

NEIL ABERCROMBIE
Governor



RUSSELL S. KOKUBUN
Chairperson, Board of Agriculture

SCOTT E. ENRIGHT
Deputy to the Chairperson

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

BEFORE THE HOUSE COMMITTEE ON AGRICULTURE

**THURSDAY, MARCH 14, 2013
9:30 A.M.
ROOM 312**

**SENATE BILL NO 757 SD 2
RELATING TO AGRICULTURE**

Chairperson Wooley and Members of the Committee

Thank you for the opportunity to testify on Senate Bill No. 757 SD 2. The bill proposes to cap the livestock revitalization program to the lesser of a specified amount or percentage of the feed costs incurred for production of poultry products, milk or pigs and beef cattle raised and slaughtered in Hawaii for local consumption, which would only be a short term mitigation measure. The Department supports the intent of the measure to provide general funds to help as many bonafide livestock producers as possible.

It is true that the rising cost of feed has a significant impact on the production costs for our local protein producers. Currently only four egg farms and two major dairies remain. Additionally, our ranching community is also wrestling with the problems associated with drought and higher feed costs. 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. Hawaii's livestock industry must be supported to ensure protein production in the long term.



With legislative support in the 2012 session, the department has finalized the contract on a pilot feed mill project per Act 122, SLH 2012, which helps to 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 in the long term. In addition, please also consider providing incentives to those who will grow and develop traditional livestock feed.

Thank you for the opportunity to provide testimony on this measure.



THE HOUSE
THE TWENTY-SEVENTH LEGISLATURE
REGULAR SESSION OF 2013

COMMITTEE ON AGRICULTURE
Rep. Jessica Wooley, Chair
Rep. Richard H.K. Onishi, Vice Chair

DATE: Thursday, March 14, 2013
TIME: 9:30 a.m.
PLACE: Conference Room 312
State Capitol
415 South Beretania Street

RE: Testimony in strong support of SB 757 SD2 RELATING TO AGRICULTURE

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 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.

Chair Wooley, Vice Chair Onishi, and Members of the Committees:

The Hawaii Aquaculture and Aquaponics Association representing aquaculture and aquaponics producers and researchers statewide strongly supports SB 757 SD2.

A devastating drought has decimated the grain harvests in at least four Midwestern states this past year resulting in rapid increases in grain and livestock feed prices. Transportation costs are at an all-time high. Aquaculture and other livestock producers dependent on such imported feeds are experiencing significant feed price increases, and such increases are projected by the USDA Farm Service Agency to continue for the rest of 2013 until the next successful grain harvest. In the meantime, farmers and ranchers can expect to pay much higher than normal prices for imported feeds. In order for Hawaii's aquaculture and livestock producers to meet these essential but rapidly rising feed costs, a feed subsidy is badly needed.

As section 1 of this bill indicates: With financial support, the livestock industry (including aquaculture) will be able to continue to make investments in modern equipment, expand production, and develop new markets and products. This financial support will serve a public purpose by enabling the Hawaii livestock industry to stabilize its operations, thereby contributing to food security and increasing the competitiveness of the local livestock industry with mainland and foreign suppliers.

Thank you for your support of this important measure. Ron Weidenbach, HAAA President

onishi1-Jerry

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 13, 2013 2:12 PM
To: AGRtestimony
Cc: moh-fukushima@landolakes.com
Subject: *Submitted testimony for SB757 on Mar 14, 2013 09:30AM*

SB757

Submitted on: 3/13/2013

Testimony for AGR on Mar 14, 2013 09:30AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Myra Oh-Fukushima	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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onishi1-Jerry

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 13, 2013 3:14 PM
To: AGRtestimony
Cc: mfari@landolakes.com
Subject: *Submitted testimony for SB757 on Mar 14, 2013 09:30AM*

SB757

Submitted on: 3/13/2013

Testimony for AGR on Mar 14, 2013 09:30AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Marylo Farinas	Individual	Support	No

Comments:

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Email: communications@uluponoinitiative.com

HOUSE COMMITTEE ON AGRICULTURE
Thursday, March 14, 2013 — 9:30 a.m. — Room 312

Ulupono Initiative Supports SB 757 SD2, Relating to Agriculture

Chair Wooley, Vice Chair Onishi and Members of the Committee:

My name is Kyle Datta and I am General Partner of the Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally grown food, increase renewable energy, and reduce/recycle waste. Ulupono invests in projects that have the potential to create large-scale, innovative change.

