

SB2695

Testimony

NEIL ABERCROMBIE
Governor



RUSSELL S. KOKUBUN
Chairperson, Board of Agriculture

State of Hawaii
DEPARTMENT OF AGRICULTURE
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TESTIMONY OF RUSSELL S. KOKUBUN
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON AGRICULTURE

Tuesday, January 31, 2012
2:45 P.M.
ROOM 229

SENATE BILL NO. 2695
RELATING TO LIVESTOCK FEED

Chairperson Nishihara and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 2695. The purpose of this bill is to create a livestock feed feasibility pilot project to investigate the viability of a livestock feed program on Department of Agriculture land. We are in support of this bill.

The rising cost of feed has a significant impact on production costs for our local protein producers. Since 2007, two dairies and four egg farms have gone out of business primarily due to the rising cost of feed for livestock animals. Currently, only one dairy and four egg farms remain and they are being threatened by closure which would heighten the State's dependence on imported foods and threaten the State's food security and self-sufficiency. Without these local agricultural businesses, all beef, milk, pork, chicken, and eggs would have to be imported into the State, requiring up to ten days of shipping before being sold to consumers. This pilot project would assess the viability of growing livestock feed in Hawaii and look to reducing the cost of feed and increase the profitability of our local protein producers. Working together with private and public research organizations and the University of Hawaii College of Tropical Agriculture and Human Resources staff will deliver the best results.

Thank you for the opportunity to submit testimony.





Hawaii Cattlemen's Council, Inc.

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COMMITTEE ON AGRICULTURE
Tuesday January 31, 2012 2:45 p.m. Room 229

SB 2695 RELATING TO LIVESTOCK FEED

Chairman Nishihara, Vice Chair Kahele 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.

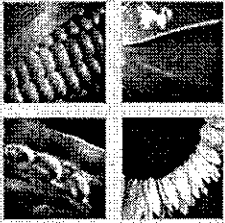
The Hawaii Cattlemen's Council **strongly supports** SB 2695.

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.



Hawaii Crop Improvement Association

Growing the Future of Worldwide Agriculture in Hawaii

Testimony by Alicia Maluafiti
SB 2695 – Relating to Livestock Feed
The Senate Committee on Agriculture
Tuesday, January 31, 2012
2:45 p.m., Room 229

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Position: Support

Aloha Chair Nishihara, Vice Chair Kahele and members of the Committee:

My name is Alicia Maluafiti, Executive Director of the Hawaii Crop Improvement Association, a nonprofit trade association representing Hawaii seed farmers.

We support SB 2695 and believe that it is an important first step to understanding the feasibility of providing feed for Hawaii's struggling livestock industry. With the leadership of the Hawaii State Department of Agriculture, the various stakeholders will be able to move from dialogue to action after years of attempting to address the challenges in our state. Regardless of the outcome – it is a process that many in the agricultural community supports.

Mahalo for the opportunity to testify.

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TESTIMONY BEFORE THE
SENATE COMMITTEE ON AGRICULTURE

January 31, 2012

TESTIMONY ON SB 2695
RELATING TO LIVESTOCK FEED

Aloha Chair Nishihara 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 2695 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.

West County Farm Bureau
94-403 Ukee Street
Waipahu, Hawaii 96797

January 31, 2012

WRITTEN TESTIMONY
SENATE COMMITTEE ON AGRICULTURE

Senator Clarence Nishihara, Chair
Senator Kahala, Vice Chair

SB 2695 Relating to Livestock Feed

My name is Phyllis Shimabukuro-Geiser, and I am an egg producer and Chairperson of the Government Affairs Committee for West County Farm Bureau on Oahu. A large number of our members engage in dairy, hog and poultry, and aquaculture production in North Shore, Central and West Oahu. **We support the intent of SB 2695.**

Most of our producers have experience approximately 20 % increase in their feed prices within a year due to the significant increases in corn, soybean and hay. Corn prices rose close to \$8 per bushel compared to \$4.80 per bushel in 2007. Fuel surcharges continue to increase.

Much research has been conducted about feed production in Hawaii by faculty in Animal Sciences and cooperative extension at the University of Hawaii. I suggest that the Department of Agriculture do a literature review of the previous works on the subject of feed production and local feedstuffs in Hawaii to provide the department with historical information. Such a review may provide the department with previous bottlenecks identified with previous pilot projects to grow feed for cattle, hogs and poultry.

Thank you for the opportunity to testify in favor of the intent of SB 2695