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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. The legislature finds that Hawaii livestock  
2 industries consistently identify the cost of import feed as the  
3 most expensive input for their operations. Hawaii's need to  
4 subsidize import feed due to the lack of a local feed mill begs  
5 the question of whether Hawaii can sustain the livestock  
6 industry at such a scale. Even after years of local workshops  
7 and research, the local feed situation has not improved. The  
8 department of agriculture has identified potential feed  
9 ingredients that exist in Hawaii and has initiated a feed  
10 development process to identify, assess, and validate available  
11 local feed ingredients.

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

15           "§155D-       Grants; qualified feed developer. (a)  
16 Applications for grants submitted by qualified feed developers  
17 shall be submitted on a form furnished by the department and



1 shall be filed with accompanying documentation of feed  
2 development costs; provided that:

3 (1) The applicant shall comply with applicable federal and  
4 state laws prohibiting discrimination against any  
5 person on the basis of race, color, national origin,  
6 religion, creed, sex, age, sexual orientation, or  
7 disability;

8 (2) The applicant shall have applied for or received any  
9 applicable licenses or permits;

10 (3) The applicant shall indemnify and hold harmless the  
11 State and its officers, agents, and employees from all  
12 claims arising out of or resulting from the feed sold;  
13 and

14 (4) The grant shall not exceed a total of \$200,000 per  
15 qualified feed developer per year.

16 (b) Documentation of animal feed development costs, as  
17 requested by the department, shall be filed for feed developed  
18 within the immediately preceding fiscal quarter of filing and  
19 shall be effective for feed development costs incurred after  
20 June 30, 2015.



1       (c) The applicant shall submit a quarterly financial  
2 statement of farm revenues and expenses along with other  
3 supporting documents as deemed necessary by the department and  
4 filed with the documentation of the feed development costs. An  
5 annual financial statement shall be filed with the department  
6 within ninety days following the close of the business' fiscal  
7 year after June 28, 2015, for final reconciliation of any  
8 reimbursement paid during the previous three quarters within the  
9 fiscal year. The financial statements shall be certified as  
10 accurate by the applicant and the preparer of the financial  
11 statement on forms prepared by the department.

12       (d) Funds shall be disbursed upon approval by the  
13 department to the qualified feed developer for up to fifty per  
14 cent of the feed development costs incurred.

15       (e) Feed development costs shall not include the cost of  
16 transportation to or from Hawaii. In no case shall costs be  
17 reimbursed to a qualified feed developer when, after evaluation  
18 and verification by the department, the department determines  
19 that the amount of reimbursement will result in an annual profit  
20 of more than ten per cent.



1       (f) The department shall quarterly aggregate the total  
2 grant claims pursuant to this section and divide and disburse  
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."

10       SECTION 4. Section 155D-2, Hawaii Revised Statutes, is  
11 amended by amending subsection (a) to read as follows:

12       (a) Applications for grants by qualified producers shall  
13 be submitted on a form furnished by the department and shall be  
14 filed with accompanying documentation of animal feed costs;  
15 provided that:

16       (1) The applicant shall comply with applicable federal and  
17 state laws prohibiting discrimination against any  
18 person on the basis of race, color, national origin,  
19 religion, creed, sex, age, sexual orientation, or  
20 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) Thirty birds;
- 12          (B) Ten cows;
- 13          (C) Ten sows in any two months of the applicable
- 14          fiscal quarter;
- 15          (D) Twenty finished beef cattle annually;
- 16          (E) Twenty-five lactating milking goats;
- 17          (F) Thirty sheep, lambs, or goats raised for meat
- 18          annually; or
- 19          (G) Sales of five hundred pounds of fish or
- 20          crustaceans in the applicable fiscal quarter;
- 21          [and]



1        (5) The grant shall not exceed a total of \$200,000 per  
2        qualified feed producer per year; and

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

7        SECTION 5. There is appropriated out of the general  
8        revenues of the State of Hawaii the sum of \$                    or so  
9        much thereof as may be necessary for fiscal year 2015-2016 and  
10       the same sum or so much thereof as may be necessary for fiscal  
11       year 2016-2017 for the livestock revitalization program of the  
12       department of agriculture that shall be allocated as follows:

13       (1) \$                    to reimburse qualified producers of milk,  
14       pork, eggs, poultry, beef, sheep, lamb, goats, and  
15       seafood, for the cost of feed for beef cattle, dairy  
16       cows or milking goats, goats raised for meat, sheep,  
17       hogs, fish, crustaceans, and poultry; and

18       (2) \$                    to reimburse qualified feed developers for  
19       the costs of development of feed for sale.

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



1 SECTION 6. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$ or so  
3 much thereof as may be necessary for fiscal year 2015-2016 and  
4 the same sum or so much thereof as may be necessary for fiscal  
5 year 2016-2017 for the department of agriculture to identify,  
6 assess, and validate locally sourced feed ingredients.

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

9 SECTION 7. Statutory material to be repealed is bracketed  
10 and stricken. New statutory material is underscored.

11 SECTION 8. This Act shall take effect on July 1, 2015.



**Report Title:**

Qualified Feed Developer Grants; Livestock Revitalization Program; Appropriation

**Description:**

Establishes within the livestock revitalization program a grant program for qualified feed developers. Appropriates funds.  
(SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

