
A BILL FOR AN ACT

RELATING TO AGRICULTURE.

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

1 PART I

2 SECTION 1. The legislature finds that the Hawaii livestock
3 industry consistently identifies the cost of feed as the most
4 expensive component in operational costs. This concern is in
5 line with the national and global effort to reduce feed costs by
6 replacing high-cost ingredients with lower-cost alternatives.
7 Hawaii's situation is exacerbated by the lack of local feed
8 mills, which necessitates the importation of livestock feed.
9 Years of research and local workshops to encourage and support
10 the development of locally produced feed have not improved the
11 deficient feedstock situation in the State.

12 The legislature further finds that the department of
13 agriculture is committed to reducing the cost of production for
14 the State's livestock and aquaculture industries by reducing the
15 cost of feed. Hawaii has the potential ingredients for the
16 development and production of local feedstock. The department



1 of agriculture has initiated a feed development process to
2 identify, assess, and validate available local feed ingredients.

3 The purpose of this part is to:

4 (1) Establish and fund a grant program for qualified feed
5 developers;

6 (2) Appropriate funds to reimburse qualified producers of
7 certain products for their cost of feed;

8 (3) Appropriate funds to reimburse feed developers for the
9 costs of feed development; and

10 (4) Require and provide funding to the department of
11 agriculture to conduct a survey to identify, assess,
12 and validate locally sourced feed ingredients.

13 SECTION 2. Chapter 155D, Hawaii Revised Statutes, is
14 amended by adding a new section to be appropriately designated
15 and to read as follows:

16 "§155D- Grants; qualified feed developer. (a)

17 Applications for grants by qualified feed developers shall be
18 submitted on a form furnished by the department and shall be
19 filed with accompanying documentation of feed development costs;
20 provided that:



- 1 (1) The applicant shall comply with applicable federal and
2 state laws prohibiting discrimination against any
3 person on the basis of race, color, national origin,
4 religion, creed, sex, age, sexual orientation, or
5 disability;
- 6 (2) The applicant shall have applied for or received any
7 applicable licenses or permits;
- 8 (3) The applicant shall indemnify and hold harmless the
9 State and its officers, agents, and employees from all
10 claims arising out of or resulting from the feed sold;
- 11 (4) The grant shall not exceed a total of \$200,000 per
12 qualified feed developer per year; and
- 13 (5) The department may request an applicant to provide any
14 necessary information for the purposes of verifying
15 actual sales to qualified producers.
- 16 (b) Documentation of feed development costs, as requested
17 by the department, shall be filed for feed developed within the
18 immediately preceding fiscal quarter and shall be effective for
19 feed development costs incurred after June 30, 2015.
- 20 (c) The applicant shall submit a quarterly financial
21 statement of farm revenues and expenses along with other



1 supporting documents as deemed necessary by the department,
2 which shall be filed with the documentation of the feed
3 development costs. The applicant shall file an annual financial
4 statement with the department within ninety days following the
5 close of the business' fiscal year after June 28, 2015, for
6 final reconciliation of any reimbursement paid during the
7 previous three quarters within the fiscal year. The financial
8 statement shall be certified as accurate by the applicant and
9 the preparer of the financial statement on forms prepared by the
10 department.

11 (d) Funds shall be disbursed upon approval by the
12 department to the qualified feed developer for up to fifty per
13 cent of the cost of goods sold, as verified by a certified
14 public accountant.

15 (e) In no case shall costs be reimbursed to a qualified
16 feed developer when, after evaluation and verification by the
17 department, the department determines that the amount of
18 reimbursement will result in an annual profit of more than ten
19 per cent.



1 (f) The department shall aggregate the total grant
2 applications pursuant to this section and divide and distribute
3 the available grant funds on a pro rata basis."

4 SECTION 3. Section 155D-1, Hawaii Revised Statutes, is
5 amended by adding a new definition to be appropriately inserted
6 and to read as follows:

7 "Qualified feed developer" means any person that, at the
8 time of application for and disbursement of funds under this
9 chapter, is in the business of cultivating feed crops or
10 manufacturing feed for qualified producers."

11 SECTION 4. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$ or so much
13 thereof as may be necessary for fiscal year 2015-2016 and the
14 same sum or so much thereof as may be necessary for fiscal year
15 2016-2017 for the livestock revitalization program under chapter
16 155D, Hawaii Revised Statutes, that shall be allocated as
17 follows:

18 (1) \$ to reimburse qualified producers of milk,
19 pork, eggs, poultry, beef, sheep, lamb, goats, and
20 seafood, for the cost of feed for beef cattle, dairy



1 cows or milking goats, goats raised for meat, sheep,
2 hogs, fish, crustaceans, and poultry; and
3 (2) \$ to reimburse qualified feed developers for
4 the costs of development of feed for sale to qualified
5 producers; provided that from the sum appropriated,
6 the department of agriculture may expend up to \$15,000
7 to administer and operate the grant program for
8 qualified feed developers pursuant to section 155D- ,
9 Hawaii Revised Statutes, including support services
10 and general administrative overhead.

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

13 SECTION 5. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$ or so much
15 thereof as may be necessary for fiscal year 2015-2016 and the
16 same sum or so much thereof as may be necessary for fiscal year
17 2016-2017 for the department of agriculture to conduct a survey
18 to identify, assess, and validate locally sourced feed
19 ingredients that are available to qualified feed developers
20 under section 2 of this Act.



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

3 PART II

4 SECTION 6. The legislature finds that supporting local
5 agriculture is a strategic public investment that will build
6 community resilience and strengthen the productive base of the
7 economy. The current lack of young farmers and ranchers with
8 the experience, skills, and ambition to undertake the rigorous
9 and complex work of farming and ranching as a business poses a
10 significant hurdle to revitalizing local agriculture. To
11 address this problem, the legislature finds that rebuilding
12 existing programs that educate, support, and encourage youth to
13 pursue agriculture careers, is a timely and efficient means of
14 achieving community resilience and sustainability. The
15 legislature further finds that it is important to improve food
16 security and self-sufficiency in the State by encouraging the
17 development and implementation of a whole system approach to
18 agriculture in Hawaii. Accordingly, the purpose of this part is
19 to appropriate funds to the Future Farmers of America program.

20 SECTION 7. There is appropriated out of the general
21 revenues of the State of Hawaii the sum of \$ or so much

1 thereof as may be necessary for fiscal year 2015-2016 and the
2 same sum or so much thereof as may be necessary for fiscal year
3 2016-2017 for the implementation and operation of the Future
4 Farmers of America program to educate and support youth in
5 agriculture careers.

6 The sums appropriated shall be expended by the department
7 of education for the purposes of this Act.

8 PART III

9 SECTION 8. The appropriation made for the purposes
10 authorized under section 4 of this Act shall not lapse at the
11 end of the fiscal year for which the appropriation is made;
12 provided that any balance of any appropriation that is not
13 encumbered as of June 30, 2017, shall lapse as of that date.

14 SECTION 9. New statutory material is underscored.

15 SECTION 10. This Act shall take effect on July 1, 2030.



Report Title:

Qualified Feed Developer Grants; Livestock Revitalization Program; Local Feed Source Survey; Local Agriculture; Appropriations

Description:

Establishes within the Livestock Revitalization Program a grant program for qualified feed developers. Appropriates funds for the grant program, reimbursements to qualified producers for feed cost, and a survey of local feed ingredient sources. Appropriates funds for the Future Farmers of America program. (SB382 HD2)

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