Ulupono supports SB 757 SD2, which is designed to assist with the cost of skyrocketing livestock feed, that has been devastating for Hawai'i's livestock producers.

This measure would cap 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 Hawai'i for local consumption. It would expand the livestock program to include subsidies for costs incurred in raising goats, sheep, fish, and crustaceans. The measure appropriates funds for the livestock revitalization program and requires the livestock revitalization program to be funded through the agricultural development and food security special fund.

There are a number of projects locally to develop local feed sources from by-products from energy and/or bio-fuel, and to grow feed locally. These initiatives offer hope for producing feed from local sources, if the livestock industry is still around to benefit from them. Without subsidies in the short term, we are afraid we will continue to lose livestock farms, as we have seen in the dwindling homegrown chicken, egg and dairy industries in Hawai'i.

Ulupono supports this proposal to establish as another way to help our community grow more fresh, healthy local food. Ulupono sees that putting more local food on local plates can best be accomplished by bringing people and organizations together who can work on the entire food value chain in a systematic way. We believe that working together we can help produce more local food, support an economically strong homegrown agriculture industry, which strengthens our community. Thank you for this opportunity to testify.

Respectfully,
Kyle Datta
General Partner

onishi1-Jerry

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 13, 2013 3:13 PM
To: AGRtestimony
Cc: jmtorricermakiya@landolakes.com
Subject: *Submitted testimony for SB757 on Mar 14, 2013 09:30AM*

SB757

Submitted on: 3/13/2013

Testimony for AGR on Mar 14, 2013 09:30AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Jonelle Makiya	Individual	Support	No

Comments:

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onishi1-Jerry

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 13, 2013 12:06 PM
To: AGRtestimony
Cc: jscorbin@aol.com
Subject: Submitted testimony for SB757 on Mar 14, 2013 09:30AM

SB757

Submitted on: 3/13/2013

Testimony for AGR on Mar 14, 2013 09:30AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
John Corbin	Individual	Support	No

Comments: Addresses a current critical issue for terrestrial and aquatic livestock farmers.

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onishi1-Jerry

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 13, 2013 1:35 PM
To: AGRtestimony
Cc: alohajefferpeterson@gmail.com
Subject: *Submitted testimony for SB757 on Mar 14, 2013 09:30AM*

SB757

Submitted on: 3/13/2013

Testimony for AGR on Mar 14, 2013 09:30AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Jeffrey Peterson	Individual	Support	No

Comments:

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HOUSE COMMITTEE ON AGRICULTURE

MARCH 14, 2013 9:30 a.m. Room 312

SB 757 SD2 RELATING TO AGRICULTURE

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.

Testimony on SB 757

Halina M. Zaleski

I support SB 757 SD2 in general, but urge that the measure be amended to expand eligibility to swine farms of 20 or more sows.

The measure is important to address extremely high feed costs as a result of drought on the mainland.

In the Swine Task Force Report. In: Protecting the Livestock Industry in Hawai'i, Hawai'i Department of Agriculture, December, 2007, the swine industry recommended that:

“To ensure equitable assistance to both smaller and larger farms, government programs, such as the feed subsidy, should be based on a proportion of gross hog sales income. Most swine producers start small and expand gradually, so having a pool of viable small farms is important to the long-term sustainability of the industry.”

The report noted that:

“There is a high threshold for getting help, for example, the feed subsidy only applies to farms with over 50 sows. On the other hand, the threshold for regulations and for being deemed commercial is much lower. Programs need to take into consideration that swine farms in Hawaii are small family farms with limited land and limited cash resources. Local farms lack economies of scale.”

There are very few swine farms in Hawaii that have 50 or more sows, and there is only one farm that large on the neighbor islands. While swine farms on Oahu have access to abundant food waste that can be fed to pigs, there is a shortage of food waste on the neighbor islands, particularly on Hawaii and Molokai. The 50 sow eligibility threshold thus not only limits eligibility to a small number of the largest swine producers, but it strongly discriminates against swine production on the neighbor islands. A 20 sow eligibility threshold would be much more reasonable, and would provide more effective assistance to the swine industry. It is worth noting that almost all of the larger swine farms started out small, so encouragement for small swine farms is very important to the future of the industry.

onishi1-Jerry

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 12, 2013 9:02 PM
To: AGRtestimony
Cc: lumbette@hawaii.rr.com
Subject: Submitted testimony for SB757 on Mar 14, 2013 09:30AM

SB757

Submitted on: 3/12/2013

Testimony for AGR on Mar 14, 2013 09:30AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Fred Lum	Individual	Support	No

Comments: I support the bill.

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onishi1-Jerry

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 13, 2013 8:17 AM
To: AGRtestimony
Cc: heir@hawaii.rr.com
Subject: *Submitted testimony for SB757 on Mar 14, 2013 09:30AM*

SB757

Submitted on: 3/13/2013

Testimony for AGR on Mar 14, 2013 09:30AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
David Langdon	Individual	Support	No

Comments:

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onishi1-Jerry

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 13, 2013 4:23 AM
To: AGRtestimony
Cc: ctamaru@hawaii.edu
Subject: Submitted testimony for SB757 on Mar 14, 2013 09:30AM

SB757

Submitted on: 3/13/2013

Testimony for AGR on Mar 14, 2013 09:30AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Clyde Tamaru	Individual	Support	No

Comments: I support passage of SB757 as it would provide valuable assistance to livestock farmers that include aquaculturists. Feed is the the second highest production costs and 100% of aquaculture feeds is currently imported. For these reasons I support passage of the bill.

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onishi1-Jerry

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 12, 2013 8:30 PM
To: AGRtestimony
Cc: beruffino@yahoo.com
Subject: Submitted testimony for SB757 on Mar 14, 2013 09:30AM

SB757

Submitted on: 3/12/2013

Testimony for AGR on Mar 14, 2013 09:30AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Bianca Ruffino	Individual	Support	No

Comments: I am an aquaponics farmer aiming to bring local organic produce to the community at low cost. If the burden of high feed costs disipates I can lower product costs.

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Hawaii Cattlemen's Council, Inc.

P O Box 437199 Kamuela HI 96743
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HOUSE COMMITTEE ON AGRICULTURE

MARCH 14, 2013 9:30 a.m. Room 312

SB 757 SD2 RELATING TO AGRICULTURE

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.

Chair Wooley, Vice Chair Onishi and Members of the Committees:

My name is Alan Gottlieb, and I am a rancher and the Government Affairs Chairperson of 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 757 SD2.

The cost of livestock feed has been devastating for Hawaii's Livestock Producers. In addition to the 8 years on-going drought we have had in Hawaii, a devastating drought has decimated this year's grain harvests in at least four Midwestern states resulting in rapid increases in grain and livestock feed prices. Livestock producers dependent on such imported feeds are experiencing significant feed price increases and such increases are projected by the USDA Farm Service Agency to continue for the rest of 2013 until the next successful grain harvest. In the meantime, farmers and ranchers can expect to pay premium prices for imported grains and feeds. In order for Hawaii's livestock producers to meet these much higher-than-normal feed costs, a feed grant is needed.

There are a number of projects locally to develop local feed sources from by-products from energy and/or bio-fuel, and to grow feed locally. There is hope for the future with these local sources, IF the livestock industry is still around to benefit from them. Without subsidies in the short term, we are afraid we will continue to lose livestock farms, like we have seen in the Chicken, Egg and Dairy industries in Hawaii.

We appreciate this opportunity to provide testimony on this matter.