance on the importation of food and threatens the State's food security.

I can be reached at (808) 848-2074 if you have any questions. Thank you for the opportunity to testify.

## FINTestimony

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**m:** mailinglist@capitol.hawaii.gov  
**sent:** Tuesday, March 27, 2012 3:07 PM  
**To:** FINTestimony  
**Cc:** gottlieb@hawaii.rr.com  
**Subject:** Testimony for SB2695 on 3/29/2012 10:00:00 AM

Testimony for FIN 3/29/2012 10:00:00 AM SB2695

Conference room: 308  
Testifier position: Support  
Testifier will be present: No  
Submitted by: Alan Gottlieb  
Organization: Hawaii Cattlemen's Council  
E-mail: [gottlieb@hawaii.rr.com](mailto:gottlieb@hawaii.rr.com)  
Submitted on: 3/27/2012

Comments:

## **FINTestimony**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 27, 2012 11:47 AM  
**To:** FINTestimony  
**Cc:** hooluanaranch@yahoo.com  
**Subject:** Testimony for SB2695 on 3/29/2012 10:00:00 AM

Testimony for FIN 3/29/2012 10:00:00 AM SB2695

Conference room: 308  
Testifier position: Support  
Testifier will be present: No  
Submitted by: Luana Beck  
Organization: Individual  
E-mail: hooluanaranch@yahoo.com  
Submitted on: 3/27/2012

Comments: