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# A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1 SECTION 1. Section 155D-1, Hawaii Revised Statutes, is  
2 amended by amending the definitions of "milk" and "qualified  
3 producer" to read as follows:

4 "Milk" means the lacteal secretion, practically free from  
5 colostrums, obtained by the milking of healthy cows or goats  
6 normally produced or marketed through the channels of the fluid  
7 milk trade~~[-]~~ or for further processing into milk products.

8 "Qualified producer" means any person that at the time of  
9 application for and disbursement of funds under this chapter is  
10 in the business of producing:

11 (1) Milk from a herd, located in Hawaii, of not less than  
12 three hundred fifty cows~~[+]~~ or twenty-five lactating  
13 milking goats;

14 (2) Poultry products from a flock, raised and located in  
15 Hawaii, of not less than three thousand birds;

16 (3) Pork from a herd, raised and located in Hawaii, of not  
17 less than fifty sows; ~~[or]~~



1 (4) Beef[~~r~~] that is grown, slaughtered, processed, and  
2 marketed in Hawaii. Producers who finish at least one  
3 hundred head of beef cattle annually shall be eligible  
4 for this program[~~r~~];

5 (5) Sheep or lamb that are grown, slaughtered, processed,  
6 and marketed in the State, with current annual sales  
7 of not fewer than thirty sheep or lambs; or

8 (6) Fish or crustaceans, farmed by aquacultural practices,  
9 with current annual sales of not less than two  
10 thousand pounds."

11 SECTION 2. Section 155D-2, Hawaii Revised Statutes, is  
12 amended as follows:

13 1. By amending subsection (a) to read:

14 "(a) Applications for grants by qualified producers shall  
15 be submitted [~~r~~]on[~~r~~] a form furnished by the department and  
16 shall be filed with accompanying documentation of animal feed  
17 costs; provided that:

18 (1) The applicant shall comply with applicable federal and  
19 state laws prohibiting discrimination against any  
20 person on the basis of race, color, national origin,  
21 religion, creed, sex, age, sexual orientation, or  
22 disability;



- 1 (2) The applicant shall have applied for or received all  
2 applicable licenses or permits;
- 3 (3) The applicant shall indemnify and hold harmless the  
4 State and its officers, agents, and employees from all  
5 claims arising out of or resulting from the feed  
6 purchased;
- 7 (4) The subsidy shall not be allowed within a fiscal  
8 quarter if the flock or herd size or, in the case of  
9 fish or crustaceans, sale weight falls five per cent  
10 or more below the required minimum of:
- 11 (A) Three thousand birds;
- 12 (B) Three hundred fifty cows;
- 13 (C) Fifty sows in any two months of the applicable  
14 fiscal quarter; [~~or~~]
- 15 (D) One hundred finished beef cattle annually;
- 16 (E) Twenty-five lactating milking goats in the  
17 applicable fiscal quarter;
- 18 (F) Thirty sheep or lambs in the applicable fiscal  
19 quarter; or
- 20 (G) Sales of five hundred pounds of fish or  
21 crustaceans in the applicable fiscal quarter;



1 (5) The grant shall not exceed a total of [~~\$250,000~~] \$ \_\_\_\_\_  
2 per qualified producer per year; and

3 (6) The department may request an applicant to provide  
4 necessary information for the purposes of verifying  
5 flock or herd size, sale weight, and feed purchases."

6 2. By amending subsections (d) and (e) to read:

7 "(d) Funds shall be disbursed upon approval by the  
8 department to the qualifying producer for up to[+]

9 ~~(1) Sixty per cent of the feed costs incurred for  
10 production of poultry products;~~

11 ~~(2) Forty per cent of the feed costs incurred for milk  
12 production;~~

13 ~~(3) Fifty per cent of the feed costs incurred for pigs  
14 raised in Hawaii and slaughtered for local  
15 consumption; or~~

16 ~~(4) Fifty per cent of the feed costs for beef cattle  
17 raised in Hawaii and slaughtered in Hawaii for local  
18 consumption.] the lesser of \$ \_\_\_\_\_ per year or~~

19 \_\_\_\_\_  
20 per cent of the food costs incurred per year  
21 for:

21 (1) The production of poultry products and milk, including  
22 goat milk;



1       (2) The raising of pigs, beef cattle, sheep, and lambs for  
2       slaughter in Hawaii for local consumption; and

3       (3) The raising of fish or crustaceans, farmed by  
4       aquacultural practices, in Hawaii and processed for  
5       local consumption.

6       Funds shall be expended from the agricultural development  
7       and food security special fund.

8       (e) Feed costs shall be limited to only the feed fed to  
9       the qualifying flock [~~or~~], herd, fish, or crustaceans and shall  
10      not include the feed purchases for resale or gift, or the cost  
11      of transportation to Hawaii. In no case shall costs be  
12      reimbursed to a qualified producer when, after evaluation and  
13      verification by the department, the department determines that  
14      the amount of reimbursement will result in an annual profit of  
15      more than:

16      (1) Twelve per cent for milk producers;

17      (2) Eight per cent for poultry producers;

18      (3) Eight per cent for pork producers; [~~or~~]

19      (4) Eight per cent for beef producers[~~or~~];

20      (5) \_\_\_\_\_ per cent for sheep or lamb meat producers; or

21      (6) \_\_\_\_\_ per cent for fish or crustacean producers."



1 SECTION 3. Section 141-10, Hawaii Revised Statutes, is  
2 amended by amending subsection (c) to read as follows:

3 "(c) Subject to legislative appropriation, moneys in the  
4 special fund may be expended for the following purposes:

5 (1) The awarding of grants to farmers for agricultural  
6 production or processing activity[+], including grants  
7 awarded through the livestock revitalization program  
8 authorized by chapter 155D;

9 (2) The acquisition of real property for agricultural  
10 production or processing activity;

11 (3) The improvement of real property, dams, reservoirs,  
12 irrigation systems, and transportation networks  
13 necessary to promote agricultural production or  
14 processing activity, including investigative studies  
15 to identify and assess necessary improvements to dams,  
16 reservoirs, irrigation systems, and transportation  
17 networks;

18 (4) The purchase of equipment necessary for agricultural  
19 production or processing activity;

20 (5) The conduct of research on and testing of agricultural  
21 products and markets;



- 1 (6) The funding of agricultural inspector positions within
- 2 the department of agriculture;
- 3 (7) The promotion and marketing of agricultural products
- 4 grown or raised in the State;
- 5 (8) Water quality testing and improvement; and
- 6 (9) Any other activity intended to increase agricultural
- 7 production or processing that may lead to reduced
- 8 importation of food, fodder, or feed from outside the
- 9 State."

10 SECTION 4. There is appropriated out of the general  
 11 revenues of the State of Hawaii the sum of \$                    or so  
 12 much thereof as may be necessary for fiscal year 2013-2014 and  
 13 the same sum or so much thereof as may be necessary for fiscal  
 14 year 2014-2015 to be deposited in the agricultural development  
 15 and food security special fund to disburse to qualified  
 16 producers of milk, pork, eggs, poultry, beef, sheep, fish, or  
 17 crustaceans for the cost of feed for dairy cows or goats, hogs,  
 18 poultry, beef cattle, sheep, fish, or crustaceans and to provide  
 19 for the administrative costs of the livestock revitalization  
 20 program.

21 The sums appropriated shall be expended by the department  
 22 of agriculture for the purposes of this Act.



1 SECTION 5. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

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





**Report Title:**

Livestock Revitalization Program; Subsidy; Appropriation; Barrel Tax

**Description:**

Caps the livestock revitalization program grant per qualified producer per year at the lesser of a specified amount or a percentage of the cost of feed for production of poultry products, milk, or pigs and beef cattle raised and slaughtered in Hawaii for local consumption. Expands the livestock program to include subsidies for costs incurred in raising goats, sheep, fish, and crustaceans. Appropriates funds for the livestock revitalization program. Requires the livestock revitalization program to be funded through the agricultural development and food security special fund. Effective 07/01/2050. (SD2)

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